## STATE OF NEW JERSEY • DEPARTMENT OF COMMUNITY AFFAIRS SUBJECT: Government wide Debarment and Suspension - Excluded Parties Verification NUMBER: 210.10 **EFFECTIVE:** June 2013 REVISED: March 2016 SANDY CDBG-DR **PAGE 1 of 10** Samuel Viavattine istant Commissioner Director, Sandy Recovery Division (Note: Is further clarification of DCA Policy Number: 1.10.15, adopted April 2004, and Revised October 2007 as it relates specifically to Government Debarment and Suspension Policies for CDBG-DR funded programs and activities.) **PURPOSE:** To outline the policies and procedures required by the Department of Community Affairs to document compliance with the administrative requirements at 2 CFR Part 2001. This policy pertains to: grantees. sub grantees and

<sup>1</sup> 2 CFR 200.213 Suspension and debarment.: Nonfederal entities are subject to the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

non-federal entities receiving contracts under federal award (including beneficiaries,

vendors, contractors)

- 2 CFR 200.318 (h): The nonfederal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also §200.213 Suspension and debarment.
- Appendix II to Part 200 Contract Provisions for Non-federal Entity Contracts Under Federal Awards

  (H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

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This policy expressly probits making any award or permitting any award (sub grant or contract) at any tier to any party that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs.

#### **POLICY:**

This policy states the requirements for Government-wide Debarment Screening and for verification that someone to whom federal funds will be awarded is not on the Excluded Parties list. Each program that administers federal funds must document that Recipient Organizations and their Principals have not been Suspended or Debarred. In addition, prior to entering into any HUD-funded agreement, the receipients of CDBG-DR funding must check all contractors, subcontractors (including sub-tier contractors), consultants, and sub recipients against the System for Award Management (SAM), found at <a href="https://www.sam.gov">https://www.sam.gov</a> as well as the State of New Jersey Debarment website found at <a href="https://www.ni.gov/treasury/debarred">https://www.ni.gov/treasury/debarred</a>. The searches must be printed, intialed by the program administrator, dated and kept in the official project file (see page 9 of this document for step by step instructions on how to maintain compliance with this policy). The purpose of this process is to protect the public interest and ensure the integrity of Federal and State programs by conducting business only with responsible persons. The Department of Community Affairs requires all of its sub recipients to verify that no contractors who have been debarred by either the State or Federal government are receiving contracts utilizing CDBG-DR funds.

### I. GENERAL REQUIREMENTS

Federal funds granted by the US Department of Housing and Urban Development may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor or sub recipient during any period of debarment, suspension, or placement of ineligibility status. Prior to entering into any HUD-funded agreement, the grantee must check all contractors, subcontractors (including sub-tier contractors), consultants, and sub recipients against the System for Award Management (SAM), found at <a href="https://www.ni.gov/treasury/debarred">www.sam.gov</a> and the State of New Jersey Debarment website found at <a href="https://www.ni.gov/treasury/debarred">https://www.ni.gov/treasury/debarred</a>

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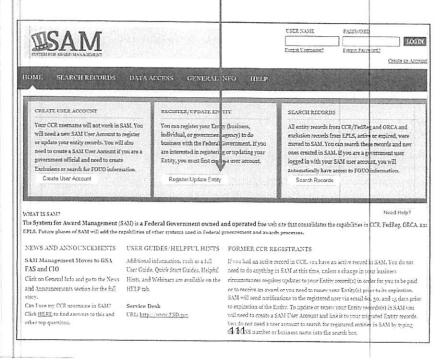
A debarment sanction means that an individual, organization and its affiliates are excluded from conducting business with any Federal Agency government-wide. Depending upon the outcome of an investigation or legal proceeding, a suspension may lead to debarment. Debarment is the most serious compliance sanction and is generally imposed for a three-year period. However, debarment can be imposed for a longer period of time, if determined to be necessary to protect the public interest.

## II. PROCEDURES FOR FEDERAL DEBARMENT AND SUSPENSION CHECK

In general, the grantee must check the eligibility of every entity (beneficiary, contractor, vendor, sub grantee, consultant, etc.), and the principals and/or owners of those entities, prior to entering into an agreement and dispersing funds. The grantee must also document that eligibly and debarment status was checked, including the date the check was made.

To check the suspension and debarment status of a firm and/or individual, the grantee must search the SAM. The following steps outline the process for checking the debarment or suspension status of a company or individual:

Go to https://www.sam.gov and select "Search Records".



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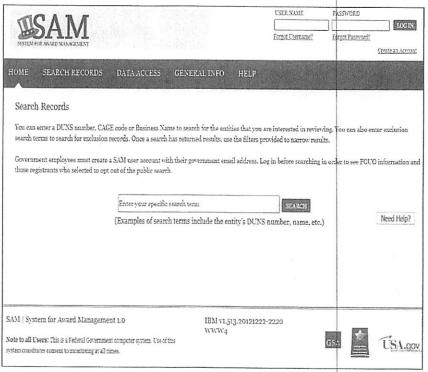
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- 2. In the search box, type the name of the company or individual you are looking for.
- 3. In the event that a company is registered in the CCR system, you will get a result with a company name. If the "Has Active Exclusion" indicates "No", the company is not excluded from Federal participation. If "Yes", do not proceed with the proposed transaction with the excluded company. In the event that a company is not registered in the CCR system, you will receive a message indicating "No records found for current search".



4. Print, date and initial the web page search results documenting that the proposed recipient is not on the SAMS list and place copies in the grant agreement legal file.

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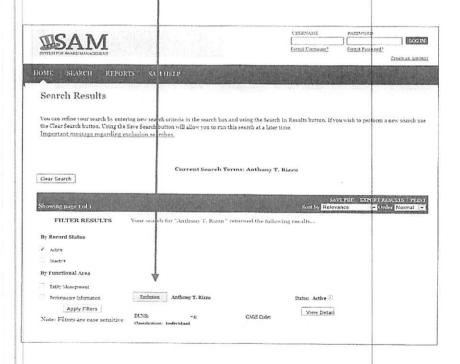
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5. The same search procedure should be followed for individual names. Once you search the company/organization name, repeat the process for all principals, owners, and partners affiliated with the company.

Example of individual who IS excluded.



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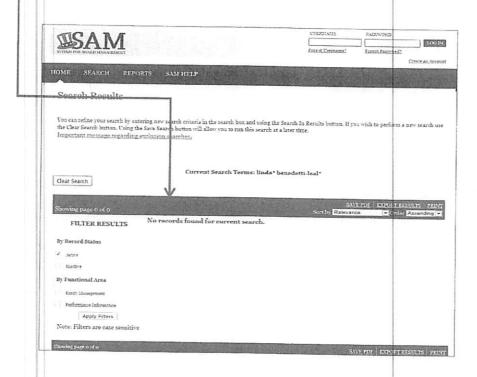
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Example of individual who IS NOT excluded and is not in CCR:



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| Example of | Organization tha   | t IS NOT excluded:   |
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# STEP BY STEP STATE AND FEDERAL DEBARMENT AND SUSPENSION PROCEDURES

Any contractor or subcontractor hired by a subrecipient or state agency will be required to be reviewed for determination it they are an "excluded party". Ultimately, DCA must ensure that this done, each and every time a contract is awarded, whether it is for "contract administration" or it's a builder hired to reconstruct or rehabilitate a residential property. If sub recipients have contractors receiving CDBG-DR funds in for any activity, project or program, then they will need to review for "excluded parties".

A standard protocol for DCA Sandy Recovery Division monitoring of all program partners (whether its internal or external – EDA, NJRA, NJ MHFA) will be the determination if the review for "excluded parties" was conducted prior to award and execution of contract.

In order to maintain compliance, the following must be completed:

- 1. Prior to entering into any HUD-funded agreement, receipients of CDBG-DR funding must check all contractors, subcontractors (including principals and sub-tier contractors), consultants, and sub recipients against the System for Award Management (SAM), found at <a href="https://www.sam.gov">https://www.sam.gov</a> as well as the State of New Jersey Debarment website found at <a href="http://www.nj.gov/treasury/debarred">http://www.nj.gov/treasury/debarred</a>.
- 2. Print, initial and date the web page search results documenting that the proposed recipient is not on the Federal or State debarment list and place copies in the grant agreement legal file.
- 3. Include a signed and dated <u>Certification</u> form (Exhibit 1 of this document, page 10) regarding debarment and suspension in each contract that is funded with Federal dollars.

#### EXHIBIT 1

### **Debarment and Suspension Certification**

GRANT/LOAN AGREEMENT NUMBER

DEBARMENT AND SUSPENSION CERTIFICATION FOR FEDERALLY FUNDED

CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS

The undersigned (authorized official signing for the applicant organization) certifies to the best of his or her knowledge and belief, that the applicant, defined as the primary participant in accordance with 45 CFR Part 76, and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any State of NJ or Federal Department or agency;
- (b) have not within a 3-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) are not presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
- (d) have not within a 3-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

| RECIPIENT: |      |   |
|------------|------|---|
| BY:        | DATE |   |
| NAME:      |      | • |