

#### Tier 2 – Enhancing a Tribal Response Program

# Module 7: Contracting

How to conduct the procurement of contractors with U.S. EPA grant funds in conformance with Federal Regulations and EPA policies

TribalTAB.org



#### **DISCLAIMER:**

- 1. This Module is intended to clarify the process of hiring a contractor to assist your TRP and/or conduct Site Specific work.
- 2. This does not count as formal Contracts Management Training\*.
- 3. This does not provide training on ALL of the federal regulations and policies governing use of Federal Grant funds for contracting\*.

\*Contact the US EPA for "Contracts Mgt. Training" and/or copies of all applicable federal regulations and policies governing use of federal grant funds to hire a contractor.



#### Federal Laws & Regs.

Doing things "by the book":

- Funding authorized under CERCLA Section 128(a) is awarded through a federal grant/cooperative agreement or a PPG (grant) with a Tribe/Native Village;
- OR a 104(k) Brownfield grant to a Native Tribe, Organization or Corp.
- ❖ All contracts for procurements of goods and services utilizing federal grant funds are subject to the requirements of 2 CFR Part 200, 2 CFR Part 1500, and 40 CFR Part 33—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.



## 2 CFR Part 200: 5 Methods of Procurement

- 1. Micro-purchases
- 2. Small purchases
- 3. Sealed bids
- 4. Competitive proposals\*
- 5. Sole source

\*This Training Module will focus on the competitive proposals process typically used for seeking a qualified contractor for site specific work such as assessments or cleanups.

#### Why Hire a Contractor?

It is often necessary to procure or "hire" a person or firm to perform tasks, services, or duties for the Tribe. These can include:

- Brownfield site work
- Drafting Tribal codes, laws, or policies
- Establishing and maintaining web sites
- Reviewing/compiling reports and data
- Conducting a risk assessment
- Legal assistance, etc.



#### **Brownfields Site Work**

It is often necessary to procure or "hire" a person or firm to perform certain Brownfield tasks, services or duties for the Tribe. These can include:

- Conducting ASTM Environmental Site Assessments
- Remediation or cleanup of contaminated sites

#### And related tasks such as:

- Historic preservation
- Lead or asbestos abatement
- Community involvement activities/meetings
- Visioning /design sessions & reuse planning



# How do I contract for TRP services? The Basic Steps:

First: Determine what services and/or tasks a contractor needs to perform

Also, determine what tasks/services can be performed "in-house" by the Tribe

Use the Contractor to "enhance" the TRP, make it a learning experience



## **The Contracting Process**

#### The process of hiring a person or contractor generally involves:

- Issuing a Request for Proposals (RFP) or a Request for Qualifications (RFQ)
  - RFQ is generally for seeking multiple contractors
- Selection of a contractor from the proposals
- Negotiating the contract terms and costs
- Performance of the work, services or tasks by the contractor
- Verification of work performed
- Final close out and payment of the contract



#### Specifically 40 CFR §31.36

#### These requirements include:

- Grantee will follow the same policies and procedures it uses for procurements from its non-Federal funds.
- Grantee will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.
- ❖ Grantee will use their own procurement procedures which reflect applicable Tribal laws and regulations, provided that the procurements conform to applicable federal law, the standards identified in this section, and if applicable, §31.38 of the Indian Self Determination Act.
- Grantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.



#### 40 CFR §31.36 (cont.)

#### These requirements include:

- Grantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.
- No employee, officer or agent of the grantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

Such a conflict would arise when the employee, officer or agent, any member of his immediate family, his or 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.



#### **Indian Self Determination Act**

40 CFR § 31.38 of the Indian Self Determination Act (ISDA) states that any contract, subcontract, or sub-grant awarded under an EPA grant by a Tribe or Intertribal Consortium shall require to the extent feasible:

- (a) Preferences and opportunities for training and employment in connection with the administration of such contracts or grants shall be given to Indians as defined in the Indian Self Determination Act (25 U.S.C.450b); and
- (b) Preference in the award of subcontracts and sub-grants in connection with the administration of such contracts or grants shall be given to Indian organizations and to Indian-owned economic enterprises as defined in section 3 of the Indian Financing Act of 1974 (88 Stat. 77) [25 U.S.C. 1452].



# Required Wording

When using 128(a) or 104(k) grant funds, in whole or part, for a Request for Proposal (RFP) or contract the U.S. EPA may also require and/or recommend that **specific wording and/or forms be included** in or attached to the RFP or contracts when using federal funds.

{Contact your Regional grant project manager for the latest requirements.}



#### **EPA Best Practices Guide**

EPA's Best Practices Guide for procurement under EPA Assistance agreements – very helpful!

https://www.epa.gov/grants/best-practice-guide-procuring-servicessupplies-and-equipment-under-epa-assistance



#### Federal "Crosscutter" Acts

#### Grantee must comply with all Federal Crosscutters in doing site work:

- National Historic Preservation Act
- Endangered Species Act,
- Davis Bacon (only applicable to 104k)
- And others (check with you EPA Brownfield Project Manager)



#### **Davis Bacon Act**

- Applies to EPA-funded brownfields cleanup activities and projects funded under EPA Brownfields Cleanup and Revolving Loan Fund (RLF) grants.
- For cleanup activities funded through EPA Brownfields Cleanup and Revolving Loan Fund grants, recent and applicable wage rates from the U.S. Department of Labor must be incorporated into construction, alteration, and repair (including painting and decorating) solicitation and contracts.
- Consult these resources for more information:
  - Davis Bacon Contract requirements Link: <u>Contract Provisions for Davis-Bacon</u> and Related Acts | <u>US EPA</u>
  - EPA Information on Davis Bacon Requirements: <u>Davis-Bacon and Related Acts</u>
     (DBRA) | US EPA



# What is a Qualified Environmental Professional (QEP?)

Should my contractor be a QEP?

The U.S. EPA established a standard for a Qualified Environmental Professional in 40 CFR Part 312.10 to ensure the quality of "All Appropriate Inquiries". The standard includes specific educational and experience requirements for an environmental professional. The definition applies to persons conducting All Appropriate Inquiries for the purposes outlined in 40 CFR Patt 320. You <u>can</u> require that the contractor project manager meet the requirements of a QEP as defined by the U.S. EPA and/or the state.



# What is a Qualified Environmental Professional (QEP?)

Who qualifies as an Environmental Professional?

The EPA standard defines an environmental professional as someone who possesses sufficient specific education, training, and experience necessary to exercise professional judgment to develop opinions and conclusions regarding conditions indicative of releases or threatened releases of hazardous substances on, at, in, or to a property, sufficient to meet the objectives and performance factors of 40 CFR Part 320. In addition, an environmental professional must have:

- A state or Tribal issued certification or license and three years of relevant full-time work experience; or
- A Baccalaureate degree or higher in science or engineering and five years of relevant fulltime work experience; or
- Ten years of relevant full-time work experience.



## **Specific State Requirements?**

- Determine any applicable State requirements, licensing or certifications that may be required for your work.
- ❖ Are there state QEP certifications or listings?



# **SOP for RFP & Contracting**

It may be helpful to develop a **Standard Operating Procedure** (SOP) for <u>your</u> contracting process to know in advance who needs to review, sign-off on and provide official Tribal Approval/Signature for the Request for Proposals (RFP) and the contract as well as final approvals of work, payment, etc.



## **Brownfields Contracting**

The Scope of Work for a contract funded by an US EPA CERCLA 128(a) or 104(k) Grant must be for Fundable Activities or Tasks.

Other Non-fundable Tasks must be funded separately or under another contract.



#### **Brownfields Contracting**

The Scope of Work (SOW) should be described in your Request for Proposal (RFP) and the final contract. That is what the contractor will base his proposal and bid upon as well as his tasks to be completed.

The contractor shall provide the expertise, staff and equipment to complete the SOW and/or they may hire sub-contractors to accomplish specific tasks.

The contractor is responsible for the sub-contractor compliance with all regulatory, contract and Tribal requirements.



#### Do's & Don'ts

Important do's and don'ts when working with contractors on U.S. EPA brownfield grant proposals are addressed at the end of this module.

# The Request for Proposal (RFP)

#### Prepare for the RFP

- Decide if you need a Request for Proposal (RFP) or a Request for Qualifications (RFQ). An RFP is to seek proposals/bids to select a contractor for the task. A RFQ is to seek to develop a list of qualified contractors for your tasks. Usually, an RFP is needed for site specific work.
- Estimate time-line from RFP to start of work. The process to complete contracting can take a while and you may need work to start by a certain date or season.
- Consult Tribal TAB, other Tribes, and the U.S. EPA on the Request for Proposal (RFP) format. Their experience will help you avoid problems.
- See the EPA Guidance: <u>BF Guidance on Competitively Procuring a Contractor 4-25-23-508compliant.pdf (epa.gov)</u>



## Composing the RFP

- Put as much detail as possible in your RFP and request specific unit costs or cost types.
  - You do not want to compare apples and oranges.
  - If you want a certain level of experience, including working with Tribes, say so in the RFP (such as a QEP).
- Avoid even the appearance of conflict of interest. (Be sure no one on your selection committee or the contract team has a conflict of interest.)
- Make sure your selection process is clear and fair. Selection criteria and their relative importance should be in the RFP.



#### **RFP Content**

A solicitation for proposals from contractors should include at a minimum:

- General information about the project or assignment
- Scope of Work statement
- Specific activities, tasks and/or deliverables that applicants must address in their proposal
- Due date for proposal submission
- The expected performance period (dates) or time frame(s)



#### RFP Content, continued

- Expected work products and format(s)
- What the proposal evaluation criteria will be and the relative weight of each criteria
- Contact person(s)
- Ability to visit site(s) or review past reports before making a bid
- Any recommended or required U.S. EPA language (when using U.S. EPA grant funds)



#### RFP Content, continued

- Consideration of seasons/climate issues or limitations
- Deconstruction vs Demolition and salvaging of useful materials
- Waste Management, permits (if required), and documentation in conformance with Tribal, State and Federal requirements and local limitations



#### **Notice of Availability**

The full detailed RFP can be lengthy and therefore expensive to publish in newspapers. Therefore, it is a common practice to publish a much shorter **Notice of Availability (NoA)** of the RFP. Interested applicants can then request a full copy of the RFP via mail, email, fax or in person.



#### **Notice of RFP or NOA**

The RFP or NoA should be published in appropriate sources such as newspapers of local or area circulation, web sites, trade journals, newsletters, etc. to include at least three regional daily newspapers.

(Examples of RFPs and NoAs for site assessment and remediation/cleanup can be obtained from the U.S. EPA or another Tribe.)



#### Notice of RFP or NoA: When?

The RFP or NoA should be published in the down time season, which is typically winter

- **Before** the contractors have committed to other projects; and
- ❖ When you are more likely to get the best **competitive bids**.



# Selection: Ranking Criteria

- Use your Ranking Criteria to evaluate the proposals
- Establish weighted contractor selection criteria that:
  - Fit the work/tasks
  - Includes a qualitative criteria
  - Favors experienced and qualified staff
  - Includes experience working with Tribes
  - Availability to the Tribe (travel limitations?)
  - Meets the needs of the Tribe
  - Is not overly biased for the low bidder



# Selection: Ranking Criteria

The ranking criteria may also be included in the RFP

#### **Example Ranking Criteria:**

- 15% The firm's reputation for personal and professional integrity, competence, and experience with similar sitework. (NOT specifically brownfields)
- 25% Professional and educational experience of key personnel to be assigned to the project. (QEP)
- 25% Ability of the firm to provide required services and to perform the required work within the project period.
- 25% Costs associated with the scope of work. (Final costs will be negotiated with the selected firm upon submittal of a detailed work plan.)
- 10% Any consideration that would be in the best interest of the Tribe.



#### Selection: Rank & Interview

- Ensure you know who will be on the ranking committee and that they will available when needed
- Typically, at least 3 people
- The results of the ranking are confidential
- Avoid Conflicts of Interest! (not sure? Ask!)



#### Selection: Rank & Interview

- Interview the top-rated applicants. Develop a list of questions and ask the same questions during each interview (Note: You can negotiate final fees and costs during final contract negotiations with the selected applicant.)
- Notify the selected contractor/QEP as soon as possible and set a schedule to meet and negotiate the contract.



# Negotiating the Contract

## Pre-contract planning

Work with your contracting office to develop your contract.

Be sure they understand that your EPA grant requires that certain federal requirements as well as technical standards and requirements be included.



## **Contract Wording**

Some Tribes/Corps have a general or model contract that is recommended, or in some cases is required, to be used by the Tribal/Tribal Corporation programs for procurement of services.

Typically, such standard contracts do not include the necessary requirements or flexibility for conducting environmental activities, especially assessments or remediation/cleanup of sites. The TRP may need to work with the Tribal contracting office and/or the Tribal legal staff to agree on contract language that is appropriate and acceptable to all parties.



## **Contract Wording**

The contractor may propose that the Tribe/Corp utilize the contractor's contract. You may take the contractor's preferred contract terms or language into consideration in the negotiation of a contract, but you are under **no obligation to use the contractor's contract.** 



### **Contract Requirements**

#### Include specifics on work products and performance standards.

- ❖ Be sure to clearly specify the number, final form and formats of reports and other documents.
- For assessments be sure all potential contaminants are in the Scope of Work. (i.e., asbestos, lead, PCBs, etc.)
- For remediation/cleanups you may need to specify performance or cleanup standards to be met.



## **Contract Requirements**

Establish conditions for interim and/or final payment(s). It may be appropriate to reserve a percentage of the total contract fee to be paid upon final review, verification and approval of the contractor work products or accomplishment of remediation/cleanup goals.



#### How to halt work?

- Discuss "stop work" issues and make sure the contractor understands the process and has all local contact information such as WHO has the authority to order "Stop Work".
- Also make sure your contractor knows that any subcontractors are subject to the same contract and Tribal/federal requirements as the prime contractor.



#### **Contract Termination**

Be sure that the contract has provisions for early termination of the contract, including termination for cause, such as inadequate performance. Consult your attorney and/or contracting office for guidance on this.



## Site Specific Work Contract Outline

#### **The Typical Site Work Contract has:**

- Title: Agreement for (type of work to be performed)
- Agreement between Tribe & contractor
- List primary & alternate contacts and information
- Specific site(s) to be addressed: list & briefly describe and provide location
- Type of services to be provided: brief description and attach a Scope of Work
- Services start & stop: planned completion date and attach a Schedule of Work
- Agreed upon fee(s): list maximum cost and attach a Schedule of Fees for Services
- Termination conditions (Tribe & Contractor)
- Insurance & Liability requirements



## Site Specific Work Contract Outline

- Tribal requirements (TERO, permits, fees, etc.)
- List of U.S. EPA, State and Tribal Laws, standards, regulations, codes, guidelines and policies that must be complied with
- Sub-contractor requirements
- Management of data (Data Management Plan)
- Progress reporting requirements
- Potential for additional work or tasks
- Procedures for dealing with delays or problems
- Health and Safety Plan (local!)
- Signatures

\*NOTE: This outline is for basic guidance and is not inclusive of everything that may or should be included in a contract for site specific work. This outline is not meant to serve as legal advice.



#### Reminder!

The Scope of Work for a contract funded by an U.S. EPA CERCLA 128(a) or 104(k) Grant must be for Fundable Activities or Tasks.

Other Non-fundable Tasks must be funded separately or under another contract.



## Contract Implementation

Have a kick-off meeting with your contractor, environmental director and project team.

Make sure the overall goals of the project, schedule (especially critical deadlines), tasks, form and format of final products/deliverables, and roles and responsibilities are clear and understood.

{Note: understand the cost of meetings with the contractor}



- The Tribal/Corp project manager (or ??) is responsible for keeping the project and the contractor on track.
- Contractors need your input to do a good job!
- The Contractor is working for the Tribe!



## Require your contractor to keep you informed on a regular basis about progress.

Progress reports should be provided to you on a quarterly basis or <u>more often as appropriate</u>. These reports should include, at a minimum, the work performed, any obstacles encountered to completing the work on-schedule, plans for the coming period, costs incurred and budget remaining.



**Get adequate documentation of costs**: (names, hours and costs for staff time, detailed expense itemization for supplies, travel, subcontracts, and other items).

Read the billing statements!! Do not be bashful about asking about charges you do not understand!



Process your contractor's requests for reimbursement **promptly**. If there are problems with their request, let the contractor know and try to get the problems resolved.

**Keep track of progress and budget.** Maintain regular contact with the contractor, respond to calls promptly, review draft and final reports, and make sure any Tribal and/or EPA project officer reviews and approvals are sought and obtained as necessary.

{EPA may also need to receive a copy of reports or other documents completed under the contract and may review and comment on draft reports.}



**Conduct frequent field oversight.** Have a designated staff person in the field often to observe (and learn from) the contractor. Ask lots of questions, take lots of notes and take LOTS of pictures.



Don't let problems get out of hand. If you find that contract provisions are not being met, the schedule is falling behind without explanation, un-anticipated problems are being encountered or the project looks like it is going overbudget, arrange a meeting or call with your contractor and/or project manager to discuss issues and seek a resolution.



**Document.** Document all meetings, correspondence and discussions with your contractor and other involved parties. Document information and pictures from field oversight. (This may be valuable information later if problems or differences arise or you want to tell the story of the project.)

**Review and verify.** Review all final work products to ensure they meet your needs and requirements and are signed/certified, if required, by the appropriate and qualified party.

NOTE: **KSU TAB's BiT** can be used to record reports, data, pictures and notes, etc.



#### This is Business!

Remember: This is a business relationship, and you are contracting for professional services and results!



#### DOs & DON'Ts

Important do's and don'ts when working with contractors on EPA brownfield grant proposals.

(from U.S. EPA Brownfield Grants "FAQs")

#### What are the "Rules of the Road"?

Consider the following in use of contractors for writing EPA Brownfield Grant Proposals and/or Grant 128(a) and 104(k) Grants



#### When to Hire a Consultant?

Are applicants required to procure a consultant before submitting a grant application?

**No.** Applicants are not required to procure a consultant before submitting a grant application.

Consultants, regardless of when they are procured, must be selected in compliance with the fair and open competition requirements in 2 CFR Part 200 and 2 CFR Part 1500.



## Free Grant Application Preparation?

What should I do when a consultant has offered to prepare our application for a Brownfields Grant without charging a fee?

You need to be careful **not to provide that consultant with an unfair competitive advantage** when selecting a Qualified Environmental Professional (QEP) or other contractor to perform work under a Brownfields Grant.

Unfair competitive advantage is when the terms of the consultant's offer require the applicant/recipient to hire the consultant on a sole source basis if the application is successful. Such a practice unfairly restricts competition for services that are widely available in the marketplace. You must procure contractual services through fair and open competition when the amount of the contract exceeds the micropurchase threshold (\$10,000 for most recipients).



## Can I use the Same Contractor for Grant Application and Grant Implementation?

Yes. EPA does not prohibit consultants who prepare grant applications from competing for contracts that will be funded under the grant if the competition is conducted fairly and openly. However:

- The contractor may not assist with drafting specifications, requirements, statements of work, or invitations for bids or requests for proposals (RFPs) and be allowed to compete for the services or products that will be procured as indicated in 2 CFR § 200.319(b).
- The grantee must not, for example, draft narrow specifications intended to ensure that the contractor involved with preparing the grant application will have an unfair competitive advantage for the procurement.



### Required to hire the consultant?

Can the terms of the contract for grant application preparation services <u>require</u> us to hire the consultant to provide environmental services necessary to perform the grant if EPA selects the application for funding or pay the consultant an application preparation fee if we hire a different consultant?

**No.** EPA may consider this practice to be a violation of the procurement requirements in the rant regulations because it may provide the consultant who prepared the application an unfair competitive advantage.



## Can I issue an RFP for Grant Writing & Grant Implementation?

Can a grantee issue a competitive solicitation to procure a qualified environmental professional for grant writing services <u>as well as</u> to implement the grant, <u>if selected for funding</u>?

**Yes**, if the entity complies with the competitive procurement requirements in 2 CFR § 200.319, 2 CFR § 200.320, 2 CFR § 1500.10, and 40 CFR Part 33.



## Consultant help with Writing the RFP?

Can a consultant help with preparing the request (RFP) and then submit a bid in response to the request?

**No.** A consultant (or any other type of contractor) shall not draft the RFP or specifications, requirements, statements of work, or invitations for bids or requests for proposals and then compete for the services or products that will be procured. This practice violates 2 CFR §200.319(b) and may result in EPA disallowing any costs for the tainted contract that are charged to the Brownfields Grant.



## Get a Sample RFP from a Contractor?

Can I receive sample Requests for Proposals (RFPs)/Requests for Quotes(RFQs) or other forms of assistance in developing RFPs/RFQs from potential contractors that will then be allowed to bid on the procurement that will be made under the RFP?

**No.** If you seek any assistance from a contractor, including obtaining sample RFPs/RFQs, that contractor is not allowed to submit a bid or proposal in response to your RFP/RFQ. If the contractor submits a proposal, you must reject the proposal. Accepting the proposal will be in violation of 2 CFR § 200.319. You may, however, seek assistance from a contractor that will <u>not</u> submit a proposal in response to your RFP/RFQ

**NOTE: Tribal TAB can assist you with RFPs** 



# Is my RFP process federally compliant if I only receive one bid?

Possibly, but additional inquiries by EPA are possible.

Per the grant regulations at 2 CFR § 200.325(b)(2), when only one bid is received in response to an RFP/RFQ, you must make the procurement documents available to EPA if requested.



### TRP Contracting Experiences

As Tribes have begun to implement contracting of services for accomplishment of TRP and brownfield actions and tasks they have often needed to improve and/or develop new Tribal contracting processes to include:

- Developed improved or new model Tribal contracts specifically suited for TRP work and tasks
- Developed proposal review and selection process
- Know how to amend or expand contract tasks or costs
- Know how to terminate contractor services for failure to perform
- Used contractors as a learning tool to improve program capacity
- Build upon experiences for the next project-grant (lessons learned)



#### **Lessons Learned**

- Include ability to adjust tasks, add tasks and/or adjust costs in contract.
- Have ability to address contingencies or new discoveries.
- Work with an attorney in advance to address ability to terminate contractor for cause.
- Consult references and other Tribes that have utilized the contractor.
- Conduct field oversight of contractor (often).



#### **Lessons Learned**

- Utilize the contractor to provide training and increase knowledge of staff.
- Ensure contract includes specific requirements for providing copies of all necessary reports and documents in appropriate quantity and format(s) (hard copy, bound, digital format, etc.).
- Start RFP and selection process <u>early enough</u> to make contractor selection and establish a start date before contractors are fully committed for other work, especially if the work is seasonal.



### **Issues and Challenges**

- Waste management!
- Historic structures
- Unexpected site conditions and/or contaminants
- Public/community Issues



## Oversight & Monitoring

- Read the bills/statements!
- Stop Work procedures
- Documentation (pictures & notes)
- Great learning experience!



## **EPA Contaminated Site Cleanup Information**

EPA's Contaminated Site Clean-Up Information (CLU-IN) provides

information and webinars related to assessments and cleanups -

https://clu-in.org/



### 128(a) Guidance

**Consult the latest U.S. EPA Guidance:** U.S. EPA Office of Brownfields Land Revitalization issues an annual 128(a) funding guidance each Fall\*:

"Funding Guidance for State & Tribal Response Programs, Fiscal Year 20xx"

NOTE: This guidance is supplemented by the EPA Regions

\*See Funding Guidance Link: <u>State and Tribal Response Program | US EPA</u>



#### We Would Like to Hear From You

Questions about this Module or need other brownfields assistance?

Contact the Tribal TAB team at Tribal-TAB@ksu.edu





Scan this QR image to provide feedback on this TRP Module



