

201 FEDERAL GRANT INSTRUCTIONS

Certified Local Government Grants

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- IV. DISBURSEMENT PROCEDURES
- V. FINAL PROJECT REPORT OUTLINE

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- B. Procurement Documentation Form
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- D. Project Budget Summary Form
- E. 201 CLG '8 h k

I. THE PROCUREMENT PROCESS

All purchasing and contracting for goods and services under the federal grant must follow the procurement regulations of the Office of Management and Budget's "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (2 CFR 200). Many of the key requirements are outlined below, but it is important to read the procurement sections of the guidance at 2 CFR 200.318 (see Attachment A) to ensure your compliance.

- Each grantee must ensure that all procurement transactions are conducted in a manner that provides open and free competition.
- Applicable state and local laws and regulations may be followed, provided that they conform to federal law.
- There are four methods of procurement which may be used depending on the circumstances: Small Purchase Procedure, Competitive Sealed Bids, Competitive Negotiation, and Non-Competitive Negotiation (in rare circumstances). These procedures are detailed below.
- Contracts awarded following a procurement process are usually "firm-fixed-price" contracts. Contracts of a "cost-plus-percentage-of-the-cost" type are not allowed.

The grantee must request and receive RIHPHC approval of both the method of procurement to be utilized as well as the type of contract to be awarded **in advance**. Failure to obtain such approval may result in the cancellation of the grant allocation.

Regardless of method, affirmative steps should be taken to assure that small, minority and women's businesses are utilized whenever possible as sources of supplies, construction and services.

Contractors must be qualified, licensed in Rhode Island, and have the appropriate historic preservation experience (based upon property owner references).

Methods of Procurement

1. **Small Purchase Procedures:**

For services, supplies, or other goods in aggregate value less than \$100,000, fixed price quotations should be obtained in writing from three or more qualified sources. The source submitting the lowest price, while fully meeting the specifications presented, should be selected. Please note that related supply or work items which would normally be supplied under a single contract or purchase order may not be separated into smaller units solely to take advantage of this type of procurement procedure.

2. **Competitive Sealed Bids:**

This is the most commonly used procurement procedure for goods and services in excess of \$100,000 and should be followed when feasible. In this procedure, sealed bids are publicly solicited and a firm fixed-price contract is awarded to the most qualified bidder whose bid price is lowest. To be feasible, the following conditions should be met:

- An invitation to bid is publicly advertised sufficiently in advance of the bid opening to allow proper response. This advertisement should appear three times in a general circulation newspaper, 21 days in

advance of bid opening. Also, building trade associations and minority firms as well as individual suppliers should be contacted to assure the receipt of at least three qualified bids.

- The bidding documents must clearly define the work, supplies or services required to allow proper response.
- All bids shall be opened publicly at the time and place stated in the invitation to bid.
- Upon approval by the RIHPHC, a firm fixed-price contract should then be awarded within 30 days to the responsible bidder, whose bid, conforming to the invitation, is lowest.

Any or all bids may be rejected if there are sound business reasons for doing so. However, documenting such reasons for rejecting a bid is extremely difficult and may only be done upon approval by the RIHPHC. It is recommended that all disqualification of bidders be done before the bids are opened.

3. **Competitive Negotiations:**

When the conditions are not appropriate for the use of competitive sealed bids, then the competitive negotiations procedures should be followed. In this procedure, a Request for Proposals is publicized, and negotiations are conducted with more than one source submitting offers. Two examples of where this procedure might be used are as follows:

- Where price is not the primary basis of selection, such as in the selection for architectural engineering, or other specialized professional services.
- Where it is not possible to draw up an adequate specification before the work is bid.

If this procedure is followed, the following requirements will apply:

- A **Request for Proposals** will be prepared which identifies the type of goods or services required, and indicates all the significant evaluation factors which will be used in making the contract award (including price where relevant) and their relative importance.
- Proposals will be solicited from a minimum of three qualified sources. Affirmative action must be taken to solicit proposals from small, minority, and women's businesses.
- Negotiations will then be conducted with more than one supplier, and a mechanism for evaluating the proposals, conducting the negotiations and selecting the contract award must be provided.
- Upon approval by the RIHPHC, the contract award may be made to the responsible supplier whose proposal will be more advantageous to the grantee, price and all other factors considered.

4. **Non-Competitive Negotiations:**

This method of procurement involves negotiations of a contract from only one source, and it may be used only when the contract award is not feasible under the other procurement procedures. The circumstances under which this procedure may be used are limited to the following:

- The item is available only from a single source.
- Public emergency will not permit the delays that may occur from competitive solicitation.
- After solicitation from a number of sources, competition is determined inadequate.

Selection Procedures

All procurement transactions must provide for maximum open and free competition. To this end, the following actions should be avoided:

- Placing unreasonable requirements on firms for them to qualify to bid on a project.

- Establishing unnecessary experience and bonding requirements.
- Specifying “brand name” products without the option to competitive alternates.

In addition, the following requirements must be met:

- All solicitations for bids or proposals must incorporate a clear and accurate technical specification of the materials, products or service required.
- The solicitation must also set forth all requirements and other factors which will be used in evaluating the bids or proposals.

Contract Provisions

All contracts must include the following basic information:

- Brief description of the scope of work
- Time of commencement and completion date
- Project contract sum
- Method and schedule of payments
- Listing of all items included in the contract documents (drawings, specifications, addenda, alternates, etc.)
- Allowance for administrative, contractual, or legal remedies when contractors violate the breach contract terms.
- A detailed Schedule of Values, including unit prices, if applicable

Note: The compensation rate for consultants may not exceed the maximum daily rate of compensation in the Federal Civil Service equal to 120% of a GS-15, step 10 salary. (As of June 2015, this equates to \$91.25/hour.) When consultant services rates exceed this rate, only the amount **up to** that rate can be charged to the federal grant. Excess costs must be paid outside the federal share.

Procurement Documentation Form

The Procurement Documentation Form (Attachment B) must be completed and submitted to RIHPHC for approval prior to the release of any grant funds. When the subgrantee is ready to select a contractor, the subgrantee must identify the method of procurement used and send the form to RIHPHC with required backup documentation, including a **draft, unsigned contract**. When the Commission has approved the documentation and the contract, the contract will be returned to you with a letter of approval instructing you to proceed with the contract signing. A fully executed copy of the contract must be returned to RIHPHC before any grant funds will be released.

II. DOCUMENTING CONTRIBUTED AND VOLUNTEER SERVICES

Contributed services may be furnished by professional and technical personnel consultants and other skilled and unskilled labor, provided that they are pre-approved by the RIHPHC and are properly documented. In-kind services are those which are paid; volunteered services and unpaid or donated. Volunteered services may be counted as matching share if they are an integral and necessary part of an approved program. Services paid for under another federal grant or contract may not be donated as matching share for historic preservation fund grants.

When in-kind staff services are contributed by individuals, these services will be valued at the employee's current rate of pay (including fringe benefits) provided that these services are in the same skill for which the employee is normally paid. Documentation will be necessary substantiating their current wage rate

Rate for volunteered services must be consistent with current rates paid for similar work in other activities of the state government. In instances in which the skills required are not found in state government, rates used must be consistent with those paid for similar work in the labor market. If a volunteer performs services outside his profession or trade, this volunteer time must be valued at the federal minimum wage rate (\$7.25/hour in 2015).

In all cases, services claimed as non-federal share must be substantiated by time sheets or records signed by both the individual and his/her supervisor as required for all other employees. Such records must show the actual hours worked and specific duties performed.

Rates for donated space, supplies or equipment are allowable; but must first be documented and pre-approved by the RIHPHC. The value of donated space (non-expendable personal property) may not exceed the fair rental value of space established by an independent appraisal of comparable space in a privately owned building in the same locality. The value of expendable equipment or supplies must be reasonable and not exceed the fair market value at the time of donation. **Any use of contributed services must first have prior approval of the RI Historical Preservation & Heritage Commission.**

III. PROJECT MONITORING

For each grant project, the Commission will designate a Project Reviewer from its professional staff of architectural historians, historical architects, and archaeologists, who will be responsible for providing subgrantees with technical assistance and approving each stage of project work.

Each subgrantee is responsible for adhering to the project scope of work and corresponding work schedule appended to the funding agreement. This project schedule includes deadlines for all work stages and submission of work products, quarterly progress reports, reimbursement requests, and final project report.

The Commission's Project Reviewer will be responsible for approving consultant RFPs, consultant qualifications, and the draft contract prior to signing.

As stipulated in the funding agreement, subgrantees are responsible for documenting that grant work has commenced within 60 days after the project start date in the funding agreement. Evidence of progress may include the initiation of an RFP, the selection of a consultant, preliminary data collection, etc. If no progress has been made, the Commission may proceed to terminate the grant and reassign funds to another project.

Approval of reimbursement requests will be contingent upon adherence to the project schedule and the Project Reviewer's review of work progress. If any substantive questions arise about the work scope or products as the project proceeds, the Project Reviewer should be consulted. Financial or administrative questions should be addressed to the Grants Coordinator.

Progress Reports should be submitted quarterly (March 30, June 30, September 30, and December 31) to the Project Reviewer and Grants Coordinator. See Attachment E, **201 CLG 8 h k**

IV. HOW TO REQUEST REIMBURSEMENT/DISBURSEMENT

Unless otherwise specified in the funding agreement, federal grants are funded on a reimbursement basis.

In some cases, it may be necessary to request in writing an ADVANCE of funds. Such a request must explain the reasons for the advance, and document specific expenditures that will need to be paid within 30 days of receipt.

Interim Reimbursement Schedule

Subgrantees are responsible for submitting a CLG Reimbursement Request (Attachment C) with each Progress Report. Each request must report and document all **grant and matching expenditures** paid during the reporting period.

Required Documentation

Disbursement requests will not be considered until the following documents are reviewed and approved by the RIHPHC:

1. Funding agreement including approved budget and project schedule
2. Procurement Documentation Form
3. Contract with vendor or consultant

Submitted reimbursement request forms must include the following:

1. **Reimbursement cover letter** signed by the Project Supervisor summarizing project progress to date.
2. **List of Expenditures** itemizing each expenditure for which reimbursement is being requested. List the expenditures according to the same work categories in the approved project budget summary attached to the Funding Agreement. This list should include the name of the vendor or consultant and invoice amounts, and must be signed by the project supervisor. In the Documentation column, list the backup documentation enclosed (e.g. "Invoice #1234 from XYZ Consultants").
3. **Proof of Expenditure** is required to back up all federal and matching share expenditures included in the list.
 - For CASH expenditures, submit copies of all invoices with a copy of the corresponding cancelled check stapled to each invoice.
 - For IN-KIND contributions, include properly signed and co-signed time sheets showing the portion of time spent on grant work and the approved hourly rate; attached proof of payment with payroll records or copies of cancelled checks. If the approved hourly rate does not appear on the time sheet, please submit an official payroll record on which the hourly rate appears, or from which it may be calculated.
 - For DONATED or volunteered services, include all time sheets with the dollar value of the labor calculated according to pre-approved hourly rates. Only those contributions approved in advance by the RIHPHC are eligible.
4. **Project Budget Summary Form** (Attachment D) that corresponds to the approved in the funding agreement. This form summarizes expenditures to date, and the balance available to complete the Project.

V. FINAL PROJECT REPORT

The Final Project Report presents a written account of work accomplished. In order to consider a project complete, the RIHPHC requires that a Final Project Report be submitted within 30 days after the completion of work.

The following is an outline of required information for your final project report.

1. Cover Sheet

- a. Project Title
- b. Name and address of the subgrantee
- c. Project Supervisor's name and address

2. Financial Summary

- a. Line-by-line comparison of the estimated vs. actual project costs. Explain any major cost differences.
- b. Note any amendments to the budgets or scope of work during the course of the project. Remember that work accomplished and paid for outside the project period shown in your grant agreement is not eligible for reimbursement.

A well-organized summary of these actual expenditures, keyed to the line items shown on the approved budget in your grant agreement, is the best way to present the information. Any work accomplished and paid for outside the project scope may be included in the financial summary. However, those items should be noted as outside the project scope. **Note: Documentation is required for both federal and non-federal shares.**

3. Project Work Summary

- a. Narrative description of work accomplished. Describe the purpose of the project and summarize any differences between work planned and work accomplished.
- b. Cite any work products submitted with this project report. (Three extra copies of any publications produced must be forwarded to the National Park Service. The Commission usually requires at least two copies for its file.)
- c. In accordance with the grant agreement a statement acknowledging NPS support must be made in any report or publication. The language for that statement is found in the grant agreement.
- d. Staffing description. List the name and address of each consultant who worked on the project and briefly describe consultant's responsibilities. Also describe staff in-kind and/or contributed/volunteered service.
- e. Describe the impact of the project. If applicable, include consultant's reports, photographs, test results, etc.

4. Project Supervisor or Preservation Consultant Certification

- a. Submit written certification signed by the approved professional who supervised the project to the effect that to the best of his or her knowledge, project work has been completed in conformance with the Secretary of the Interior's Standards for Historic Preservation Project.

OMB Guidance

§ 200.318

§ 200.318 General procurement standards.

(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

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

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is un-

able or appears to be unable to be impartial in conducting a procurement action involving a related organization.

(d) The non-Federal entity's procedures must avoid acquisition 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.

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the non-Federal entity is encouraged to enter into state and local inter-governmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

(f) The non-Federal entity 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.

(g) The non-Federal entity 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.

(h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor

§ 200.319

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selection or rejection, and the basis for the contract price.

(j)(1) The non-Federal entity may use time and material type contracts 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 material type contract means a contract whose cost to a non-Federal entity is the sum of:

- (i) The actual cost of materials; and
- (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) 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 non-Federal entity 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.

(k) The non-Federal entity alone must 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. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

§ 200.319 Competition.

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of

work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

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

(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed 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. 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.

(c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which 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, must set forth those minimum essential characteristics and

PROCUREMENT DOCUMENTATION FORM

PLEASE COMPLETE THIS FORM AND RETURN IT WITH A DRAFT CONTRACT TO:

Grants Coordinator
Rhode Island Historic Preservation & Heritage Commission
150 Benefit Street
Providence, RI 02903

Project name:	
Date submitted:	

1) Method of Procurement:

- A. Small purchase procedure (contract under \$100,000)
- B. Competitive sealed bids
- C. Competitive negotiation
- D. Non-competitive negotiation

2) Justification for using Methods C or D:

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3) Contractor Selected:

Name:	
Address:	

4) Reason for Selection of Contractor:

- A. Lowest Offer
- B. Other

If other, explain why this contractor was selected here:

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5) Advertisement/Solicitation Information:

Publication dates:	
Where published:	
Response time:	
Number of responses/proposals received:	

ATTACH a copy of the advertisement **OR** RFP/solicitation letter with solicitation list (small purchases only).

ATTACH copies of responses/proposals received (minimum of 3).

ATTACH the draft contract for RIHPHC review.

You will receive a letter of approval when you may proceed with signing of contracts. A COPY OF THE SIGNED CONTRACT MUST BE RETURNED TO RIHPHC BEFORE ANY FUNDS CAN BE RELEASED.

Signature of Project Supervisor

Date

Printed Name

Rhode Island Historical Preservation & Heritage Commission
CLG REIMBURSEMENT REQUEST

CLG/subgrantee:		Grant amount:	
Date of request:		Amount reimbursed to-date:	

Grant funds available for reimbursement:

We hereby request grant funds as reimbursement for the following documented expenditures:

Approved Budget Category	Federal (Historic Preservation Fund) Share	Documentation Attached (Invoice, canceled check, etc.)

Total requested:

Documented cash match:

Amount of Cash Match Provided	Documentation Attached

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purpose and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)

Signature of Grantee Authorized Official/Project Supervisor

Date

Printed Name

Approval of RIHPHC Project Reviewer

Date

Approval of RIHPHC Grants Coordinator

Date

Rhode Island Historical Preservation & Heritage Commission
CLG PROJECT BUDGET SUMMARY FORM

Project title:
Date submitted:

A	B	C	D	E	F
Approved Budget Categories	Approved Budget	Total Previous Expenditures	Current Expenditures	Disbursement Request	Budget Balance
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
TOTAL					
Grant Amount					
Matching Share					

2016 CLG GRANT PROGRESS REPORT

For period ending: _____

Project Title:	
CLG/Subgrantee:	

PROJECT PROGRESS REPORT:

1. Describe work progress during this period on each work product included in your grant agreement:

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2. Is your project proceeding on schedule? If not, please explain.

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3. Have any problems arisen which may affect the overall scope, budget, or schedule?

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4. Are you submitting a Reimbursement Request with this progress report?

YES

NO

Signature of Project Supervisor (Subgrantee)_____
Date_____
Print Name of Project Supervisor (Subgrantee)*Following space for RIHPHC use only***RIHPHC REVIEWER'S COMMENTS/ACTIONS:**_____
Signature of RIHPHC Reviewer_____
Date