

June 24, 2022

The Linden City Council will have a special meeting on **Monday, June 27, 2022**, at 6:00 P.M. at the Mary Daughety Senior Citizens Center, 507 S. Kaufman St., Linden, Cass County, Texas.

AGENDA

- 1. CALL TO ORDER**
- 2. PUBLIC HEARING**
 - a. PZ-22-01 Application for manufactured home variance from Jesse Arenas for a lot at the corner of Dorsey St. and Wills St. (parcel #50601)
- 3. NEW BUSINESS**
 - a. Consider and act on PZ-22-01 Application for manufactured home variance from Jesse Arenas
 - b. Consider and act on vacation of an unimproved right-of-way between Blocks 6 and 7, Cooley Heights Subdivision (Loma St. between N. Oak and N. Foster)
 - c. Consider and act on adoption of a Debt Management Policy
 - d. Consider and act on adoption of a Long-term Capital Plan
 - e. Consider and act on adoption of a Long-term Financial Plan
 - f. Consider and act on adoption of Procurement Policies and Procedures
- 4. DISCUSSION**
 - a. Discuss budget priorities for City of Linden Fiscal Year 2022-2023 Budget
- 5. ADJOURNMENT**



Allie Anderson, City Secretary
City of Linden, Texas

REQUEST FOR VARIANCE TO ORDINANCE #05-10
CITY OF LINDEN

NAME OF APPLICANT: Jesse Arenas Sr. PHONE: 903-665-4625

MAILING ADDRESS: 1590 Cassater Rd. Jefferson, Tx 75657

SIZE, MODEL, YEAR OF MANUFACTURE: 32X70, CC Meridian Compass 3232, 2021.
Double wide

ORIGINAL COST: \$100,000

LEGAL DESCRIPTION AND ADDRESS OF PROPERTY UPON WHICH MANUFACTURED HOME IS REQUESTED TO BE PLACED: Corner of Dorsey st. and Wells st.
Linden, Tx

ADDRESS OF PROPERTY OWNER: 1590 Cassater Rd. Jefferson, Tx 75657

STATE REASON FOR REQUEST FOR VARIANCE: Primary Residence

ATTACH THE FOLLOWING: DRAWING/SURVEY SHOWING SIZE OF LOT OR PARCEL, INCLUDING THE LOCATION/POSITION OF HOME, RECENT PHOTOGRAPH OF THE MANUFACTURED HOME.

BY MY/OUR SIGNATURE(S) BELOW, I/WE ACKNOWLEDGE THAT I/WE UNDERSTAND THE REQUIREMENTS OF ORDINANCE #05-10 AND I/WE WILL INSTALL AND MAINTAIN TIE-DOWNS AND FIRE-RESISTANT SKIRTING TO PREVENT ACCUMULATIONS OF FLAMMABLE MATERIALS BENEATH MANUFACTURED HOME.

SIGNATURE Jesse Arenas

DATE 5/17/22





JOHNSON JA...

SWAIM JUST...

TURNER JUDY

Front St

420
LLE...

57152
JOHNSON JA...

13948
KINDRED C...

12119
CITY OF LINDEN

557
MORPHEW JO...

25334
LANSDALE JESSE A & HEATHER

Lomo St

Oak St

Foster St

24224
CROW JIM ...

2612
KING & KING

22632
SIKES-RICHARDS TAWN

28349
FUENTES CE...

13907
KINDRED CASEY

10901
WILKINSON PATTI

Vista St

13724
PARRENT BE...

2431
MCGILVRAY...

16941
WILKINSON...



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

City of Linden

Debt Management Policy

I. DEBT MANAGEMENT POLICY

1.0 POLICY

Adherence to a debt management policy helps ensure that the City maintains the current or an improved bond rating in order to minimize borrowing costs and preserve access to credit.

The City's Debt Management Policy ("the Debt Policy") provides guidance for staff to:

- a. Ensure high quality debt management decisions;
- b. Ensure support for debt issuances both internally and externally;
- c. Impose order and discipline in the debt issuance process;
- d. Promote consistency and continuity in the decision making process;
- e. Ensure that the debt management decisions are viewed positively by rating agencies, investment community and taxpayers; and
- f. Demonstrate a commitment to long-term financial planning objectives.

2.0 SCOPE

This Policy applies to all debt instruments issued by the City regardless of the funding source. Funding sources can be derived from, and debt secured by, ad valorem taxes, general City revenues, enterprise fund revenues or any other identifiable source of revenue that may be identified for appropriate pledging for bonded indebtedness.

3.0 OBJECTIVES

The primary objective of this Policy is to ensure that the City establishes and maintains a solid position with respect to its debt service and bond proceed funds, and that proceeds from long-term debt will not be used for current operations but rather for capital improvements, and related expenses, and other long-term assets in accordance with State law and City ordinances.

The City will seek all possible federal and state reimbursement for mandated projects and /or programs. The City will pursue a balanced relationship between issuing debt and pay-as-you-go financing as dictated by prevailing economic factors and as directed by the City Council.

Other objectives include:

- a. Bonds shall be paid back within a period not to exceed, and preferably sooner than, the expected useful life of the capital project;
- b. Decisions shall be made based on a number of factors and will be evaluated against long-term goals rather than a short-term fix; and
- c. Debt service and bond proceed funds shall be managed and invested in accordance with all federal, state and local laws and in conjunction with the Tax Compliance Certificate of each bond issue to assure availability to cover project costs and debt service payments when due.

4.0 IMPLEMENTATION

The Policy requires:

- a. Payment of principal and interest on all outstanding debt in full and timely manner;
- b. Incurrence of debt for those purposes permissible under State law;
- c. Development, approval and financing of capital improvements in accordance with City Code and the capital improvement budgeting process;
- d. Structuring of principal and interest retirement schedules to: (1) achieve a low borrowing cost for the City, (2) accommodate the debt service payments of existing debt, and (3) respond to perceptions of market demand;
- e. Selection of a method of sale that shall maximize the financial benefit to the City;
- f. Effective communication with bond rating agencies to ensure complete and clear understanding of the credit worthiness of the City; and
- g. Full, complete, and accurate disclosure of financial conditions and operating results in every financial report, bond prospectus and Annual Information Statement ("AIS"). All reports shall conform to guidelines issued by the Government Finance Officers Association ("GFOA"), Securities and Exchange Commission ("SEC"), and the Internal Revenue Service (IRS) to meet the disclosure needs of rating agencies, underwriters, investors, and taxpayers.

5.0 STRUCTURE OF DEBT

Debt service shall be structured to the greatest extent possible to:

- a. Match projected cash flows and pledged revenues;
- b. Minimize the impact of future tax levies;
- c. Maintain a consistent and as rapid as feasible payment of principal;
- d. Maintain a level overall annual debt service payment structure; and
- e. Equal the lesser of the useful life of the asset being financed or the maximum legal maturity for the obligations issued to finance the acquisition and construction of the asset.

6.0 METHODS OF SALE

The City's debt obligations may be sold by competitive, auction, negotiated or private placement sale methods. The selected method of sale depends upon the option which is expected to result in the lowest cost and most favorable terms to the City given the financial structure used, market conditions, and prior experience. When considering the method of sale, the City may consider the following issues:

- a. Financial conditions;
- b. Market conditions;
- c. Transaction-specific conditions;
- d. City-related conditions;
- e. Risks associated with each method;
- f. Complexity of the Issue – Municipal securities with complex security features require greater marketing and buyer education efforts on the part of the underwriter, to improve the investors' willingness to purchase;
- g. Volatility of Bond Yields – If municipal markets are subject to abrupt changes in interest rates, there may be a need to have some flexibility in the timing of the sale to take advantage of positive market changes or to delay a sale in the face of negative market changes; and

- h. Size of the Issue - The City may choose to offer sizable issues as negotiated sales so that pre-marketing and buyer education efforts may be done to more effectively promote the bond sale.

6.1 Competitive Sale

In a competitive sale, bonds are awarded in a sealed bid sale to an underwriter or syndicate of underwriters that provides the lowest TIC bid. TIC is defined as the rate, which will discount the aggregate amount of debt service payable over the life of the bond issue to its present value on the date of delivery.

6.2 Auction Sale

In an auction sale, bonds are awarded to an underwriter or syndicate of underwriters that provides the lowest TIC bid after the auction period is up. TIC is defined as the rate, which will discount the aggregate amount of debt service payable over the life of the bond issue to its present value on the date of delivery.

6.3 Negotiated Sale

In a negotiated sale, the City chooses an underwriter or underwriting syndicate that is interested in reoffering a particular series of bonds to investors. The terms of the sale, including the size of the underwriter's discount, date of sale, and other factors, are negotiated between the two parties.

6.4 Private Placement

A private placement is a negotiated sale of debt securities to a limited number of selected investors including financial institutions or government agencies or authorities. The City may engage a placement agent to identify likely investors if deemed necessary. A private placement may be beneficial when the issue size is small, when the security of the bonds is somewhat weaker, or when a governmental lending agency or authority can provide beneficial interest rates or terms compared to financing in the public market.

7.0 REFUNDING OF DEBT

All forms of refunding debt shall be approved by Council in accordance with City ordinances and in accordance with State law.

7.1 Taxable Advance Refunding

Taxable advanced refunding and forward delivery refunding transactions for savings may be considered when the net present value savings as a percentage of the par amount of refunded bonds is approximately three percent.

7.2 Current Refunding

Current refunding transactions issued for savings maybe considered when the net present value savings as a percentage of the par amount of refunded bonds is approximately three percent.

7.3 Refunding for Debt Restructuring

From time to time, the City may also issue refunding debt for other purposes, rather than net present value savings, such as restructuring debt, changing covenants, or changing the repayment source of the bonds.

8.0 DEBT METRICS

The City will target the following debt metric.

- 8.1 Overall Net Tax-Backed City Debt as a % of Market Value of less than 7.5%

9.0 RATINGS

Adherence to a debt management policy helps ensure that the City maintains the current or an improved bond rating in order to minimize borrowing costs and preserve access to credit.

Toward that end, the City will take the following steps.

- 9.1 Strive to maintain good relationships with bond rating agencies as well as disclose financial reports and information to these agencies and to the public.

- 9.2 Obtain a rating from at least one nationally recognized bond-rating agency on all issues being sold in the public market.

- 9.3 Make timely disclosure of annual financial information or other requested information to the rating agencies.

10.0 CONTINUING DISCLOSURE

The City will take all appropriate steps to comply with federal securities laws, including, but not limited to, Securities and Exchange Commission ("SEC") Rule 15c2 -12 the ("Rule"). The City will make annual and event disclosure filings to the MSRB via EMMA as required by the Rule and its continuing disclosure undertakings.

II. DEBT MANAGEMENT POLICY REVIEW

This Debt Management Policy shall be reviewed at least once every two years by the City Council. Any modifications to this Policy, at any time, shall be approved by City Council.

City of Linden

Long-Term Capital Plan

Objective: The City's Long-Term Capital Plan is designed to help the City anticipate and project future capital needs, including construction, renovation and repairs, and providing equipment to various City departments. The Long-Term Capital Plan covers a period of five years, recognizing that capital needs will change depending on demands related to growth, tax values, etc.

Review: City Council will review and approve the Long-Term Capital Plan every year during the budget process. However, review of and changes to the Long-Term Capital Plan may be made during the fiscal year as needed.

Assumptions: City Staff will review and update the assumptions at least annually. Following is the basis for certain assumptions:

- Debt will only be issued for projects that have at least a five-year average life, and in the vast majority of cases the average life will be substantially longer.
- The City will amortize debt at least as quickly as the average life of the asset that is being funded.
- It is the City's intent to fund capital items with fixed rate debt.
- The City's financial advisor will provide updated debt schedules at least annually based on the projects included in the Long-Term Capital Plan in order to forecast the aggregate amount of debt service and the associated interest and sinking (I&S) tax rate, water and sewer rates and/or other revenues needed to service the debt.
- The Long-Term Capital Plan will cover funding for projects anticipated to be repaid with I&S taxes, as well as project funding anticipated to be repaid with water, sewer and/or drainage revenues. In certain instances, debt may be repaid with other sources and will be notated as such.

Projected Capital Needs

	2022	2023	2024	2025	2026	Total
Streets	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000
Land/Building/Structures	-	-	-	-	-	-
Parks/Trails	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Miscellaneous I&S Projects	-	-	-	-	-	-
Water	-	-	-	-	-	-
Sewer	-	-	-	-	-	-
Drainage	-	-	-	-	-	-
Stormwater	-	-	-	-	-	-
EDC	-	-	-	-	-	-
TIRZ	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000

Projected Revenue Repayment Sources

	2022	2023	2024	2025	2026	Total
I&S Taxes (Debt)	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000
Water/Sewer/Drainage Revenues (Debt)	-	-	-	-	-	-
EDC Sales Taxes (Debt)	-	-	-	-	-	-
TIRZ Revenues (Debt)	-	-	-	-	-	-
Other Revenues (Debt)	-	-	-	-	-	-
Sub-Total Revenues (Debt)	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000
Pay-As-You-Go (General Projects)	-	-	-	-	-	-
Pay-As-You-Go (Water/Sewer/Drainage)	-	-	-	-	-	-
Pay-As-You-Go (Other)	-	-	-	-	-	-
Total Revenues (Debt + PAYGO)	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000

Difference	\$ -
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City of Linden

Long-Term Financial Plan

Objective: The City's Long-Term Financial Plan is designed to help the City anticipate and project future revenues and expenditures in the General Fund and serve as a guide/management tool for City Administration when evaluating financial decisions that affect the City. It is meant to address maintenance and operations, and when combined with the Long-Term Capital Plan, capital improvements as well. To this point, the maintenance and operations (M&O) and interest and sinking (I&S) tax rates necessary to cover the day-to-day operations of the City and to cover the City's debt payments are projected. The Long-Term Financial Plan covers a period of five years.

Review: City Council will review and approve the Long-Term Financial Plan every year during the budget process. However, review of and changes to the Long-Term Financial Plan may be made during the fiscal year as needed.

Assumptions: City Staff will review and update the assumptions at least annually. Following is the basis for certain assumptions:

Revenues

- Projected future taxable assessed valuations will be based on conservative growth rates, taking into account factors such as building permits, development agreements put in place, commercial and retail growth, etc.
- Sales tax projections will be based on historical trends, as well as new commercial and retail activity generated within the City.
- Other revenue projections will be based on historical trends, as well as conservative growth rates.
- One-time revenues are matched with one-time expenses
- Fund reserve requirements for cash balances

Expenses

- Expenditure growth rates will be based on historical trends, as well as taking into account inflation rates.
- Projections will take into account potential future personnel costs
- Projections will take into account potential cash funded (non-debt) capital costs

	2021	2022	2023	2024	2025	2026
Taxable Assessed Valuation	\$ 73,189,692	\$ 82,115,165	\$ 90,326,682	\$ 92,133,215	\$ 93,054,547	\$ 93,985,093
TAV Growth Rate			10.0%	2.0%	1.0%	1.0%
Collection Percentage		97.0%	97.0%	97.0%	97.0%	97.0%
Target M&O Rate		\$0.6219	\$0.6219	\$0.6219	\$0.6219	\$0.6219
Annual Sales Tax Growth Rate		2.0%	2.0%	2.0%	2.0%	2.0%
Other Revenue Growth Rate		1.0%	1.0%	1.0%	1.0%	1.0%
Expenditure Growth Rate		3.0%	3.0%	3.0%	3.0%	3.0%

	FYE		PROJECTED			
	2021	2022	2023	2024	2025	2026
Revenues:						
Taxes and Special Assessments	\$ 1,313,828	\$ 1,342,906	\$ 1,398,447	\$ 1,415,467	\$ 1,427,264	\$ 1,439,234
<i>(sum of 1 through 5 below)</i>						
1. Property Taxes (GF only)	\$ 496,561	\$ 495,314	\$ 544,846	\$ 555,742	\$ 561,300	\$ 566,913
2. Fines and Fees (GF only)	\$ 488,511	\$ 512,937	\$ 512,937	\$ 512,937	\$ 512,937	\$ 512,937
3. Sales Taxes (GF only)	\$ 261,129	\$ 266,352	\$ 271,679	\$ 277,112	\$ 282,654	\$ 288,308
4. Franchise Receipts	\$ 67,627	\$ 68,303	\$ 68,986	\$ 69,676	\$ 70,373	\$ 71,077
5. Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	89,048	89,938	90,838	91,746	92,664	93,590
Hotel/Motel Occupancy Taxes	10,556	10,662	10,768	10,876	10,985	11,094
Interest	10,553	10,131	10,232	10,335	10,438	10,542
Other	99,265	100,258	110,283	115,798	121,587	127,667
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
Total Revenues	\$ 1,523,250	\$ 1,553,894	\$ 1,620,569	\$ 1,644,222	\$ 1,662,937	\$ 1,682,128
Expenditures:						
General and Administrative	\$ 354,602	\$ 372,332	\$ 409,565	\$ 440,283	\$ 473,304	\$ 487,503
Police	602,578	620,655	639,275	658,453	678,207	698,553
Fire	24,942	25,690	26,461	27,255	28,072	28,915
Street	137,822	141,268	148,331	155,747	160,420	166,837
Housing Development	-	-	-	-	-	-
Library	52,821	54,406	56,038	57,719	59,451	61,234
Park	81,629	84,078	86,600	89,198	91,874	94,630
Main Street	72,351	74,522	76,757	79,060	81,432	83,875
Capital Outlay	88,915	91,582	94,330	97,160	100,075	103,077
Debt Service:	-	-	-	-	-	-
Principal	7,500	7,725	7,957	8,195	8,441	8,695
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
Total Expenditures	\$ 1,423,160	\$ 1,472,258	\$ 1,545,314	\$ 1,613,071	\$ 1,681,275	\$ 1,733,318

Excess (deficit) of Revenues Over

Expenditures	\$ 100,090	\$ 81,636	\$ 75,255	\$ 31,151	\$ (18,338)	\$ (51,190)
Other Financing Sources (Uses):						
Transfers In	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	(99,098)	-	-	-	-	-
[RESERVED]	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ (54,098)	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 45,992	\$ 81,636	\$ 75,255	\$ 31,151	\$ (18,338)	\$ (51,190)
Beginning Fund Balance	2,008,135	2,054,127	2,135,763	2,211,018	2,242,169	2,223,831
Ending Fund Balance	\$ 2,054,127	\$ 2,135,763	\$ 2,211,018	\$ 2,242,169	\$ 2,223,831	\$ 2,172,641
Required Fund Balance per City Policy (25%)	\$ 355,790	\$ 368,064	\$ 386,329	\$ 403,268	\$ 420,319	\$ 433,329
(Shortfall)/Surplus	\$ 1,698,337	\$ 1,767,699	\$ 1,824,690	\$ 1,838,901	\$ 1,803,512	\$ 1,739,311





CITY OF LINDEN PROCUREMENT POLICIES AND PROCEDURES

The City of Linden follows the procurement standards in 2 CFR 200.317 – 2 CFR 200.327 and Appendix II to Part 200 for procurement actions to be funded with Federal funds. All attempts are made to adhere to these policies and procedures and updates are made as needed. The entirety of the language found in 2 CFR 200.317 – 2 CFR 200.327 may not be applicable in all instances, programs, and/or situations. This document contains the most current 2 CFR 200.317 – 2 CFR 200.327 language available at the adoption of these policies and procedures.

§200.317 Procurements by states.

When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will comply with §§200.321, 200.322, and 200.323 and ensure that every purchase order or other contract includes any clauses required by §200.327. All other non-Federal entities, including subrecipients of a State, must follow the procurement standards in §§200.318 through 200.327.

§200.318 General procurement standards.

(a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§200.317 through 200.327.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. 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 a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.



(d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.

(f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also §200.214.

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(j)(1) The non-Federal entity may use a time-and-materials type contract 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. Time-and-materials type contract means a contract whose cost to a non-Federal entity is the sum of:

(i) The actual cost of materials; and

(ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

(k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.



§200.319 Competition.

(a) All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and §200.320.

(b) 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. Some of the situations considered to be restrictive of competition include but are not limited to:

(1) Placing unreasonable requirements on firms in order for them to qualify to do business;

(2) Requiring unnecessary experience and excessive bonding;

(3) Noncompetitive pricing practices between firms or between affiliated companies;

(4) Noncompetitive contracts to consultants that are on retainer contracts;

(5) Organizational conflicts of interest;

(6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and

(7) Any arbitrary action in the procurement process.

(c) The non-Federal entity 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, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(d) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

(1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

(2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.



(e) The non-Federal entity 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 non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

(f) Noncompetitive procurements can only be awarded in accordance with §200.320(c).

§200.320 Methods of procurement to be followed.

The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) **Informal procurement methods.** When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in §200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

(1) **Micro-purchases—(i) Distribution.** The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of *micro-purchase* in §200.1). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.

(ii) **Micro-purchase awards.** Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity.

(iii) **Micro-purchase thresholds.** The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations. Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) (<https://www.ecfr.gov/current/title-48/chapter-1/subchapter-A/part-2/subpart-2.1>) in accordance with paragraphs (a)(1)(iv) and (v) of this section.

(iv) **Non-Federal entity increase to the micro-purchase threshold up to \$50,000.** Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with §200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

- (A) A qualification as a low-risk auditee, in accordance with the criteria in §200.520 for the most recent audit;
- (B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
- (C) For public institutions, a higher threshold consistent with State law.



(v) *Non-Federal entity increase to the micro-purchase threshold over \$50,000.* Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The non-federal entity must submit a request with the requirements included in paragraph (a)(1)(iv) of this section. The increased threshold is valid until there is a change in status in which the justification was approved.

(2) **Small purchases**—(i) *Small purchase procedures.* The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.

(ii) **Simplified acquisition thresholds.** The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.

(b) **Formal procurement methods.** When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with §200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:

(1) **Sealed bids.** A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) Bids must be solicited from an adequate number of qualified sources, 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;

(B) 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;

(C) 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;



(D) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(2) **Proposals.** A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements:

(i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(ii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections;

(iii) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered; and

(iv) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms that are a potential source to perform the proposed effort.

(c) **Noncompetitive procurement.** There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

(1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);

(2) The item is available only from a single source;

(3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;

(4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or

(5) After solicitation of a number of sources, competition is determined inadequate.

§200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.



(a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.

§200.322 Domestic preferences for procurements.

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

§200.323 Procurement of recovered materials.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a



CITY OF LINDEN, TEXAS

manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.



§200.324 Contract cost and price.

(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

(b) The non-Federal entity 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. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under subpart E of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

§200.325 Federal awarding agency or pass-through entity review.

(a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

(1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;

(2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;

(3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;

(4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.



(c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

(1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;

(2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

§200.326 Bonding requirements.

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's requirements under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.



§200.327 Contract provisions.

The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to this part.



Appendix II to Part 200 - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

- (A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by [41 U.S.C. 1908](#), must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- (B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- (C) Equal Employment Opportunity. Except as otherwise provided under [41 CFR Part 60](#), all contracts that meet the definition of “federally assisted construction contract” in [41 CFR Part 60-1.3](#) must include the equal opportunity clause provided under [41 CFR 60-1.4\(b\)](#), in accordance with [Executive Order 11246](#), “Equal Employment Opportunity” ([30 FR 12319](#), 12935, [3 CFR Part, 1964-1965 Comp.](#), p. 339), as amended by [Executive Order 11375](#), “Amending [Executive Order 11246](#) Relating to Equal Employment Opportunity,” and implementing regulations at [41 CFR part 60](#), “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
- (D) [Davis-Bacon Act](#), as amended ([40 U.S.C. 3141-3148](#)). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the [Davis-Bacon Act](#) ([40 U.S.C. 3141-3144](#), and [3146-3148](#)) as supplemented by Department of Labor regulations ([29 CFR Part 5](#), “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act ([40 U.S.C. 3145](#)), as supplemented by Department of Labor regulations ([29 CFR Part 3](#), “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
- (E) [Contract Work Hours and Safety Standards Act](#) ([40 U.S.C. 3701-3708](#)). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with [40 U.S.C. 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR Part 5](#)). Under [40 U.S.C. 3702](#) of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of [40 U.S.C. 3704](#) are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.



(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under [37 CFR § 401.2](#) (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of [37 CFR Part 401](#), “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(G) [Clean Air Act](#) ([42 U.S.C. 7401-7671q](#).) and the [Federal Water Pollution Control Act](#) ([33 U.S.C. 1251-1387](#)), as amended - Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the [Clean Air Act](#) ([42 U.S.C. 7401-7671q](#)) and the [Federal Water Pollution Control Act](#) as amended ([33 U.S.C. 1251-1387](#)). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see [2 CFR 180.220](#)) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at [2 CFR 180](#) that implement Executive Orders 12549 ([3 CFR part 1986](#) Comp., p. 189) and 12689 ([3 CFR part 1989](#) Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than [Executive Order 12549](#).

(I) Byrd Anti-Lobbying Amendment ([31 U.S.C. 1352](#)) - Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by [31 U.S.C. 1352](#). Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See § 200.323*

(K) See § 200.216**

(L) See § 200.322***



***§ 200.323 Procurement of recovered materials.**

A [non-Federal entity](#) that is a [state](#) agency or agency of a political subdivision of a [state](#) and its [contractors](#) must comply with section 6002 of the [Solid Waste Disposal Act](#), as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at [40 CFR part 247](#) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

****§ 200.216 Prohibition on certain telecommunications and video surveillance services or equipment.**

(a) [Recipients](#) and sub [recipients](#) are prohibited from obligating or expending [loan](#) or grant funds to:

(1) Procure or obtain;

(2) Extend or renew a [contract](#) to procure or obtain; or

(3) Enter into a [contract](#) (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in [Public Law 115-232](#), section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any [subsidiary](#) or affiliate of such entities).

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any [subsidiary](#) or affiliate of such entities).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(b) In implementing the prohibition under [Public Law 115-232](#), section 889, subsection (f), paragraph (1), heads of executive agencies administering [loan](#), grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

(c) See [Public Law 115-232](#), section 889 for additional information.

(d) See also [§ 200.471](#).



*****§ 200.322 Domestic preferences for procurements.**

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

- (1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- (2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

These Policies and Procedures are passed and approved by the City of Linden through the City Council on June 27, 2022.

Lynn Reynolds, Mayor

ATTEST:

Allie Anderson, City Secretary

MEMORANDUM

TO: Mayor Reynolds, Mayor Pro-Tem Berry and Councilors

FROM: Lee Elliott, City Administrator/EDC Director

DATE: June 24, 2022

RE: Budget Priorities

Before staff develops a proposed budget for Fiscal Year 2023 (October 1, 2022-September 30, 2023), we would like to hear from the elected officials, where would you all like current or possible new services, or priorities be addressed.

For example, we currently do not have any animal control services. Would we like to find a way to provide a bare minimum level of this service? Is code compliance still a priority once we become staffed at appropriate levels in our police department? Are we interested in pursuing planning and zoning regulations? Are there any services you would like to see reduced, increased or eliminated?

The above is in no way, an all-encompassing list, they are just examples to assist us in preparing thoughts and ideas for Monday's meeting. These ideas provided, or new one's being shared, will assist staff with developing a proposed budget which will meet the priorities for services sought by our elected officials. Staff and I look forward to hearing your views and thoughts about how to improve our service areas through the budget process.

A vision statement provides a sense of direction for our organization and therefore our community. It assists staff with generating a proposed budget by ensuring outlays help drive our sense of direction. Last summer, we revised our vision statement to:

The City of Linden will provide high quality basic services, which allows our community's Downtown, which is our heart, to stimulate a glowing commercial and residential base, which provides citizens and visitors a friendly, accessible, historic small-town destination with outstanding family values and venue for music, recreation and retail while being the premier community in Cass County!

Monday, I would like for us to review the current vision statement to ensure it meets our current vision. Thanks for spending time with this preparation. It is very much valued by the administration generating a proposed budget which will implement your vision for our community.