NDDES

Grants and Training Section Vol. 3—August 2016

Section Chief Notes

Grants provide many opportunities for sub-recipients to plan, train, exercise, and purchase equipment to fill identified gaps. However, as the saying goes, nothing is free. Not only is time and effort involved in completing the objectives of the grant funded project, but rules, regulations and procedures must be followed by the sub-recipient in order to not jeopardize receiving the funds.

In this issue we will go over some (not all) of the requirements a sub-recipient must follow. In addition, NDDES has developed the *Fiscal Requirements and Other Program Rules, Regulations, Laws, and Policies for Federal Programs* document to aid sub-recipients. This document can be found at: http://www.nd.gov/des/uploads/resources/880/fiscal-and-program-policy---nddes.pdf.

Hail—June 9, 2016—Divide County

"You must pay for everything in this world one way and another."
Charles Portis

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NDDES Reimbursement Process

NDDES distributes awarded grant funds to sub-recipients on a reimbursement basis for eligible expenditures. Reimbursement requests must be submitted to NDDES using the *Financial Reimbursement Request Detail* form (SNF 54169) and be supported by the following documentation, as applicable. SFN 54169 must be complete and signed and dated.

Types of Supporting Documentation

1. Invoices, receipts, payroll registers, etc.
2. Proof of payment, i.e., cancelled checks, bank statements, accounting ledgers or completed and signed county/city auditor warrants.
3. Copies of quotes (minimum 3) or RFP with responses
4. Training: Training outline/schedules, attendance rosters, contractor contract
5. Exercise: Attendance roster, After Action Report/Improvement Plan (HSEEP format), contractor contract
6. Planning: Copy of completed plan(s), contractor contract

In addition, prior to reimbursement being processed, the required quarterly project status reports must all have been submitted to NDDES.

Once the reimbursement request is received, NDDES grants staff will review the request and documentation provided. Following the initial review, NDDES grant staff may request clarification or additional information/documentation from the sub-recipient.

Grants staff will approve eligible expenditures and then forward the file to the NDDES Accounts Technician for input into PeopleSoft in preparation for check/direct deposit generation. The Accounts Technician also updates the grants budget to reflect payment and balance information.

The file is then forwarded to the NDDES Fiscal Manager for final review and authorization. If NDDES Fiscal Manager agrees with the determination of the grants staff the check/direct deposit prepared by the NDDES Accounts Technician is approved and payment is made.

Payment is made by check mailed to the sub-recipient or by direct deposit (preferred payment method). Payment is accompanied by a letter indicating the payment has been made. The NDDES Accounts Technician will in some cases fax a copy of the direct deposit documentation to the county auditor. NDDES Accounts Technician places copy of payment in grant file.

A copy of the NDDES Reimbursement Processing Checklist can be found on our website at: http://www.nd.gov/des/uploads/resources/896/reimbursement-processing-checklist.doc.

The *Financial Reimbursement Request Detail* form (SFN 54169) can be found at: http://www.nd.gov/eforms/Doc/sfn54169.pdf.

Timecards

Compensation for personal services (2 CFR 200.430) includes 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 (2 CFR 200.431). Costs of compensation are allowable to the extent that the total compensation for individual employees:

- Is reasonable for the services rendered and conforms to the established written policy of the sub-recipient consistently applied to both Federal and non-Federal activities;
- Is determined and supported by appropriate documentation.

Documentation of Personnel – Time and Effort Reporting

Charges to Federal awards for salaries and wages must be based on payroll records that accurately reflect the work performed (time and effort spent) on the program. Records are required for all employees that are paid with federal funds to document the actual time spent working in the program.

- Charges for employee salaries and wages must be based on payrolls documented in accordance with generally accepted practices of government unit and approved by an official of that unit. *(i.e., signed by employee's supervisor or the auditor)*
- Charges for salaries and wages for all employees who work only one program or cost objective must be supported by yearly certifications signed by each employee that 100% of their time was spent on that program.
- Charges for salaries and wages for all employees who work on more than one program or cost objective must be supported by personnel activity reports or equivalent documentation that shows the distribution of employee's time among the programs which the employee works. The documentation must:
    - Reflect an after-the-fact distribution of the actual activity of each employee;
    - Account for the total activity for which the employee is compensated;
    - Be prepared at least monthly and coincide with one or more pay periods; and
    - Be signed by each employee.

Salaries and wages of employees used in meeting cost share or matching requirements on Federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from Federal awards.

Therefore, sub-recipients requesting reimbursement for salaries and wages through the EMPG program must provide a copy of their signed timesheet(s) to NDDES that reflect actual hours worked on EMPG-related activities versus other programs or cost objectives.

A sample timesheet is available on the NDDES website at http://www.nd.gov/des/homeland/grants/info/.

HSEEP Requirements

Exercises play a vital role in national preparedness by enabling whole community stakeholders to test and validate plans and capabilities in each of the five mission areas of the National Preparedness Goal, and identify capability shortfalls and areas for improvement. Exercises bring together and strengthen the whole community in its efforts to prevent, protect against, mitigate, respond to, and recover from all hazards. HSEEP provides an organizational structure that helps to provide a realistic mechanism to test whether the right equipment, personnel, plans, and training exist to validate a particular capability.

It's incumbent upon the exercise planners to understand the purpose of each exercise they design and sponsor, what the intended outcome is for the exercise, and the core capabilities or procedures the exercise is intended to validate. Shortfalls identified through the evaluation process can direct your organization to areas for improvement, additional resource requirements, shortcomings in plans, polices or communication procedures, or poorly defined roles and responsibilities, all of which can be addressed through improvement planning.

A well designed exercise proves a low-risk environment to test capabilities, familiarize personnel with roles and responsibilities, and foster meaningful interaction and communication across organizations.

By providing a common approach and consistent method for exercise planning, HSEEP principles allow the planning process to remain flexible and accessible to each organization implementing an exercise program—regardless of size or scope of the group or organization, or the planned exercise. The principles of the HSEEP process include the following:

- **Guided by Elected and Appointed Officials:** The early and frequent engagement of elected and appointed officials is the key to the success of any exercise program. The basic premise here is that our senior officials should provide overarching guidance and direction for the exercise and evaluation program as well as specific intent for individual exercises and overall preparedness effort.

- **Capability-based, Objective Driven:** Through HSEEP, organizations can use exercises to examine current and required core capability levels and identify gaps. Exercises focus on assessing performance against capability-based objectives.

- **Progressive Planning Approach:** A progressive approach includes the use of various exercises aligned to a common set of exercise program priorities and objectives within a cycle of exercises with increasing level of complexity over time. Progressive exercise planning does not imply a linear progression of exercise types.

- **Whole Community Integration:** The use of HSEEP encourages exercise planners, where appropriate, to engage the whole community throughout exercise program management, design and development, conduct, evaluation, and improvement planning.

- **Informed by Risk:** Identifying and assessing risks and associated impacts helps organizations identify priorities, objectives and core capabilities to be evaluated through exercises.

- **Common Methodology:** HSEEP includes a common planning methodology followed for all exercise types that—regardless of the scope or scale.

The **Multiyear Training and Exercise (T&E) Schedule** should reflect a progressive program of increasingly complex exercises with each exercise building on the capabilities tested and validated in previous exercises. When building a T&E schedule, be sure that it is not overly aggressive. Think about what needs to be accomplished and how it can be efficiently accomplished through a combination of efforts and resources. The schedule should:

- Provide a **graphic representation** of the proposed activities scheduled in the **Multiyear Exercise Plan**.
- Emphasize coordination between jurisdictions.
- Allow **adequate time** for a natural progression of increasingly complex exercises designed **to build and validate capabilities**.

HSEEP Cycle

The Exercise Cycle graphic shown below (provided by FEMA) represents the common planning methodology followed for all exercise types and includes: exercise program management, design and development, conduct, evaluation, and improvement planning that is applicable to management of exercise programs and execution of individual exercises—regardless of the scope or scale of the exercise.

Overview of Exercise Program Management
Exercise program management is the ongoing process of overseeing and integrating a variety of exercises over time. An effective exercise program helps organizations maximize efficiency, resources, time, and funding by ensuring that exercises are part of a coordinated, integrated approach to building, sustaining, and delivering core capabilities. This approach—called multi-year planning—begins when elected and appointed officials, working with whole community stakeholders, identify and develop a set of multi-year exercise priorities informed by existing assessments, strategies and plans. These long-term priorities help exercise planners design and develop a progressive program of individual exercises to build, sustain, and deliver core capabilities.

Effective exercise program management promotes a multi-year approach to:

- Engage elected and appointed officials
- Establish multi-year exercise program priorities
- Develop a multi-year Training and Exercise Plan (TEP)
- Maintain a rolling summary of exercise outcomes
- Manage exercise program resources.

Through effective exercise program management, each exercise becomes a supporting component of a larger exercise program with overarching priorities.

Discussion-Based Exercises
The ***first level*** of exercises is Discussion-based exercises that include seminars, workshops, tabletop exercises, and games. These types of exercises can be **used to familiarize the players with current or develop new plans, policies, agreements, and procedures**. Discussion-based exercises focus on strategic, policy-oriented issues.

Operations-Based Exercises
The ***second level*** of exercises is Operations-bases exercises that include drills, functional exercises, and full-scale exercises. These exercises are used to validate plans, policies, agreements, and procedures; clarify roles and responsibilities; and identify resource gaps. The are characterized by actual *implementation of response activities* in reaction to an exercise scenario.

Procurement Requirements

When procuring property and services using funds from any Federal award program, Sub-recipients <u>must</u> follow 2 CFR Part 200.318-200.326. Entities that do not follow procurement requirements will not be reimbursed and their funding rescinded.

General Procurement Standards (200.318)

Procurement standards apply to the purchase of supplies, equipment, and other services funded in whole or in part by federal grant funds. The standards state that the sub-recipient:

- Must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law
- Must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- Must maintain written standards of conduct covering conflict of interest and governing the actions of its employees engaging in the selection, award, and administration of contracts.
    - o Must ensure that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has real or apparent conflict of interest.
    - o Must ensure its officers, employees, and agents neither solicit nor accept gratuities, favors, or anything of monetary value form contractors or parties to subcontracts.
    - o Must also maintain written standards of conduct covering organizational conflicts of interest for its parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe.
- Procedures must avoid acquisition of unnecessary or duplicative items.
- Must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. See also 200.213 Suspension and debarment.
- Must maintain records sufficient to detail the history of procurement and include at a minimum:
    - o Rationale for the method of procurement
    - o Selection of contract type
    - o Contractor selection and rejection
    - o Basis for the contract price
- May use a time and materials type contract (sum of actual cost of materials and direct labor hours charged at fixed hourly rates that reflect wages, general administrative expenses, and profit) only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. The sub-recipient must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- Alone must be responsible for and must have standards for the settlement of all contractual and administrative issues arising out of procurements.

Competition (200.319)

All procurement transactions must be conducted in a manner providing full and open competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business.
- Requiring unnecessary experience and excessive bonding.
- Noncompetitive pricing practices between firms or between affiliated companies.
- Noncompetitive contracts to consultants that are on retainer contracts.
- Organizational conflicts of interest.
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered.

The sub-recipient must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals.

The sub-recipient must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such descriptions must not contain features which unduly restrict competition. Detail product specifications should be avoided if at all possible.
- Identify all requirements which the offerors must fulfill and other factors to be used in evaluating bids or proposals.

The sub-recipient must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the recipient must not preclude potential bidders from qualifying during the solicitation period.

Methods of Procurement to be followed (200.320)

The sub-recipient must use one of the following methods of procurement or be more restrictive with their policies. **Note:** Sub-recipients whose written procurement procedures are more restrictive must use their own more restrictive policy.

- Micro Purchase Method. Procurement by micro-purchase is the acquisition of supplies, services, or other property for which the aggregate dollar amount does not exceed $3,500. To the extent practicable, the sub-recipient must distribute micro -purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations.
- Small Purchase Procedures Method. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that cost between $3,500 and $149,999.99. Price or rate quotations must be obtained from a minimum of three qualified sources.
- Sealed Bids Method. (Formal Advertising) Bids are publicly solicited and a firm fixed price contract is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest price. If this method is 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.
    - o 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.
    - o A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.
    - o Any and all bids may be rejected if there is a sound documented reason.
- Competitive Proposals Method. The technique of competitive proposals is normally conducted with more than one source submitting an offer and either a fixed price or cost-reimbursed type of contract is awarded. If this method is used the following requirements apply:
    - o Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests to proposals must be considered to the maximum extent practical.
    - o Proposals must be solicited from an adequate number of qualified sources.
    - o The sub-recipient entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
    - o Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

- Noncompetitive Proposals Method. This is the solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
    - o The item is available only from a single source.
    - o The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.

Sub-recipients must contact NDDES for permission to use this method. Sub-recipients who use this method without permission will not be reimbursed. Sufficient documentation will be required from the sub-recipient to support the need to use this method instead of one of the other three methods. NDDES reserves the right to deny such requests.

Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms. (200.321)
Sub-recipients must take all necessary affirmative steps to assure that minority, women, and labor surplus area firms are used when possible.

Contract cost and price. (200.323)
The sub-recipient must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The sub-recipient must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. The cost plus percentage of cost and percentage of construction cost methods of contracting must not be used.

Contract provisions. (200.326)
The sub-recipient's contracts must contain the applicable provisions described in Appendix II to Part 200 – Contract Provisions for sub-recipient Contracts under Federal Awards.

Debarred or Suspended Entities (200.213)
Sub-recipients and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive Order 12549 and 12689, 2 CFR Part 180. These regulations restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs and activities. Sub-recipients must go to www.sam.gov or http://exclusions.oig.hhs.gov/ to verify the status of contractors/vendors with the federal government.

In addition, Sub-recipients may not make any award or contract to any party which is debarred, suspended from doing business in North Dakota. See https://www.nd.gov/omb/agency/procurement/bidders-list/suspended-and-debarred-bidders for the list of vendors debarred or suspended in North Dakota.

State Cooperative Purchase (CP) Contracts

For micro-purchases and small purchases, many state contracts are made available to other public schools (NDCC §15.1-09-34) and political subdivisions, tribal entities, and public transit authorities. Check the State Contract listing (https://apps.nd/gov/csd/spo/services/bidder/listCurrentContracts.htm) to find cooperative purchase contracts. The cooperative purchase contracts are marked with a **Y** under the **CP** column at the above site. When purchasing off of a State Cooperative Purchase contract, be sure to view the contract to see the list of eligible contractors and price lists. When contacting the contractor you will need to reference the Term Contract Number as it is listed on the site above.

One of the benefits of purchasing off of CP Contracts is that the bidding process has been done for you, eliminating the need for you to obtain quotes on your own. It is your responsibility to make sure the contractor gives you the price listed in the CP Contract and for making sure the vendor references the CP Contract on their billing invoice.

Check the website above often for new State Cooperative Purchase Contracts. Of particular note, on July 1st of this year State Cooperative Purchase Contracts became available for the following items:

- Police Body Armor: Contract Number 113
- Radios: Contract Number 076-02— Updated Contract—Vendors now include: Electronic Communications, Jamestown Communications, Minnkota, Motorola Inc., RELM Wireless, Team Electronic, and TESSCO Inc.

  Note: Purchase of Motorola brand radios from Motorola authorized vendors other than those listed above are not eligible under the State Cooperative Purchase Contract and will not be reimbursed.

Small Purchase Procedures Method of Procurement Cycle

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that cost between $3,500 and $149,999.99 (federal cost levels). Price or rate quotations must be obtained from a minimum of three qualified sources.

Date to Remember

Emergency Management Performance Grant (EMPG)

- September 30, 2016—FY 2015 EMPG Performance Period Ends
- October 15, 2016—FY 2015 EMPG Final Project Status Report and Final Reimbursement Request Due
- October 15, 2016—FY 2016 EMPG Quarterly Project Status Report and Quarterly Reimbursement Request Due. Include copy of updated LEPC membership

Hazardous Materials Emergency Preparedness (HMEP) Grant

- September 30, 2016—FY 2016 EMPG Performance Period Ends
- October 15, 2016—FY 2016 HMEP Final Project Status Report and Final Reimbursement Request Due

Homeland Security Grant Program (SHSP and OPSG Grants)

- September 15, 2016—FY 2014 SHSP and OPSG Final Project Status Reports and Final Reimbursement Requests Due
- October 15, 2016—FY 2015 SHSP and OPSG Quarterly Project Status Reports and Quarterly Reimbursement Requests Due
- December 30, 2016—FY 2015 SHSP Performance Period Ends

Record Retention

- EMPG—May dispose of records for FY 2011 EMPG and earlier .
- HMEP—May dispose of records for FY 2012 HMEP and earlier.
- HMEP—May dispose of records for FY 2013 HMEP after December 31, 2016.
- IEC—May dispose of FY 2010 IEC records after December 4, 2016.
- OPSG/SHSP—May dispose of FY 2008 OPSG/SHSP and earlier.
- OPSG/SHSP—May dispose of FY 2009 OPSG/SHSP after December 15, 2016.
- OPSG/SHSP—May dispose of FY 2010 OPSG/SHSP after November 21, 2016

Upcoming Training and Exercise Events

- **ICS 200 (Minot) - August 24, 2016**
- **PER-304 Social Media for Natural Disaster Response and Recovery (Bismarck) - September 12-13, 2016**
- **NDDEMA/NDDES Annual Conference (Bismarck) - September 13-15, 2016**
- **NDDES Integrated Emergency Management Course (IEMC) (Bismarck) - September 26-29, 2016 (Invitation Only)**
- **L361 Multi-Hazard Emergency Planning for Schools (Williston) - October 10-12, 2016**
- **AWR-167 Sports Event Risk Management (Grand Forks) - October 11-12, 2016**
- **L362 Multi-Hazard Emergency Planning for Schools—Train-the-Trainer (Williston) - October 13-14, 2016**
- **2016 North Dakota Hazardous Materials Conference (Bismarck) - October 27-29, 2016**