

PROCUREMENT POLICY

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Section 1. General

- A.** The purpose of this policy is to require all City of Monroe officials and employees to initiate all purchases of products and services through the centralized purchasing office. The policy is to require all purchases be preceded by the methods required by the City for all purchases. The following policies and any accompanying procedures shall be strictly adhered to when making all purchases.
- B.** All purchases shall follow strictly developed guidelines set forth in this policy and be within acceptable funding through previously approved budgets. A shown frequency of not obtaining purchases in the method set forth in this policy will result in revocation of purchasing privileges.

Section 2. Definitions

Sealed Bids – bids submitted where specifications or design are known and set forth, and pricing is the determining factor for award.

Request for Proposals – bids submitted where specifications or design are unknown, and thus pricing as well as scope of the project are the determining factors for award. Require a predetermined grading scale and committee to score and recommend award.

Purchase Orders – issued numerical contracts creating agreements between vendors and the City of Monroe.

Purchase Order Request Form – (Form A) form to be submitted in request of a Purchase Order.

Section 3. Procurement Provisions

- A.** Bids or Price Quotations. The following dollar amounts shall be followed in determining the process to be used in obtaining bids and price quotations:
 - 1.** \$0.00 to \$1,500.00 – verbal quotation;
 - 2.** \$1,500.01 to \$3,000.00 – at least one (1) written quotation;
 - 3.** \$3,000.01 to \$10,000.00 – at least two (2) written quotations;
 - 4.** \$10,000.01 to \$99,999.99 – at least three (3) written quotations;
 - 5.** Over \$100,000.00 – sealed bids.
- B.** Approval. Lists shall be provided to the Purchasing Agent of authorized employees allowed to request Purchase Orders and will be updated each fiscal year. The following approval authority shall apply to the City for all purchases:
 - 1.** Up to \$1,500.00 – Authorized Employees;
 - 2.** Up to \$3,000.00 – Authorized Employees;
 - 3.** Up to \$10,000.00 – Department Heads, Plant Managers, and Purchasing Agent;
 - 4.** Up to \$25,000.00 – City Administrator
 - 5.** Over \$25,000.00 – Mayor, Committee, and Council.

- C. **Emergency Purchases.** Any purchases that are required to prevent damage, failure or injury to any systems or citizens that exceed preset purchasing limits. Full and complete documentation, along with written explanation is to be provided following purchasing by use of this method.
- D. **State/National Contract Purchases.** The Purchasing Agent may use state or national contracts for purchasing any products or services that are available to local governments. By using this method of purchase, the requirement of bidding items over one hundred thousand (\$100,000.00) will be exempted due to the state or national agency having already bid the item.
- E. **Federal Grant Procurement Guidelines.** When using federal funds and grants, federal procurement guidelines are to be followed as accompanied by or in some cases overruling state and local procurement guidelines. Uniform guidance when using federal funds and grants for procurement are as follows for obtaining bids and price quotations:
 - 1. \$0.00 to \$3,500.00 – micro purchase, no price quotes are required;
 - 2. \$3,500.01 to \$150,000.00 – small purchase, simple & informal procurement methods, price or rate quote must be obtained from an adequate number of qualified sources;
 - 3. Over \$150,000.00 – construction projects requiring seal bids, fixed price or cost reimbursement requiring competitive sealed proposals, unique goods/services requiring sole-source or non-competitive solicitations.
- F. **Brand Name Purchases.** The Purchasing Agent may elect the purchase of brand name products or services when those goods comprise a major brand system, program, service previously selected by the city and due to operational effectiveness, future enhancements or additions, or maintenance and storage of spare parts preclude the mixing of brands, manufactures, etc.
- G. **Sole Source Purchases.** A contract may be awarded or a purchase made without competition when the city determines that there is only one source for the required products, supply service, or construction item. The Purchasing Agent shall conduct negotiations as appropriate, as to price, delivery and terms of such purchase. A separate file of sole source procurements shall be maintained as a public record and shall list each contractor's name, the amount and type of each contract, and a listing of the item(s) procured under each purchase order or contract.
- H. **Professional Services.** Exempt from bidding requirements are professional services which are limited to those services as defined by statute as a profession or professional service are included. Examples of such services are certified public accountancy, actuarial services, architecture, landscape architecture and installation, interior design, janitorial, licensed or accredited appraisers or licensed or accredited financial analysts providing opinions of value, chiropractic, dentistry, professional engineering, podiatry, pharmacy, veterinary medicine, registered professional nursing, harbor piloting, land surveying, law, psychology, medicine and surgery, *optometry, and osteopathy.*
- I. **Modification of Specifications.** Once a contract is bid and awarded by City Officials in accordance with this section, the City reserves the right to further negotiate all terms of the contract if the City determines that it is in the City's best interest to do so without the necessity of rebidding any such contract; provided, however, that any negotiations permitted hereunder shall not result in a variance of the price term exceeding ten (10) percent of the original bid price.

- J. Operational Policies/Procedures.** Consistent with this section and with the approval of the City Administrator, the Purchasing Agent shall develop and adopt written operational policies/procedures relating to the execution of this section, the functioning of the centralized purchasing offices, and which shall also include but not be limited to polices/procedures for:
1. The procurement of all supplies, services and construction needs by the City of Monroe;
 2. The establishment of programs for specifications development, contract administration and inspection and acceptance;
 3. The selling, lending or disposal of goods, supplies and equipment belonging to the City.
- K. Purchase Orders (PO):** This section sets forth the methods for which purchase orders are to be requested, approved and issued. Purchase Orders are to accompany any purchase not made on a P-Card.
1. Only authorized personnel, as stated above may request or obtain a PO number;
 2. Purchase Order requests must be submitted and include all of the following information on the Purchase Order Request Form (Form A);
 3. Purchase Order requests will then be reviewed to confirm all requirements are met as set forth in the purchasing policy;
 4. Purchase Order numbers will then be issued.
- L. Blanket Purchase Orders.** Purchase Orders will be issued monthly or yearly to vendors for small items purchased on a regular basis, or as determined by the Purchasing Agent.
- M. Purchasing Cards/P-Cards.** Cards may serve as Purchase Orders in certain cases as outlined in the Purchasing Card/P-Card policy. All cards issued to individuals are to be used only by the person issued the card. No other individuals are to use the card at any time. Itemized receipts are required for all P-Card transactions.
- N. Documentation.** Accounts Payable will process Purchase Orders after proper supporting documentation is received. A receipt or invoice must support every purchase. Failure to support all purchases with an original invoice may result in revocation of purchasing privileges.
- O. Vendor Approval.** All purchases must be with vendors that are pre-approved by the Purchasing Agent or designee. Proper documentation must be submitted for all vendors prior to Purchase Orders being issued. Vendors must have all information properly provided before Purchase Orders are issued. All E-Verify and required information must be completed prior to any purchase agreement with vendors.
- P. Capital Improvement Projects (CIP).** Projects that are created and approved by fiscal year for the improvement of services and systems. All CIP projects require the approval of City Council if the overall project expense is anticipated to be over \$10,000.00. CIP projects are required to include a material list with budgetary numbers when submitting approval requests. All purchases for CIP projects are required to have a Project Number prior to the issuance of a Purchase Order.
- Q. Credit Card/Store Card.** All cards issued to individuals are to be used only by the person issued the card. No other individuals are to use the card at any time. Itemized receipts are required to be

turned in promptly following all purchases. In all cases where a Procurement Card can be used, it should be used.

- R. Taxable/Tax Exempt. All employees must exhibit a conscious effort to provide all applicable tax-exempt documentation prior to making purchases.
- S. Grant Approval/Purchases. All purchases using funds from Council approved grants may be made without requiring further Council approval. All purchasing policies are to be followed completely, as well as any additional required grant specific policies and requirements.
- T. Budget/Capital Improvement Program (CIP) Approved Purchases. Any items included in an already approved fiscal year Budget and/or already approved CIP Budget are not required to then be reapproved by City Council. Any items, material, and/or projects in this category must have been approved with detailed lists, budgeting allocations, and scheduling by Mayor and City Council. All items, material, and/or projects require the approval of the Finance Director and City Administrator prior to entering Budget or CIP submission for City Council approval. Any items, material, and/or projects not covered or exceeding the amount approved in original approval submission must be presented to Mayor and City Council for additional approval.
 - 1. Detailed submittal of items, material, and/or projects to include pricing, itemization, and scheduling to Finance Department for inclusion request in Budget and/or CIP.
 - 2. Requests then receive approval or disapproval by Finance Director and City Administrator for inclusion into Budget and/or CIP for presentation to Mayor and City Council.
 - 3. Mayor and City Council then review all requests for determination of inclusion into Budget and/or CIP.
 - 4. During appropriate Budgetary year, the Department Head may procure the items, material, and/or projects following the preapproved lists, and following all existing purchasing and policy requirements.
 - 5. Procurement of items, materials, and/or projects must then be reported as part of Committee Reports the months following with full documentation detailing actions taken.
- U. Federal Aid Highway Program (FAHP) Funding Procurement. The competitive negotiation method for the procurement of engineering and design related services shall be used when FAHP funds are involved in the contract as specified in 23 U.S.C. 112(b)(2)(A). The solicitation, evaluation, ranking, selection and negotiation shall comply with the qualifications-based selection procurement procedures for architectural and engineering services codified under 40 U.S.C. 1101-1104, commonly referred to as the Brooks Act. (Appendix A)
- V. Standing Approved Purchases. Items approved for purchase going forward by City Council without additional per purchase approval required.
 - 1. Any chemicals or System Critical Equipment or Services for Treatment Plants and Utility Systems;
 - 2. Fuel for Public Works storage/consumption;
 - 3. Fuel for Airport resale;
 - 4. Transformers for Electric, not to exceed \$25,000.

Appendix A

City of Monroe Policy for Competitive Negotiation Qualifications-based Selection for Projects Using Federal Aid Highway Program (FAHP) Funding

1.0 Summary of Requirements of Brooks Act.

Except as provided in **2.0 Small Purchases** and **3.0 Noncompetitive** below, the City of Monroe shall use the competitive negotiation method for the procurement of engineering and design related services when FAHP funds are involved in the contract (as specified in 23 U.S.C. 112(b)(2)(A)). The solicitation, evaluation, ranking, selection, and negotiation shall comply with the qualifications-based selection procurement procedures for architectural and engineering services codified under 40 U.S.C. 1101–1104, commonly referred to as the Brooks Act.

In accordance with the requirements of the Brooks Act, the following procedures shall apply to the competitive negotiation procurement method:

1.1 Solicitation.

The solicitation process shall be by public announcement, public advertisement, or any other public forum or method that assures qualified in-State and out-of-State consultants are given a fair opportunity to be considered for award of the contract. Procurement procedures may involve a single step process with issuance of a request for proposal (RFP) to all interested consultants or a multiphase process with issuance of a request for statements or letters of interest or qualifications (RFQ) whereby responding consultants are ranked based on qualifications and request for proposals are then provided to three or more of the most highly qualified consultants. Minimum qualifications of consultants to perform services under general work categories or areas of expertise may also be assessed through a prequalification process whereby statements of qualifications are submitted on an annual basis. Regardless of any process utilized for prequalification of consultants or for an initial assessment of a consultant's qualifications under an RFQ, a RFP specific to the project, task, or service is required for evaluation of a consultant's specific technical approach and qualifications.

1.2 Request for Proposal (RFP).

The RFP shall provide all information and requirements necessary for interested consultants to provide a response to the RFP and compete for the solicited services. The RFP shall:

- 1.2.1 Provide a clear, accurate, and detailed description of the scope of work, technical requirements, and qualifications of consultants necessary for the services to be rendered. The scope of work should detail the purpose and description of the project, services to be performed, deliverables to be provided, estimated schedule for performance of the work, and applicable standards, specifications, and policies;
- 1.2.2 Identify the requirements for any discussions that may be conducted with three (3) or more of the most highly qualified consultants following submission and evaluation of proposals;

- 1.2.3 Identify evaluation factors including their relative weight of importance in accordance with subparagraph (a)(1)(iii) of this section;
- 1.2.4 Specify the contract type and method(s) of payment to be utilized in accordance with § 172.9;
- 1.2.5 Identify any special provisions or contract requirements associated with the solicited services;
- 1.2.6 Require that submission of any requested cost proposals or elements of cost be in a concealed format and separate from technical/qualifications proposals as these shall not be considered in the evaluation, ranking, and selection phase; and
- 1.2.7 Provide a schedule of key dates for the procurement process and establish a submittal deadline for responses to the RFP which provides sufficient time for interested consultants to receive notice, prepare, and submit a proposal, which except in unusual circumstances shall be not less than 14 days from the date of issuance of the RFP.

1.3 Evaluation Factors.

- 1.3.1 Criteria used for evaluation, ranking, and selection of consultants to perform engineering and design related services must assess the demonstrated competence and qualifications for the type of professional services solicited. These qualifications-based factors may include, but are not limited to, technical approach (e.g., project understanding, innovative concepts or alternatives, quality control procedures), work experience, specialized expertise, professional licensure, staff capabilities, workload capacity, and past performance.
- 1.3.2 Price shall not be used as a factor in the evaluation, ranking, and selection phase. All price or cost related items which include, but are not limited to, cost proposals, direct salaries/wage rates, indirect cost rates, and other direct costs are prohibited from being used as evaluation criteria.
- 1.3.3 In-State or local preference shall not be used as a factor in the evaluation, ranking, and selection phase. State licensing laws are not preempted by this provision and professional licensure within a jurisdiction may be established as a requirement which attests to the minimum qualifications and competence of a consultant to perform the solicited services.
- 1.3.4 The following non-qualifications based evaluation criteria are permitted under the specified conditions and provided the combined total of these criteria do not exceed a nominal value of ten percent of the total evaluation criteria to maintain the integrity of a qualifications-based selection:
 - 1.3.4.1 A local presence may be used as a nominal evaluation factor where appropriate. This criterion shall not be based on political or jurisdictional boundaries and may be applied on a project-by-project basis for contracts where a need has been established for a consultant to provide a local presence, a local presence will add value to the quality and efficiency of the project, and application of this criteria leaves an appropriate number of qualified consultants, given the nature and size of the project. If a consultant outside of the locality area indicates as part of a proposal that it will satisfy the criteria in some manner, such as

establishing a local project office, that commitment shall be considered to have satisfied the local presence criteria.

1.3.4.2 The participation of qualified and certified Disadvantaged Business Enterprise (DBE) sub-consultants may be used as a nominal evaluation criterion where appropriate in accordance with 49 CFR Part 26 and the City of Monroe's FHWA-approved DBE program.

1.4 Evaluation, Ranking, and Selection.

- 1.4.1 Consultant proposals shall be evaluated by the City of Monroe based on the criteria established and published within the public solicitation.
- 1.4.2 While the contract will be with the prime consultant, proposal evaluations shall consider the qualifications of the prime consultant and any sub-consultants identified within the proposal with respect to the scope of work and established criteria.
- 1.4.3 Following submission and evaluation of proposals, the City of Monroe shall conduct interviews or other types of discussions determined three of the most highly qualified consultants to clarify the technical approach, qualifications, and capabilities provided in response to the RFP. Discussion requirements shall be specified within the RFP and should be based on the size and complexity of the project as defined in City of Monroe written policies and procedures (as specified in § 172.5(c)). Discussions may be written, by telephone, video conference, or by oral presentation/interview. Discussions following proposal submission are not required provided proposals contain sufficient information for evaluation of technical approach and qualifications to perform the specific project, task, or service with respect to established criteria.
- 1.4.4 From the proposal evaluation and any subsequent discussions which have been conducted, the City of Monroe shall rank, in order of preference, at least three consultants determined most highly qualified to perform the solicited services based on the established and published criteria.
- 1.4.5 Notification must be provided to responding consultants of the final ranking of the three most highly qualified consultants.
- 1.4.6 The City of Monroe shall retain acceptable documentation of the solicitation, proposal, evaluation, and selection of the consultant accordance with the provisions of 49 CFR 18.42.

1.5 Negotiation.

- 1.5.1 Independent estimate. Prior to receipt or review of the most highly qualified consultant's cost proposal, the City of Monroe shall prepare a detailed independent estimate with an appropriate breakdown of the work or labor hours, types or classifications of labor required, other direct costs, and consultant's fixed fee for the defined scope of work. The independent estimate shall serve as the basis for negotiation and ensuring the consultant services are obtained at a fair and reasonable cost.
- 1.5.2 Elements of contract costs (e.g., indirect cost rates, direct salary or wage rates, fixed fee, and other direct costs) shall be established separately in accordance with § 172.11.

- 1.5.3 If concealed cost proposals were submitted in conjunction with technical/qualifications proposals, only the cost proposal of the consultant with which negotiations are initiated may be considered. Concealed cost proposals of consultants with which negotiations are not initiated should be returned to the respective consultant due to the confidential nature of this data (as specified in 23 U.S.C. 112(b)(2)(E)).
- 1.5.4 The City of Monroe shall retain documentation of negotiation activities and resources used in the analysis of costs to establish elements of the contract in accordance with the provisions of 49 CFR 18.42. This documentation shall include the consultant cost certification and documentation supporting the acceptance of the indirect cost rate to be applied to the contract (as specified in § 172.11(c)).

2.0 Small Purchases.

The small purchase method involves procurement of engineering and design related services where an adequate number of qualified sources are reviewed and the total contract costs do not exceed an established simplified acquisition threshold of \$150,000.00. The City of Monroe may use the State's small purchase procedures which reflect applicable State laws and regulations for the procurement of engineering and design related services provided the total contract costs do not exceed the Federal simplified acquisition threshold (as specified in 48 CFR 2.101). The State of Georgia has established a lower threshold of \$75,000.00 for use of small purchase procedures, the lower threshold shall apply to the use of FAHP funds. The following additional requirements shall apply to the small purchase procurement method:

- 2.1 The scope of work, project phases, and contract requirements shall not be broken down into smaller components merely to permit the use of small purchase procedures.
- 2.2 A minimum of three consultants are required to satisfy the adequate number of qualified sources reviewed.
- 2.3 Contract costs may be negotiated in accordance with State small purchase procedures; however, the allow ability of costs shall be determined in accordance with the Federal cost principles.
- 2.4 The full amount of any contract modification or amendment that would cause the total contract amount to exceed the established simplified acquisition threshold would be ineligible for Federal-aid funding. The FHWA may withdraw all Federal-aid from a contract if it is modified or amended above the applicable established simplified acquisition threshold.

3.0 Noncompetitive.

The noncompetitive method involves procurement of engineering and design related services when it is not feasible to award the contract using competitive negotiation or small purchase procurement methods. The following requirements shall apply to the noncompetitive procurement method:

- 3.1 The City of Monroe may use their own noncompetitive procedures which reflect applicable State and local laws and regulations and conform to applicable Federal requirements.
- 3.2 The City of Monroe shall establish a process to determine when noncompetitive procedures will be used and shall submit justification to, and receive approval from, the FHWA before using this form of contracting.

3.3 Circumstances under which a contract may be awarded by noncompetitive procedures are limited to the following:

- 3.3.1 The service is available only from a single source;
- 3.3.2 There is an emergency which will not permit the time necessary to conduct competitive negotiations; or
- 3.3.3 After solicitation of a number of sources, competition is determined to be inadequate.

3.4 Contract costs may be negotiated in accordance with the City of Monroe noncompetitive procedures; however, the allow ability of costs shall be determined in accordance with the Federal cost principles.

4.0 Additional Procurement Requirements.

4.1 Common Grant Rule.

- 4.1.1 The City of Monroe must comply with procurement requirements established in State and local laws, regulations, policies, and procedures which are not addressed by or in conflict with applicable Federal laws and regulations (as specified in 49 CFR 18.36).
- 4.1.2 When State and local procurement laws, regulations, policies, or procedures are in conflict with applicable Federal laws and regulations, the City of Monroe must comply with Federal requirements to be eligible for Federal-aid reimbursement of the associated costs of the services incurred following FHWA authorization (as specified in 49 CFR 18.4).

4.2 Disadvantaged Business Enterprise (DBE) program.

- 4.2.1 The City of Monroe shall give consideration to DBE consultants in the procurement of engineering and design related service contracts subject to 23 U.S.C. 112(b)(2) in accordance with 49 CFR part 26. When DBE program participation goals cannot be met through race-neutral measures, additional DBE participation on engineering and design related services contracts may be achieved in accordance with the City of Monroe's FHWA approved DBE program through either:
 - 4.2.1.1 Use of an evaluation criterion in the qualifications-based selection of consultants (as specified in § 172.7(a)(1)(iii)(D)); or
 - 4.2.1.2 Establishment of a contract participation goal.
- 4.2.2 The use of quotas or exclusive set-asides for DBE consultants is prohibited (as specified in 49 CFR 26.43).

4.3 Suspension and Debarment.

The City of Monroe must verify suspension and debarment actions and eligibility status of consultants and sub-consultants prior to entering into an agreement or contract in accordance with 49 CFR 18.35 and 2 CFR part 180.

Appendix B

Improper Payment Information Act (IPIA) and Improper Payments Eliminations and Recovery Act (IPERA) of 2012 (Pub. L. No. 112-248)

The recipient may be randomly selected to participate in AFG's annual IPIA and IPERA assessments. One or more of the recipient's payment requests will be reviewed by DHS's Office of the Chief Financial Officer (OCFO). The recipient will be asked to provide all related PAID receipts and invoices, purchase orders and proof of the outlay of funds and the financial transactions (copies of a cancelled check(s), bank statement, or electronic source document from an external financial institution) for the goods/services purchased within the payment. If the recipient exhibits organized and appropriate file maintenance, then obtaining and providing the requested documentation to FEMA should not be overly burdensome. However, if the recipient does not provide the necessary documentation to FEMA in a timely manner, federal funds for the payment could be forfeited and the recipient may be required to repay the grant funds back to the federal agency.

Monitoring

Recipients will be monitored periodically by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, budgets, and other related program criteria are being met. Monitoring will be accomplished through a combination of desk reviews and on-site monitoring visits. Monitoring will involve the review and analysis of the financial, programmatic, performance and administrative issues relative to each project and will identify areas where technical assistance and other support may be needed and/or can be provided during or after the monitoring event.

Recipients have the opportunity to participate in a Post Award Orientation (PAO), offered by the FEMA Regional Fire Program Specialist (FPS), to have their questions answered, receive technical assistance or review the terms and conditions of the grant. The PAO is optional but highly recommended.

Procurement Integrity

Through audits conducted by the U.S. Department of Homeland Security's (DHS) Office of Inspector General (OIG) and FEMA grant monitoring, findings have shown that some AFG recipients have not fully adhered to the proper procurement requirements when spending grant funds. Anything less than full compliance with federal procurement policies jeopardizes the integrity of the grant as well as the grant program. Below are the federal procurement requirements for grant recipients, including fire departments, SFTAs, and non-affiliated EMS organization recipients. These requirements apply when procuring goods and services with federal grant funds.

FEMA will include a review of recipients' procurement practices as part of the normal monitoring activities.

All procurement activity must be conducted in accordance with Federal Procurement Standards at 2 C.F.R. §§ 200.317 - 200.326. Select requirements under these standards are listed below. The recipient must comply with all requirements of these standards, even if they are not listed below.

Under 2 C.F.R. § 200.317, when procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with § 200.322 Procurement of recovered materials and ensure that every purchase order or other contract includes any clauses required by section § 200.326 Contract provisions.

All other non-Federal entities, including subrecipients of a state, will follow 2 C.F.R. § 200.318 General procurement standards through § 200.326 Contract provisions. Those non-federal entities must use their own documented procurement procedures which reflect applicable state, local, and tribal laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in 2 C.F.R. Part 200. These standards include, but are not limited to providing for full and open competition consistent with the standards of 2 C.F.R. § 200.319.

Generally, a non-Federal entity may seek to procure goods or services from a federal supply schedule, state supply schedule, or group purchasing agreement. State and local governments may procure goods and services from a General Services Administration (GSA) schedule. Information about GSA programs for state and local governments can be found at <https://www.gsa.gov/resources-for/programs-for-state-and-local-governments>. For local governments that purchase off a GSA schedule, this will satisfy the federal requirements for full and open competition provided that the recipient follows the GSA ordering procedures; however, local governments will still need to follow the other rules under 2 C.F.R. §§ 200.318 through 200.326, such as contract cost and price (§ 200.323) and solicitation of minority, women-owned, or small businesses (§ 200.321).

For non-federal entities other than states that want to procure goods or services from a state supply schedule, cooperative purchasing program, or other similar program, in order for such procurements by to be permissible, the following must be true:

- The procurement of the original contract or purchasing schedule and its use by the recipient complies with state and local law, regulations, and written procurement procedures.
- The state or other entity that originally procured the original contract or purchasing schedule entered into the contract or schedule with the express purpose of making it available to the recipient and other similar types of entities.
- The contract or purchasing schedule specifically allows for such use, and the work to be performed for the non-federal entity falls within the scope of work under the contract as to type, amount, and geography.
- The procurement of the original contract or purchasing schedule complied with all of the procurement standards applicable to a non-federal entity other than states under at 2 C.F.R. §§ 200.318 to 200.326.
- With respect to the use of a purchasing schedule, the recipient must follow ordering procedures that adhere to state and local laws and regulations and the minimum requirements of full and open competition under 2 C.F.R. Part 200.

If a recipient other than a state government seeks to use such a prequalified list, purchasing schedule, or other similar type of arrangement, the organization must first contact the AFG Program Office, to obtain approval to proceed; an amendment request will be required.

To the greatest extent possible, FEMA recommends that federal grant funds be used for the purchase of goods and services manufactured, assembled, and distributed in the United States.

Pursuant to 2 C.F.R. § 200.318(c)(1), the recipient (other than a State) is required to maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent Conflicts of Interest. Such Conflicts of Interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-federal entity.

If the recipient (other than states) has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-federal entity must also maintain written standards of conduct covering organizational Conflicts of Interest. Organizational Conflicts of Interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. The non-federal entity must disclose in writing any potential Conflicts of Interest to the federal awarding agency or pass-through entity in accordance with applicable federal awarding agency policy.

NOTE: For the purposes of Conflicts of Interest under procurements executed by the recipient, FEMA considers volunteers of an organization and grant writers to be employees, officers, and/or agents of the recipient. As such, no volunteer or member of an organization or anyone involved in preparing the application for funding can participate in, or benefit from, the procurement if federal funds are involved.

Recipients who purchase items with grant funds from vendors who employ any of their volunteers/members will have to document how they avoided a Conflicts of Interest during the procurement process (i.e., provide specific details regarding how the members/volunteers removed themselves or how they were prevented from participating in the process). Recipients may be required to provide this documentation upon request. Recipients who fail to fully document their purchases may find their expenditures questioned and subsequently disallowed. Remember that FEMA reserves the right to request and review any and all bids or specifications prior to purchase. Recipients may be subject to an audit after award.

Documentation

Recipients are required to maintain and retain the following:

- Backup documentation, such as bid specifications and solicitations, bid responses/quotes
- Cost/price analyses on file for review by federal personnel
- Procurement policies and procedures used by the recipient agency for the grant award
- Other documents required by federal regulations applicable at the time a grant is awarded to a recipient

FEMA requires that the recipient maintain the following documentation for federally funded purchases:

- Specifications
- Solicitations
- Competitive quotes or proposals
- Basis for selection decisions
- Purchase orders
- Contracts (executed)
- Invoices
- Cancelled check(s) and/or an electronic source document from an external financial institution demonstrating the outlay of funds

Recipients who fail to fully document grant purchases may find their expenditures questioned and, subsequently, disallowed.

Specifications

When drafting bid specifications, recipients (excluding states) must ensure that all procurement transactions are conducted in a manner providing full and open competition consistent with the standards of 2 C.F.R. §§ 200.317 - 200.326. Pursuant to 2 C.F.R. § 200.319 (a), in order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

Pursuant to 2 C.F.R. § 200.319 (h), the recipient (excluding states) must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Amendments

AFG award amendments may be approved, on a case-by-case basis, for the following reasons:

- Extension of the period of performance in order to complete the scope of work

- Changes to the activity, mission, retroactive approval [pre-award], closeout issues, some excess funds requests,, and requests for maintenance of expenditure waivers
- Cost over/under run (adding funds to award/non-closeout de-obligation* of funds)
- Economic Hardship Waiver

Amendments will only be considered when submitted via the online eGrants system. These requests must contain specific and compelling justifications for the requested change.

FEMA strongly encourages the timely expenditure of grant funds by recipients to be consistent with the goals and objectives outlined in AFG programs.

For any of the above amendments, the recipient should contact their AFG Regional Fire Program Analyst/Specialist for guidance. The Regional Fire Program Analyst/Specialist will respond with the information needed for inclusion within the amendment request and may ask that the recipient send a draft of the request for review. After the draft request is reviewed, the amendment request can be submitted formally through eGrants.

Follow the steps below to submit an amendment in eGrants:

1. Log into the eGrants application portal.
2. On the "Status" screen, scroll to find the recipient's AFG grant.
3. Select "Manage Grant" from the drop-down menu in the "Action" column, and click "Go."
4. Click the "Grant Amendment(s)" link on the left side of the screen.
5. Click on "Create New Request."
6. When the text box opens, type in the recipient's request.
7. At the bottom of the page, enter the recipient's password, check the box, and select "Save and continue."
8. Review the amendment request and select "Submit Amendment Request."