

## FY2024 RAISE Program Procurement Requirements

The purpose of this document is to detail the federal procurement rules that apply when using grant funds for any purchases made using funding from the USDOT RAISE program. Requirements come from the Uniform Guidance found in 2 CFR Part 200, including the procurement standards outlined in section 200.320. The intent is to ensure that every acquisition follows a competitive and well-documented process.

The City of Menominee may elect to enter into a subrecipient agreement with KKIL for the purchase of equipment funded under the FY2024 RAISE grant. If the City designates KKIL as a subrecipient, KKIL will be responsible for conducting all procurements associated with the equipment acquisitions. Under federal regulations, a subrecipient is required to follow the same procurement standards that apply to the City when expending federal grant funds.

Execution of a subrecipient agreement does not waive or transfer the City’s federal compliance obligations. It would formally authorize KKIL to carry out eligible procurement activities while ensuring that all acquisitions adhere to the Uniform Guidance and the terms of the RAISE grant.

As of October 1, 2025, the ‘micro-purchase’ threshold is set at \$15,000. Anything above that amount must be handled under a competitive method. The federal rules make it clear that once a purchase rises above this threshold, the organization has to move into the simplified acquisition process or, for very large purchases, a formal competition.

***No equipment is anticipated to meet this threshold.***

For purchases that fall between \$15,000 and \$350,000, agencies are expected to obtain quotes from several qualified vendors. The objective is to show that competition took place. It is also important to document any attempts to obtain additional quotes when vendors are unresponsive.

<b>Simplified Acquisition (\$15,000-350,000)</b>	
<b>3 Quotes</b>	
Dump Trailer	Need clarification on this purchase
Pup Trailer	\$70,000 <i>(\$35,000 x2)</i>
Bridge Crane	\$225,000 <i>(est. RAISE application)</i>
Track Scale	\$255,000 <i>(est. RAISE application)</i>

For purchases above the simplified acquisition threshold of \$350,000, the rules become more structured. At that point, you must carry out a formal competition. That might involve a sealed bid process when the specifications are clear, or the use of a request for proposals when factors beyond price need to be considered.

<b>Formal Competition (&gt;\$350,000)</b>	
<b>Request for Proposals</b>	
Crane (220tn rating)	>\$800,000 <i>(est. RAISE application)</i>

Forklift (100tn)	\$800,000 <i>(est. RAISE application)</i>
Ship Loading Conveyor	\$2,239,000 <i>(est. RAISE application)</i>
Dump Truck	\$400,000 <i>(est. \$200,000 per truck)</i>
Tractor Truck	\$600,000 <i>(est. \$300,000 per truck)</i>

Federal procurement standards require that all purchases be grouped according to the aggregate value of the procurement transaction. Agencies may not divide a purchase to sidestep formal procurement thresholds. This principle is embedded in the structure of 2 CFR 200.320, which evaluates procurement method based on the **total value** of what is being acquired.

There are rare situations in which a noncompetitive purchase is allowed. These include instances where only a single source exists, or when a public emergency leaves no time to conduct a competition. These conditions must be justified and supported with documentation.

In summary, once a purchase surpasses \$15,000, the procurement approach shifts from informal to competitive. The scale of the purchase determines whether it falls under simplified or formal methods, and each category carries specific documentation and competition requirements. These procedures help ensure responsible spending of federal grant funds and prepare the organization for a smooth audit process.

**Additional Considerations:**

Before KKIL issues any solicitation or request for quotes, it should prepare an independent cost analysis for every procurement action to establish what the equipment purchase is expected to cost. This analysis will describe the basis used for cost estimates, such as past purchases or market research. It must be included in the procurement file.

Whenever federal funds are used to purchase iron, steel, manufactured products, or construction materials, KKIL must verify that the items comply with the Build America Buy America Act. Vendor certifications must be maintained in the procurement file. If a waiver is needed, KKIL must consult with the City and MARAD, and obtain written approval before any procurement proceeds.

If any equipment or materials are shipped by ocean transport, KKIL must ensure that shipping complies with the requirements of the Cargo Preference Act. This includes the use of United States flagged vessels when required.

All contracts funded with federal grant funds must include the clauses listed in Appendix II to 2 CFR Part 200. These clauses address topics such as equal employment opportunity, termination rights, labor standards, access to records, and environmental protections. KKIL should incorporate these provisions into every federally funded contract.

Before awarding a contract, KKIL will need to verify that vendors are not suspended or debarred from receiving federal funds. This verification will be documented using a screenshot or record from the SAM.gov database.

Every procurement activity must result in a complete file that includes the independent cost estimate, the procurement method used, a copy of the solicitation, the quotes or proposals received, the evaluation materials, proof of SAM.gov verification, Buy America documentation, the signed contract, and any amendments. Records must be retained for at least three years after the federal award is closed out unless a longer retention period is required due to litigation or audit.