

#### **04 NCAC 19L .0908      PROCUREMENT STANDARDS**

(a) Local governments shall follow the procurement standards established in the Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments (24 C.F.R., Part 85) and HUD implementing regulations contained in 24 CFR 570.489(g), which explicitly prohibit cost plus a percentage of cost and percentage of construction cost methods of contracting. This Subchapter incorporates by reference the federal law and regulations described in 24 CFR, Part 85, 24 CFR 570.489(g), and 24 CFR 570.489(h), including subsequent amendments and editions. Copies of these sections of federal law and regulation are available for public inspection from the Division of Community Assistance. Single copies are available from this Division in Raleigh, North Carolina, for one dollar (\$1.00) each.

(b) Recipients may incur costs with written approval of the Division for the procurement of supplies, equipment, construction and services before the Grant Agreement between the recipient and the Division has been executed. In the case of program amendments, recipients may not incur costs for the procurement of supplies, equipment, construction and services that are the subject of the program amendment until the program amendment has been approved in writing by the Division. Recipients that incur costs prior to execution of the grant agreement must ensure that the activities are eligible and meet requirements of 24 CFR Part 58, Environmental Review.

(c) Recipients must also comply with the North Carolina General Statutes applicable to the procurement of supplies, equipment, construction and services. Relevant state laws include:

- (1) Conflict of Interest, G.S. 14-234 (cities and counties);
- (2) Public Building Contracts, G.S. 143-128 through 135 (cities and counties); and
- (3) Model payment and performance bond, G.S. 44A-25 through 33 (cities and Counties).

(d) Additional rules governing property acquisition are found in this Subchapter under Rule .1003 ACQUISITION AND RELOCATION; Rule .0907 PROPERTY MANAGEMENT STANDARDS; Rule .1001 EQUAL OPPORTUNITY; and Rule .1006 LABOR STANDARDS.

(e) The requirements of the Office of Management and Budget Circular No. A-87, Cost Principles for State and Local Governments, shall apply to the procurement of materials and services funded in whole or in part with CDBG funds.

*History Note: Authority G.S. 14-234; 143-128 through 143-135; 143B-431; 153A-158; 153A-163 through 153A-165; 159-15; 42 U.S.C.A. 5304(b)(4); 24 C.F.R. 570.489; Eff. July 1, 1982; Amended Eff. June 1, 1993; September 1, 1990; April 1, 1989; March 1, 1984; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. March 6, 2018.*