

Village of Lawrence Request for Proposal (RFP) for Third-Party Administrator (TPA) Services for Community Development Block Grant (CDBG) Disbursement

1. Introduction and Background.

The Village of Lawrence (“Village”) is a recipient and therefore a grantee of funding through the Michigan State Housing Development Authority (MSHDA) Community Development Block Grant (CDBG) program, authorized under Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.) and implemented through 24 CFR Part 570. The CDBG program provides flexible funding to support community development activities that benefit low- and moderate-income persons, including housing rehabilitation, public facilities improvements, economic development, and public services.

The Village is seeking proposals from qualified third-party administrators (“TPA”) to provide comprehensive administrative services focused on the disbursement of CDBG funds. This includes ensuring compliance with federal regulations, accurate fund tracking, timely payments to subrecipients and beneficiaries, and robust financial reporting. The selected TPA will act as an independent contractor to manage disbursement processes, mitigate risks of fraud or mismanagement, and support the Village's overall program objectives.

This RFP is issued in accordance with federal procurement standards outlined in 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), including competitive procurement methods for professional services.

2. Scope of Service

The selected TPA will provide the following services related to CDBG fund disbursement and administration. All services must comply with HUD's CDBG regulations (24 CFR Part 570), the Village's Consolidated Plan, and applicable grant agreements.

2.1 Core Disbursement Services

- **Eligibility Verification and Fund Allocation:** Review and verify beneficiary and subrecipient eligibility for CDBG funds, including income certification, national objectives compliance (e.g., low/moderate-income benefit), and program-specific criteria.
- **Disbursement Processing:** Manage the end-to-end disbursement process, including preparation of drawdown requests from HUD's Integrated Disbursement and Information System (IDIS), payment processing to subrecipients/beneficiaries, and reconciliation of expenditures.

- **Compliance Monitoring:** Conduct ongoing monitoring of disbursements to ensure adherence to environmental reviews (24 CFR Part 58), Davis-Bacon wage requirements, Section 3 labor standards, and procurement standards.

Financial Tracking and Reporting: Maintain detailed records of all disbursements using accounting software compatible with HUD requirements (e.g., QuickBooks or similar). Generate monthly/quarterly reports on fund usage, including SF-272 Federal Cash Transactions Reports and performance measures, accounting certification, financial status reports (FSR), and interim and final single audit reports.

2.2 Additional Administrative Support

- **Audit Preparation:** Assist in preparing for HUD monitoring reviews, single audits (OMB Uniform Guidance), and internal audits by maintaining auditable documentation for all transactions.
- **Risk Management:** Implement controls to prevent duplicate payments, over-disbursements, or ineligible expenditures, including fraud detection protocols.
- **Training and Technical Assistance:** Provide training to Grantee staff and subrecipients on disbursement procedures and CDBG compliance.
- **Record Retention:** Maintain electronic and physical records for a minimum of four years after grant closeout, per 24 CFR § 570.506.

2.3 Performance Metrics

- Disbursements processed within 10 business days of approval.
- 100% compliance with HUD reporting deadlines.
- Error rate in disbursements below 1%.

The contract term is anticipated to be 2 years with options for renewal based on performance and funding availability. The CDBG disbursement volume is \$472,000.

3. Qualifications and Requirements

Proposers must demonstrate:

- **Experience:** At least 5 years of experience administering federal grants, with specific expertise in CDBG or similar HUD programs (e.g., HOME, ESG). Applicant must provide at least 3 references from other municipal CDBG grantees.
- **Certifications:** Certified Grant Administrator or equivalent (e.g., from HUD-approved training). Knowledge of 24 CFR Part 200 and HUD's "Playing by the Rules" handbook for subrecipients.
- **Staffing:** Dedicated team with CPAs, financial analysts, and compliance specialists. Applicants must provide resumes and the roles each team member will have.
- **Technology:** Use of secure, HUD-compliant systems for fund management (e.g., grant tracking software like eCivis or Sage Intacct).

- Insurance and Bonding: Proof of errors and omissions insurance (\$1M minimum), general liability, and fidelity bonding.
- Conflict of Interest: No conflicts with the Village or other subrecipients; disclose any potential issues.

Proposers must be independent entities and not current employees or affiliates of the Village.

4. Proposal Submission Requirements

Proposals must be submitted electronically in PDF format and include:

4.1 Technical Proposal (Maximum 20 Pages)

- Cover letter with firm overview and contact information.
- Detailed approach to scope of services, including timelines and methodologies.
- Project team bios and organizational chart.
- Sample reports, disbursement workflows, and compliance checklists from prior CDBG projects.
- References (including contact info).

4.2 Cost Proposal (Sealed/Separate File)

- Fixed fee or hourly rates for services, broken down by category (e.g., disbursement processing: \$X per transaction; reporting: \$Y/month).
- Total estimated cost for the contract term, assuming [e.g., \$400,000 in disbursements].
- Cost allocation plan compliant with 2 CFR Part 200, Subpart E (no indirect costs exceeding 10% without justification).
- Payment terms (e.g., monthly invoicing based on actual disbursements).

4.3 Attachments

- Corporate overview and financial statements (last 2 years).
- Proof of certifications, insurance, and bonding.
- Affirmative statements on debarment (SF-LLL), non-discrimination, and lobbying (if applicable).

Proposals must use 12-point font, 1-inch margins, and be indexed. Late submissions will not be accepted.

5. Evaluation Criteria

Proposals will be evaluated by the following weighted criteria:

- Experience with CDBG or other Grant Programs (30%): Demonstrated success in similar projects.
- Approach and Methodology (25%): Clarity and feasibility of the proposed plan.
- Cost Effectiveness (20%): Reasonableness of the budget relative to services provided.
- Community Engagement (15%): Strength of outreach and communication strategies.
- Qualifications and Capacity (10%): Staff expertise and ability to provide hands-on support

The Village reserves the right to conduct interviews, request clarifications, or negotiate terms. The highest-scoring proposer will be selected, subject to selection reviewer recommendation and funding availability.

6. Timeline

- RFP: February 9, 2026
- Questions Due: February 23, 2026
- Proposals Due: March 2, 2026
- Selection Notification: March 11, 2026
- Contract Start: March 16, 2026

All communications must go through the contact person stated in paragraph 7. The Village may reject any/all proposals and cancel the RFP at its discretion.

7. General Terms and Conditions

- The selected vendor must follow all federal regulations and laws of the State of Michigan. Compliance with Title VI of the Civil Rights Act and Section 3 of the Housing Act required. Compliance with all local laws and regulations required.
- Proposals become public records, except proprietary financial data, and therefore may be subject to public disclosure under Michigan's Freedom of Information Act.
- Protests may be submitted in writing within 5 days of award notice.

For additional information, contact:

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The Village of Lawrence looks forward to partnering with a qualified vendor to successfully implement this vital community program.