THE HOMELAND SECURITY GRANT PROGRAM

October 2021

Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

What's on the Menu?

1. Key Changes
2. FY 2021 HSGP Application requirements
3. Program Guidance
4. Changes to CFRs
5. Procurement

Key Changes: FY2021 National Priorities

Investment in National Priorities:

- For FY 2021, States, Territories, and Urban Areas are required to designate one Investment Justification (IJ) for each of the five National Priorities.

- The 2021 NOFO includes the addition of a 5th National Priority area: Combating Domestic Violence Extremism.

- Minimum Funding percentages of the total award must be allocated to each of the five national priority areas.

Key Changes: FY2021 National Priorities

Investment in National Priorities:

- Collectively the National Priority projects will reserve a minimum of 30% of the total award amount. For FY2020-this was previously 20%

- **Three** of the five priority-aligned IJs must equal or exceed **5% each** of the applicable State, Territory, or Urban Area's target allocation.

- **Two** of the five priority-aligned IJs must equal or exceed **7.5% each** of the applicable State, Territory, or Urban Area's target allocation.

Key Changes: FY2021 National Priorities

1. Enhancing information and intelligence sharing and cooperation with federal agencies **(5%)**

2. Enhancing the protection of soft targets/crowded places **(5%)**

3. Enhancing cybersecurity **(7.5%)**

4. Addressing emerging threats **(5%)**

5. Combating Domestic Violent Extremism **(7.5%)**

Equates to **30%** of HSGP award

Key Changes FY 2021 IJs

Enhance Intelligence and Information Sharing and Cooperation With Federal Agencies Including DHS **(National Priority)**	**IJ # 1**	Enhance Intelligence and Information Sharing and Cooperation With Federal Agencies Including DHS **(National Priority)**
Enhance Protection of Soft Targets / Crowded Places (including election security) **(National Priority)**	**IJ # 2**	Enhance Protection of Soft Targets / Crowded Places (including election security) **(National Priority)**
Enhance Cybersecurity **(National Priority)**	**IJ # 3**	Enhance Cybersecurity **(National Priority)**
Address Emergent Threats **(National Priority)**	**IJ # 4**	Address Emergent Threats **(National Priority)**
Enhance Medical and Public Health Preparedness	**IJ # 5**	Combating Domestic Violent Extremism Through Enhanced Intelligence Collection & Analysis, Training, and Community Resilience **(National Priority)**
Strengthen Emergency Communications Capabilities Through Planning, Governance, Technology, and Equipment	**IJ # 6**	Strengthen Communications Capabilities Through Planning, Governance, Technology, and Equipment
Enhance Community Resilience, Including Partnerships With Volunteers and Community Based Organizations and Programs	**IJ # 7**	Enhance Medical and Public Health Preparedness
Strengthen Information Sharing and Collaboration (non-Fusion Center)	**IJ # 8**	Strengthen Information Sharing and Collaboration (non-Fusion Center)
Enhance Multi-Jurisdictional/Inter-Jurisdictional All-Hazards Incident Planning, Response & Recovery Capabilities	**IJ #9**	Enhance Community Capabilities through Multi-Jurisdictional/Inter-Jurisdictional All-Hazards Incident Planning, Response, and Recovery Coordination, including Partnerships with Volunteers and Community Based Organizations and Programs
Protect Critical Infrastructure and Key Resources (includes Food and Agriculture)	**IJ #10**	Protect Critical Infrastructure and Key Resources (includes Food and Agriculture)

Key Changes FY 2020 IJs

IJ # 1	Enhance Intelligence and Information Sharing and Cooperation With Federal Agencies Including DHS **(National Priority)**
IJ # 2	Enhance Protection of Soft Targets / Crowded Place (including election security) **(National Priority)**
IJ # 3	Enhance Cybersecurity **(National Priority)**
IJ # 4	Address Emergent Threats **(National Priority)**
IJ # 5	Combating Domestic Violent Extremism Through Enhanced Intelligence Collection & Analysis, Training, and Community Resilience **(National Priority)**
IJ # 6	Strengthen Communications Capabilities Through Planning, Governance, Technology, and Equipment
IJ # 7	Enhance Medical and Public Health Preparedness
IJ # 8	Strengthen Information Sharing and Collaboration (non-Fusion Center)
IJ #9	Enhance Community Capabilities through Multi-Jurisdictional/Inter-Jurisdictional All-Hazards Incident Planning, Response, and Recovery Coordination, including Partnerships with Volunteers and Community Based Organizations and Programs
IJ #10	Protect Critical Infrastructure and Key Resources (includes Food and Agriculture)

Key Changes: IJs- New National Priority

IJ #5: Combating Domestic Violent Extremism Through Enhanced Intelligence Collection & Analysis, Training, and Community Resilience (National Priority)

Core Capabilities	• Interdiction and disruption • Screening, search and detection • Physical protective measures • Intelligence and information sharing • Planning • Public information and warning • Operational coordination • Risk management for protection programs and activities

Key Changes: New National Priority

Example Project Type	• Training and awareness programs (e.g., through social media, SAR indicators and behaviors) to educate the public on misinformation campaigns and resources to help them identify and report potential instances of domestic violent extremism • Sharing and leveraging intelligence and information, including open source analysis • Execution and management of threat assessment programs to identify, evaluate, and analyze indicators and behaviors indicative of domestic violent extremists

Key Changes: IJs

FY21 NOFO:

  – Lists more core capabilities applicable to each National Priority vs FY20.

  – Lists more example projects for each priority as well.

Key Changes: National Priority Project Requirements

IJ#2-Soft Targets and Crowded Places
and
IJ#3-Cybersecurity—Election Security

- SHSP and UASI applicants are not required to provide election security projects in FY 2021.

Key Changes: Updated IJs

IJ # 7	Enhance Medical and Public Health Preparedness (Previously IJ#5 in FY2020)
Core Capabilities	• Public Health, Healthcare, and Emergency Medical Services • Health and Social Services • Mass Care Services
Example Project Type	• Refrigeration equipment to store bio-terrorism, pandemic and disease specimens • Mass Casualty Response Plan • Continuity of Operations Plan for Public Health Department

Key Changes: Updated IJs

IJ #9: Enhance Community Capabilities through Multi-Jurisdictional/Inter-Jurisdictional All-Hazards Incident Planning, Response, and Recovery Coordination, including Partnerships with Volunteers and Community Based Organizations and Programs
(Previously IJ#7 and IJ#9 in FY20)

Core Capabilities	- Community Resilience - Physical Protective Measures - Public Information and warning - Fire Management and Suppression - Mass Search and Rescue Operations
Example Project Type	- Community Emergency Response Team (CERT) Programs - Volunteer or donations management projects - Voluntary Organizations Active in Disaster (VOAD) Programs - Rehabilitation trailer for OES and volunteer Search & Rescue team - SCBAs for Fire Response Strike Teams

FY2021 Investment Justifications		State Homeland Security Strategy Goal	
1	Enhance Information and Intelligence Sharing and Cooperation with Federal Agencies, including DHS	1	Enhance Information Collection, Analysis, and Sharing, in Support of Public Safety Operations across California
2	Enhance the Protection of Soft Targets/Crowded Places	2	Protect Critical Infrastructure and Key Resources from All Threats and Hazards
3	Enhance Cybersecurity	3	Strengthen Security and Preparedness across Cyberspace
4	Address Emergent Threats	6	Enhance Multi-Jurisdictional/Inter-Jurisdictional All-Hazards Incident Catastrophic Planning, Response, and Recovery Capabilities
5	Combating Domestic Violent Extremism Through Enhanced Intelligence Collection & Analysis, Training, and Community Resilience	1	Enhance Information Collection, Analysis, and Sharing, in Support of Public Safety Operations across California
		5	Enhance Community Preparedness
		6	Enhance Multi-Jurisdictional/Inter-Jurisdictional All-Hazards Incident Catastrophic Planning, Response, and Recovery Capabilities
		10	Enhance Homeland Security Exercise, Evaluation, and Training Programs
6	Strengthen Communications Capabilities Through Planning, Governance, Technology, and Equipment	4	Strengthen Communications Capabilities through Planning, Governance, Technology, and Equipment
7	Enhance Medical and Public Health Preparedness	7	Improve Medical and Health Capabilities
8	Strengthen Information Sharing and Collaboration	1	Enhance Information Collection, Analysis, and Sharing, in Support of Public Safety Operations across California
9	Enhance Community Capabilities through Multi-Jurisdictional/Inter-Jurisdictional All-Hazards Incident Planning, Response, and Recovery Coordination, including Partnerships with Volunteers and Community Based Organizations and Programs	5	Enhance Community Preparedness
		6	Enhance Multi-Jurisdictional/Inter-Jurisdictional All-Hazards Incident Catastrophic Planning, Response, and Recovery Capabilities
		8	Enhance Incident Recovery Capabilities
		10	Enhance Homeland Security Exercise, Evaluation, and Training Programs
10	Protect Critical Infrastructure and Key Resources (including Food & Agriculture)	2	Protect Critical Infrastructure and Key Resources from All Threats and Hazards
		9	Strengthen Food and Agriculture Preparedness

FY2021 National Priority Projects

- National Priority Projects must be reviewed for effectiveness before funds can be obligated or expended on them
- FEMA/DHS and the various subject matter experts are responsible for conducting reviews
- **ALL** modifications for national priority projects MUST be approved by FEMA/DHS

Key Changes:
FY2021 Project Evaluations

- FEMA will evaluate FY2021 National Priority projects for effectiveness during the application round.
- The goal is to have the federal review for effectiveness completed before funds are awarded to minimize the amount of funding on hold related to the National Priority Areas.
- FEMA will take the time between when they were due in May through October to review and approve the submitted projects.

FY2021 Project Application Evaluations

- Effectiveness will be evaluated by DHS/FEMA, Cybersecurity and Infrastructure Security Agency, DHS Office of Intelligence and Analysis, DHS Countering Weapons of Mass Destruction Office, and/or other DHS components, as appropriate.

FY2021 Application Evaluation	
Investment Strategy (30%):	• Quality and extent description demonstrates support for the objective of preventing, preparing for, protecting against, and responding to acts of terrorism, meet target capabilities, and reduce the overall risk to the high-risk urban area, the State, or the Nation
Budget (10%):	• Budget plan maximizing effectiveness of grant expenditures

FY21 Project Application Evaluation

FY2021 Application Evaluation	
Impact / Outcomes (30%):	• Closing capability gaps identified in the SPR and address national priorities. • Identification and estimated improvement of core capability and the associated standardized target(s) • The ways in which the applicant will measure and/or evaluate improvement
Collaboration (30%):	• How the project helps overcome existing logistical, technological, legal, policy, and other impediments to collaborating, networking, sharing information, cooperating, and fostering a culture of national preparedness with federal, state, tribal, local governments, and regional and nonprofit partners

Final Application Documents

- Final Applications for FY21 will be December 31, 2021

- The California Supplement to the NOFO has been posted to the website September 30, 2021.

FY 2022 Advance Project List

- It is recommended that subrecipients prepare for advance FY 2022 project list application to have similar requirements from FY2021 on National Priorities.

- The advance project list application (workbook only) for FY2022 will be due January 31, 2022 (Monday).

Prohibitions on Telecommunications & Video Surveillance services & equipment

<u>Effective August 13, 2020</u>, DHS/FEMA recipients and subrecipients **may not** use any FEMA grant funds under the HSGP program <u>FY 2020 or previous years</u> to:

- Procure or obtain any equipment, system, or service that uses "covered telecommunications equipment or services" as a substantial or essential component of any system, or as critical technology of any system; or

- Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses "covered telecommunications equipment or services" as a substantial or essential component of any system, or as critical technology of any system; or

- Enter into, extend, or renew contracts with entities that use "covered telecommunications equipment or services" as a substantial or essential component of any system, or as critical technology as part of any system.

As mandated by the John S. McCain National Defense Authorization Act.

Prohibitions on Telecommunications and Video Surveillance services and equipment

Per FEMA August 3, 2020 Memo: "Covered telecommunications equipment or services": Video surveillance or Telecommunications equipment or services produced, provided or used by:

- Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

- Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

- An entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the FBI, reasonably believes to be an owned, controlled by, or connected to the People's Republic of China

Noncompetitive Procurement & Training

GMM-2021-05: Streamline Noncompetitive Procurement Authorization Process for Single-Source HSGP Training

- Per GMM-2017-01-A, Cal OES will not reimburse for any noncompetitive procurement of training, regardless of the cost.
- Exceptions to this policy are allowable under certain circumstances and are determined on a case-by-case basis. Per 2 CFR 200.320(c)(2), solicitation of a proposal from only one source may be used if the item is only available from a single provider.

GMM-2021-05: Streamline Noncompetitive Procurement Authorization Process for Single-Source HSGP Training

- These courses are distinguished by a "G" designation in the class number and are listed at the Cal OES website: Single Source Courses.
- Additional courses addressing CSTI's own curriculum are also listed.
- Courses utilized by the State Threat Assessment System in support of the Terrorism Liaison Officer (TLO) program are further listed as single source providers; these courses and other single source providers have been approved by DHS/FEMA.

GMM-2021-05: Streamline Noncompetitive Procurement Authorization Process for Single-Source HSGP Training

- Ultimately this means that there is now a list and procedures to reference to help simplify/speed up the Sole Source (Non-competitive Procurement) approval process for these courses.
- Depending on the course, documentation should include the phrase:
    - "This is a DHS/FEMA Emergency Management Institute (EMI) or Cal OES specific course that is only authorized to be presented in California by the California Specialized Training Institute."

Governing Body Resolution (GBR)

- Can be good for up to three grant years provided that:
  - The resolution identifies the applicable grant program (e.g., EMPG and/or HSGP)
  - The resolution identifies the applicable grant years, (e.g., FY 2020, FY 2021,FY 2022); and
  - Adheres to necessary elements required by local protocols, rules, etc., if applicable
- Designees can be accepted when authorized by the GBR

Nationwide Cybersecurity Review (NCSR):

- **What:** A no-cost, anonymous, and annual self-assessment designed to measure gaps and capabilities of state, local, tribal, territorial, nonprofit, and private sector agencies' cybersecurity programs.

  - IB 439 – Supplemental Guidance for Cybersecurity Investments

- **Why:** Evaluates cybersecurity maturity across the nation while providing actionable feedback and metrics directly to individual respondents in State, Local, Tribal & Territorial governments

- **Result:** DHS bi-yearly anonymous summary report delivered to Congress providing a broad picture of the cybersecurity maturity across communities

Nationwide Cybersecurity Review (NCSR):

- **Who:** Chief Information Officer (CIO), Chief Information Security Officer (CISO), or equivalent for **all** SHSP and UASI subrecipients and subawarded agencies
  - If there is no CIO or CISO, most senior cybersecurity professional should complete NCSR
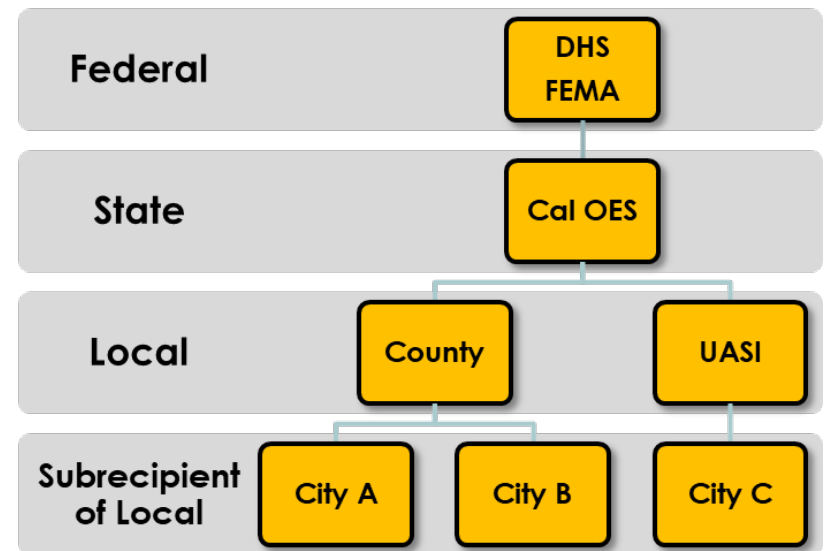
Nationwide Cybersecurity Review (NCSR):

- **When:** All Subrecipients of SHSP and UASI funding must complete the NCSR between October and December

- Deadline to Cal OES – **Friday, December 17, 2021**

- **How:**

  - Registration required for portal access:

    - https://www.cisecurity.org/ms-isac/services/ncsr/

  - NCSR Portal:

    - https://grc.archer.rsa.com

  - Takes approx. 2-3 hours to complete

NCSR cont.

Required Documentation:

- Cal OES Subrecipients:
  - Submit PDF verifying own NCSR completion
  - AA must certify in writing, on behalf of Subrecipients at next tier, NCSR was completed (list Subrecipients and date completed in a spreadsheet)
- On behalf of your Subrecipients:
  - Ensure you receive certification that NCSR is complete
  - Keep records

Personnel Cap:

- SHSP and UASI funds may be used for personnel costs, totaling up to 50% of <u>each fund source</u>
  - Subrecipient may request this requirement be waived by DHS/FEMA, via Cal OES
- Description of Personnel Costs:
  - <u>IB 421</u>, <u>421a</u>, <u>421b</u>: Clarification on the Price Act

Personnel Cap:

Personnel Cap Waiver.

- Must be submitted <u>separately for each fund source</u>
- Must be submitted in writing to the Program Representative on official letterhead
- Must address the following information:
  - Documentation explaining why the cap should be waived;
  - Conditions under which the request is being submitted;
  - A <u>budget</u> **and** <u>method</u> of calculation of personnel costs both in <u>percentages</u> of the Grant Award **and** in <u>total dollar amount</u> (include salary, fringe benefits, and any M&A costs)

Personnel Cap:

Example:

HSGP FY2018				
Total SHSP Award	$ 100,000.0			
Total UASI Award	$ 100,000.0			
Total HSGP Award	$ 200,000.0			
Employee	**$SHSP**	**%SHSP**	**$UASI**	**%UASI**
A	$ 10,000	10%	$ -	0%
B	$ 15,000	15%	$ 5,000	5%
C	$ 20,000	20%	$ 5,000	5%
D	$ 25,000	25%	$ 5,000	5%
Total	**$ 70,000**	**70%**	**$ 15,000**	**15%**

UASI Requirements

- States, territories and high-risk Urban Areas complete a Threat and Hazard Identification and Risk Assessment (THIRA) and Stakeholder Preparedness Review (SPR) for <u>all 32</u> core capabilities

  - As of FY2019, a THIRA must be submitted every three years

  - SPR continues on an annual basis

UASI Requirements

- UASI Final Applications to Cal OES, must:
    - Include the Urban Area footprint
    - Include the Roster of UAWG Members
    - Ensure projects tie to a State Investment

Fusion Center Requirements

- Fusion Center Projects must align to and reference performance areas of the annual Fusion Center Assessment
- Fusion Center Projects will be reviewed by DHS Office of Intelligence and Analysis
- Fusion Center Analysts must have qualifications that meet or exceed competencies identified in the Common Competencies for State, Local, and Tribal Intelligence Analysts
- Cal OES Director's Letter, dated March 16, 2016

Semi-Annual Drawdown Requirements

- All Subrecipients should be reporting expenditures and requesting funds at least semi-annually throughout the period of performance.

- Semi-annual drawdowns should be occurring by March and October of each calendar year following final approval of the subaward application, except for the final cash request, which must be submitted within 20 calendar days after the end of the period of performance.

Performance Bonds

- Cal OES requires Subrecipients obtain a performance bond for any equipment item over $250,000 *or* any vehicle, aircraft, or watercraft that has been **funded up front with HSGP funds** prior to receiving the final product(s).

- Subrecipients must provide a copy of all performance bonds to their Program Representative no later than the time of reimbursement.

- Performance Bond Waivers may be granted on a case-by-case basis and must be submitted to Cal OES prior to procurement.

Emergency Communications

- Projects must be compliant with SAFECOM Guidance (updated annually)
- Emergency Communication Projects will be reviewed by:
  - Statewide Interoperability Coordinator (SWIC) at Cal OES; and
  - DHS Office of Emergency Communications
- Emergency Communications Guidance
  - Preparedness Grant Manual 2.0 Appendix A-26

Emergency Communications

- Projects must align with the Statewide Communication Interoperability Plan (SCIP)

- Identify the SCIP Goal # within the Project Description

- Project Description **must** contain the words "Emergency Communications" to easily be identified

- Example:

  *Purchase (6) dual-band handheld radios for the city Police Department to enhance interoperability with other public safety agencies **Emergency Communications (SCIP Goal #3)***

California Statewide Communications Interoperability Plan (Cal-SCIP)

SAFECOM Category	Cal-SCIP Goal
Governance	1. Streamline interoperability planning efforts
	2. Review, update, ensure consistency, and distribute policies and procedures as necessary, to all levels and disciplines (including IT)
Technology	3. Develop a common interoperability platform that leverages existing technology and infrastructure, and provides a migration toward emerging technologies*
	4. Encourage collaboration between Operational Areas and provide opportunities to demonstrate innovative interoperability solutions
	5. Leverage CASM and similar shared resources
Training & Exercises	6. Develop a framework and regularly test interoperability equipment across all disciplines and encourage local adoption
	7. Provide interoperable communications training opportunities using qualified instructors*
	8. Establish a working group to oversee all-hazards communications unit certification
Outreach & Information Sharing	9. Maintain and enhance outreach program to leverage interoperability-related activities, including social media*
	10. Develop a mechanism for succession planning*
	11. Promote CASM and similar shared resources
Life-Cycle Funding	12. Continue to identify a sustainable funding mechanism to support the following priorities*: • Training • SWIC position • CalSIEC efforts • Planning Area support

California Statewide Communications Interoperability Plan (Cal-SCIP)

Questions?

A CONVERSATION WITH A GERMAN SHEPHERD

*No copyright infringement is intended

OMB Revisions to 2 CFR Part 200

Effective Date

- Significant policy changes and updates were made during the first, five-year review of 2 CFR Part 200

- Revisions to the guidance were effective **November 12, 2020** and apply to awards issued <u>after</u> the effective date, *except for the following:*

  - Amendments to Sections 200.216 and 200.340 were effective on August 13, 2020.

New Rules & Major Revisions

- **Domestic Preferences for Procurement (§200.322)**
  - Entities should provide a preference for the purchase of goods, products or materials produced in the United States.
  - **Requirements <u>must</u> be included in all subawards** <u>including all contracts and purchase orders for work or products</u> under the award

New Rules & Major Revisions

- **Prohibition on Contracting for Covered Telecommunications or Services (§200.216)**
  - Effective August 13, 2020 for new, extended, or renewed procurements under all open FEMA awards
  - Prevents recipients/subrecipients or their contractor or subcontractor to use federal award funds to procure or obtain covered technology
  - Prevents the use of federal awards funds to contract with an entity that uses covered technology
  - **Recipients and subrecipients are required to include a provision in their contracts explaining the prohibitions**

    See FEMA *Prohibitions on Expending FEMA Awards Funds for Covered Telecommunications Equipment or Services – Interim Policy (FEMA Policy #405-143-1)*

New Rules & Major Revisions

- **Contract Provisions (§200.327)**

  – Two contract clauses were added to Appendix II of Part 200

    • Domestic Preferences for Procurements

    • Prohibition on Contracting for Covered Telecommunications or Services

New Rules & Major Revisions

- **Performance Measurement (§200.301)**
  - OMB's revisions significantly emphasize measuring performance and provides specific guidance to Federal agencies in implementing performance measurements

New Rules & Major Revisions

- **Closeout (§200.344)**
  - Now requires the Recipient (SAA) to submit all financial, performance and other reports to be submitted no later than 120 days after the performance period end date
  - Subrecipients are required to submit their final reports no later than 90 days after the performance period end date, or an earlier date as agreed upon by the pass-through entity and the subrecipient
  - Places emphasis on timely closeout of the primary award (within one year after the performance period)

New Rules & Major Revisions

- **Termination (§200.340)**
    - OMB removed the "for cause" termination provision, but added other termination provisions providing greater flexibility to Federal awarding agencies to terminate awards
    - Federal awarding agencies are required to provide recipients with "clear and unambiguous" information on the termination provisions, either through regulation or in the award

New Rules & Major Revisions

- **Consistent terminology**
  - Definitions have been reorganized into a single section (§200.1) and have been clarified where certain terms have meanings specific to a particular Part
  - Several new definitions have been added
  - Many previous definitions have been expanded to further clarify intent

New Rules & Major Revisions

- **Applicability (§200.101)** – now states the word "must" indicates a requirement; the words "should" or "may" indicate a best practice and permits discretion

- **Effective / Applicability date (§200.110)** – Indirect costs – OMB relaxed the requirements for use of the de minimis rate, and clarified requirements for pass-through entities regarding negotiating a subrecipient's indirect cost rate

Revisions – Post Award

- **Federal payment (§200.305)** – increases the threshold for maintaining advance payments in interest-bearing accounts. NFE's that receive >$250,000 in Federal awards per year must comply

- **Requirements for pass-through entities (§200.332)** – now also requires the inclusion of the following language all grant award agreements
    - Subaward Budget Period Start and End Date

Revisions – Procurement

Procurement

- New changes to the procurement standards

- All procurement activity must be conducted in a manner providing full and open competition in accordance with federal procurement standards at 2 C.F.R. § **200.318 – 200.327**

- Updated website at www.ecfr.gov

Procurement Policies & Procedures

- Follow your own documented procedures

- If there is any conflict between local procurement procedures and the Federal procurement standards, you must follow the more restrictive provision

Methods of Procurement

NEW Procurement Types Re-Grouped into 3 Categories

Informal **CFR 200.320(a)**	• Micro-Purchases • Small Purchases
Formal **CFR 200.320(b)**	• Sealed Bids • Competitive Proposals
Non-Competitive **CFR 200.320(c)**	• Non-Competitive Proposals

Informal Procurement Methods

[Micro-Purchases](#)
§ 200.320(a)(1)

- Purchases below the Micro-Purchase threshold **do not** require soliciting competitive price or rate quotations
  - Reasonableness of price/rate **must be documented**

- Federal Acquisition Regulations (FAR) has set the Federal micro- purchase threshold at **$10,000**
  - If internal Micro-Purchase threshold is less, you must use that amount

Informal Procurement Methods

NEW **Micro-Purchase Threshold Increase**

§ 200.320(a)(1)(iv) – (v)

- Subrecipients may **self-certify** a threshold of **up to** $50,000

OR

- Obtain **Federal approval** for a threshold **higher than** $50,000

Informal Procurement Methods

NEW **Micro-Purchase threshold up to $50,000**
§ 200.320(a)(1)(iv)

- **Self-certification** required on an **annual basis** and must include:

    1. Justification for increasing the threshold
    2. The increased threshold amount
    3. Supporting documentation of any of the following:
        a) Most recent Single Audit qualifying subrecipient as a Low-risk auditee
        b) Annual internal institutional risk assessment to identify, mitigate, and manage financial risks
        c) For public institutions, a higher threshold consistent with State law

Informal Procurement Methods

NEW **Micro-Purchase threshold over $50,000**
§ 200.320(a)(1)(v)

- Must obtain approval from cognizant agency for indirect costs

- Submit request with the same requirements included in your support for increasing Micro-Purchase thresholds up to $50,000

- Increased threshold is valid until there is a change in status in which the justification was approved

Informal Procurement Methods

Small Purchases
§ 200.320(a)(2)

- **Greater than** Micro-Purchase threshold and **less than or equal to** the Simplified Acquisition Threshold (SAT)

- SAT set a $250,000, per FAR
  - Internal threshold cannot exceed amount set by FAR

- Price/Rate quotations must be obtained from an adequate number of qualified sources

Formal Procurement Methods

Sealed Bids § 200.320(b)(1)	Proposals § 200.320(b)(2)
• Greater than SAT $250,000	• Greater than SAT $250,000
• Scope of Work is definite	• Scope of Work is less definitive
• RFBs must be publicized	• RFPs must be publicized
• Bids solicited from 2 or more bidders/offerors	• Proposals solicited from 2 or more proposers/offerors
• Public opening of bids at set date and time	• Proposals scored based on established evaluation criteria
• Fixed-Price contract awarded to lowest price bidder	• Fixed-Price or Cost-Reimbursement contract awarded to proposal that is most advantageous

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Use of Pre-Qualified Lists

§ 200.319(e)

- Used as a tool to help streamline the solicitation process
- The procurement must still be competitively solicited
- List must be current
- List must include enough qualified sources to ensure open and free competition
- Solicitor must not preclude potential bidders from qualifying during the solicitation period

Cooperative Purchasing

- Popular programs include CMAS, GSA, HGAC and WSCA/NASPO

- Ensure agreements have been procured by the program according to the procurement standards at 2 C.F.R. § 200.318- 200.327
  - Full and Open Competition per § 200.319
  - Allowable procurement method per § 200.320

- Must **document and explain** how agreement is in compliance with the Federal procurement standards

Piggybacking

- Assignment of contracts from one entity to another

- Generally discouraged

- Must meet the following criteria:
  - Original contract complied with Federal procurement rules
  - Original contract provisions include assignability
  - Scope of work falls within scope of work under original contract
  - The contract price is fair and reasonable

Non-Competitive Procurements

§ 200.320(c)(1) – (5)

- Non-competitive procurements are only allowable under one or more of the following circumstances:

NEW
- Amount does not exceed the Micro-Purchase Threshold
- Single Source
- Public Exigency or Emergency
- Inadequate Competition
- With Federal Awarding Agency or Pass-Through entity Authorization

NOTE: Cal OES will only authorize if one of the first four circumstances apply

Non-Competitive Procurement Authorizations

- All noncompetitive procurements in excess of the SAT ($250,000) require **prior approval** from Cal OES.
  - No retroactive approvals will be granted

- Cal OES prior approval is also required for all HSGP-funded non-competitive procurements of training, regardless of the dollar amount

Non-Competitive Procurement Authorizations

- Cal OES has streamlined form for seeking prior approval of non-competitive procurement requests over the SAT (See GMM 2022-22)

  - The new process eliminates the need to complete the entire form for previously-authorized non-competitive procurements of the same item, and for items that were previously approved for purchase under multi-year contracts

  - The revised form became effective December 18, 2020
    - Non-Competitive Procurement Authorization Form

Non-Competitive Procurement Authorizations

- What must be submitted to Cal OES for non-competitive procurement approval?

1. Non-Competitive Procurement Authorization (NCPA) form
2. CSTI Tracking Number for training courses
3. A Cost or Price Analysis
4. Prior Approval documentation, if applicable

Non-Competitive Procurement Authorizations

- [GMM 2021-05](#) also further streamlined the process for some HSGP training courses that are only authorized by DHS to be delivered by one provider. For these single source courses, subrecipients:

  - Are not required to go through a formal competitive bid process
  - Must still submit Non-Competitive Procurement Authorization form and receive prior approval

  A list of DHS approved single source courses may be found at: [Single Source Procurement Support Documents](#)

Procurement Records

- Maintain all procurement records

- Procurement records confirm compliance with the Federal standards at 2 C.F.R 200.318 – 200.327

- Lack of documentation is a common OIG finding

- Records must be maintained for at least 3 years from date of grant closeout

Procurement Records

- Procurement records include, but are not limited to:

  - Pre-solicitation documents (purchase request/authorization)
  - Rationale for method of procurement
  - Independent cost estimate
  - Copy of solicitation
  - List of sources solicited
  - Abstract of each offer or quote
  - Rationale for contractor selection
  - Determination that price is fair and reasonable, including an analysis of the cost and price data
  - Copy of agreement and any amendments

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Resources

- Code of Federal Regulations | eCFR.gov

- OMB Revisions 2020 | FEMA

- Preparedness Grants Manual | FEMA

- PDAT Homepage & Training Schedule | FEMA

- 2019 PDAT Field Manual | FEMA

- 2021 Contract Provisions Guide | FEMA

- Top 10 Procurement Under Grant Mistakes | FEMA

- Single Source Training Documents | Cal OES

- Grants Management Memos (GMMs) | Cal OES