

---

# American Rescue Plan Grant Implementation Guide

Healthcare Resiliency Capital Investment Grant Program  
September 2023



## Table of Contents

Executive Summary.....	3
Procurement Documentation Checklist .....	3
Background .....	6
Grantee Responsibilities .....	6
Procurement .....	7
Procurement Requirements .....	8
Small Purchase Authority Thresholds.....	8
Informal Purchase Authorization.....	9
Formal Procurement Method.....	9
Procuring Engineering (and Architectural) Services .....	10
Diversity Business Enterprise (DBE).....	11
Required Federal Contract Provisions.....	12
Procurement Review.....	14
Reimbursement.....	18
Documentation Requirements .....	19
Ineligible Costs .....	19
Reimbursement Processing.....	19

## Executive Summary

Under the American Rescue Plan Act (ARPA), the State of Tennessee will receive \$3.725 billion in funds awarded through the US Treasury State and Local Fiscal Recovery Fund (SLFRF). The availability of one-time SLFRF funds presents a significant opportunity for the State of Tennessee to 1) continue its response to the COVID-19 pandemic and its secondary effects, 2) invest in initiatives that support a strong economic recovery, and 3) strengthen state fiscal stability. Public health officials throughout the United States have been working to address the impacts of reduced funding in public health, a weakened infrastructure, technologies, and systems lack of uniformity, workforce attrition and the need for more flexible and responsive policies. The COVID-19 response has exacerbated the cracks in the United States public health infrastructure and continuum of care. The State of Tennessee's Department of Health (TDH) has felt the inadequacies as well. The exposure of these challenges led to the much-needed Federal funding being provided to TDH, including \$145M which has been dedicated for capital investments in healthcare facilities. The funds will be used for projects in the state to increase adult and pediatric intensive care unit and floor bed capacity at acute care hospitals and long-term care facilities.

This implementation guidance provides details of grantees' federal procurement requirements and the process for reimbursement requests.

## Procurement Documentation Checklist

The below table outlines the required documentation that will be required for the procurement review. This guide will go into further details about the process in later sections.

Document Type	Document Description
Procurement Policy	Procurement policies are written by each grantee. One question on the checklist asks if the grantee's procurement policies have been satisfied. The relevant sections of the procurement policies will be reviewed and evaluated for compliance.
Request for Proposal (RFP)/Request for Bids (RFB)/Request for Qualifications (RFQ) documents	The Request for Proposal (RFP), Request for Bid (RFB) or Request for Qualifications (RFQ) packages are written solicitations for written proposals to provide goods or services. The packages are used to solicit contractors and RFPs and RFBs include cost estimates.
Proof that the RFP/RFB/RFQ was made available to adequate numbers of bidders	Procurements are required to have full and open competition. They should also have an adequate number of bids. The grantees will need to provide

FOR INTERNAL DISCUSSION PURPOSES ONLY

	proof of the solicitation posting. Two questions on the checklist ask whether full and open competition was conducted and whether advertisement documentation was provided.
Independent Cost Estimate	The grantees will need to provide an independent cost estimate (ICE) if the procurement is in excess of the federal Simplified Acquisition Threshold (SAT) of \$250,000. However, the state or local threshold should be followed if it is more stringent than the \$250,000 federal threshold*. An ICE is an independent assessment of what you would expect to pay for goods or services, based on a reliable source, such as paid historical prices, industry standard, or market survey. Subrecipients may also request informal cost estimates from suppliers or manufacturers when developing and ICE. This ICE usually occurs prior to bidding responses to provide somewhat of a baseline.
Price or Cost Analysis	The grantee must perform a cost or price analysis in connection with every procurement action in excess of the SAT of \$250,000, including contract modifications. However, the state or local threshold should be followed if it is more stringent than the \$250,000 federal threshold*. A price analysis is an examination of the price proposed by the anticipated subcontractor and an assessment or evaluation as to whether it is fair and reasonable. A cost analysis examines the individual cost elements that compose the total proposed estimated cost.
Evaluation Criteria	For RFQs and RFPs, documentation of the grantee's formal criteria to score proposals. It calculates and documents how the bidders were evaluated.
Bid Tabulation/Evaluation	Grantees must have a formal set of criteria to score proposals received systematically. The Bid Tabulation should calculate and document how the bidders were evaluated. Often for RFBs, the Bid Tabulation will show the line-by-line cost estimate for the Statement of Work. If the lowest bid is not selected, the grantee needs to provide additional support for that decision.
Copies of all RFP/RFB/RFQ documents submitted	The RFP/RFB/RFQs received should be provided as part of the procurement package. All the proposals submitted are required to be provided as proof of multiple vendor responses. There are specific

FOR INTERNAL DISCUSSION PURPOSES ONLY

	<p>circumstances in which there would not be multiple vendor responses; these include:</p> <ol style="list-style-type: none"> <li>1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.</li> <li>2) The item is available only from a single source.</li> <li>3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation.</li> <li>(4) After solicitation of several sources, competition is determined inadequate.</li> </ol>
Rationale to Award, if not awarded to lowest bidder	The notification to award memorandum should be included in the procurement package. For construction procurements, if the bidder awarded the contract is not the lowest bidder, a justification stating the rationale for the award should be included.
Contract with scope of work, rate schedule, required contract provisions, and applicable documents	If the contract is fully executed, the agreement with the selected vendor should be provided. This documentation represents the contract between the vendor and the Grantee and should include all required federal contract provisions. As per Federal guidance, fixed price (also known as lump sum) contracts are the most preferred type of contract. Time and materials contracts are also eligible if no other type of contract is suitable, and the contract includes a do not exceed amount. Cost plus percentage of costs contracts are prohibited and piggybacking is highly discouraged.
Addenda/extensions/change orders issued (if applicable)	When solicitations are adjusted, or additional information is provided to potential bidders, addendums are often required to be posted/issued. This documentation should be a part of the procurement package.
Copies of correspondence with bidders (if applicable)	Copies of the Grantee's communication with the bidders, e.g., questions and answers (Q&A), any communication regarding pricing and terms, and any best and final offers (BAFO) requested.
MWBE/DBE documentation or supporting evidence	Documentation of evidence of the attempt to solicit bids from Minority Owned and Women's Business Enterprises' (MWBE) is required. If MWBE solicitation or a similar process did not occur, please confirm when the solicitation took place and if the work is

	<p>complete. The State of Tennessee created the Governor’s Office of Diversity Business Enterprise (Go-DBE) in 2003 to coordinate the state’s efforts to facilitate greater participation by minority-owned, woman-owned, persons with disabilities, service-disabled veteran-owned, and small businesses in the state’s procurement and contracting opportunities. For compliance with Go-DBE and 2 CFR 200.321, applicants are recommended to post project opportunities on the Go-DBE website. <a href="#">website</a></p>
<p>Sam.gov debarment check document</p>	<p>Any vendor awarded a contract to be funded with American Rescue Plan (ARP) funds must have an active registration on the System for Award Management (SAM or SAM.gov). A screenshot representing a vendor’s debarment status from SAM.gov must be included in the procurement package.</p>
<p>*Organizations owned by the state, city, or county must follow state procurement thresholds. Organizations with more stringent thresholds in their procurement policies must adhere to those thresholds</p>	

Figure 1 Procurement Review Documentation

## Background

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was enacted into law, expending \$1.9 trillion in federal spending in response to the COVID-19 pandemic. Several components of the Act build on programs included in earlier federal relief packages. Generally, ARPA funding has a higher degree of reporting requirements over other stimulus funding grants. State and Local Fiscal Recovery Funds (SLFRF) are statutorily limited to the following uses: 1) respond to the COVID-19 pandemic and its negative economic impact, 2) provide premium pay to essential workers, 3) supply government services to the extent the government has experienced a revenue reduction relative to the previous fiscal year, and 4) make investments in water, sewer, and broadband infrastructure.

On May 10, the U.S. Treasury’s Interim Final Rule was adopted to provide further guidance on eligible uses within these overall categories. Under the Treasury’s Interim Final Rule, SLFRF funding may be used to support a broad range of public health needs as these needs have been exacerbated by the pandemic. Eligible public health expenditures include mental health services, home visiting programs, and support for vulnerable populations to access health care services.

## Grantee Responsibilities

The grant contract is an enforceable contract from a federally funded award between a pass-through entity, TDH, and a Grantee, to develop projects. When a Grantee receives American

## FOR INTERNAL DISCUSSION PURPOSES ONLY

Rescue Plan (ARP) funds from TDH, it creates responsibilities for the Grantee to report and provide information on the use of the funding, as well as a requirement for TDH to monitor the awardees (See 2 CFR 200.331 for further guidance)<sup>1</sup>. Although 2 CFR 200 describes a “grantee” as the entity that is administering a federal program, the term “Grantee” in this document will refer to the TDH grant awardees or “subrecipient”.

Grantee responsibilities include but are not limited to:

- The Grantees must follow all federal rules and regulations identified in the SLFRF guidance. For example, Grantees must comply with civil rights laws and nondiscrimination requirements, which include prohibitions on discrimination on the basis of race, color, national origin, sex, (including sexual orientation and gender identity), religion, disability, or age, or familial status. Also, Grantees must ensure they are not prohibited from receiving grants or if they are suspended or debarred from receiving federal funds.
- Providing TDH access to records and potential financial statements to determine compliance with federal requirements (§200.331(a)(5)).
- Facilitating TDH's planned monitoring and oversight activities (e.g., on-site visits) (§200.331(e)(2)).

### Contract Terms

- Ø Period of Performance – March 3, 2021 – June 30, 2026
- Ø Procurement Standards – 2 CFR 200.318 – 2 CFR 200.327
- Ø Purchase Threshold to Obtain Quote – \$10,000 - \$250,000
- Ø Davis-Bacon Act Threshold – Projects greater than \$10M or combining funds with federal dollars where Davis-Bacon is required

\*Procurement requirements for CDBG and SRF could have stricter requirements or additional rules and regulations. Grantees should review all requirements of all funding sources.

### Procurement

As detailed in the Grant Terms and Conditions, the funds made available through TDH are governed by the requirements of ARP, which require recipients to comply with the procurement standards set forth in 2 CFR 200 Subpart D (2 CFR § 200.318 through 2 CFR § 200.327 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards). Grantees will follow state procurement standards if they are stricter than the federal requirements. The Tennessee Central Procurement Procedure Manual is the state guidance to use when evaluating and implementing proper procurement procedures as they are stricter than

Figure 2 Contract Terms

## FOR INTERNAL DISCUSSION PURPOSES ONLY

the federal regulations. These rules shall be followed and documented for acquiring property or services required under a federal award or grant contract.

Purchases using grant funding between \$10,000 - \$250,000 (Informal Purchase Authorization section) and acquisitions greater than \$250,000 (Formal Procurement Method section) should be submitted through the Procurement activity in the Grant Management System (GMS).

### Procurement Requirements

As a Grantee of the program and a non-federal entity, projects must adhere to the competitive bidding thresholds set forth in 2 CFR § 200.320 for the relevant procurement methods. This guidance details the requirements of procurement based on two methods: informal and formal procurement, which is determined by the aggregate dollar amount of the purchase. In 2 CFR 200.320(b), it states that formal procurement methods are required when an “award exceeds the Simplified Acquisition Threshold, or a lower threshold established by a non-Federal entity”. Per federal guidelines, informal purchases are allowed up to the acquisition limit of \$250,000. Formal procurement methods must be taken when the value of the procurement for property or services exceeds the federal Simplified Acquisition Threshold (SAT) of \$250,000.

### Small Purchase Authority Thresholds

Purchase of supplies and services below the small purchase authority threshold, currently set at \$10,000, is not required to be solicited competitively. This means that no procurement procedures are required to make purchases less than \$10,000 and no quotes are required. If an entity’s own procurement/purchasing policy states additional procedures must be followed,

### TYPES OF ACQUISITIONS

Construction, Material and Supplies, Engineering or Professional Services:

- Ø Small Purchase –Soliciting quotes or proposals from multiple vendors when the total value of a contract or a purchase will cost less than \$10,000
- Ø Informal Purchase – soliciting quotes or proposal from at least three (3) vendors when the total value of a contract or a purchase will cost between \$10,000 and \$250,000
- Ø Formal Procurement/Solicitation (purchases >\$250,000)
  - Ø Request for Proposal or Request for Bid – a written solicitation for written proposal to provide goods or services to the State. RFP/RFB should be used for soliciting contractors and should include cost estimates.
  - Ø Request for Qualification – a written solicitation containing a list of qualifications that must be met before a vendor may propose in response to an RFP. RFOs should be used for soliciting engineers or consultants and should be qualification based.

Figure 3 Types of Acquisitions



## FOR INTERNAL DISCUSSION PURPOSES ONLY

the entity is required to be in compliance with its own rules. It is important to note that no procurement shall be artificially divided or split to fall within approved amounts.

### Informal Purchase Authorization

As indicated in the 2 CFR § 200.320, informal purchase authorization is approved for purchases less than \$250,000. However, competitive methods should be used whenever practical. Purchasers may use Informal Purchase authority by soliciting quotes or proposals from at least three (3) vendors when the total value of a contract or a purchase will fall between \$10,000 and \$250,000. The procurement professional should document the process and include the document in the procurement file. To document the process, the Grantee must complete the Procurement Activity in GMS and upload the vendor quotes for TDH review.

### Formal Procurement Method

Formal procurement methods are required when the value of the procurement for property or services under a federal financial assistance award exceeds the SAT or a lower threshold established by a non-federal entity. In alignment with federal guidelines, TDH has approved a formal procurement threshold of \$250,000; as such, Grantees will be required (at a minimum) to perform formal procurement methods outlined in 2 CFR § 200.320(b) and follow the documented procedures for acquiring property and services. The formal methods of procurement that are authorized according to 2 CFR 200 for procuring property or services are:

- Request for Bids or Sealed Bids – This is the preferred method for procuring construction contractors and requires publicly solicited bids at a firm fixed-price contract (lump sum or unit price) and is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.
- Request for Proposals – is a procurement method used when conditions are not appropriate for the use of sealed bids and the intent is to award a contract with a fixed price or cost-reimbursement structure. Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the entity, with price and other factors considered.
- Request for Qualifications – is a method of procurement where offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. This is the method where price is not used as a selection factor, and it can only be used in procurement of engineering or professional services.

At a minimum, the solicitation for goods or services should include:

## FOR INTERNAL DISCUSSION PURPOSES ONLY

- A Request for Bids
- Public advertising unless a Non-Competitive procurement can be used in accordance with § 200.319(c) or 200.320(c). Publicly advertised solicitations should be published in local newspapers, trade magazines, websites, or other media outlets that are assessable to any potential responder with no undue barriers to offer.
- Proposals or Qualifications
- Clear description of the scope or item associated with the solicitation
- Specifications for the project
- Plans, when appropriate.
- All required forms and certifications should be included in the procurement package. Required forms and certifications include (but are not limited to):
  - BYRD Anti-Lobbying Amendment Certification
  - Iran Divestment Act Certification
  - Debarment Certification
  - Non-Boycott of Israel Certification
  - Legal/contractual/administrative remedies for breach of contract
  - Termination for cause or convenience
  - Equal Employment Opportunity
  - Sam.gov Debarment Document
  - Small and minority businesses, women’s business enterprises, and labor surplus area firms’ affirmative steps clause
  - Bonding certification, if applicable.

### Procuring Engineering (and Architectural) Services

Similar to the requirements for procuring construction services, architectural and engineering professional services must be solicited if the Grantee expects to seek reimbursement of costs exceeding the formal procurement threshold of \$250,000. Specifically, the guidance states, “property or services under a federal financial assistance award that exceeds the SAT (or a lower threshold established by a non-federal entity)” must follow formal procurement methods. For professional services, this procurement requirement may be met using a competitive proposal that is qualification based, as described in 2 CFR Part § 200.320(b)(2)(iv)<sup>1</sup>. Soliciting for

---

<sup>1</sup> 2 CFR Part § 200.320(b)(2)(iv): The Non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror’s qualifications are evaluated, and the most qualified offeror 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

## FOR INTERNAL DISCUSSION PURPOSES ONLY

engineering services is the only procurement where price should not be used as a selection factor in evaluations. In addition, as stated in 2 CFR Part § 200.319(c), an architectural and engineering services solicitation allows an exception for geographic location as a selection criterion.

### Diversity Business Enterprise (DBE)

Any contract awarded by the Grantee or project owner (as defined in the grant manual) for construction, engineering, or professional services that will be funded through a TDH ARP grant must assure that small and minority businesses, women's business enterprises, and labor surplus area firms are used when possible (2 CFR Part 200.321). To ensure compliance with the DBE requirement, TDH requires Grantees to follow the State's Governor's Office of Diversity Business Enterprise (Go-DBE) process to post opportunities for a recommended 30 calendar days (14 calendar days, at a minimum). To post an opportunity on the DBE website, grantees should:

- Visit : [Governor's Office of Diversity Business Enterprise \(GO-DBE\)](#)
- Follow the link at the top of the page to the Grant Website Posting Form
- The Go-DBE form will appear and notes requirements for posting
- Fill in all fields and select ARP under the grant type field
- At the bottom of the form attach all relevant solicitation documents, including the full bid package
- Once submitted, grant information will post within 24-48 hours (excluding holidays)
- Review grant postings and ensure opportunity submission is complete - grant postings can be found [here](#)
- Repeat this process for each opportunity (if applicable)

Postings for DBE solicitations have the same requirements as the requirements for publicly advertising for the project. Clear instructions for how potential bidders should respond to the solicitation are important. Bidder responses must be given equal consideration and evaluated appropriately. As stated in 2 CFR 200.320(b)(2)(i), requests for proposals must be publicized with all evaluation factors and their relative importance identified. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical. Go-DBE postings and documentation

---

procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms that are a potential source to perform the proposed effort.

## FOR INTERNAL DISCUSSION PURPOSES ONLY

demonstrating the steps to solicit diverse businesses, including minority-owned and women-owned businesses, need to be provided with the bid package to be considered complete.

### Required Federal Contract Provisions

The required federal contract provisions and contract language are to be included in contractor agreements that will be paid in whole or in part with federal funds. The required contract provisions ensure federal compliance but do not override any required TDH contract provisions.

### Bonding

For construction, facility improvement contracts, or subcontracts exceeding the simplified acquisition threshold, TDH may accept the bonding policy and requirements of the Grantee, provided TDH has decided that the State's interest is adequately protected (2 CFR Part § 200.326; Bonding Requirements).

### Debarment and Suspension

A contract award (2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the [System for Award Management](#) (SAM or [SAM.gov](#)) in accordance with the Office of Management and Budget (OMB) guidelines at 2 CFR 180 that implemented Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." This requirement extends to vendors or contractors associated with projects funded with federal grant monies. Exclusions noted on SAM.gov contain the names of parties debarred, suspended, or otherwise excluded by agencies and parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Prospective contractors or service providers are required to certify on debarment, suspension, and other responsibility matters.

### Davis-Bacon Act and Copeland Anti-Kickback Act

For ARP, Treasury exercised its federal authority in outlining the requirements for water infrastructure projects and notes that Davis-Bacon is applicable for infrastructure and Capital Projects that are greater than \$10 million, through certification from the recipient or State. Specifically, Treasury provides two avenues for compliance with Davis-Bacon in the *SLFRF Compliance and Reporting Guidance*. The first option is described as stating an intent to comply through *"a certification that, for the relevant project, all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon*

## FOR INTERNAL DISCUSSION PURPOSES ONLY

*Act*”). In the GMS Procurement Activity, an attestation is included for all projects over \$10M or for projects that combine funding from a source that requires Davis-Bacon compliance. If a Grantee intends to certify their contractors are in compliance, TDH should be informed through formal communication of the intent to certify compliance. The certification of compliance will require Grantees to obtain certified weekly payrolls from the construction contractors on the project. Certified weekly payroll should be in a format similar to Form WH-347 from the US Department of Labor.

Another option to demonstrate compliance with Treasury requirements is for Grantees, with projects that total greater than \$10 million, to provide information related to project employment and local impact report information, as outlined in the ARP SLFRF guidance. This includes the following data:

- The number of employees of contractors and sub-contractors working on the project
- The number of employees on the project hired directly
- The number of employees on the project hired through a third party
- The wages and benefits of workers on the project by classification
- Determination that wages are at rates less than those prevailing (as determined by Davis-Bacon Act)

Grantees must also provide a Project Workforce Continuity Plan, detailing:

- How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project, including a description of any required professional certifications and/or in-house training
- How the recipient will minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project
- How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30)
- Whether workers on the project will receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market
- Whether the recipient has completed a project labor agreement
- Whether the recipient prioritizes local hires

## FOR INTERNAL DISCUSSION PURPOSES ONLY

- Whether the recipient has a Community Benefit Agreement, with a description of any such agreement

Grantees must maintain sufficient records to substantiate this information upon request. It is also important to note that Grantees who utilize other funding sources, for instance Community Development Block Grants or State Revolving Fund loans, are subject to requirements for those programs. If Davis-Bacon is applicable to the other funding sources, then the Davis-Bacon Act must be followed for the entire project despite the size of the project and amount of SLFRF funding provided.

The Copeland Anti-Kickback Act applies to all contracts for construction or repair work above \$2,000 in situations where the Davis-Bacon Act also applies.

### Domestic Preferences for Procurements

All Grantees, to the greatest extent practicable, should exercise a preference for domestically sourced goods and materials when using federal award dollars (2 CFR 200.322). Domestic preference should be given for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). This requirement is not as restrictive as the Build American, Buy America and the American Iron and Steel Acts; these specific acts are not applicable to the ARP SLFRF programs.

In order to comply with the domestic preference requirement of this grant, Grantees must include the domestic preference language in all agreements with contractors and subcontractors.

### Procurement Review

To ensure full and open procurements, Grantees should follow the standards in 2 CFR Part 200 Subpart D, 2 CFR 200.318 through 2 CFR 200.327 of Uniform Guidance. All projects that include the acquisition of property or services (including construction projects and professional services), exceeding the \$250,000 formal procurement threshold, will require a public bid solicitation to award a contract. For each of these bid solicitations, a “bid document package” (including all supporting information) will be uploaded into TDH’s GMS.

**FOR INTERNAL DISCUSSION PURPOSES ONLY**

To confirm the guidelines are followed, TDH will review each procurement to approve the solicitation procedures and documentation prior to reimbursements. The procurement review will be performed in GMS. The table below provides a listing of documentation that will be requested for each project that exceeds the \$250,000 formal procurement threshold.

Document Type	Document Description
Procurement Policy	Procurement policies are written by each grantee. One question on the checklist asks if the grantee's procurement policies have been satisfied. The relevant sections of the procurement policies will be reviewed and evaluated for compliance.
Request for Proposal (RFP)/Request for Bids (RFB)/Request for Qualifications (RFQ) documents	The Request for Proposal (RFP), Request for Bid (RFB) or Request for Qualifications (RFQ) packages are written solicitations for written proposals to provide goods or services. The packages are used to solicit contractors and include cost estimates.
Proof that the RFP/RFB/RFQ was made available to adequate numbers of bidders	Procurements are required to have full and open competition. They should also have an adequate number of bids. The grantees will need to provide proof of the solicitation posting. Two questions on the checklist ask whether full and open competition was conducted and whether advertisement documentation was provided.
Independent Cost Estimate	The grantees will need to provide an independent cost estimate (ICE) if the procurement is in excess of the federal Simplified Acquisition Threshold (SAT) of \$250,000. However, the state or local threshold should be followed if it is more stringent than the \$250,000 federal threshold*. An ICE is an independent assessment of what you would expect to pay for goods or services, based on a reliable source, such as paid historical prices, industry standard, or market survey. Subrecipients may also request informal cost estimates from suppliers or manufacturers when developing and ICE. This ICE usually occurs prior to bidding responses to provide somewhat of a baseline.
Price or Cost Analysis	The grantee must perform a cost or price analysis in connection with every procurement action in excess of the (SAT) of \$250,000, including contract modifications. However, the state or local threshold should be followed if it is more stringent than the

FOR INTERNAL DISCUSSION PURPOSES ONLY

	\$250,000 federal threshold*. A price analysis is an examination of the price proposed by the anticipated subcontractor and an assessment or evaluation as to whether it is fair and reasonable. A cost analysis examines the individual cost elements that compose the total proposed estimated cost.
Evaluation Criteria	For RFQs and RFPs, documentation of the grantee's formal criteria to score proposals. It calculates and documents how the bidders were evaluated.
Bid Tabulation/Evaluation	Grantees must have a formal set of criteria to score proposals received systematically. The Bid Tabulation should calculate and document how the bidders were evaluated. Often for RFBs, the Bid Tabulation will show the line-by-line cost estimate for the Statement of Work. If the lowest bid is not selected, the grantee needs to provide additional support for that decision.
Copies of all RFP/RFB/RFQ documents submitted	The RFP/RFB/RFQs received should be provided as part of the procurement package. All the proposals submitted are required to be provided as proof of multiple vendor responses. There are specific circumstances in which there would not be multiple vendor responses; these include: 1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold. 2) The item is available only from a single 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 several sources, competition is determined inadequate.
Rationale to Award, if not awarded to lowest bidder	The notification to award memorandum should be included in the procurement package. For construction procurements, if the bidder awarded the contract is not the lowest bidder, a justification stating the rationale for the award should be included.
Contract with scope of work, rate schedule, required contract provisions, and applicable documents	If the contract is fully executed, the agreement with the selected vendor should be provided. This documentation represents the contract between the vendor and the Grantee and should include all required federal contract provisions. As per Federal guidance, fixed price (also known as lump sum)



FOR INTERNAL DISCUSSION PURPOSES ONLY

	contracts are the most preferred type of contract. Time and materials contracts are also eligible if no other type of contract is suitable, and the contract includes a do not exceed amount. Cost plus percentage of costs contracts is prohibited and piggybacking is highly discouraged.
Addenda/extensions/change orders issued (if applicable)	When solicitations are adjusted, or additional information is provided to potential bidders, addendums are often required to be posted/issued. This documentation should be a part of the procurement package.
Copies of correspondence with bidders (if applicable)	Copies of the Grantee’s communication with the bidders, e.g., Q&As, any communication regarding pricing and terms, and any best and final offers (BAFO) requested.
MWBE/DBE documentation or supporting evidence	Documentation of evidence of the attempt to solicit bids from Minority Owned and Women’s Business Enterprises’ (MWBE) is required. If MWBE solicitation or a similar process did not occur, please confirm when the solicitation took place and if the work is complete. The State of Tennessee created the Governor’s Office of Diversity Business Enterprise (Go-DBE) in 2003 to coordinate the state’s efforts to facilitate greater participation by minority-owned, woman-owned, persons with disabilities, service-disabled veteran-owned, and small businesses in the state’s procurement and contracting opportunities. For compliance with Go-DBE and 2 CFR 200.321, applicants are recommended to post project opportunities on the Go-DBE website. <a href="#">website</a>
Sam.gov debarment check document	Any vendor awarded a contract to be funded with American Rescue Plan (ARP) funds must have an active registration on the System for Award Management (SAM or SAM.gov). A screenshot representing a vendor’s debarment status from SAM.gov must be included in the procurement package.
*Organizations owned by the state, city, or county must follow state procurement thresholds. Organizations with more stringent thresholds in their procurement policies must adhere to those thresholds	

Figure 1 Procurement Review Documentation

## Reimbursement

Similar to the Procurement Activity, GMS will also be the method in which a grantee will request reimbursement of eligible costs. To understand the steps to initiate a request, please reference the GMS Reimbursement training video. A request for reimbursement (RFR) for costs incurred for grant contract projects shall only include requests for actual, reasonable, and necessary expenditures required in the delivery of service described in the grant contract and identified in the individual project budget. Reimbursement may not include any request for future expenditures. The grant contract term for a reimbursement request means the time during which the grant applicant may incur new obligations to carry out the work authorized in the grant contract.

The Grantee's authorized representative(s) are the only individuals eligible to submit a request for reimbursement. Grantees must submit bid documents or procurement packages for approval prior to requesting reimbursement for project work. All approved projects must go through a bid package (procurement) review and obtain approval through GMS before any reimbursement requests will be fulfilled. Only approved projects with approved procurements in GMS are eligible to submit requests for reimbursements for costs incurred. Each Grantee is solely responsible for receiving and approving invoices from partners, responsible parties, or other project owners for activities covered in the grant application. Grantees may request reimbursements once per month. Therefore, Grantees should work with partners, responsible parties, and other project owners on invoicing so that all invoices can be combined to a single invoice monthly and submitted to TDH through GMS.

- Activities must occur in the eligible performance period (on or after March 3, 2022, through June 30, 2026)
- Activities and costs must be part of an approved project and budget in an executed grant contract and must be tracked
- Grantee must follow procurement requirements for any goods or services, either past or present; reimbursement to the Grantee identified in the grant contract will be allowed, only after a procurement procedure for that project has been reviewed and approved by TDH

## FOR INTERNAL DISCUSSION PURPOSES ONLY

### Documentation Requirements

Each invoice submitted to TDH for review and reimbursement will need the following documentation:

- An invoice broken out by individual projects
- A description of the services provided
- Any required deliverables stated in the grant proposal
- All relevant documents demonstrating costs incurred in compliance with contractual requirements
- Proof of payment
  - Copies of cancelled checks, automated clearing house (ACH) wire details, or bank statements
- Change orders
  - Grantees should upload any new amendments and/or Change Orders to contracts for costs included in reimbursement requests

### Ineligible Costs

Funds may not be used for:

- Debt service payments or replenishing financial reserves (including contributions to rainy day funds)
- Offsetting a reduction in net tax revenue
- Deposits in pension funds
- A project that conflicts with or contravenes the purpose of the American Rescue Plan Act statute
- Bridge financing or loans
- Other costs deemed unallowable in the grant contract

### Reimbursement Processing

TDH intends to process RFRs within 45 calendar days from submission of a complete RFR in GMS. Grantees should receive RFR approval notification within that time. It is important to supply all relevant documents supporting the reimbursement request. If information or documentation is missing or clarification is needed, TDH will issue a Request for Information (RFI) to the Grantee. The RFI will be transmitted through GMS, and the Grantee point(s) of contact will receive a notification.

**FOR INTERNAL DISCUSSION PURPOSES ONLY**

Responses should be submitted in GMS, and upon re-submission, TDH will resume the review of the RFR. If no response is received within this time frame, TDH will proceed with processing the RFR minus the costs associated with the RFI. If the Grantee does not have additional documentation or information to satisfy the RFI, a response to the RFI indicating as such will expedite the processing time. RFIs can delay the reimbursement process if not addressed in a timely manner. Grantees can check the status of an RFR in GMS.