

Forest Service grants, cooperative agreements, and partnership agreements often require the use of supplies, equipment, and services to complete the objectives of the award. Additional guidance is provided below to assist Forest Service recipients/cooperators in justifying the need for equipment purchases with a unit cost of \$5000 and over and to assist G&A specialists and program managers in reviewing and approving proposed award financial plans containing equipment purchases.

Forest Service program managers are responsible for coordinating with the local Property Management Officer to ensure that government-owned property is not available, either at a government site or at recipient/cooperator location that meets the needs of the project prior to considering approval of purchases of similar equipment under a recipient/cooperator proposed financial plan.

RECIPIENT/COOPERATOR RESPONSIBILITIES

GENERAL REQUIREMENTS

Recipients shall ensure general requirements of law and regulation found in OMB circulars (such as OMB Circular A-87, Cost Principles for States, Local and Indian Tribal Governments; A-21, Cost Principles for Educational Institutions; A-122 Cost Principles for Non-Profit Institutions or Federal Acquisition Regulation 31.2 for Profit firms and OMB Circular A-102 implemented by 7 CFR 3016, Uniform Administrative requirements for Grants and Cooperative Agreements to State and Local Governments and OMB Circular A-110 implemented by 7 CFR 3019, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations) are followed during the procurement of equipment using federal financial assistance funding.

Cooperators shall follow generally accepted cost principles that address whether a proposed element of a financial plan is reasonable for the program, allocable to that program and/or other programs and allowable, or necessary, for the work to be accomplished. Although the OMB circulars cited above are not mandatory for the Forest Service non-federal financial assistance awards, also referred to as partnership agreements, the methodologies contained in them are a sound basis for assessing allowability, reasonableness and allocability.

INTENDED USE OF EQUIPMENT:

For each equipment item, the recipient/cooperator shall provide the following information:

- Explain why the purchase is necessary for the accomplishment of the program objectives. For example, is the proposed equipment generally recognized as ordinary and necessary for the performance of this type of work?
- Describe how equipment will be used to meet the overall objective of the award.
- Provide the approximate number of days/months equipment will be used over the life of the project.

- Address whether the equipment will be used to support another federal award. (Note: equipment cannot be included as a cost or used to meet cost sharing requirements of any other federal award.)
- Describe how the use and maintenance of the equipment will be monitored.

EQUIPMENT DESCRIPTION

The recipient/cooperator shall:

- Provide a clear and accurate description of the equipment sufficient to explain the proposed purchase, such as make, model number, special functionality and technical requirements
- If comparable equipment is available, provide an analysis (technical specifications) of why the specific equipment being proposed is required. This could include functional comparison, pricing and availability factors.
- Provide information on available sources and competitive procurement procedure.

EVALUATION OF ASSOCIATED COSTS:

The Recipient/cooperator shall:

- Provide a comparison of lease versus purchase costs as early as feasible in the proposal negotiations to determine the appropriate acquisition strategy.
- Include invoices for same or similar equipment to establish historical pricing, current pricing or quotes detailing estimated costs.
- When developing the cost comparison, factors such as the following should be documented:
 - a. Financial, technical and other advantages of types and makes of the required equipment available for the lease or purchase.
 - b. Leasing cost and purchase options.
 - c. Costs of equipment purchase, installation (if any), associated shipping, required storage needs.
 - d. Other factors related to functional performance or costs of equipment, including maintenance costs.
- Provide a projection and breakdown of associated unit cost, quantity, and the total cost per unit.

Example –

<i>Item Requested</i>	<i>How Many</i>	<i>Cost Per Item</i>	<i>Total Cost</i>	<i>Method of procurement</i>
<i>Bull Dozer</i>	<i>3</i>	<i>\$7,500</i>	<i>\$22,500</i>	<i>Open Solicitation</i>

PROPOSED ACQUISITION STRATEGY

The recipient/cooperator shall:

- Describe the proposed acquisition strategy used for the equipment purchase.
 - a. What method of procurement will be used in the buying decision (sealed bidding, open competition, sole source, etc.)?
 - b. How will the organization determine whether or not the vendor is a responsible contractor who possesses the potential ability to perform successfully under the terms and conditions of the proposed procurement?
 - c. How will the organization ensure a contractor is not debarred or ineligible for participation in Federal programs?
 - d. If an organization uses a sole source for the contract, include an explanation as to why this contractor is the only one able to perform/supply the need. If known, also include the following:
 - i. The name of Contractor.
 - ii. If applicable, small disadvantaged business type (small business, woman-owned, minority-owned, etc.).

GRANTS & AGREEMENTS SPECIALIST RESPONSIBILITIES

The Grants and Agreements Specialist shall conduct a review and cost analysis for the proposed equipment purchases. A cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability. A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved therefore, *reflects the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.*

PROGRAM RESPONSIBILITIES

REQUIRED CERTIFICATION

Prior to approving equipment purchases the Program Manager (PM) shall certify review of proposed equipment and shall certify, as indicated below, that the equipment is:

- Related to the specific program/project and is necessary for the success of the program/project.
- Is not available within the Forest Service inventory and/or the use of available equipment is not cost efficient to use or transfer.
- Is more cost effective and/or efficient to purchase the equipment in lieu of leasing.

Program Manager Certification Statement

"I certify that the purchase of this equipment is necessary and that this equipment will be used primarily, or exclusively, for the project(s) to which the costs will be charged, and that similar equipment is not available for use."

_____ Project Manager (PM) or authorized project representative