

ORDINANCE NO. 2021-12

Introduced by Joel Hagy

AN ORDINANCE ADOPTING INTERNAL POLICIES REGARDING FEDERAL GRANTS AND DECLARING AN EMERGENCY.

WHEREAS, the City desires to adopt internal federal grant policies to ensure adequate internal controls to account for the handling of the City's municipal cash and to maintain public trust.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Huron, Ohio:

Section 1. That the eight (8) policies set forth in Exhibits A through H attached hereto and made a part hereof shall be, and hereby are, adopted as the federal policies related to Uniform Guidance requirements for the City of Huron.

Section 2. That the various municipal officers having authority over the City's federal grants, henceforth, act in accordance with such policy.

Section 3. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public, health, safety and general welfare and for further reason that the policy adopted herein is needed for the protection and preservation of public funds; wherefore, this Ordinance shall be in full force and effect from and immediately after its adoption and due authentication.



Sam Artino, Mayor

ATTEST:


Clerk of Council

Adopted: 27 APR 2021



City of Huron
Documentation of Personnel Expenses

2 CFR 200.430 states:

- (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:
- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
 - (ii) Be incorporated into the official records of the non-Federal entity;
 - (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
 - (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
 - (v) Comply with the established accounting policies and practices of the non-Federal entity and
 - (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award;

Procedures:

Timesheets are completed by all employees and signed by the employee and then approved by the applicable department head. These timesheets or excel spreadsheets indicate the amount of time spent on federal grant activities and are then sent to the finance office to record in the system. The finance department charges the applicable grant account codes based on the timesheets as approved by the department head.

Cost Principals and Spending of Federal Funds

Purpose

It is the objective of the City to comply with 2 CFR Subpart E – *Cost Principles*. The City is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Federal grant funds will be administered in a manner consistent with all applicable Federal, State and local laws, in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award. The City through the combination of employees, facilities and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award.

Cost Principal Guidelines

- a. While Federal regulations do not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the City can demonstrate that the cost addresses an existing need and can prove it.
- b. A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received. This standard is met if the cost:
 - i. Is incurred specifically for the Federal award;
 - ii. Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
 - iii. Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.
- c. Except where otherwise authorized by statute, costs will meet the following general criteria in order to be allowable under Federal awards:
 - i. To determine whether a cost is reasonable (2 CFR 200.404), consideration will be given to:
 - 1. Whether a cost is a type generally recognized as ordinary and necessary for the operation of the City or the proper and efficient performance of the Federal award;

Cost Principles and Spending of Federal Funds

2. The restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;
 3. Market prices for comparable goods or services for the geographic area;
 4. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and
 5. Whether the cost represents any significant deviation from the established practices or policy of City Council which may increase the expense.
- ii. When determining whether a cost is necessary, consideration may be given whether:
1. The cost is needed for the proper and efficient performance of the grant program;
 2. The cost is identified in the approved budget or application;
 3. There is an educational benefit associated with the cost;
 4. The cost aligns with identified needs based on results and findings from a needs assessment;
 5. The cost addresses program goals and objectives and is based on program data.
- d. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the Federal award.
- e. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the City.
- f. Be afforded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
- g. Be determined in accordance with generally accepted accounting principles.
- h. Be representative of actual cost, net of all applicable credits or offsets.
- i. Be not included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.

Cost Principals and Spending of Federal Funds

- j. Be adequately documented:
 - i. In the case of personal services, the City will implement a system for City personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated (See the City's Time and Effort Documentation Policy);
 - ii. In the case of other costs, all receipts and other invoice materials will be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

Selected Items of Cost

- a. The City will follow the rules for selected items of cost at 2 C.F.R. Part 200.420 – 200.475, Subpart E when charging these specific expenditures to a Federal grant.
- b. When applicable, City staff will check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, City and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable and City personnel will follow those rules as well.

Cost Compliance

- a. The City will require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application.
- b. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant.

Timely Obligation of Funds

- a. Obligations are orders placed for property and services, contracts and sub awards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period (2 CFR 200.71).

Period of Performance

- a. All obligations must occur on or between the beginning and ending dates of the grant project. This period of time is known as the period of performance.
- b. The period of performance is dictated by statute and will be indicated in the Grant Award Notification ("GAN"). As a general rule, State-administered Federal funds are available for obligation within the year that Congress

Cost Principals and Spending of Federal Funds

appropriates the funds for. For direct grants, the period of performance is generally identified in the GAN.

- c. In the case of a State-administered grant, obligations under a grant may not be made until the grant funding period begins or all necessary materials are submitted to the granting agency, whichever is later. In the case of a direct grant, obligations may begin when the grant is, unless an agreement exists with the pass-through entity to reimburse for pre-approval expenses.
- d. For both State-administered and direct grants, regardless of the period of availability, the City will liquidate all obligations incurred under the award not later than ninety (90) calendar days after the end of the funding period unless an extension is authorized (2 CFR 200.343). Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and will be returned to the awarding agency. Consequently, the City will closely monitor grant spending throughout the grant cycle.

Internal Controls Over Federal Awards

Purpose

It is the objective of the City to comply with 2 CFR 200.61 and 200.303 – *Internal Controls*. The City will establish and maintain effective internal controls over Federal awards that provide reasonable assurance that the City is managing all awards in compliance with applicable statutes, regulations and the terms and conditions of the awards. The City will have a process that provides reasonable assurance regarding the achievement of the objectives in the following categories:

- a. Effectiveness and efficiency of operations.
- b. Reliability of reporting for internal and external use.
- c. Compliance with applicable laws and regulations.

Guidelines

- a. The City will establish internal controls consistent with the guidance issued in:
 - i. Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States
 - ii. Internal Control Integrated Framework (the Green Book) issued by the Committee of Sponsoring Organizations of the Treadway Commission
 - iii. The Federal Compliance Supplement issued by the United States Office of Management and Budget
- b. The City will comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- c. The City will evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of the award.
- d. The City will take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- e. The City will identify all federal awards received and understand and comply with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance.
- f. The City will take reasonable measures to safeguard protected "personally identifiable information" (PII) and other information the awarding agency or pass-through entity designated as sensitive or the City considers sensitive consistent with applicable Federal, State, local, and tribal laws and City policies regarding privacy and obligations of confidentiality. PII is defined at 2 C.F.R. 200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is

Internal Controls Over Federal Awards

linked or linkable to a specific individual." However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

Time & Effort Reporting for Federal Awards

Purpose

It is the objective of the City to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 2 C.F.R. 200.430 requires certification of effort to document salary expenses charged directly or indirectly against federal sponsored projects. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Time & Effort Reports

- a. Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation-fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:
 - i. Is reasonable for the services rendered, conforms to the City's established written policy, and is consistently applied to both Federal and non-Federal activities; and
 - ii. Follows an appointment made in accordance with the City's written policies and meets the requirements of Federal statute, where applicable.
 - iii. Is determined and supported as provided in *Standards for Documentation of Personnel Expenses*, see below.
- b. **Standards for Documentation of Personnel Expenses**

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- i. Be supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated.
- ii. Be incorporated into the official records of the City.
- iii. Reasonably reflect the total activity for which the employee is compensated by the City, not exceeding 100% of the compensated activities.
- iv. Encompass both Federally assisted and other activities compensated by the City on an integrated basis.
- v. Comply with the City's established accounting policies and practices.
- vi. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than

Time & Effort Reporting for Federal Awards

one (1) Federal award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two (2) or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

- c. The City will also follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Payroll Office is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data will be made available only to authorized auditors.

Use of Budget Estimates

- a. Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but they may be used for interim accounting purposes, provided that:
 - i. The system used by the City to establish budget estimates produces reasonable approximations of the activity actually performed.
 - ii. Significant changes in the corresponding work activity (as defined by the City's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and
 - iii. The City's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Cash Management of Federal Grants

Purpose

It is the objective of the City to comply with 2 C.F.R. 200.305 and to minimize the time elapsing between the transfer of funds from the federal government or the pass-through entity to the City.

Guidelines

- a. The City's payment methods must minimize the amount of time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and disbursement by the City, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.
- b. The City must use forms and procedures required by the grantor agency or pass-through entity to request payment. The City will request grant fund payments in accordance with the provisions of the grant. In addition, the City's financial management systems will meet the standards for fund control and accountability as established by the awarding agency.
- c. The City is authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

Cash Advances

- a. When the City uses a cash advance payment method, the following standards apply:
 - i. The timing and amount of the advance payments requested will be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.
 - ii. The City will make timely payments to contractors in accordance with contract provisions.
 - iii. If applicable, and to the extent available, the City will disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

Cash Management of Federal Grants

- iv. The City will account for the receipt, obligation and expenditure of funds.
- v. Advance payments will be deposited and maintained in insured accounts whenever possible.
- vi. Advance payments will be maintained in interest bearing accounts unless the following apply:
 - 1. The City receives less than \$120,000 in Federal awards per year.
 - 2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
 - 3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
 - 4. A foreign government or banking system prohibits or precludes interest bearing accounts.

Interest Earned on Federal Funds & Administration Costs

- a. Interest earned amounts up to \$500 per year may be retained by the City for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF or another federal agency payment system.

Program Income Related to Federal Grant Funds

Purpose

It is the objective of the City to comply with 2 CFR 200.80 while attempting to earn income to defray program costs where appropriate.

Program Income

- a. Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the Federal award during the grant's period of performance. It includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds.
- b. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts and interest earned on any of them. Additionally, taxes, special assessments, levies, fines and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income. Proceeds from the sale of real property, equipment or supplies are not program income.
- c. Unless it has received prior approval to use a different method or the terms and conditions of the grant authorize a different method, the City uses the deduction method of accounting for program income. Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the City is otherwise directed by the Federal awarding agency or pass-through entity. Example, the sponsored award amount was \$200,000. \$20,000 of program income is earned. The program income is used to off-set the award amount from the grantor and reduces the award amount to \$180,000. The total available funds for the project remain at \$200,000 (\$180,000 from the grantor and \$20,000 from the program income earned.)

Conflict of Interest - Federal

Purpose

It is the objective of the City to comply with 2 C.F.R. 200.318 and to maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. The following guidelines to assure that conflicts of interest do not occur. These guidelines apply to all City employees including members of City Council.

Guidelines

These guidelines are not intended to be all inclusive, nor to substitute for good judgment on the part of all City employees including members of City Council.

- a. No employee, officer or agent will engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his/her duties and responsibilities.
- b. No employee, officer or agent may participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he 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/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
- c. Employees, officers and agents of the City cannot solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.
- d. Employees, officers and agents must disclose any potential conflict of interest which may lead to a violation of this policy to City Council or their designee. Upon discovery of any potential conflict of interest, the Council will disclose, in writing, the potential conflict of interest to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

The City will also disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

- e. Employees, officers and agents in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable City policy.

Procurement with Federal Funds

Purpose

It is the objective of the City to maintain a procurement and contract administration system in accordance with the "Procurement Standards" set forth in 2 C.F.R. 200.317-.326 for the administration and management of federal grants and federal funded programs. The City will maintain a contract administration system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Guidelines

- a. Procurement of all supplies, materials, equipment, and services paid for with federal funds or City matching funds will be made in accordance with all applicable federal, state, and local statutes and/or regulations, the terms and conditions of the federal grant, and Council policy.
- b. The City will avoid acquisition of unnecessary or duplicative items. Consideration will 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. To foster greater economy and efficiency, the City may enter into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.
- c. The City will take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. For guidance, staff members may refer to minority-owned, women-owned, and socially and economically disadvantaged businesses approved by the Ohio Department of Administrative Service (DAS) by searching the Business Certification and Compliance page on the DAS website via the following link: <https://das.ohio.gov/Divisions/Equal-Opportunity/Business-Certification>
- d. City personnel responsible for procurement must be free from personal conflicts of interest as well as organizational conflicts of interest as described City's Conflict of Interest Policy.

Competition

- a. All procurement transactions will be conducted in a manner that encourages full and open competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, the City will exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids or requests for proposals from competition for such procurements.
- b. Some of the situations considered to be restrictive of competition include, but are not limited to:

Procurement with Federal Funds

- Placing unreasonable requirements on firms in order for them to qualify to do business;
 - Requiring unnecessary experience and excessive bonding requirements;
 - Noncompetitive contracts to consultants that are on retainer contracts;
 - Noncompetitive pricing practices between firms or between affiliated companies;
 - Organizational conflicts of interest;
 - Specifying only a 'brand name' product instead of allowing for an "equal" product to be offered and describing the performance or other relevant requirements of the procurement;
 - Any arbitrary action in the procurement process.
- c. The City will not use statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except where an applicable federal statute expressly mandates or encourages a geographic preference. When the City is contracting for architectural and engineering 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.
- d. If the City uses a pre-qualified list of persons, firms or products to acquire goods and services, such list will include enough qualified sources as to ensure maximum open and free competition.

Solicitation Language

- a. All solicitations must incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description will not, in competitive procurements, contain features which unduly restrict competition.
- b. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, will set forth those minimum essential characteristics and standards to which it will conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.
- c. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which will be met by offers will be clearly stated; and identify all requirements which the offerors will fulfill and all other factors to be used in evaluating bids or proposals.

Procurement with Federal Funds

Procurement Methods

The City will utilize one of the following methods of procurement:

a. Micro-Purchases

- i. The aggregate dollar amount does not exceed the threshold established in 2 C.F.R. §200.67. To the extent practicable, the City will distribute such purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive bids if the Board considers the price reasonable.

b. Small Purchases

- i. The aggregate dollar amount of the purchase is between the micro-purchase threshold and the simplified acquisition threshold of \$250,000, with the exception of contract subject to ORC 735.05 which require sealed bid procedures. Small purchase procedures require that price or rate quotations will be obtained from an adequate number of qualified sources.

c. Sealed Bids

- i. Sealed bids are required to be used for firm fixed price contracts over \$250,000 and is used as the preferred method for construction projects. Bids are solicited from an adequate number of known suppliers, which cannot be less than two responsible bidders. The City will solicit bids in accordance with ORC 735.05.
- ii. In order for sealed bidding to be feasible, the following conditions will be present:
 - o A complete, adequate and realistic specification or purchase description is available;
 - o Two or more responsible bidders are willing and able to compete effectively for the business; and
 - o The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price
- iii. If sealed bids are used, the following requirements apply:
 - o Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
 - o The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

Procurement with Federal Funds

- All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
 - A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- Any or all bids may be rejected if there is a sound documented reason.

d. Competitive Proposals

- i. Procurement by competitive proposal is conducted with an adequate number of qualified sources submitting an offer and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method.
- ii. If this method is used, the following requirements apply:
 - Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to the publicized requests for proposals will be considered to the maximum extent practical.
 - Proposals will be solicited from an adequate number of sources.
 - The City will use its written method for conducting technical evaluations of the proposals received and for selecting recipients.
 - Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.
 - The City may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

e. Noncompetitive Proposals

- i. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
- ii. The item is available only from a single source.

Procurement with Federal Funds

- iii. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
- iv. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the City.
- v. After solicitation of a number of sources, competition is determined to be inadequate.

Suspension and Debarment

The Council will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions will be made in the best interests of the City. Consideration will be given to such matters as (1) contractor integrity; (2) compliance with public policy; (3) record of past performance; and (4) financial and technical resources.

The City Manager will have the authority to suspend or debar a person/corporation, for cause, from consideration or award of further contracts.

The City will not subcontract with or award subgrants to any person or company who is debarred or suspended. In accordance with 2 C.F.R. §180.300, for contracts over \$25,000, the City will confirm that the vendor is not debarred or suspended by either checking the federal government's System for Award Management; collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor.

Maintenance of Procurement Records

The City will maintain records sufficient to detail the history of all procurements. These records will include, but not be limited to rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).