



## TENNESSEE DEPARTMENT OF AGRICULTURE NONPOINT SOURCE PROGRAM REQUEST FOR PROPOSALS FY 2012

The Tennessee Department of Agriculture Nonpoint Source Program (TDA-NPS) is seeking project proposals for funding with grants provided by the United States Environmental Protection Agency (USEPA) under section 319(h) of the Clean Water Act.

### Who Can Apply?

Local governments, interstate agencies, nonprofit organizations and institutions, colleges and universities, and agencies of state government are eligible to apply.

### Deadline for Submittal of Proposals

The deadline for submittal is: December 1, 2011

### TDA-NPS Priorities

The highest priority for funding are projects that target waters of the state assessed as impaired from nonpoint source (NPS) pollution and published in the most recent edition of the 303(d) list by the Tennessee Department of Environment and Conservation (<http://www.state.tn.us/environment/wpc/publications/#wgassessment>). The project's objective should be to identify the specific sources of NPS pollution and seek to eliminate them so that the water fully supports its designated uses. Preference is given to projects targeting small watersheds, where measurable water quality improvements are most likely to result after the project is completed.

No watershed restoration project (i.e., BMP implementation) can be funded with a 319 grant unless it is based on an approved **watershed-based plan (WBP)** developed for that particular watershed. The requirement of a WBP can be fulfilled simply by following the WBP format in Attachment A. You can submit both the WBP and a proposal simultaneously as a single application for funding. Refer to Attachments A and B for more information on Watershed-Based Plans.

Projects focusing on NPS education and training are also eligible to receive funding. Educational projects can attempt to have a broad, statewide effect on all citizens of Tennessee or can target a specific group. Any such project must focus on raising awareness of NPS issues and/or attempt to inform decision-making processes in order to reduce NPS impacts to waters.

## Evaluation Criteria

All projects are initially reviewed to ensure that they meet eligibility requirements before being fully considered for funding. Eligible project proposals are then evaluated by state agencies from both a statewide as well as local/regional perspective. All eligible projects are then reviewed in detail and rated according to many criteria. As this is a competitive situation, ratings are totaled and projects are ranked from high score to low. Beyond this attempt to rank projects in an objective manner, there remains a certain degree of subjectivity as to which projects are finally selected to receive funds.

The highest priority of the TDA-NPS program is to implement conservation practices known as Best Management Practices (BMPs) and educational programs/materials that result in reduction of nonpoint source pollution to targeted, impaired waterbodies to such a significant degree that they are likely to be removed from the state's list of impaired waters (303d list) in the short-term. To that end, in evaluating proposals, preference is given to projects that minimize 319 funds allocated to salaries and benefits for personnel, and instead maximize 319 funds spent for actual, on-the-ground work – BMPs and educational programs/materials.

Because of this emphasis, proposals that limit the amount of 319 grant funds allocated to **both** salaries and benefits of employees of the grantee **and** all subcontracted personnel charges for technical assistance/design/consulting to a maximum of **25%** of total 319 funds requested will be much more competitive when evaluated for funding. In order to expedite evaluation of proposals, please calculate and fill in the box for Personnel Costs on the top of page 11 when you submit a proposal.

## Project Match

The maximum percentage of the total project cost supplied by the grant is normally 60%. The remaining 40% match can be monetary funds or in-kind donation of labor and/or materials from any non-federal source. In order to determine the amount of match required, multiply the amount of grant funds requested by 0.6667. This product is the minimum 40% match. All matching dollars must be spent within the dates of the contract and must be directly related to one or more project tasks as described in the proposal. The total project cost will be the sum of the grant funds requested plus the calculated match value. The Match Table (under *Project Budget Tables* – pg. 11) must list the source, type, and amount/value (cash, in-kind labor, in-kind materials, etc.) of the matching funds. As mentioned previously, federal funds or in-kind services from a federal source cannot be used as match. Associated federal projects may be described in the proposal, but must clearly be delineated as such and not included in the match totals.

## Reimbursement

This grant program is managed through a reimbursement process, which means expenses must be incurred on the project prior to grant funds being disbursed. Reimbursement can be made only for those expenses that are incurred within the term of a contract with TDA-NPS.

## Project Length

Due to recent reductions in the term of Nonpoint Source grants from USEPA to the states, beginning this year all TDA-NPS projects will be limited in length of time to a maximum of three years. In practical terms, this means that no contract will be written for more than a 36-month term. The schedule of activities or timeline included with your proposal should not be for more than thirty-six months. Also, please plan your tasks and budget with a 3-year grant term in mind.

## Proposal Process

Refer to Attachment C for an example proposal outline the potential grantee will submit to TDA-NPS for review and consideration. In general, a proposal includes a detailed description of the work to be done, tasks, budget, etc., specific to the project.

The preferred method of transmittal of proposals is through electronic mail. If email is not available, please mail a copy of the proposal to the address listed below.

Sam Marshall  
TDA - Nonpoint Source Program  
Ellington Agricultural Center  
440 Hogan Road  
Nashville, TN 37220

The email address is: [sam.marshall@tn.gov](mailto:sam.marshall@tn.gov)

If help is needed, or there are questions, please call Sam Marshall at 615-837-5306.

## Miscellaneous Points for Consideration

- If the proposed budget requests grant funds for indirect costs, then the Grantee must submit to the State a copy of the indirect cost rate established by an independent audit or approved by the cognizant federal or state agency. The maximum allowable indirect cost rate, funded by 319(h), is **20%** of the direct cost line items.
- Items that may be considered “direct costs” are limited to the following budget line items: Salaries, Benefits, and Taxes of employees of the grantee; Supplies, etc. (e.g., cost of BMP materials and any other supplies or equipment that are purchased by the grantee solely as a result of this project); Travel, Conferences,

and Meetings that is/are incurred solely in order to accomplish this project; and Capital Purchases of goods required by this particular project.

- Be aware that purchases of goods and acquisition of services using 319(h) program funds must follow State of Tennessee procurement policies as outlined in Attachment D.
- For more information on the entire TDA-NPS program, please refer to the Program Management Document at the following Internet address:  
<http://www.state.tn.us/agriculture/publications/nps.pdf>

Enclosed are the following guides:

**Attachment A:** Watershed Based Plan format

**Attachment B:** Guidance on Watershed Based Plans

**Attachment C:** Proposal Outline including Budget Template and Instructions

**Attachment D:** Procurement Policy for Grant Contracts

## ATTACHMENT A

### ***Watershed Based Plan Format***

(Please use the following sections and instructions to guide you as you write your Watershed Based Plan. These are the only sections that you need to include in your plan. Please use these headings. Follow the directions for each section, but do not provide information beyond what is below. We anticipate that each plan should be less than ten pages, not including supporting documents such as maps. Keep in mind that many times the scale, scope, and budget of a watershed based plan will be greater than that of the proposal you submit.)

#### **Name of Project:**

#### **Lead Organization:**

#### **Watershed Identification** (name, location, 12-digit HUC, etc.):

#### **Causes and Sources of Nonpoint Source Pollution in the Watershed**

Discuss all that is known about the water quality problems in the watershed. Use all local knowledge of the current land usages in the watershed, and how these contribute to the problems affecting water quality. These resources from TDEC may be helpful.

- Recent list of TDEC's assessment publications, including the latest 303(d) list and 305(b) Report - <http://www.state.tn.us/environment/wpc/publications/#wqassessment>
- Assessment Database - [tnmap.tn.map/wpc/](http://tnmap.tn.map/wpc/)
- TMDLs - <http://www.tennessee.gov/environment/wpc/tmdl/>
- Watershed Management Plans - <http://www.tennessee.gov/environment/wpc/watershed/wsmplans/>

#### **BMP List, Educational Activities and Budget**

List all BMPs needed to protect or restore the watershed. Also, you must include quantity estimates, costs per unit, and calculate an estimated budget. Costs in this budget should be total costs for implementation or per event (i.e., do not differentiate between cost share funds and matching funds). Use NRCS average cost list as a guide, which can be found at [http://www.tn.nrcs.usda.gov/programs/eqip2011/Docs2/2011\\_EQIP\\_Payment\\_Schedule\\_Final\\_FO\\_Copy.pdf](http://www.tn.nrcs.usda.gov/programs/eqip2011/Docs2/2011_EQIP_Payment_Schedule_Final_FO_Copy.pdf).

In addition, provide a narrative of a plan to involve as many landowners as possible in watershed restoration activities.

BMP Name	Quantity	Cost/Unit	Budget Estimate
*ex. Riparian Buffer	40 Ac	\$1,000/ac	\$40,000

Educational Event	Quantity	Cost/Unit	Budget Estimate

<b>Total Budget for Project:</b>	\$
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## **Timeline, Tasks, and Assessment of Progress**

Provide a detailed outline of the estimated schedule for completing all watershed restoration and/or educational tasks. Also, describe how you intend to assess progress to ensure you stay on schedule and the adjustments to be made in order to get back on schedule if the timeline is not being met.

## **Monitoring and Documenting Success**

No 319 funds may be spent on water quality monitoring supplies or activities. Instead, provide a statement of how this restoration project will coordinate with TDEC-Water Pollution Control Field Offices to inform them where restoration activities are being conducted, so that their watershed assessments can be scheduled to track progress of the restoration work. Also, define a set of criteria that can be used to determine whether substantial progress is being made towards attaining water quality standards and, if not, the criteria for determining whether this watershed-based plan needs to be revised.

For a map of TDEC's Environmental Field Offices and the Water Pollution Control contacts in each Field Office, go to <http://www.tennessee.gov/environment/efo/> .

## ATTACHMENT B

### ***EPA Guidance on Watershed Based Plans***

To ensure that Section 319 projects make good progress towards restoring waters impaired by nonpoint source pollution, a Watershed Based Plan must be completed and approved before installation of best management practices funded with Section 319 dollars. Watershed-based plans must follow the format demonstrated in Attachment A, above. This information is critical for ensuring the development of realistic plans to achieve protection goals or water quality standards. To the extent that necessary information already exists in other documents (e.g., various State and local watershed planning documents, TMDLs, or watershed plans developed to help implement conservation programs administered by USDA), the information may be incorporated by reference.

EPA recognizes the difficulty of developing the information described above with precision and, as this guidance reflects, believes that there must be a balanced approach to address this concern. On one hand, it is absolutely critical that a reasonable effort is made to identify the significant sources of pollution and identify the management measures that will most effectively address those sources. Without such information to provide focus and direction to the project's implementation, it is much less likely that the project can efficiently and effectively address the nonpoint sources of water quality impairments. On the other hand, EPA recognizes that even with reasonable steps to obtain and analyze relevant data, the available information at the planning stage (within reasonable time and cost constraints) may be limited; preliminary information and estimates may need to be modified over time, accompanied by mid-course corrections in the watershed plan; and it often will require a number of years of effective implementation for a project to achieve its goals. EPA fully intends that the watershed planning process described above should be implemented in a dynamic and iterative manner to assure that projects with plans that contain the information above may proceed even though some of the information in the watershed plan is imperfect and may need to be modified over time as information improves.

The watershed-based plan must address a large enough geographic area so that its implementation will address all of the sources and causes of impairments and threats to the waterbody in question. These plans should include mixed ownership watersheds when appropriate to solve the water quality problems (e.g., Federal, State, and private lands). While there is no rigorous definition or delineation for this concept, the general intent is to avoid single segments or other narrowly defined areas that do not provide an opportunity for addressing a watershed's stressors in a rational and economic manner. At the same time, the scale should not be so large as to minimize the probability of successful implementation. Once a watershed plan is approved, it may be implemented in prioritized portions (e.g., based on particular segments, other geographic subdivisions, nonpoint source categories in the watershed, or specific pollutants or impairments).

ATTACHMENT C

TDA-NPS FY-2012 Proposal

**- Example and Instructions -**

**NAME OF PROJECT:**

Tennessee Creek Restoration Project

**LEAD ORGANIZATION:**

List the name of organization that will be signing the contract. **Also**, identify the person from this organization who will be managing the project **and provide ample contact information** (e-mail, phone, address, fax).

**FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN):**

**COOPERATING ORGANIZATIONS:**

List the affiliated organizations and clearly describe how each will contribute. Cooperating organizations need to be contacted before submittal of the work plan and agree to partner on this project with significant money, time or material. All proposals submitted shall clearly indicate whether a subcontractor will provide any of the goods or services needed under the proposal. See Attachment D for further information on procurement.

**PROJECT LEADER(S) EXPERIENCE:**

Provide brief background information concerning the pertinent experience and qualifications of the project leaders.

**PROJECT OBJECTIVE:**

Include a brief statement that tells specifically what the project will seek to accomplish. *Example: This project will seek to identify and remediate nonpoint source impairments in the Tennessee Creek Watershed, in order to restore it to the condition of fully supporting its designated uses.*

**PROJECT LOCATION:**

The following information is required:

1. List the name of the watershed where the project is located.
2. List the names of impaired waterbodies from the 303(d) List that are part of the project area.
3. Provide the waterbody segment numbers, from the 303(d) List.
4. If the project is planned at one specific location, provide the latitude and longitude coordinates for the project location.

**PROJECT BACKGROUND:**

Provide a short history of the project, including such things as previous studies, work performed by other organizations, or past citizen involvement. Include a brief discussion of important characteristics of the project area, such as soil types, number of acres in the project area, known problem areas, benefits to endangered species, likelihood for continued interest after the contract is completed, etc.

**PROJECT IMPLEMENTATION:**

Provide a general start-to-finish description of how the project will be conducted. This should serve as the basis for establishing the timeline and tasks for the project.

**PROJECT TASKS:**

Tasks are basically the major components of the project, such as BMPs, publications, videos, maps, stakeholder meetings, field days, training events, etc. A timeline or schedule for accomplishing tasks is required for all projects.

**Example of a Schedule with Typical Tasks:**

- Within one month of the contract start date, 2 public meetings will be held.
- Within six months of the contract start date, 15 BMPs will be installed.
- 12 facilitated public meetings will be conducted by the contract expiration date.

**Standard Tasks:**

The following tasks must be included in every project:

- Submit Progress and Close-Out Reports as specified in the contract.
- An Annual Report must be submitted for the period October 1 of the past calendar year through September 30 of the present calendar year. This is referred to as the “2x4 Report” (two paragraphs and 4 pictures).
  - due by September 15<sup>th</sup> each year
  - narrative of significant accomplishments since the previous October 1<sup>st</sup>
  - should include pictures of activities

**DURATION OF PROJECT, AS PROPOSED** (years) \_\_\_\_\_ (Maximum of 3 years)

**PROJECT BUDGET TABLES:**

A budget must be completed before the proposal can be considered by TDA-NPS. See the budget template on page 12. Budget instructions follow the budget template. Once the budget is complete, please fill in the boxes below with these key, summary numbers.

TDA-NPS 319:

MATCH:

**Total 319(h) money for Personnel costs of Grantee and Subcontractors** [defined as total amount of money allocated for salaries and benefits of employees of the grantee **and** the total amount allocated for payment through subcontracts for technical assistance(i.e., not to include cost of labor for BMP implementation)]:

\$
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**SOURCES AND TYPES OF MATCH:**

<b>Line-item Category:</b>	<b>Source:</b>	<b>Type:</b>	<b>Amount (\$)</b>
<i>Line-item the match is supporting</i>	<i>Identify organization providing the match</i>	<i>Cash or in-kind?</i>	<i>Amount/value of match</i>

**Reminders:**

- Proposals that limit the amount of 319 grant funds allocated to **both** salaries and benefits of employees of the grantee **and** all subcontracted personnel charges for technical assistance/design/consulting to a maximum of **25%** of total 319 funds requested will be much more competitive when evaluated for funding.
- If the proposed budget requests grant funds for indirect costs, then the Grantee must submit to the State a copy of the indirect cost rate established by an independent audit or approved by the cognizant federal or state agency. The maximum allowable indirect cost rate, funded by 319(h), is **20%** of the direct cost line items.
- Items that may be considered “direct costs” are limited to the following budget line items: Salaries, Benefits, and Taxes of employees of the grantee; Supplies, etc. (e.g., cost of BMP materials and any other supplies or equipment that are purchased by the grantee solely as a result of this project); Travel, Conferences, and Meetings that is/are incurred solely in order to accomplish this project; and Capital Purchases of goods required by this particular project.
- Be aware that purchases of goods and acquisition of services using 319(h) program funds must follow State of Tennessee procurement policies as outlined in Attachment D.

## GRANT BUDGET TEMPLATE:

GRANT BUDGET				
<b>Grantee:</b>				
The grant budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period: BEGIN: <b>DATE</b> END: <b>DATE</b>				
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup>	319 Grant Funds Requested	GRANTEE PARTICIPATION (i.e., "Match")	TOTAL PROJECT
1. 2	Salaries, Benefits & Taxes <sup>2</sup> – of grantee employees	0.00	0.00	0.00
4, 15	Professional Fee, Grant & Award <sup>2</sup> – for subcontracted work and BMP materials purchased by others	0.00	0.00	0.00
5, 6, 7, 8, 9, 10	Supplies (including BMP materials purchased by the grantee), Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications <sup>2</sup>	0.00	0.00	0.00
11. 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest <sup>2</sup>	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation	0.00	0.00	0.00
18	Other Non-Personnel	0.00	0.00	0.00
20	Capital Purchase <sup>2</sup>	0.00	0.00	0.00
22	Indirect Cost (20% 319 max.)	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
25	<b>GRAND TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A.* (posted on the Internet at: [www.state.tn.us/finance/act/documents/policy3.pdf](http://www.state.tn.us/finance/act/documents/policy3.pdf) ).

<sup>2</sup> Applicable detail must follow this page if line-item is funded.

**NOTE:** shaded line-items will not be funded by the Tennessee NPS Program

**GRANT BUDGET LINE-ITEM DETAIL TABLES:**

***Please only include 319 grant funds in Line-Item Detail tables.***

\*NOTE – see pages 14-16 for details of what costs need to be described under which line-items.

<b>SALARIES AND BENEFITS &amp; TAXES</b>	<b>AMOUNT</b>
SPECIFIC, DESCRIPTIVE, DETAIL	0.00
REPEAT LINE AS NECESSARY	0.00
<b>TOTAL</b>	<b>0.00</b>

<b>PROFESSIONAL FEE/ GRANT &amp; AWARD</b>	<b>AMOUNT</b>
SPECIFIC, DESCRIPTIVE, DETAIL	0.00
REPEAT LINE AS NECESSARY	0.00
<b>TOTAL</b>	<b>0.00</b>

<b>SUPPLIES, TELEPHONE, POSTAGE &amp; SHIPPING, OCCUPANCY, EQUIPMENT RENTAL &amp; MAINTENANCE, PRINTING &amp; PUBLICATIONS</b>	<b>AMOUNT</b>
SPECIFIC, DESCRIPTIVE, DETAIL	0.00
REPEAT LINE AS NECESSARY	0.00
<b>TOTAL</b>	<b>0.00</b>

<b>INTEREST</b>	<b>AMOUNT</b>
SPECIFIC, DESCRIPTIVE, DETAIL	0.00
REPEAT LINE AS NECESSARY	0.00
<b>TOTAL</b>	<b>0.00</b>

<b>CAPITAL PURCHASE</b>	<b>AMOUNT</b>
SPECIFIC, DESCRIPTIVE, DETAIL	0.00
REPEAT LINE AS NECESSARY	0.00
<b>TOTAL</b>	<b>0.00</b>

## GRANT BUDGET TEMPLATE INSTRUCTIONS

**Grant Budgets must be mathematically correct and typewritten.** Care must be taken when “rounding” any amounts such that the sum of amounts in each column is exactly, and mathematically accurate.

**All line-items are required in accordance with the following instructions.** In line-items that WILL be funded, replace the zeros (“0.00”) associated with each line-item as appropriate. If a line-item will NOT be funded, leave the associated, “0.00” dollar amount.

### Expense Object Line-Item Category Definitions (from F&A Policy 03)

- Salaries— expenditures for compensation, fees, salaries, and wages paid to officers, directors, trustees, and employees of the grantee
- Benefits & Taxes— (a) expenditures for contributions to pension plans and to employee benefit programs such as health, life, and disability insurance; and (b) expenditures for payroll taxes such as social security and medicare taxes and unemployment and workers’ compensation insurance. This only applies to benefits of employees of the grantee.
- Professional Fee/ Grant & Award— (a) expenditures for fees to outside professionals, consultants, and personal-service contractors including legal, accounting, and auditing fees; (b) expenditures for awards, grants, subsidies, and other pass-through expenditures to individuals and to other organizations, allocations to affiliated organizations, in-kind grants to individuals and organizations, and scholarships, tuition payments, travel allowances, and equipment allowances to clients and individual beneficiaries; and (c) expenditures for service unit/milestone rate payments (in which the payment rates are equal to the amount that the State has determined to be the reasonable and necessary cost for the associated unit or milestone) NOTE: If the grant provides funding for service unit/milestone rate payments, specify each service unit/milestone in the associated detail schedule (clearly explain the unit/milestone of service and the associated rate). Essentially, this section is for two items: <sup>(1)</sup> personnel costs that are procured and subcontracted out such as technical assistance, engineering/design work, or consulting; and <sup>(2)</sup> reimbursements to individual landowners for cost-share on their costs of BMP materials and labor to install them. These two items should be detailed separately in the “line-item detail” breakdown. Supplies purchased by the grantee for BMP implementation should be placed in the “Supplies line-item.
- Supplies—expenditures for office supplies, housekeeping supplies, food and beverages, other supplies, and the cost of BMP materials actually purchased by the grantee
- Telephone— expenditures for telephone, cellular phones, beepers, telegram, FAX, E-mail, and telephone equipment maintenance
- Postage & Shipping— expenditures for postage, messenger services, overnight delivery, outside mailing service fees, freight and trucking, and maintenance of delivery and shipping vehicles
- Occupancy— expenditures for office space and other facilities, heat, light, power, other utilities, outside janitorial services, mortgage interest, and real estate taxes

- Equipment Rental & Maintenance— expenditures for renting and maintaining computers, copiers, postage meters, other office equipment, and other equipment, except telephone, truck, and automobile expenses
- Printing & Publications— expenditures for producing printed materials, purchasing books and publications, and buying subscriptions to publications
- Travel/ Conferences & Meetings— (a) expenditures for transportation, meals and lodging, and per diem payments including travel expenses for meetings and conferences, gas and oil, repairs, licenses and permits, and leasing costs for vehicles, and (b) expenditures for conducting or attending meetings, conferences, and conventions including rental of facilities, speakers' fees and expenses, printed materials, and registration fees
- Interest— interest expenditures for loans and capital leases on equipment, trucks and automobiles, and other notes and loans, except mortgage interest
- Insurance— expenditures for liability, property, and vehicle insurance, fidelity bonds, and other insurance, except employee benefit-related insurance
- Capital Purchase— expenditures for land, equipment, buildings, leasehold improvements, and other fixed assets
- Indirect Cost (a.k.a., Administrative Expense) — proportional amount in accordance with an allocation plan approved by the cognizant state agency (NOTE: Pass-through funds are not included when computing this the proportional amount). The maximum allowable indirect cost rate, funded by 319(h), is 20% of the direct cost items. Items that may be considered “direct costs” are limited to the following budget line items: Salaries, Benefits, and Taxes of employees of the grantee; Supplies, etc. (e.g., cost of BMP materials and any other supplies or equipment that are purchased by the grantee solely as a result of this project); Travel, Conferences, and Meetings that is/are incurred solely in order to accomplish this project; and Capital Purchases of goods required by this particular project.

**The “319 Grant Funds Requested” column total MUST equal the maximum liability of the grant.**

**Grant Budget Line-Item Detail.** Complete the line-item detail box for each of the following five line-items for which detail is required IF the line-item is funded.

- Salaries and Benefits & Taxes
- Professional Fee/ Grant & Award
- Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications
- Interest
- Capital Purchase

Please only include 319 grant funds in Line-Item Detail tables.

Delete the line-item detail box for any of the line-items that are NOT funded.

DO NOT draft the Grant Budget Line-Item Detail to describe a line-item only as “contracts,” “contracted services,” “other,” “professional services,” or “miscellaneous.” Greater specificity is required.

## ATTACHMENT D

### Procurement Policy for Grant Contracts

The purpose of this policy is to ensure that “maximum value for services rendered or goods purchased” is achieved for all public funds spent through our grant programs. This will require open and competitive bidding in accordance with State of Tennessee- Department of General Services and Department of Finance and Administration regulations and policies.

#### **State Procurement Policies:**

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. All projects funded shall conform to State of Tennessee procurement regulations. If the Grantee seeks reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to a grant contract. Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum: Basis for contractor selection; justification for lack of competition when competitive bids or offers are not obtained; and basis for award cost or price.

Purchases of goods or services less than \$5,000 do not require procurement documentation. Purchases of goods or services more than \$5,000 but less than \$25,000 require a minimum of three quotes (can be from a variety of sources: written, telephone, internet, e-mail, etc.). Purchases of goods or services for more than \$25,000 will require a formal sealed-bid procedure, consistent with state policy. Splitting invoices is prohibited. Where bids are solicited, a minimum of 3 bids must be sought. However, there is no minimum number of bids that must be received.

All subcontracts must be made in compliance with the following Procurement Procedures:

- 1) All recipients shall establish written procurement procedures. These procedures shall provide for, at a minimum, that paragraphs 1) (a.), (b.), and (c.) of this section apply.
  - a. Recipients avoid purchasing unnecessary items.
  - b. Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement.
  - c. Solicitations for goods and services provide for all of the following:
    - i. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive

procurements, such a description shall not contain features which unduly restrict competition.

- ii. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
  - iii. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
  - iv. The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitation.
  - v. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
  - vi. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
- 2) Positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Recipients of Federal awards shall take all of the following steps to further this goal.**
- a. Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
  - b. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
  - c. Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
  - d. Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
  - e. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

- 3) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The “cost-plus-a-percentage-of-cost” or “percentage of construction cost” methods of contracting shall not be used.
- 4) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by agencies' implementation of Executive Orders 12549 and 12689, “Debarment and Suspension.”
- 5) Recipients shall, on request, make available for EPA, pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply.
  - a. A recipient's procurement procedures or operation fails to comply with the procurement standards in EPA's implementation of Circular A-110.
  - b. The procurement is expected to exceed the small purchase threshold fixed at 41 U.S.C. 403 (11) (currently \$100,000) and is to be awarded without competition or only one bid or offer is received in response to a solicitation.
  - c. The procurement, which is expected to exceed the small purchase threshold, specifies a “brand name” product.
  - d. The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.
  - e. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.

In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification, approved by the Commissioner, Department of Agriculture, for such decision and non-competitive procurement. Further, if such reimbursement is to be made with funds derived wholly or partially from federal sources, the determination of cost shall be governed by and reimbursement shall be subject to the Grantee's compliance with applicable federal procurement requirements.

The Grantee shall obtain prior approval from the State before purchasing any equipment ("Capital Purchase") under this Grant Contract.

The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of the Grant Contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.

**How to Address the Issue of Subcontracting in a Proposal:**

There is some difference as to the way the proposal should be written depending on when the subcontractor is procured. Please adhere to the following guidance:

**Scenario 1:** Subcontractors Identified At The Time Of Proposal Submittal:

All proposals submitted shall clearly indicate whether a sub-contractor will provide any of the goods or services needed under the proposal. Documentation shall be included with the proposal demonstrating that the procurement process used to secure this subcontractor complied with procurement policy stated above.

**Scenario 2:** Subcontractors Retained After Contract Start Date:

The grant recipient must request in writing permission to sub-contract from the department. After obtaining approval, the grant recipient shall proceed to procure the goods or services required through a competitive bidding process that complies with the procurement policy stated above. Documentation of the bidding process does not need to be submitted to TDA, but must be maintained in records by the grantee.