



**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF INTERGOVERNMENTAL SERVICES**

**SUBGRANT ADMINISTRATION GUIDE  
PART II: POST SUBGRANT REQUIREMENTS**

**F. PROCUREMENT STANDARDS**

1. Subgrant organizations shall use their own procurement procedures and regulations, provided that they conform to applicable State law.
2. Subgrant organizations shall follow the same procurement policies and procedures for federal funds as it uses for procurement for its non-federal funds.
3. All procurement transactions, whether negotiated or competitively bid and without regard to dollar value, shall be conducted in a manner so as to provide maximum open and free competition.
4. All sole-source procurements in excess of \$1,000 must receive prior approval from IGS.
5. A commercial organization is ineligible to receive a direct award from IGS and cannot be named as a sole source contractor in a grant application by an eligible subgrant organization. The sole source rule can be waived if the subgrant organization can document that there is only one contractor qualified or available to perform the function.
6. The subgrant organization shall be alert to organizational conflicts of interest or non-competitive practices among contractors, which may restrict or eliminate competition or otherwise restrain trade.