

# American Rescue Plan Act

PROCUREMENT, CONTRACTING, AND SUBRECIPIENT  
MONITORING

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# Overview

- Uniform Guidance
- Procurement
- Contracting
- Subrecipient Monitoring
  
- Language
  - Non-federal entity
  - Subrecipient & contractor
  - UG

# Uniform Guidance (2 CFR Part 200)

- Uniform Guidance is a separate federal rule that applies to ARPA.
  - Office of Management and Budget
- Uniform Guidance covers federal grant management for non-federal entities.
- 2 CFR Part 200 Subpart D
- SMART training

*“Strategies for sound grant management that are comprised of monitoring, accountability, risk, mitigation, and transparency.”*

# Who are you sharing funds with?

- **SUBRECIPIENT**

- Subaward for purpose of carrying out a portion of the federal award.
- Non-federal entity determines if the subrecipient.
- Performance is measured against the grant objectives

- **CONTRACTOR**

- Contract is for the purpose of obtaining goods and services and creates a procurement relationship.
- Provides similar goods and services to many different entities



# PROCUREMENT

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- Non-federal entity **MUST** have written standards and procedures.
- Written procedures that do not meet UG standards must be revised to include these standards
- Written standards **MUST** contain
  - Standards of conduct cover conflict of interest in the selection of awards and administration of contracts
  - Procurement procedure based on contract price
  - Record retention provisions

# Procurement – Micro Purchase

- **When To Use**
  - Applies to purchase of property, supplies, and services
  - Contract is for \$10,000 or less
- **Process And Procedure**
  - Purchase can be made without going out to bid or obtaining quotes
  - Recipient can choose to lower these thresholds. The change in threshold must be documented

# Procurement – Small Purchase

- **When To Use It**
  - Applies to purchase of property, supplies, or services.
  - Contract is for more than \$10,000 but less than \$250,000.
- **Process And Procedure**
  - Price or rate quotes must be obtained from at least 2 sources.
  - Unit of government can choose to lower these thresholds, The change in threshold must be documented

# Procurement- Sealed Bids

- **When To Use**

- Contract for goods or services exceeds \$250,000.
- Preferred method for construction contracts regardless of the contract price.

- **Process And Procedure**

- Bids must be publicly advertised
- Contract must be for a firm fixed price
- Clear and accurate description of the technical requirements for material, product, or service.
- Bid must be solicited from an adequate number of qualified sources
- Bid must be opened publicly. Bid must provide for sufficient response time.





# CONTRACTING

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- Contracting requirements will depend on if the contract is with a SUBRECIPIENT or CONTRACTOR
- ALL contracts must contain
  - Clause discussing termination for cause and for convenience
  - Equal Employment opportunity clause
  - Byrd anti-lobbying amendment

# Examples

- **Equal Employment Opportunity Clause**

Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

- **Anti-lobbying Amendment .**

[Certification-Regarding-Lobbying.pdf](#)



# MONITORING

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- Monitoring is for subrecipients only.
- UG does not discuss the specific standards that need to be used to monitor subrecipients.
- Recommendations
  - Performance report requirement
  - Risk assessment procedure
  - Onsite monitoring

# PERFORMANCE REPORTS

- When creating performance reports look at the expenditure category the project falls under
  - What is required to be reported out on for that category
- Performance reports at minimum should ask for:
  - Number of individuals served
  - Number of units of service provided
  - Ex. Food program reports out on how many individuals have used the program as well as how many meals have been provided
- Schedule of reporting
  - Monthly or quarterly

# PERFORMANCE REPORTS

- Performance report requirements should be discussed in the subrecipient contract
  - Be specific on what information is to be reported and the schedule of reporting.
- Performance reports tied to funding
  - Awards can be made to subrecipients upfront.
  - Releasing funds on the same schedule of performance reports allows for the more oversight from the municipality.
  - Ideally the funding requested will be proportional to the number of people served
  - Ex. Subrecipient planned to serve 100 people, performance report 1 shows 35 people have been served, they would be allowed to request 35% of their funding.



# RISK ASSESSMENTS

- Risk assessments should be done at the application phase and then throughout performance.
- Recommend making a risk assessment score card
  - Prior experience with federal grant funding
  - Staff turn over
  - Previous audit findings
  - Under performing on deliverables
  - Errors in reporting
  - Major changes to program design or program budget
- If possible task multiple employees with reviewing subrecipients for risk.

# RISK ASSESSMENTS

- If a subrecipient is determined to be high risk by the assessment tool created by the municipality than on-sight monitoring needs to be scheduled.
- I recommend scheduling on-sight monitoring prior to the subrecipient receiving more than 50% of their award.



# ON-SIGHT MONITORING

- On-sight monitoring is limited to reviewing records related to the funded project.
- Create a monitoring checklist or form.
  - Outline areas of the organization that will be reviewed.
  - Allow municipal employees to document findings.
- Documents that should be reviewed:
  - Accounting records
  - Accounting and financial processes and procedures
  - Documentation of individuals accessing the program
  - Record storage and retention procedures

# ON-SIGHT MONITORING

- FINDINGS

- Document findings from monitoring
- Create remediation plan with subrecipient

- RECOMMENDATIONS

- Do not allow subrecipient to draw down funding until remediation plan has been completed.

**Thank you.**

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