



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

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 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>.*