

ARPA FINAL RULE UPDATE

AND OTHER IMPORTANT NEED TO KNOW DETAILS

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Overview

- **Final Rule Changes**
 - *Revenue Loss*
 - *Premium Pay*
 - *Presumed Populations*
- **Procurement**

Final Rule Changes – Revenue Loss

- **INTERIM RULE**

- 4 step formula comparing pre-pandemic revenue to current revenue
- Units of government had the option to use their actual growth percentage based on the last 3 pre-pandemic years or could take a growth percentage of 4.1% whichever is higher
- Eligible expenses = governmental services

- **FINAL RULE**

- Units of government now have the choice of doing the calculation or taking a standard revenue loss of \$10 million
- The calculation also increased the standard growth percentage to 5.3%
- Eligible expenses = governmental services



What Are Governmental Services?

- The final rule gives a non-exhaustive list of examples
- Construction of schools and hospitals, road building and maintenance and other infrastructure, health services, general government administration, staff costs, and costs related to administrative facilities, environmental remediation, provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)
- Projects that will benefit residents



Premium Pay

Essential Worker Eligibility Requirements

1. be a worker that performed essential work during the COVID-19 pandemic,
2. the work performed was in person, AND
3. the worker had regular in person interactions OR regular physical handling of items that were handled by others.

Income Limits For Essential Workers

- At or below 150 percent of the state or county's average annual wage, whichever is higher, including the premium pay.
- Workers making more than 150 percent of the average annual wage that are not salaried employees are also eligible without justification.

Premium Pay-Written Justification

Premium pay can still be paid out to essential workers that do not meet the income limits or hourly pay requirements but require written justification to be submitted to the Department of the Treasury through the reporting portal.

Workers that require justification

- Salaried exempt workers (non hourly) under Fair Labor Standards Act
- Workers earning greater than 150% of average annual wage

Written justification should include

- Description of duties
- Health or financial risks posed by COVID-19

A blurred background image of a large crowd of people, likely at a public event or concert, with warm lighting and a bokeh effect.

Presumed Eligible Populations

- The final rule has named presumed eligible populations in order to ease the administrative burden around reporting
- The following projects require reporting out on populations served.
 - COVID-19 Vaccination Programs
 - COVID-19 Testing Programs
 - Direct household assistance (food, rent, mortgage, utilities, direct payment, internet access programs)
 - Job training programs
 - Small business assistance
 - All projects listed under services to disproportionately impacted communities
 - [\\files.gen.bssn.com\redir\amethot\Documents\ARPA eligible expenses matrix.pdf](https://files.gen.bssn.com/redir/amethot/Documents/ARPA%20eligible%20expenses%20matrix.pdf)

Presumed Eligible Populations

- **Presumed Low-Moderate Income Populations**
 - Low income individuals are defined as individuals with an income below 185% of the federal poverty guidelines or at or below 40% of the area median income of the County in which you are located
 - Moderate income individuals are defined as individuals with an income below 300% of the federal poverty guidelines or at or below 65% of the area median income for the County in which you are located.
 - Resident of a qualified census tract, services being provided in a qualified census tract or the assisted business is located in a qualified census tract.
 - Individuals who receive other federal benefits
- It should be noted that for testing and vaccination programs the presumed eligible population is the general population since everyone has the potential to contract COVID-19
- If a project is serving a presumed eligible population the recipient or subrecipient can document the population accordingly rather than accounting for each individual served.

Procurement

ARPA Recipients must follow the requirements under the Federal Uniform Guidance (2 CFR Part 200) per the final rule.

- **What is 2 CFR Part 200**
 - Establishes administrative and financial requirements for federal awards to non-federal entities.
 - Uniform Guidance covers procurement, contracting, and financial management.

Procurement is a very technical piece of the Uniform Guidance and is often a more labor intensive process than a municipality's bid procedures.

Procurement – Micro Purchase

- **When To Use**
 - Applies to purchase of property, supplies, and services
 - Contract is for \$10,000 or less
- **Process And Procedure**
 - Purchase can be made without going out to bid or obtaining quotes
 - Recipient can choose to lower these thresholds. The change in threshold must be documented

Procurement – Small Purchase

- **When To Use It**
 - Applies to purchase of property, supplies, or services.
 - Contract is for more than \$10,000 but less than \$250,000.
- **Process And Procedure**
 - Price or rate quotes must be obtained from at least 2 sources.
 - Unit of government can choose to lower these thresholds, The change in threshold must be documented

Procurement- Sealed Bids

- **When To Use**
 - Contract for goods or services exceeds \$250,000.
 - Preferred method for construction contracts regardless of the contract price.
- **Process And Procedure**
 - Bids must be publicly advertised
 - Contract must be for a firm fixed price
 - Complete, adequate, and realistic. specification our purchase description is made available.
 - Bid must be solicited from an adequate number of qualified sources
 - Bid must be opened publicly. Bid must provide for sufficient response time.

Thank you.

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