

Coronavirus State Fiscal Recovery Fund (CSFRF) Noncompetitive Procurement Information Sheet

Recipients receiving Coronavirus State Fiscal Recovery Fund¹ (CSFRF) grants are required to follow their own documented procurement guidelines when purchasing property or services. The procurement processes and procedures must be consistent with applicable federal requirements when purchasing real property, personal property, or services. If internal guidelines are stricter than the federal guidelines, the stricter guidelines must be followed. If the Recipient's² purchasing thresholds are higher than the federal guidelines for noncompetitive procurements, the Recipient must follow the lower purchasing thresholds in the federal guidelines. Uniform Grant Guidance on Procurement can be found here: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#subject-group-ECFR45ddd4419ad436d>

Federal Procurement Guidance

The following provides information on federal procurement alternatives and the use of a noncompetitive procurement. There are three categories of purchases depending on the aggregate cost of the purchase.

1. **Micro Purchases:** these are purchases of supplies or services for \$10,000 or under in aggregate.
 - a. Purchases in this category are an exception to the competitive procurement requirements (2 CFR 200.320(c)(1)). Entities should retain documentation that shows the procurement falls under the exception.
 - b. Purchase orders can be used. Over the course of the project the entity should try to diversify purchases among qualified vendors.
2. **Small Purchases:** these are purchases of supplies or services that fall within the simplified acquisition threshold between \$10,000 and \$250,000.
 - a. Price or rate quotes must be obtained from an adequate number of qualified sources and kept on file. At a minimum three bids will be considered best practice, however, if the entity's procurement policy requires a higher number of bids, that policy should be followed. The method of obtaining the prices or rate quotes/bids is up to the entity's discretion.
 - b. The entity must document the efforts taken when using the informal purchase method, including how many quotes/bids were requested and received, and how those were received, e.g., telephone, electronic, or written quotes, blanket purchase orders etc.
3. **Purchases over \$250,000.** Formal, competitive procedures as set out in the entity's guidelines and in conformance with Uniform Grant Guidance must be used.

Please note: the monetary thresholds identified are in aggregate. **Recipients must not split their purchase of services or supplies to circumvent formal procurement requirements.**

Noncompetitive Procurements are an exception to the normal competitive procurement requirements. In addition to micro purchases discussed above, the following criteria may justify the use of a noncompetitive procurement:

¹ The DAS CSFRF grant program is funded through the federal Coronavirus State and Local Fiscal Recovery Funds program. DAS administers only the State Fiscal Recovery Funds. The Local Fiscal Recovery Funds are received and managed by local governments. The federal government commonly refers to the CSLFRF program as the SLFRF program.

² DAS is the recipient of the federal funds and passes through funds to subrecipients through grant agreements. The grant agreements refer to the grantees as Recipients and to be consistent with the grant agreement we are referring to our subrecipients as Recipients in this procedure.

1. The item is available only from one source:
2. The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation.
3. When the federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal Entity; or
4. After solicitation of a number of sources, competition is deemed inadequate.

If a Recipient is using a noncompetitive procurement under one of the following criteria:

1. The micro-purchase threshold,
2. The item is available from only one source.
3. The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation.
4. After solicitation of a number of sources, competition is deemed inadequate.

The Recipient must document the reasons from the noncompetitive procurement in their grant file.

If the Recipient wants to use a noncompetitive procurement by requesting the express approval of the pass-through entity, the DAS Covid Fiscal Relief Team, they must follow the process below.

Noncompetitive Request for Approval

Send the request for approval to use a sole source procurement to your DAS Grant Analyst.

A **request for approval** must include the following information.

1. The grant number.
2. The contact information (email and phone number) of the person who should be contacted if the Analyst has questions.
3. Brief description of program and the product or service being procured and include the expected procurement amount.
4. Explanation of why it is necessary to contract non-competitively, the justification may also include the following contractor qualities:
 - a. Organizational expertise
 - b. Management
 - c. Knowledge of the program
 - d. Responsiveness
 - e. Expertise of personnel
5. Description of the required time frame within which work must be performed, and how the program will be negatively impacted if the dates of performance are not met (for example, how long it would take another contractor to reach the same level of competence). Make sure to include the financial impact in dollars. **Note:** failure to go out for bids in a timely fashion will not be sufficient grounds to approve a noncompetitive procurement.
6. Outline of the unique qualities of the contractor.
7. Additional information that provides justification for the noncompetitive procurement.
8. A declaration that this action is in the “best interest” of the sub-recipient agency and/or the Federal Government.
9. Include a Conflict-of-Interest statement as to whether there is or is not a conflict of interest between the contractor and the Recipient.

The Analyst will review the request, follow up with any questions, and endeavor to provide a response within 10 business days. The 10-day response does not apply to the 2-week reporting period to US Treasury.