



# Citrus County Grant Administration Manual

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Management and Budget  
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## **Introduction**

The Citrus County Board of County Commissioners' (BOCC) Grant Administration Manual is designed to improve efficiency and compliance with grant awards.

## **Effective/Applicability Date**

According to 2 CFR § 200.110(a), the standards set forth in this part which affect administration of Federal awards issued by Federal awarding agencies become effective once implemented by Federal awarding agencies or when any future amendment to this part becomes final. Federal awarding agencies must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by Federal Office of Management and Budget (OMB). For the procurement standards in §§200.317-200.326, non-Federal entities may continue to comply with the procurement standards in previous OMB guidance (superseded by this part as described in §200.104) for two additional fiscal years after this part goes into effect (OMB extended this to September 9, 2017). If a non-Federal entity chooses to use the previous procurement standards for an additional two fiscal years before adopting the procurement standards in this part, the non-Federal entity must document this decision in their internal procurement policies. The Grant Project Manager must ensure all procurement policies/procedures included in grant are adhered to. If not specifically documented for procurement, this must be noted when submitting procurement documentation to Purchasing or Financial Services Department.

## **Purpose of the Grant Administration Manual**

Citrus County, Florida (County), has created this manual to establish guidelines for grant management and to define procedures to be used by Purchasing in the processing and evaluation of procurements requiring the solicitation of quotations, informal bids or advertised sealed bids, including but not limited to, Invitation to bids, Request for Proposals, Request for Qualifications, Invitation to Negotiate, or any other form of competitive bidding as may be authorized by the BOCC.

Adherence to this manual will promote efficiency and compliance, better transparency, greater accountability, a strategic approach to funding opportunities, and generally place the County in a more competitive position for securing grant funds. If specific direction relative to grants cannot be located in these procedures, please contact Management and Budget for assistance at (352) 527-5207.

## **Scope**

These policies and procedures apply to grants that must meet the Federal Office of Management and Budget (OMB) "SuperCircular" (2CFR Chapter I and II, Parts 200,215,220,225, and 230). The purchasing procedures apply to all purchases when bids or quotations are required. Florida's competitive procurement process is aimed at the protection of the public against collusive contracts, fraud, bias, and favoritism. It is designed to secure fair competition on equal terms to all bidders, to secure the best values at the lowest possible expense, to provide an opportunity for an exact comparison of bids, and to assure that the most responsive bid is accepted. To ensure

that the competitive process conforms to applicable Federal law, all grant funded procurements shall include all grant required third party contract clauses.

Herein are the minimum standards for the administration of grant awards. The County may establish additional controls with approval from the BOCC, Department/Division Director, or County Administrator/Designee.

### **Existing Policies and Procedures**

Federal Transit Administration (FTA) grant awards should follow the Federal Transit Administration Awards Policies and Procedures Manual as approved by FTA for all items covered in that manual and utilize the Grant Administration Manual for items outside the scope of the Federal Transit Administration Awards Policies and Procedures Manual.

Grant evaluations, submittals, monitoring and reporting should comply with AR 2.18 (latest revision): Guidelines for Grant Evaluations, Submittals, Monitoring and Reporting unless otherwise noted in this manual.

Administrative Memorandum 2014-01 Prohibited Purchases/Exceptions List must be adhered to unless otherwise noted in agreement with Grantor.

In procuring commodities and services, the County shall comply fully with Chapter 287 of the Florida Statutes and the following Purchasing Administrative Regulations (ARs):

- AR 9.01 (latest revision): Purchasing Policy
- AR 9.02 (latest revision): Requisitioning Procedures
- AR 9.03 (latest revision): Nonconforming Purchases
- AR 9.05 (latest revision): Purchase Orders
- AR 9.06 (latest revision): Emergency Procedures
- AR 9.07 (latest revision): Contracting For Construction Services
- AR 9.08 (latest revision): Request for Qualifications Procedures/Contracting for Professional Services / Consultant's Competitive Negotiation Act
- AR 9.09 (latest revision): Continuing Contracts for Professional Services
- AR 9.10 (latest revision): Invitation to Bid Procedures
- AR 9.11 (latest revision): Continuing Services Contract for Construction Services
- AR 9.12 (latest revision): Direct Purchase of Materials, Equipment and Supplies For Construction Projects
- AR 9.13 (latest revision): Procurement Policies and Procedures for Local Agency Program Projects Funded by Federal Aid Grants
- AR 9.14 (latest revision): Sole Source Purchase
- AR 9.15 (latest revision): Request for Proposal Procedures
- AR 9.16 (latest revision): Receiving Procedures
- AR 9.17 (latest revision): Purchase Card Program

- AR 6.07 (latest revision): Cash Handling Guidelines

The above listed Administrative Regulations (ARs) are to be followed except when not in compliance with grant award requirements. Exceptions to these rules will be outlined and defined in this manual.

## **Written Standards of Conduct**

### **Personal Conflicts of Interest**

No employee, officer, agent, or board member, or his or her immediate family member, partner, or organization that employs or is about to employ any of the foregoing individuals may participate in the selection, award, or administration of a contract supported with grant assistance if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of those individuals previously listed has a financial or other interest in the firm selected for award.

The County must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

### **Gifts**

County officers, employees, agents, or board members may neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontracts. Acceptance of gifts at any time, other than advertising novelties, is prohibited. Acceptance of entertainment also is prohibited. Employees must not become obligated to any suppliers and shall not conclude any County transaction from which they may personally benefit.

### **Violations**

The provisions of Section 112.313, Florida Statutes, pertaining to standards of conduct for public officers, employees of agencies, and local government attorneys expressly apply to the Citrus County Purchasing Policy. A violation of Section 112.313, Florida Statutes, pertaining to purchasing or contractual relationships shall also be deemed a violation of this Policy. Specific statutory provisions pertaining to purchasing and contracting include but are not limited to: Section 112.313 (standards of conduct), Section 119.071 (Public Records), Section 180.24 (bids on construction contracts), Section 218.70, et. seq. (the Florida Prompt Payment Act), Section 287.055 (consultants' competitive negotiation act), Section 336.41 and 336.44 (county roadwork). If determined appropriate, penalties, sanctions, or other disciplinary action shall be determined by the County Administrator/ designee, Human Resource Director, or BOCC.

## **Grant Fraud, Waste, and Abuse**

1. Contact the County's Red Flag Reporting service to report your concerns. Reports can be made 24/7/365 via the internet ([www.redflagreporting.com](http://www.redflagreporting.com)) or a toll-free number (1-877-647-3335). Reports may be made anonymously.

2. Waste, fraud, abuse, misconduct or any other serious deviation from acceptable grant practices when proposing, carrying out, or reporting activities or results that involve a grant is considered grant misconduct and must be disclosed, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

## **Contract Administration System**

The BOCC has the power and authority to enter into contracts and bind the County by contract when authorized by law. Certain department and governmental officials are delegated the responsibility and authority to approve contracts on behalf of the County pursuant to the Citrus County AR 9.01 (latest revision).

It is the purpose and intent of this policy document to provide a guide to those who participate in the contractual process on behalf of the County, with a view toward a better understanding of what constitutes proper contract practices and to provide a more uniform treatment of the contract process to ensure that contracts to which the County is a party are both legal and in the best interest of the County.

The County shall maintain contract administration systems that insure contractors/firms perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. The accepted performance of contractors/ firms will be a factor in subsequent contract negotiations and award. Remedial action by the County through legal processes shall be considered in instances of identified significant nonperformance.

## **Roles and Responsibilities**

All County personnel engaged in preparing grant proposals and administering grant awards or responsible for grant funded assets serve an important role in the success of project outcomes and objectives and ensuring that all grant terms and conditions and budgetary and regulatory requirements are met.

Some of the key roles and responsibilities are as follows:

### **Grant Project Manager**

The Grant Project Manager is the primary person responsible for programmatic activities on a grant project as authorized by the grant agreement. Although some tasks may be delegated, the Grant Project Manager is the chief accountable person and bears responsibility for the overall administrative and

fiscal conduct of the grant award for meeting the terms and conditions of the award and for representing the project to the granting agency.

#### Administrative Staff

Administrative staff members are those persons who are typically responsible for certain delegated duties to provide assistance to Grant Project Managers. Administrative staff members are a critical element in the successful management of grant awards.

#### Department Directors

The department director is a manager with programmatic and fiscal responsibilities for a designated department. He or she is the individual who ensures adequate staff and infrastructure are provided for the appropriate conduct of project management duties and grant award management, and supervises staff members who serve as Grant Project Manager and administrative staff identified as key members on projects and grant awards. Ultimate grant compliance and verification rests with the Department Director. It is the Department Directors responsibility to remediate identified internal control deficiencies on a timely basis.

#### Management and Budget Department

The Management and Budget Department (DMB) is an administrative support department. The Director/designee will enforce policies and procedures, procurement, and accountability as related to grant compliance.

#### Human Resources Department

The Human Resources Department provides and coordinates competent staff recruitment, training, and retainment to the departments, agencies and officers of the County to achieve the County's objectives. Human Resources Department is responsible for updating and maintaining the employee handbook. The department also assists County staff with mentoring opportunities if requested beyond the scope of what the staff member's department can provide.

#### County Attorney

The County attorney's office provides legal advice, counsel, and legal representation to the BOCC, the County Administrator and the departments, agencies and officers of the County. The County attorney's office reviews contracts, settlements, and other documents pertinent to grant awards. The department also assists County staff with writing ordinances and council resolutions, reviews and prepares grant agreements for signature by authorized representatives.

#### County Administrator

The County Administrator or his or her designee signs/ certifies all grant reports/ requests for reimbursement, and other grant documents as delegated by the BOCC, unless otherwise proscribed by the granting agency.



## Board of County Commissioners

The chairman of the BOCC or his or her designee signs all grant applications, amendments, modifications, award agreements, and other grant documents as the Authorized signer for the County, unless otherwise delegated by the BOCC.

## Finance

### Clerk of the Circuit Court

The Clerk of the Circuit Court is responsible for the official financial records of the BOCC and the County, and in that capacity is responsible for maintaining adequate records to ensure compliance with federal and state accounting and reporting requirements for all grants administered by departments under the County Administrator. For clarification, the Clerk's role as far as records keeping outside of accounting records would be to maintain the grant contract and any amendments. Any reports required by the granting agency and any compliance for eligibility is housed in the departments. The Clerk is also the independent auditor of County departments, and conducts independent, objective reviews and evaluations of all relevant activities under the BOCC, and coordinates the annually required Single Audit with BOCC departments and the County's external auditors. As such, the Clerk's Audit Department examines and evaluates the internal control systems and procedures County departments use to carry out the assigned responsibilities of the organization being audited, including the implementation requirements of a department for administering grant funds. The Clerk of Courts Financial Services Department also maintains the fixed assets listing in coordination with BOCC departments and completes annual inventories.

## General Guidelines

Grant agreements are legal contracts. It is the County's responsibility to carry out grant activities to accomplish its objectives, while adhering to the regulatory and budgetary terms and conditions prescribed by the Grantor in the grant agreement. Failure to do so exposes the County to legal liability and compromises current and future grant funding. The County carries a significant legal and ethical responsibility when accepting grant funding, and management of grant awards requires heightened awareness throughout the organization.

- Read and follow all grant guidelines
- Stay current with **required** training, which may be self-taught through the existing resources provided on the County intranet or sought from mentorship within the County, or through outside sources as approved through current policies.
- BOCC acceptance/execution/ appropriation
- Notify appropriate departments for project setup (i.e. Clerk of Courts Financial Services Department for Dept. number and DMB for budget resolution)
- Establish grant file
- Charging and approving expenditures

- Managing the Award - Federal spending guidelines
- Collecting revenue
- Monitoring and oversight
- Subcontracting
- Progress reports - reconcile budget
- Financial reports reporting
- Annual reports
- At close-out - final report
- Time extensions closeout

### **Grant Management**

Grant funds must be properly received and managed by the County. Violations can result in a range of penalties including suspension of future funds from the Grantor, return of all funds associated with the award including those already expended, and civil or criminal penalties.

### **Grant Procedures Checklist**

In order to properly report all grants in the County's Annual Financial Report (Audit) the following information is required to be provided to Clerk of Courts Financial Services Department:

1. The original signed grant contract and all attachments.
2. The completed Grant Information Sheet (available on the intranet).
3. Any original signed amendments or changes and all attachments.

The following must be submitted to the Clerk of Courts Financial Services Department to meet end of fiscal year requirements:

1. A copy of the September 30th report/payment request.
2. Completed 4th quarter reconciliation, received by November 1<sup>st</sup>.
3. Ensure all billings are sent to Financial Services.
4. Ensure all information for any new grants has been sent to Clerk of Courts Financial Services Department.
5. A copy of the Roll over budget for the new fiscal year.  
(Finance cannot set up any budget or pay any invoices until this information is received)

### **Types of Grants**

- Cost Reimbursement- granting agency reimburses County for approved expenditures.
- Units of Service- the County is reimbursed for a certain amount of money per unit of service given.
- Misc. - lump sum payment or equal monthly/ quarterly/ semiannually payments.

### **Monitoring and Oversight of the Grant**

1. The grant project manager is the liaison with the Grantor regarding program performance, operational requirements and monitoring, and will supervise all programmatic (operational) aspects of the grant in accordance with the terms and

conditions of the grant. He or she is responsible for conducting or coordinating all internal program monitoring and ensuring preparation and submission of all required program reports by or before the specified deadlines in the award agreement.

2. The DMB is responsible for ensuring that essential support and control is provided to County departments and agencies to assure all Grantor and County regulatory, procurement, and budgetary policy and procedures are followed.

## **Information Technology**

### **Maintaining System Continuity in the Event of System or Operation Disruption**

Management continues to evaluate changes in the use of information technology and designs new control activities when these changes are incorporated into the entity's information technology infrastructure. Management also designs control activities needed to maintain the information technology infrastructure. Maintaining technology often includes backup and recovery procedures, as well as continuity of operations plans, depending on the risks and consequences of a full or partial power systems outage. For accounting systems, this function is performed by the Financial Services Department at the Clerk's Office, for all other applications, this function is overseen by County Administration, including Systems Management.

### **Updating or Terminating User Access Rights and Segregation of Duties**

Security management includes the information processes and control activities related to access rights in an entity's information technology, including who has the ability to execute transactions. Security management includes access rights across various levels of data, operating system (system software), network, application, and physical layers. Management designs control activities over access to protect an entity from inappropriate access and unauthorized use of the system. These control activities support appropriate segregation of duties. By preventing unauthorized use of and changes to the system, data and program integrity are protected from malicious intent (e.g., someone breaking into the technology to commit fraud, vandalism, or terrorism) or error. For accounting systems, this function is performed by the Financial Services Department at the Clerk's Office, for all other applications, this function is overseen by County Administration, including Systems Management.

### **Updating Safeguarding Data Records against Unauthorized Alterations including Personally Identifiable Information (PII)**

Protected PII means an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts. This does not include PII that is required by law to be disclosed. See also §200.79 Personally Identifiable Information (PII).

The County takes reasonable measures to safeguard protected PII and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state,

local and tribal laws regarding privacy and obligations of confidentiality. There is a dedicated Records Manager within the County that all public records requests must go through. Systems Management performs regular scans to ensure PII is protected.

When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable. The County currently uses various platforms for electronic records management. All records that are the County's responsibility to maintain are managed by the County's Records Manager.

### **Financial Management**

The financial management system of each non-Federal entity must provide for written procedures for §200.305 Payment and for determining the allowability of costs in accordance with Subpart E—Cost Principles and the terms and conditions of the Federal award.

### **Receipt and Use of Grant Funds**

1. No grant funds shall be disbursed until a BOCC agenda item and budget resolution have been approved by the BOCC, an award and project have been established in the accounting software, and required documentation is complete.
2. Grant funds may only be used for grant related expenses and expended within the period of performance identified in the grant agreement.
3. Departments receiving grant funds shall adhere to County policy and procedures regarding revenue collection and accounting and reporting of grants received by the County, including preparing year end accruals. The BOCC chart of accounts must be used since it conforms to the State of Florida Uniform Accounting System.
4. Modifications or reallocations to the awarded budget that alters the grant amount or moves funds from one budget line item to another must adhere to Grantor and County policy and procedures.
5. Grant funds awarded to the County shall not be used to replace an existing expense so that current funds can be diverted to another use, unless such use of grant funds is explicitly identified as allowable in writing by the Grantor in the grant award.
6. All income resulting from a grant funded project or program shall adhere to County revenue and grants policy and procedures, and managed and maintained as established in the grant agreement.
7. All procurement activity associated with grant funded projects or programs shall follow the Grantor and County policy and procedures for procurement of goods.
8. All property acquired through grant funds shall follow the Grantor and County policy and procedures for property or inventory control.
9. All grant and related matching revenues and expenditures shall be recorded in the grant department. Any revenues or expenditures that occur in another program/department that are applicable to a grant or that are used as a match shall be transferred to the grant department, unless not required by Grantor or County policy.
10. If it is determined that there are "excess" funds either through an unallowable expense or unused, they must be returned as soon as possible or as required by Grantor.

## Classification of Costs

There is no universal rule for classifying certain costs as either direct or indirect (F&A) under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose is treated consistently in like circumstances either as a direct or an indirect (F&A) cost in order to avoid possible double-charging of Federal awards. Guidelines for determining direct and indirect (F&A) costs charged to Federal awards are provided in §200.412-414.

The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro-rated share of indirect costs. A standard indirect cost allowance equal to 10% of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans.

## Expenditure Monitoring/Award Reconciliation

It is critical to the overall success of a project that grant funds are expended accurately, including administrative/ program and direct/ indirect costs. All grant related expenditures must follow current BOCC policies and procedures, grant documentation, and 2 CFR §200.

After initial setup, grant awards should be reconciled at minimum on a monthly basis to ensure:

- a. Expenditures are allowable, allocable, necessary, and reasonable based on terms and conditions of the grant award (Please see §200.403-405, 408-409).
- b. Expenditures are adequately supported by documentation.
- c. Expenditures are charged to the correct department.
- d. Award spending is commensurate with the project timeframe.

Cost Transfers: Incorrectly posted charges to grant funded projects must be fixed within regulated time-constraints, which is why routine account reconciliation is critical. Failure to transfer incorrectly posted charges in a timely manner may result in the expense being disallowed for grant reimbursement.

The total cost of a Federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits (Please see §200.406).

If you have any doubts or concerns regarding award expenditures or in fulfillment of the award requirements, contact the DMB and/or Clerk of Courts Financial Services Department.

## Personnel Costs

### Compensation

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries.

Compensation for personal services may also include fringe benefits which are addressed in § 200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this Part, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established written policy of the County consistently applied to both Federal and non-Federal activities;
- (2) Follows an appointment made in accordance with the County's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
- (3) Is determined and supported as provided in Support of Salaries section of this manual, when applicable.

#### Fringe Benefits

The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if they meet County leave policies.

The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in §200.447 Insurance and indemnification); pension plan costs (see next paragraph of this section); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, must be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities, and charged as direct or indirect costs in accordance with the County's accounting practices.

Pension plan costs which are incurred in accordance with the established policies of the County are allowable, provided that they are computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the County.

Post-retirement health plans (PRHP) refers to costs of health insurance or health services not included in a pension plan covered by the pension plan costs paragraph of this section for retirees and their spouses, dependents, and survivors. PRHP costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the County.

#### Professional Activities Outside the Non-Federal Entity

Unless an arrangement is specifically authorized by a Federal awarding agency, a non-Federal entity must follow its written non-Federal entity-wide policies and practices concerning the permissible extent of professional services that can be provided outside the non-Federal entity for non-organizational compensation. Where such non-Federal entity-wide written policies do not exist or do not adequately define the permissible extent of consulting or other non-organizational activities undertaken for extra outside pay, the Federal government may require that the effort of professional staff working on Federal awards be allocated between:

- (1) Non-Federal entity activities, and
- (2) Non-organizational professional activities. If the Federal awarding agency considers the extent of non-organizational professional effort excessive or inconsistent with the conflicts-of-interest terms and conditions of the Federal award, appropriate arrangements governing compensation will be negotiated on a case-by-case basis.

#### Support of Salaries and Wages

1. Compensation for personnel services on federal grants must be based on payrolls documented through standard County policy and procedures. The consequences of noncompliance with employee time and effort certification may be the disallowance of such charges to a federal grant program.
2. Salaries and wages of employees used in meeting cost sharing or matching requirements of federal awards must be supported in the same manner as those claimed as allowable costs under federal awards. The consequences of noncompliance with employee time and effort certification may be the disallowance of such charges to a federal grant program.
3. Where an employee works on a single federal award, charges for their salaries and wages must be supported by periodic certification that the employee worked solely on that program for the period covered by the certification. Such certification must be prepared at least semi-annually and must be signed by the employee or supervisor who has first-hand knowledge of the work performed by the employee.
4. Where an employee works on multiple awards (including federal and non-federal), a distribution of their salaries and wages must be supported by a personnel activity report/timesheet that:
  - a. Reflects an after-the fact distribution of the actual activity of the employee.
  - b. Accounts for total compensated activities.
  - c. Must be prepared at least monthly and coincide with one or more pay periods.
  - d. Must be signed by the employee or supervisor who has first-hand knowledge of the work performed by the employee.

#### Relocation Costs of Employees

Relocation costs are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period of not less than 12 months) of an existing employee or upon recruitment of a new employee. Relocation costs are allowable, subject to the limitations described in §200.464, provided that:

- (1) The move is for the benefit of the employer.
- (2) Reimbursement to the employee is in accordance with an established written policy consistently followed by the employer.

#### Travel Costs

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the County. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the County's non-federally-funded activities and in accordance with County's written travel reimbursement

policies. Notwithstanding the provisions of §200.444 General costs of government, travel costs of officials covered by that section are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award.

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the County in its regular operations as the result of the County's written travel policy. In addition, if these costs are charged directly to the Federal award documentation must justify that:

- (1) Participation of the individual is necessary to the Federal award; and
- (2) The costs are reasonable and consistent with County's established travel policy.

### **Unallowable Costs**

Payments made for costs determined to be unallowable by either the Federal awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise.

Adjustments may be made of previously negotiated indirect (F&A) cost rates containing unallowable costs. (Please see §200.411)

### **Prior Written Approval (Prior Approval)**

Under any given Federal award, the reasonableness and allocability of certain items of costs may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, the County may seek the prior written approval of the cognizant agency for indirect costs or the Federal awarding agency in advance of the incurrence of special or unusual costs. Prior written approval should include the timeframe or scope of the agreement. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described under certain circumstances in sections of §200.407.

### **Drawdowns of Federal Funds**

Drawdowns must comply with §200.305. Reimbursement is the preferred method of payment to the County. The County will not draw down Federal Funds for advances, unless a memo is sent to the Administrator/ designee requesting a deviation from this policy and approved. If approved and the County must be paid in advance, it is only allowed provided the County maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the County, and financial management systems that meet the standards for fund control and accountability as established in §200.305(b). Advance payment memo request to the Administrator should document the need and timing of advance receipt, expenditure, and any other facts that may assist in the determination of whether an advance is appropriate.



Advance payments to the County must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the County in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the County for direct program or project costs and the proportionate share of any allowable indirect costs. The County must make timely payment to contractors in accordance with the contract provisions. Whenever possible, advance payments must be consolidated to cover anticipated cash needs for all Federal awards made by the Federal awarding agency to the County. Advance payment mechanisms include, but are not limited to, Treasury check and electronic funds transfer (EFT) and must comply with applicable guidance in 31 CFR part 208. Non-Federal entities must be authorized to submit requests for advance payments and reimbursements at least monthly when EFTs are not used, and as often as they like when EFTs are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r). Advance payments of Federal funds must be deposited and maintained in insured accounts whenever possible.

### **Cost Sharing/Matching**

Match is typically stated as a percentage of the total project costs for an award. For example, a 20% match on a \$100,000 project would be \$20,000, with the funds share being \$80,000 and \$20,000 being provided by the recipient. There are two kinds of match:

1. Cash Match (actual dollars) includes cash spent for project-related costs. An allowable cash match must include those costs which are allowable with grant funds, with the exception of the acquisition of land, when applicable.
2. In-Kind Match (services, facility space, equipment, supplies...) includes, but is not limited to, the valuation of non-cash contributions. In-kind may be in the form of services, supplies, property, or equipment. For example, if in-kind match is permitted by law (other than cash payments), then the value of donated services could be used to comply with the match requirements. Also, third party in-kind contributions may count toward satisfying match requirements provided the subrecipient receiving the contributions expends them as allowable costs.

Documentation supporting the market value of in-kind match must be maintained in the grant award recipient files.

The value of donated property must be determined in accordance with the usual accounting policies of the County, with the following qualifications:

- (1) The value of donated land and buildings must not exceed its fair market value at the time of donation to the County as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the County as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) (Uniform Act) except as provided in the implementing regulations at 49 CFR part 24.
- (2) The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.

(3) The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.

(4) The value of loaned equipment must not exceed its fair rental value.

### **Program Generated Income**

Some grant programs contain tasks or objectives that may result in program income. Typically, program income could come from fees collected for services performed or registration fees for conferences or workshops. Such fees can also be generated through subawardees and must be accounted for in the same manner. Program generated income may be used for a project in several ways:

-Additive: program income is added to funds committed to the project by the Grantor and used to fulfill eligible project or program objectives.

-Cost Share: program income is used to finance a share of the project or program.

-Deductive: program income is deducted from the total project or program budget.

1. It is important that program income be anticipated and disclosed in the grant proposal budget, which should include a plan for utilization that identifies the method of use. The plan should also include use of income collected in excess of expenditures.

a. If program income is not disclosed at the proposal stage, the Grantor must be promptly notified that the project will generate program income to determine how program income is to be used.

2. All program income must be accounted for during the performance period of the award and be reported per the method of utilization approved by the Grantor. Failure to disclose program income may require that all program income be treated as Deductive.

### **Inventory of Supplies Management**

For Federal Awards, title to supplies will vest in the County upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the County must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal government for its share. (The amount of compensation must be computed in the same manner as for equipment. See §200.313 Equipment, paragraph (e) (2) for the calculation methodology.)

### **Equipment and Real Property Management**

Equipment and other capital assets, including repairs which materially increase their useful life, are allowable with prior approval. In reviewing equipment acquisition budgets and proposals, the following principles must be adhered to:

1. No other equipment owned by the County is suitable for the project.

2. Federal funds are not used to provide reimbursement for the purchase of equipment already owned by the County. Exception: Equipment that has been purchased for a common pool and will be charged to the award at cost value is allowable. Equipment that has already been purchased and charged to other activities of the organization is not an allowable expense to the award.

3. The cost of equipment purchased and used commonly for two or more programs should be appropriately divided among each activity.

4. Equipment purchased with grant funds shall be used exclusively during the life of the grant for the project or program for which it was acquired.
5. Grant purchased equipment must be properly maintained and safeguarded, and equipment records must be maintained per County inventory procedures.
6. For Federal awards, the Federal awarding agency or pass-through entity must require the County and its subrecipients to submit reports at least annually on the status of real property in which the Federal government retains an interest, unless the Federal interest in the real property extends 15 years or longer. In those instances where the Federal interest attached is for a period of 15 years or more, the Federal awarding agency or pass-through entity, at its option, may require the County and its subrecipients to report at various multiyear frequencies (e.g., every two years or every three years, not to exceed a five-year reporting period; or a Federal awarding agency or pass-through entity may require annual reporting for the first three years of a Federal award and thereafter require reporting every five years).
7. After the grant award is closed and equipment is no longer needed for its originally authorized purpose, the grant project manager shall request disposition instructions from the Grantor and follow County policy and procedures for property and inventory control.

#### **Collection of Amounts Due**

Any funds paid to the County and its subrecipients in excess of the amount to which the County and its subrecipients is finally determined to be entitled under the terms of the Federal award constitute a debt to the Federal Government. If not paid within 90 calendar days after demand, the Federal awarding agency may reduce the debt by:

- (1) Making an administrative offset against other requests for reimbursements;
- (2) Withholding advance payments otherwise due to the County and its subrecipients; or
- (3) Other action permitted by Federal statute.

Except where otherwise provided by statutes or regulations, the Federal awarding agency will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (31 CFR parts 900 through 999). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

#### **Grant Reporting**

Every award has reporting requirements specified in the grant agreement. It is critical that all reports are complete, accurate, and submitted per the specified dates outlined in the agreement. Performance reports must be submitted at the interval required by the Federal awarding agency. Accurate and timely reporting is critical to maintaining a good relationship with the Grantor. Requirements and procedures are established to ensure that grant funds are expended and accounted for in a method that provides accuracy, uniformity, and consistency. Late or inaccurate reports may negatively impact current or future funding and result in Single Audit findings. To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the County. Certifications may be signed by the County Administrator as designated by the BOCC.

Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity. In such cases, the County must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

(2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

(3) A change in the scope of the work plan, change in key personnel, or major budget adjustments.

Interim reporting of significant developments must be prepared and submitted to the Federal awarding agency.

### **General Guidelines for Backup Documentation**

Costs claimed by the County under its grants must be allowable, allocable, and reasonable, and adequate documentation to support charges to the grant must be maintained. Expenditures under most cost reimbursement grants are governed by the cost principles established by federal, state, and other Grantors and must conform to the respective policies, grant special provisions and County policies.

1. Typical grant transactions may include: personnel costs, purchase of equipment and supplies, costs for contracted services, grant income or revenue, etc. Grantees must submit documentation of eligible expenses and proof of payment for expenses incurred during the reporting period.

2. Documentation of eligible expenses may include copies of invoices, receipts, payroll or labor reports, or other proof that complies with federal and state audit standards.

Proof of payment of expenditures may include a copy of a p-card receipt, receipt showing cash payment, cancelled checks, bank statements, or other proof that complies with federal and state audit standards. A supplemental accounting record may accompany the receipts and cancelled checks.

Please do not keep duplicate records. The Clerk of Courts Financial Services Department maintains copies of invoices, p-card receipts, and bank documents.

### **File Management/Maintenance, Access, and Retention**

#### **Grant File Structure**

All departments associated with a grant award must maintain a file structure that includes the following sections with clear separations between different fiscal years, unless otherwise directed by the Grantor:

1. Proposal Submission
2. Award Documentation
3. Financial Documentation
4. All Reports
5. Subrecipient Documents (if applicable)
6. All other pertinent or necessary information to show compliance with the award terms and conditions

### **File Maintenance**

Recipient departments are obligated to protect records adequately against loss, theft, fire or other damage in accordance with statutory provisions.

### **File Access**

It is the policy of the Citrus County BOCC that openness leads to a better informed citizenry, which leads to better government and better public policy. Consistent with the premise that government exists first to serve the interests of the people; it is the intent of the BOCC to establish a public records policy consistent with state law.

### **File Retention**

The grant project manager is responsible for keeping the official record of all grant activity, correspondence, billing, and other related documents. The Clerk of Courts Financial Services Department is responsible for keeping the original contract or agreements, grant amendments, and copies of all required financial reports. Once the mandatory retention period has lapsed, the recipient department shall request that the grant record be properly destroyed through the County's Record Manager.

For Federal awards, retention requirements are as follows:

Financial records, supporting documents, statistical records, and all other non-Federal entity information pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

- a. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- b. When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- c. Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.
- d. When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.
- e. Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
- f. Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting

computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

- 1) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
- 2) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

### **Grant Modifications/Extensions and Cancellation**

During the course of a grant's lifetime, there are times when changes are necessary to either the budget or the project scope-of-work. Most of these changes, typically called grant amendments, are allowable, but it is important to follow the procedures written in the grant agreement or in the guides provided by the grantor. Unless grant agreement/grantor states otherwise.

### **Grant Modifications/ Extensions**

In the event that a grant funded project requires modifications to the established time table, contract and/or budget it shall be the grant project manager's to coordinate review and resolution. Modifications deemed to be non-substantial may be approved administratively. Modifications to BOCC executed contracts may be submitted for Consent Agenda approval if additional County resources are not applicable or unless directed otherwise by the County Administrator and/or County Attorney's office. Modifications which require the allocation of additional County resources not previously budgeted shall be placed on the Regular Business Agenda. Board approved resolutions addressing modification approval by Chairperson are exempt from this procedure unless additional County resources are required. The grant project manager shall be responsible for assuring that all impacted parties are made aware of the modifications. Original amendments shall be provided to the Clerk of Courts Financial Services Department after execution.

### **Cancellations**

In the event that a grant must be terminated before the original completion date or returned to the grantor prior to project initiation, the BOCC must approve the cancellation.

### **Grant Closeout**

The grant closeout is a critical piece in the life cycle of a grant, and is the process by which the County performs all necessary administrative and financial actions to satisfactory complete all requirements set forth in the grant agreement. Preparation for closeout usually begins 60 to 90 days prior to the end date of the grant to accurately

forecast expenses and make any adjustments to accounting entries. The grant project manager shall then coordinate closure of all contracts, payment for services, required documentation and financial review or audit.

All necessary final reports shall be prepared and submitted to the granting agency(s) prior to file closure. The complete grant project file shall be retained by the recipient department in accordance with applicable Federal and State record keeping rules. The original contract and amendments shall be retained by the Clerk of Courts Financial Services Department in accordance with applicable Federal and State retention schedules.

### **Grant Subcontracting and Subrecipient Monitoring Procedures**

The County will regularly encounter situations where it does not have the resource capacity to adequately fulfill all of the grant objectives and must seek out other entities to perform certain functions. These activities will be obligated in the form of a subcontract or subaward. As well, during the course of the grant award, certain materials and supplies and equipment may be purchased through various vendor/contractors.

It is important that subrecipients and vendor/contractors be defined accurately, as there are specific requirements the County must comply with based on the designation. The correct determination is essential due to the additional accountability requirements that are placed on recipients and subrecipients. These accountability requirements must be included in any agreement. Accurate classification of subrecipients and vendor/contractors is critical to a program's success and integrity.

### **Vendor/ Contractor**

A vendor/contractor is defined as a dealer, distributor, merchant or other seller of required goods or services. These goods or services are in support of the project activities. A vendor/contractor agreement is issued for obtaining routine commercial services, supplies, and equipment that require no special handling or prior approvals, and are issued as standard purchase orders.

Characteristics of a vendor/contractor:

- Provides the goods and services within normal business operations.
- Provides similar goods or services to many different purchasers.
- Operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the program.
- Is not subject to the compliance requirements of the program.

### **Subrecipient**

A subrecipient is defined per 2 CFR §200 .93 as “a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.” A pass-through entity is an entity that provides an award to a subrecipient to carry out a program. A subrecipient is an external entity with special expertise or resources that the County does not possess, but are necessary to fulfill the overall objectives of the project. A subaward is issued for financial or other support from a qualified organization known as a subrecipient for the performance of a substantive portion of the

programmatic effort under the prime award. A subaward usually requires prior approval of the Grantor and is subject to subrecipient monitoring.

Characteristics of a subrecipient:

- Receiving entity determines who is eligible to receive financial assistance.
- Subrecipient performance is measured against whether the objectives of the program are met.
- Has responsibility for programmatic decision making.
- Has responsibility for adherence to applicable program compliance requirements.
- Uses the funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

### **Subaward Risk Assessment**

Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described below, which may include consideration of such factors as:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

### **Subrecipient Monitoring – Internal and External Agencies**

All grant requirements placed upon the County will flow-down to any subrecipient, and it is the prime grantee's responsibility to ensure subaward compliance with the prime grant provisions. All subawards issued under federal grants must contain language requiring subrecipients to fulfill the prime grant requirements.

1. The grant project manager will advise subrecipients of requirements (including but not limited to financial and non-financial reporting) imposed on them by federal laws, regulations of the flow-down provisions of the prime contract or grant agreement, and any supplemental County requirements imposed depending on a level of risk determination by the County.
2. The grant project manager along with applicable County grant related staff will monitor the subrecipients' use of grant funds and issue a written report summarizing the results and any corrective actions needed.
3. The grant project manager along with applicable County grant related staff will ensure that the County receives annual audit reports from subrecipients required to have an audit in accordance with OMB SuperCircular 2 CFR §200.
4. Upon receipt of an unfavorable audit report from a subrecipient, the grant project manager along with applicable County grant related staff will confirm that the subrecipient has taken appropriate and timely corrective action. If a material weakness or other reportable condition exists, monitoring of the subrecipient will be more frequent and management actions will be taken as appropriate.



5. All subawards for which monitoring is mandated shall be reviewed regularly throughout the year and at a minimum must include:

- Advising subrecipients of all applicable federal laws and regulations, and all appropriate flow-down provisions from the prime agreement.
- Routine receipt and review of technical performance/progress reports.
- Routine review of expenses-to-budget reports.
- Periodic on-site visits, or regular contact, if necessary.
- The option to perform audits/monitoring if necessary.
- Review of 2 CFR §200 audit reports filed by subrecipients and any audit findings.
- Review of corrective actions cited by subrecipients in response to their audit findings.
- Consideration of sanctions on subrecipients in cases of continued inability or unwillingness to have required audits or to correct non-compliant actions.

### **Subaward Modification**

As with the initial award, the County must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the required information per 2 CFR §200.331 at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification(s).

### **Subaward Closeout**

An integral part of subcontract monitoring is close-out of the subcontract at the end of the project period. In general, a subcontract is closed when all deliverables have been met and the final payment has been made.

## **Procurement**

### **Procurement Procedure- General**

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with procurement standards in 2 CFR §200.318-323, §200.325, and §200.326. The County and/or non-Federal entity must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders and their contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

Please avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase (do not try to deviate purchasing thresholds or split-purchasing). Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the County is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. The County is encouraged to use Federal excess and surplus property in lieu

of purchasing new equipment and property whenever such use is feasible and reduces project costs.

The County is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

### **Procurement- Local Preference**

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

### **Procurement by Competitive Proposals**

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the County must have a written method for conducting technical evaluations of the proposals received and for selecting recipients. These written requirements are submitted as part of the solicitation documentation as "Evaluation and Scoring of Responses ". (Please see §200.320)

### **Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms**

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must take all necessary affirmative steps to assure that 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 Covered 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. (Please see §200.322)

#### **Procurement - Time and Materials Type Contract**

The County may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to a non-Federal entity is the sum of:

1. The actual cost of materials; and
2. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the County awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

#### **Procurement - Contract Cost and Price**

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with 2 CFR §200.323 as follows:

1. The non-Federal entity 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.
2. The non-Federal entity 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.

3. 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.
4. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

#### **Procurement - Bonding Requirements**

Per §200.325, for construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the County and its subrecipients provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

1. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
2. A performance bond on the part of the contractor for 100 % of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
3. A payment bond on the part of the contractor for 100 % of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

#### **Procurement – Awarding Agency Review**

The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

1. The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;
2. The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
3. The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a “brand name” product;
4. The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
5. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.

The non-Federal entity is exempt from the pre-procurement review in the above paragraph of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

1. The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;
2. The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

### **Contracts**

1. 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.
2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the County and its subrecipients including the manner by which it will be effected and the basis for settlement.

### **Contract Provisions**

The County and its subrecipients 's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards. (Please see §200.326)

### **Federal Awarding Agency or Pass-Through Entity Review**

The County and/or its subrecipients must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the County and/or its subrecipients desire to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

### **Suspension and Debarment**

The County and/or its subrecipients shall not award grant assistance to applicants that are debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs.

It is the responsibility of the department to ensure that any subcontractor or subawardee that will be funded through a grant award is not prohibited from receiving federal or state funds due to suspension or debarment. A person or entity debarred or suspended is excluded from federal financial and non-financial assistance and benefits under federal programs and activities. Debarment or suspension of a participant in a program by one agency has government-wide, reciprocal effect. Contact the Purchasing Section for assistance in determining suspended or debarred contractors.

### **Audits/ Reviews/ Monitorings**

The following internal roles must be promptly notified in the event the award or program is selected for external audit by the Grantor:

- Grant Project Manager
- Administrative Staff
- Department Director
- Department of Financial Services Department

### **Monitoring the Progress of the Corrective Action Plan until Successful Completion**

Management completes and documents corrective actions to remediate internal control deficiencies on a timely basis. These corrective actions include resolution of audit findings. Depending on the nature of the deficiency, either the oversight body or management oversees the prompt remediation of deficiencies by communicating the corrective actions to the appropriate level of the organizational structure and delegating authority for completing corrective actions to appropriate personnel. The audit resolution process begins when audit or other review results are reported to management, and is completed only after action has been taken that (1) corrects identified deficiencies, (2) produces improvements, or (3) demonstrates that the findings and recommendations do not warrant management action. Management, with oversight from the oversight body, monitors the status of remediation efforts so that they are completed on a timely basis. County staff and management work together to address and implement corrective actions, although final oversight and progress monitoring of corrective action plan falls within the Department Director responsibilities.

### **Internal Control Deficiencies**

Management evaluates and documents internal control issues and determines appropriate corrective actions for internal control deficiencies on a timely basis. Management evaluates issues identified through monitoring activities or reported by personnel to determine whether any of the issues rise to the level of an internal control deficiency. Internal control deficiencies require further evaluation and remediation by management. An internal control deficiency can be in the design, implementation, or operating effectiveness of the internal control and its related process. County staff and management work together to identify and remediate internal control deficiencies,

although final oversight and progress monitoring falls within the Department Director responsibilities.

### **Other Important Federal Guidelines and National Policy Guidance**

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the County under a Federal award must contain provisions from Appendix II to 2 CFR Part 200 covering the following, as applicable.

#### ***Contract Work Hours and Safety Standards Act***

Where applicable, all contracts awarded by the County and/or its subrecipients 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.

#### ***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.

#### ***Clean Air Act & Federal Water Pollution Control Act***

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).

### ***Byrd Anti-Lobbying Amendment***

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.

### **DUNS Number**

The Federal government requires that all applicants for Federal grants, cooperative agreements, and subawards, with the exception of individuals other than sole proprietors, have a Data Universal Numbering System (DUNS) number to better identify Organizations that are receiving funding under grants and cooperative agreements, and to provide consistent name and address data for electronic grant application systems. The Citrus County BOCC DUNS number is 072548563.

### **Federal Funding Accountability and Transparency Act (FFATA)**

As of October 1, 2010, all federal grants of \$25,000 and over are subject to the FFATA subaward reporting requirements. Prime awardees are required to upload the subrecipient information in the FFATA Sub-Award Reporting System (FSRS (<https://www.fsrs.gov/index?&>). Subrecipients must maintain an active registration in the System for Award Management (S.A.M.) in order to receive federal funding.

Per the Act, a prime awardee must provide:

- a. The prime awardee DUNS number and the DUNS number of any sub-awardee(s).
- b. The names and total compensation of the five most highly compensated officers of a prime or sub-awardee entity, if the entity in the preceding fiscal year: (1) Received 80 % or more of its annual gross revenues in federal awards and \$25,000,000 or more in annual gross revenues from federal awards; and (2) the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m (a), 78o (d)) or section 6104 of the Internal Revenue Code of 1986. See FFATA § 2(b) (1).

### **Federal Requirements for Construction Projects**

It is the responsibility of the department to ensure compliance with the following federal requirements involving construction related projects. Departments should plan accordingly to ensure that adequate time, funding and staffing are available to carry out these additional responsibilities.

These requirements shall flow-down to all subcontractors funded through a grant award.

### **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”, 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.”

### **Davis-Bacon Act**

The Davis-Bacon Act of 1931 is a federal law that established the requirement for paying prevailing wages on public works projects. All federal government construction contracts, and most contracts for federally assisted construction over \$2,000, must include provisions for paying on-site workers no less than the locally prevailing wages and benefits paid on similar projects.

### **Uniform Relocation Assistance Act**

The Uniform Relocation Assistance Act (a.k.a. Uniform Act) of 1970 is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federally funded projects. When conducting a program or project under the Uniform Act there are very specific legal responsibilities to affected property owners and displaced persons that must be addressed. The following must be considered prior to property acquisition:

#### **For Real Property Acquisition**

- Appraise property before negotiations.
- Invite the property owner to accompany the appraiser during the property inspection.
- Provide the owner with a written offer of just compensation and a summary of that is being acquired.
- Payment for property before possession.
- Reimburse expenses resulting from the transfer of title such as recording fees, prepaid real estate taxes, or other expenses.

#### **For Residential Displacements**

- Provide relocation advisory services to displaced tenants and owner occupants.
- Provide a minimum 90 days written Notice to Vacate prior to requiring possession.
- Reimburse residents for moving expenses.
- Provide payments for the added cost of renting or purchasing comparable replacement housing.

#### **For Non-residential Displacements (businesses, farms, and nonprofits)**

- Provide relocation advisory services.

- Provide a minimum 90 days written Notice to Vacate prior to requiring possession.
- Reimburse for moving and re-establishment expenses.

### **National Policy Requirements**

County grant staff shall also adhere to National Policy Requirements affecting grants. A sample of these policies is listed below. Please note that this list is not inclusive and may be revised through the Federal Government. It is the responsibility of the grant project manager to ensure that subgrantees adhere to these applicable policies.

### **Civil Rights**

Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq. and its implementing regulations provide that no person shall be subjected to discrimination on the basis of race, color, or national origin under any program or activity that receives federal financial assistance. In most cases, when a recipient receives Federal financial assistance for a particular program or activity, all operations of the recipient are covered by Title VI, not just the part of the program that uses the Federal assistance.

### **Equal Services Provider**

All grant decisions are based on merit and program need, and not on race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, weight, religion, creed, physical or mental disability, marital status, veteran status, political affiliation or any other factor protected by law.

### **Limited English Proficiency (LEP)**

Language for LEP individuals can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by federally funded programs and activities. Title VI and Title VI regulations require that recipients take reasonable steps to ensure meaningful access to the information, programs, and services they provide. Departments are encouraged to include within their program budgets the costs for providing interpretation and translation services to eligible LEP service populations.

### **American with Disabilities Act (ADA)**

In the broadest sense, it requires that state and local governments be accessible to people with disabilities. For additional information regarding statute and regulations <http://www.ada.gov/> or contact the respective Assistant County Attorney.

### **Other National Policies - Miscellaneous**

Age Discrimination Act, Section 504 of the Rehabilitation Act, Fair Labor Standards Act, Anti-Kickback (Copeland) Act, Debarment and Suspension, Freedom of Information Act, Drug-Free Workplace Act, and more.

The following generally relate to construction grants:  
National Environmental Policy Act and National Historic Preservation Act.

### **Manual Review**

This manual will be reviewed at least annually by the Department of Management and Budget on or before January 1, starting January 1 2018, to ensure compliance with grant award regulations.

It is the grant project manager's responsibility to stay current and comply with all Federal regulations related to grant management and bring them to the attention of DMB to include in the manual review.

If anything in this manual is unclear or any questions arise, please contact DMB at (352) 527-5207 for assistance.

### **References:**

2 CFR Part 200  
GAO Green Book

# Federal Transit Administration Awards

## Policies and Procedures Manual



### Citrus County Board of County Commissioners

May 22, 2015

Questions/Comments to Purchasing  
(352) 527-5457

**Citrus County**  
**Federal Transit Administration Awards**  
**Policies and Procedures**  
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## **Introduction**

The Citrus County Board of County Commissioners' (BOCC) Federal Transit Administration (FTA) Awards manual is designed to improve efficiency and compliance with FTA Awards.

## **Purpose of the FTA Awards Policies & Procedures**

To define procedures to be used by Purchasing in the processing and evaluation of procurements requiring the solicitation of quotations, informal bids or advertised sealed bids, including but not limited to, Invitation to bids, Request for Proposals, Request for qualifications, Invitation to Negotiate, or any other form of competitive bidding as may be authorized by the BOCC.

## **Scope**

This procedure applies to all purchases when bids or quotations are required. Florida's competitive procurement process is aimed at the protection of the public against collusive contracts, fraud, bias, and favoritism. It is designed to secure fair competition on equal terms to all bidders, to secure the best values at the lowest possible expense, to provide an opportunity for an exact comparison of bids, and to assure that the most responsive bid is accepted. To ensure that the competitive process conforms to applicable Federal law, all FTA funded procurements shall include all FTA required third party contract clauses, the development of independent cost estimates prior to receipt of bids or proposals, and performance of a cost or price analysis for every procurement action.

Herein are the minimum standards for the administration of FTA awards. The County may establish additional controls with approval from the BOCC, Department/Division Director, or County Administrator/Designee.

## **Existing Policies and Procedures**

In procuring commodities and services, the County shall comply fully with Chapter 287 of the Florida Statutes and the following Purchasing Administrative Regulations (ARs):

- AR 9.01 (latest revision): Purchasing Policy
- AR 9.02 (latest revision): Requisitioning Procedures
- AR 9.03 (latest revision): Nonconforming Purchases
- AR 9.04 (latest revision): Petty Cash Purchases
- AR 9.05 (latest revision): Purchase Orders
- AR 9.06 (latest revision): Emergency Procedures
- AR 9.07 (latest revision): Contracting For Construction Services
- AR 9.08 (latest revision): Request for Qualifications Procedures/Contracting for Professional Services / Consultant's Competitive Negotiation Act
- AR 9.09 (latest revision): Continuing Contracts for Professional Services
- AR 9.10 (latest revision): Invitation to Bid Procedures
- AR 9.11 (latest revision): Continuing Services Contract for Construction Services
- AR 9.12 (latest revision): Direct Purchase of Materials, Equipment and Supplies For Construction Projects
- AR 9.13 (latest revision): Procurement Policies and Procedures for Local Agency

### Program Projects Funded by Federal Aid Grants

- AR 9.14 (latest revision): Sole Source Purchase
- AR 9.15 (latest revision): Request for Proposal Procedures
- AR 9.16 (latest revision): Receiving Procedures
- AR 9.17 (latest revision): Purchase Card Program

The above listed Administrative Regulations (ARs) are to be followed except when not in compliance with FTA award requirements. Exceptions to these rules will be outlined and defined in this manual.

## Purchase Limits

- Office/Division Directors shall have authorization to approve all purchases valued less than \$5,000.
- Department Directors shall have authorization to approve all purchases valued less than \$10,000.
- Department/Office Directors must obtain authorization from the County Administrator/designee for all purchases valued between \$10,000 and \$25,000.
- The County Administrator/designee shall have authorization to approve all purchases valued less than \$25,000.
- Authorization from the BOCC must be obtained for all purchases valued in excess of \$25,000.

**Exception to the above:** If the purchase is through a State Term Contract, Florida Sheriff's Term Contract, U.S. Communities Agreements, PRIDE, RESPECT or State Cooperative Purchasing Agreements, the BOCC does not require authorization for purchases valued over \$25,000; however, authorization is required by the County Administrator/designee.

## Responsibilities

It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based, and the meaning and intent of the procedures themselves. If there are any questions or concerns relative to either the procedures or the ability of the employee to respond effectively to the requirements of the procedures, then it is the responsibility of the employee to bring such matters to the attention of the Purchasing Manager immediately. The Purchasing Manager is responsible to ensure that fair and open competition is the basic tenet of public procurement in accordance with Florida Statute 287.001. Directors and Managers will ensure that their representatives comply with the procedures contained herein. Additional information below in Procurement System Elements, section 2.

The following are responsibilities of individuals and Departments/Offices involved in the FTA grant administration from application to close-out:

## Procurement System Elements

### 1. Written Standards of Conduct



- A. Personal Conflicts of Interest. As provided in the Common Grant Rules and in the FTA Master Agreement, no employee, officer, agent, or board member, or his or her immediate family member, partner, or organization that employs or is about to employ any of the foregoing individuals may participate in the selection, award, or administration of a contract supported with FTA assistance if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of those individuals previously listed has a financial or other interest in the firm selected for award.
- B. Gifts. County officers, employees, agents, or board members may neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontracts. Acceptance of gifts at any time, other than advertising novelties, is prohibited. Acceptance of entertainment also is prohibited. Employees must not become obligated to any suppliers and shall not conclude any County transaction from which they may personally benefit.
- C. Violations. The provisions of Section 112.313, Florida Statutes, pertaining to standards of conduct for public officers, employees of agencies, and local government attorneys expressly apply to the Citrus County Purchasing Policy. A violation of Section 112.313, Florida Statutes, pertaining to purchasing or contractual relationships shall also be deemed a violation of this Policy. Specific statutory provisions pertaining to purchasing and contracting include but are not limited to: Section 112.313 (standards of conduct), Section 119.071 (Public Records), Section 180.24 (bids on construction contracts), Section 218.70, et. seq. (the Florida Prompt Payment Act), Section 287.055 (consultants' competitive negotiation act), Section 336.41 and 336.44 (county roadwork). If determined appropriate, penalties, sanctions, or other disciplinary action shall be determined by the County Administrator/ designee, Human Resource Director, or BOCC.

## **2. Contract Administration System**

The BOCC has the power and authority to enter into contracts and bind the County by contract when authorized by law. Certain department and governmental officials are delegated the responsibility and authority to approve contracts on behalf of the County pursuant to the Citrus County AR 9.01 (latest revision).

It is the purpose and intent of this policy document to provide a guide to those who participate in the contractual process on behalf of Citrus County, Florida, with a view toward a better understanding of what constitutes proper contract practices and to provide a more uniform treatment of the contract process to ensure that contracts to which the County is a party are both legal and in the best interest of the County.

The County shall maintain contract administration systems that insure contractors/firms perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. The accepted performance of contractors/ firms will be a factor in subsequent contract negotiations and award. Remedial action by the County through legal processes shall be considered in instances of identified significant nonperformance.

## **3. Written Protest Procedures**

No deviation from AR 9.01 (latest revision) General Procedures for Formal Sealed Solicitations, section I.

Additional FTA requirements:

- Notify FTA if a third party contract protest is received to which FTA C 4420.1F applies.
  - o List protests that have a value exceeding \$100,000, involve a controversial matter (regardless of amount) or involve a highly publicized matter (regardless of amount)
  - o Provide a brief description of the protest, basis of disagreement, status of the protest or if an agreement or decision has been reached, and whether an appeal has or is likely to be taken
  - o Provide in the next quarterly Milestone Progress Report and the next Project Management Oversight review, if any.
  - o Keep FTA project manager informed about protests with which it is involved.
- Disclose information about any third party procurement protest to FTA upon request.

#### **4. Prequalification System**

From time to time the County may use prequalification lists to acquire goods. Prequalification lists are most common in recurring requirements for goods that take some period of time to evaluate to determine if they satisfy the County's standards. In such cases, the County shall accept submissions for evaluation, even during ongoing procurement actions. When such submissions are received during a particular solicitation, its evaluation does not have to be accelerated or shortened and the solicitation does not have to be held open to accommodate a potential bidder who submits a person, firm, or product for approval before or during that solicitation.

The County shall ensure that all lists of prequalified persons, firms, or products that are used in acquiring goods and services are current and include enough qualified sources to ensure maximum full and open competition. The County shall not preclude potential bidders from qualifying during the solicitation period, which is from the issuance of the solicitation to its closing date.

#### **5. Procedures for Ensuring Most Efficient and Economic Purchase (including lease vs purchase analysis)**

The County requires a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.

#### **6. Procurement Policies and Procedures**

The following methods of procurement may be used as appropriate:

Procurement by Micro-Purchases. Micro-purchases are those purchases under \$3,000. Purchases below that threshold may be made without obtaining competitive quotations. Such purchases are exempt from Buy America requirements. There should be equitable distribution among qualified suppliers and no splitting of procurements to avoid

competition. Minimum documentation is required: A determination that the price is fair and reasonable and how this determination was derived. The other requirements of this section do not apply to micro-purchases.

Procurement by Small Purchase Procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that cost more than \$3,000 but do not cost more than the public procurement limit of \$25,000. If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

- A. Procurement by Sealed Bids/Invitation to bid (ITB). No deviation from AR 9.10 (latest revision).
- B. Procurement by Competitive Proposal/Request for Proposals (RFP). No deviation from AR 9.15 (latest revision).
- C. Procurement of Architectural and Engineering Services (RFQ). No deviation from AR 9.08 (latest revision).
- D. Procurement of Design-Bid-Build. Grantees may procure design-bid-build services through means of sealed bidding or competitive negotiations. These services must be procured in a manner that conforms to applicable state and local law, the requirements of this manual relative to the method of procurement used and all other applicable federal requirements.
- E. Procurement of Design-Build. Grantees must procure design-build services through means of qualifications-based competitive proposal procedures based on the Brooks Act as set forth in AR 9.08 (latest revision) when the preponderance of the work to be performed is considered to be for architectural and engineering (A&E) services as defined in AR 9.08(latest revision), Qualifications-based competitive proposal procedures should not be used to procure design-build services when the preponderance of the work to be performed is not of an A&E nature as defined in AR 9.08(latest revision), unless required by State law.
- F. Procurement by Noncompetitive Proposals (Sole Source). No deviation from AR 9.14 (latest revision)
- G. Options. Options may be included in contracts. An option is a unilateral right in a contract by which, for a specified time, the County may elect to purchase additional equipment, supplies, or services called for by the contract, or may elect to extend the term of the contract. If the County chooses to use options, the requirements below apply:
  - a. Evaluation of Options. The option quantities or periods contained in the contractor's bid or offer must be evaluated in order to determine contract award. When options have not been evaluated as part of the award, the exercise of such ions will be considered a sole source procurement.
  - b. Exercise of Options.
    - i. The County must ensure that the exercise of an option is in accordance with the terms and conditions of the option stated in the initial contract awarded.
    - ii. An option may not be exercised unless the County has determined that the option price is better than prices available in the market or that the option is the more advantageous offer at the time the option is exercised.

## 7. Independent Cost Estimate

FTA Circular 4220.1F, Ch. VI, Para. 6, advises grantees to "perform a cost or price analysis in connection with every procurement action, including contract modifications . . . the starting point for these cost/price analyses is an independent cost estimate which is made before receiving bids or proposals."

The County will perform a cost or price analysis in connection with every procurement action regardless of dollar amount, including contract modifications. To facilitate this, the County will develop an independent cost estimate prior to receipt of bids or proposals. The word "independent" does not imply that it is performed by someone other than the County. This could be the case, however, if the County does not have the expertise for a large complex procurement. This analysis will be made part of the procurement file for every procurement action.

The method and degree of analysis will be dependent on the facts surrounding the particular procurement situation.

- A. Cost Analysis. A cost analysis must be performed when the offeror is required to submit the elements (i.e., labor hours, overhead, materials, etc.) of the estimated cost, (e.g., under professional consulting and architectural and engineering services contracts, etc.). A cost analysis will be necessary when 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 catalog 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.
- B. Price Analysis. A price analysis may be used in all other instances to determine the reasonableness of the proposed contract price.
- C. Profit. The County will 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 will 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.
- D. Federal Cost Principles. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles. The County may reference its own cost principles that comply with applicable Federal cost principles.
- E. Cost Plus Percentage of Cost Prohibited. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

## **8. Architect & Engineering Geographic Preference**

See, also, Citrus County Purchasing AR 9.08 (latest revision)

The County shall conduct FTA procurements in a manner that prohibits the use of statutorily or administratively imposed 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 preempt State licensing laws. However, geographic location may be a selection criterion in

procurements for Architectural and Engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

## **9 – 12. Full and Open Competition**

All procurement transactions will be conducted in a manner providing full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to:

- Unreasonable requirements placed on firms in order for them to qualify to do business;
- Unnecessary experience and excessive bonding requirements;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive awards to any person or firm on retainer contracts;
- Organizational conflicts of interest. An organizational conflict of interest 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;
- The specification of only a "brand name" product without listing its salient characteristics and not allowing "an equal" product to be offered; and
- Any arbitrary action in the procurement process.

## **13. Brand Name Restrictions**

The County shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not contain features unduly restricting competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used.

Departments shall use a "brand name or equal" description only when it cannot provide an adequate specification or more detailed description, without performing an inspection and analysis, in time for the acquisition under consideration. Further, a department wishing to use "brand name or equal" must carefully identify its minimum needs and clearly set forth those salient physical and functional characteristics of the brand name product in the solicitation.

## **14. Geographic Preferences**

The County shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed 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 preempt State licensing laws. However, geographic location may be a selection criterion in procurements for

Architectural and Engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

## 15. Contract Period of Performance Limitation

The County shall not enter into any contract with a period of performance exceeding five (5) years inclusive of options without prior written FTA approval. In addition, the County must not enter into contracts for revenue rolling stock and replacement parts with a period of performance exceeding five years inclusive of options, extensions, or renewals.

## 16. Written Procurement Selection Procedures

Each and every solicitation shall provide a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equal” description may be used as a means to define the performance or other salient characteristics of procurement. The specific features of the named brand which must be met by offerors shall be clearly stated.

Each procurement shall provide all requirements that offerors must fulfill and all other factors to be used in evaluating bids or proposals.

## 17. Solicitation Prequalification Criteria

Prequalification lists are most commonly used in procurements of property involving lengthy evaluations needed to determine whether it satisfies the County standards. The Common Grant Rule for governmental recipients permits a recipient to prequalify people, firms, and property for procurement purposes under the following standards:

- **Lists-** The County ensures that all prequalification lists it uses are current.
- **Sources-** The County ensures that all prequalification lists it uses include enough qualified sources to provide maximum full and open competition.
- **Qualification Periods-** The County permits potential bidders or offerors to qualify during the solicitation period (from the issuance of the solicitation to its closing date). FTA, however, does not require a recipient to hold a particular solicitation open to accommodate a potential supplier that submits property for approval before or during that solicitation. Nor must the County expedite or shorten prequalification evaluations of bidders, offerors, or property presented for review during the solicitation period.

Prequalification should not be confused with reviews of technical qualifications that are an essential process in two-step procurements and qualifications-based procurements,

as discussed further in C4220.1F subsections 3.e and 3.f of Chapter VI, respectively.

## **18. Award to Responsible Contractors**

The County shall make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

See Citrus County Purchasing ARs.

## **19. Sound and Complete Agreement**

All contracts shall include provisions to define a sound and complete agreement. In addition, contracts and subcontracts shall contain contractual provisions or conditions that allow for:

- 1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, including sanctions and penalties as may be appropriate. (All contracts in excess of the small purchase threshold.)
- 2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of the small purchase threshold)

All applicable FTA clauses will be included in contracts the County enters into for any procurement situation, including but not limited to:

- 1) FTA funded procurements exceeding the micro-purchase limit of \$3,000 and in intergovernmental agreements and subrecipient agreements as applicable.
- 2) FTA funded small purchases as part of the solicitation, purchase order, or contract.
- 3) FTA funded procurements over \$100,000 applicable to the particular type of procurement being undertaken (e.g., professional services, A&E, construction, rolling stock purchase, etc.).
- 4) The County will use the checklist of required clauses provided annually in the TRIENNIAL REVIEW PROGRAM WORKSHOP WORKBOOK to properly determine that all applicable clauses have been included when drafting contracts for procurements. General reference to FTA regulations is not sufficient to meet this requirement. (A complete list of appropriate FTA clauses is included in this document as Appendix "A")
- 5) The County will assure that no purchase, sub-grant or contract is awarded to any party at any tier that is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs. The County will do this by (a) Adding a clause or condition to the contract or subcontract, and (b)

Checking the Excluded Parties List System (EPLS) and documenting the results of that search.

6) Copies of the solicitation, purchase order, or contract will be included in the procurement file created for every procurement action undertaken.

## **20. No Splitting (Micro-purchase)**

There is no splitting a procurement merely to make the procurement come within the micro-purchase limit.

## **21. Fair and Reasonable Price Determination (Micro-purchase)**

Micro-purchases (\$3,000 or less) may be made without obtaining competitive quotations if the County determines that the price to be paid is fair and reasonable. These purchases should be distributed equitably among qualified suppliers in the local area, and should not be split to avoid the requirements for competition above the micro-purchase threshold.

## **22. Micro-purchase Davis Bacon**

Micro-purchases are those purchases of \$3,000 or less. Chapter VI, Section 3.a. (1) of FTA C 4220.1F indicates that Davis-Bacon prevailing wage and hour restrictions apply to construction contracts exceeding \$2,000. The County shall adhere to the Davis-Bacon prevailing wage and hour restrictions on any FTA funded construction contracts exceeding \$2,000.

## **23. Price Quotations (small purchase)**

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that cost more than the micro-purchase threshold of \$3,000 but do not cost more than the Florida Public Bid Law limit of \$25,000. These purchases are also exempt from FTA's Buy America requirements.

The small purchase procedure is as follows.

- (a) Competition. The County shall obtain price or rate quotations from an adequate number of qualified sources.
- (b) Prohibited Divisions. The purchase may not be divided or reduced to avoid the additional procurement requirements applicable to larger acquisitions.

## **24. Clear, Accurate, and Complete Specification**

All contracts and purchase orders using FTA funds must contain clear, accurate and complete specifications and/or scopes of work for services. The scope of work or specifications presents a detailed description of the goods or services to be purchased. Under federal grant programs, the specifications or scope of work must address



pertinent federal requirements such as the Americans with Disabilities Act (ADA), Federal Motor Vehicle Safety Regulations (FMVSS), Buy America, Bus Testing and other requirements.

The County specifications for goods or services shall be non-proprietary in nature. This means that the use of "brand names" shall be limited to the extent possible. Whenever a specific trade or product name is used within the specification, the following statement shall be added: "...or approved equal with essentially comparable standards of quality, design, and performance." The specifications shall comply with the requirements of FTA Circular 4220.

When developing bidder qualification requirements, care must be taken not to place unreasonable requirements in the solicitation so that competition will be restricted. For example, corporate experience requirements must not be unreasonably restrictive.

See Citrus County Purchasing ARs.

## **25. Adequate Competition – Two or More Competitors-**

When multiple sources are solicited and only one bid or proposal is received, the County shall make a determination of whether competition was "adequate" or "inadequate," based upon criteria in FTA C 4220. This determination will require the County to contact vendors who were solicited and chose not to bid in order to determine their reasons for not bidding. If the reasons were a restrictive specification or restrictive delivery date that none save the single offeror could meet, then competition was inadequate, and a new solicitation should be issued removing the restriction, or a sole source justification must be approved explaining why the restrictions are essential. If, however, the reasons given by the vendors for their no-bid decisions were of a business nature, and not related to restrictive specifications, etc., then a determination of adequate competition may be made and the contract awarded as a competitive procurement.

## **26. Firm Fixed Price (ITB)**

Firm Fixed Price. The sealed bid (ITB) is a generally accepted procurement method in which 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 to bid, is lowest in price. A firm fixed price contract includes a price that remains fixed irrespective of the contractor's cost experience in performing the contract. A firm fixed price contract may include an economic price adjustment provision, incentives, or both.

## **27. Selection on Price (ITB)**

The successful bidder can be selected on the basis of price and those price-related factors listed in the solicitation including, but not limited to, transportation costs, life cycle costs, and discounts expected to be taken. Contractor selection may not be determined on the basis of other factors whose costs cannot be measured at the time of award.

## **28. Discussions Unnecessary (ITB)**

Discussions with one or more bidders after bids have been submitted are expected to be unnecessary as award of the contract will be made based on price and price-related factors alone. This contrasts with Competitive Proposal (RFP) procedures in which discussions with individual offerors are expected to be necessary and may take place at any time after receipt of proposals. However, a pre-bid conference with prospective bidders before bids have been received can be useful.

## **29. Advertised/Publicized (ITB/RFP)**

The solicitations are publicly advertised.

See Citrus County Purchasing ARs.

## **30. Adequate Number of Sources Solicited (ITB/RFP)**

Two or more responsible bidders must be willing and able to compete effectively for the business in order for bids to be considered an adequate number of sources.

## **31. Sufficient Bid Time (ITB)**

Bidders are allowed sufficient time to prepare bids before the date of bid opening.

## **32. Bid Opening (ITB)**

All bids are publicly opened at the time and place prescribed in the invitation to bid.

See Citrus County Purchasing ARs.

## **33. Responsiveness (ITB)**

Responsiveness is a procurement issue determined after receipt of bids or proposals and after an evaluation of responsiveness of the bids or proposals to determine whether they contain all required elements.

See Citrus County Purchasing ARs.

## **34. Lowest Price (ITB)**

The bid or proposal will be awarded to the most responsible, responsive, lowest priced bidder.

See Citrus County Purchasing ARs.

## **35. Rejecting Bids (ITB)**

Any or all bids may be rejected if there is a sound, documented business reason.

See Citrus County Purchasing ARs.

### **36. Evaluation (RFP)**

Evaluation of bids shall include consideration of the total cost as submitted by the vendor/contractor/consultant.

See Citrus County Purchasing AR 9.01(latest revision).

### **37. Price and Other Factors (RFP)**

An award is made to the responsible offeror whose proposal is most advantageous to the county's program with price and other factors considered.

See Citrus County Purchasing ARs.

### **38. Sole Source if Other Award is Infeasible**

For the purpose of FTA requirements, the threshold for Sole Source Purchases starts above the \$3,000 Micro-Purchase level.

See Citrus County Purchasing AR 9.14 (latest revision).

### **39. Cost Analysis Required (Sole Source)**

FTA requires that a cost or price analysis be made in connection with every procurement, including contract modifications/change orders. Non-competitive actions such as change orders, modifications, and other sole source awards will require a cost analysis of the contractor's cost estimates for labor, overhead, profit, etc. For sealed bid awards, an analysis of variances in the bids and a comparison with the Independent Cost Estimate (ICE) is important. When the low bid differs significantly with the ICE, an analysis must be done to find the reason for the disparity. For example, if the specifications were ambiguous it may be necessary to amend the specifications and resolicit bids.

### **40. Evaluation of Options**

The option quantities or periods contained in the contractor's bid or offer must be evaluated in order to determine contract award. When options have not been evaluated as part of the award, the exercise of such options will be considered sole source procurement.

### **41. Cost or Price Analysis**

Cost Analysis. A cost analysis must be performed when the offeror is required to submit the elements (i.e., labor hours, overhead, materials, etc.) of the estimated cost, (e.g., under professional consulting and architectural and engineering services contracts, etc.). A cost analysis will be necessary when 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 catalog 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.

Price Analysis. A price analysis may be used in all other instances to determine the reasonableness of the proposed contract price.

## **42. Written Record of Procurement History**

In order to maintain records sufficient to detail the significant history of a procurement, the County will at a minimum provide the following for each procurement.

- rationale for the method of procurement (i.e., request for proposal, invitation to bid, sole source)
- sole source justification for any purchase that is not competitive
- selection of contract type (i.e., fixed price, cost reimbursement)
- reason for contractor selection or rejection
- written responsibility determination for the successful contractor
- basis for the contract price (i.e., cost/price analysis)

The County will perform a cost or price analysis in connection with every FTA procurement action regardless of dollar amount, including contract modifications. To facilitate this, the County will develop an independent cost estimate prior to receipt of bids or proposals.

These documents will become part of the procurement file which the County will create for every procurement action it undertakes. Procurement records shall be kept for a period of time as defined in the grant contract and/or state public records laws, whichever is longer.

## **43. Exercise of Options Exercise of Options:**

A grantee must ensure that the exercise of an option is in accordance with the terms and conditions of the option stated in the initial contract awarded.

An option may not be exercised unless the grantee has determined that the option price is better than prices available in the market or that the option is the more advantageous offer at the time the option is exercised.

## **44. Out of Scope Changes**

Once a contract has been awarded, an extension of the contract term length that amounts to an out of scope change will require a sole source justification.

## **45. Advance Payments**

Generally, it is not the practice of the County to provide advance payments prior to the incurrence of costs by the contractor. However, it is recognized that some purchases

such as vehicles may require an advance payment. In such instances, the County will confer with the granting agency to determine the requirements for down payments with local funds for such items. The County will obtain prior written concurrence from a granting agency for use of federal or state funds. The County will not make advance payments with local funds before a grant has been awarded, or before the issuance of a letter of no prejudice or other pre-award authority.

#### **46. Progress Payments**

The County may use progress payments provided the following requirements are followed:

- 1) Progress payments are only made to the contractor for costs incurred in the performance of the contract.
- 2) The County must obtain adequate security for progress payments. Adequate security may include taking title, letter of credit or equivalent means to protect its interest in the progress payment.

#### **47. Time and Materials Contracts**

The County will use time and material type contracts only:

- After a determination that no other type of contract is suitable; and
- If the contract specifies a ceiling price that the contractor shall not exceed except at its own risk.

#### **48. Cost Plus Percentage of Cost**

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

#### **49. Liquidated Damages Provisions**

The County may require liquidated damages clauses in contracts if it may reasonably expect to suffer damages and the extent or amount of such damages would be difficult or impossible to determine. The assessment for damages shall be at a specific rate per day for each day of overrun in contract time; and the rate must be specified in the third party contract. Any liquidated damages recovered shall be credited to the project account unless otherwise permitted by the granting agency.

#### **50. Piggybacking**

*Piggybacking* is permissible when the solicitation is with other Florida entities and the document and resultant contract contain an assignability clause that provides for the assignment of all or a portion of the specified deliverables as originally advertised, competed, evaluated, and awarded. If the supplies were solicited, competed and awarded through the use of an indefinite-delivery-indefinite-quantity (IDIQ) contract, then both the solicitation and contract award must contain both a minimum and

maximum quantity that represent the reasonably foreseeable needs of the party(s) to the solicitation and contract. If two or more parties jointly solicit and award an IDIQ contract, then there must be a total minimum and maximum.

**51. Qualifications exclude Price (A & E and other services)**

See Citrus County Purchasing ARs.

**52. Serial Price Negotiations (A & E and other services)**

See Citrus County Purchasing ARs.

**53. Bid Security (Construction over \$100,000)**

See Citrus County Purchasing ARs.

**54. Performance Security (Construction over \$100,000)**

See Citrus County Purchasing ARs.

**55. Payment Security (Construction over \$100,000)**

See Citrus County Purchasing ARs.

**56. Federal Clauses**

The county will use the required federal clauses for any FTA procurements.  
(See Appendix "A")

**57. Veteran's Preference**

Contractors working on a capital project funded using FTA assistance shall give a hiring preference, to the extent practicable, to veterans (as defined in section 2108 of title 5) who have the requisite skills and abilities to perform the construction work required under the contract. This subsection shall not be understood, construed or enforced in any manner that would require an employer to give preference to any veteran over any equally qualified applicant who is a member of any racial or ethnic minority, female, an individual with a disability, or former employee.

**58. SAM/EPLS (Debarment / Suspension)**

County Purchasing staff is required to check the SAM/EPLS system.

**59. Disputes / Breach**

The County will be responsible in accordance with good administrative practice and sound business judgment for the settlement of all contractual and administrative issues arising out of procurements.

## 60. Terminations

Termination for cause and termination for convenience provisions must be included in contracts exceeding \$10,000.

Applicability to Contracts - All contracts in excess of \$10,000 shall contain suitable provisions for termination by the grantee including the manner by which it will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

The termination requirements flow down to all contracts in excess of \$10,000, with the exception of contracts with nonprofit organizations and institutions of higher learning.

Model Clause/Language - FTA does not prescribe the form or content of such clauses.

The following are suggestions of clauses to be used in different types of contracts:

### a. Termination for Convenience (General Provision)

The (Recipient) may terminate this contract, in whole or in part, at any time by written notice to the Contractor when it is in the Government's best interest. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to the County to be paid the Contractor. If the Contractor has any property in its possession belonging to the County, the Contractor will account for the same, and dispose of it in the manner the County directs.

### b. Termination for Default [Breach or Cause] (General Provision)

If the Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform.

Citrus County - Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

If it is later determined by the County that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of the Contractor, the County, after setting up a new delivery of performance schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience.

### c. Opportunity to Cure (General Provision)

The (Recipient) in its sole discretion may, in the case of a termination for breach or default, allow the Contractor [an appropriately short period of time] in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions

If Contractor fails to remedy to the County's satisfaction the breach or default of any of

the terms, covenants, or conditions of this Contract within [ten (10) days] after receipt by Contractor of written notice from the County setting forth the nature of said breach or default, the County shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude the County from also pursuing all available remedies against Contractor and its sureties for said breach or default.

d. Waiver of Remedies for any Breach

In the event that the County elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Contract, such waiver by the County shall not limit the County's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Contract.

e. Termination for Convenience (Professional or Transit Service Contracts)

The County, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is terminated, the County shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination.

f. Termination for Default (Supplies and Service)

If the Contractor fails to deliver supplies or to perform the services within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, the County may terminate this contract for default. The County shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner or performance set forth in this contract.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the County.

g. Termination for Default (Transportation Services)

If the Contractor fails to pick up the commodities or to perform the services, including delivery services, within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, the County may terminate this contract for default. The County shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of default. The Contractor will only be paid the contract price for services performed in accordance with the manner of performance set forth in this contract.

Citrus County - If this contract is terminated while the Contractor has possession of County goods, the Contractor shall, upon direction of the County, protect and preserve the goods until surrendered to the Recipient or its agent. The Contractor and the County shall agree on payment for the preservation and protection of goods. Failure to agree on an amount will be resolved under the Dispute clause.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same



as if the termination had been issued for the convenience of the County.

h. Termination for Default (Construction)

If the Contractor refuses or fails to prosecute the work or any separable part, with the diligence that will insure its completion within the time specified in this contract or any extension or fails to complete the work within this time, or if the Contractor fails to comply with any other provisions of this contract, the County may terminate this contract for default. The County shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. In this event, the County may take over the work and complete it by contract or otherwise, and may take possession of and use any materials, appliances, and plant on the work site necessary for completing the work. The Contractor and its sureties shall be liable for any damage to the County resulting from the Contractor's refusal or failure to complete the work within specified time, whether or not the Contractor's right to proceed with the work is terminated. This liability includes any increased costs incurred by the County in completing the work.

The Contractor's right to proceed shall not be terminated nor the Contractor charged with damages under this clause if-

1. The delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include: acts of God, acts of the County, acts of another Contractor in the performance of a contract with the County, epidemics, quarantine restrictions, strikes, freight embargoes; and
2. The contractor, within [10] days from the beginning of any delay, notifies the County in writing of the causes of delay. If in the judgment of the County, the delay is excusable, the time for completing the work shall be extended. The judgment of the County shall be final and conclusive on the parties, but subject to appeal under the Disputes clauses.

If, after termination of the Contractor's right to proceed, it is determined that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the County.

i. Termination for Convenience or Default (Architect and Engineering)

The County may terminate this contract in whole or in part, for the County's convenience or because of the failure of the Contractor to fulfill the contract obligations. The County shall terminate by delivering to the Contractor a Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the County all data, drawings, specifications, reports, estimates, summaries, and other information and materials accumulated in performing this contract, whether completed or in process.

If the termination is for the convenience of the County, the County shall make an equitable adjustment in the contract price but shall allow no anticipated profit on unperformed services.

Citrus County- If the termination is for failure of the Contractor to fulfill the contract obligations, the County may complete the work by contract or otherwise and the Contractor shall be liable for any additional cost incurred by the County.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the County.

j. Termination for Convenience of Default (Cost-Type Contracts)

The County may terminate this contract, or any portion of it, by serving a notice of termination on the Contractor. The notice shall state whether the termination is for convenience of the County or for the default of the Contractor. If the termination is for default, the notice shall state the manner in which the contractor has failed to perform the requirements of the contract. The Contractor shall account for any property in its possession paid for from funds received from the County, or property supplied to the Contractor by the County. If the termination is for default, the County may fix the fee, if the contract provides for a fee, to be paid the contractor in proportion to the value, if any, of work performed up to the time of termination. The Contractor shall promptly submit its termination claim to the County and the parties shall negotiate the termination settlement to be paid the Contractor.

If the termination is for the convenience of the County, the Contractor shall be paid its contract close-out costs, and a fee, if the contract provided for payment of a fee, in proportion to the work performed up to the time of termination.

If, after serving a notice of termination for default, the County determines that the Contractor has an excusable reason for not performing, such as strike, fire, flood, events which are not the fault of and are beyond the control of the contractor, the County, after setting up a new work schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience.

**61. DBE**

Citrus County is exempt from a formal DBE Plan per FTA.

**62-63. Buy America Pre-Award Review (Steel or Manufactured Products) and Buy America Pre-Award/Post Delivery Audits – Rolling Stock >\$100,000**

For purchases exceeding \$100,000, the County must use steel, iron and manufactured products made in the United States to be eligible for federal funding. If the product is not made in the United States, the County shall ensure the product is subject to a “general waiver” or obtain a waiver from FTA before payment can be made. For non-rolling stock procurements the County must provide certifications ensuring compliance with Buy America requirements.

For purchases of rolling stock, the vehicles must have 60 percent domestic content and final assembly must take place in the United States. The County must conduct a pre-award and post-delivery audit for all purchases of rolling stock in order to verify that the

60 percent domestic content and final assembly requirements were met. The County must maintain documentation on file showing compliance with these requirements as follows:

1. A pre-award certification must be obtained by the County from the manufacturer before contracting for the purchase of rolling stock. The County must obtain a pre-award break-down of proposed components and sub-components from vendors and the locations of the final assembly, and will review the information for compliance with Buy America and purchase specifications.
2. A post-delivery audit must be made before title to rolling stock is transferred to the County. The County must obtain a post-delivery break-down of actual components and sub-components from vendors and the locations of the final assembly, and will review the information for compliance with Buy America and purchase specifications.
3. Federal Motor Vehicle Safety Standards (FMVSS) also apply for vehicles subject to this requirement. The County shall obtain a copy of the manufacturer's self-certification that the vehicles comply with the standard. For vehicles not subject to this requirement the County shall obtain a statement from the manufacturer attesting to that fact. The statement shall be kept in the procurement file.
4. For rolling stock purchases of more than ten units, the County shall certify that an "in-plant inspector" was present to monitor the final assembly process. The inspector shall provide the County with a final report of construction activities.
5. For all rolling stock purchases, the County shall verify that the manufacturer's proposed vehicle specifications meet the bid specifications and further verify that the vehicle has been visually inspected and road tested to demonstrate that the vehicle meets contract specifications (post-delivery).

When domestically produced goods are unavailable or when there is a price differential of at least 25 percent between domestic and foreign made products, an FTA waiver must be obtained by the County before awarding the purchase to the bidder of the foreign made product.

#### **64. Brooks Act / Qualifications-based Procurements**

Architectural and Engineering services (including design build procurements) must be procured using a qualifications based process in accordance with the Brooks Act. Services subject to this requirement are program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping, and related services. Unlike other two step procurement procedures, in which price is an evaluation factor, an offeror's qualifications are evaluated to determine contract award. Price must not be considered during the selection phase in these procurements. Firms are selected based only on their qualifications. Price is then negotiated with the most qualified firm. If an agreement cannot be reached, then the County may negotiate with the next most qualified firm and so on until an agreement is reached on a price that the County determines is fair and reasonable. Unless FTA determines otherwise in writing, the County may not use

qualifications based procurement procedures to acquire other types of services if those services are not directly in support of, directly connected to, directly related to, or do not lead to construction, alteration, or repair of real property.

## **65. Design-Bid-Build**

The County may procure design-bid-build services through means of sealed bidding or competitive negotiations. These services must be procured in a manner that conforms to applicable state and local law, the requirements of Circular 4220 relative to the method of procurement used and all other applicable federal requirements.

## **66. Design-Build**

The County must procure design-build services through means of qualifications-based competitive proposal procedures based on the Brooks Act when the preponderance of the work to be performed is considered to be for architectural and engineering (A&E) services. Qualifications-based competitive proposal procedures should not be used to procure design-build services when the preponderance of the work to be performed is not of an A&E nature, unless required by State law.

## **67. Tag-Ons- Cardinal Changes**

A significant change in contract work (property or services) that causes a major deviation from the original purpose of the work or the intended method of achievement, or causes a revision of contract work so extensive, significant, or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract, is a cardinal change and is prohibited. Such practices are sometimes informally referred to as “tag-ons.” A change within the scope of the contract (sometimes referred to as an “in-scope” change) is not a “tag-on” or cardinal change.

(a) Identifying Cardinal Changes. Although FTA has provided additional guidance in its Best Practices Procurement Manual, FTA has not developed a finite list of acceptable contract changes. Recognizing a cardinal change to a third party contract can be difficult. A cardinal change cannot be identified easily by assigning a specific percentage, dollar value, number of changes, or other objective measure that would apply to all cases.

(b) Changes in Quantity. To categorize virtually any change in quantity as a prohibited cardinal change (sometimes referred to as an “out-of-scope” change) fails to account for the realities of the marketplace and unnecessarily restricts a recipient from exercising reasonable freedom to make minor adjustments contemplated fairly and reasonably by the parties when they entered into the contract. The U.S. Supreme Court decision in *Freund v. United States*, 260 U.S. 60 (1922) supports FTA’s policy.

(c) Tests. Among other things, customary marketing practices can influence the determination of which changes will be “cardinal.” Other tests involve the nature and extent of the work to be performed, the amount of effort involved, whether the change was originally contemplated at the time the original contract was entered into, or the cumulative impact on the contract’s quantity, quality, costs, and delivery terms.

(d) Rolling Stock. In the case of rolling stock, a major change in quantity or a substitution of major end items not contemplated when competition for the original award took place would generally be a cardinal change. Another cardinal change would, at this time, include a change from a high-floor to a low-floor vehicle. Changing an engine might result in a cardinal change depending on the circumstances surrounding the project and whether a compatible replacement could be obtained through competition. FTA, however, considers changes to seating, fabrics, and colors, exterior paint schemes, signage, and floor covering, and other similar changes to be permissible changes.

(e) Federal Procurement Standards. The broader standards applied in Federal contracting practice reflected in Federal court decisions, Federal Boards of Contract Appeals decisions, and Comptroller General decisions provide guidance in determining whether a change would be treated as a cardinal change. FTA does not imply that these Federal procurement decisions are controlling. FTA intends to consider the collective wisdom within these decisions in determining the nature of third party contract changes along the broad spectrum between permissible changes and impermissible cardinal changes. Other guidance can be found in FTA's Best Practices Procurement Manual and "Frequently Asked Questions" at the FTA Web site:  
[http://www.fta.dot.gov/funding/thirdpartyprocurement/grants\\_financing\\_6039.html](http://www.fta.dot.gov/funding/thirdpartyprocurement/grants_financing_6039.html).

FTA intends to monitor its recipients and oversight contractors to ensure that this concept is well understood and uniformly applied. This approach permits greater latitude but, because it requires analysis, it can sometimes require a greater knowledge of Federal contracting practices. In any event, before attempting to change the terms of its contract, the recipient should review the contract's provisions to ensure that the contract permits the change sought.

## **68. Federal Cost Principles**

Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles. The County may reference its own cost principles that comply with applicable Federal cost principles.

## **69. Revenue Contract**

Revenue contracts are those in which the grantee or subrecipient provides access to public transportation assets for the primary purpose of either producing revenue in connection with an activity related to public transportation, or creating business opportunities with the use of FTA assisted property. If there are several potential competitors for a limited opportunity (such as advertising space on the side of a bus), then the grantee should use a competitive process to permit interested parties an equal chance to obtain that limited opportunity. If, however, one party seeks access to a public transportation asset (such as a utility that might seek cable access in a subway system), and the grantee is willing and able to provide contracts or licenses to other parties similarly situated (since there is room for a substantial number of such cables without interfering with transit operations), then competition would not be necessary because

the opportunity to obtain contracts or licenses is open to all similar parties. In the case of joint development, FTA will work with the grantee to determine appropriate procedures, as necessary.

## **70. Signature Authority**

See Citrus County Purchasing ARs

## **71. Oversight of Subrecipients Basic Requirement**

Chapter I, Section 5. z. of FTA C 4220.1F states a recipient is responsible for assuring that each of its sub-recipients complies with the applicable requirements and standards of this circular, and that each of its sub-recipients is aware of the Federal statutory and regulatory requirements that apply to its actions as a sub-recipient.

All direct recipients of FTA grants, grant amendments, and cooperative agreements in excess of \$25,000 are subject to the requirements of the Federal Funding Accountability and Transparency Act of 2006 ("FFATA"). The Grantee shall submit sub-recipients' sub-award information to the FFATA Sub-award Reporting System at the end of the month after the month

As a Direct Recipient, Citrus County is responsible for the routine monitoring of sub-recipients.

The County shall be responsible for the following:

- a. Applying for and receiving FTA grants on behalf of its Grant 5307 sub-recipients and performing on-going project management;
- b. All direct recipients of FTA grants, grant amendments, and cooperative agreements in excess of \$25,000 are subject to the requirements of the Federal Funding Accountability and Transparency Act of 2006 ("FFATA"). The Grantee shall submit sub-recipients' sub-award information to the FFATA Sub-award Reporting System at the end of the month after the month in which any sub-award under the grant has been made and not the month after which FTA awarded the direct grant;
- c. Ensuring adherence to federal program guidelines through contractual agreements with all sub-recipients;
- d. Receiving, verifying, and submitting for reimbursements from the FTA for all eligible project expenses;
- e. Passing through the reimbursements received from FTA for all eligible project expenses;
- f. Receiving financial and status reports from all sub-recipients;
- g. Completing financial and progress status reports in the FTA electronic

grants management system (TEAM); and

h. Other such grant administrative actions as necessary to ensure project completion in accordance with all applicable federal rules, regulations, and guidance.

As a Direct Recipient of FTA Grant 5307 funds, the County and its sub-recipients or partners are responsible for establishing and maintaining adequate internal controls over all functions which affect the implementation of a project utilizing such funds.

For proper management of the projects, each sub-recipient shall utilize internal controls in all of its operating, accounting, financial, and administrative systems. To assure proper accountability for grant or cooperative agreement funds, internal controls shall be integrated with the management systems used by the recipient to regulate and guide its operations.

Resources shall be used in accordance with all applicable state, local, and Federal laws, regulations, and policies, as well as the terms of the grant or cooperative agreement. Resources shall be safeguarded against waste, loss, and misuse. In addition, reliable data on resource use and safeguards must be accumulated, maintained, and fairly disclosed in reports to the Direct Recipient manager and FTA.

The County shall be responsible for monitoring sub-recipients no less than once per contract year and more often, should it be necessary. The County shall assist any of its sub-recipients in setting up the monitoring in order to ensure adherence to FTA guidelines.

The County's annual monitoring shall include a physical site visit to the location where the sub-recipient maintains its project records. The timing of the site visit shall occur six months from the beginning of any contract and occur at annual intervals while the contract is in force. Any deficiencies noted will result in more frequent inspections or the implementation of a corrective action plan until the deficiencies have been resolved.

Procedures for monitoring sub-recipients shall include:

- a. Review of operation of project for scope of work accuracy and efficiency.
- b. Review of the filing system, the system maintenance, and presence of grant information.
- c. Review of the grant matching documentation.
- d. Review of the sub-recipients Drug and Alcohol Policy.
- e. Review of the sub-recipients Title VI Plan and access, if there are current complaints.
- f. Review of marketing efforts associated with the project.

## 72. State or Local Government Purchasing Schedules

Basic Requirement: Chapter V, Section 4.a.b.c. of FTA C 4220.1F

When obtaining property or services in this manner, the recipient must ensure all Federal requirements, required clauses, and certifications (including Buy America) are properly followed and included, whether in the master intergovernmental contract or in the recipient's purchase document. One way of achieving compliance with FTA requirements is for all parties to agree to append the required Federal clauses in the purchase order or other document that effects the recipient's procurement. When buying from these schedules, the recipient should obtain Buy America certification before entering into the purchase order. You must also determine that the State contracts were awarded with full and open competition and were not subject to geographical preferences (e.g., giving in-state vendors a bidding preference - as some states have such practices that are prohibited by FTA).



## Appendix A

The successful contractor is expected to be familiar with and meet all stated or otherwise applicable federal clauses and standards. Example text of the FTA third party contract clauses can be obtained through "Procurement Pro," an online procurement management system produced by *National RTAP*. Procurement Pro is available through the following webpage:

<http://www.nationalrtap.org/>. Subrecipients are responsible for evaluating these requirements for relevance and applicability to each procurement. *Subrecipients should work with the WisDOT Procurement Manager to ensure completeness of contract clauses.*

Listed below is the matrix of FTA required contract clauses. <b>APPLICABILITY OF THIRD PARTY CONTRACT PROVISIONS</b>					
(Excluding micro-purchases, except for construction contracts over \$2,000)					
CLAUSE			TYPE OF PROCUREMENT		
Professional Services/A&E	Operations/ Management/ Subrecipients	Revenue Rolling Stock	Construction	Materials & Supplies	
No Federal government obligations to third-parties by use of a disclaimer	All	All	All	All	All
Program fraud and false or fraudulent statements and related acts	All	All	All	All	All
Access to Records	All	All	All	All	All
Federal changes	All	All	All	All	All
Civil Rights (EEO, Title VI & ADA)	All	All	All	All	All
Incorporation of FTA Terms	All	All	All	All	All
Energy Conservation	All	All	All	All	All
Termination Provisions (not required of states)	>\$10,000	>\$10,000	>\$10,000	>\$10,000	>\$10,000
Debarment and Suspension	>\$25,000	>\$25,000	>\$25,000	>\$25,000	>\$25,000
Buy America	>\$100,000		>\$100,000		>\$100,000 (for steel, iron, manufactured products)
Provisions for resolution of disputes, breaches or other litigation	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Lobbying	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Air	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Water	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Cargo Preference	Involving property that may be transported by ocean vessel		Involving property that may be transported by ocean vessel		Involving property that may be transported by ocean vessel

<i>Fly America</i>	<i>Involving foreign transport or travel by air</i>	<i>Involving foreign transport or travel by air</i>	<i>Involving foreign transport or travel by air</i>	<i>Involving foreign transport or travel by air</i>	<i>Involving foreign transport or travel by air</i>
<i>Davis Bacon Act</i>			<i>&gt;\$2,000 (including ferry vessels)</i>		
<i>Copeland Anti-Kickback Act</i>			<i>Section 1: All Section 2: &gt;\$2,000 (including ferry vessels)</i>		
<i>Contract Work Hours &amp; Safety Standards Act</i>	<i>&gt;\$100,000</i>		<i>&gt;\$100,000</i>	<i>&gt;\$100,000 (including ferry vessels)</i>	
<i>Bonding (not required of states)</i>			<i>&gt;\$100,000 (including ferry vessels)</i>		
<i>Seismic Safety</i>		<i>A&amp;E for new buildings &amp; additions</i>		<i>New buildings &amp; additions</i>	
<i>Transit Employee Protective Arrangements</i>			<i>Transit operations funded with Section 5307, 5309, 5311 or 5316 funds</i>		
<i>Charter Service Operations</i>			<i>All</i>		
<i>School Bus Operations</i>			<i>All</i>		
<i>Drug and Alcohol Testing</i>			<i>Transit operations funded with Section 5307, 5309 or 5311 funds</i>		
<i>Patent Rights</i>			<i>Research &amp; development</i>		
<i>Rights in Data and Copyrights requirements</i>			<i>Research &amp; development</i>		
<i>Disadvantaged Business Enterprises (DBEs)</i>	<i>All</i>	<i>All</i>	<i>All</i>	<i>All</i>	<i>All</i>
<i>Prompt Payment</i>	<i>All non TVM purchases if threshold for DBE program met</i>	<i>All non TVM purchases if threshold for DBE program met</i>	<i>All non TVM purchases if threshold for DBE program met</i>	<i>All non TVM purchases if threshold for DBE program met</i>	<i>All non TVM purchases if threshold for DBE program met</i>
<i>Recycled Products</i>		<i>Contracts for items designated by EPA, when procuring \$10,000 or more per year</i>	<i>Contracts for items designated by EPA, when procuring \$10,000 or more per year</i>	<i>Contracts for items designated by EPA, when procuring \$10,000 or more per year</i>	
<i>ADA Access</i>	<i>A&amp;E</i>	<i>All</i>	<i>All</i>	<i>All</i>	<i>All</i>
<i>Special Notification Requirements for States</i>	<i>Limited to states</i>	<i>Limited to states</i>	<i>Limited to states</i>	<i>Limited to states</i>	<i>Limited to states</i>