

CHAPTER 4. AWARD

- 4-1. OBJECTIVE. To identify processing requirements for award of discretionary grants and cooperative agreements by the Office of Procurement and Contracts (OPC) in Headquarters and Regional Contracting Officers (RCOs) in the Field.
- 4-2. PLANNING AND COORDINATION. Program officials shall alert Grant Officers to anticipated grant and cooperative agreement awards in a timely manner. At Headquarters, all assistance requirements over \$25,000 must be included in the Advance Procurement Plan prepared annually by each Primary Organization Head. (See HUD Handbook 2210.3, "Procurement Policies and Procedures," Chapter 4). For Regional Offices, information may be provided through planning documents or meetings either on a regularly scheduled basis or as opportunities develop. Grant Officers are responsible for alerting program officials to workload or other constraints that may impact the schedule for any anticipated award.
- 4-3. REQUEST FOR ASSISTANCE SERVICES.
- a. Program offices shall prepare a Form HUD-719, *Request for Assistance Services*, in the appropriate detail for a grant or cooperative agreement to be awarded and administered by Grant Officers. The HUD-719 shall be signed by the initiating Assistant Secretary or designee and shall constitute a delegation of authority to the Grant Officer for award and administration in accordance with the requirements of Chapters 4 and 5 of this handbook.
- b. Project Description.
- (1) General. There are various methods for informing potential recipients about the nature of the work efforts under an award. The method chosen will depend upon the nature of the program, governing statutes, program guidelines, eligibility restrictions, the level of competition anticipated and the degree of flexibility afforded to the applicant in designing the project. The following project description designs are presented as a continuum, from the most general to the most specific.

- (2) **Program Narrative** is an explanation of the program. It can be as simple as an overview of the program legislation and/or regulations or very comprehensive. In the latter case, the program officials may want to provide detailed information on the program's background and purpose; provide definitions of pertinent terminology; and, list eligibility criteria for both projects and applicants.

This type of project description leaves the selection and design of the project to the applicant. Usually, the applicant will be required to draft a project narrative which will serve as the scope of work for the award.

- (3) **Problem Statement** is an explanation of the specific problem which the Government is requesting the applicant to address. In this instance, the project to be undertaken is defined by the Government (to solve the particular problem) and both the design of the project and methodology to be employed are left to the applicant.

Normally, a description of the problem's background, a statement of the project's objectives and a list of expected outcomes are included in the Government's request for applications. The applicant's response will detail the tasks to be undertaken to achieve the objectives and produce the expected outcomes and will serve as the scope of work for the award.

- (4) **Statement of Work** is the least flexible of the three project description designs provided herein. In this instance, both the project to be undertaken and specific tasks of work to be followed are defined by the Government.

The Statement of Work should contain a background section, a statement of objectives and a series of tasks that the recipient must follow in completing the work effort. The work tasks should be listed in order of substantive relationship or serially in order of chronological completion dates. The interrelationships of each task should be clearly stated and each milestone, event, or work

product that signifies task completion should be clearly defined. Applicants are free to suggest alternative tasks as a means of accomplishing the objectives of the Statement of Work. The final Statement of Work will be the subject of negotiations between the successful applicant and the Government. Both parties should be careful to include any changes negotiated in the award. This will help to reduce ambiguities and the possibility of a dispute over the scope of the project during its progress.

- c. Justification for Restricted Eligibility. The determination to restrict eligibility for a particular application kit must be supported by a written justification approved by the responsible HAA. Any of the following factors may restrict eligibility to one applicant. They may be used individually or in any combination to justify a restricted application kit or the funding of an unsolicited proposal:
- (1) The applicant is uniquely qualified to perform the work described in the project scope;
  - (2) The applicant has submitted an unsolicited proposal which offers a significant opportunity because its acceptance would leverage substantial funding (equal to or greater than HUD's share of the total cost) from other sources;
  - (3) The applicant has submitted an unsolicited proposal which offers a unique idea or concept and it is not feasible to pursue the project competitively without disclosing the applicant's proprietary ideas;
  - (4) The applicant's organizational and professional affiliations would significantly enhance the likelihood of success for the sponsored project by virtue of the organization's credibility or existing communication networks;
  - (5) The project to be sponsored would logically build upon the applicant's predominant expertise and previous work in the same area;

- (6) The proposed project has received the direct approval of the Secretary in accordance with program regulations; and/or
- (7) A statute or court order directs award to a single source or specific sources.

4-4. REVIEW OF REQUEST FOR ASSISTANCE SERVICES.

- a. The Grant Officer shall review the Request for Assistance Services package promptly. Any deficiencies or omissions shall be referred immediately to the initiating office. Minor problems should not preclude processing pending receipt of additional information. If defects are major, the Grant Officer shall suspend processing pending receipt of required information and/or return the Request for Assistance Services.
- b. In reviewing the Request for Assistance Services, the Grant Officer shall assure that:
  - (1) The award will be based on responses received to an application kit or an unsolicited proposal;
  - (2) Any restriction of eligibility, (whether to a class of applicants or a single applicant) not provided in applicable statute or program regulation, is justified in a written determination approved by the HAA;
  - (3) The proposed instrument type conforms to the requirements stated in paragraph 2-4; and,
  - (4) The evaluation criteria and any program policy factors are stated clearly and are not unduly restrictive.

4-5. NOTICES OF FUNDING AVAILABILITY AND APPLICATION KITS.

- a. Public Notice. In accordance with paragraph 2-7a, a NOFA shall be published in the Federal Register. Additional announcements may be made in other publications and media as necessary. Where applicable, E.O. 12372 (Inter-governmental Review of Federal Programs)

requirements should be included. The Commerce Business Daily may also be used for publicizing requirements -- generally when applications from commercial organizations are expected or substantial subcontracting opportunities are anticipated.

- b. Preparation and Review. An application kit shall be prepared in accordance with the content requirements of paragraph 2-7d. The application kit shall be reviewed and approved prior to issuance by the Grant Officer, GTR, and ARP, if established. An application kit must provide applicants at least thirty (30) days to prepare their applications.
- c. Issuance. Application kits shall be provided to:
  - (1) All potential applicants identified directly by HUD through source or mailing lists; and,
  - (2) Any party requesting an application kit, whether or not a potential applicant.
- d. Inquiries. In responding to inquiries, Grant Officers shall assure no potential applicant is afforded a competitive advantage over any other potential applicant, in accordance with the provisions of paragraph 2-18.
- e. Amendment. An application kit may be amended at any time prior to the application deadline provided:
  - (1) A reasonable amount of time is provided applicants to respond to the amendment. This may require an extension of the application deadline; and,
  - (2) The amendment is either publicized in the same manner as the application kit or provided by direct notice to all potential applicants.

#### 4-6. APPLICATION RECEIPT.

- a. The Grant Officer shall receive all solicited applications. The receipt of applications shall be recorded on a log containing at least the following:

- (1) Application Kit number;
  - (2) Name and city/state of applicant;
  - (3) Date and time of receipt; and
  - (4) Application number, if applicable.
- b. The Grant Officer shall ensure that the application kit provides for the application deadline as stated in paragraph 2-8b and 3-8.
- c. Late applications and late amendments shall be rejected and the applicant notified immediately by letter from the Grant Officer. A late application shall be retained with the other unsuccessful applications unless it is for a program involving recurring application deadlines. See paragraph 2-8d. A file record shall be maintained of:
- (1) The application envelope or wrapper (a copy is acceptable);
  - (2) The date of mailing or delivery; and,
  - (3) The date and time of receipt.

4-7. APPLICATION REVIEW.

- a. Preliminary review. A preliminary review shall be conducted by the ARP or designated official(s) of each application before a detailed evaluation is conducted to assure that the application is complete and the applicant and/or project is eligible. In no case shall any official obtain additional information prior to preliminary review and initial evaluation. Information necessary to cure technical deficiencies shall be requested by the Grant Officer, in writing, allowing the applicant 14 calendar days to correct the deficiency. Correctable deficiencies must be minor in nature, i.e., not affect the technical substance of the application. (See paragraph 3-9).
- b. Rejection. The Grant Officer may reject an application which does not include all information and documentation required by the application kit if the nature of the omission precludes review. The Grant Officer

shall reject an application from an applicant or project which is ineligible for award based on the eligibility criteria stated in the application kit. In those cases where the ARP conducts the preliminary review for eligibility, the ARP shall notify the Grant Officer immediately of those ineligible applicants. The applicant shall be informed promptly by the Grant Officer of the rejection of the application and the reasons for the rejection.

4-8. EVALUATION OF SOLICITED APPLICATIONS.

- a. Complete and eligible applications shall be evaluated in accordance with the evaluation criteria stated in the application kit by the ARP. The ARP is appointed by the selection official.
- b. Generally, the ARP shall consist of at least three voting members; however, the ARP may consist of as few as one member (i.e., if the evaluation of applications is not complex or few applications are anticipated). All voting members shall be Government employees. Non-voting advisors may be appointed to the panel. Non-voting advisors may be other than Government employees.
- c. All participants in the evaluation of applications shall be subject to the requirements of paragraph 2-10b.
- d. The Grant Officer shall assure that the criteria used in evaluating applications are those included in the NOFA and application kit. This responsibility includes assuring that no new criteria are added by the ARP, and that published criteria such as program policy factors or evaluation criteria are not changed after the deadline date.
- e. Each application shall be read and scored independently. The score shall be supported by a narrative justification for each evaluation criterion. The ARP shall convene and determine the following:
  - (1) The score and ranking of each application;
  - (2) Whether each application is acceptable for funding, with or without revision; and,

- (3) Given available funding, those applications recommended for selection or those applications to consider further for selection.
- f. The ARP's determination shall be stated in a written evaluation report to the selection official. The ARP's report shall justify their recommendations, and be signed by all ARP members.
- g. The selection official shall review the ARP's report and either make final selection or select those applicants with which discussions will be held prior to final selection. Selection shall be based on the ARP's evaluation, published program policy factors, if any, and comments, if any, under E.O. 12372. The selection official's decision may differ from the ARP's recommendation provided justification is stated in a written selection statement.
- h. Should the selection official decide discussions are necessary prior to final selection, the Grant Officer shall conduct discussions with the participation of the ARP. Discussions may be held in person, by telephone, or in writing. Each applicant shall be given an opportunity to revise its application by a common date and time. Upon receipt of revised applications, the Grant Officer shall forward them to the ARP and the process stated in subparagraph e, f, g, and h of this section shall be repeated until a final selection is made.
- i. Upon receipt of the selection official's final selection statement and subsequent announcement of selected applicants, the Grant Officer shall enter into negotiations with those selected applicants, as necessary.

**4-9. PREPARATION FOR NEGOTIATIONS.**

- a. The purpose of negotiations is to establish mutual agreement between HUD and the prospective recipient as to the terms and conditions of award. Items that may require negotiations are:
  - (1) Instrument type;
  - (2) Funding arrangement;
  - (3) Funding amount;

- (4) Cost sharing;
  - (5) Budget items and amounts;
  - (6) Project description;
  - (7) Project period;
  - (8) Extent of HUD involvement;
  - (9) Payment method;
  - (10) Use of program income;
  - (11) Property acquisition and disposition;
  - (12) Extent of contracting;
  - (13) Key personnel;
  - (14) Use of consultants;
  - (15) Reporting requirements; and,
  - (16) Other terms and conditions.
- b. The actual items to be negotiated for any individual award will depend on the enabling statute, program regulations, NOFA, application kit, application, and selection conditions. For some awards, some items may not be negotiable due to fixed requirements. In other cases, discretion may be available concerning the negotiation of individual items. The Grant Officer is responsible for coordinating as necessary with program, legal, audit, financial, and other staff in preparation for negotiation.
- c. The Grant Officer is responsible for assuring that some form of cost or price analysis is performed for each award in accordance with paragraph 2-12. Whenever feasible, the analysis should include qualitative technical evaluations by program officials. Such technical evaluations shall

consider the amount, type, and mix of direct labor and consultant effort; the extent and duration of travel; the type and quantity of materials, property, or other direct cost items; and the amount and type of subcontracted effort.

- d. When adequate cost or pricing data is not available from other sources, the Grant Officer shall request the Office of Inspector General (OIG) to perform a pre-award audit for fixed amount awards in excess of \$250,000 and cost-reimbursement awards in excess of \$500,000. At the discretion of the Grant Officer, the OIG may be requested to perform a pre-award audit of any award.
- e. Prior to negotiations, the Grant Officer shall review the applicant's responsibility to comply with award requirements in accordance with paragraph 2-15. This includes requesting the Office of Inspector General to check previous participation information for the proposed recipient(s). Should the review raise doubts as to the applicant's responsibility, he/she shall resolve the issues through negotiations or deny the award. Special restrictive conditions of award may be used in accordance with paragraph 2-15f.

4-10. NEGOTIATION.

- a. The Grant Officer shall enter into negotiations as necessary with the authorized representatives of the applicant. He/she shall be assisted as necessary by HUD program, legal, financial, or other staff.
- b. Selection for negotiations is not a commitment that an award will be made. Should the parties be unable to reach mutual agreement concerning the terms and conditions of award, the Grant Officer shall terminate the negotiations.
- c. A file memorandum shall be prepared and signed by the Grant Officer to summarize the negotiations. The memorandum shall state participants, dates, positions, agreements, and differences. The memorandum shall demonstrate how each budget line item or total cost/price was determined to be allowable and reasonable. It shall also describe how audit findings, if any, were resolved.

4-11. AWARD.

- a. After successful completion of negotiations, the Grant Officer shall prepare the award document. The award cover page shall be Form HUD-1044, *Assistance Award/Amendment*. Attached to the cover page shall be the items stated in paragraph 2-16a.
- b. Three original copies of the award shall be signed in accordance with paragraph 2-16b. One original copy each of the award shall be provided to the recipient, the official file, and either the Office of Finance and Accounting or Regional Accounting Division.
- c. The Grant Officer's signature on an award or amendment constitutes a certification as to compliance with all applicable requirements for award or amendment.
- d. The Grant Officer shall comply with the applicable notification requirements of paragraph 2-17. Any debriefings of unsuccessful applicants shall be noted, in writing, in the official file.



**Instructions for Completing Form HUD-719**

In accordance with HUD Handbook 2210.17, Discretionary Grant and Cooperative Agreement Policies and Procedures, all forms must be submitted by the initiating Assistant Secretary or designee, regardless of funding source.

If no instructions are given, block is self explanatory.

1. **Project Title/Project Control No.:** Provide the subject of the requested services. If the initiating office uses internal control numbers, insert in this block.
  8. **Action Included In the Current Fiscal Year Procurement Plan:** Indicate if the proposed action was included in the Advance Procurement Plan. If so, provide the OPC control number. (The number may be obtained from the initiating office's procurement plan monitor.) If not, indicate which planned action is displaced, if any, and/or any other changes in the Advance Procurement Plan.
  9. **Concurrences/Approvals:** If the initiating office requires/desires concurrences or approvals from individuals in addition to the Assistant Secretary or designee, insert in blocks a or b; otherwise leave blank. All initiating offices must complete block c.
- Attachments:** Complete and attach the appropriate part of form HUD-719-A or -B, depending on the type of action.

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# Checklist for New Grant/ Cooperative Agreement

U.S. Department of Housing  
and Urban Development  
Office of Administration

2210.17 REV 2  
Exhibit 4-1



1. Recommended Instrument		2. Level of Competition	
<input type="checkbox"/> Grant	<input type="checkbox"/> Cooperative Agreement	<input type="checkbox"/> Single award non-competitive	<input type="checkbox"/> Single award competitive
		<input type="checkbox"/> Multiple award non-competitive—number of estimated awards: _____	<input type="checkbox"/> Multiple award competitive—number of estimated awards: _____
3. Catalog of Federal Domestic Assistance Number		4. Proposed Duration of Agreement	
		months	
5. Special Instructions to Grant/Cooperative Agreement Officer			

## Required Attachments

- |   |   |
|---|---|
| A. Project Description  | F. Program Policy Factors, if applicable (see Handbook 2210.17, Chapter 2)    |
| B. Funds Reservation (form HUD-718)                                   | G. Source List  |
| C. Requested Special Terms and Conditions                             | H. Designation of Application Review Panel Members                            |
| D. Statement of Substantial Involvement (Cooperative Agreements only) | <b>If non-competitive:</b>  |
| <b>If competitive:</b>  | G. Justification for Restricted Eligibility (see Handbook 2210.17, Chapter 3) |
| E. Evaluation Criteria  | H. Unsolicited Proposal, if applicable  |

# Checklist for Grant/Cooperative Agreement Modifications

U.S. Department of Housing and Urban Development  
Office of Administration



1. Grant Number		Cooperative Agreement Number	
2. Recipient Name	3. Proposed Duration of Modification (if applicable)	4. Are Changes Within the Scope of the Agreement?	
	months	<input type="checkbox"/> Yes <input type="checkbox"/> No	
5. Special Instructions to the Grant/Cooperative Agreement Officer			

### Required Attachments

- A. Description of modification (please provide changes only, cite each section of existing Statement of Work and how changed)
- B. Funds Reservation (form HUD-718)
- C. If the modification is for work outside the scope of the agreement, a Justification for Restricted Eligibility is required (see Handbook 2210.17, Chapter 3).