

**GENERAL GRANT TERMS AND CONDITIONS**  
**Infrastructure and Innovation Grants 2022**  
**Attachment 1: Procurement Policy for Grantees**

Procurement of goods and services shall be based on an analysis of the goods or services best suited to meet project needs and scope, and shall be based on market research, including surveying colleagues and peer organizations for recommendations, cost comparisons, and references. Procurement of goods and services should be conducted in an open and competitive environment to ensure that prices paid are fair and reasonable.

Grantee shall select goods and services based on their best value to the grantee. "Best value" as used in this policy is the best price, quality, and performance achieved through competitive procurement methods in accordance with the selection requirements below.

This policy shall apply to purchase or leasing of operating goods, personal property, real property, and contracting for services of independent contractors or consultants with grant funds. If multiple small purchases of the same item are anticipated from a single vendor over the life of the project or within a given timeframe, procurement should be bid as a single purchase. Dividing or splitting procurements to remain below a procurement competition threshold is not permitted.

**Competitive Process**

**Acquisitions under \$2,000** may be made by any reasonable procedure.

**Acquisitions of \$2,000 or more but less than \$10,000**, must be processed with documented research including rate page, quotations by internet, email or telephone. Whenever possible, the decision should be based on no fewer than three comparisons.

**Acquisitions of \$10,000 or more but less than \$25,000** must be processed with competitive bidding through a Request for Quotes (RFQ). Using the internet, referrals and other relevant sources, grantee shall identify potential vendors and obtain direct quotes. Quotes may come by form of letter, email quote, rate page, oral offer, and should cover terms such as price, and product specifications (e.g., quantity, functionality, compatibility, performance capabilities, etc.) and vendor qualification (e.g., specialized expertise, reliability, warranty, delivery speed etc.) Whenever possible, the decision should be based on no fewer than three quotes.

**Acquisitions over \$25,000** must be processed with a Request for Proposal (RFP), based on responses to written solicitation for bids. The RFP is generated to prompt vendors to propose creative and innovative approaches, methodologies, and business solutions that distinguish them from others. The RFP should include:

- A description of the recipient's organization
- Product specifications or project description
- A proposed statement of work and deliverables, expectations and assumptions;
- Vendor qualifications and requirements;
- Overview of the RFP process, schedule and submission requirements;
- Proposal evaluation criteria; and

- A list of required contract terms

The Request for Proposal should be published on the organization's website and sent to potential vendors. Whenever possible, the decision should be based on no fewer than three bids.

**Sole Sourcing.** In rare circumstances, legitimate business needs may justify identifying and selecting a vendor without competition. For example, a sole-source engagement may be appropriate when the product or service is one-of-a-kind, a bona-fide emergency exists, time constraints make competing the opportunity infeasible, a grant or contract requires use of a particular vendor, or to ensure continuity of work. Sole sourcing is not appropriate to remedy poor procurement planning or to expedite selection of a preferred or long-standing business partner. Sole-source engagements must be justified and documented. Exceptional Circumstances that warrant "sole source" contract include:

- 1) Where an existing relationship with a vendor for goods or services has been established, and due to technical, compatibility, niche requirements, quality and/or cost, it would not be cost-effective to contract with a new vendor.
- 2) Where only a "sole source" can provide goods or services due to technical or niche services, compatibility with existing software or equipment, or the lack of other vendors that can meet grantee's special circumstance needs. A sole source provider can only be identified when there are no other suppliers or service providers that will satisfy the specific requirements. The projected cost must be fair and reasonable.

**Evaluation Criteria.** Grantee shall set forth objective criteria to identify, evaluate and select vendors. Considerations may include price, quality, qualifications, experience, technical expertise, plan and approach, capacity, performance, timelines, responsiveness, professionalism, customer service, past performance, willingness to accept contract terms or other factors such as references and reputation in the community.

**Documentation.** All acquisitions, whether supported by request for quote, request for proposal or sole source justification must be documented. All source documents supporting any given transaction (receipts, purchase orders, invoices, RFP/RFQ data and bid materials) must be retained and filed in an appropriate manner. The purpose of this section is to ensure that a clear and consistent audit trail is established. At a minimum, source document data must be enough to establish the basis for selection, basis for cost (including the issue of reasonableness of cost), rationale for method of procurement and selection of contract type, and basis of payment.