

# READY

LOCAL GOVERNMENTS



Appalachian  
Regional  
Commission

## THE APPALACHIAN REGIONAL COMMISSION

(ARC) is an economic development partnership entity of the federal government and 13 state governments focusing on 423 counties across the Appalachian Region. ARC's mission is to innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia to help the Region achieve socioeconomic parity with the nation.

*READY Appalachia* is an ARC initiative that helps Appalachian communities, organizations and individuals obtain the skills, knowledge and resources necessary to strengthen their local economies. Offerings include training and funding access, with special emphasis on serving Appalachia's most economically distressed counties. The *READY Local Governments* training program is designed to help local government officials better identify, secure, manage and implement federally funded economic development projects to maximize positive outcomes.

The curriculum was created in partnership with GrantWorks and CO.STARTERS to provide a nine week virtual cohort-based training at no-cost to participants. While the content has been developed with local governments in mind, it is relevant to many types of organizations doing important economic development work in grant application development.



### AS YOU ARRIVE...

(10 minutes)

*Building on your course and fieldwork from last week, please make note of the following so you are fully prepared for today's session.*

1. What did you learn sharing your vision drawings with others in the community? What are their dreams?
2. Were you able to draft your Quick Communications Plan? If not, where are you stuck? How can we help?
3. Who agreed to join your advisory committee? List below.
4. What are your biggest questions about grant management? List below.
5. Review your completed CO.STARTERS Canvas of your project. Has anything changed in the past week? If so, make updates.

CO.STARTERS Canvas



## GRANT MANAGEMENT 101

(10 minutes)

We'll let you in on a little secret. Sometimes, getting the grant is the easy part. The real work is the grant management.

**Grant management** is the administration, oversight, and compliance of funds awarded by a federal agency for a specific project or purpose.

Effective grant management is essential to ensure that federal funds are used efficiently, effectively, and in accordance with the intended purpose of the grant, while also meeting the requirements and expectations of the funding agency.

Here's what you need to remember: If it's not in writing, it didn't happen. **DOCUMENTATION** is what grant management is all about.

When grant management is done effectively, someone five years down the road should be able to look at your files and see exactly what you did at every step of the way.

If you don't do it correctly, you could have to pay back the funds or be penalized when applying for funding in the future. It's important to get it right.

### TIP:

The granting agency wants to see you succeed and will be your advocate throughout the grant process. Be sure to build a relationship with them.

## GET FAMILIAR WITH 2 CFR PART 200

(20 minutes)

Sounds scary, right? No one wants to have to pay back funds—especially after they've already been spent.

The good news is that the federal government is very clear on what is required to administer and manage their funds.

It's all spelled out in 2 CFR Part 200—also known as the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (“Uniform Guidance” or “UG” for short).

These regulations establish the requirements that federal agencies and non-federal entities must follow when managing federal grant funds. The regulations cover various aspects of grant management, including administrative requirements, allowable costs, and audit requirements.

They are designed to ensure consistency and transparency in the management of federal funds and to promote accountability and effectiveness in the use of taxpayer dollars.

### TIP:

The “UG” is essentially the bible for all federal grant projects. It's accessible to the public online at [ecfr.gov](https://www.ecfr.gov). Get familiar with it and have it on hand throughout the duration of your grant. It's a living document that gets updated regularly.



While the guidelines are extensive, you'll want to pay particular attention to sections involving:

- Procurement
- Financial management
- Audit requirements

## ACTIVITY: 2 CFR Part 200

### *In your cohorts:*

Go to [ecfr.gov](https://www.ecfr.gov) and pull up the guidelines. It can be a little tricky to find, but 2 CFR Part 200 is under Title 2 / Subtitle A / Chapter 2. Spend a minute looking through the information. How easy is it to find what you need? Is what is outlined clear? What questions do you have? Discuss with your cohort.

## CREATE A GRANT ADMINISTRATION PLAN

*(30 minutes)*

There's a lot to keep track of when it comes to managing a federal grant. A great way to ensure all boxes are checked is to create a grant administration plan.

A **grant administration plan** serves as a comprehensive guide for grantee organizations to effectively manage and administer federal grant funds. It clearly outlines the procedures, guidelines, and responsibilities for managing and overseeing the grant funds and activities in accordance with federal regulations and the terms and conditions of the grant agreement.

It's essentially a checklist of everything you have to do and in what order to successfully close out the grant.

You'll want to create this plan *before* you start spending money. The plan will:

- **Reduce overwhelm.** By spelling out everything that needs to be done ahead of time, you can reduce feelings of being overwhelmed.
- **Ensure nothing is overlooked.** Because grant cycles can overlap and there is much to do to be compliant, a plan reduces the chance that something important will be missed.
- **Align stakeholders:** A plan helps everyone be clear on what is happening and what needs to be done. It creates transparency and alignment across everyone involved.

A plan typically contains the following:

**Introduction:** Provide an overview of the grant program, its objectives, and the entities involved in the administration of the grant.

**Roles and Responsibilities:** Clearly define the roles and responsibilities of key personnel involved in the administration of the grant, including the grantee organization, project staff, and any collaborating partners or sub-recipients.

**Financial Management:** Outline procedures for budget development, financial reporting, accounting practices, and compliance with federal cost principles and regulations.

**Procurement and Contracting:** Describe the procurement policies and procedures for obtaining goods and services necessary for the grant-funded activities.

**Benchmarks and Deadlines:** Plan out your grant's performance milestones, outlining what will be done by when and by whom. Make sure there are clear deadlines.

**Compliance and Monitoring:** Establish protocols for monitoring grant activities to ensure compliance with federal regulations, programmatic requirements, and performance goals. These may include site visits, audits, and reporting requirements.

**Reporting and Documentation:** Specify the reporting requirements, including the frequency, content, and format of financial and programmatic reports to be submitted to the federal agency administering the grant.

**Subrecipient Monitoring (if applicable):** If the grant involves subawards to other organizations, outline the procedures for selecting, monitoring, and evaluating subrecipients to ensure their compliance with grant requirements.

**Recordkeeping:** Establish recordkeeping practices for maintaining documentation related to grant expenditures, program activities, and other relevant information, in accordance with federal record retention requirements.

**Risk Management:** Identify potential risks associated with grant implementation and outline strategies for mitigating those risks to ensure successful program delivery and compliance.

**Closeout Procedures:** Specify the procedures for closing out the grant, including final financial and programmatic reporting, disposition of any remaining funds, and compliance with federal closeout requirements.

**Training and Technical Assistance:** Describe the provision of training and technical assistance to grantee staff and partners to ensure understanding and compliance with grant requirements.

**Amendment Procedures:** Describe the process for requesting and obtaining amendments to the grant agreement, including changes to the budget, scope of work, or other terms and conditions.

**TIP:**

Your grant contract should have a lot of these things already spelled out for you or give guidance on what is required. Specific federal agencies may also have additional information available on what they want.



Essentially, a strong grant administration plan outlines all the policies and procedures, project milestones, and reporting requirements. It's your roadmap from signing the contract to being completely finished with the grant. It leaves nothing to interpretation or chance.

### ACTIVITY: Grant Administration Planning

Take a few minutes to think about what will need to go into your grant administration plan using the *Grant Administration Planning* worksheet. Jot down notes about what is needed, who will be involved, etc. If you have questions, ask your cohort's grant professional for help.

Grant Administration Plan

The thumbnail shows a worksheet titled 'GRANT ADMINISTRATION PLANNING'. It has two main sections: 'INTRODUCTION' and 'ROLES + RESPONSIBILITIES'. The 'ROLES + RESPONSIBILITIES' section contains a table with three columns: 'NAME', 'ROLE', and 'RESPONSIBILITIES'. The table has several empty rows for data entry.

## READING AWARD DOCUMENTS

(20 minutes)

So, how do you know what you're required to do? It's all in the award documents. In fact, reading federal grant award documents is crucial for understanding the terms and conditions of the grant, as well as your responsibilities as a grantee.

While the exact format and content will vary based on the funding agency, award documents—often referred to as a Grant Agreement or Notice of Award (NoA)—will contain the following:

**Grant Identification:** The document should clearly identify the grant program, grant number, and any other pertinent identification information. You'll need to use this information in communications with the federal agency about the grant.

**Award Amount:** The document will specify the total amount of funding awarded to you, as well as the period of performance during which the funds are available.

**Project Description + Scope:** There will be a description of the project or program for which the grant is awarded, including objectives, activities, and expected outcomes.

**Budget Details:** The award document will outline the approved budget, including allowable costs, cost-sharing requirements, and any restrictions on how the funds can be used.

**Financial Guidelines:** It will provide details regarding invoicing and general payment terms, expenditure milestone or benchmark requirements, and, possibly, related templates to submit as payment requests. It will outline whether you'll be paid in advances, reimbursements, or upon deliverables.

### TIP:

Terms to know:

**Grantor** > federal agency giving the funds

**Grantee** > organization that receives the grant money and ensures its use for a particular purpose (might also be Recipient, Non-Federal Entity, or Pass Through Entity)

**Sub-recipient** > entity that receives grant funds from the grantee to carry out specific activities or projects outlined in the grant proposal (might also be Sub-grantee or Sub-awardee)

**Contractor** > a vendor hired to perform specific services or tasks outlined in the grant agreement

**Beneficiaries** > the people, groups, or organizations that receive the benefits or resources provided by the grant

**Performance Metrics:** Many grants will include performance metrics or milestones that you must meet in order to receive continued funding or to successfully complete the project.

**Reporting Obligations:** The award document will specify the frequency and format of required reports, which typically include financial reports, progress reports, and final reports.

**Compliance Provisions:** Federal grants come with various compliance requirements, such as those related to civil rights, environmental regulations, and financial management. It will also outline any intellectual property rights, and any special conditions specific to your grant.

**Administrative Details:** This section may include information about administrative procedures, such as how to request amendments to the grant, how to handle changes in key personnel, and how to address disputes or issues that may arise during the grant period.

**Document Retention Requirements:** To be prepared for future questions or audits, the award document will outline how grant documents are to be retained and for how long.

**Contact Information:** The award document will provide contact information for the federal agency responsible for administering the grant, as well as any program officers or other contacts who can provide assistance or clarification.

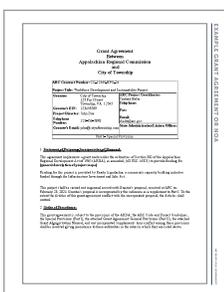
**Authorized Signatures:** To make the document official, it must be signed. Typically only two signatures are required.

**Attachments:** Depending on the particular grant, the award document may also include attachments such as a conflict-of-interest statement, disclosure of lobbying activities, and labor wage decisions.

**TIP:**

Never assume you understand what a term means without checking the contract or the UG. Different agencies use the same exact terms to mean completely different things. Using the wrong term or interpreting it incorrectly can unnecessarily raise flags or create communication challenges. Definitions can be found at the beginning of whatever regulation sets out the funding.

Example NoA



**ACTIVITY: Example Notice of Award (NoA)**

Spend a few minutes looking over the *Example NoA/Grant Agreement*. Discuss any questions you have about it in your cohort.



## CREATING SUB-AWARDEE MONITORING PLANS

(15 minutes)

In some cases, you may have another organization (like a neighboring municipality) who is partnering with you on the grant. Rather than create contracts with both organizations, the federal agency will enter into the agreement with one organization—the grantee— while the other is viewed as a sub-recipient or sub-awardee.

The sub-awardee’s contract is with the grantee, not the federal agency.

Although sub-awardees are subject to all the same terms and conditions as the grantee, it is on the grantee to monitor their activities to ensure compliance. **At the end of the day, you’re on the hook and responsible for everything they do!**

As such, you need to have a couple things in place:

**Sub-award Contract:** The grantee and the sub-recipient must establish a formal agreement outlining the terms and conditions of the sub-recipient’s involvement, including the scope of work, budget, reporting requirements, and compliance with applicable laws and regulations. It should mirror the contract the grantee signed with the federal agency.

**Sub-recipient Monitoring Plan:** Because the grantee is responsible for monitoring the activities and performance of the sub-recipient throughout the grant period, a monitoring plan should be developed to ensure compliance with the terms of the sub-award, including regular progress reports, financial documentation, site visits, and other forms of oversight.

**Communication Channels:** Effective communication and collaboration between the grantee and the sub-recipient are essential for the success of the project. Regular meetings, updates, and feedback mechanisms should be established to ensure alignment with project goals and objectives.

Remember, it’s your job to make sure the sub-awardee understands everything and that they can successfully carry out the work. You are responsible to the federal agency.

### ACTIVITY: Sub-Awardee Monitoring

Do you have any organizations that would be considered sub-awardees or sub-recipients? What steps do you need to take to put a monitoring plan in place?

# PROCUREMENT 101

(40 minutes)

## TIP:

If there are different procurement requirements at the local, state, and federal level, go with whichever is the most stringent to ensure compliance.

One of the most important things to do correctly in administering a federal grant is **procurement**—the activity of acquiring goods or services.

In order to fulfill the terms of your grant contract, you'll likely need to hire someone or buy something. Procurement processes are how you ensure the grant money is spent wisely and fairly. By following these processes, the government can show that taxpayer funds are used responsibly, prevent misuse of money, and make sure that goods and services bought with grants meet the required standards.

If you don't do it correctly, you can be required to pay back the funds or be penalized in the future. Take the time to get it right from the start.

## THE PROCUREMENT LIFECYCLE

Go through the full process every time. There are no shortcuts.

1. **Determine needs + scope.** Identify the goods, services, or works required to achieve the goals of the grant. Be specific and refer to what is in the grant contract.
2. **Conduct market research + analysis.** Look into different suppliers, check out various prices and quality, and understand what's available in the market. In other words, be informed before you start making decisions.
3. **Decide procurement method + complete supplier list.** Different types of goods and services require different methods, so be sure to know which is the best method to achieve your goals.
4. **Develop solicitation.** Develop a solicitation for potential vendors to respond to that outlines how goods or services will be acquired, including budget, timeline, and compliance with federal regulations.
5. **Issue solicitation.** Advertise the procurement opportunity through appropriate channels, such as government procurement websites or publications.
6. **Negotiate + award contract.** Review proposals from potential suppliers based on criteria outlined in the solicitation documents, including compliance with grant requirements and cost-effectiveness. Select the supplier or contractor that best meets the grant objectives and complies with federal regulations.
7. **Finalize contract or purchase order.** Issue purchase orders or contracts to the selected supplier.
8. **Oversee delivery of supplies or services.** Receive goods or services.
9. **Verify performance + process payment.** Monitor supplier performance to ensure compliance with the terms of the grant and federal regulations. This includes verifying that goods or services provided meet quality standards and are delivered on time. Approve invoices for payment in compliance with the policies set out as part of your grant administration plan.
10. **Conduct audit + closeout.** Document procurement activities and expenditures as required by the grant agreement and federal regulations.



## PROCUREMENT TYPES + METHODS

There are four main categories to understand regarding how you go about procurement.

**Micro-purchases:** Micro-purchase procurement is a simple and quick way for organizations to buy goods or services worth a small amount, usually under \$10,000. It involves using streamlined methods to make purchases without the need for lengthy paperwork or competitive bidding.

**Small purchases:** Small purchase procurement is a simplified way for organizations to buy goods or services that are more expensive than micro-purchases but still below a certain threshold, often between \$10,000 and \$250,000. It usually includes soliciting quotes from multiple suppliers or negotiating directly with them.

**Bids:** Using bids for procurement means asking different companies to offer their prices and plans for providing what’s needed for the project. Exactly what is required is given to them and they provide a price.

**Competitive proposals:** A solicitation for competitive proposals involves inviting organizations or individuals to submit detailed proposals outlining how they will address the objectives of the grant-funded project. This is done through either a Request for Proposals (RFP) process or a Request for Qualifications (RFQ) process.

### TIP:

Procurement thresholds are subject to change. Make sure to consult the “Uniform Guidance” for current numbers.

### TIP:

RFPs ask for organizations to propose their own methodology and price to accomplish a project. The agency then figures out which project holistically is the best fit.

RFQs ask for a submission of qualifications to complete the work, i.e., their capability to perform. The scope of work and price are negotiated after the selection is made.

## ACTIVITY: Procurement Methods Chart

Follow along with the *Procurement Methods Chart* as we discuss various procurement methods, how they work, and when to use them.

Procurement Methods

Procurement Method	Threshold	When to Use	When to Avoid	Key Features	Key Risks	Quality of Award
Micro-purchase	Under \$10,000	Simple, quick, and easy to use	Not suitable for complex projects	Streamlined process	Low cost	High quality
Small purchase	\$10,000 to \$250,000	Simple and quick	Not suitable for complex projects	Streamlined process	Low cost	High quality
Bids	Over \$250,000	Best for complex projects	Not suitable for simple projects	Formal process, competitive	High cost	High quality
Competitive proposals	Over \$250,000	Best for complex projects	Not suitable for simple projects	Formal process, competitive	High cost	High quality

## CONTRACTOR SELECTION AND COMPETITIVE PROPOSAL WRITING

The most nuanced form of procurement is soliciting competitive proposals. A couple things can help make this process go smoothly.

**Have a clear policy in place.** A clear policy that aligns with the agency’s procurement requirements will aid in transparency and fairness throughout the process and promote compliance.

**Define clear objectives and detailed specifications.** Clearly define the project objectives, scope of work, and desired outcomes. This helps potential contractors understand the project requirements and submit proposals that align with your needs. Detailed specifications and requirements for the goods or services you’re seeking (quality standards, quantities, timelines, and any other relevant details) will ensure accurate proposals.

**Do your market research first.** Having some idea of what the project will entail and cost will help you craft a better RFP or RFQ.

**Establish evaluation criteria.** Have a scoring methodology that's clear and standardized to help you rate proposals objectively. Consider factors such as technical capabilities, past performance, price, and compliance with requirements.

**Encourage innovation.** Allow room for contractors to propose innovative solutions or approaches that may improve project outcomes or efficiency. This can lead to creative ideas and better value for your organization.

## COMMON PROCUREMENT PITFALLS

Making mistakes in your procurement processes can kill your grant or prohibit you from qualifying for future grants. Be aware of these common pitfalls:

**Lack of transparency across stakeholders:** *Everyone*—and we mean everyone—needs to clearly understand the rules and regulations governing your procurement processes. Remember, you are responsible to make sure it's done right, so be clear and transparent about what needs to be done with everyone involved (staff, sub—recipients, vendors, other stakeholders, etc.).

**Misunderstanding exemptions:** In small communities in particular, it can be difficult to adhere to the rules. The Uniform Guidance offers some ways forward, but you have to make sure you properly understand what they mean and follow the processes needed to actually qualify for them. Exemptions include:

- **Under a certain threshold:** Procurements under a certain threshold are exempt from many of the standard procurement requirements, such as competitive bidding. However, recipients must still ensure that prices are reasonable and document the basis for vendor selection.
- **Sole source:** Under certain circumstances, a noncompetitive (sole source) procurement may be allowed. This exemption typically applies when only one source can meet the recipient's needs, such as for specialized goods or services.
- **Emergency procurements:** In emergency situations that threaten the health, safety, or welfare of individuals or property, recipients may be exempt from standard procurement procedures to expedite the acquisition of necessary goods or services.
- **Federal agency approval:** Some exemptions may require prior approval from the federal awarding agency. Recipients should consult with the appropriate agency to determine whether approval is needed before proceeding with a nonstandard procurement.
- **Inadequate competition:** Despite efforts to seek bids or proposals from multiple potential suppliers or contractors, the level of competition is insufficient. This could mean that either too few entities submitted bids or proposals, or the bids/proposals received do not represent meaningful competition due to factors such as unreasonably high prices, lack of responsiveness to requirements, or other issues.



**Relying on a previous procurement:** If you've already done the process before, it seems logical to think you won't need to do it again. However, failure to properly go through the process each time can make you miss nuances in the federal requirements and result in a lack of compliance. Do not reuse BuyBoard or Cooperative Purchase agreements. Each solicitation should be independently assessed and reviewed.

**Not paying attention to the proper order:** Sometimes there are requirements that must be completed (like environmental clearance for a project or a public comment process) before you can begin the procurement process.

**Conflicts of interest:** Failure to identify and manage conflicts of interest among procurement officials or contractors can undermine fairness and integrity in the procurement process (and get you in trouble).

**TIP:**

Go through the procurement process fully, every time. No shortcuts.

### ACTIVITY: Procurement Discussion

*In your cohorts:*

How clear are your local procurement policies? What mistakes have you seen made and how do you guard against them?

## PROGRESS + PERFORMANCE REPORTS

*(15 minutes)*

Progress and performance reports required for federal grants typically vary depending on the specific grant program and the terms outlined in the grant agreement.

**Wonder what is required? Read your contract or grant agreement.** It'll tell you exactly what you need to do.

It's essential for you to carefully review the terms and conditions of their specific grant agreement to understand the reporting requirements and deadlines. Failure to submit required reports on time and in the specified format can result in penalties, loss of funding, or other consequences.

Remember, the goal of these reports is to ensure that you are using the federal dollars effectively and in accordance with their purpose. Moreover, it helps the federal agency learn what works and what challenges are faced at the local level so that future grant cycles can address these.

## Reporting Matrix

REPORTING MATRIX	Direct Expenses	Personnel	Travel	Supplies	Other
Administrative Expenses	✓				
Capital Expenses					
Construction Expenses					
Equipment Expenses					
Indirect Expenses					
Materials Expenses					
Professional Services					
Printing Expenses					
Travel Expenses					
Telephone Expenses					
Transportation Expenses					
Utilities Expenses					
Wages Expenses					
Other Expenses					

## ACTIVITY: Reporting Matrix

Follow along with the *Reporting Matrix* as we discuss various types of reports.

### TIPS FOR WRITING REPORTS

Writing narrative reports for federal grants requires clarity, specificity, and adherence to the guidelines provided by the granting agency. A couple things can help you do this well.

**Read your contract.** Carefully review the reporting guidelines provided by the granting agency. Pay attention to formatting requirements, word limits, and any specific questions or prompts that must be addressed. Follow them exactly.

**Set up data collection systems before the project begins.** Make sure you have systems set up to collect data as you go and information readily available. You never want to get to a report deadline and have to try to track down the information. You should already have it.

**Use their language.** Mirroring the language from the contract to describe grant activities makes it easier for the funder to find the information they need and make sure you are complying with the terms.

**Focus on outcomes and impact.** Emphasize the outcomes and impact of your project or program to demonstrate the value being gained from the project. Provide evidence of how your activities have benefited the community or addressed the problem identified in the grant proposal. Quantitative data, testimonials, and success stories can help illustrate the impact of your work.

**Be transparent and honest.** Tell the truth of how it's really going in your narrative report. Avoid exaggerating achievements or glossing over challenges. Acknowledge limitations and areas for improvement, and discuss plans for addressing them in future reporting periods.



## CONSTRUCTION MANAGEMENT REQUIREMENTS

(15 minutes)

Everything we've covered so far also applies to grant-funded construction projects. You need to be clear on your requirements, develop a solid grant administration plan, properly procure goods and services, and provide accurate reporting.

However, there are couple additional considerations you need to address to successfully administer a federal construction grant.

### ENVIRONMENTAL REQUIREMENTS

Environmental compliance is a crucial aspect of managing construction projects. Make sure you do all of the following.

**Know relevant regulations.** Construction projects must comply with various environmental regulations at the federal, state, and local levels. These regulations may include laws governing air and water quality, hazardous materials management, wildlife protection, wetlands preservation, floodplains, and cultural resource protection. Know what they are and how they'll impact your project.

**Conduct an environmental review.** Before initiating a construction project, it's often necessary to conduct an environmental review to evaluate potential environmental effects. This assessment may involve identifying sensitive habitats, assessing potential pollution sources, and determining measures to mitigate adverse impacts.

**Pull the right permits.** Depending on the nature and scale of the construction project, various permits and approvals may be required from environmental regulatory agencies. Examples include permits for stormwater discharge, wastewater discharge, air emissions, wetlands disturbance, and endangered species protection.

**Mitigate your environmental impact.** Implement measures to minimize environmental impacts throughout the construction process. These may include erosion and sediment control measures, dust suppression techniques, noise mitigation strategies, waste management practices, and pollution prevention measures.

**Properly manage and dispose of hazardous materials.** Have a plan for hazardous waste generated during construction activities. This includes identifying, handling, and disposing of hazardous substances such as lead-based paint, asbestos-containing materials, PCBs, and other hazardous chemicals in accordance with applicable regulations.

**Actively monitor and report on your work.** Regularly monitor construction activities to ensure compliance with environmental regulations and permit conditions. Keep detailed records of environmental monitoring data, inspections, and corrective actions taken. Submit required reports to regulatory agencies as specified in permits and agreements.

#### TIP:

Remember, if the work changes, you may need to update your environmental review.

## DAVIS-BACON RELATED ACTS (DBRA) REQUIREMENTS

The Davis-Bacon Act of 1931 was created during the Great Depression to make sure workers on federally funded construction projects were paid fairly. Contractors had been underpaying workers to win bids, leading to poor wages and conditions. This law required fair pay for labor.

The Contract Work Hours and Safety Standards Act (CWHSSA) of 1965 extended these rules to service contracts with the federal government. It set minimum wages, overtime pay, and safety standards for service workers. These laws aimed to protect workers from exploitation and ensure they had decent pay and working conditions on federal projects.

Other related acts and amendments have been added over time to strengthen or modify these laws. Together, they are known as the Davis-Bacon Related Acts (DBRA).

Together, they aim to protect workers from exploitation, ensure fair competition among contractors, and promote safe and healthy workplaces.

Why do they matter? When awarding contracts for construction or services funded by federal grants, local governments must include clauses that require contractors and subcontractors to comply with applicable labor standards. These include provisions related to paying prevailing wages, providing fringe benefits, ensuring safe working conditions, and maintaining accurate payroll records.

Moreover, the Department of Labor determines classifications and rates. You cannot pay less or you will be in breach of your grant agreement.

## COMMON CONSTRUCTION PITFALLS

Several common pitfalls can arise for local governments or organizations when managing federally funded construction grants. These pitfalls can result in delays, cost overruns, compliance issues, and other challenges.

**Poor Planning:** Insufficient planning, including incomplete project designs, inaccurate cost estimates, and unrealistic timelines, can result in delays, cost overruns, and disruptions to project implementation.

**Procurement Violations:** Violating federal procurement rules, such as competitive bidding requirements or conflicts of interest policies, can jeopardize grant funding and lead to legal challenges. Also, failure to register for a UEI in SAM.gov can make a vendor ineligible.

**Cost Overruns and Funding Shortfalls:** Inaccurate cost estimates, unforeseen project expenses, and inadequate budgeting can result in cost overruns and funding shortfalls, requiring additional resources or project modifications to complete the work.

**Inadequate Risk Management:** Failure to identify and mitigate project risks, such as construction delays or material shortages, can lead to project disruptions and increased costs.

### TIP:

If you can't find information on the wages needed, you may have to request them from the agency.

### TIP:

Subcontractors must be cleared to work on the project and are subject to the same requirements as the primary contractor. Adding subcontractors without going through the proper processes can create issues.



## ACTIVITY: Construction Management

*In your cohorts:*

How clear are you on what goes into construction management for a federal grant? What mistakes have you seen be made and how do you guard against them?

## GRANT CLOSEOUT PROCEDURES

*(15 minutes)*

You did it! You successfully completed the project as outlined in your grant agreement. What happens next?

Even though the project is done, the grant is not officially completed until you complete the **grant closeout procedures**—the steps that organizations must follow to officially finish their grant projects and meet all requirements.

What is required will typically depend on the agency, but several activities remain consistent across all federal grants:

**Reconcile financial expenditures associated with the award.** You must check and verify that the money spent was what was planned in the budget. Reconciliation involves verifying that the amounts spent align with the approved budget categories, confirming that expenses are allowable and properly documented, and addressing any discrepancies or inconsistencies found during the review.

**Unobligate any balances, disallowed costs, and amounts potentially subject to collection.** This step involves removing any leftover funds that haven't been used, costs that aren't allowed, or money that might need to be repaid to ensure that the financial records accurately reflect the true status of the grant by adjusting or removing these items that shouldn't be included in the final accounting.

**Submit required final reports.** You'll submit financial reports, including expenditure reports and final accounting of funds spent and any required programmatic reports detailing the outcomes, achievements, and impact of the grant-funded activities.

**Resolve any outstanding issues:** Any outstanding issues or discrepancies identified during the review process must be resolved before the grant can be closed. Depending on the severity of the issue, you may need a corrective action plan to rectify the mistake.

### TIP:

Many agencies have a closeout checklist to help you make sure everything needed is addressed. Find it and use it to guide your closeout efforts.

### TIP:

Regular and accurate reporting will help you catch issues early and address them before closeout. Agencies are not above making mistakes either. Proper documentation can lessen the severity of penalties or back up your case if something was missed.

**TIP:**

Always keep two copies—one printed and one digital (backed up on the cloud, not a single device)! This ensures you'll have records available for audit purposes, compliance, and future reference.

**Retain all records in accordance with retention requirements.** You'll need to keep all relevant documents and records in line with the specified guidelines for a designated period of time. This typically involves storing documents such as financial records, reports, invoices, receipts, and any other pertinent paperwork related to the grant or project.

If everything is done correctly, you'll be notified and receive an Administratively Complete Letter from the agency.

## FIELDWORK

- Pull up 2 CFR Part 200 on your computer at [ecfr.gov](http://ecfr.gov). Bookmark the page. Then spend a little time getting familiar with it and where to find information you'll need in the future.
- Finish filling out your *Grant Administration Planning* worksheet and compare notes with your team. What do you already have figured out? Where do you need to focus your efforts?
- Check your local procurement policies and compare them to those outlined in 2 CFR Part 200/Uniform Guidance. Do they cover everything? What else will you need to do to be compliant?

## INTRODUCTION

*Provide an overview of the grant program, its objectives, and the entities involved in the administration of the grant.*

## ROLES + RESPONSIBILITIES

*Clearly define the roles and responsibilities of key personnel involved in the administration of the grant, including the grantee organization, project staff, and any collaborating partners or sub-recipients.*

NAME	ROLE	RESPONSIBILITIES

## POLICIES + PROCEDURES

Plan out all the policies you'll need to successfully execute your grant.

TYPE	DESCRIPTION	POLICIES NEEDED/NOTES
Financial Management	<i>procedures for budget development, financial reporting, accounting practices, and compliance with federal cost principles and regulations</i>	
Procurement + Contracting	<i>procurement policies and procedures for obtaining goods and services necessary for the grant-funded activities</i>	
Compliance + Monitoring	<i>protocols for monitoring grant activities to ensure compliance with federal regulations, programmatic requirements, and performance goals</i>	
Recordkeeping + Document Retention	<i>recordkeeping practices for maintaining documentation related to grant expenditures, program activities, and other relevant information</i>	
Amendments	<i>process for requesting and obtaining amendments to the grant agreement, including changes to the budget, scope of work, or other terms and conditions</i>	
Labor	<i>policies regarding wages, payroll, benefits, and nondiscrimination</i>	
Environmental Compliance	<i>policies and procedures to convey and incorporate required environmental mitigation measures</i>	
Subrecipient Monitoring (if applicable)	<i>procedures for selecting, monitoring, and evaluating subrecipients to ensure their compliance with grant requirements</i>	





## CLOSEOUT CHECKLIST

*Specify the procedures for closing out the grant, including final financial and programmatic reporting, disposition of any remaining funds, and compliance with federal closeout requirements.*

- Review grant contract/agreement.
- Ensure all milestone requirements are met.
- Reconcile final grant budgets, final balances, and final internal accounting records/ledgers.
- Unobligate any balances, disallowed costs, and amounts potentially subject to collection.
- Submit all final reports (financial, performance, and other).
- Organize your documents and get them ready for audit.
- Review all electronic and paper records for completeness.
- Put the proper documentation procedures in place for retaining records.

**Grant Agreement  
Between  
Appalachian Regional Commission  
and  
City of Township**

<b>ARC Contract Number:</b> CC-12345-NPO-24		
<b>Project Title:</b> Workforce Development and Sustainability Project		
<b>Grantee:</b>	City of Township 123 First Street Township, VA 12345	<b>ARC Project Coordinator:</b> Cortney Beltz
<b>Grantee's EIN:</b>	123456789	<b>Telephone:</b>
<b>Project Director:</b>	John Doe	<b>Fax:</b>
<b>Telephone Number:</b>	123-456-7890	<b>Email:</b> cbeltz@arc.gov
<b>Grantee's Email:</b>	john@cityoftownship.com	<b>State Administration/Liaison Officer:</b>
Part I - Special Provisions		

**1. Statement of Purpose - Incorporation of Proposal:**

This agreement implements a grant made under the authorities of Section 302 of the Appalachian Regional Development Act of 1965 (ARDA), as amended, (40 USC 14321) to provide funding for **[general description of project scope]**.

Funding for this project is provided by Ready Appalachia, a community capacity building initiative funded through the Infrastructure Investment and Jobs Act.

This project shall be carried out in general accord with Grantee's proposal, received at ARC on February 23, 2024. Grantee's proposal is incorporated by this reference as a supplement to Part I. To the extent the Articles of this grant agreement conflict with the incorporated proposal, the Articles shall control.

**2. Order of Precedence:**

This grant agreement is subject to the provisions of the ARDA, the ARC Code and Project Guidelines, the Special Provisions (Part I), the attached Grant Agreement: General Provisions (Part II), the attached Grant Administration Manual, and any incorporated Supplements. Any conflict among these provisions shall be resolved giving precedence to these authorities in the order in which they are listed above.

**3. Reports:**

A progress report for each 120-day period and a final report are required under this agreement (see Part II, Article 4).

**4. Consideration and Method of Payment:**

**A. Total.**

For the complete and satisfactory performance of this grant agreement, as determined by ARC, Grantee shall be paid by ARC a total sum not to exceed \$25,000 of actual, reasonable and eligible project costs. Grantee shall pay, or cause to be paid, the non-ARC share of \$5,000 in cash, contributed services, or in-kind contributions, as approved by ARC.

**B. Method.**

Progress and advance payments of total ARC-approved funds are authorized under this agreement.

**5. Budget:**

Costs will be determined in general accord with the budget submitted on 2/23/2024, which is hereby incorporated into this agreement as Supplement B to Part I, subject to the terms of this Grant Agreement and pertinent ARC Code Provisions.

**6. Period of Performance:**

The grant period of performance shall be 6/1/2023 through 6/1/2024.

Charles Howard-2/23/2024 2/23/2024

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**General Counsel** **Date**  
John Doe-2/24/2024 2/24/2024

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**John Doe** **Date**  
**Executive Director**

ARC Contract No.: CC-12345-NPO-24

Part II  
Appalachian Regional Commission  
Grant Agreement: General Provisions

**Article 1 General Procedures.**

ARC grants shall be administered in accord with the Office of Management and Budget guidelines, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards found in Chapter 2 of Title 2 of the Code of Federal Regulations and other Federal regulations as applicable.

**Article 2 Restrictions on Use of ARC Funds.**

Grantee warrants that it is cognizant of Section 224(b)(1) of the ARDA, which prohibits the use of ARDA funds to assist businesses to relocate from one area to another; and that, further, in keeping with Commission policy, it will not utilize ARDA funds actively to engage in any activity, the purpose of which is to encourage businesses now operating in one state to relocate into another state. No funds provided under this agreement will be used to publish or distribute material which would solicit such relocation.

**Article 3 Work Plan/Detailed Budget.**

(1) Grantee shall submit, as required by the ARC Project Coordinator, a work plan and/or budget for any and/or all of the tasks specified in Part I.

(2) Prior to submission of any work plan and/or budget so required by the ARC Project Coordinator, no costs shall be eligible for reimbursement, except those costs directly related to the preparation of such work plan and/or budget. Within one week after receipt, ARC shall complete a preliminary review of the work plan and/or budget and shall immediately advise the Grantee either that it is unacceptable or that it is preliminarily approved. After such preliminary approval by ARC, the Grantee may proceed with work on the project immediately with such modifications in the work plan and/or budget as required by ARC.

**Article 4 Reports.**

(1) Progress Reports. Grantee shall prepare and submit to the ARC Project Coordinator, progress reports indicating the work accomplished under the agreement to date, any problems encountered and ameliorative actions taken, and a forecast of work for the next report period.

(2) Final Report. Within one (1) month after the period of performance (see Part I), Grantee shall prepare and submit to the ARC Project Coordinator for approval, a final report (2 copies and a reproducible master) of all work accomplished under this Agreement including recommendations and conclusions based on the experience and results obtained.

**Article 5 Contracting Procedures**

In contracting for services and/or purchasing equipment under this Agreement, Grantee shall assure that (1) all contracting shall be at prices and on terms most advantageous to the Grantee and to the project; and (2) all interested parties shall have a full and fair chance at doing business with the Grantee. Grantee shall arrange for all contracting through competitive bidding, or, if permitted by state law, other negotiating and contracting procedures that will assure compliance with (1) and (2) above.

**Article 6 Subcontracting.**

The Grantee shall not enter into subcontracts for any of the work contemplated under this Agreement without obtaining the prior written approval of the Project Coordinator, and subject to conditions and provisions as the Project Coordinator may deem necessary, in his/her discretion, to protect the interests of the Commission: Provided, however, that notwithstanding the foregoing unless otherwise provided herein, such prior written approval shall not be required for the purchase by the Grantee of articles, supplies, equipment and services which are both necessary for and merely incidental to the performance of the work required under this Agreement: Provided, further, however, that no provision of this article and no such approval by the Project Coordinator of any subcontract shall be deemed in any event or in any manner to provide for the incurrence of any obligation by the Commission in addition to the total grant amount and the Commission shall not be responsible for fulfillment of Grantee's obligations to subcontractors: Provided, further, that no subcontracting shall be deemed to relieve the Grantee of any obligations under this Agreement.

**Article 7 Coordination and Non-Duplication.**

In carrying out the project under this Agreement, Grantee shall assure that the planning, design work and implementation of activities are coordinated with activities conducted by Grantee under other related ARC grants, if any, and shall assure that there shall be no duplication of effort or funding under this Agreement of any work or payments under those grants.

**Article 8 Project Personnel.**

ARC reserves the right to approve or disapprove the selection or continued participation of any personnel supported with funds made available under this Agreement.

**Article 9 Compliance with Applicable Laws.**

Grantee shall assure that all provisions of applicable federal, state, and local laws shall be complied with in the conduct of activities under this grant agreement. The ARC reserves the right to suspend or terminate this agreement in the event that applicable federal, state, and local laws and regulations are not complied with. Such right shall not be exclusive and does not affect rights and remedies

provided elsewhere by law, regulation, or agreement.

#### **Article 10 Retention of Rights.**

Title to equipment purchased with grant funds resides with the Grantee and assignees and successors approved by ARC, but the equipment must be accounted for during and after the end of the project period. Accountability may be satisfied by continued use during its useful life in the same or other projects related to objectives of the ARC, as approved by ARC. If the equipment is disposed of or transferred during its useful life to a use outside the scope of the ARC objectives, an amount equal to the resale value or the value of the ARC share at the time of disposal must be deposited in the grant account if still open, or the federal share must be refunded to ARC or an ARC-designated successor. ARC reserves the right to transfer such equipment and title thereto or other interest therein, to ARC, or an agency of the federal government or to another Grantee, in the event equipment, leased or purchased with funds under this agreement, is no longer used primarily for the purposes for which it is dedicated under this agreement, or is not used in substantial accord with the applicable provisions of this agreement.

It shall be Grantee's responsibility to monitor all use to ascertain that all such equipment is being used primarily for the purposes outlined herein. Grantee may propose to ARC that the equipment be transferred to another agency or entity which could utilize it for the purposes outlined in this agreement. Such transfers shall be subject to prior approval by the ARC Project Coordinator and to the reservation of rights in this Article.

#### **Article 11 Method of Payment.**

(1) Progress Payments. Grantee may receive progress payments (a) on the basis of the work performed; (b) upon ARC concurrence as to reasonableness of costs and submission of Form SF 270 (Request for Advance or Reimbursement); and; (c) upon submission to ARC of, and with the same frequency as, progress reports; and (d) upon determination by the ARC that the requirements of the agreement are being met. The total of such progress payments shall not exceed ninety (90) percent of the total grant amount unless specifically authorized in Part I of this agreement.

(2) Advance Payments. Grantee may receive advances of funds, in amounts sufficient to meet scheduled payroll costs and other related costs, including payments to subcontractors on the following basis: (a) Grantee's certification that a firm commitment has been obtained from each employee appointed under this agreement, or that firm, formal subcontracts have been executed which will require payments for goods and services to be delivered during the period for which advance is sought; (b) upon submission of form SF 270 (Request for Advance or Reimbursement) and on the basis of cost estimates approved by the ARC Project Coordinator; (c) Grantee's certification that any previous advance has been exhausted (if previous advance has not been exhausted, this remainder must be used to meet scheduled expenses payable during the next period); any additional advance subject to ARC concurrence as to need; and (d) satisfactory progress on tasks specified in Part I and the incorporated proposal.

Total Advance Payments shall not exceed 90 percent of the total grant amount unless specifically authorized in Part I of this agreement.

(3) Final Payment. Upon Grantee's satisfactory completion of the Agreement, Grantee shall receive

any balance of funds which may be due under this Agreement.

(4) Disbursements. All disbursements shall be for obligations incurred, after the effective date, in the performance of this Agreement, and shall be supported by contracts, invoices, vouchers and other data, as appropriate, evidencing the disbursements.

**NOTE:** All payment requests must show the 9-digit taxpayer identifying number (TIN) assigned by the Internal Revenue Service. For individuals, the Social Security Number serves as the TIN; for businesses, the Employer Identification Number serves as the TIN.

#### **Article 12 Grant-Related Income.**

Grant-related income means gross income earned by Grantee from grant supported activities and shall include, but not be limited to, income from service fees, sale of commodities, or usage or rental fees. All grant-related income shall be reported to ARC in the progress and final reports required by this Agreement.

#### **Article 13 Rebates and Discharges from Liability.**

Grantee agrees that any refunds, rebates or credits, or other amounts (including interest earned thereon) received by the Grantee (or any Assignee) shall be paid to the Commission to the extent that they are properly allocable to costs for which the Grantee has been reimbursed under this Article. Grantee will, when requested, assign such amounts to the Commission and execute such releases as may be appropriate to discharge the Commission, its officers and agents from liabilities arising out of this Agreement.

#### **Article 14 Records /Audit.**

(1) Grantee shall establish procedures to ensure that all records pertaining to costs, expenses, and funds related to the Agreement shall be kept in a manner which is consistent with generally accepted accounting procedures. The documentation in support of each action in the accounting records shall be filed in such a manner that it can be readily located. Grantee shall maintain custody of time records, payrolls, and other data, as appropriate, to substantiate all services reported to the Commission as Contributed Services under this Agreement.

(2) All invoices, vouchers, statements of costs, and reports of disbursements of funds are subject to audit.

(3) Any payment may be reduced for overpayment(s) or increased for underpayment(s) on preceding invoices or vouchers. In the event of overpayment(s) ARC reserves the option of requiring the Grantee to reimburse the Commission for the amount of the overpayment(s).

(4) If Grantee has not provided either cash or contributed services of a value determined by the Commission to be sufficient to support the payments made by the Commission, or has failed to obligate or disburse any such sums for the purpose of this Agreement, the final payment shall be

reduced, or the Grantee shall make an appropriate refund.

(5) The Grantee agrees that the Federal Co-Chairman of the ARC, the Comptroller General of the United States, the ARC, or the duly authorized representatives of any of them shall, until the expiration of three years after final payment under this Agreement, have access to and the right to examine any books, documents, papers, and records of the Grantee involving transactions related to this Agreement.

(6) The Grantee will, in each subcontract, require the subcontractor to agree to the application of the provisions of this article in a similar manner to the subcontractor's records relating to said subcontract.

#### **Article 15 Responsibilities.**

Notwithstanding any other provisions of this Agreement, it is expressly agreed that:

(1) Grantee will carry out the program under this Agreement as an independent contractor and not as agent of the Commission;

(2) Grantee assumes sole and complete responsibility for the conduct of the program in such a manner as to assure the safety and welfare of all persons participating in or in any way involved in, or affected by, any activities conducted under this Agreement; and

(3) The Commission, by its provision of funds for this project, undertakes no responsibility in this regard.

#### **Article 16 Grantee's Principal Personnel.**

The Project Director shall be responsible for the general guidance and overall supervision of Grantee's efforts. The Project Director shall maintain liaison with the Commission's Project Coordinator. In the event the replacement of the Project Director becomes necessary, the Grantee will advise the Commission, in writing, of the change. The Commission reserves the right to disapprove any proposed substitute or addition.

#### **Article 17 ARC Representative.**

The Project Coordinator is responsible for (i) providing liaison between the Commission and the Grantee, and (ii) obtaining approval of work accomplished by Grantee. The Commission may, in its discretion, change the Project Coordinator at any time, in which event it shall notify the Grantee in writing of the change.

#### **Article 18 State Administration and Liaison Officer.**

Grantee shall submit copies of all correspondence, reports and requests for payment required to be submitted to ARC simultaneously to the State Administration and Liaison Officer named in this

Agreement.

#### **Article 19 Disputes.**

(1) Procedure. Except as otherwise provided in this Agreement, in the event of any dispute arising under this Agreement concerning a question of fact which is not disposed of by agreement, a decision regarding the dispute shall be rendered by the Executive Director. The Grantee may, within 20 days from receipt of the Executive Director's written decision, submit to the Commission's Contract Review Committee (ARC-CRC), a written request for a review to which the ARC-CRC shall respond in writing within 60 days. Alternatively, the Grantee and the Executive Director may mutually agree to select any alternative means of dispute resolution to resolve such dispute. The decision of either the ARC-CRC or the arbitrator retained for the purpose of dispute resolution, shall be final and conclusive. Pending final decision under either alternative, the Grantee shall proceed diligently with the performance of the Agreement in accordance with the Executive Director's decision.

(2) Consideration of Questions of Law. This Article does not preclude the consideration of questions of law in connection with decisions provided for in the above paragraph; provided that nothing in this grant shall be construed as making final any decision of any administrative official, representative, or the ARC-CRC on a question of law.

(3) ARC Contract Review Committee. The ARC-CRC shall consist of the Federal Co-Chairman and the States' Co-Chairman or their appointed representatives. In a dispute in which one of the parties is either the State of the States' Co-Chairman or a Grantee from said State, the States' Vice Co-Chairman, or his/her representative, shall replace the States' Co-Chairman on the ARC-CRC for that dispute alone. Nothing herein shall operate in any way as a restriction on the powers of the Federal Co-Chairman or any state member of the Commission under the ARDA.

#### **Article 20 Suspension/Termination for Cause.**

The ARC shall have the right, upon written notice to the Grantee, to suspend or terminate this Agreement for cause, whenever the Federal Co-Chairman determines there is reasonable basis to believe there has been malfeasance, embezzlement, misappropriation, unauthorized application of federal funds or material false statement in the conduct of this Agreement or any other ARC grant agreement.

#### **Article 21 Termination for Default.**

The ARC may, by written notice to Grantee, terminate this Agreement in whole or in part in accordance with Part 52.249 of the Federal Acquisition Regulations' "Default (Fixed-Price Supply and Service)" clause in effect on the date of this Agreement including, but not limited to provisions regarding failure to perform due to causes beyond the control of Grantee, the status of completed and partially completed work after termination for default, excusable default, ARC's right to reprocure, and other remedies. Such regulations are incorporated by reference as part of this Agreement. The rights and remedies of the ARC provided in this Article shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

**Article 22 Termination for Convenience.**

The ARC may, by written notice to the Grantee, terminate this Agreement in whole or in part for the convenience of the Commission, whenever the ARC determines that such action is in its best interest. If this Agreement is so terminated, the rights, duties and obligations of the parties, including compensation of the Grantee, shall be in accordance with Part 49 of the Federal Acquisition Regulation in effect on the date of this Agreement and such regulations are incorporated by reference as part of this Agreement.

**Article 23 Official Not to Benefit.**

No member or delegate to Congress, or resident Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Agreement if made with an incorporated entity for its general benefit.

**Article 24 Covenant Against Contingent Fees.**

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty the Commission shall have the right to annul this Agreement without liability or in its discretion to deduct from the grant amount or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

**Article 25 Equal Opportunity.**

Grantee shall carry out all programs and activities in compliance with Title VI of the Civil Rights Act of 1964, and other federal laws prohibiting discrimination, and in such a manner that no person shall, on the grounds of race, color, national origin, religion, sex, age or disability be excluded from participation in, be denied the benefits of, or be subject to discrimination with respect to any such programs or activities.

**Article 26 Patent Rights.**

All research and development grants are subject to the government-wide Patent Policies outlined in Department of Commerce regulations (37 CFR Part 401).

**Article 27 Statement of Federal Funding.**

When issuing statements, press releases, requests for proposals, bid solicitations, and any and all other public documents or announcements describing the project or program funded by this Agreement, Grantee agrees and warrants that it shall clearly state:(1) the percentage of the total cost of the program or project which will be financed with federal money, and (2) the dollar amount of federal funds for the project or program.

#### **Article 28 Lobbying.**

No funds made available under this Agreement may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress; however, this Article does not bar communications with Members of Congress as described in Title 18, section 1913, of the U.S. Code.

#### **Article 29 Copyrights.**

The Federal Government, through the Appalachian Regional Commission (ARC), reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal government purposes, any work developed under a contract, grant, subgrant, or contract under a grant or subgrant, and to use, and authorize others to use, for federal government purposes, any rights of copyright to which a grantee, a subgrantee or a contractor purchases ownership with grant support or contact funds. Such license to use includes, but is not limited to, the publication of such work on an ARC Web site. Use of such works for purposes related to Appalachia and the development of the Region is generally authorized by ARC to State and local governments in the ARC Region and to other public and private not-for-profit organizations serving the Region, including the Appalachian Local Development Districts.

#### **Article 30 Buy America.**

**General.** None of the ARC funds provided under this grant award may be used for a project for infrastructure unless:

- (1) all iron and steel used in the project are produced in the United States — this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;
- (2) all manufactured products used in the project are produced in the United States — this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and
- (3) all construction materials (excluding cement and cementitious materials, aggregates such as stone, sand, or gravel or aggregate binding agents or additives) are manufactured in the United States — this means that all manufacturing processes for the construction material occurred in the United States.

**Definitions.** The definitions provided in the ARC website related to the Buy America are hereby incorporated by reference. The ARC Buy America website is available at <http://www.arc.gov/BuyAmericaGuidelines>.

**Exclusions.** This Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project, but are not an integral part of the structure or permanently affixed to the infrastructure project.

**Waivers.** A waiver on the application of the domestic content procurement preference (Buy America) may be available to the ARC grantee when one of the following exceptions are present: (a) the domestic content procurement preference is inconsistent with the public interest; (b) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or (c) the inclusion of iron, steel, manufacture products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent. The grantee will request the domestic content procurement preference (Buy America) waiver in writing and according to the instructions, format, content, and supporting materials described in the ARC Buy America website, available at <http://www.arc.gov/BuyAmericaGuidelines>.

# PROCUREMENT METHODS CHART

Procurement Type	Thresholds	Market Research + Cost Estimating	Solicitation Tool	Cost + Price Analysis (Post-Submittal)	Public Notice	Basis of Award
<b>Micro Purchases</b>	typically \$0 -10,000	✓ documentation likely much less formal	Informal process; Examples may include online searches, emails to request competitive quotes. Best to keep a detailed written history of all procurement activities.	X	not applicable	Reasonable Price Lowest Bid Best Value
<b>Small Purchase</b>	typically not to exceed \$250,000	✓ documentation likely much less formal	At least 3 quotes are required	X	optional	Reasonable Price Lowest Bid Best Value
<b>Bids</b> (Sealed or Invitation for Bid - IFB)	typically greater than \$250,000	✓ documentation needed	<ul style="list-style-type: none"> <li>&gt; Negotiations are not permitted</li> <li>&gt; Use when requirements are so clearly defined that detailed specifications may describe them.</li> <li>&gt; PRICE and qualifications are primary considerations</li> <li>&gt; At least 3 quotes are required</li> </ul>	✓	✓ required	Reasonable Price Lowest Bid Best Value
<b>Competitive Proposals</b> (RFP + RFQ)	typically greater than \$250,000	✓ documentation needed	<ul style="list-style-type: none"> <li>&gt; Factors other than price are to be considered</li> <li>&gt; Negotiations are desired</li> <li>&gt; Requirements cannot be described by detailed specifications</li> <li>&gt; The vendor is expected to provide innovative ideas.</li> <li>&gt; An IFB is not practical or advantageous.</li> <li>&gt; At least 3 quotes are required</li> </ul>	✓	✓ required	Established Evaluation Criteria / Highest Scoring Proposal

# REPORTING MATRIX

Report Type	Likely Frequency	Freestyle	Form	Online	Email
<b>Narrative Update</b> (the story, delays, positive promotions, next steps)	Monthly or Quarterly	✓		✓	✓
<b>Programmatic Update</b> (performance metrics)	Monthly		✓	✓	
<b>Financial Accounting</b>	Monthly		✓	✓	✓
<b>Section 3 Reporting</b>	Quarterly		✓	✓	✓
<b>Certified Payrolls</b>	Monthly		✓		✓
<b>Environmental Review - Pre-Application</b>	Once		✓		
<b>Environmental Review + Clearance</b>	Once				
<b>Environmental Closeout - Post-Construction</b>	Once				
<b>Policy Documentation</b>	Once	✓	✓		✓
<b>Program Documents</b> (forms, applications, etc.)	Once	✓	✓		✓
<b>Monitoring Reports</b> (post-completion for properties + equipment)	Annually or bi-annually		✓		✓



