

THE WORKFORCE BOARD OF NORTHERN COOK COUNTY

LOCAL AREA WIA Policy 2006 –Procurement Policy

TO: ALL WIA CONTRACTORS

FROM: _____
Jennifer Stasch
Director of Administration

SUBJECT: Procurement Policy

DATE: June 1, 2006 (Revised 1-29-07)

Purpose: The purpose of this letter is to update and clarify the policy and standards for the Procurement of goods and services under The Workforce Board of Northern Cook County Workforce Investment Act (WIA) contracts.

References: OMB Circulars A-110
29 CFR Part 95.40
29 CFR Part 97.36
45 CFR Part 92.36
WIA Section 122
Other WIA Legislation and Rules and Regulations

Background: The Workforce Board of Northern Cook County is releasing a Procurement Policy in order to ensure accountability and keep the procurement process in line with IRS regulations, WIA reasonable and necessary requirements, DOL and DCEO policy, and other applicable rules and regulations.

Policy Statement: Procurement procedures are established as standards of conduct governing the performance of the contractor and their employees engaged in the purchase of goods and services. No employee, officer or agent of the contractor or subcontractor shall participate in selection, or in the purchase of goods and services supported by Federal funds if a conflict of interest, real or apparent, would be involved.

In general, the Workforce Board requires that all procurement transactions will be conducted in a manner providing full and open competition. The Contractor will comply with all Workforce Board requirements and other processes and procedures in place regarding procurement of goods and services; all procurements must comply with 29 CFR Part 95 or 97.

Workforce Board Procurement Policy

Procurement Principles

Meet the Needs of the Individuals Served Under WIA

All services procured shall be assured to be the best available to meet the employment and training needs of the individuals served under WIA.

Awards for contractors are made to vendors who can provide services that are the most advantageous regarding service, price, and other specific factors.

Definitions

Procurement: For purposes of this policy, the term "procurement" includes ANY acquisition action which obligates WIA funds for the purchase of equipment, materials, supplies, and/or program or administrative services beginning with the process for determining the need and ending with contract completion and closeout.

Request for Proposal (RFP): A document which invites offers from service providers for the delivery of a specific type of service. It includes a description of the product(s) or service(s) desired which enable a potential contractor to submit a proposal. The RFP will include information necessary for an objective evaluation and comparison to similar proposals. The RFP is the specific term applied to a solicitation where negotiation is used.

Competitive Procurement Procedures

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

The Contractor shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade.

In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements.

Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the Contractor, price, quality and other factors considered.

Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the Contractor. Any and all bids or offers may be rejected when it is in the Contractor's interest to do so.

Procurement of Training and Services

Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used to provide intensive services to adults and dislocated workers. Such intensive services will be provided through the One-Stop delivery system directly through one-stop operators identified pursuant to section 121(d). In following with its procurement policies and Sec 117 of WIA, The Workforce Board will competitively procure core and intensive services to be provided through the One-Stop delivery system or will grant funds directly to the One-Stop operator to provide such services. In addition, where the Workforce Board determines a need for additional services

including but not limited to customized training and incumbent workers training, the Workforce Board will competitively procure these services.

Vendors will be solicited for procurement needs under \$20,000 by obtaining a minimum of three quotes from potential vendors who are able to provide the needed services. The Workforce Board may solicit potential vendors through:

Small Procurement Solicitation

- Obtain three quotes, record the name of the vendor, contact, date and the amount of the quote;
- Select the vendor which will provide the best quality service and indicate why selected;
- Notify the unsuccessful bidders; and obtain the approval of the Workforce Board's executive staff.

Request for Information

- Distribute an RFI to all appropriate vendors;
- Based on the responses, select a vendor which will provide the best quality of service;
- Document why a vendor was selected and notify unsuccessful bidders; and obtain the approval of the Workforce Board's executive staff.

Procurements of \$20,000 or more are solicited by competitive proposal and with the approval of the chief elected official. Vendors are solicited through a Request for Proposal. The RFP will describe the type of services being solicited and provide requirements on the submission of proposals. An RFP is distributed to all appropriate vendors on the current list of approved vendors. The RFP identifies: project duration; submission information; detailed description of all services solicited; targeted groups to be served; proposal evaluation criteria; and budget information requirements. All proposals received are reviewed by an evaluation team that may be comprised of appropriate One-Stop system representatives, Board staff, workforce professionals, Workforce Board members, and other appropriate stakeholders. Each evaluator completes a review and evaluation form rating all criteria and compiling an overall rating for the proposal. The review criteria includes: financial resources, technical qualifications, experience, organization and facilities; resources to meet the completion schedule; previous performance record; ability to meet performance standards; cost price analysis; and accounting and auditing procedures and accountability.

Each agency proposing the services is usually brought in to work with the Workforce Board staff in revising the proposal based on the recommendations. A final determination is made by the management team taking into consideration: avoiding the purchase of unnecessary or duplicative items/services; making a positive effort to procure with small businesses and minority owned businesses; and demonstrating a preference for use of education agencies to provide education services.

The Workforce Board's executive staff may approve all services contracts issued for the operation of training or related services. The Workforce Board approves the planning strategy and the dollar amount to be subcontracted, allowing staff to make the decision as to service provider selection and contract negotiation. In addition, contracts will not be procured with providers determined to be

high risk, without discussion with a Workforce Board committee. Selected service providers may include public, private for-profit, and private nonprofit organizations.

Procurement of Youth Activities

From funds allocated under paragraph (2)(A) or (3) of section 128(b) to the local area, the local Workforce Board will identify eligible providers of youth activities by awarding contracts on a competitive basis. The Youth Council will be responsible for procuring bids, evaluating programs, and making recommendations to the local Workforce Board based on the criteria contained in the state plan. Oversight of the providers and the procurement procedures will be the responsibility of the Youth Council, and Board staff. Where the Workforce Board determines appropriate and where it does not lend itself to a conflict of interest, youth coordinators that may be hired by service providers in the area's One-Stops may also be involved in the procurement processes. (Refer to Attachment A Youth Services Plan)

The local Workforce Board will identify eligible providers of youth activities and award contracts on a competitive basis, based on the recommendations of the Youth Council. The Youth Council will focus on at least three key elements when awarding grants for youth activities:

1. Previous experience: providers that have worked with youth specifically preparing them for the workforce.
2. Willing to coordinate: providers looking to coordinate services and activities with other agencies and being creative in how the coordination will best benefit the youth.
3. Ability to identify youth: providers that can identify the population to be served and have youth available for program enrollment.

Purchasing policies, standards, and procedures

Any purchase of any kind under \$300 is exempt from procurement requirements. Goods and non-program related services are generally to be procured by following the procedures for the procurement of program-related services. Price and/or rate quotations are obtained from at least three vendors for the specific type of service, supplies, or property as defined above under Small Procurement Solicitation.

All procurement activities shall allow for open and free competition among potential vendors for services. Awards for contracts are made to vendors who can provide services that are the most advantageous to the workforce system regarding service, price, specific factors, and meeting the needs of the individuals served under The Workforce Investment Act. A current list of approved vendors is maintained and utilized when soliciting for services. The list is updated, at a minimum on an annual basis, to include all additional interested vendors. The list includes names, addresses and potential services to be provided by each agency.

Any officer, employee, or agent of The Workforce Board or any of its contractors who is either (a) engaged in negotiations with a potential contractor; (b) has arrangements concerning prospective

employment with a potential contractor; or (c) has a financial interest in a potential contractor may not participate in the review, award or administration of a contract for a potential contractor. Such relationships constitute a conflict of interest.

Procurement procedures

All Contractors shall adhere to the following procurement procedures:

- (1) Contractors avoid purchasing unnecessary items.
- (2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.
- (3) Solicitations for goods and services provide for all of the following.
 - (i) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
 - (ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
 - (iii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
 - (iv) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
 - (v) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
 - (vi) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
- (b) Positive efforts shall be made by Contractors to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Contractors of Federal awards shall take all of the following steps to further this goal.
 - (1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
 - (2) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
 - (3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
 - (4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
 - (5) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in

the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the Contractor but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by agencies' implementation of E.O.s 12549 and 12689, "Debarment and Suspension."

(e) Contractors shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply.

(1) A Contractor's procurement procedures or operation fails to comply with the procurement standards in the Federal awarding agency's implementation of this Circular.

(2) The procurement is expected to exceed the small purchase threshold fixed at 41 U.S.C. 403 (11) (currently \$25,000) 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 small purchase threshold, specifies a "brand name" product.

(4) The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

Cost and price analysis

Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine if it is reasonable, allowable and able to be allocated.

Procurement records

Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum:

1. basis for contractor selection,
2. justification for lack of competition when competitive bids or offers are not obtained,
and
3. basis for award cost or price.

Action

Required: This information should be disseminated to Contractor staff permitted to procure goods or service on the Contractor's behalf.

Inquiries: Questions regarding any aspect of this policy should be directed to the Workforce Board's Director of Administration.

Effective

Date: Immediately