

Top 10 Procurement Mistakes Leading to Audits and Potential Loss of FEMA

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1. Engaging in a noncompetitive procurement (i.e., sole-sourcing) without carefully documenting how the situation has created an urgent need to perform the work sooner than a competitive procurement process would allow.
2. Continuing work under a sole-source contract after the urgent need (see #1) has ended, instead of transitioning to a competitively procured contract.
3. Piggybacking onto another jurisdiction's contract in a situation that doesn't allow noncompetitive procurement (see #1) or where the other contract is materially different in terms of scope or requirements. Piggybacking is rarely allowable.
4. Awarding a "time-and-material" contract without a ceiling price that the contractor exceeds at its own risk and documenting why no other contract type is suitable.
5. Awarding a "cost-plus-percentage-of-cost" or "percentage-of-construction-cost" contract.
6. Not including the required contract clauses (available online at the below website under "PDAT Resources" menu).
7. Including a geographic preference in a solicitation (i.e., giving an advantage to or limiting competition of an award to local firms).
8. Not making and documenting efforts to solicit small businesses, minority businesses and woman's business enterprises.
9. Conducting a procurement exceeding \$150,000 without conducting a detailed cost or price analysis.
10. Not carefully documenting all steps of a procurement to create a record if questions arise potentially years later.

For further information on FEMA grant procurement requirements, including contract review checklists, detailed guidance on the above topics, and online webinar training classes, please visit <https://www.fema.gov/procurement-disaster-assistance-team>.



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To read a detailed checklist for reviewing procurements under grants by non-federal entities (states, local and tribal governments, institutions of higher education, hospitals, and private non-profit organizations, please visit <https://www.fema.gov/media-library-data/1479225376216-2bdb7d3ba1a512495...>

Maryville, Mo., 6-20-2007 -- North Western Missouri County officials attend a Public Assistance

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