



Addendum to Community Action Agency Contractor Implementation Manual

Requirements for Programs Procurement of Vehicles EFFECTIVE August 25, 2020

For vehicle purchases funded with Community Service Block Grant (CSBG) grant dollars, including the Coronavirus Aid, Relief, and Economic Security Act (CARES) grant funds, ODOC has elected to impose the procurement standards of OMB, and is electing to default to [45 CFR 75](#) for ODOC approval (rather than the Uniform Guidance which states the Federal agency approves over \$5,000). *This requirement applies only to CSBG and CSBG CARES funded purchases. For vehicles purchased and/or used for any other program, you must adhere to the vehicle purchase and usage requirements of those programs.*

The procurement process for all Vehicle purchases shall follow the following standards: Subgrantees are required to conduct an *Analysis of Need and Usage* when considering a vehicle purchase. All factors relevant to the procurement of vehicles must avoid acquisition of unnecessary or duplicative items and/or purchasing a higher-cost vehicle than is necessary.

1. A *Cost Analysis* must be conducted to determine cost efficiency of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. Subgrantees must utilize a cost analysis tool such as: <https://calculator.me/vehicle/operating-cost.php> or an equivalent analysis tool to assure the purchase is economical.
2. Costs must be allocated to the programs that receive benefit from the costs on a relative basis. This would apply to leases and purchases. CSBG has additional flexibilities to be used to support other programs that serve the same population.
3. Costs for vehicles must be reasonable. This does not mean that the Subgrantee is required to accept the lowest bid/cost, but that the decision should be prudent. This would apply to leases and purchases.
4. All vehicle purchases must receive **prior** written approval from ODOC. Subgrantees must submit a written request for vehicle purchases to ODOC that includes the following:
 - a. Analysis of Need: written narrative describing the need for the vehicle and how it shall be used
 - b. Cost Analysis to determine cost efficiency of lease versus purchase alternatives
 - c. Financial information such as price of vehicle, amount requested to be paid by ODOC contract(s) and amount to be paid with use of other agency funds

- d. All other CAA and ODOC policies for equipment tracking, disposition, usage and maintenance must be followed
5. Subgrantees are required to follow established ODOC procurement procedures for all vehicle purchases:
 - a. Purchases under \$5,000: Informal price comparison.
 - b. Purchases \$5,001 - \$15,000: Three telephone bids.
 - b. Purchases \$15,001 - \$25,000: Three or more written price quotations.
 - c. Purchases over \$25,000 – Advertised Procurement
6. Agencies may opt to use the State Contract for vehicle purchases in lieu of bidding out vehicles with local vendors.
7. As part of internal controls, agencies must have written vehicle usage procedures.