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Susanne R. Young, Secretary

To:	**Extended Cabinet Members**
From:	**Susanne Young, Secretary of Administration**
Date:	**October 1, 2021**
Subject:	**Bulletin 5 and Bulletin 3.5 ARPA State Fiscal Recovery Funds – Solicitation Requirements**

**Please Forward a Copy of This Addendum to Staff Members
Involved In the Issuance And/or Monitoring of Grants and Contracts**

ADDENDUM TO BULLETIN 5 AND BULLETIN 3.5
EFFECTIVE OCTOBER 1, 2021

This Addendum to the Secretary of Administration's Bulletin 5 on Executive Branch grants and Bulletin 3.5 on Executive Branch contracting establishes a process that is to be used in tandem with solicitation and selection processes prescribed under Bulletins 5 and 3.5 when an agency or department is spending American Rescue Plan Act (ARPA) State Fiscal Recovery Funds. Nothing in this Addendum is intended to contravene the solicitation and selection processes established under Bulletin 5 and Bulletin 3.5.

Applicability of Goals and Principles

Adherence to the goals and principles outlined in this Addendum are required to access ARPA State Fiscal Recovery Funds. Agencies and departments are also encouraged to apply these goals and principles to one-time general fund recovery projects and other COVID-related federally funded programs whenever possible. Grants which require the Governor's approval will be viewed through this lens. Additionally, these principles should be applied to subgrants to the greatest extent possible in instances where external partners are carrying out infrastructure work, such as with broadband, weatherization and housing.

Nothing in this Addendum is meant to override conflicting state or federal law, rule or regulation or federal grant or contract requirements.

I. Background - Governor Scott's Recovery Plan

Vermont is committed to continuing to lead the nation as we navigate the path from pandemic to endemic management and, ultimately, a full and transformative recovery. The Governor's ARPA Recovery Plan is focused on timely and transparent investments in key infrastructure needs – projects that result in tangible, transformative results in communities that need them most. The ARPA Recovery Plan, announced in early April 2021 invests in housing, broadband, wastewater and sewer systems, climate change prevention and mitigation, and economic development. The explicit objective of this Plan is to provide long term recovery opportunities to communities statewide, with a focus on the communities with the most job losses and declines in demographics and income levels.

Vermont's municipalities need help to stabilize or expand their tax bases and economic foundations. With investments in water and sewer infrastructure, broadband deployment, climate change prevention and mitigation, housing and further economic aid, we can expand the workforce and economic growth in all 14 counties, achieve a cleaner environment and have a more affordable and competitive state.

Throughout the last decade, many communities across Vermont have been planning for their futures. They have tangible plans and shovel-ready projects designed to boost the local economy, help residents thrive, attract new families, and combat the effects of climate change. Unfortunately, many of our communities have not had the funding or technical assistance to move these plans forward. To best leverage every dollar however, we must ensure an appropriate balance between using funds to expedite shovel-ready projects and bringing new projects online that would not progress but for this money.

Projects planned for St. Johnsbury in Caledonia County are an illustration of the local impacts we are looking to achieve:

Cherry Street Hotel	Homeless Housing	ACCD-DHCD, VHCB
Riverwalk - St. Johnsbury	Economic Development	ARPA Stories
St. J Park and Ride - Chargers	Evs	ARPA Stories
CSO Abatement - St. Johnsbury	Wastewater	ARPA Stories
Packard Court	Housing	ARPA Stories
Caledonia Renaissance	Housing	ARPA Stories

In addition, it is anticipated that additional opportunities for ARPA Recovery funding will be made available in 2022 and 2023 for those communities in need of additional time for project

planning and development. ARPA Recovery funding can be used at any stage of an eligible project to move Vermont communities forward.

Except when there have been commitments to 100% state funding, to ensure community support, when appropriate, there should be a municipal match to state funds on ARPA Recovery Plan infrastructure projects.

Guidance to Agencies and Departments

When awarding ARPA Recovery funding, agencies and departments shall have the flexibility to use a selection process which is most programmatically appropriate for the solicitation. Nevertheless, agencies, departments and subgrant recipients must use an efficient, transparent process designed to result in timely awards. All proposed solicitation documents generated within the Executive Branch, whether inviting applications for grants, beneficiary payments, or contracts, shall be submitted to the Agency of Administration and Governor's Office for review to determine consistency with the template language set forth below.

Solicitation documents shall be submitted for review to your agency or department liaison, with a copy to Director of Policy and Legislative Affairs, Kendal Smith and AOA Chief Operating Officer, Doug Farnham. You will receive a response from your liaison within two (2) business days. While use of the template is not required, your solicitation documents will be reviewed for consistency with the guidance and goals contained in the template language. If incorporation of the guidance and goals is not possible, a justification signed by the Secretary or Commissioner explaining why must be submitted with the solicitation documents.

When awarding ARPA Recovery funds, agencies and departments should give priority to projects that most clearly adhere to the Governor's guiding principles:
1. Projects must be **transparent** and establish clear priorities, transparent funding streams, and specific and measurable results, with the majority of funds going directly to infrastructure and not staffing or other overhead costs.
2. Projects must produce **tangible** results and build physical infrastructure that requires a onetime investment.
3. Projects must have a **transformative** impact and not only prioritize counties struggling the most with job losses, and declines in demographics and income levels, but ideally be developed in coordination with other planned infrastructure development.
4. Projects must be capable of **timely** completion and results in 1-3 years.
5. Priority should be given to projects that would be unlikely to occur, but for the availability of the ARPA Recovery funding, within the next 5 years.

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***Introductory Template Language*:** At a minimum, all solicitation documents must include in their overview or introduction a summary of the Governor's Recovery Plan and the Governor's guiding principles and priorities, as follows:

> **OVERVIEW: Vermont was awarded $1.05 billion in Coronavirus State and Local Fiscal Recovery Funds (Recovery Funding) as part of the federal American Rescue Plan Act of 2021. The Governor's Recovery Plan is focused on transparent investments in key infrastructure needs including housing, broadband, wastewater and sewer systems, climate change prevention and mitigation, and economic development. The explicit objective of this Plan is to provide long term economic recovery opportunities to communities statewide, with a focus on those regions or counties struggling the most with job losses and declines in demographics and income levels.**

Scope Template Language: Each scope of services or project description shall be oriented toward the Governor's key principles by including the following language:

> **<u>SCOPE OF SERVICES OR PROJECT DESCRIPTION.</u> All responses shall include, at a minimum:**
> - **<u>Statement of Need</u> describing the need this project will address. Include data to demonstrate the need and cite the source of the data.**
> - **<u>Population Served</u> including number and demographic characteristics of those served.**
> - **<u>Results</u> including a description of the measurable proposed impacts of the project, with at least three (3) performance measures that will be tracked and reported. Wherever possible, include baselines and goals for each performance measure.**
> - **<u>Evaluation</u> describing the data collection, analysis, and quality assurance measures you will use to assure ongoing, effective tracking of contract requirements and outcomes.**
> - **<u>Equity Impact</u> describing how this project will help build a just, equitable and sustainable COVID-19 recovery and how disproportionate impacts of inequities are addressed.**
> - **<u>Budget</u> including all proposed project revenues by funder and expenditures.**
> - **<u>Special Considerations</u> describing any other information that might assist the State in its selection.**

Evaluation Template Language:

METHOD OF AWARD: Awards will be made in the best interest of the State. All other considerations being equal, priority will be given first to those projects in regions or counties struggling the most with job losses, declines in demographics and income levels. Priority will also be given to those projects developed in coordination with other planned infrastructure development for the greatest transformative impact. Qualitative determinations will be made regarding community need and community impacts. Scoring will not be numerical.

Evaluation Criteria: A selection committee will review, analyze and rank all submittals based on their response to the information requested. At a minimum, the selection process will include the following criteria in the evaluation of proposals. These criteria are not necessarily listed in order of importance:

- **Statement of Need**
- **Population Served**
- **Measurable Results and Evaluation**
- **Equity Impact**
- **Opportunities for Coordinated Projects**
- **Program Specific Considerations**
- **Municipal Match, if applicable**

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