

**Southwest Washington Workforce Development Council
Workforce Investment Act Policies and Procedures**

PROCUREMENT POLICY

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SECTION I - RESPONSIBILITY AND AUTHORITY

A. General Responsibilities

The primary procurement responsibility of the Southwest Washington Workforce Development Council (SWWDC) is to provide oversight and guidance to SWWDC staff and all sub-recipients to ensure that legal and performance requirements are met, and to ensure that procurement processes are consistent, fair, and supportive of the SWWDC’s goals and objectives.

Staff is responsible for the development, implementation, monitoring, and maintenance of all procurement activities in such a way as to meet the requirements of applicable laws, regulations, policies, and procedures.

B. Legal Citation

This policy complies with standards in the following Federal and State laws and rules:

1. Workforce Investment Act (WIA) Regulations 20 CFR 667.200;
2. Public Law 97-300 and its amendments, Sections 104(b) (11), 107, 108(b) (5), 141(h), 164(a), and 313(b) (6);
3. OMB Circulars A-110 Amended 8/29/97, A-122 Amended 8/29/97, and A-133 Revised 6/24/97;
4. Title 29 Code of Federal Regulations, Part 95, US DOL Text of the Common Rule; and,
5. The Revised Code of Washington (RCW).

C. Authority

The SWWDC, a nonprofit Washington corporation, possesses the ultimate legal authority for awarding, withdrawing from, or assigning contracts. The following authority has been delegated by the corporation for procurement and contracting activities:

Disbursement of Funds	Decision Making/Signature Authority		
	Full WDC	Executive Board	Director*
Contracts for WIA service providers funded from annual WIA allocations**	X Ratification of Ex Board’s approval	X Approval	X Contract approval
Mid-year contract modifications***			X

All other contracts \$50,000 and under			X
All other contracts greater than \$50,000	X Ratification of Ex Board's approval	X Approval	X Contract approval

*The Director may delegate authority for contract approval during her absence.

**Service provider allocations will be approved by the Executive Board and ratified by the full WDC as part of the budget review and approval process.

*** modifications to those contracts which were approved by the Council previously.

D. Exclusions

Purchase of the following items are specifically excluded from this procurement policy: 1) On-the-Job Training (OJT) as covered by SWWDC #550 OJT Procedures, 2) Individual Training Accounts (ITA) with Eligible Training Providers as covered by SWWDC #115 Individual Training Account. (Specific requirements are defined in 20 CFR Part 663, Subpart E – Eligible Training Providers), 3) expenses covered by the SWWDC's Travel Reimbursement procedure and 4) sub-recipient awards where in the original grant proposal listed specific providers are considered "required partner" awards and are exempt from further solicitation based on the funder's requirement that they be partners in the project and based on the fact that their proposed services and costs were included in the proposal and accepted as such by the funder. Exclusion 1 and 2 are to be provided only by an approved properly procured service provider as described in Section VI.

E. Cost Analysis – Price Analysis (29 CFR 95.45 – Cost and price analysis)

A 'Cost Analysis' or 'Price Analysis' must be completed for every purchase. This requirement includes every contract modification greater than \$50,000. For Level 3 (Minor Purchases), a 'Cost Analysis,' or 'Price Analysis' may be very brief and informal. All purchases regardless of level, must clearly confirm that the price was reasonable, allowable and allocable.

Price Analysis: A price analysis is the process of examining and evaluating a price without looking at the estimated cost elements and proposed profit. It is used when price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulations. Price analysis will be used for vendor procurements.

Cost Analysis: A cost analysis of the proposed contract or contract modification will be performed when: the proposer is deemed a sub-recipient; individual cost elements have been requested; procurement is made by sole source method; or, no catalog or market price is available. A cost analysis is the process that examines element-by-element, line item by line item, the cost information submitted by proposers. The method and degree of cost analysis is dependent on the size of the award and the facts surrounding the procurement. Contracts or modifications negotiated relying upon cost information provided by the proposer may be adjusted if it is discovered that the submitted information is not accurate, complete or current.

SECTION II - CONFLICT OF INTEREST

A. Code of Conduct Applicability

SWWDC Board members, the Executive Board of Commissioners, and SWWDC employees, agents and Contractors shall comply fully with the SWWDC Code of Conduct Contents (below), as well as with State of Washington (<http://www.wa.gov/esd/policies/documents/3420rev1.htm>) and United States Department of Labor (USDOL) laws (Public Law 105-220 Section 111 (f), Public Law 105-200 Section 117 (g), 20 CFR 667.200 (a)(1) and (4), 29 CFR 95.42, 29 CFR 97.36), rules and opinions governing conflict of interest situations. Should Federal, State or SWWDC conflict of interest rules contain differing provisions, the most stringent interpretation shall apply.

B. Code of Conduct Contents

The SWWDC Code of Conduct includes, but is not limited to, the following provisions:

It is a breach of ethical standards for a member of the SWWDC, Executive Board of County Commissioners, Contractor staff, or an employee or agent of the SWWDC to knowingly participate, directly or indirectly, in a procurement when:

- They or a member of their immediate family, has a financial interest in the procurement;
- A business organization in which they or a member of their immediate family has a financial interest in the procurement; or,
- A business or other organization with whom they are negotiating an arrangement concerning prospective employment is involved in the procurement.

Whenever an individual discovers or becomes aware of an actual or potential conflict, he/she should promptly withdraw from the procurement or seek guidance on participation from the Executive Board or the Executive Director.

C. Disclosure

Any SWWDC or Executive Board of Commissions member or SWWDC employer or agent who has or obtains any benefit from any SWWDC contract with a business in which he/she has financial interest must report this to the Executive Board through the Executive Director.

SWWDC and Executive Board members must also abstain from voting and must not participate in the procurement of any contract when a conflict of interest exists.

D. Gratuities and Kickbacks

It is a breach of ethical standards for anyone to offer, give, or agree to give any SWWDC employee, or former employee, or for a member, employee, agent or former employee to accept from another person, a gratuity or an offer of employment in connection with any procurement.

It is a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor, or any person associated with these, as an inducement for the award of a subcontract.

E. Contingent Fees

It is a breach of ethical standards for anyone to be retained, or to retain anyone, to solicit or secure a contract for commission, brokerage, or contingent fee or a promise of such payments.

This prohibition does not apply to the hiring of bona fide employees or contracting for help with grant or proposal writing.

F. Use of Confidential Information

It is a breach of ethical standards to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

G. Breach of Standards

Any person willingly involved in a breach of ethical standards, or found to be directly or indirectly benefiting from a conflict of interest, may be subject to disciplinary action.

SECTION III - NOTIFICATION AND APPROVAL

Agencies or individuals submitting written proposals or quotes shall be notified in writing of the acceptance or denial of their proposal or quote, including any opportunity to negotiate changes or final terms. No contract award shall be considered final until a written agreement or purchase order is signed by an authorized SWWDC employee.

SECTION IV – GENERAL PROCUREMENT REQUIREMENTS

1. All procurements shall be conducted in a manner that maximizes full and open competition, regardless of the procurement method. Competitive procurements shall not unduly restrict or eliminate competition.
2. All expenditures must be reasonable, allowable, allocable, and necessary.
3. All purchases of goods and services will be reviewed.
4. All construction, remodeling or renovation must have prior written approval from funding source.
5. All purchases of equipment with a per unit acquisition price of \$5,000 or more and a useful life of more than one year require written approval from the funding source.
6. All procurements of service providers, consultants, and large purchases (as defined in section six) shall clearly set forth all requirements which bidders or offerers must fulfill and all other factors to be used in evaluating bids or proposal including a clear and accurate written description of the goods and services being procured; technical requirements for the material, product, or service to be procured; a description of all requirements that must be fulfilled and all other factors used in evaluating bids or proposals; and specific features of "brand-name or equal" products.
7. Where appropriate, an analysis shall be made of lease/rental versus purchase alternatives to determine which approach is most economical.
8. Consideration shall be given to either consolidating or breaking up procurement actions to maximize competition.
9. The SWWDC may "tag on" to other agencies procurements or use common goods and services where it fosters greater economy and efficiency. Competitive procurement requirements may be met by the use of competitive procurement by another agency. Tag on agencies may include but are not limited to Federal, State and local governments and nonprofit entities who maintain documentation of an open,

- competitive selection process. Considering "tag on" purchases does not preclude a price or cost analysis.
10. The SWWDC will use Federal excess and surplus property whenever it is feasible and results in cost savings.
 11. The primary consideration in selecting agencies or organizations to deliver services shall be the effectiveness of the agency or organization in delivering comparable or similar services based upon the meeting of demonstrated performance goals, cost, the quality of training, and participant characteristics.
 12. Efforts shall be made to include community based organizations, small businesses, minority-owned firms, women-owned firms, historically African-American and Native American colleges and universities, and faith based organizations in the solicitation process.
 13. SWWDC funds shall not be used to duplicate facilities or services available in the area unless it is demonstrated that alternative services or facilities would be more effective or more likely to achieve performance goals.
 14. In identifying any program income or profit to be earned by the bidder, the following factors shall be considered in determining whether program income or profits are excessive:
 - Complexity of work to be performed;
 - Risk born by contractor;
 - The Contractor's investment;
 - The amount of subcontracting;
 - The quality of the Contractor's record of past performance;
 - Industry profit rates in the surrounding geographical area; and,
 - Market conditions in the surrounding geographic area.
 15. The SWWDC requires accurate and complete reporting of allowable stand-in costs.

SECTION V – SUB-RECIPIENT OR VENDOR DETERMINATION

Anticipated purchases are either from "sub-recipients" or from "vendors." This determines the type of contract terms to be used and affects the cost or price analysis.

A. Sub-recipient

A sub-recipient is a legal entity to which an award of Federal funds is made and which is accountable for the use of funds provided. Sub-recipients generally perform the following activities:

- Determine eligibility for a federally funded program;
- Has performance measured against the objective of the Federal program;
- Has responsibility for programmatic decision-making;
- Has responsibility for adherence to applicable Federal program compliance requirements (for example, the WIA regulations);
- Uses Federal funds to carry out a program, as opposed to providing goods or services to a service provider.

B. Vendors

A vendor is a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. The following are indicative of a vendor relationship with an organization:

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Operates in a competitive environment;
- Provides goods or services that are ancillary to the operations of the Federal program;
- Is not subject to Federal compliance requirements.

The determination of a sub-recipient and vendors takes into account all of the characteristics related to the type of provider. No single factor is used. See the following table for further clarification on Vendor—Sub-recipient determination.

Vendor—Sub-recipient Relationship Determination

Factor	Vendor	Sub-recipient
Activity*	Sell deliverables (goods/services)	Provide Services
Assistance Arrangement	Buyer-sell	Financial Assistance to operate program
Closeout Package	Final invoice	Comprehensive
Development Costs	Absorbed	Controlled
Extent of flexibility	Bound to adhere to specific contract term	Latitude to make decision within terms of agreement
Federal Rules	N/A	Compliance
On-the-Job Training	Subgrantee developed (direct employer award)	Award to Broker
Payment Basis**	IS paid for specific requirements of contract	Against the performance outcomes of the financial assistance award
Product	Specific outcomes	Operate a program
Performance Measured **	Against the specific requirements of contract	Against the performance outcomes of the financial assistance award
Product Development	Develops product and delivers from inventory	Controls development
Public Policy	Contract specific issues	Standard statement of assurances
Purpose of the Award	To provide specific goods or services	To carry out a program role
Receipt of Funds	Number of items delivered	Cost incurred
Risk	Risk to vendor	Share risk with awarding agency
Type of Training	Slotting on an individual referral basis	Filling a class-sized training program

Type of Market	For sale with normal business operation; existing product tailored to the program solicitation	Customized for specific program purposes
Type of Product	Provide specific product or service ancillary to the Federal program	Design a program to meet a broader goal such as performance outcomes

*There may be instances where it is possible to obtain the same type of services under either a vendor or a sub-recipient award

**Federal reform efforts are now shifting emphasis from paying for process to paying for results. Performance and outcome-based payments are possible under both vendor and sub-recipient awards.

SECTION VI- PROCUREMENT LEVELS

The SWWDC groups procurements of materials and services into three levels. The levels are defined as:

Level 1 – Large purchases - \$50,000 or more

Level 2 – Small purchases - \$49,999 to \$10,000

Level 3 – Minor purchases - \$9,999 or less

In developing cost estimates for prospective purchases, consider the maximum anticipated need for similar items or services over an estimated period of 12 months. If there is any reasonable likelihood that costs may exceed the highest dollar limit of the applicable procurement level, use of the next higher procurement level is strongly recommended. In relation to vendors of operating services, whether evidenced by lease or not, procurement level procedures shall be followed in terms of items or services over an estimated period of 12 months. The recommended cost or price analyses for the following levels are considered minimum and can be exceeded.

A. Level 1 - Large Purchases

Program Services: The competitive proposal process is the preferred method for procuring WIA Title I-B Adult, Dislocated Worker, and Youth programs; One-stop Operator services; and, other program services costing more than \$50,000. A list of interested bidders for these services will be continually updated. Competitive proposal documents should include:

1. A Statement of Work or Specifications which explain what needs to be accomplished. This is the portion of the solicitation which defines the program goals and objectives. It represents a description of the services to be acquired;
2. A description of the requirements for the time, place, and method for performing services;
3. Required certifications, assurances, and representations, which may include lobbying, debarment, and suspension; non-discrimination and equal opportunity; drug free workplace, signature authority; ownership; organization; management capabilities; financial resources; and audit history;

4. Submission and preparation instructions; and,
5. The evaluation criteria, the selection process and an appeal process.

All competitive proposal responses will be evaluated pursuant to the criteria identified in the proposal document. The following evaluation procedures generally apply.

1. **Initial Proposal Review:** Upon opening proposals, staff will conduct an initial review of proposal packages to determine completeness and adherence to the requirements defined in the document. Incomplete and other non-responsive proposals may be removed from further consideration.
2. **Technical Evaluation:** Evaluation criteria and selection methodology will be listed in the procurement document. Staff will develop an evaluation form for use in the evaluation process. While evaluation criteria may change from project to project, most proposal reviews shall consider administrative and technical competence; program design; past experience and demonstrated effectiveness in delivering the same or similar services; organization and staff qualifications; and, cost. An evaluation committee may be established to discuss ratings and to reach a consensus after each individual has reviewed the proposals and developed preliminary ratings. The evaluation committee may, at its discretion, interview any or all proposers to clarify responses and/or elicit additional information to assist in making a final determination. Documentation describing the evaluation and selection process will be maintained by staff.

Other Professional Services and Goods: Competitive procurement is also the preferred method for professional services and other good and services totaling more than \$50,000 (and may also be used for those less than \$50,000, as deemed appropriate). A Request for Proposals or Bids shall be widely distributed to interested providers and/or vendors and/or advertised in one or more newspapers that will reach the provider and/or vendor audience for a period of not less than ten (10) days. A list of interested bidders will be continually updated. A contract or purchase shall be awarded to the most responsive and responsible bidder whose bid, conforming to the requirements of the invitation and subject to negotiation, is reasonable in price. Any or all bids may be rejected when it is in the best interest of the SWWDC.

B. Level 2 - Small Purchases

Small purchase procedures may be used for professional and other services; goods; supplies; or other property costing in the aggregate of not more than \$50,000. Small purchases shall be made in accordance with applicable laws, these procurement policies, and other applicable Federal, State, and local guidelines. Unless otherwise prescribed, small purchase procurement can occur via: 1) selection from the SWWDC's Request for Qualifications for Consulting Services List (a prospective provider may submit a request to be included on this list at any time); 2) direct purchase by a staff member; 3) orders placed by phone, mail, e-mail/the Internet, or, 4) the issuance of a purchase order. Authorization to use a given procurement method rests with the Executive Director or her designee.

Written quotes from qualified sources, "tag on" purchases, catalog or market price reviews, and other means will be undertaken to establish price reasonableness and to foster economy and efficiency in all purchasing decisions.

For items or services of \$10,000 or greater but less than \$50,000, documentation demonstrating that responses have been solicited in writing or electronically, from multiple sources, will be maintained. "Multiple sources" means a reasonable number of vendors considering such factors as time, cost and availability of goods or services. In most instances, this means a comparison of several vendors.

Documented evidence of competition is to include: response requirements; a contact list; the method of contact (whether by telephone, letter, fax, catalog review, etc.); the responses; the name of the chosen vendor or service provider; and, the rationale for the selection.

C. Level 3 - Minor Purchases

While written solicitation for items costing less than \$10,000 is not required, economy and efficiency is to be considered in all purchasing decisions and comparison shopping is required.

Written quotes from qualified sources, "tag on" purchases, catalog or market price reviews, and other means will be undertaken to establish price reasonableness and to foster economy and efficiency in all purchasing decisions. Authorization to use a given procurement method rests with the Executive Director or her designee.

SECTION VII - NONCOMPETITIVE NEGOTIATION (SOLE SOURCE)

Non-competitive (sole source) negotiation is procurement through solicitation of a proposal from only one provider or vendor. A sole source procurement may be used when the award of a contract is infeasible under large, small or minor purchase procedures.

Circumstances under which a sole source contract may be awarded include the following:

1) the services or goods are available only from a single source; 2) unavoidable urgency for the services or goods will not allow time for a competitive solicitation; 3) the funding source authorizes noncompetitive proposals; 4) a vendor or sub-recipient possesses unique capacity or is uniquely qualified to provide the good or service; or, 5) after a public solicitation, competition is determined inadequate.

All sole source purchases shall be documented, including 1) the reason why regular large, small minor purchase procedures were infeasible, 2) which sole source rationale was applied, 3) a cost analysis, and 4) signed authorization for the sole source award.

SECTION VIII- COMPETITIVE NEGOTIATION

A. Notice

Notice elements may include:

1. Posting on the SWWDC website (www.swwdc.org);
2. Advertising in one or more papers of general circulation within the workforce area;

3. Direct local contact, which includes contacting known referrals and entities that have expressed specific interest for inclusion on the SWWDC vendor list and sub-recipient interest list;
4. Direct national solicitation, which may include known referrals and national entities that have expressed interest for inclusion on SWWDC's vendor and sub-recipient provider lists.

B. Vendor/Sub-recipient List

The SWWDC shall maintain where practical 'Vendor/Sub-recipient' lists. Such lists are intended to provide an opportunity for potential providers to be included in procurement opportunities. Vendor/Sub-recipient lists may be accessed and updated by written correspondence with the SWWDC Contract Officer. Providers may be purged from the list after two years or after failure to respond to a solicitation, whichever may occur first. All providers and vendors representing small businesses, minority-held, female owned businesses, faith based and community based organizations are encouraged to participate in SWWDC procurements.

C. Solicitation Contents

As applicable Request for Proposals, Request for Qualification, and Request for Bids shall include the following information:

1. Name and address of awarding agency;
2. Name and contact information of person to contact;
3. General description of the subgrant program, including identification of the applicable Federal and State laws and regulations that the selected Contractor must comply with;
4. The population to be served and minimum service levels to specific target groups;
5. An estimate of the number/range of individuals to be served and expected results in each activity;
6. Applicable coordinator requirements;
7. Funding parameters by activity;
8. A description of the training and/or services to be provided including the period of performance;
9. Applicable monitoring and reporting requirements, including but not limited to data entry, performance, and financial reporting;
10. Other services or requirements (e.g. - responsibility for eligibility determination, responsibility for support payments, audit requirements, etc.);
11. Prohibition against subcontracting without prior approval;
12. Line item budget of proposed costs, including any profit to be realized and/or funds to be contributed;
13. Budget explanation sheet to explain allocated item(s) that are not self explanatory on the line item budget;
14. Documentation to be supplied by the proposer to establish programmatic and financial capability to perform work;
15. Requirements for preparation and submission of the proposal, due date and time, content and format, number of copies and the location and the person to whom the bid should be submitted;
16. Process and procedure by which the proposals will be evaluated for competitiveness, including identification of specific criteria to be used;

17. Description of the procedures for responding to bidder inquiries and a schedule for the receipt of proposals, and approximate dates for review and award;
18. Appeal procedures for contesting the procurement result;
19. Assurances that the proposer will comply fully with nondiscrimination and equal opportunity provisions, as well as all the applicable requirements imposed by WIA laws and regulations, including Federal law and grant requirements; and,
20. All significant evaluation factors, including price or cost.

Solicitation Formats

A. Request for Proposals (RFP)

A set of documents which include 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 to evaluate proposals submitted.

An RFP method is used when:

1. The service needed precludes developing a specification or purchase description so precise that all vendors would have an identical understanding to approach the requirements;
2. Factor(s), in addition to price or cost, will be considered in making an award; and,
3. Two or more responsible suppliers are likely to be willing and able to complete effectively for the award.

B. Request for Qualifications (RFQ)

An RFQ is used when the same conditions listed under the definition for RFP exist and the SWWDC wishes to solicit a number of qualified providers who will work as a team to develop the service delivery system. It may also be used to solicit and determine qualified providers from which a Competitive Negotiated Procurement will result.

C. Request for Bids (RFB)

A document which includes a brief description of the product(s) or service(s) desired and which enables a potential Contractor to submit a proposal. The RFB will include information necessary to evaluate proposals submitted. An RFB differs from an RFP in that an RFB simply asks for the price based on industry standard specification generally known, or applied industry wide. And RFB is used to establish the exact specifications desired, and when evaluated will determine the successful bidder.

An RFB is appropriate when:

1. A complete, adequate, and realistic specification or purchase description is available;
2. Two or more reasonable suppliers are likely to be willing and able to compete effectively for the award; and,
3. The procurement lends itself to a firm fixed-price contract, and selection of a Contractor based wholly on price is appropriate and reflective of the nature of the products or service being purchased.

SECTION IX – MOU’S AND OTHER PARTNERSHIP AGREEMENTS

It is recognized that there may be times when the SWWDC needs to enter into an agreement or memorandum of understanding (MOU) with another agency or local business, such as in the case of the local One-stop system’s MOU and Resource Sharing Agreement. These agreements/memoranda of understanding generally relate to, but are not limited to, cooperative efforts, including clarifying relationships/responsibilities and other interagency collaborative undertakings.

SECTION X- PROPOSAL EVALUATION

Procurement Commitment and Awards

When awarding contracts and selecting qualified providers for employment and training services, consideration will be given to such matters as whether the Contractor/Providers have:

1. Adequate financial resources or the ability to obtain them;
2. The ability to meet the program design specifications that take into account the WIA and/or funding source purpose and goals at a reasonable cost, as well as the ability to meet performance goals/standards;
3. A satisfactory record of past performance in job training, basic skills training or related activities, including demonstrated quality of training; retention in training; training completion; reasonable drop-out rates from past programs; participant placements; rates of licensure; retention in employment and earning rates of participants;
4. The ability to provide services that can lead to the achievement of competency standards for participants with identified deficiencies;
5. A satisfactory record of integrity, business ethics and fiscal accountability;
6. The necessary organization, experience accounting and operational controls; and,
7. The technical skills to perform the work.

SECTION XI- PROCURMENT FILE STANDARDS

(29 CFR 95.46 – Procurement records)

Procurement records and files for large purchases shall include the following at a minimum: a) the basis for Contractor selection, b) justification for lack of competition when competitive bids or offers are not obtained, and, c) a cost or price analysis.

Procurement records will be retained for three years after final payment on a contract and all other matters are closed. Records should detail the significant history of procurement. These records **may** include, but are not necessarily limited to the following:

1. Rationale for the method of procurement (small purchase, request for proposal, etc.);
2. The selection of agreement type, (cost reimbursement or fixed price); and,
3. Awardees’ selection or rejection;
4. Copy of the solicitation package;

5. Copy of the public notification;
6. Bidders' List to which notices were mailed;
7. List of all organizations/entities that received the RFP;
8. Agenda and minutes of a Bidders' conference, if held;
9. Written responses to all clarifying questions received outside of the bidders' conference;
10. Copy of each proposal received;
11. Documentation of the rationale for selection and funding of any proposer that did not receive the highest score/ranking in the evaluation process;
12. Completed cost or price analysis for each selected bidder or purchase;
13. Copy of any submitted protests and the resolution of each.

SECTION XII – DEFINITIONS OF COMMON TERMS

Acquisition: The process of purchasing goods and services through purchase, rent, or lease. Includes the establishment of needs, description of requirements, selection of procurement method, selection of sources, solicitation of procurement, solicitation for offers, award of contract, financing, contraction administration, and related functions.

Capital Equipment: An article on non-expendable (tangible) personal property having a useful life of more than one year and an acquisition cost of \$5,000 or greater per unit. Items that cost less than \$5,000 or have a useful life of less than one year are considered materials and supplies.

Competitive Negotiation: A method for purchasing goods and services, usually of a highly complex and technical nature whereby qualified individuals or vendors are solicited by means of a Request for Proposals. Negotiations are conducted, the best proposal, as judged against criteria contained in the Request for Proposals, is accepted, and an award is issued.

Contract: An agreement enforceable by law between two or more parties.

Contract Administration: The management of all facets of a contract to assure that total performance is in accordance with contractual commitments and that the contract obligations are fulfilled.

Contract Modification: Any written change in the terms of the original contract.

Contractor: An individual or agency that has entered into an agreement to provide goods or services.

Cost Analysis: A cost analysis must include a documented review and evaluation of each element of cost to determine reasonableness, allocable and allowable. Specific cost analysis methods are further outlined in section six of this policy.

Cost Reimbursement Contracts: Contracts based on payment by an agency to a Contractor of allowable, reasonable, and allocable costs incurred as prescribed in the contract. These contracts may not require completion of the contract work, but rather the best efforts of the

Contractor. The types of cost reimbursement contracts include: (a) cost, (b) cost sharing, (c) cost-plus-fixed-fee, (d) cost-plus incentive fee (CPIF), and (e) cost-plus-award fee (CPAF) contracts.

Davis-Beacon Wages: Wage determinations issued by the Department of Labor, which determine the minimum wage rates to pay on federally funded or assisted construction projects. The prevailing wage rate corresponds directly to the union wage. This is especially true in urban areas, where union membership tends to be higher.

<http://www.dol.gov/esa/programs/dbra/whatdbra.htm>

Effective Competition: A market condition which exists when two or more contractors, acting independently, actively compete for an agency's business in a manner which ensures that the agency will be offered the lowest price or best technical design to meet its minimum needs.

Eligible Provider: The term 'eligible provider,' used for (a) training services, means a provider who is identified in accordance with section 122(e)(3); (b) intensive services means a provider who is identified or awarded contract as described in Section 134(d)(3)(B); (c) youth activities, means a provider who is awarded a grant or contract in accordance with Section 123, or (d) a One-Stop operator designated or certified under Section 121(d). [WIA Section 101]

Evaluation of Bids: The process of examining a bid after opening to determine the bidder's responsiveness to requirements, responsibility, and other characteristics of the bid relating to selection.

General Terms and Conditions: Standard clauses and requirements incorporated into all solicitations (bids/RFPs/RFQs) and resulting contracts which are derived from laws or administrative procedures. (Also called "boilerplate" or "terms and conditions.")

Informal Solicitation: A solicitation which does not require a sealed response.

Informality: A minor defect or variation of a bid or proposal from the exact requirements of the invitation for bids, or the request for proposals, which does not affect the price, quality, quantity, or delivery schedule for the goods, services or construction being procured.

Price Agreement: A contractual agreement in which a purchaser contracts with a vendor to fulfill the purchaser's requirements at a predetermined price. Usually involves a minimum number of units, orders placed directly with the vendor by the purchaser, and limited duration of the contract.

Price Analysis: The process of examining and evaluating a proposed price by comparing it with other offered prices, market prices or prices previously paid for similar goods or services.

Procurement: The procedures for obtaining goods or services, including all activities from the initial planning steps, preparation and processing of a requisition, receipt and acceptance of delivery, processing of a final invoice for payment, closeout, audit and the resolution of any outstanding issues.

Professional Services: Work performed by an independent vendor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy, or professional engineering etc.

Project Manager: A third party consultant or employee that works for the owner and coordinates the activities of a project. Assists with the development of specific strategies of the project (including bidding and contracting), establishing time frames and benchmarks for the project, assisting the owner in hiring other professional services, reviews plans and drawings and makes recommendations to the owners, monitors the budget of all phases of the project, works with all consultants, monitors the day-to-day work progress of the contractor and assists the owner in close-out.

Program Income: Gross income earned by the contractor that is directly generated by a supported activity or earned as a result of the award (see exclusion in 95.24(e) and (h)). Program income includes but is not limited to, income from fees for services performed, the use of rental or real personal property acquired under an award, license fees, and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc. or interest earned on any of them.

Purchase Order: A document an agency uses to execute a purchase transaction with a vendor. It serves as notice to a vendor that an award was made.

Stand-In Costs: Non-Federal costs that may be substituted for otherwise unallowable costs charged to the funding source. Stand-in costs must be: 1) actually incurred, 2) incurred in the same grant as the costs that they replace, 3) reported as stand-in cost to the funding source 4) included on the grantee/sub-recipient/Contractor financial system, 5) adequately documented, and 6) for allowable activities. Cash match in excess of any funding source match requirement may be considered a stand-in cost.

Statement of Work (SOW): That portion of the contract that clearly and concisely defines requirements of the specific work to be accomplished. Statements of work are tailored to consider the period of performance, deliverable items, if any, and the desired degree of performance flexibility.

Subcontract: An agreement between a prime or general contractor and a subcontractor for the execution of a portion of the contractual obligation of the prime contract.

SECTION XIII - REVISIONS

These procurement policies, practices, and procedures may be revised from time to time without prior notice by the SWWDC.

Attachments:

- A - SWWDC Price Analysis Form
- B - SWWDC Sole Source Form

Attachment A

SWWDC
Price Analysis – Small and Minor Purchases –

DATE : _____

ITEM : _____

	Vendor 1	Vendor 2	Vendor 3	Vendor 4
Cost -OR-				
Hourly rate				
Proposed Hours				
Experience rating (1-5)				
Other criteria				
Pros				
Cons				

Rating Scale: 1 = poor / 5 = excellent

Recommendation:

Rationale:

Attachment B

Sole Source Form

A sole source procurement may be used when the award of a contract is unfeasible under small purchase or competitive procurement procedures.

Please indicate the circumstance(s) under which a sole source contract is being requested:

- Service or goods is available only from a single source
- Urgency for the service or goods will not allow for a competitive solicitation
- Funding source authorizes noncompetitive proposals
- Vendor possesses a unique capacity or is uniquely qualified to provide the good or service
- Competition is determined inadequate after a public solicitation

Describe these circumstances and below:

- A cost or price analysis has been performed in connection with this procurement action. (Please attach documentation.)

Signature
SWWDC Staff Member Requesting Approval

Date

Signature
Executive Director

Date

Signature
Executive Board Member (if greater than \$50,000)

Date