



**North Carolina**  
**Department of Commerce**  
*Division of Community Assistance*

**Michael F. Easley, Governor**  
**James T. Fain III, Secretary**

**Gloria Nance-Sims, Director**

**BULLETIN:** 10-6 (Replaces 08-5)

**SUBJECT:** Supervision of Professional Services

**DATE REVISED:** September 1, 2010

**ATTENTION:** CDBG Recipients

Local governments procure and supervise CDBG program administrative, legal, engineering, architectural, audit or other professional services from a variety of sources. When a single consulting firm, agency or individual proposes to provide two or more such services, the locality must insure that selection and supervision of the services is performed in a manner which does not constitute a conflict of interest.

Local governments should use a distinct and separate evaluation and award to procure each set of professional services. Potential providers must be allowed to submit a proposal for the provision of one set of services and not for others. Example: Locality A plans to use a consultant for administration of a CDBG project, and within the project for the design and construction of drainage system improvements. The locality must develop separate criteria for evaluating proposals for provision for program administration and for engineering/construction management services. Respondents must be allowed to compete for the contract to provide either set of services, or both sets of services. The local government must make separate decisions for the award of contracts for each set of services.


The local government is not prohibited from selecting one consulting firm to provide more than one set of services. However, if one consulting firm is selected to provide more than one set of services, the locality must insure that the firm is not acting for the locality in evaluating its own performance in delivering/providing the services.

The locality must insure that each set of services provided by a single firm is supervised by either an official or staff person of the local government or by another consulting firm so that a conflict of interest with the provider is avoided.

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In addition there must be a *documented system of contract administration* for determining the adequacy of contractor performance (24 CFR 85.36(b) (2)). The grantee must have a *written code of conduct governing employees, officers, or agents engaged in the award or administration of contracts* (24 CFR 85.36(b) (3) and 84.42).

Please feel free to contact your Community Development Block Grant (CDBG) Grants Management Representative with any questions.

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Gloria Nance-Sims, Director Date