**Pipeline and Hazardous Materials Safety Administration’s (PHMSA) Hazardous Materials Grants**

Hazardous Materials Emergency Preparedness (HMEP)

Assistance for Local Emergency Response Training (ALERT)

Hazardous Materials Instructor Training (HMIT)

Supplemental Public Sector Training (SPST)

Community Safety (CS)

***Developed by***

******

***Review of Grant Programs***

***DTPH5614F00021*** *Project Manager: Charles Nichols*

**This sample policy is provided for general guidance only. Furthermore, the sample policy is not all-inclusive and should be reviewed, edited and modified prior to implementation, taking into consideration the nature or your agency and existing policies and regulations that apply to your agency. Moreover, this document does not constitute legal advice or supersede any applicable federal statutes or regulations.**

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# Introduction

This handbook was developed to assist grantees in adopting written policies required by Uniform Administrative Requirements, Cost Principles, and Audits Requirements for Federal Awards, 2 CFR 200. These are illustrative in nature, but reflect the basic requirements of 2 CFR 200, and may be modified to fit the needs of your agency to conform with the applicable statutes, regulations and ‘terms and conditions’ that govern your Federal Award.

In addition, this handbook has included sample policies related to grant filing and recordkeeping which are not mandated in 2 CFR 200 but are considered grants management best practices.

This handbook is intended to provide a grants management framework for the administration of PHMSA Hazmat grant awards (HMEP, HMIT, SPST, CS, ALERT).

### Acknowledgements

PHMSA acknowledges the following entities whose online publications contributed to the development of the handbook:

The Commonwealth of Pennsylvania – Travel Policy

The Summit Law Group – Leave Policy

Workforce.com – Relocation Policy

State of New Mexico, Department of Transportation – Procurement Policy

State of Minnesota, Department of Administration – Conflict of Interest Policy

Montana Non Profit Association – Financial Management Policy

State of Wisconsin, Department of Children and Families – Allowable Cost

City of Mitcham, Internal Control Policy

New York University – Equipment Policy

# TRAVEL POLICY

## SECTION ONE: AIR TRAVEL

### Booking.

1. Employees will not make travel arrangement until they obtain travel authorizations approved by their supervisor.
2. Employees and other authorized individuals are expected to book the lowest priced coach class airfare. It is not permissible to confirm a higher fare for upgrade eligibility or personal reasons. Upgrades will be at the employees’ expense.
3. Employees who are combining personal travel with official business may only do so when the personal portion does not add any cost to the airfare. Travel arrangements must be made to accommodate the business needs of the trip and not personal preference.

Lowest Logical Airfare.Employees or other authorized individuals on official business must book the lowest priced coach airfare that meets their approved itinerary and this travel policy. They are expected to use their best judgment to save on airfare cost.

1. Lower cost flights must be chosen within two hours before or after the preferred flight time when the alternative flight saves $200.00 or more roundtrip.
2. Connecting flights must be chosen over nonstop flights when the connection does not add more than two hours to travel time and the connection saves $200.00 or more. Agency travelers are not required to take a lower fare if a change of airline at the connection point is required.
3. Domestic flights over $800.00 roundtrip will be reviewed by the agency travel liaison prior to the ticket issuance.
4. Lower cost fares, as outlined above, that are declined must be justified and employees must obtain approval from the agency travel liaison before proceeding with the booking.
5. The agency will pay for the airfare and/or penalty incurred for a change in plans or cancellation when the change or cancellation is required by the agency or other unavoidable situations approved by the agency’s travel liaison.
6. A lost airline ticket is the responsibility of the person to whom the ticket was issued.

Reimbursement**.** Requires actual receipt (See Reimbursement policy Section 6)

Form of Payment. Employees should use their agency provided credit card for making travel arrangements. If an employee does not have an agency credit card they may use their personal credit card. If an employee does not have a personal credit card they should contact the agency travel liaison for guidance.

## SECTION TWO: GROUND TRAVEL

Policy – Employees are required to use the transportation option that provides the best value to the agency. Car rentals will only be approved when an employee provides sufficient justification on why the use of taxis or car services such as Uber, Lyft are not the most economical option once you arrive at your travel destination. For travel to your destination a car rental will only be approved for travel between 50 and 250 miles from your primary worksite or residence whichever is closer to the destination location and represents the best value to the agency. An employee who does not choose the least expensive option, or uses a rental car without authorization may not be reimbursed or fully reimbursed.

### Car Rental Guidance

1. Obtain prior approval from Supervisor before booking a car rental
2. Employees and other authorized individuals must be 21 years or older and have a valid driver’s license to use a rental car and at least 25 years old to rent a van.
3. Approved rental car sizes are economy, compact, or intermediate (midsize), including hybrids. Other vehicle types require business need justification. Upgrades to other vehicle types and equipment such as GPS are permitted so long as there is no additional cost to the agency.
4. Vehicle rental rates do not include fuel and travelers must decline optional fuel offerings. You must refuel the rental vehicle prior to returning it to the rental car supplier with an equal amount of fuel as when it was picked up.
5. Employees should select collision damage waiver insurance and liability insurance options.
6. The rental receipt and car rental contract must be included with reimbursement submission of receipts.

### Personal Automobile – Non –local

An employee is only authorized to use their personally-owned vehicle for out of town travel when: 1) it is the least expensive option for non-local travel at least 50 miles from their work location and residence but not more than 250 miles. Employees are to secure supervisory authorization for use of a personally-owned vehicle in advance of such use. When an employee is authorized to use a personally-owned vehicle, the employee will be reimbursed at the U.S. General Services Administration (GSA) in effect on the date(s) of travel.

Shuttles and Public Transportation.When traveling by air or train, employees should use shuttle services or public transportation when such options are available and less expensive than other means of ground transportation.

Train.Coach class is the only approved service when traveling by train.

Reimbursement. Rental cars, taxis and trains require actual receipts. Use of personal automobile requires documentation of mileage that seeks reimbursement of the most direct route between the departure and arrival points. Miscellaneous expenses of nominal value where receipts are not possible require a written explanation. (See Reimbursement Policy Section Six)

## SECTION THREE: LODGING

Lodging Expense**.** Employees should expect services and accommodations that are safe and comfortable, not lavish or extravagant. The travel destination must be located more than 50 miles from both their headquarters and residence. Upgraded accommodations that are an additional charge are not allowed; however, a complimentary upgrade is allowed.

Maximum Allowable Lodging Rate.Our agency requires employees to book lodging that adheres to the GSA rates for the destination the booking occurs excluding taxes. Employees will only be reimbursed for actual expenses incurred, within the maximum allowable rate.

In instances where an employee is not able to secure lodging within the maximum GSA lodging rate, an employee may obtain a waiver from the agency travel liaison. An employee that books a more expensive option without prior approval may be required to pay the difference.

Cancellation.Employees should only book lodging at places that allow cancellation without a fee. Should an employee have no option but to stay at a place with a nonrefundable policy she/he needs to inform the agency travel liaison for guidance and approval. If an employee is permitted to stay at a non-refundable lodging option they are responsible for canceling lodging arrangements according to the property’s cancellation policy. No-show charges and penalties will only be reimbursed if the cancellation was required for agency business decisions.

Conference Lodging.Conferences are not always confirmed at the lowest rate or a government rate. The employee is required to attempt to find lower cost lodging when the conference rate is higher than the maximum allowed lodging rate. The alternative to a conference hotel should be within close proximity and local ground transportation should be factored in when choosing a location. An employee may request a waiver from the agency travel liaison.

When it is required by the conference for an attendee to stay at a particular property and/or confirm the accommodations through the organization, the employee must include documentation of this requirement (such as the registration instruction sheet) with the receipt submission when requesting reimbursement.

Extended Stay.When an employee is required to work away from their residence or primary worksite for 60 days or more they may enter into an extended stay lodging agreement. Requests must be approved in advance. Failure to obtain approval prior to entering into a lodging agreement will result in the employee being liable for any costs.

### Reimbursement Amounts

1. Out of town Lodging is reimbursed at the GSA lodging rates. See rates at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem). Lodging receipts are required for reimbursement.
2. Extended Stay Lodging reimbursement will be limited to lodging, necessary utilities (cable and phone are excluded), and mileage or transportation costs for a biweekly roundtrip between the worksite and the employee’s permanent residence or headquarters. Subsistence expenses are not allowed. Mileage is not paid between lodging and temporary worksite. Receipts are required for reimbursement.

## SECTION FOUR: SUBSISTENCE

General. Our agency follows the GSA Per Diem policy for subsistence for travel that is more than 50 miles from both your primary worksite and residence. You can find the applicable subsistence rate at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem). If your destination is not listed find the rate for the closest city within the state.

Reimbursement Amounts**.** Our agency reimburses employees the applicable per diem rate. Receipts are not required.

1. On the first and last travel day, employees are only eligible for 75 percent of the subsistence amount permitted by GSA.
2. Employees are required to deduct from their reimbursement request the meal portion of the GSA subsistence amount provided by hotels, meetings, conferences or any other source. Meals classified as continental breakfast do not need to be deducted. When a meal is provided in the cost of the hotel room and the commonwealth traveler opts to eat elsewhere, reimbursement for that meal will be made within the prescribed maximum daily meal reimbursement rate.

## SECTION FIVE: PAYMENT OPTIONS

Agency Credit Card.Employees should use their agency provided credit card for making travel arrangements. If an employee does not have an agency credit card they may use their personal credit card. If an employee does not have a personal credit card they should contact the agency travel liaison for guidance.

Cash Advances.An employee is expected to cover expenses through the agency provided credit card and/or their personal credit card. In extenuating circumstances an employee can receive a cash advance with sufficient justification and approval of their supervisor.

## SECTION SIX: REIMBURSEMENT

General.Employees are expected to exercise good stewardship of funds when traveling on official agency business. Employees on official agency business will receive reimbursement of actual expenses for lodging and expenses not covered in the subsistence per diem allowance incurred in the performance of their duties within prescribed maximums. Complete justification and supporting documentation for travel expenses must be included with the submission of the reimbursement request.

### Reimbursement Claim.

1. Employee responsibilities: Employees are responsible for ensuring that expenses are proper, accurate, and incurred in official agency business. An employee who knowingly presents a false or fraudulent claim may be subject to disciplinary measures including termination of employment and possible criminal prosecution. Reimbursement request must be made within 30 days of travel in order to be processed for payment.
2. Supervisor responsibilities: Supervisors must review and approve reimbursement requests submitted by their subordinates to ensure the necessity, propriety, and accuracy of the travel expense.

Justification.Supporting documentation for lodging and other expenses not covered by the GSA Subsistence per diem is the actual recipient. A receipt should include the following information on the receipt: Name and address of the vendor, Date of service, Description of service and the amount paid for each individual item. Credit card slips and statements are not acceptable in lieu of receipts. For expenses where no receipt is provided such as a vending machine, parking meter, or unmanned toll booth expense, when a receipt is not provided. A complete explanation is required and the daily reimbursement rate is capped at $15.

Audits.Travel expenses are subject to audit. When the audit uncovers unintentional mistakes where the error resulted in an overpayment of expenses the employee will responsible for repaying the agency. Instances where the agency determines an employee intentionally committed fraud in a reimbursement request will result in immediate dismissal.

### Miscellaneous Expenses

1. Baggage: Baggage handling and gratuities are limited to reimbursement of $1.50 per piece.
2. Fees for baggage check with airlines will be reimbursed at the actual expense and are limited to the first checked bag. Any additional baggage is conditional on a traveler’s job function and less expensive alternative avenues of transportation (such as sending the supplies ahead via shipping). A receipt and explanation is required.
3. Other optional airline fees are not reimbursable, including advance seat reservation fees, Wi-Fi , snacks, and any other fees imposed by the airline that are not essential to air travel.

# LEAVE POLICY

Employees of \_\_\_\_\_\_\_\_\_\_\_\_are entitled to a wide range of leave. Our official leave policies are:

### Vacation Leave

Full-time regular employees will accrue paid vacation time on a bi-weekly basis to coincide with pay periods. The rate of vacation accrual depends on your time with (insert name of entity) as follows:

First four years: 4 hours per pay period

Years 5 – 14: 6 hours per pay period

Year 15 – forward: 8 hours per pay period

Regular part-time employees are eligible to accrue paid vacation on a pro rata basis based on their percentage of full-time employment. Temporary employees are not eligible for any vacation benefits. Employees do not accrue vacation benefits during a period of leave without pay.

Employees may accrue no more than ***[240]*** hours of vacation leave.Once an employee reaches the [***240]***-hour cap, the excess hours will be deleted and no further hours will be permitted to accrue until the employee has used some of the accrued vacation hours. In cases where EMPLOYER operations have made it impractical for an employee to use vacation time, EMPLOYER ***[or Department Head, etc.]*** may make a limited exception to the cap on accrual. Accrued vacation leave will be paid out upon separation from employment.

### Sick Leave

Regular full-time employeesaccrue paid sick leave at the rate of four hoursper pay period of continuous employment. Regular part-time employeesaccrue paid sick leave on a pro rata basis. Temporary employees are not eligible for paid sick leave benefits. Employees do not accrue sick leave benefits during a period of leave without pay. Accrued sick leave will not be paid out upon separation from employment.

### Family and Medical Leave

(Insert entity name) family and medical leave program enables employees to take time off, under certain conditions, for health reasons or to care for family members. This policy will be administered in accordance with the federal Family and Medical Leave Act (FMLA) and applicable statutes. A notice entitled “Employee Rights and Responsibilities Under the Family and Medical Leave Act” is posted ***[specify whether posting is on EMPLOYER bulletin boards or electronically]*** and is provided to employees ***[specify whether notice is provided to all new employees upon hire or included in personnel manual].*** Nothing in this policy affects or supersedes any federal or state law or collective bargaining agreement that may provide greater entitlements to medical or family leave than those set forth in this policy.

Eligibility. To be eligible for leave under this family and medical leave policy, an employee must have been employed by EMPLOYER for at least 12 months, must have worked at least 1,250 hours in the preceding 12 months, and must work at a location where at least 50 employees are employed by EMPLOYER within 75 miles.

Leave Entitlement. An eligible employee may request up to 12 workweeks of FMLA leave per “leave year”.

### Administrative Leave

On a case-by-case basis, EMPLOYER may place an employee on administrative leave with or without pay for an indefinite period of time.Administrative leave may be used when it is in EMPLOYER’S best interests, such as during the pendency of an investigation.

### Jury or Witness Duty

Employees who are required by law to render jury service will be granted time off with pay during the period of jury duty. Employees should notify their supervisor as soon as possible after receipt of a juror summons so that operational adjustments can be made as needed during the employee’s absence. A copy of the juror summons must be provided upon request.

### Military Leave

Every employee who is a member of the National Guard or of the U.S. Army, Navy, Air Force, Coast Guard or Marine Corps, or of any organized reserve of the United States, will be granted military leave in accordance with state and federal law. Employees who take military leave will have whatever rights to reinstatement, seniority, vacation, layoffs, and compensation as are provided by applicable law.

### Holidays

(Insert name of entity) provides paid time off for ***[10]*** holidays per year for regular full-time employees and pro-rata paid time off for part-time employees that work 20 hours or more per pay period. The covered holidays are:

New Year’s Day, Martin Luther King, Jr, President’s Day , Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day, Christmas Day, floating day to as a personal holiday.

The dates of the above-listed holidays will be as designated by the agency. Any holiday falling on a Saturday will be recognized on the preceding Friday. Any holiday falling on a Sunday will be recognized on the following Monday.

### Religious Holidays

If an employee’s religious beliefs require observance of a holiday not included in the basic holiday schedule, the employee may, with [his/her Department Head]’s approval, take the day off using vacation or leave without pay. Employees should seek approval for such absences well in advance to ensure work coverage.

### Bereavement Leave

All regular full-time employees and part-time employees ***[regularly scheduled to work more than 20 hours a week]*** will be granted up to three days off with pay in the event of a death in the employee’s immediate family. For purposes of this policy, immediate family includes the employee’s spouse, domestic partner, parents, children, siblings, stepparents, stepchildren, grandparents, grandchildren, parents-in-law, sons-in-law, or daughters-in-law. When requesting bereavement leave, employees should inform their immediate supervisor as to who died and the date of death. Proof of death and/or relationship may be required.

### Time Off To Vote

If an employee’s work schedule on the day of an election does not provide the employee two free hours during the time the polls are open, (insert entity name) will permit the employee to take a reasonable amount of time (up to two hours) to leave work for voting purposes.

# RELOCATION POLICY

(Insert Entity Name) may pay certain relocation expenses of current employees required to relocate or new hires deemed eligible

Eligible Employee Groups:Career Permanent Salaried Employees

## Purpose

To establish a policy for the reimbursement of defined expenses incurred when a career permanent salaried employee is permanently transferred from one location to another at the Company's request or new hires. For new hires the availability of relocation expenses will be included in the job announcement.

## Scope

This policy applies to employees or new hires who are required to relocate at the (insert entities name) request. A relocated employee or new hire must remain with the company for at least 12 months after the relocation or they will be required to repay the relocation benefits received. Individuals must reside at least fifty (50) miles farther from their residence than their former job location. The Human Resource Department must review and approve all relocation requests made by supervising managers, as well as, the individual relocation expenses in advance of being incurred.

Reimbursement for relocation will be limited to expenses enumerated below and are capped at $20,000:

1. **Trips to Locate Living Accommodations**
Reimbursement will be made for reasonable and actual expenses incurred by you and your spouse for travel to the new location to locate living accommodations. This reimbursement includes meals, lodging, and transportation for up to two trips not to exceed ten days combined.
2. **Movement of Household Goods**

The cost of normal household moving service from the former permanent residents to the new residence to include: packing and unpacking services, content insurance, personal vehicle (1), applicable storage fees.

1. **Moving to New Residence**
Reasonable and actual expenses incurred for the cost of meals, lodging and travel (limit of (2) cars at the then current IRS limit per mile) or coach air transportation
2. **Reimbursement for Loss of Security Deposit**

If you are a renter, you will be reimbursed for penalties associated with early lease termination of a rented apartment or house, not to exceed one (1) month's rent, after attempts by you and the Company have failed to have the penalty waived.

1. **Income Tax Adjustment**
Many of the items reimbursed or paid to you under this policy are considered taxable income. The total sum of these items subject to taxation will be determined and that amount will be "grossed-up" at a flat rate of 34%. This adjustment applies toward applicable state and federal payroll taxes.
2. **Other Items**
Before any reimbursement is made under this policy, you will be required to sign a Promissory Note requiring you to reimburse the Company for any relocation expenses paid if you should voluntarily leave the employment of the Company or be released from employment for cause, including poor performance, within twelve (12) months of relocating.

# PROCUREMENT POLICY

## CHAPTER 1 – INTRODUCTION

This manual is intended to serve as a guide for successful procurement practices in securing bids and proposals to make:

♦ Micro-Purchases,

♦ Small Purchases,

♦ Large Purchases,

♦ Sole Source Purchases

### Compliance

This Contracts and Procurement Policy and Procedures Guidance document establishes minimum standards that [AGENCY] will use to process third party contracts. This manual is intended to help [AGENCY] comply with the Pipeline and Hazardous Materials Safety Administration's (PHMSA) standards to ensure competitive bidding through full and open competition and equitable treatment of all potential sources for all purchases made with funding derived from the federal, state, and local governments. Competitive proposals and sealed bid transactions will be conducted in a manner to provide maximum open and free competition consistent with 2 CFR 200.317 – 319, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. States follow their own procurement regulations and rules but may find this sample guidance useful as States usually adopt procedures that are similar to those contained this document. The policies and procedures contained herein establish standard business practices to ensure the timely, efficient, and economical delivery of services and materials.

The goal of procurement practices is to provide an atmosphere in which all procurement transactions will be conducted in a manner providing full and open competition. [AGENCY] will avoid the following situations considered to be restrictive of competition:

(1) Unreasonable requirements placed on firms in order for them to qualify to do business;

(2) Unnecessary experience and excessive bonding requirements;

(3) Noncompetitive pricing practices between firms or between affiliated companies; (4) Noncompetitive awards to any person or firm on retainer contracts;

(5) Organizational conflicts of interest, which means that because of other activities, relationships, or contracts, a contractor is unable, or potentially unable, to render impartial assistance or advice to the grantee; a contractor's objectivity in performing the contract work is or might be otherwise impaired; or a contractor has an unfair competitive advantage;

(6) The specification of only a "brand name" product without listing its salient characteristics and not allowing "an equal" product to be offered; and

(7) Any arbitrary action in the procurement process.

[AGENCY] shall conduct procurements in a manner that does NOT give in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This does not pre-empt State licensing laws. Geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services if an appropriate number of qualified firms, given the nature and size of the project, are able to compete for the contract.

### Documentation

In order to meet standards established by the PHMSA and to be prepared for grant management reviews it is critical to accurately document procurement procedures. This manual outlines the steps to take and provides the standardized forms to complete for each type of procurement. Appendix A contains the standardized forms to be used to document practices.

### Policy Considerations

Contracting with Small Disadvantaged Firms

Non-federal entities are required to take affirmative steps to assure that contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.

Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

Procurement of recovered materials

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

### Contract Cost and Price

The [AGENCY] must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

The [AGENCY] must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

### Contract Provisions

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the [AGENCY] under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold currently set at $150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of $10,000 must address termination for cause and for convenience by the [AGENCY] including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by [AGENCY] must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The [AGENCY] must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The [AGENCY] must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The [AGENCY] must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the [AGENCY] in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(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 government wide 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.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

## CHAPTER 2 - CODE OF ETHICS AND CONFLICT OF INTEREST POLICY

### Written Standards of Conduct

In order to conduct procurement activities in an ethical manner, a Code of Ethics and Conflict of Interest Policy is established for [AGENCY], stated as follows.

### Personal Conflict of Interest

No [AGENCY] employee, officer, agent, Board member, or immediate family member shall participate in the selection of, award, or administration of a contract supported by PHMSA funds if a conflict of interest, real or apparent, would be involved. Such a personal conflict of interest would arise when any of the following has a financial interest or other interest in the firm selected for the award:

1) The employee, officer, agent, or Board member,

2) Any member of his/her immediate family,

3) His/her partner, or

4) An organization that employs, or is about to employ, any of the above.

[AGENCY] employees, officers, agents, and Board members shall neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from actual contractors, potential contractors, or parties to sub-agreements, including but not limited to monies, credits, discounts, seasonal or special occasion presents, edibles, drinks, household appliances and furnishings, clothing, vacations, travel or hotel expenses, various forms of entertainment if:

1) It tends to influence the employee, officer, agent, or Board member in the discharge of employee's official duties; or

2) The employee, officer, agent, or Board member recently has been, or is now, or in the near future may be, involved in any official act or action directly affecting the donor or lender; or

3) The employee, officer, agent, or Board member has or appears to have influence over [AGENCY] actions affecting the donor or lender in the employee's official capacity.

Purchasing employees must recognize that their purchasing activities are of public interest and a matter of public record, therefore, their actions must be conducted in a manner so as to be fully substantiated and legally defended. At all times, [AGENCY] employees must endeavor to keep from involvements that could result in a possible position of "conflict of interest."

When an actual or potential violation of any of these standards is discovered, the person involved shall promptly file a written statement concerning the matter with an appropriate supervisor. The person may also request written instructions and disposition of the matter. If an actual violation occurs or is not disclosed and remedied, the employee involved may be reprimanded, suspended, or dismissed. The vendor or potential vendor may be barred from receiving future contracts and/or have an existing contract canceled.

### Organizational Conflicts of Interest

Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the [AGENCY] is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. Organizational conflicts of interest can cause two distinct problems. One concerns the issue of bias; the other involves the issue of unfair competitive advantage. An organizational conflict of interest occurs due to the type of work to be performed under a third party contract, or because of other activities or relationships such as:

♦ A contractor is unable, or potentially unable, to render impartial assistance or advice to [AGENCY];

♦ A contractor’s objectivity in performing contract work is or might otherwise be impaired; or

♦ A contractor has an unfair competitive advantage.

Bias arises when a contractor is placed in a situation where there may be an incentive to distort advice or decisions. Whenever a contract is awarded that involves the rendering of advice, the question must always be asked as to whether the potential for a conflict of interest exists for the contractor rendering the advice. In fact, [AGENCY] should always consider using a "Conflict of Interest Disclosure Statement," such as follows, in its solicitation when contracting for services of this nature.

1) The offeror shall provide a statement in its proposal which describes in a concise manner all past, present or planned organizational, financial, contractual or other interest(s) affected by any [AGENCY] employee, officer, agent, or Board member; any member of these entities’ immediate family, partner, or organization that employs, or is about to employ, any of the above, and which is related to the work under this solicitation. The interest(s) described shall include those of the proposer, its affiliates, proposed consultants, proposed subcontractors, and key personnel of any of the above. Past interest shall be limited to within one year of the date of the offeror's technical proposal. Key personnel shall include any person owning more than 20% interest in the offeror, and the offeror's corporate officers, its senior managers and any employee who is responsible for making a decision or taking an action on this contract, where the decision or action can have an economic or other impact on the interests of a regulated or affected organization.

2) The offeror shall describe in detail why it believes, in light of the interest(s) identified in (a) above, that performance of the proposed contract can be accomplished in an impartial and objective manner.

3) In the absence of any relevant interest identified in (1) above, the offeror shall submit in its proposal a statement certifying that to its best knowledge and belief no affiliation exists relevant to possible conflicts of interest. The offeror must obtain the same information from potential subcontractors prior to award of a subcontract.

4) The refusal to provide the disclosure or representation, or any additional information required, may result in disqualification of the offeror for award. If nondisclosure or misrepresentation is discovered after award, the resulting contract may be terminated. If after award the contractor discovers a conflict of interest with respect to the contract awarded as a result of this solicitation, which could not reasonably have been known prior to award, an immediate and full disclosure shall be made in writing \_\_\_\_\_\_\_\_\_. The disclosure shall include a full description of the conflict, a description of the action the contractor has taken, or proposes to take, to avoid or mitigate such conflict.

The problem of unfair competitive advantage occurs most often when a contractor is developing specifications or statements of work that will be used in a future competitive solicitation. The problem most often causing unfair advantage occurs when the contractor writes specifications or statements of work around its own corporate competitive strengths or products, and then bids on those specifications or statements of work. [AGENCY] can overcome the unfair advantage by placing reasonable restrictions on the contractor’s involvement in the procurement that will utilize the specifications. Some form of advance restriction (limitation on future contracting) must be agreed to with the contractor as a provision within its consulting contract. Another typical problem scenario is that a contractor developing specifications or work statements may have access to information that [AGENCY] has paid the contractor to develop, or which [AGENCY] has furnished to the contractor for its work and which has not been made public. When this information enhances the contractor’s competitive position in the bidding, it represents an unfair competitive advantage. The potential solution to this problem is to fully disclose all information to the bidders for a reasonable time prior to receipt of proposals.

The situation of "unfair competitive advantage" is to be distinguished from a "fairly won competitive advantage" which naturally accrues to any contractor that can do work more efficiently because it has more experience (i.e., won more contracts) for its products or services. It is a fact that competitors are frequently discouraged from bidding on a particular procurement because they perceive an incumbent contractor to have an insurmountable competitive advantage by virtue of its previous work.

Obtaining Access to Proprietary Information – When a consulting contractor requires proprietary information from others to perform a [AGENCY] contract, the contractor may gain an unfair competitive advantage. Imposed restrictions protect the information and encourage companies to provide it when necessary for contract performance. A contractor doing work for [AGENCY] and requiring such information is required to enter into agreements with the other companies to protect their information from unauthorized use or disclosure for as long as it remains proprietary and also to refrain from using it for any purpose other than that for which it was furnished. The [AGENCY] Procurement Officer will obtain copies of these agreements.

### Compliance with the Code of Ethics and Conflict of Interest Policy

[AGENCY] requires that all employees involved in procurement functions sign a

Conflict of Interest Statement in October of each year; that members of the Board of Directors sign the Statement at the beginning of each term; and that these signatures be kept on file by the Procurement Officer.

### Conflict of Interest Policy – Certification

As a General Policy, [AGENCY] seeks to prevent and avoid any conflicts of interest in the conduct of its business operations and to avoid any appearance of such conflicts to the public it services. Each board member or committee member has the duty to place the interests of [AGENCY] foremost in any dealings on behalf of the organization and has a continuing responsibility to comply with this Policy.

In order to comply with this Policy, it is expected that:

If a board or committee member has an interest in a proposed transaction with [AGENCY] in the form of a significant personal or organizational financial interest in the transaction or holds a position as trustee, director, officer or staff member in such organization or business, he or she must make full disclosure of such interest before any discussion or negotiation of such transaction. The disclosure shall be recorded in the minutes of the meeting.

Any board or committee member who has a potential conflict of interest with respect to any matter coming before the board or a committee shall not participate in any discussion of or vote in connection with the matter. The disclosure shall be recorded in the minutes of the meeting.

Any board or committee member who gains privileged information by virtue of his or her role as a board, committee or staff member shall not use that privileged information for personal or professional gain.

This Policy shall be distributed annually to board and committee members. A signature in the designated space at the bottom of this Policy will indicate that board or committee members’ agreement to abide by this Policy to the best of his or her ability. Noncompliance with the intent and spirit of this Conflict of Interest Policy may result in action deemed appropriate by the Board of Directors of [AGENCY].

This Policy may be revised or amended as determined appropriate by the Board of Directors.

I have read the above statement of policy regarding conflict of interest and agree to abide by the policy to the best of my ability in my role as a board or committee member.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name:

cc: Personnel File

File: Compliance with the Contracts and Procurement Policy and Procedures Manual

## CHAPTER 3 - PROCUREMENT PROCESS, PLANNING AND ORGANIZATION

Methods of procurement to be followed:

### Micro – Purchases

Micro-Purchases are purchases that cost up to $3,000, including delivery charges. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

♦ Micro-Purchases may be made without obtaining competitive quotations if the price is determined to be "fair and reasonable" and is documented as such.

♦ Micro-Purchases are exempt from Buy America requirements.

♦ Micro-Purchase procedures may not be used for Construction Contracts with a value of $2,000 or greater.

♦ One method to equitably distribute the micro-purchases among qualified suppliers is to rotate through an approved supplier list. If possible, place Disadvantaged Business Enterprises (DBEs) on the list. If this method is used, indicate the name of the company to be used, as well as the previous company used on the rotating list on the "Fair and Reasonable" Price Documentation (Form A-1).

♦ Splitting procurements to avoid the $3,000 competition requirement is not allowed

♦ Contract clauses are not required for Micro-Purchases.

♦ Purchase cards may be used if the Price Determination Form (Form A-2) is up to date (signed at the beginning of each fiscal year.)

### Steps Involved in Making Micro-Purchases:

When making a micro-purchase, complete each of the following steps:

Step 1: Obtain budget approval on all purchases up to $500.00. If the purchase is over $500.00, a Purchase Order must be issued and signed by the Executive Director.

Step 2: Determine "fair and reasonable" price for the product or service to be purchased. Complete the “Fair and Reasonable" Price Documentation (Form A-1)

(a) On the form, indicate the method used to determine that the price is "fair and reasonable."

(b) If telephone quotes are used, write the name of the company and the dollar amount of the quotes in the spaces provided.

(c) If catalogues or newspaper advertisements are used, photocopy the catalogue page or advertisement and attach it to the form.

(d) If found reasonable based upon a recent purchase, explain in the space provided.

(e) If found reasonable based upon personal knowledge, explain in the space provided.

(f) If any other method is used, place the name of the vendor and dollar amount of quote and comments in the space provided.

(g) Sign and date the form.

Step 3: Select the source that provides the product or service for the lowest price and meets the required specifications, as opposed to desired specifications. Make the purchase.

Step 4: Staple the completed “Fair and Reasonable" Price Documentation (Form A-1) to the Purchase Order along with any other attachments (photocopies of catalogue pages, advertisements, etc.) to be filed. When received, the invoice will also be attached.

### Small Purchases – Simplified Acquisition Threshold

Small Purchases are purchases that cost $3,000.01 to $150,000 and do not require the Invitation for Bid or Request for Proposals process. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Use this procurement method for:

1) Goods and services that are clearly defined,

2) Construction projects, and

3) When the award can be made primarily based upon the price of the bid.

♦ This method of procurement allows for free and open competition.

♦ Complete the Price Quotes Documentation for Small Purchases (Form A-3)prior to requesting bids or proposals.

♦ Price or rate quotations shall be obtained from at least three (3) qualified sources.

♦ Advertise Invitation for Bid if the independent estimate exceeds $20,000.

♦ The [AGENCY] Board of Directors is required to approve all contracts and procurements exceeding $20,000 through an agenda item.

♦ Splitting procurements to avoid the $20,000 competition requirement is not allowed.

♦ Small Purchases are exempt from the Buy America requirements.

♦To justify Sole Source Procurements, complete Form A-19 and attach it to the Purchase Order documentation.

♦ [AGENCY] may not restrict competition by:

1) Placing unreasonable requirements on firms in order for them to qualify to do business,

2) Having an organizational conflict of interest,

3) Requiring vendors to have unnecessary experience or unnecessary bonding,

4) Giving preference in the evaluation of bids to in-state or local businesses, except in those cases where Federal statutes expressly mandate or encourage geographic preference. (This does not preempt State licensing law.)

### Steps Involved in Making Purchases Using Simplified Acquisition Procedures

When making a small purchases complete each of the following steps.

Step 1: Obtain budget approval and the Executive Director’s signature on the Purchase Order.

Step 2: Obtain at least three verbal or written price quotations (faxed quotes are acceptable) and complete the Price Quotes Documentation for Small Purchases (Form A-3). For products and services that cost $5,000 or more, request quotes via fax or in writing. If telephone quotes are used, write the name of the company and the dollar amount of the quotes in the spaces provided. Sign and date the form. If possible, a Disadvantaged Business Enterprise (DBE) shall provide one of these price quotes.

Step 3: Select the source that provides the product or service for the lowest price and meets the required specifications.

Step 4: Staple the Price Quotes Documentation for Small Purchases (Form A-3) and any other attachments (photocopies of catalogue pages, advertisements, etc.) to the Purchase Order to be filed. When received, the invoice will also be attached.

### Procurement by sealed bids (Invitation for Bid aka Request for Quotes)

Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions below apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

### Purchases that Require an Invitation For Bid Process – Sealed Bids

Depending on complexity of the purchase plan for fifteen (15) to thirty (60) work days to place the order. The IFB process can be used to make purchases that cost less than $150,000 in which the procurement is more complex or large Purchases that cost $150,000.

Use this procurement method for:

1) Goods and Services that are clearly defined;

2) Construction Projects; and

3) Awards that can be made primarily based upon the price of the bid.

♦ Contracts that exceed $150,000 shall be awarded by sealed bid or competitive negotiation unless there is an explicit exception.

♦ Advertise RFQ if the independent estimate exceeds $150,000.

♦ The [AGENCY] Board of Directors is required to approve all contracts and procurements exceeding $20,000 through an agenda item.

♦ In order for sealed bidding to be feasible, the following conditions must be present:

1) A complete, adequate, and realistic specification or purchase description is available;

2) Two or more responsible bidders are willing and able to compete effectively for the business;

Large Purchases require the following:

1) Publicly advertise the RFQ, and solicit bids from an adequate number of known suppliers, and provide them sufficient time to prepare bids prior to the date set for opening the bids;

2) The RFQ shall include specifications and pertinent attachments, and shall define the items or services sought so the bidder can properly respond;

3) Award a contract in writing to the lowest responsive and responsible bidder whose bid conforms with all the material terms and conditions of the Invitation For Bids. Factors such as discounts, transportation costs, and life cycle costs shall be considered in determining the lowest bid;

4) Any or all bids may be rejected based upon a sound documented business decision.

♦ Large Purchases must comply with Buy America requirements and other Federal

Clauses.

♦ [AGENCY] may not restrict competition by:

1) Placing unreasonable requirements on firms in order for them to qualify to do business;

2) Having an organizational conflict of interest;

3) Requiring vendors to have unnecessary experience or unnecessary bonding; or

4) Giving preference in the evaluation of bids to in-state or local businesses, except in those cases where Federal statutes expressly mandate or encourage geographic preference. (This does not preempt State licensing law.)

### Steps Involved in Making Purchases that Require IFB Process

When making a purchase that requires an IFB or RFQ complete each of the following steps.

Step 1: Obtain budget approval and the Executive Director’s signature on the Purchase Order.

Step 2: Via e-mail, notify the Procurement Officer about the project and include a project description. Work closely with the Procurement Officer to complete and file forms in the Master Project File throughout the project.

Step 3: Determine the contract type by completing the Justification for Contract Type (Form A-4.)

Step 4: Request that the DBE Officer assign a DBE goal to the project and place the DBE Goal on the Purchase Order. Print the appropriate DBEs from the DBE Source List on the Share Drive and attach the list to the requisition. (The DBEs listed on the DBE Source List are certified by [AGENCY].)

Step 5: If the independent estimate exceeds $20,000, the purchase must be approved by the [AGENCY] Board of Directors. Prepare an agenda item for the Board Meeting.

Step 6: Prepare the Specifications and Bid Package. Coordinate basic safety and user requirements with all [AGENCY] departments including the Safety Department. Include these safety and user requirements that interface with the procured facility, hardware, or system in the procurement specifications. Make sure the project complies with Configuration Management, and complete and sign Form A-5 for the Contract File. If the procurement involves technology, the Specifications must include a clause whereby the contractor submits a letter of self-certification certifying compliance with National Architecture Standards (also Form A-5). When it is impractical or uneconomical to provide a clear and accurate description of the product, a "brand name or approved equal" description may be used. However, the buyer must still identify the minimum needs and clearly describe the essential physical and functional characteristics of the brand name product. If you must use a brand name in your specification, you may allow bidders to substitute an equal product with a different brand name. You may reserve the right to determine whether a particular brand or model is equal to the one you specified. If you use a brand name and allow equal brands, you must also specify the salient characteristics of the specified brand that will be among the criteria used in determining whether a suggested substitute is equal to the specified brand or not.

The buyer may directly contact manufacturers to get assistance with identifying specifications. Document these transactions via a memorandum for the file.

Step 7: The advertisement for the large purchase competitive sealed bid must be published in a manner that allows open and free competition. This may be accomplished through a combination of online and/or print publications indicating the deadline date, time, and place by which bids will be received, and the date, time, and place where bids will be opened. It is recommended that bids be open at least 30 days to allow adequate time to prepare responses.

The advertisement must contain the following:

1) The description of the work, goods, or services to be procured;

2) The location at which the bidding documents, plans, specifications, or other documents may be examined by all bidders and time and place of the pre-bid conference (set the pre-bid conference a minimum of ten (10) days after the first notice publication);

3) The date, time, and place for submitting bids and the date, time (include the time zone), and place for the opening of competitive sealed bids;

4) DBE program requirements or goals; (if applicable)

5) Late bids will be returned unopened to the sender.

Step 8: Send the advertisement to third parties on the [AGENCY] Source List (list of businesses interested in competing for various types of contracts) and the vendors on the DBE Source List. Make the Source List and DBE Source List available to the public upon written request. Document the Vendors to whom the advertisement for bid was sent on the Vendor Solicitation List (Form A-6.)

Step 9: Send bid packages to third parties requesting bid packages. List the vendors requesting bid packages on the Bid Package/RFP Request List (Form A-7). [AGENCY] is allowed to charge vendors for the bid packages to cover postage.

Step 10: Hold a Pre-Bid Conference (optional). The parties present must sign on a sign- in sheet, for Pre-Bid Conferences, Pre-Proposal Conferences, Bid Openings (Form A-8). The purpose of the Pre- Bid Conference is to go over the technical specifications and answer any questions about the product, service, or project that the vendors may have. Hold the Pre-Bid Conference two or three days after the second public notice is published. Prepare an agenda prior to the Pre-Bid Conference. Vendors are not normally required to attend the Pre- Bid Conference. In the event the project is unusually complex and attendance is absolutely critical and required, make this requirement clear in the advertisement and the Bid Package. Record minutes of the conference, post to your website and send the minutes to the prospective offerors on the final solicitation mailing list.

Step 11: Date and time stamp the sealed bids as received. Keep sealed bids in a safe and secure place until the bid opening.

Step 12: Keep a list of the responding vendors on the Responding Vendors List (Form A-9). Keep sealed bids sealed in a secure place until the bid opening.

Step 13: At the designated time and place open the sealed bids, for local and tribal governments; the bids must be opened publicly;

 Step 14: Record the bids on the Bid Tabulation (Form A-10).

Step 15: Any sealed bids that reach [AGENCY] after the bid opening time and date must be mailed back to the source without opening. You may have a policy in your bid package that states "late bids mailed via Fed-Ex or UPS that were guaranteed for delivery but were not delivered will be accepted upon receiving proof of guaranteed delivery date." If bids arrive late, send the vendor a letter and give them three days to respond and prove that they met the deadline requirements. If the vendor does not prove to have met the deadline requirements, send the bid package back to them unopened via certified mail.

Step 16: Complete the Price Analysis Documentation for Small and Large Purchases (Form A-11). This form certifies that adequate price competition was obtained by comparison of quotations and the low price is fair and reasonable.

Step 17: Determine the "Best Value" by selecting the lowest, most responsive bid that meets the specifications as stated in the Invitation for Bid. Complete Determination of Best Value (Form A-12)

In determining which products or services are in [AGENCY]' best interest, the agency shall consider the following factors:

a) installation costs and hardware costs;

b) the overall life cycle cost of the requested equipment;

c) the estimated cost of employee training and estimated increase in employee productivity;

d) estimated software and maintenance costs; and

e) criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose.

These factors are not the only ones you may use. Attach information to the agency file for future clarification of the award.

Step 18: If the lowest bid is not selected, document the reasons for the selection on the Determination of Best Value (Form A-12). If no vendor is selected the bidding process starts over. A consideration to change the Specifications may need to be made. If a single bid or single responsive bid is received you need to conduct a market analysis in order to help determine fair and reasonableness of the bid and whether or not to accept the bid or reject the bid and begin the process again or abandon the project. If a single bid is received, an option is to return the bid unopened to the vendor and reject all bids and begin again. Do not negotiate bids as in sole source procurement.

Step 19: Allow for corrections to bids if there is a bid mistake such as minor informalities or irregularities discovered in bids prior to award -- such as a decimal in the wrong place, or obvious or apparent clerical mistakes discovered prior to award. If mistakes occur other than those listed above such as a subcontractor's quote left out of the bid, allow the contractor to withdraw the bid. If mistakes are discovered after the award is made, you may allow the contractor to withdraw the bid if caught early enough, or handle it as a change order if the vendor will remain the responsible low bidder. In this case, tell the vendor that you will review the change and let them know by a date and time you set. You may want to ask legal counsel for advice.

Step 20: Check to see if the selected bidder has not been debarred from working on Federal Contracts. Check the Federal Government's Excluded Parties List at www.sam.gov. Complete the Contractor Verification (Form A-13.)

Step 21: All contracts and procurements exceeding $20,000 must be awarded by the [AGENCY] Board of Directors. Prepare an agenda item for the Board meeting.

Step 22: Following Board approval, send a Notice of Contract Award for Bids and RFPs (Form A-14) to the selected vendor to inform the company of the contract award. Set a time to discuss the details of the contract.

Step 23: The vendor must respond indicating receipt of the Notice of Contract Award for Bids and RFPs by submitting the completed and signed Notice of Contract Award Acceptance Bids and RFPs (Form A-14).

Step 24: Send letters to the other vendors not selected to explain the reasons their bids were rejected and to inform them that a vendor has been selected. Mail these letters on the same day as the Notice of Award.

Step 25: The contract must be approved and signed by the Executive Director. The contract is the Bid and Award Contract Form located in the Invitation for Bid Package that was signed by the Contractor when the bid was originally submitted.

Step 26: Send the vendor the Notice to Proceed (Form A-15).

### Procurement by competitive proposals (Request for Proposals)

Procurement by competitive proposals is a technique of soliciting for competitive proposals where the intent is to have responses from more than one source submitting a proposal. The contract may be either a fixed price or cost-reimbursement type contract. It is generally used when conditions are not appropriate for the use of sealed bids.

### Requirements of a RFP process

Requests for Proposals are used to procure professional advisory services, technology, legal services, accounting services, insurance and in cases where the quality of the service outweighs the price.

(1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(2) Proposals must be solicited from an adequate number of qualified sources;

(3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(e) [Reserved]

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

(1) The item is available only from a single source;

(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or

(4) After solicitation of a number of sources, competition is determined inadequate.

### Steps Involved in Procuring Through Request for Proposals

Complete each of the following steps when soliciting proposals:

Step 1: Obtain budget approval and the Executive Director’s signature on the Purchase Order. The Executive Director's signature is also required for projects that exceed $150,000.

Step 2: Via e-mail, notify the Procurement Officer about the project and include a project description. Work closely with the Procurement Officer to complete and file forms in the Master Project File throughout the project.

Step 3: Determine the approximate project cost by completing the Independent Estimate (Form A-16.)

Step 4: Determine the Contract Type by completing the Justification for Contract Type (Form A-4.)

Step 5: Request that the DBE Officer (See Appendix A) assign a DBE (Disadvantaged Business Enterprise) goal to the project and place the DBE Goal on the Purchase Order. Print the appropriate DBEs from the DBE Source List and attach the list to the requisition. (The DBEs listed on the DBE Source List are certified by the [AGENCY].)

Step 6: If the independent estimate exceeds $20,000, the purchase must be approved by the [AGENCY] Board of Directors. Prepare an agenda item for the Board Meeting.

Step 7: For purchases exceeding $20,000, inform the Procurement Officer via e-mail.

Step 8: Prepare the Request for Proposal (RFP) and specify the required and desired elements. Specify the weights that will be used to evaluate the proposals, (e.g., technical 40%, cost 20%, customer service 15%, training 15%, experience 10%). If the project has a limited budget, you may include a budget range in the RFP. Include the evaluation process in detail, the scoring methodology, and procedures to weigh price into selection. Include information about the Price Proposal in the Request for Proposals, and include the Contract Award Offer and Acceptance Form (Form A-18) on which proposer’s will submit their original price proposal in a separate sealed envelope. The RFP may also contain the statement, "The award of this contract may be made on the basis of initial proposals submitted without any negotiations or discussions." Coordinate basic safety and user requirements with all [AGENCY] departments including the Safety Department. Include these safety and user requirements that interface with the procured facility, hardware, or system in the procurement specifications. Make sure the project complies with Configuration Management, and complete and sign Form A-5 for the Contract File. If the procurement involves technology, the Specifications must include a clause whereby the contractor submits a letter of self-certification certifying compliance with National Architecture Standards (also Form A-5).

Step 9: The advertisement for competitive proposals must be published in a manner that allows open and free competition. This may be accomplished through a combination of online and/or print publications indicating the deadline date, time, and place by which bids will be received, and the date, time, and place where bids will be opened.

(a) Provide Bid Notice to appropriate sources for publication;

(b) The advertisement must contain the following:

1) The description of the work, goods, or services to be procured;

2) The location at which the plans, specifications or other documents may be examined by all proposers and time and place of the pre-proposal conference (if a conference is needed) (include the time zone); (set the pre-proposal conference a minimum of ten (10) days after the first notice publication);

3) State the evaluation criteria or categories in order of weight in the advertisement (see Step 8 above);

4) The date, time (include the time zone), and place of the submission deadline and the timeframe for selection;

5) DBE program requirements or goals; (if applicable)

6) If you want the cost proposal separate from the technical proposal, state that you require a separate sealed cost proposal to accompany the technical proposal;

7) Late proposals will be returned unopened to the sender.

Step 10: Send either the Request for Proposals or the advertisement to third parties on the [AGENCY] Source List (list of businesses interested in competing for various types of contracts) and the vendors on the DBE Source List. Make the Source List and DBE Source List available to the public upon written request. Document the Vendors to whom the advertisement for bid was sent on the Vendor Solicitation List (Form A-6)

Step 11: Send the Request for Proposals (RFP) to third parties requesting the RFP. List the vendors requesting the RFP on the Bid Package/RFP Request List (Form A-7).

Step 12: Hold the Pre-Proposal Conference (optional). The parties present must sign a sign-in sheet for Pre-Bid Conferences, Pre-Proposal Conferences, Bid Openings (Form A-8). The purpose of the Pre-Proposal Conference is to go over the technical specifications and answer any questions about the product, service, or project that the vendors may have. Hold the Pre-Proposal Conference two or three days after the second public notice is published (optional). Proposers are not normally required to attend the Pre-Proposal Conference. In the event the project is unusually complex and attendance is absolutely critical and required, make this requirement clear in the advertisement and the Request for Proposal Package, and thoroughly document the reasons for the mandatory attendance requirement. Record minutes of the conference and post them to your website and send the minutes to the prospective proposers on the final solicitation mailing list.

Step 13: Date and time stamp the proposals as received and keep them in a safe, secure location.

Step 14: Keep a list of the responding vendors on the Responding Vendors List (Form A-9).

Step 15: After the RFP submission deadline has passed, convene the proposal evaluation committee. Committee members must sign the Compliance with the Conflict Of Interest Policy located in Chapter 2. Place signed copies in the Master File. The committee will select the proposer who is "most advantageous" with "price and other factors considered." (Price is not a consideration factor when procuring Architectural and Engineering Services under the Brooks Act -- see Section 3.5.) The selection committee must use a unique proposal Evaluation Criteria Form to score the proposals submitted. The members of the committee shall remain confidential, therefore, the committee members should not place their names on their evaluation forms. Committee members must use appropriate language on the forms. You may use weighted scores or pass-fail criteria on the evaluation form. Criteria generally includes the following categories:

a) Responsibility of the Firm -- financial, personnel, and physical capabilities to perform the contract

b) Technical Capability -- technical experience, suitability of the products or methods proposed, objective performance criteria such as fuel efficiency, percent savings guaranteed, etc.)

c) Price -- except for Architectural and Engineering Services where the Brooks Act applies,

d) Compliance with Federal and State Regulations, and

e) Management -- qualifications of project managers, budget and schedule performance.

Step 16: Any proposal that reaches [AGENCY] after the submission deadline must be returned to the applicant without opening. You may have a policy in your bid package that states "late proposals mailed via Fed-Ex, USPS, or UPS that were guaranteed for delivery but were not delivered will be accepted upon receiving proof of guaranteed delivery date." If proposals arrive late, send the vendor a letter and give them three days to respond and prove that they met the deadline requirements. If the vendor does not prove to have met the deadline requirements, send the bid package back to them unopened via certified mail.

Step 17: Complete the Cost Analysis Documentation for Construction Contracts, RFPs, and Sole Source (Form A-17). This form certifies that adequate price competition was obtained by comparison of quotations and the low price is fair and reasonable. A cost analysis is performed when the offerer is required to submit the following elements: Labor Hours, Overhead, Materials, etc., of the estimated cost under professional consulting and architectural and engineering services contracts. Otherwise, complete a the Price Analysis Documentation (Form A-11)

Step 18: Select the responsible firm whose proposal is most advantageous to the program with price (unless the Brooks Act applies for A&E Services) and other factors considered. Make awards only to responsible contractors that have the ability to perform successfully under the terms and conditions of the proposed agreement. Consider the following in making the award: integrity, compliance with public policy, record of past performance, financial and technical resources.

Step 19: If you must negotiate with the vendor, ask the Procurement Officer for help. If you enter discussions with one vendor that submitted a proposal, you must enter discussions with all the vendors that submitted proposals and are within the pre-identified competitive price range. Document your discussions thoroughly. This memorandum will ensure that both parties agree upon the negotiated terms and conditions. Provide the questions to the proposers prior to the discussion. The members of the selection committee normally conduct the negotiations. Request best and final offers on the Contract Award Offer and Acceptance Form (Form A-18). Evaluate the final proposals. If there were no negotiations and the vendor fully meets the terms and conditions in the Request for Proposals, complete the information and signatures on the Contract Award Offer and Acceptance Form (Form A-18). The contract must be approved and signed by the Executive Director.

Step 20: If none of the proposals are selected, document the reasons and start the competitive proposal process over. The specifications in the RFP may need to be amended.

Step 21: If a critical error is found in the RFP during discussions, you may need to re-issue a revised statement of work and ask the proposers to resubmit proposals.

Step 22: Check to see if the selected offeror has not been debarred from working on Federal Contracts. Check the Federal Government's Excluded Parties list at www.sam.gov. Complete the Contractor Verification (Form A-13.)

Step 23: Award the contract when you and the vendor are in full agreement with the terms and conditions of the offer (See the next step.)

Step 24: All contracts and procurements exceeding $20,000 must be awarded by the [AGENCY] Board of Directors. Prepare an agenda item for the Board meeting.

Step 25: Within five (5) working days following Board approval, send a Notice of Contract Award for Bids and RFPs (Form A-14) to the selected offeror to inform the company of the contract award. Set a time to discuss the details of the contract.

Step 27: Send letters to the other vendors not selected to thank them for their proposal, to explain the reasons their proposals were not selected, and to inform them that a vendor has been selected. Mail these letters on the same day as the Notice of Award. Use this opportunity to debrief the vendors not selected. By communicating a sense of fairness and appreciation to offerors who have spent time and resources in preparing a proposal, this action may preclude a protest by convincing a disappointed offeror that the decision of [AGENCY] was made carefully, is factually supported, and is in the best interest of [AGENCY]. It can also help offerors improve future proposals. If debriefing is conducted in person and a vendor's legal counsel is present, [AGENCY] should also have legal counsel present. If debriefing is over the telephone, assume that the conversation is being taped and ask if it is being taped (which is legal) and also ask who else is in the room.

Step 28: Send the vendor the Notice to Proceed (Form A-15).

Step 29: Maintain a correspondence file for correspondence with the vendor. When the project is completed, give correspondence and all other outstanding information and forms to the Procurement Officer to file in the Procurement Master Project File.

### Sole Source Procurements

Federal regulations require a competitive process whenever possible; however there may be times when a sole source procurement is necessitated by circumstances. In this case a justification will be required on why a less than open process needs to be used.

### Steps Involved in Sole Source Procurements

Complete the following steps when making a Sole Source Procurement:

Step 1: Obtain budget approval and the Executive Director’s signature on the Purchase Order. The Executive Director's signature is also required for projects that exceed $150,000.

Step 2: Via e-mail, notify the Procurement Officer about the project and include a project description. Work closely with the Procurement Officer to complete and file forms in the Master Project File throughout the project.

Step 3: Determine the approximate project cost by completing the Independent Estimate (Form A-16.)

Step 4: Determine the Contract Type by completing the Justification for Contract Type (Form A-4.)

Step 5: If the independent estimate exceeds $20,000, the purchase must be approved by the [AGENCY] Board of Directors. Prepare an agenda item for the Board Meeting.

Step 6: For purchases exceeding $20,000, inform the Procurement Officer via e-mail.

Step 7: Prepare the Invitation for Bid or the Request for Proposal (RFP) and specify the required and desired elements Coordinate basic safety and user requirements with all [AGENCY] departments including the Safety Department. Include these safety and user requirements that interface with the procured facility, hardware, or system in the procurement specifications. Make sure the project complies with Configuration Management, and complete and sign Form A-5 for the Contract File. If the procurement involves technology, the Specifications must include a clause whereby the contractor submits a letter of self-certification certifying compliance with National Architecture Standards (also Form A-5). In Sole Source procurements, include the Contract Award Offer and Acceptance Form (Form A-18) in the IFB or the RFP.

Step 8: Complete Sole Source Procurement Justification (Form A-19).

Step 9: Complete Cost Analysis Documentation (Form A-17). If price reasonableness can be established on the basis of a catalog or market price of a commercial product sold to the general public in substantial quantities or on the basis of prices set by law or regulation, complete the Price Analysis Documentation (Form A-11).

Step 10: Check to see if the selected vendor has not been debarred from working on Federal Contracts. Check the Federal Government's Excluded Parties List at www.sam.gov. Complete the Contractor Verification (Form A-13)

Step 11: Complete negotiations and come to full agreement with the terms and conditions in the Invitation for Bid or Request for Proposal and the offer. If [AGENCY] must first negotiate with the vendor to arrive at an agreement and document the process, develop a negotiation memorandum and have it signed by the vendor and [AGENCY] officers. This memorandum will ensure that both parties agree upon the negotiated terms and conditions.

Step 12: All contracts and procurements exceeding $20,000 must be awarded by the [AGENCY] Board of Directors. Prepare an agenda item for the Board meeting.

Step 13: Within five (5) working days of Board approval, if needed, or signing the Memorandum of Negotiations, if the contract is $20,000 or less, send a Notice of Contract Award for Bids and RFPs (Form A-14) to the selected vendor to inform the company of the contract award. Set a time to discuss the details of the contract.

Step 14: The vendor must respond indicating receipt of the Notice of Contract Award for Bids and RFPs by submitting the completed and signed Notice of Contract Award Acceptance for Bids and RFPs (Form A-18).

Step 15: If there were negotiations, complete the information and signatures on the Contract Award Offer and Acceptance Form (Form A-18). The contract must be approved and signed by the Executive Director. (A form included in the Bid Package or Request for Proposals Package acts as the solicitation, and when signed by both parties, becomes the contract. When this Form becomes the formal contract, it must be signed by the Executive Director.)

Step 16: Send the vendor the Notice to Proceed (Form A-15).

## CHAPTER 4 - DISPUTE AND PROTEST PROCEDURES

Potential bidders, contractors, or proposers can lodge written protests as a remedy to correct a perceived wrong that may have occurred during the procurement process. [AGENCY] will accept and review the protest with the understanding that the integrity of the procurement process may be at stake. [AGENCY] will use the following procedures to resolve disputes in the attempt to avoid PHMSA involvement or litigation.

All protests lodged by potential or actual bidders, contractors, or proposers must be made in writing and contain the following information:

♦ Name, address, and telephone number of the protester.

♦ Identification of the solicitation or contract number and title.

♦ A detailed statement of the protest's legal and factual grounds, including copies of relevant documents.

♦ Identification of the issue(s) to be resolved and statement of what relief is requested.

♦ Argument and authorities in support of the protest.

♦ A statement that copies of the protest have been mailed or delivered to all interested parties in the Invitation for Bid or Request for Proposal process. In the case of Requests for Proposals, the [AGENCY] Procurement Officer shall direct the protester to mail or deliver the protest to relevant parties.

Mail the protest to: Procurement Officer [AGENCY] [ADDRESS]

OR

Overnight or hand deliver the protest to: Procurement Officer

[AGENCY] [ADDRESS]

Faxed or e-mailed protests will not be accepted.

The [AGENCY] Procurement Officer will respond, in written detail, with counterclaims to each substantive issue raised in the protest. The Procurement Officer will also perform the following analysis:

♦ Price Analysis or Cost Analysis for each claim.

♦ Technical Analysis to determine the validity of the claim(s) and determine the appropriate response(s).

♦ Legal Analysis to consider all the factors available after the price, cost and technical analyses have been conducted to determine the contractor's, [AGENCY legal position.

The Executive Director has the authority to render the final determination regarding the protest. Any determination rendered by [AGENCY] will be final. The [AGENCY] needs to determine whether the award will be delayed in order to resolve the dispute.

## CHAPTER 5 - CONTRACT CLOSEOUT PROCEDURES

In order to comply with the Closeout requirements of 2 CFR 200.343 grantees must obtain the required information, reports, final invoices, and other documentation as appropriate from their third party contractors as part of the contract closeout process. The Contract Closeout Procedures ensure that contracts are both "physically complete" and "administratively complete."

♦ The vendor has rendered all services and has fulfilled the contract.

♦ The vendor has delivered all articles or services and [AGENCY] has accepted them, including such things as reports, spare parts, warranty documents, and proof of insurance (where required by the contract terms). These deliverable items may or may not have been priced as discrete pay items in the contract, but they are required deliverables, and the contract is not physically complete until all deliverables are made.

♦ [AGENCY] has made all payments on the services or articles including the Final

Payment.

♦ The Contractor has formally released [AGENCY] from all liabilities, obligations, and claims.

♦ All administrative actions have been completed including

• The settlement of disputes, protests, and litigation;

• The final overhead rates have been determined;

• Funds have been released; and

• Property has been accounted for or disposed of properly.

♦ All documentation has been properly filed.

### Final Payment

[AGENCY] will make the Final Payment for the article or service once the contract is complete and [AGENCY] has accepted the work. The Final Payment will be made after the Contractor presents a properly executed voucher or invoice that shows the dollar amount agreed upon in the contract less any amounts previously paid. Before authorizing the final payment, the [AGENCY] Procurement Officer must receive a memorandum from the [AGENCY] Project Manager ensuring that all required inspections have been performed and certifying to the satisfactory completion of the contract. Pay careful attention to documents that are notoriously problematic, such as warranties. [AGENCY] may wish to make warranty documents a pay item in contracts when the contract pay items are being established. This action will motivate the Contractor to deliver the documents in a timely manner and preclude a dispute as to the proper amount that should be paid for these items.

If, and only if, the contract contains a clause that Final Payment could be withheld until the articles or service under the contract are completed, finalized, and accepted, [AGENCY] may withhold the final payment until both parties agree in writing that the contract has been completed. Most payment clauses require the Contractor to furnish and execute a release of claims. (Form A-20) This is generally used if subcontractors are involved and ensures that all sub-claims have been paid and resolved. A General Release at the time of the Final Payment effectively bars all existing Contractor claims, including pending claims and known and unknown claims. The Contractor may reserve the right to Specific Claims by excepting those claims at the time that the Release is executed. The Final Payment also ends [AGENCY]'s ability to file claims against the Contractor except in the event of latent defects, fraud, or gross mistakes.

### Post-Performance Audit

A close-out audit may be required to determine the final provisional overhead rates in cost reimbursement contracts. In addition to the overhead costs, there may also be some elements of costs that need audit examination. This audit cannot be conducted until the Contractor has completed the contract and submitted a final invoice. The final settlement of claims may create additional audit issues.

### Contract Closeout Checklist

The [AGENCY] Procurement Officer uses a Contract Closeout Checklist that lists all the administrative steps required to close out a contract. Different checklists may be developed for different types of contracts.

The PHMSA requires grantees to provide the following:

(1) Final performance or progress report.

(2) Financial Status Report. (3) Final request for payment.

(4) Invention disclosure (if applicable).

(5) Federally-owned property report (does not include property obtained with grant funds).

It is generally the responsibility of the [AGENCY] Project Manager to establish that the work under a contract has been completed and the contract is ready for closeout. Upon determining that the work is complete, the Project Manager prepares a checklist showing all the contract deliverables and submittals, and indicating on the checklist that all submittals and deliverables have been reviewed, inspected and accepted. The Project Manager sends a memorandum to the Procurement Officer indicating that the contract is complete and all required deliverables have been inspected and accepted.

To closeout routine purchase orders and contracts for commodities and other commercial products, [AGENCY]'s Procurement Officer ensures that the item's end user has inspected and accepted the deliverable items as being in conformance with the purchase order/contract specifications. Complete the Inspection and Acceptance Closeout Form (Form A-21) and place it in the file attesting to the contractor’s delivery of all contract end items, including any descriptive literature or warranty documentation. The file must also contain documentation from [AGENCY]'s Finance Department as proof of final payment.

# ****Purchasing Code of Ethics****

The staff of the Purchasing Division feels that, as public employees and purchasing professionals, we owe \_\_\_\_\_\_\_\_\_\_\_\_\_\_ our best unbiased judgment every time we expend taxpayer money and/or act on \_\_\_\_\_\_\_\_\_\_\_\_\_ behalf.  We guide our activity through the application and adherence to the following commonly shared values and ethical standards for dealing with vendors and clients:

1. Avoid unfair practices by granting all competitive vendors equal consideration insofar as State, Federal and local regulations require.
2. Conduct business in good faith; demanding honesty and ethical practices from all participants in the purchasing process.
3. Decline personal gifts or gratuities from present or potential vendors and contractors since this can influence or appear to influence procurement decisions.
4. Promote positive vendor and contractor relationships by according vendor representatives courteous, fair and ethical treatment.
5. Make every reasonable effort to negotiate equitable and mutually agreeable settlements of controversies with a vendor(s).
6. Avoid involvement in any transactions or activities that could be considered to be a conflict between personal interest and the interests of \_\_\_\_\_\_\_\_\_\_\_.
7. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
8. Honor our obligations and require that obligations to our \_\_\_\_\_\_\_\_\_\_\_\_ be honored.

Enhance proficiency by acquiring and maintaining current technical knowledge and pursuing related educational opportunities and professional growth.

# Code of Conduct for Procurement officials and the organization

No employee, officer, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict 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 the firm selected for an award. The officers, employees, and agents of (insert entity name) shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements except for where the financial interest is not substantial or the gift is an unsolicited item of nominal value. Members of the (insert entity name) board of directors shall comply with all relevant fiduciary duties, including those governing conflicts of interest, when they vote upon matters related to procurement contracts in which they have a direct or indirect financial or personal interest. Officers, employees, directors, and agents of the (insert entity name) shall be subject to disciplinary actions for violations of these standards.

# Conflict of Interest Policy Grant-Making

(Insert entity name) works deliberately to avoid actual, potential and perceived conflicts of interest related in the review of proposals and in the award process at both the individual and organizational levels. When a conflict of interest concerning the grant-making process presents an individuals has a duty to disclose the potential conflict of interest to their immediate supervisor and the grants management officer.

Every employee and grant reviewer shall be responsible for identifying where an actual, potential or perceived conflict of interest exists and for informing appropriate parties. All employees and grant reviewers involved in the review of grant applications must complete and sign a conflict of interest disclosure form for each grant review in which they participate.

Employees take affirmative actions to avoid, minimize or otherwise mitigate the impacts of actual, potential or perceived conflicts of interest.

## Scope of Coverage

The policy applies to any employees, members of the board of directors, and grant reviewers who may be involved with any part of the grant-making process. This includes but is not limited to: developing requests for proposals, evaluating grant proposals, awarding a grant, drafting and entering into a grant agreement, evaluating grantee performance under a grant agreement, as well as authorizing payment under a grant agreement.

## Types of Conflict of Interest

A conflict of interest, actual, potential, or perceived, occurs when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper or illegal act results from it.

### Individual Conflict of Interest

A conflict of interest that may benefit an individual employee or grant reviewer is any situation in which an employee or grant reviewer’s judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a friend, relative, acquaintance or business or organization with which they are involved.

### Procedures to Avoid Individual Conflicts of Interest

1. All employees and grant reviewers involved in the review of grant applications must complete and sign a conflict of interest disclosure form for each grant review in which they participate. On the conflict of interest disclosure form, each reviewer must identify any grant applicant with which they have an actual, potential or perceived conflict of interest, although they do not need to provide the reason for the conflict on the disclosure form.

2. Personnel or grant reviewers must act immediately when any situation that presents itself which could be perceived as conflict of interest exists in the grants process. Upon identification, such matters are referred to appropriate personnel for additional discussion to identify and mitigate any potential conflicts. If the conflict involves the employee’s immediate supervisor, grant program manager, or RFP contact person, the employee or grant reviewer should instead contact the (insert entity name) ethics officer or another senior manager. If it is determined that an actual, potential or perceived conflict of interest exists, as defined by this policy or other relevant law, it is important that appropriate steps must be taken to avoid the conflict.

### Organizational Conflict of Interest

A conflict of interest can also occur with an organization that is a grant applicant or grantee where there exists a perceived conflict between staff of the procuring or grant making entity and the employees, officers, board of directors, investors of the organization, its affiliates or governing body. An organizational conflict of interest may be present if an individual employed by the awarding agency or their family is in any manner associated with the entity or an affiliate of the entity soliciting for a grant or contract. A situation which impairs the integrity of the awarding process could be an organizational conflict of interest. This relationship could be financial, governing or employment in nature.

Procedures to Avoid Organizational Conflicts of Interest

1. An employee that is aware of a relationship between our entity and entities seeking a grant or contractual award that constitutes an organizational conflict of interest should contact their supervisor and the ethics officer.

2. An organizational should be requested to certify that they have no known organizational conflict of interest with the grant making procuring entity.

Attachments:

Conflict of Interest Affidavit

Organization Conflict of Interest Certification Form

#### Organizational Conflict of Interest Certification

To be signed by authorized signatory of (Submitter))

**(Name of Submitter )**

My signature below certifies that, prior to submitting this proposal in response to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ I have conducted an internal review of our current affiliations and have required the applicable personnel, officers, board members to identify potential, real, or perceived Organizational Conflicts of Interest relative to the anticipated award in accordance with our policy. All potential organizational conflicts of interest are listed below:

Signed Date

Printed Name and Title

List Attachments by name of person or firm potentially conflicted:

####

#### Review Panel - Conflict of Interest Affidavit

I, the undersigned, serving as a member of the Review Panel for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ attest to the fact that neither an immediate family member nor I have any personal or vested interest in any of the organizations that have submitted applications in response to this solicitation.

**NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DATE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

# Financial Management Policy and Procedures

### Purpose

The purpose of these policies is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the Agency, and managing the Agency’s funds.

### Financial Responsibilities

It is the responsibility of the Board of Directors to formulate financial policies and review operations and activities on a periodic basis. The Board delegates this oversight responsibility to the Treasurer of the Board and the Finance Committee of which the Treasurer is the Chair. This responsibility is shared through delegation with the Agency CEO and the Head of Finance (or CFO). The Agency CEO acts as the primary fiscal agent, implementing all financial policies and procedures. The Agency CEO, with oversight of The Finance Committee is responsible for the coordination of the following: Annual budget presentation, management of the Endowment and other fund investments, selection of the outside auditors, and approving revenue and expenditure objectives in accordance with the Board approved long-term plans. The Head of Finance with oversight by the Finance Committee has the day-to-day operations responsibility for managing Agency funds, ensuring the accuracy of the accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval. The Accountant is directly supervised by the Head of Finance and is responsible for the preparation of the Chart of Accounts, Reporting Formats, Accounts Payable Processing, Payroll input and Payroll processing, Cash Receipts input, Journal Entries for General Ledger, Form 1099 reporting, Form 5500 reporting, and Form 990 reporting as well as Bank Reconciliations

### Conflict of Interest

Members of the Board of Directors are prohibited from activities that might present conflicts of interest. The powers of directorship may not be used to personally benefit the Director at the corporation’s expense. If a Director has a financial interest in a corporate transaction, the Director must fully disclose the interest and abstain from voting. Loans to Directors are prohibited.

### Budgeting Process

The Agency’s CEO, the Head of Finance, and the Treasurer shall be responsible for presenting to the Finance Committee and other Board Committees an annual operating budget draft sixty (60) days prior to the end of the fiscal year and thirty (30) days prior to its submission to the Board of Directors. The Finance Committee shall review and approve the recommended fiscal year budget revenues, expenditures and cash flow, and submit it for approval to the Board of Directors. The budget shall contain revenues and expenses forecasted by month. A chart describing monthly cash flow shall be included.

### Financial Statements

The Agency’s financial statements shall be prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (“GAAP”). The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards No. 117, “Financial Statements of Not-For-Profit Organizations” (SFAS No. 117). Under GAAP, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the agency and changes shall be classified as unrestricted, temporarily restricted and permanently restricted. Separate from Unrestricted Funds, resources for various purposes are classified for accounting and maintained for each fund. Several funds are in place for this purpose including but not limited to: Endowment Fund, Restricted Funds, Cash Management Fund, Property and Equipment Fund, etc. The Head of Finance shall prepare and present Monthly Financial Statements in a format approved by the Agency CEO and Finance Committee. The statements shall be presented to the Agency CEO, senior management, and the Finance Committee for review

### Cash Fund

 A cash fund of one-quarter to one-third of the Agency’s annual operating expenses shall be maintained. When the fund balance falls below this minimum, the Finance Committee and the Board shall develop a plan and budget for rebuilding it.

### Audit

The Agency will have an audit of its financial statements annually, within 4 months of the end of each the fiscal year. The audit shall be completed by a firm of Independent Certified Public Accountants. The Agency CEO and the Head of Finance shall have direct responsibility in overseeing the implementation of the Annual Financial Audit. The Audit Committee shall have board oversight. In no cases shall the number of Board Members holding seats on the Audit Committee be less than the number of agency staff and management.

The Agency CEO and the Head of Finance shall recommend to the Audit Committee for approval, the selection of a firm to perform the annual audit. In addition, the Audit Committee shall assist when necessary in the audit preparation, and report the final results to the Board of Directors. A representative of the audit firm shall be invited to attend the annual presentation to the Audit Committee, and shall be required to make a presentation to the Board if the audit report is other than unqualified, or if the auditors’ report material weaknesses in internal controls or reportable conditions. The Head of Finance or the Auditor shall prepare the Form 990 and it shall be reviewed by the, the Agency’s CEO, and the Finance Committee before submission to the IRS.

### Revenue and Income Procedures

The Agency CEO in conjunction with the Vice President of Fund Development, and the Head of Finance, develops and proposes revenue goals and objectives and submits them to the Fund Development Committee prior to Board discussion and approval. All contributions shall be recorded in accordance with GAAP, with specific attention to Financial Accounting Standards Board (FASB) standards 116 and 117. Contributions are recorded as pledged or received in accordance with FASB 116, and must be credited to the appropriate revenue lines as presented in the annual budget and coded with the appropriate account number as designated in the Agency’s Chart of Accounts.

### Recording Receipts

The following proceduresfor cash received through the mail or given to a staff person shall be in place: Mail should be opened by a staff person that is not involved in the accounting function. All checks shall be endorsed with the Agency’s official stamp. All cash and checks received through the mail shall be forwarded to the designated staff in the Fund Development Department, or other staff not involved in the accounting function. This person records all checks and cash by date, name of company or individual, designation, and amount. After recording checks, or cash, they are forwarded to the accountant who records it for accounting purposes. An individual deposit ticket shall be prepared with triplicate copies, bearing a different designation of each account. That record shall include date of deposit, name of sender, amount, and designation. A copy of the bank deposit slip is retained in chronological order with copies of the deposited checks. All cash and checks shall be deposited the same business day if possible, and no later than the next business day into the Agency’s Bank Account. The same procedures followed for cash receipts shall be followed when monies are received by employees as contributions for special events. Gifts received electronically, such as stock transfers or on-line contributions should be properly recorded by a staff person in the Fund Development department, and by the Accountant. Transactions should be periodically rechecked by the Head of Finance. The Accountant shall make the appropriate entries in the General Ledger books. The Accountant shall reconcile all logs of incoming cash/checks with the deposit slips, and with the record of receipts maintained by the Fund Development organization.

### Receipts to Donors

The Vice President of Fund Development shall ensure that all donors and contributors shall receive proper acknowledgement of their contributions in accordance with IRS Guidelines.

### Expenditure Procedures

All expenditures shall be approved by the Agency’s CEO or a Vice President. All expenditures shall be coded by account number using the Agency’s Chart of Accounts. The Accountant maintains standard accounting records containing all aspects of the Agency’s financial operations. They include but are not limited to: A general ledger, a check register, and a payroll register. Invoices shall be approved by either the Agency’s CEO or a Vice President. Following the review and approval, check payment vouchers shall be prepared and the invoices shall be distributed to the Agency’s Accountant for check payment preparation. Upon payment of a bill, a copy of the check or duplicate of stub shall be stapled onto the bill and payment date and check number shall be printed on the invoice. The paid invoices shall be filed alphabetically according to company/individual name and shall be kept on a fiscal year basis on file

### Signature Policy

The Agency CEO and the Head of Finance (two signatures) shall unless otherwise decided by the Board, sign all checks, drafts, or orders for payment of money, contracts, and commitments for services issued in the name of the Agency. In the absence of either individual, the signature of the Chair of the Board must be obtained.

### Compensation and Payroll

Payroll is executed periodically. Paychecks or direct deposits will be provided to each employee by the Accountant. Monthly payroll expenses shall be verified by the accountant against payroll reports and direct deposit reports and reconciled with checking account reports. The compensation of the Agency’s CEO shall be determined by the Board of Directors or their designees and CEO compensation is based on a board-approved process that considers comparable data and CEO performance. The salaries of all other employees shall be determined by the Agency’s CEO. Compensation ranges for all staff positions shall be approved by the Agency’s CEO. No employee of the Agency may be compensated outside of the approved range, without the approval of the Agency CEO

### Local Travel and Expense Reimbursements

Employees must abide by the Agency’s Travel and Expense policy. Travel and expense reports for mileage, meals, hotel, supplies, etc., will be maintained by each employee and then submitted to the supervisor for approval and payment on a weekly basis by the Accountant. Mileage to and from the employee’s residence to the place of work will not be paid by the Agency. Reimbursements will be based on the travel rate established by the Agency CEO and the Head of Finance and approved through the budgeting process. Travel reimbursement shall not be above IRS Guidelines. All parking and other expenditure receipts must be attached to the expense voucher as a condition for payment.

### Credit Card Expenditures

The Head of Finance will approve the issuance of a company-issued credit card for employees who travel frequently. Employees must utilize that card only for business travel. Employees must submit a voucher that explains the business reason for items purchased using the credit card. The direct supervisor must approve the voucher, which is then submitted to the Accountant for recording and reconciliation. PURCHASING ANY expenditure in excess of an amount determined by the Board of Directors for the purchase of a single item should have bids from three (3) suppliers if possible. These bids are reviewed by the Head of Finance and the bid award must be specifically approved in advance by the Agency’s CEO and the Head of Finance. Purchase of less than the approved amount may be made at the discretion of the Agency’s Agency CEO or Head of Finance without competitive bids. However, for fixed assets, reasonable diligence should be exercised to comparatively shop for available sources. Any purchase made by a Board member on behalf of the Agency will require prior approval by the Agency CEO

### Leases and Other Contractual Agreements

The Agency conducts a major part of its operations from leased facilities. Leases and other contractual agreements are negotiated by the Head of Finance and executed with the approval of the Agency CEO. New leases in excess of an amount determined by the Board of Directors require the approval of the Finance Committee. The Agency CEO and the Head of Finance are authorized to develop and enter into contractual agreements with vendors, bankers, and third parties for the purpose of ensuring the Agency’s general operations. The Finance Committee shall review such agreements and make recommendations when necessary.

###  Notes, Loans, etc..

All notes, loans and other indebtedness to be contracted in the name of the Agency (except open accounts and all other routine banking transactions), shall require the signature of the Agency CEO, unless otherwise specified by the Board or established in the present management policies and procedures. All indebtedness must be approved by the Agency’s CEO.

### Deeds, Conveyances, etc…

The Agency CEO and the Head of Finance shall execute all Deeds, Conveyances, Mortgages, Leases, Contracts and other instruments in the name of the Agency

### Bank Accounts and Investment Accounts

The Head of Finance shall maintain and oversee Bank and Investment accounts, and ensure the Agency’s day-to-day financial operations. Several accounts may be maintained by the Agency as follows:

1. Checking Account

2. Money Market Account

3. Certificates of Deposit

4. Brokerage Account

These accounts may be changed as the Agency’s financial conditions and requirements change

### Checking Account

All checks, cash, money orders, and credit card deposits, are reviewed by the Accountant and deposited in the appropriate Accounts. Fund raising events, foundations and corporate donations and miscellaneous contributions, shall be deposited into the accounts. Monies shall be transferred from the Checking account into the Money Market Account or the investment account when necessary, by the Head of Finance. Checks are written weekly to meet obligations, or ongoing operational expenditures.

### Bank Reconciliations

Bank reconciliations shall be completed monthly by the Accountant and cross-referenced with the cash and receipts logs and the monthly Financial Statements. The Financial Statements shall be compiled by the Head of Finance. The Statements shall be then reviewed by the Agency CEO and presented to the Finance Committee. All Bank Statements, Credit Card Statements, and Endowment Fund Reports will be reconciled every month by the Accountant, and records will be kept in the Finance office.

### Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of six months or less. The Agency places its temporary cash investments with highly rated financial institutions. The Head of Finance shall closely monitor the balances of the Checking account, Money Market and Certificates of Deposit accounts. At times such investments may be outside of the FDIC insurance limit.

### Petty Cash

A petty cash fund provides a systematic method for paying and recording out-of-pocket cash payments too small to be made by check. The Agency shall maintain a Two Hundred ($200.00) petty cash fund that is replenished as needed.

The Accountant shall maintain control of, and responsibility for, payments disbursed from the Petty Cash fund; however, amounts should not exceed an amount determined by the Board of Directors for each transaction. The total Fund should not exceed an amount determined by the Board of Directors.

### Investment Reports and Investment Policy

Investments shall be reported with the monthly financial statements at cost or market value. The Agency CEO and Head of Finance, with oversight of the Finance Committee, shall review and determine the general investment strategy for all funds. The philosophy of the Agency’s short-term investments is safety of principal and liquidity. Acceptable investments shall be: Certificates of Deposit and Bankers Acceptances rated A1; Domestic Corporation Commercial Paper rated A1 and/or P1 by two (2) major rating services; all short-term Securities of the U.S. Government or an agency thereof. The Endowment Fund investment strategy shall be reviewed and evaluated by the Finance Committee annually, to ensure the portfolio’s proper diversification, security and return on investments. All financial institutions shall be selected and approved by the Finance & Legal Committee and must have long-term investment rating of A or higher by Standard and Poor’s, or a compatible rating

### Insurances

Reasonable and adequate coverage will be maintained to protect the Agency’s interests as well as the Board of Directors and the Agency’s employees. The following insurance policies shall be kept on a yearly basis: Commercial Property Contents and Computer Policy, General and Professional Liability Insurance, Directors and Officers Liability Insurance, Employee’s Dishonesty Bond Insurance, Employee’s Life Insurance, Workers Compensation Insurance, Long-Term Disability Insurance, and Employees Health Insurance. Insurance Policies shall be carefully reviewed by the Agency’s CEO and Head of Finance before renewal each year

### Bonding

All Agency employees shall be bonded through an Employee’s dishonesty bond policy. In addition, the Chairman, Secretary, Treasurer and all Board of Directors shall be bonded by a reputable bonding company.

### Property and Equipment

Property and equipment shall be stated at historical cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. A Depreciation schedule shall be prepared and maintained by the Agency’s Head of Finance on an annual basis, taking into consideration the annual equipment inventory. A Property Removal Form shall be required for the removal of the Agency’s property, supplies, and/or equipment from the Agency’s premises.

### Equipment Installation

Purchase, installation and maintenance of telephone equipment, telephone lines, office equipment, computer equipment, etc. shall be approved by the Head of Finance after discussion and approval by the Agency CEO. Staff Members and other managers shall be responsible for receiving and supervising the installation of equipment scheduled for their facility or working area, and for maintaining and protecting the equipment installed in their offices.

### Donated Materials and Services

Donated materials and equipment shall be reflected in the Financial Statements at their estimated values measured on the date of receipt. Volunteers donate time to the Agency’s Program services on an on-going basis. Other volunteers contribute time and services for Administrative or fundraising activities. Such contributed services are generally not reflected in the Agency’s financial statements, since there is no objective way of assessing their value

### Confidentiality and Records Security

Financial records are restricted materials with limited access. Only the Head of Finance and Accountant (or others so authorized) shall have access to financial records (vendor files, checks, journals, payroll, etc.)

### Document Retention

Financial documents are retained for a period of time in keeping with applicable statute, regulations, and the recommendations of the IRS.

### Tax Reporting

The Agency is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code as amended. Accordingly, no provisions for income taxes shall be reflected in the financial statements

## Effective Systems of Internal Control for Financial Management

### General

Internal control can be divided into two areas: accounting controls and administrative controls. Administrative controls deal with the operations of the business, whereas the accounting controls deal with accounting for such operations. Accounting controls should be designed to achieve the five basic objectives:

### Validation

Validation is the examination of documentation by someone with an understanding of the accounting system, for evidence that a recorded transaction actually took place and that it occurred in accordance with the prescribed procedures. As systems grow more sophisticated, validation is a built in component whereby the transactions test themselves against predetermined exceptions.

### Accuracy

The accuracy of amounts and account classification is achieved by establishing control tasks to check calculations, extensions, and additions and account classifications. The control objective is to be certain that each transaction is recorded at the correct amount, in the appropriate, account, in the right time period.

### Completeness

Completeness of control tasks ensures that all transactions are initially recorded on a control document and accepted for processing once and once only. Completeness controls are needed to ensure proper summarization of information and proper preparation of financial reports. To ensure proper summarization of recorded transactions as well as a final check of completeness, subsidiary ledgers and journals with control accounts need to be maintained.

### Maintenance

The objective of the maintenance controls is to monitor accounting records after the entry of transactions to ensure that they continue to reflect accurately the operation of the business. The control system should provide systematic responses to errors when they occur, to changed conditions, and to new type of transactions. The maintenance function should be accomplished principally by the operation of the system itself. Control maintenance policies require procedures, decisions, documentation, and subsequent review by a responsible authorized individual. Disciplinary control tasks, such as supervision and segregation of duties, should ensure that the internal control system is operating as planned.

### Physical Security

It is important in all business organizations that the assets are adequately protected. Physical security of assets requires that access to assets be limited to authorized personnel. One means to limit access to both assets and related accounting records is through the use of physical controls. Protection devices restrict unauthorized personnel form obtaining direct access to assets or indirect access through accounting records that could be used to misappropriate assets. Locked storage facilities restrict access to inventories, and fireproof vaults prevent access to petty cash vouchers. Transaction recording equipment limits access to assets by limiting the number of employees involved in recoding and posting transactions.

# ALLOWABLE COSTS

## Acronyms

CFR – Code of Federal Regulations

GAAS – Generally Accepted Auditing Standards

GAGAS – Generally Accepted Government Auditing Standards

OMB – U.S. Office of Management and Budget

*PAAG – Provider Agency Audit Guide*

*SSAG – State Single Audit Guidelines*

## Introduction

Grant funds may only be used for allowable costs. The *Allowable Cost Policy Manual* sets forth the principles for determining the allowable costs of grant funded programs. The purpose of these principles is to determine costs. They are designed to provide that the grant programs bear their fair share of costs, except where restricted or prohibited by law or contract. There is no intent to make a profit or other increment above allowable costs, except where specifically authorized by Statutes.

When determining whether a cost is allowable, an agency shall consult the following:

* Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200).
* 48 CFR Part 31, “Contract Cost Principles and Procedures”
* Appendix IX to Part 200, “Hospital Cost Principles”
* The list of unallowable costs contained in Chapter IV of this Manual. The costs on this list represent expenditures specifically classified as unallowable by federal and or state cost guidelines.
* Specific guidance for provisions applicable to the particular grant or program, i.e. Specific statutory provisions, administrative rules, State policies or federal regulations may require exceptions to the provisions contained in this document. Where these exceptions occur, they will be specifically indicated in the terms and conditions of the Notice of Agreements between the state and the provider as exceptions to the allowable cost policy. In no instance shall the same cost be reimbursed more than once.

## Chapter I — General Guidelines for Allowability

All costs must meet general guidelines for allowability in the following areas, each of which is discussed in detail in this section:

* [General Criteria](http://www.dhs.wisconsin.gov/grants/Administration/AllowableCost/ACPM.htm#General%20Criteria%23General%20Criteria)
* [Direct Costs, Allocated Costs, and Indirect Costs](http://www.dhs.wisconsin.gov/grants/Administration/AllowableCost/ACPM.htm#Direct%20Costs%2C%20Allocated%20Costs%2C%20and%20Indirect%20Costs%23Direct%20Costs%2C%20Allocated%20Costs%2C%20and%20Indirect%20Costs)
* [Procurement of Goods and Services](http://www.dhs.wisconsin.gov/grants/Administration/AllowableCost/ACPM.htm#Procurement%20and%20Sub-Contracting%23Procurement%20and%20Sub-Contracting)
* [Related Party Transactions](http://www.dhs.wisconsin.gov/grants/Administration/AllowableCost/ACPM.htm#Related%20Party%20Transactions%23Related%20Party%20Transactions)
* [Revenue in Excess of Allowable Costs](http://www.dhs.wisconsin.gov/grants/Administration/AllowableCost/ACPM.htm#Revenue%20in%20Excess%20of%20Allowable%20Costs%23Revenue%20in%20Excess%20of%20Allowable%20Costs)
* [Third-party Revenue](http://www.dhs.wisconsin.gov/grants/Administration/AllowableCost/ACPM.htm#Third%20Party%20Revenue%23Third%20Party%20Revenue)

### General Criteria

There are many factors that affect the allowability of costs. In order to be allowable for reimbursement all costs must meet the following general criteria:

* **Be necessary and reasonable** for proper and efficient program administration and allocable under these guidelines. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining the reasonability of a given cost, consideration shall be given to:
	+ Whether the cost is ordinary and necessary to the operation of the agency or to the performance of the award.
	+ The restraints or requirements imposed by such factors as sound business practices, arms-length bargaining, laws and regulations, and terms and conditions of the program.
	+ The market prices for comparable goods and services.
	+ Whether the individuals involved acted with prudence considering their responsibilities to the State, the public at large, and the granting agency.
	+ Whether the costs were incurred in accordance with the agency's established procurement policy.
* **Be allocable.** Only costs that are directly attributable to specific work under a grant or to the normal administration of the grant are allowable for reimbursement. Costs that result in personal benefit are not allowable. A cost is allocable to a program if the goods and services involved are chargeable or assignable to the program in proportion to the relative benefits received.
* **Be authorized** by the funding agency and not prohibited by state or local laws.
* **Be in conformance** with any limitations or exclusions set forth in this Manual, federal or state laws, or other governing limitations as to types or amounts of cost items.
* **Be consistent** with policies, regulations, and procedures that apply uniformly to both financially assisted activities and to other activities of the agency.
* **Be accorded consistent treatment**. Consequently, a cost may not be assigned to a program as a direct cost if any other cost under the same circumstances has been charged to a program as an indirect cost.
* **Be determined in accordance** with generally accepted accounting principles or other accounting methods appropriate to the circumstances.
* **Not be allocable to or included as a cost of any other federal or state financed program** in either the current or prior period.
* **Be net of all applicable credits.** Applicable credits are receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to programs as direct or indirect costs, including discounts or rebates subsequently received for prior purchases. Agencies are expected to take advantage of available discounts on purchases of goods and services.
* **Be supported by the agency's accounting records** and be adequately documented in accordance with 2 CFR 200. Documentation requirements are discussed in depth in Chapter IV of this Manual.

### Direct Costs, Allocated Costs, and Indirect Costs

The total cost of a grant program is comprised of the allowable direct costs incident to its performance, plus its allocable portion of allocated and indirect costs, less applicable credits. The term "applicable credits" is defined above. The terms "direct costs," "allocated costs," and "indirect costs" are defined in the following ways:

* **Direct Costs** - A direct cost is any cost that can be identified with a particular program or cost objective. For example, the entire salary of an individual who spends all of his or her time working on a single program can be charged as a direct cost to that program.
* **Allocated Costs** - A direct cost can directly benefit more than one program or function and can, therefore, be allocated (or charged) to the benefiting programs or functions on some reasonable and equitable basis. For example, an individual spends his or her time working on a number of different programs that the agency operates. Salary and related fringe benefits can be charged to the respective programs based on the number of hours reported to each program on employee time sheets.
* **Indirect Costs** - Indirect costs are those costs that are incurred by an agency that are not readily chargeable to a particular program or function, but benefit all programs and functions operated by the agency. Indirect costs are necessary to the overall operation of the agency, but a direct relationship to a specific program cannot be shown. An example of an indirect cost might be the salary and related fringe benefits paid to the agency's accounting staff and/or the executive director. Generally, these kinds of costs are identified, pooled, and charged against individual programs or funding sources using a rate designed to recover the costs.

The same type of cost may be a direct cost in one agency and an indirect cost in another agency, because each agency has to determine for itself which costs are direct, which are indirect, and how these costs can best be allocated to the benefiting programs. However, an agency must treat each item of its costs consistently as a direct, allocated, or indirect cost. Also, as noted under the general criteria, a cost may not be assigned to a program as a direct cost if any other cost under the same circumstance has been charged to a program as an allocated or indirect cost.

Direct costs shall be claimed whenever possible based on the nature of the costs and the accounting system in place. When indirect costs are charged, they shall be accumulated by logical cost groupings and distributed equitably to all programs or functions of the agency using a rate designed to recover the costs of the pool established through the indirect cost plan. Costs must not be charged to programs based on funds available or revenues received.

The basis used shall be an equitable measure of the extent to which the cost incurred actually benefits the program to which it is charged. For example, square footage used by the various programs operated by the agency would be an equitable basis to allocate the total rent or utility costs incurred by the agency. Costs that are part of the agency indirect cost pool shall not duplicate any costs that are charged directly, and total costs charged may not exceed the actual costs incurred.

General departmental policies governing the allowability of allocated direct and indirect costs are as follows:

### Procurement and Sub-Contracting

All goods and services purchased by the [Agency] shall be authorized by a written contract with the provider. ***Note: Any exceptions should be identified in this policy.***

#### Minimum Standards

When procuring or sub-contracting under a grant from the Federal Government [Agency] will adhere to the following minimum standards:

* **Written Standard of Conduct** - The [Agency] shall maintain a written procurement policy that includes a prohibition against any employee, officer, or agent of the recipient participating in the selection, award, or administration of a contract in which financial assistance funds are used, where, to his knowledge, he or his immediate family, partners, or organization in which he or his immediate family or partner has a financial interest or with whom he is negotiating or has any arrangement concerning prospective employment.

Employees are prohibited from negotiating, bidding, or entering into a contract in which they may have a private pecuniary interest at the same time he is authorized in his official capacity to exercise discretion in making or administering the contract.

In order to mitigate the appearance of or actual issues related to a possible conflict of interest the Agency adheres to:

* **Open and Free Competition** - Procurement and sub-contracting shall be conducted in a manner to provide, to the maximum extent possible, open and free competition. Those who develop or draft specifications, requirements, bid invitations, requests for proposals, etc. should be excluded from competing.

Awards should be made to the bidder/offerer whose bid/offer is responsive to the solicitation and is most advantageous to the agency, except where procurement policy allows for deviations based on the best interest/value of the Agency.

Solicitations should clearly set forth all requirements that the bidder/offerer must fulfill in order for his bid/offer to be evaluated by the agency.

Any and all bids/offers may be rejected when it is in the agency's interest to do so.

* **Minimum Procedural Requirements** - The Agency has established the following requirements:
	+ Procurement and sub-contracting actions shall follow a procedure to avoid purchasing unnecessary or duplicative items.
	+ Solicitations for goods and services shall clearly and accurately describe the goods and services to be procured or sub-contracted.
	+ Some form of price or cost analysis shall be made in connection with every procurement and sub-contract action to ensure that costs incurred are reasonable, that costs are allowable if they are charged to financial assistance programs, and that the agency is not paying for services which are otherwise available free of charge to the agency.
	+ A system of contract administration should be in place to ensure contractor conformance with terms, conditions, and specifications of contracts or purchase orders.

### Related Party Transactions

A related party transaction occurs when one party to a transaction can influence the management or financial operating policies of the other party. Examples of related party transactions include, but are not limited to, transactions between:

* Divisions of an organization.
* Organizations under common control through common officers, directors, or members.
* An organization and a director, trustee, officer, or key employee of the organization or his immediate family either directly or through corporations, trusts, or similar arrangements in which they hold controlling interest.

The fact that two parties in a transaction are related does not automatically mean the costs incurred are inappropriate and unallowable. However, the public interest requires that an agency receiving state and federal funds act in a manner consistent with the public interest, which includes spending funds cost-effectively. Transactions between two related parties raise concerns that the public interest may not be adequately considered.

Therefore, a cost incurred as the result of a related party transaction will be considered allowable only if:

* The cost meets allowability criteria articulated in this Manual, 2 CFR 200, and/or other pertinent state and federal guidelines, *and*
* The cost results from the agency following procurement and sub-contracting policies and practices which meet minimum federal and State guidelines.
* Additional considerations need to be made when determining the allowability of rental charges between related parties and of costs incurred under cost-reimbursement contracts:
* When an agency rents or leases property from a related party, allowable costs are limited to actual costs that would have been allowed had title to the asset been vested with the agency. Examples of allowable expenses of ownership include interest, depreciation or usage allowance, maintenance costs, and utilities, if not charged separately.
* There is no intent for a provision for profit or other increment above allowable costs, except where specifically authorized by applicable authorizing statutes. In keeping with this intent, no profit or other increment above allowable costs shall be incurred for cost-reimbursement contracts that involve purchases or sub-contracts between related parties. Allowable costs are limited to the actual allowable costs incurred by the related party.

### Revenue in Excess of Allowable Costs

Under contracts where payments are limited to allowable costs or to a percentage of allowable costs or contracts with for-profit agencies, any revenue in excess of the contracted limit must be returned to the State unless the State specifically authorized the agency to keep the revenue.

### Third-Party Revenue

Some contracts provide a specified level of funding and require additional revenues to be collected from various types of third parties. Typically an agency's accounting records need to show all revenues received by an agency regardless of source. Also, the agency must identify all revenues collected by a subcontractor that would reduce the amount of state or federal funds paid to the subcontractor and claimed by the agency from the State.

The Agency records gross revenues and expenditures in the appropriate accounts. Revenues should be clearly identified in the appropriate revenue ledgers. The same principle applies to the recording of expenditures.

All contracts must be written to require that the revenue from sources other than the grant is to be used to offset the expenditures that would otherwise be charged to the grant. For example, there are cases where, as a condition of the contract, the contractor is expected to provide services up to a specific dollar amount identified in the contract with an expectation that the contractor would be billing other responsible parties, such as private insurance companies or the client for the service rendered. In cases where the amount collected from third parties exceeds the planned amount, the excess revenue must be used to offset expenditures previously charged to grants.

The agency's accounting system will include sufficient detail to identify the total cost of services and total revenue received by service and source.

##

## Chapter II — Federal Cost Principles

The [Agency] has adopted 2 CFR 200 to provide guidance on the allowability of costs associated with grants. Below are a select few items of cost [Agency] provides additional guidance.

## Selected Items of Cost

In reviewing these selected items of cost, please keep these points in mind. First, the following principles for allowability of items of specific cost are not all-inclusive, and failure to mention a particular item is not intended to imply that it is either allowable or not allowable. Since many items not listed in this Handbook have been discussed in detail in material relating to federal cost policies, we are relying on the federal documents instead of repeating what they have to say. Finally, these principles apply whether a cost is treated as direct or indirect. All costs allocated to programs must be allocated in accordance with a plan that meets the criteria for cost allocation/indirect cost plans described under ["Direct Costs,](#_bookmark5) [Allocated Costs, and Indirect Costs"](#_bookmark5) earlier in this Handbook.

### Advertising and Promotional Expense

Generally, advertising expenses in such media as magazines, newspapers, radio, television, direct mail, exhibits, and electronic and computer transmittals are not allowable. Advertising costs are allowable, however, for notifications related to the administration of a program such as for requests for proposals, recruitment purposes, or to post legal notices.

Allowable promotional expenses are limited to activities directed to participant awareness of contract agency’s specific programs, locations, notification of job fairs and other efforts related to participant access to the services...

### Audit Expense

Audit expense is allowable if the audit is required by federal or state law, and if the audit is performed in accordance with the applicable federal and state guidelines.

### Bad Debts Losses & Collection Expense

To encourage agencies to pursue *reasonable* collection efforts, administrative costs necessary to secure collections are allowable. Such costs may include legal fees, collection agency fees, court costs and other associated expenses. Any bad debt losses arising from uncollectible accounts, or collection efforts when there is little likelihood of recovery, however, are not allowable costs.

### Space Costs

The normal operating costs appropriate to the business aspect of the building are allowable. The space costs may be determined by using one of the two methods below:

* Actual Costs - The appropriate share of the following costs shall be allowable:
	+ Straight line depreciation based on historical cost. See the federal cost circulars for a discussion of depreciation and use allowances.
	+ Interest expense on a mortgage.
	+ Real estate taxes.
	+ Operation and maintenance costs.
* Fair Rental Value

### Compensation

See the federal allowable cost guidance for extensive discussion of the factors affecting the allowability of compensation expense, which includes salary, fringe benefits, vacation, bonuses, etc.

### Entertainment

The cost of entertainment, amusements, social activities, and any incidental costs associated with these costs, such as tickets to shows or sporting events, meals, beverages, lodging, transportation, etc., which are not directly a program need are not allowed.

### Equipment, Non-Capital Equipment and Supplies

Equipment is defined as an item of non-expendable, tangible property having an acquisition cost of $5,000 or more and a useful life of more than one year. It includes information technology hardware and software. Equipment should be inventoried and tracked as a fixed asset.

Expenditures for items costing less than $5,000 are considered supplies and should be expensed immediately. Expenditures for items costing $5,000 or more and less than $5,000 with a useful life of one year or more should be classified as non-capital equipment and expensed immediately. In addition, non-capital equipment should be inventoried and tracked as a fixed asset. In keeping with the policy that costs cannot be charged to programs more than once, depreciation associated with equipment that was expensed at the time of purchase is not allowable for reimbursement.

###

### Fines and Penalties

Costs resulting from violation of or failure to comply with federal, state, local laws and regulations are not allowable. Such costs include fines, penalties, lawsuit settlements, payments to terminated employees, cash settlements, damages, and back wages.

### Interest

Interest is generally not an allowable expense under federal cost policies. However, [Agency] policy allows interest for space costs if there is a direct relationship such as a mortgage or bond issuance, and the [Agency] allows financing costs for specific items of equipment such as leases. Interest expense incurred for newly-constructed buildings that are capitalized prior to the date of occupancy are allowable. Interest costs for unsecured loans, general operating expenses, working capital, retirement of other debt, or for any other purposes are not allowable. Professional and legal fees for financing are not allowable unless directly associated with an allowable interest expense for space costs or equipment.

## Chapter III - Unallowable Costs

The [Agency] is prohibited from paying for certain expenditures because of laws, regulations, and contracts. These costs are designated as unallowable costs and should not be charged to grant programs, either directly or indirectly. Agencies are not prohibited from incurring unallowable costs, but they cannot be recovered.

To manage unallowable expenses, separate accounts are established for these types of expenses. Such costs cannot be made part of expense pools that are applied to contracts through overhead charges or through cost allocation plans.

In general, unallowable costs include:

* + - Advertising

Generally, advertising costs are not allowable, unless related to requests for proposals, recruitment or to post legal notices.

* + - Alcoholic beverages

The purchase of alcohol for personal consumption is not an appropriate charge and is expressly unallowable under all circumstances.

* + - Bad debts

Any portion of accounts receivable which has been determined to be uncollectible is a bad debt. Losses arising from uncollectible accounts and other claims that are actual or estimated are not allowable.

* + - Cash disbursements, cash ATM withdrawals

Checks written to “cash” or ATM cash withdrawals that are merely supported by a withdrawal receipt are not allowable expenses. Further documentation is required to provide justification for an expense charged to a grant program.

* + - Complimentary coffee, snacks or meals for employees

For costs to be allowable, they must be reasonable, necessary and provide a benefit to the program. Complimentary coffee, snacks or meals for employees are not necessary costs of the program and are unallowable.

* + - Contingency reserves

Contingency costs are contributions to a reserve account for unforeseen costs. Contingency costs are not allowable because they are speculative in nature and do not represent an actual incurred cost.

* + - Costs not directly related to program needs

For costs to be allowable, they must be reasonable, necessary and provide a benefit to the program. Costs not directly related to program needs are unallowable.

* + - Donations, contributions and gifts

Contributions and donations are property transferred which are not transferred in exchange for supplies or services of equivalent fair market value. A gift is property transferred without receiving return consideration of equal value. Gifts, donations and contributions are unallowable.

* + - Entertainment

Costs unrelated to service delivery, client activities or client programs, such as costs related to public relations, social activities and incidental costs, including meals, beverages, tips and gratuities are unallowable.

* + - Fundraising costs

All costs of fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are unallowable.

* + - Goodwill

The write-up of assets, resultant depreciation and goodwill from business combinations is unallowable.

* + - Goods and services for personal use

Costs related to personal use of anything as compared to program use are unallowable.

* + - Interest on credit card accounts and installment loans

Interest expense on credit card accounts and installment loans is not allowable.

* + - Investment management costs

Investment management costs are unallowable, except for costs related to the physical custody and control of monies and securities.

* + - IRS penalties and interest

Fines and penalties include all costs resulting from violations of, or failure to comply with Federal, State or local laws and regulations, and contract requirements. Fines are unallowable.

* + - Late charges and fees

Late charges and fees associated with non-payment of credit card bills, utilities, rent and other charges is not allowable.

* + - Legal expenses for ALJ appeals, prosecution of claims or civil or criminal actions the cost of legal representation to related to claims against the State, as part of an ALJ appeal, or as the result of civil or criminal actions against the agency is not an allowable cost.
		- Lobbying/political activities

All costs associated with attempts to influence the enactment of modification of any pending legislation through communication with any member or employee of the state legislature, or with any government official or employee concerning a decision to sign or veto enrolled legislation are unallowable.

* + - Losses

The excess of cost over revenue on any contract or program is unallowable.

* + - Memberships, dues and subscriptions

Memberships in professional organizations and the dues that result are allowable if the organization is directly related to the program. Memberships and dues related to civic, community, or social organizations are not. Subscriptions for material directly related to the program are allowable; however, subscriptions not related to the program or that are general interest in nature are unallowable.

* + - NSF fees

Fees assessed for non-sufficient funds checks or drafts, whether returned or not are unallowable.

* + - Over limit fees

Over limit fees assessed on credit cards are unallowable.

* + - Parking tickets

Fines and penalties include all costs resulting from violations of, or failure to comply with Federal, State or local laws and regulations, and contract requirements. Parking tickets are considered a fine and are unallowable.

* + - Personal housing and living expenses

The costs related to the personal living expenses are unallowable. This includes but is not limited to: rent, utilities, auto expenses, food, dining, clothing, entertainment, insurance, furniture, and the payment of personal debt.

* + - Reconnection charges Reconnection charges for utilities, telephone, and internet or cable service due to failure to pay bills on time is unallowable.
		- Tobacco products

Costs charged to a program must be reasonable and necessary. The cost of tobacco is expressly unallowable under all circumstances.

## Chapter IV - Documentation of Costs

Proper documentation of costs is a critical aspect of sound fiscal management. Supporting documentation provides evidence that the costs were actually incurred and paid for by the [Agency]. Generally, documentation will be in the form of an original invoice, receipt or contract that is supported by a copy of a canceled check/electronic payment copy or other document showing that the transaction was enacted.

Documentation must contain the following elements:

* + - Date
		- Payee
		- Amount of cost
		- Expense account and program being charged
		- Explanation describing nature of cost that reflects a benefit to the program

##### Documentation Examples

The following table provides examples of supporting evidence that [Agency] requires be maintained.

|  |  |
| --- | --- |
| **Item/Expense** | **Required Documentation Examples** |
| Accounting/auditing fees | Engagement letter ContractInvoice from accounting firm Proof of payment |
| Advertising/promotion | Vendor invoices or receipts Proof of payment |
| Automobiles | Vehicle mileage log that identifies dates, origin and destination of trip, beginning and ending odometer readings and resulting mileage. Gasoline and maintenance receipts must reflect the vehicle being serviced or fueled. These standards apply to both vehicles owned by the agency and to personal vehicles used for agency business. |
| Computer programming and support | Third-party contract Vendor invoices Proof of payment |
| Deposit of funds | Bank deposit slip Bank statement |
| Equipment purchase | Vendor invoices or receipts Proof of payment Inventory records Depreciation schedules |
| Events | Proof of event Marketing materials Sign-in sheets InvoicesProof of payment |
| Fringe benefits | Payroll listing Invoices from vendors Proof of payment |
| Indirect costs | Approved indirect cost plan/cost allocation planApproved Negotiated IDCR |
| Lease of equipment | Lease agreement, Proof of payment |
| Lease of real property | Lease agreement, Proof of payment |
| Legal services/fees | Engagement letter, Third-party contract, Invoice, Proof of payment |
| Management consultant fees | Third-party Contract, InvoiceProof of payment |
| Meals | Receipts, Names of those present,Purpose of the meeting Proof of payment |
| Postage | Receipts, Proof of payment |
| Printing | Vendor invoices or receipts Proof of payment |
| Repairs, maintenance and cleaning | Vendor invoices or receipts Proof of payment |
| Salary and wages | Payroll or employee listing, TimesheetsPayroll reports, Proof of payment |
| Service and maintenance contracts | Third-party contracts, Vendor invoices or receipts, Proof of payment |
| Supplies and materials | Vendor invoices or receipts Proof of payment |
| Telephone and utilities | Monthly invoices/statementsProof of payment |
| Training | Sign-in sheetsInformation regarding course date and training involved CurriculumConsultant/trainer agreement Invoices or receipts, Proof of payment |
| Travel | Travel policy, Travel reimbursement form,Invoices or receipts, Proof of payment |

# INTERNAL CONTROLS

### Introduction

A strong sound internal control environment provides for a high level of assurance to those that have an interest in (insert entity name) capability to make sound decisions, track and document financial transactions and prepare quality programmatic and financial reports.

The factors required to achieve this environment are varied and include organizational values; systems controls; physical controls and a system of review and monitoring that is maintained. Our organization documents our internal control practices through the adoption of policies and procedures to ensure are actions have the necessary approval and review steps to ensure compliance with all applicable rules, statutes or terms and conditions of awards.

### Purpose

The purpose of this policy is to establish an internal control policy to ensure that all our actions are conducted within an environment that promotes quality work through the establishment of the required policies and procedures with associated checks and balances. Examples of areas that have internal control policies and procedures in place include human resources, procurement, grant making, financial management, inventory and equipment management and recordkeeping. Through the establishment of a sound internal control environment we and others can be assured that our activities are carried out in an efficient and orderly manner, we adhere to management policies, regulations and statutes, our assets are safeguarded and our reports are of a high quality and reliability and that we maintain all required records to support our activities and financial transactions.

### Definitions

Internal controls are processes and procedures implemented to assist (insert entity name) to fulfill its obligations and responsibilities in an efficient and effective manner.

### Elements of an internal control environment

We have implemented an effective internal control environment that contains the following elements:

* Effective communication practices that promote our policies and procedures
* Quality System controls practices
* Risk assessment and identification processes
* Ongoing training and professional development opportunities
* Appropriate check and balances are in place to ensure the review and approval of our actions and work products
* Effective communication with auditors and funding partners are in place

### The role of internal controls in the risk management process

Internal controls are an integral component of managing risk. An appropriate level of internal control is applied to each key risk activity in order to reduce the inherent risk of that activity to an acceptable level.

### The nature of internal controls

Policies and procedures which have been put in place as an internal control are either proactive or reactive in nature. They can be described as following:

* Preventative in nature: processes are put in place to avoid undesirable events from occurring
* Directive in nature: processes are put in place to encourage a desirable event to occur such as a Financial Management Policy
* Detective in nature: processes are put in place to detect and subsequently correct undesirable events that have already occurred, such as a review and approval process.

### The characteristics of an internal control environment

When the following characteristics all exist at the same time and are operating effectively, decision maker can be assured that our policies and procedures are followed and consistently result in quality and accurate information and reports.

*Our entity values and organizational structure reinforce the importance of internal control practices.*

We communicate policies and principles which reinforce ethical behaviors and ensuring their compliance. The organizational structure reflects the level of responsibility and authority of all staff. Appropriate delegations and training is reflected at each level so that all staff understands their responsibilities. We continually assess risks associated with our practices to ensure the reliability of our work.

### Information systems and their processes and policies are kept up to date

Our entity practices has instituted proper checks and balances throughout our policies and procedures to ensure our systems are working properly, policies are updated and our financial data and reporting is timely and accurate. We routinely reconcile key balance sheet accounts such a bank accounts; perform reconciliations of all financial accounts, require segregation of certain duties, limit access to information databases, required encryption of our computer information, require strong security protocols, require routine changing of password, and perform regular audits of our own work products for adherence to internal policies and procedures.

### Monitoring of Controls

The review and monitoring of internal controls can occurs at many levels ranging from management to regular audits by both internal and external parties audits to ensure compliance with all applicable rules, statutes, regulations, policies and procedures.

# RECORDKEEPING

### Purpose

To inform agency personnel on the establishment of Grant Files.

### Establishing Grant Files

As part of the Post-Award process, Grantees are required to maintain official Grant Files. Each grant should have a separate official file. The Grant File should include all administrative documents associated with applying for and fulfilling the grant as well as any documents necessary for record-keeping and audit preparations. Documents may include the application, Grant Award, vendor information and contracts, Sub-Grantee Award documents, self-monitoring processes, and records of any interactions with FMCSA staff, such as amendments or approvals. Grant Files may also contain the following:

• Application submissions

• Program regulations/guidelines

• Original award documents (fully executed) and amendments

• Cost-Share/Match and MOE documents, if applicable

• Memoranda of negotiations with grantor, if applicable

• All reports and financial records submitted by Grantee

• Property records, as applicable

• Audit reports

• Close-Out and de-obligation documents

• Indirect Cost Rate Agreements

• Sub-Grantee monitoring reports and other Sub-Grantee records

• Program Monitoring and Evaluation Reports

• Other correspondence regarding the project

• Supporting documentation down to the source level for each grant expenditure

• Financial accounting information for submitting SF-424 forms and any other required records.

# Document Retention and Destruction Policy

### Purpose

To inform agency personnel on the record retention policy which is consist with all applicable federal and state requirements.

### Document Destruction

This Document Retention and Destruction Policy identifies the record retention responsibilities of staff, volunteers, members of the board of directors, and outsiders for maintaining and documenting the storage and destruction of the (insert entity name) documents and records. The organization’s staff, volunteers, members of the board of directors, committee members and outsiders (independent contractors via agreements with them) are required to honor the following rules:

a. Paper or electronic documents indicated under the terms for retention in the following section will be transferred and maintained by each department;

b. All other paper documents will be destroyed after three years;

c. All other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year;

d. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation (check with legal counsel or the human resources department for any current or foreseen litigation if employees have not been notified); and

e. No paper or electronic documents will be destroyed or deleted as required to comply with government auditing standards (Single Audit Act).

**Type of Document**

Accounts payable ledgers and schedules 7 years

Audit reports Permanently

Bank reconciliations 2 years

Bank statements 3 years

Case Management records 5 years after service is terminated

Checks (for important payments and purchases) Permanently

Child records (enrollment, attendance, etc.) 7 years after final service

Contracts, mortgages, notes, and leases (expired) 7 years

Contracts (still in effect) Contract period

Correspondence (general) 2 years

Correspondence (legal and important matters) Permanently

Correspondence (with customers and vendors) 2 years

Deeds, mortgages, and bills of sale Permanently

Depreciation schedules Permanently

Duplicate deposit slips 2 years

Employment applications 3 years

Expense analyses/expense distribution schedules 7 years

Grant Applications and Contracts According to terms of contract-7 years if nothing specified

Health records 7 years after final service

Insurance records, current accident reports, claims, policies, and so on (active and expired) Permanently

Inventory records for products, materials, and supplies 3 years

Invoices (to customers, from vendors) 7 years

Minute books, bylaws, and charter Permanently

Patents and related papers Permanently

Payroll records and summaries 7 years

Personnel files (terminated employees) 7 years

Retirement and pension records Permanently

Tax returns and worksheets Permanently

Therapeutic records 5 years after service is terminated

Timesheets 7 years

Trademark registrations and copyrights Permanently

Withholding tax statements 7 years

Year-end financial statements Permanently

# Managing Equipment Acquired with Federal Funding Policy

**Effective Date:** TBD

**Supersedes:** N/A

**Issuing Authority:** TBD

**Responsible Officer:** TBD

## Policy

It is the policy of (insert entity name) that equipment acquired with Federal funding is managed in accordance with Federal regulations our equipment policies. The management of equipment acquired with Federal funding is an integral process supported by all Finance, Purchasing, and Asset Management offices.

## Purpose

The purpose of this policy is to provide guidance to program managers (PM) and departments for managing Federally funded equipment in accordance with 2 CFR 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

### Scope

This policy is applicable to equipment acquired with Federal funding. Equipment can be acquired through purchase, fabrication, donation or transfer from another institution.

### Procedures for Implementation

### Roles and Responsibilities

● The program managerwill ensure the policy and procedures described in this document are followed. PM’s will also ensure pre-acquisition screening of major equipment (normally equipment over $25,000 unless a lower threshold is required by the sponsor) to avoid unnecessary purchases.

● The Asset Management Office oversees the equipment and property

administration function including writing policies, implementing processes, training staff, conducting physical inventory and maintaining the official equipment and property records.

● Department Administrators (DA’s) establish and maintain equipment

 and property records for their assigned area in a timely, complete and

 accurate manner.

 *●* Asset Custodians and Users are any staff or authorized person using

 equipment acquired with Federal funding. They must provide accurate,

 timely and complete information regarding equipment/property status

 and use and maintain assets in a responsible manner, including taking

 security precautions to discourage loss and theft of assets.

### Identification: Tagging and Recording Equipment

1. Tagging and recording of equipment is the responsibility of Asset Management which records property over the capitalization threshold (i.e., $5,000) into the Fixed Asset Records and identifies the equipment with a unique tag number to identify equipment acquired with Federal funding. A property/equipment record should be maintained accurately and include the following data elements:

i. Asset tag number (identifying number assigned to the asset);

ii. Description of equipment;

iii. Manufacturer's serial number, model number, Federal stock number, national stock number or other identification number;

iv. Source of equipment, including award/contract number;

v. Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost;

vi. Information noting the equipment was acquired using Federal funding;

vii. Location (building and room location of asset) and condition of the equipment and the date the information was reported;

viii. Unit acquisition cost;

ix. Final disposition record, including the date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share;

### Reporting Loss, Damage or Theft

A DA must report to the Asset Management Office any loss, damage or theft of equipment acquired with Federal funding.

### Physical Inventory

1. Biennial Inventory

In accordance with 2 CFR 200 the Office of Asset Management performs a physical inventory of equipment and reconciles with the inventory records every two years for each department. Asset Management will verify the following information for each asset:

• Location

• Status

• Condition

• Description

• Manufacturer

• Model No.

• Year manufactured

• Serial No

Asset Management will prepare a report for each department. The inventory report shows the difference between quantities determined by the physical inventory and those shown in the inventory database. A typical report will include:

• A master list of all assets inventoried in departmental space by location (if requested);

• A list of all assets added to the Fixed Asset Records during the inventory, including assets found without tags and assets found with tags that are not listed in Fixed Assets Records;

• A list of assets found which belong to another department;

• A list of assets in the Fixed Asset Records, which were not located during the inventory.

The DA for each department is responsible for inventory reconciliation, which is to investigate and determine causes of the difference between the inventory report and the Fixed Asset Records. Inventory reconciliation should be reported back to the Asset Management Office within 60 days from the date of the physical inventory report. Do not move equipment acquired with Federal funds from the tagged location. If the equipment must be moved, be sure to notify the Asset Management Office and change the property record(s).

1. Final Project Inventory

Upon completion or termination of a grant or contract, a physical inventory of all Federally-owned property shall be conducted and report the results to the federal grantor agency.

### Ownership of Equipment Purchased with Federal Funding

Generally, the title of ownership for equipment purchased on Federally-funded sponsored agreements rests with the grantee. If the Federal Government retains ownership, it should be specifically identified in the sponsor agreement.

### Sharing of Equipment Purchased with Federal Funding

As long as the Federal Government continues to support the project or program for which the equipment was purchased, the following rule must be followed:

i. The PM may not provide the equipment for use on another project without the approval of the Federal awarding agency;

ii. The equipment must be used in that project or program unless it no longer is needed for that project or program;

iii. The equipment should not be used to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute;

iv. The equipment may be used on other projects or programs if this use will not interfere with the work on the project or program for which the equipment was originally acquired. The equipment must be utilized in the following order of priority:

A. Activities sponsored by the Federal awarding agency which funded the original project; then

B. Activities sponsored by other Federal awarding agencies.

If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government must be authorized by the Federal awarding agency. User charges must be treated as program income.

### Disposition

When a PM wishes to dispose of items of equipment funded by the Federal government the PM should request instruction from the federal grantor.

# APPENDIX A - STANDARDIZED PROCUREMENT FORMS

FORM A-1 FAIR AND REASONABLE PRICE DOCUMENTATION

FORM A-2 PRICE DETERMINATION FOR CREDIT CARDS

FOR MICRO PURCHASES ($0 TO $3,000)

FORM A-3 PRICE QUOTES DOCUMENTATION FOR SMALL

PURCHASES – SIMPLIFIED ACQUISITION

FORM A-4 JUSTIFICATION FOR CONTRACT TYPE

FORM A-5 CERTIFICATION OF CONFIGURATION MANAGEMENTAND COMPLIANCE WITH NATIONAL ARCHITECTURE FORM

FORM A-6 VENDOR SOLICITATION LIST

FORM A-7 BID PACKAGE/RFP REQUEST LIST

FORM A-8 SIGN IN SHEET FOR PRE-BID CONFERENCES, PRE-PROPOSAL CONFERENCES, BID OPENINGS

FORM A-9 RESPONDING VENDORS LIST

FORM A-10 BID TABULATION

FORM A-11 PRICE ANALYSIS DOCUMENTATION FOR SMALL PURCHASES EXCEEDING $20,000 AND LARGE PURCHASES

FORM A – 12 DETERMINATION OF BEST VALUE

FORM A-13 CONTACTOR VERIFICATION

FORM A-14 NOTICE OF CONTRACT AWARD FOR BIDS AND RFPs

FORM A-15 NOTICE TO PROCEED

FORM A-16 INDEPENDENT ESTIMATE

FORM A-17 COST ANALYSIS DOCUMENTATION

FORM A-18 CONTRACT AWARD OFFER AND ACCEPTANCE FORM

FORM A-19 SOLE SOURCE PROCUREMENT JUSTIFICATION

FORM A-20 CLOSEOUT LETTER OF RELEASE FROM LIABILITIES, OBLIGATIONS AND CLAIMS

FORM A-21 INSPECTION AND ACCEPTANCE CLOSEOUT FORM

**FORM A-1**

**"FAIR AND REASONABLE" PRICE DOCUMENTATION FOR MICRO PURCHASES ($0 TO $3,000)**

**(For Small and Large Purchases, refer to Forms B-3 and B-4)**

**IFB OR RFP NUMBER:**

**GRANT NUMBER:**

**PROJECT TITLE:**

I hereby determine that the price of the product to be purchased is "fair and reasonable," based upon the methodology indicated below.

 A. Telephone Quotes (Name of Offeror 1 and price)

 $

(Name of Offeror 2 and price) $

(Name of Offeror 3 and price) $

B. Used a Rotating List of Qualified Suppliers: Name of supplier selected for this procurement

Name of supplier selected for previous procurement

C. Competitor's Catalogs (Sears, Home Depot, Office Depot, etc. -- Compare catalogs for the

**same time frame**. The following 4 criteria must be met. 1. Established Catalog prices exist.

2. The items are commercial in nature. 3. Items are sold in substantial quantities.

4. Items are sold to the general public.) (Attach copy of the catalog pages to this form.)

 D. Newspaper Advertisements (Current advertisement only -- attach copy of ad to this form.)

E. Industrial Catalogues (The National Mechanical Contractor Estimator (NMCE) is an excellent source for pricing mechanical items.)

F. Established Market Prices (The current price established in the usual or ordinary course of business between buyers and sellers free to bargain. Verify prices by buyers and sellers who are independent of the offeror. If you do not know the names of other commercial buyers and sellers, you may obtain this information from the offeror. Provide documentation.)

G. Comparison to Previous Recent Purchase (Changes in quantity, quality, delivery schedules, and the economy cause price variations. Make sure previous price was fair and reasonable based on physical review of documentation contained in previous files. Analyze each differing situation through trend analysis. Provide Documentation.)

H. Comparison to a Valid Independent Estimate (Attach estimator's methodology and data used in developing the estimate, and verify the facts and assumptions.)

I. Value Analysis (Review the item and its function in order to determine its worth. The decision of price reasonableness remains with the contracting officer. Provide methodology.)

J. Government Catalogs (Federal Supply Schedules may be used for price comparison even though they may not be able to fulfill the requirement.) (Attach catalog page.)

K. Government Price Index (Use to compare or analyze historical prices to predict current prices.

[Search Http://stats.b](http://stats.bls.gov/)ls.gov under Data, Series Report. For code numbers for the Series Report, go to ftp://ftp.bls.gov/pub/time.series/wp/wp.contacts and call the contact listed.

L. Prices Established by Law or Regulation (Prices determined through a rate schedule and verified that the prices apply to the situation, e.g., utilities.)

 M. Personal knowledge of item procured (Explain)

N. Other (e.g., Sole Source):

**(Attach copies of catalogue pages, advertisements, purchase order, etc.)**

Buyer's Signature Date

**FORM A-2**

**PRICE DETERMINATION FOR CREDIT CARDS**

In accordance with the requirements of FTA Circular 4220.1F (Chapter VI, Sec.

3.a.(2)(c)), I hereby determine that items bought from [EXAMPLE: STAPLES] stores in [CITY/TOWN/VILLAGE] are “fair and reasonable” because adequate commercial price competition exists between [STAPLES] and stores offering the same or similar products, and also because of the store's policy of matching all competitor's prices found to exist on the same item within [X] days of the date and time of purchase. [STAPLES] also has a policy that encourages purchase of products from Underutilized Business Owners.

This determination is effective for purchases made today through [DATE]. Signature:

Name:

Title: Executive Director

Date:

**FORM A-3**

**PRICE QUOTES DOCUMENTATION- Simplified Acquisition Method**

**FOR SMALL PURCHASES**

**Purchases Exceeding $20,000 must be approved by the [AGENCY] Board.**

**Complete this form (comments) and Form A-19 for Sole Source Procurements**

**IFB OR RFP NUMBER:**

**GRANT NUMBER:**

**PROJECT TITLE:**

A. Telephone Quotes Obtain at least 3 telephone or faxed quotes.

Indicate Disadvantaged Business Enterprises with "DBE."

|  |  |  |
| --- | --- | --- |
| (Name of Offeror 1 and price) |   | $  |
| (Name of Offeror 2 and price) |   | $  |
| (Name of Offeror 3 and price) |   | $  |
| (Name of Offeror 4 and price) |   | $  |
| (Name of Offeror 5 and price) |   | $  |

B. List of companies from whom quotes were requested and who did not supply a quote. Indicate Disadvantaged Business Enterprises with "DBE."

**(Attach copies of catalog pages, advertisements, purchase order, etc.)**

Comments:

Buyer's Signature Date

**FORM A-4**

**JUSTIFICATION FOR CONTRACT TYPE**

**IFB OR RFP NUMBER:**

**GRANT NUMBER:**

**PROJECT TITLE:**

THE METHOD OF CONTRACTING IS: Invitation for Bid

Request For Proposal

RFP Number:

This procurement was determined to be suitable for a Request for Proposal for the following reasons:

♦ A complete, adequate and realistic specification or purchase description allowing for competition primarily on the basis of price alone is not available,

♦ Discussions or negotiations may be needed with the offerors to address technical requirements as well as proposed cost or price aspects of the offerors' proposal.

♦ An opportunity may be needed to revise the proposal and submit a final proposal.

(Use RFPs for technological purchases, insurance, A&E, legal service, accounting services, and other services best served by an RFP rather than an IFB.)

IFB Number:

This procurement was determined to be suitable for an Invitation for Bid for the following reasons:

♦ A complete, adequate and realistic specification is available,

♦ Two or more responsible bidders are willing and able to compete effectively for the business,

♦ The procurement lends itself to a firm-fixed-price contract,

♦ The selection of the successful bidder can be made principally on the basis of price, and

♦ No discussion with bidders is needed.

THE CONTRACT TYPE IS:

**Fixed Price (for sealed bid procurements)**

Firm Fixed Price

Fixed Price with Economic Price Adjustment

**Cost Reimbursement Contract**

Cost Contract

Cost Plus Fixed Fee

**Special**

\_\_\_Time and Materials Contract\*

\_\_\_Labor Hours

\_\_\_Letter Contract

\_\_\_Indefinite Delivery Contract

\_\_\_Definite Quantity

\_\_\_Indefinite Delivery

\_\_\_Indefinite-Quantity Contract

\_\_\_Blanket Purchase Agreement

\_\_\_Revenue Generating

**\*Restricted (see FTA Circular 4220.1F, Chapter VI, Sec. 2.c(2)(b))**

 **NOTE: Cost Plus Percentage of Cost contracts are prohibited.**

The contract type was selected because:

**SUBMITTED BY:**

**DATE:**

**FORM A – 4**

**DEFINITION OF CONTRACT TYPES**

**Fixed Price**

Firm Fixed Price: The risk of performing the contract for a lump sum falls on the contractor and is not subject to adjustment on the basis of the contractor's cost experience. There is a minimum administrative burden on owner.

Use this type of contract when buying commercial/commercial-type products or other goods or services where

reasonably definite or detailed specifications exist, and the buyer can establish fair and reasonable prices at the outset.

Fixed Price with Economic Price Adjustment: Less cost risk to the contractor and should result in lower costs to the public owner. This type of contract is characterized by a lump-sum price subject to the upward or downward adjustment of costs specified in the contract. (Paper products, fuel) Economic price adjustments may be based on:

♦ Established prices,

♦ Actual costs of labor or material, and/or

♦ Cost indexes of labor or material.

**Cost Reimbursement Contract**

Cost Contract: Reimburse costs, contractor receives no fee. This type of contract is used for consultant services and

research and development contracts with nonprofit organizations.

Cost Plus Fixed Fee: Most common type of cost contract in transit. The contractor receives a predetermined fee and is reimbursed for all costs allowable under established cost principles. There is little risk to the contractor and little incentive to control costs. There is more burden on the owner to administer this type of contract. This type of contract should be used only when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed price contract. Award this type of contract only if the contractor's accounting system is adequate for determining costs applicable to the contract, and if [AGENCY] can monitor the methods and cost controls. This type of contract includes a cost analysis for overhead, labor, materials and travel. (Are benefits, pay increases, bonuses, overtime, overhead, support staff as an indirect cost included?

**Special**

Time and Materials Contract: Labor is provided for an indefinite period of time on a fixed-price basis. Materials are

provided on a cost-reimbursement basis. Profit is included in the labor rates, and no fee is allowed on materials. This is the least preferred method of contracting and should only be used when it is not possible to accurately estimate the extent or duration of the work or to anticipate the costs with any reasonable degree of confidence. This type of contract may specify a "ceiling price" which the contractor shall not exceed. (FTA Circular 4220.1F, Chapter VI, Sec. 2.c(2)(b) for restrictions)

Labor Hours: Labor is provided for an indefinite period of time, but the contractor is not required to provide any materials. (Equipment costs and limited materials can be calculated as part of the labor rates.)

Letter Contract: Usually used in transit emergencies to begin work quickly while a formalized contract is prepared. Used to enter into contracts quickly. Execute the formal contract as soon as possible, and certainly within 90-180 days of the preliminary letter. Limit the percentage of the cost and set a "not-to-exceed" amount.

Indefinite Delivery Contract: Used when the exact time of delivery is unknown at the time of contracting.

Definite Quantity: Provides for delivery of a definite quantity of specific supplies or services for a fixed period of time. Upon order, schedule deliveries or performance at designated locations.

Indefinite Delivery: Provides for filling all actual purchase requirements for specific items over a specified period of time. Estimates must be based upon the best information available.

Indefinite-Quantity Contract: Provides for a stated minimum quantity and also additional quantities, as ordered, up to a stated maximum.

Blanket Purchase Agreement: Used to fill anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. Orders are made by Issuance of a delivery order.

Revenue Generating: Innovative ways to generate revenue. Advertising contracts are the most popular. (See Dear

Colleague Letter C-98-25)

**\*Cost Plus Percentage of Cost contracts are prohibited. Under this type of contract, the owner agrees to pay the cost plus an agreed upon percentage of the costs, (e.g., 10%), up to a maximum dollar amount, including change orders.**

**FORM A-5**

**CERTIFICATION OF CONFIGURATION MANAGEMENT AND COMPLIANCE WITH NATIONAL ARCHITECTURE FORM**

Complete this form prior to finalizing the Invitation for Bid package or Request for Proposals. Examples of Configuration Management are: software interfacing properly with existing software and hardware, office furniture fits through doorways, vehicles fit in the shop.

RFP or IFB Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Grant Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PROJECT TITLE:**

**I certify by my signature as Project Manager, that the specifications contained in the Invitation for Bid Package or Request for Proposals conform to [AGENCY]'s existing systems. The product or service to be procured is expected to react, interact with, or work as described in the Invitation for Bid Package or Request for Proposals.**

**I certify that if the product or service under procurement will or may change or alter existing systems in any way, the affected Departments have been notified in writing and have agreed to the change.**

**Describe any changes or alterations that will or may occur due to procurement of the product or service.**

**For Technology-Related Purchases**

**I certify that a clause has been included in the Invitation for Bid package or the Request For Proposal that contractors must self-certify via letter that their product or service complies with National Architecture Standards.**

Project Manager Date

**FORM A-6**

**VENDOR SOLICITATION LIST**

(Use this form to keep track of vendors solicited for the purposes of sending IFBs and RFPs)

 **Solicitation #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Grant #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **CONTACT DATE** | **COMPANY** | **CONTACT** | **ADDRESS** | **CITY/STATE/ZIP** | **TELEPHONE** | **FAX NUMBER** | **E-MAIL ADDRESS** |
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**FORM A-7**

**BID PACKAGE/RFP REQUEST LIST**

Use this form to keep track of vendors to whom an IFB or RFP was sent.

**Solicitation #:**

**GRANT #:**

**PROJECT TITLE:**

**PAGE OF**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **DATE****SENT** | **COMPANY** | **CONTACT** | **ADDRESS** | **CITY/STATE/ZIP** | **TELEPHONE** | **FAX NUMBER** | **E-MAIL****ADDRESS** |
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**FORM A-8**

**SIGN IN SHEET**

**FOR PRE-BID CONFERENCES, PRE-PROPOSAL CONFERENCES, BID OPENINGS**

 **Solicitation #: \_\_\_\_\_\_\_\_\_\_\_\_\_ Grant #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Project Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Page \_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| --- | --- | --- | --- | --- | --- | --- |
| **NAME** | **FIRM****REPRESENTED** | **ADDRESS** | **CITY/STATE/ZIP** | **TELEPHONE** | **FAX NUMBER** | **E-MAIL****ADDRESS** |
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**FORM A-9**

**RESPONDING VENDORS LIST**

Use this form to document arrival date and time of Bids and Proposals

**SOLICITATION #:**

**GRANT # :**

**BID OPENING DATE:**

**OR**

**BID OPENING TIME:**

**PROPOSAL SUBMISSION DEADLINE DATE:**

**PROPOSAL SUBMISSION DEADLINE TIME:**

**PROJECT TITLE:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ARRIVAL DATE** | **ARRIVAL TIME** | **COMPANY OR FIRM** | **ADDRESS** | **CITY/STATE/ZIP** |
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**FORM A-10**

**BID TABULATION**

Use this form to record the Bids that were opened at the Bid-Opening

**IFB OR RFP NUMBER:**

**GRANT NUMBER:**

**BID OPENING DATE:**

**BID OPENING TIME:**

**PROJECT TITLE: Page \_\_\_**

**­­**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **VENDOR NAME** | **VENDOR NAME** | **VENDOR NAME** |
| **Item** | **Description** | **Qty** | **UM** | **Unit****Price** | **Ext. Amount** | **Unit****Price** | **Ext. Amount** | **Unit****Price** | **Ext. Amount** |
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QTY = Quantity, UM = Unit of Measure, Ext Amount = Extension Amount

**NOTES:**

**FORM A-11**

**PRICE ANALYSIS DOCUMENTATION**

**FOR SMALL PURCHASES AND LARGE PURCHASES**

Solicitation # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Grant # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Based upon the bids/quotes received as identified on the Bid Tabulation (Form A-10) , I hereby determine the adequate price competition was obtained by comparison of the quotations and that the low price is fair and reasonable based upon one of the following methods.

The price analysis was obtained through:

\_\_\_\_\_\_\_\_ Comparison of bids received

\_\_\_\_\_\_\_\_ Comparison to Previous Purchase (Changes in quantity, quality, delivery schedules and the economy cause price variations. Make sure previous price was fair and reasonable based on physical review of documentation contained in previous files. Analyze each differing situation through trend analysis. (Use when adequate competition does not exist.)

\_\_\_\_\_\_\_\_ Surveyed other Agencies (Contact other transit or public agencies that recently purchased a similar item to find out the price they paid. Place information in a memorandum or a form. Include additions or deletions for specific components (e.g., operator's seat, lighting system, signage system, etc.) (Use when adequate competition does not exist.)

\_\_\_\_\_\_\_\_ Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_ This was a sole source bid. (Include a letter of explanation in the contract file.) (Complete Sole Source Procurement Justification Form A-19)

COMMENTS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Buyer Date

**FORM A-12**

**DETERMINATION OF BEST VALUE**

**SOLICITATION # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ GRANT # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**PROJECT TITLE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** (name of company) is determined to be the lowest, and most responsive bid and will provide the best value to [Agency].

Check one of the lines below:

\_\_\_\_\_\_\_\_\_\_\_ Company’s bid is the lowest bid received.

\_\_\_\_\_\_\_\_\_\_ Company’s bid is not the lowest bid, but is considered the best value. Document the reasons why this company was selected:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[AGENCY] Buyer or Procurement Officer Date

**FORM A-13**

**CONTRACTOR VERIFICATION Excluded Parties List**

**SOLICITATION # GRANT # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**PROJECT TITLE:**

 I have verified through the Federal Government’s Excluded Parties list at www.sam.gov that the

Company \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ awarded the [AGENCY] contract to provide

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (product or service)

has not been debarred from working on federally funded projects. Likewise, I have verified through the lists above that the following sub-contractors have not been debarred from working on federally funded projects.

 Subcontract

Company Name Address Product or Service

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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[AGENCY] BUYER OR PROCUREMENT OFFICER Date

**FORM A-14**

**NOTICE OF CONTRACT AWARD FOR BIDS AND RFPs**

If applicable, include the following: (1) description and specifications of items or services being procured; (2) quantity and unit of measure; (3) unit price; (4) extended totals.

SOLICITATION # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ GRANT # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

REQUISITION #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PROJECT TITLE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

This is to notify you that (name of company): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(street address): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(name and title of authorized person): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(telephone #) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (DUNS #) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Has been awarded the contract # \_\_\_\_\_\_\_\_\_\_\_\_\_\_ to provide (product or service)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ including all terms referenced

in the proposal to [AGENCY], for the dollar value of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, for the period

beginning \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and ending \_\_\_\_\_\_\_\_\_\_.

Your contract contains a Disadvantaged Business Goal of %. The Contract requires that you submit work schedules and copies of executed subcontract agreements for your proposed DBE subcontractors within 30 days of the date of this award letter. You are further required to submit monthly reports of your progress toward meeting these goals, on the forms provided in the contract documents.

Upon receipt of this Notice of Contract Award for Bids and RFPs, complete the enclosed Notice of Contract Award Acceptance for Bids and RFPs (Form B-22), as well as Parts V, VI and VII of the Bidder's Questionnaire, located in Section VII of the Invitation for Bid package, and fax these documents to the [AGENCY] Procurement Officer at [TELEPHONE #], and then mail it to: Procurement Officer, [AGENCY ADDRESS].

**The following documents are attached hereto, incorporated by reference and made part of this contract for all purposes:**

**NOTICE OF AWARD**

Procurement Officer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date of Award: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

signature

Executive Director: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

signature

**FORM A-15**

**NOTICE TO PROCEED**

DATE

NAME AND TITLE ADDRESS

CITY, STATE, ZIP

RE: PROJECT TITLE CONTRACT #

Dear :

Enclosed is your fully-executed copy of the Contract referenced above.

This letter shall serve as your Notice to Proceed. Effective , you may begin providing services and incurring costs. The term of this Contract shall be from through .

Should you have any questions, feel free to contact me at [TELEPHONE #]. I look forward to working with you on this important project.

Sincerely Yours,

[AGENCY] Procurement Officer

Enclosure

FORM A-16

INDEPENDENT ESTIMATE

Purchases Exceeding $20,000 must be approved by the Board of Directors

Solicitation # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount of Independent Estimate $ \_\_\_\_\_\_\_\_

Grant # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Project Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_A. Telephone Budget Estimate

(Name of Company & Estimate)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­ $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name of Company & Estimate)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­ $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name of Company & Estimate)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­ $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_B. Competitor's Catalogs (Sears, Home Depot, Office Depot, etc. -- Compare catalogs for the same time frame.

 The following 4 criteria must be met. 1. Established Catalog prices exist. 2. The items are commercial in

 nature. 3. Items are sold in substantial quantities.4. Items are sold to the general public.) (Attach copy of the

 catalogue pages to this form.)

\_\_\_C. Newspaper Advertisements (Current advertisement only -- attach copy of ad to this form.)

\_\_\_D. Industrial Catalogues (The National Mechanical Contractor Estimator (NMCE) is an excellent source for

 pricing mechanical items. Name :**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**( attach pages).

\_\_\_E. Established Market Prices (The current price established in the usual or ordinary course of business between

 buyers and sellers free to bargain. These prices must be verified by buyers and sellers who are independent

 of the offeror. If you do not know the names of other commercial buyers and sellers, you may obtain this

 information from the offeror. Attach information.)

\_\_\_F. Comparison to Previous Recent Purchase (Changes in quantity, quality, delivery schedules, and the economy

 cause price variations. Make sure previous price was fair and reasonable based on physical review of.

 documentation contained in previous files. Analyze each differing situation through trend analysis. Explain

\_\_\_G. Comparison to a Valid Independent Estimate (Attach estimator's methodology and data used in developing

 the estimate, and verify the facts and assumptions.)

\_\_\_H. Value Analysis (Look at the item and the function is performs in order to determine its worth. The decision

 of price reasonableness remains with the contracting officer. Attach explanation.)

\_\_\_I. Government Catalogues (Federal Supply Schedules may be used for price comparison even though they may

 not be able to fulfill the requirement.) (Attach catalogue page.)

\_\_\_J. Government Price Index (Use to compare or analyze historical prices to predict current prices. Search

 Http://stats.bls.gov under Data, Series Report. For code numbers for the Series Report, go to

 ftp://ftp.bls.gov/pub/time.series/wp/wp.contacts and call the contact listed. Attach analysis.)

\_\_\_K. Prices Established by Law or Regulation (Prices determined through a rate schedule and verified that the

 prices apply to the situation, e.g., utilities. Attach schedule.)

 \_\_\_L. Personal knowledge of item procured. (Explain.)

\_\_\_M. Other (e.g., Sole Source): (Explain)

**(Attach copies of catalogue pages, advertisements, purchase order, etc.)**

Buyer's Signature Date

**FORM A-17**

**COST ANALYSIS DOCUMENTATION**

**Request for Proposals and Sole Source contracts**

**IFB OR RFP NUMBER:**

**GRANT NUMBER:**

**PROJECT TITLE:**

When necessary: Perform a Cost Analysis when the offeror is required to submit the following elements of the estimated cost for professional consulting, architectural and engineering services contracts: Labor Hours, Overhead, Materials, etc. Architect/Engineering firm must provide unit quantity prices (e.g., estimates for asphalt, curb and gutter, number of hours for surveyors, drafting, etc.)

Perform a Cost Analysis whenever adequate price competition is lacking and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalogue or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation.

Based upon the proposals or bids received, I hereby determine that the price is fair and reasonable based upon one of the following methods.

The cost analysis was obtained through:

Technical Evaluation (This method is not directly related to price, but involves an assessment of quantitative and qualitative factors that influence the offered price. This method allows an evaluation of the functions that cause cost. It is recommended that technically trained and experienced personnel assist in the analysis of hours, quantities, tooling, testing, head counts, productivity, and similar factors. When a technical evaluation is required prior to negotiations, it should address:

1) An estimate of necessary labor-hours with an indication of desirable adjustments;

2) Reasonableness of proposed material type, quantity and necessity;

3) The need for acquiring equipment and which equipment is considered general purpose or unique to perform a particular contract;

4) The possibility and availability of property that could be furnished by the Grantee;

5) The number, location, and need for any Grantee-funded trips for contractor personnel; and

6) The evaluator's summary statement and rationale that address whether or not the labor, material, travel, and other cost elements are reasonable.)

Accounting Records (This method can present the cost of a job, but it is limited in determining reasonableness. Technical skills and judgements are required to determine reasonableness and necessity of the costs.)

Auditor's Support (An auditor verifies proposed costs, overhead costs, and examines the vendor's estimates. Certain

categories of materials, salaries, or the actual cost elements have contributed to an overhead rate. The auditor should tell you the prohibited costs included in the contractor's proposal.)

COMMENTS:

Buyer Date

[AGENCY] Procurement Officer Date

**FORM A-18**

**NOTICE OF CONTRACT AWARD ACCEPTANCE FOR BIDS AND RFP'S**

Contractor must complete and sign this *Notice of Contract Award Acceptance for Bids and RFPs,* and return it to [AGENCY] within five (5) working days of receipt of the *Notice of Contract Award for Bids and RFPs* (Form B-21), along with Parts V, VI and VII of the *Bidder's Questionnaire*, located in Section VII of the Invitation for Bid Package, via fax to the [AGENCY] Procurement Officer at [FAX #], with hard copy postmarked by the fifth working day mailed to: Procurement Officer, [AGENCY ADDRESS]. Failure to return the *Notice of Acceptance of Award* and Parts V, VI and VII of the *Bidder's Questionnaire* may result in a breach of this contract and [AGENCY] has the right to annul this contract without liability and/or employ any other remedy it may have at law.

**RFP OR IFB NUMBER:**

**[AGENCY] REQUISITION NUMBER:**

**GRANT NUMBER:**

**PROJECT TITLE:**

(Company name) is in receipt of the *Notice of Contract*

*Award* (contract number) , dated , for the time period beginning and ending , for the dollar value of $ .

 We understand that the contract contains a Disadvantaged Business Goal of

%, and that

the Contract requires our company to submit work schedules and copies of executed subcontract agreements with proposed DBE subcontractors within 30 days of the date of the aforementioned award letter. We understand that our company is further required to submit monthly reports of progress toward meeting these goals, on the forms provided in the contract documents.

Name of Company:

Street Address:

Telephone Number:

Company Identification Number:

Printed Name and Title of Authorized Person:

Authorized Signature Date

**FORM A-19**

**SOLE SOURCE PROCUREMENT JUSTIFICATION Page 1 of 2**

Complete this form to document the process to justify a Sole Source procurement.

**SOLICITATION NUMBER:**

**GRANT NUMBER:**

**PROJECT TITLE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Indicate the reason for choosing a sole source procurement.

(a) Unique or Innovative Concept. The offeror demonstrates an unique or innovative concept or capability not available from another source. Unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted, and is available to the recipient only from one source and has not in the past been available to the recipient from another source.

How did you arrive at this conclusion?

How did you determine the availability of the service or item? (e.g., checked on prior procurements for the same or similar item)

List other sources for identical or compatible parts or equipment if any and indicate if they are responsible:

Did a vendor or contractor help prepare the statement of work?

Vendor's name

Yes No

Will they benefit if [AGENCY] proceeds with a sole source contract?

Yes No

Explain your answer

(b) Patents or Restricted Data Rights. Patent or data rights restrictions preclude competition.

Name of manufacturer or supplier

Describe the restrictions

**FORM A-19**

**SOLE SOURCE PROCUREMENT JUSTIFICATION Page 2 of 2**

**IFB OR RFP NUMBER:**

**GRANT NUMBER:**

**PROJECT TITLE:**

(c) Substantial Duplication Costs. In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.

Name of manufacturer or supplier

Reason the above is the sole source

Describe how you ascertained this (e.g., whom did you contact?)

(d) Unacceptable Delay. In the case of a follow-on contract for the continued development or production of a highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the recipient’s needs.

Name of manufacturer or supplier

Reason the above is the sole source

Describe how you ascertained this (e.g., whom did you contact?)

COMMENTS:

Buyer Date

[AGENCY] Procurement Officer Date

Enclosures

**FORM A-20**

**CLOSEOUT LETTER OF RELEASE**

**FROM LIABILITIES, OBLIGATIONS AND CLAIMS**

[Date]

[Contact

Company Name

Company Street Address, Suite

City, State, Zip Code] Dear [ ]:

In order to finalize the contract file for the purchase of [number and product or service] that occurred on [date product delivered], [AGENCY] requires a statement from [vendor] that formally releases [AGENCY] from all liabilities, obligations, and claims.

Please sign this letter if you are in agreement with the following statement, then return the letter to [AGENCY ADDRESS], by [DATE].

As an official of [vendor], authorized to legally bind the company, I

certify that [vendor]

(print your name and title)

has sent the final invoice to [AGENCY] on [date of invoice], and received payments from [AGENCY] for [number and product or service] in the amount of [$ amount of payment] dated [date on check]. I further certify that [vendor] has completed the work agreed to in the contract signed [date contract or Bid Form signed], and hereby formally release [AGENCY] from any and all liabilities, obligations, and claims.

Signature:

Date:

[AGENCY] certifies that all contract elements have been completed, all deliverables have been received in satisfactory condition and have been inspected and approved, and that [AGENCY] holds no claims regarding this contract against [vendor].

Signature:

[AGENCY] Executive Director DATE

**FORM A-21**

**INSPECTION AND ACCEPTANCE CLOSEOUT FORM**

Complete this form as part of the Contract Closeout Procedure for contracts $150,000+.

**SOLICITATION #**

**GRANT # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**PROJECT TITLE:**

I certify that the following Contract Closeout Procedures have been performed and that the documentation has been placed in the Master File. Place N/A on lines that are not applicable.

 [AGENCY] has received all articles and/or services set forth in the contract.

[AGENCY] has inspected and accepted these articles and/or services (including reports and spare parts) and is satisfied that they are in full compliance with the conditions of the contract.

For RFPs involving technology, a self-certification letter from the Contractor stating compliance with the National Architecture for Intelligent Transportation Systems standards.

 Proof of warranty documents delivered.

 Proof of Insurance (for construction and renovation projects on [AGENCY] property.) Procurement Officer is in receipt of a memorandum from department stating that all

required inspections have been performed and the contract has been completed.

 [AGENCY] has received the final invoice from the Contractor -- (write date on line).

 Letter from Contractor formally releasing [AGENCY] from all liabilities, obligations, &

claims.

All administrative actions have been completed including settlement of disputes, protests, and litigation; final overhead rates have been determined; funds have been released; property has been accounted for or disposed of properly; necessary audits have been performed. (Executive Director’s initials.)

[AGENCY] has made the final payment to the Contractor and has proof that the Contractor received the final payment (cancelled check, memorandum, etc.)

 All documentation has been placed in the Master File.

Procurement Officer Date