

OPERATIONS MANUAL CHAPTER 3: PROCUREMENT AND PROPERTY MANAGEMENT

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I. PURPOSE

The purpose of this chapter is to outline the procedures governing the acquisition, utilization and disposition of property procured in whole or in part under all reimbursement contracts with Federal, State or local government funds administered by the San Diego Workforce Partnership (Workforce Partnership).

A. BACKGROUND

Subrecipients will conduct all procurements in compliance with Federal, State and Local regulations by following the applicable provisions in the Federal Uniform Guidance, Employment Development Department (EDD) state directives, and other guidance documents including but not limited to:

- Department of Labor Employment & Training Administration (ETA), WIOA [Final Rules](#)
- [2 CFR Part 200](#)
- [2 CFR Part 2900](#)
- State of California EDD Workforce Services Directive, [WSD16-05 WIOA Closeout Requirements](#)
- State of California EDD Workforce Services Directive, [WSD16-10 Property—Purchasing, Inventory and Disposal](#)
- State of California EDD Workforce Services Directive, [WSD16-14 Selection of AJCC Operators and Career Services Providers](#)
- State of California EDD Workforce Services Directive, [WSD16-16 Allowable Costs and Prior Written Approval](#)
- State of California EDD Workforce Services Directive, [WSD17-08 Procurement of Equipment and Related Services](#)
- State of California EDD Workforce Services Directive, [WSD18-06 Subrecipient and Contractor Distinctions](#)
- Memorandum dated June 20, 2018: Executive Office of the President, Office of Management and Budget, “[Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance](#)”

B. DEFINITIONS

1. Conflict of interest

An employee, officer, agent, or any member of the organization that has interest in a financial gain or tangible benefit and who participates in the selection, award, or administration of a contract supported by a federal award ([2 CFR 200.318\[c\]\[1\]](#) and [\[c\]\[2\]](#)).

2. Contract

A legal instrument by which a subrecipient purchases property or services needed to carry out the project or program under a federal award. This term does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward ([2 CFR 200.22](#)).

3. Contractor

An entity that receives a contract([2 CFR 200.23](#)). The Uniform Guidance replaced the word “vendor” with the word “contractor”. A contractor is a vendor, dealer, distributor, merchant, or other seller providing goods or services that are required to conduct a federal program.

4. Consumable Supply

Consumables are products that consumers use recurrently (i.e., items which "get used up" or discarded). For example, **consumable office supplies** are such products as paper, pens, file folders, sticky notes, and toner or ink cartridges.

5. Cost Analysis

An element-by-element review and evaluation of the estimated or actual cost to determine the probable cost to the contractor.

6. Equipment

Tangible personal property (including information technology systems) having a useful life of more than one year and a per unit acquisition cost of which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000 ([2 CFR 200.33](#)).

7. Excess Property

Property under the jurisdiction of the Workforce Partnership or its Subrecipients that is no longer required and can be made available to other agencies for use.

8. Expendable Personal Property

All property other than non-expendable property that is expended or used up during the terms of the contract.

9. Firewall

An established policy or procedure that acts as a barrier or protection against an undesirable influence, outcome, or authority. Examples of firewalls include but are not limited to organizational arrangements that provide clear separation of duties and responsibilities, reporting hierarchy of managers and staff that provide clear separation between job duties and responsibilities, and conflict of interest/confidentiality/disclosure agreements.

10. Information Technology Systems

Informational technology systems means computing devices (i.e., computers, monitors, printers, scanners), ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources ([2 CFR 200.58](#)).

11. Intangible Property

Property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible) ([2 CFR 200.59](#)).

12. Inventory

Property with an acquisition cost of \$1,000 to \$4,999.

13. Invitation for Bid (IFB)

A type of solicitation document used in a formal competitive bidding process, which contains a detailed statement of what the agency is attempting to purchase. An IFB is used to obtain simple, common, or routine services that may require personal or mechanical skills. Qualifying bidders compete solely on the basis of cost ([California State Contracting Manual](#)).

14. Labor Surplus Area Firm

The department of Labor maintains a listing of areas of the nation where the average unemployment rate is 20% higher than the national unemployment rate. A listing and other information on labor surplus areas can be found at www.doleta.gov/programs/lisa.cfm.

15. Micro Purchase Threshold

Fiscal threshold set by the Federal Acquisition Regulation (currently \$10,000 per [48 CFR 2.1](#)). The threshold is periodically updated based on inflation.

16. Minority Business Enterprise

A business which is certified as being at least fifty-one percent (51%) controlled by one or more ethnic minority persons of either sex. An ethnic minority person shall be described as follows: Black Americans-Hispanic Americans - Native American - Asian and Pacific Islander American.

17. Non-Consumable Items

A thing (as land, furniture, or computers) that may be enjoyed without altering its substance except for natural deterioration over time (i.e., tools, cars and trucks, furniture, buildings, etc.).

18. Non-expendable Personal Property

Property which is complete in itself, does not lose its identity or become a component part of another article when put into use; is durable, with an expected service life of two years or more; and which has a unit of more than \$500 ([48 CFR 752.245-70](#)).

19. Pass-through Entity

A non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program ([2 CFR 200.74](#)).

20. Per Transaction

A single solicitation for a single item (i.e., copy machine), or group of related items (i.e., office furniture), or a specified service (i.e., staff training).

21. Price Analysis

The process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit. This process determines whether the price is fair and reasonable.

22. Procurement

All stages of the process of acquiring property or services, beginning with the process for determining a need for property or services and ending with contract completion and closeout.

23. Procurement Lead

The Procurement Lead is the employee purchasing good or services.

24. Personal Property

Property other than real property. It may be tangible, having physical existence or intangible ([2 CFR 200.78](#)).

25. Property

Real property or personal property ([2 CFR 200.81](#)).

26. Property Management System

A system that has a list of all property purchased by Subrecipient.

27. Question Costs

Any cost or procurement that is questioned by an auditor, pass-through entity or awarding agency representative. Purchases can be questioned due to possible violations of statutes and regulations, inadequate documentation or possible unreasonable costs ([2 CFR 2900.3](#)).

28. Real Property

Land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment ([2 CFR 200.85](#)).

29. Responsible Bidder

A bidder that can meet the technical requirements of the procurement.

30. Request for Proposal (RFP)

A type of solicitation document, used in a formal competitive bidding process where an invitation is presented for suppliers to submit a [proposal](#) on a specific [commodity](#) or [service](#). The RFP process brings structure to the procurement decision and is meant to allow the risks and benefits to be identified clearly up front. The RFP is used to obtain complex services in which professional expertise is needed and may vary and/or where different methods and approaches may be applied during performance ([California State Contracting Manual](#)).

31. Sealed Bid

Generally used when the “per transaction” value of the good or service to be purchased will be more than the *Simplified Acquisition Threshold* (currently \$250,000 per [48 CFR 2.1](#)), and its nature can be precisely defined. The desired procurement must have a complete, adequate and realistic specifications or purchase description. The Sealed Bid process requires the issuance of an Invitation for Bid (IFB).

32. Simplified Acquisition Threshold

Fiscal threshold set by the Federal Acquisition Regulation (currently \$250,000 per [48 CFR 2.1](#)). The threshold is periodically updated based on inflation.

33. Small Business Enterprise

A small business which is certified as being at least fifty-one percent (51%) controlled by one or more non-minority males who are resident citizens of the United States and has forty-nine (49) or fewer full time, part-time or seasonal employees and no more than the equivalent of two-million dollars (\$2,000,000) in annual gross revenues.

34. Subaward

An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract ([2 CFR 200.92](#)).

35. Subrecipient

A non-federal entity that receives a subaward from a pass-through entity to carry out part of the federal program but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from the federal awarding agency ([2 CFR 200.93](#)). A subrecipient carries out a portion of a federal award and creates a federal assistance relationship with the pass-through entity.

36. Supplies

All tangible personal property other than equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-federal entity for financial statement purpose or \$5,000, regardless of the length of its useful life ([2 CFR 200.94](#)).

37. System for Award Management (SAM)

A subgrant or contract cannot be entered into with parties listed on the government wide exclusions list in the System for Award Management (SAM). SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority. Exclusion records can be searched on the [SAM website](#).

38. Uniform Guidance

A "government-wide framework for grants management" – is an authoritative set of rules and requirements for Federal awards that synthesizes and supersedes guidance from earlier Office of Management and Budget's (OMB) circulars. The reforms that comprise the Uniform Guidance aim to reduce the administrative burden on award recipients and, at the same time, guard against the risk of waste and misuse of Federal funds.

39. Workforce Innovation and Opportunity Act (WIOA)

Is a United States public law that replaced the previous Workforce Investment Act of 1998 (WIA) and is designed to help job seekers access employment, education, training, and support

services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy.

40. Woman Business Enterprise

A business which is certified as being at least fifty-one percent (51%) controlled by one or more non-minority females who are resident citizens of the United States.

II. RESPONSIBILITIES

The Workforce Partnership and Subrecipient share the administrative functions associated with the procurement, utilization, maintenance, and disposition of non-expendable personal property. The following sections outlines the responsibilities and procedures by which control is maintained over the property.

A. TITLE TO PROPERTY

Title to non-expendable personal property acquired in whole or in part with funds provided under Workforce Partnership contracts shall be vested in the Workforce Partnership. Property is subject to repossession and relocation by the Workforce Partnership at the termination of the Subrecipient's Program. The Workforce Partnership will make the determination of intent to retain their portion of the non-expendable personal property. The determination of the Workforce Partnership's portion of the property will be determined by multiplying the current fair market value by the percent of Workforce Partnership funded contract percentage. If it is determined by the Workforce Partnership to retain their portion of the property, the guidelines for disposition as outlined in [29 CFR 95.34](#) and [Property - Purchasing, Inventory, and Disposal WSD16-10](#) shall be followed.

B. SAN DIEGO WORKFORCE PARTNERSHIP RESPONSIBILITIES

The Workforce Partnership has the overall responsibility for the administration of all the Workforce Partnership property, including all non-expendable personal property to which the Workforce Partnership has title as mentioned in the [Title to Property](#) section in this chapter. The Workforce Partnership is also responsible for the accounting of all non-expendable personal property acquired whole or in part with Workforce Partnership funds. Property records and other data provided by Subrecipient for entry into the Subrecipient's Property Management System should be accurate to ensure an efficient property control system. Therefore, the Subrecipient's property records will be monitored for compliance with the rules and procedures set forth in this manual through periodic on-site visits from Workforce Partnership staff. An on-site physical inventory audit will be conducted no fewer than once every two (2) years by Workforce Partnership staff.

C. SUBRECIPIENT RESPONSIBILITIES

The requirements placed on the Workforce Partnership are passed through to Subrecipients who receive Workforce Innovation and Opportunity Act (WIOA), Federal, State, or other local funds. The Subrecipient is responsible for all aspects of the procurement, management, care and final disposition of all property that supports Workforce Partnership funded programs. This includes:

- Prior written approval for property acquisition, current inventory documentation, and disposition documentation.
- Appointing a senior staff member as custodian for this property. The custodian shall be responsible for insuring adequate property maintenance, recordkeeping, and care of the property.

- Providing copy of inventory list during annual fiscal and procurement monitoring by the Workforce Partnership

III. PROPERTY MANAGEMENT PROCEDURES

The guidelines of property management are set forth to:

- Provide direction and guidance on proper property procurement, use, and disposition policies;
- Account for the custody of property; and
- Provide for orderly movement of property.

The Subrecipient shall observe the following procedures in the property management cycle:

A. PROPERTY CONTROL PROCEDURES

Upon procurement, the Subrecipient must maintain control of all such property and equipment in its possession. The Subrecipients property control system shall include the following:

- Property records, which reflect all property that was either purchased with Workforce Partnership funds, on loan from the Workforce Partnership, or transferred from other Workforce Partnership funded agencies. These property records must provide all pertinent data (i.e., description, tag number, serial number, cost, location, condition, sub-grant number, etc.) relative to the property acquired and the percent of Workforce Partnership funds used to purchase the property.
- Adequate maintenance procedures to keep property in good condition and safeguard procedures to prevent loss, damage, or theft of property. These procedures shall include sufficient insurance coverage.
- An annual physical inspection must be conducted by the Subrecipient to verify the existence, determine the condition, utilization (current and continued need) and to reconcile with property records. The Subrecipient shall investigate and report to the Workforce Partnership any discrepancy(s) between quantities determined by the physical inspection and those shown in property records. Each year and upon completion of the physical inspection, the Subrecipient shall prepare and submit **ATTACHMENT - YEAR-TO-DATE PROPERTY ACCOUNTING FORM**.
- Monthly invoice submission:
 - Proof of purchase for all equipment procured with the Workforce Partnership contract funds must be attached to the monthly invoice.
 - Monthly reports to the Workforce Partnership of all non-expendable personal property. Proof of purchase for all property procured with Workforce Partnership contract funds must be attached to the monthly invoice.

B. DETERMINATION OF PROPERTY NEEDS

One of the first phases of the property management cycle is to determine prior to contract negotiations what property requirements will be necessary for successful program operation. The Subrecipient will budget for all property expenditures for the entire life of the contract.

C. COMPETITION IN PROCUREMENT/CODE OF CONDUCT

Except as otherwise authorized by applicable Federal Statutes or Executive Order, the Subrecipient shall conduct all procurement transactions in a manner that provides for open and free competition and shall use no procedures which restrict or eliminate competition.

The Subrecipient shall avoid conflicts of interest by adhering to a written code of standards of conduct that will govern the performance of the subrecipient’s officers, employees, or agents in contracting for or otherwise procuring property with Workforce Partnership funds. Reference the [Procurement Policy & Procedure Requirements](#) section in this chapter for more information.

D. ACQUISITION OF NON-EXPENDABLE PERSONAL PROPERTY

Prior to purchase, written approval by the funding authority (Federal, State, or local government), may be required, depending on the type of the grant and the dollar value of the property to be purchased, or leased.

The following chart indicates the thresholds at which tagging of Workforce Partnership property and funder approval are required:

Amount Purchase of Property	Required to be tagged By the Workforce Partnership	Requires Prior Workforce Partnership Approval	Requires Prior Funder Approval
\$0 - \$999 (Consumable Supply [CS])	No*	No	No
\$100 and above (Technology Equipment)	Yes**	Yes	No
\$1,000 - \$4,999 (supplies)	Yes**	Yes	No
\$5,000 and above	Yes**	Yes	Yes

1. Approval to Purchase Property

The Subrecipient is required to obtain approval from the Workforce Partnership before any funds can be expended for the purpose of:

- A. Purchasing *technology equipment* with a unit cost of \$100 and above
- B. Purchasing *supplies* with a unit cost of \$1,000 – \$4,999

In addition, if the Per Unit cost exceeds \$4,999 EDD approval is required in addition to this request.

This authorization does not relieve Subrecipient of any responsibilities for compliance with Federal Regulations or other funding authority requirements.

2. Requirement to tag property

***Items under \$999:** Is a Consumable Supply. Subrecipient must have internal controls in place over management of supplies which includes a list of all supplies purchased and consumed.

****Items \$100 and above:** When purchasing technology equipment (i.e., mice, keyboards, monitors, laptops, cellphones, etc.) or supplies, Subrecipients must submit items to the Workforce Partnership to be tagged. Subrecipients must have internal controls in place over management of supplies which includes a list of all supplies purchased and consumed.

Purchasing and Tagging Property Process

- Complete the **ATTACHMENT – REQUEST FOR APPROVAL TO PURCHASE/LEASE FURNITURE OR EQUIPMENT** and submit to Workforce Partnership Help Desk at helpdesk@workforce.org.
 - If the Per Unit cost exceeds \$4,999 complete the **ATTACHMENT – REQUEST FOR APPROVAL TO CHARGE WIOA FUNDS FORM** with the top portion filled out. The Workforce Partnership will fill out the lower portion and submit the request to EDD.
 - If purchase in an unusual request, the Workforce Partnership will submit to EDD for approval by completing the **ATTACHMENT – PRIOR WRITTEN APPROVAL REQUEST FORM** which can be found as an attachment in **San Diego Workforce Partnership Internal Procedures, Procurement Policy**.
- The Workforce Partnership IT and/or Facilities reviews and signs off on purchase then submits for review and approval to Contract Administrator.
- Contract Administrator reviews contract and signs off on purchase.
 - If purchase is over \$1,000 Contract Administrator will submit for final approval to Finance Management.
- Contract Administrator notifies requester that purchase can be done.
- Subrecipient purchases item, if applicable, coordinates with the Workforce Partnership IT or Facilities to tag items and/or install equipment/software.
- Subrecipient must submit the following with their monthly invoice:
 - Copy of approval form
 - Copy of proof of purchase/lease

E. VALUATION BASIS

All property will be recorded at acquisition cost. The acquisition cost of the property includes purchase price or construction cost, before trade-in allowances, less discounts, plus freight or other charges such as sales, use or transportation taxes and installation costs.

F. TAGGING PROPERTY

The Workforce Partnership will supply pre-numbered tags to be affixed to the property and technology equipment. The tag will be issued upon Workforce Partnership Finance Department's receipt of the subrecipients monthly invoice that includes a copy of the invoice for the property purchased. Subrecipients shall notify their Contract Administrator if they do not receive the property tag(s) within thirty (30) days of invoice submission.

The Workforce Partnership will tag the property and enter the property information into Workforce Partnership's property management system.

It is the responsibility of the Subrecipient to maintain the property tags on the property once they have been issued. If a tag is lost or destroyed, the Subrecipient must notify their Contract Administrator with the description of the item, the approximate purchase date, and the cost.

The Subrecipient is responsible for including the tagged item on its property records system and making appropriate corrections to the records should the tag be replaced or in the event of loss or destruction.

G. LOST, STOLEN, OR DAMAGED PROPERTY

In the event that property purchased with Workforce Partnership funds is lost, stolen, or damaged must follow the procedures set below:

Reporting Process

- Subrecipient must conduct an investigation of the cause and circumstance of the loss, theft, or damage.
 - If item was stolen, Subrecipient must file a police report.
- Within three (3) days of the incident, Subrecipient must complete the **ATTACHMENT – REQUEST FOR RELIEF OF ACCOUNTABILITY FORM** and submit to submit to the Workforce Partnership Help Desk at helpdesk@workforce.org along with:
 - A statement including how the incident occurred and the subsequent action taken to prevent future occurrences.
 - If applicable, include a copy of the police report or any correspondence with insurance carrier.

The Workforce Partnership will determine whether the Subrecipient will be released from accountability or will be responsible for replacing the lost, stolen, or damaged property. Copies of all documentation must be maintained in the property management system of the Subrecipient.

To protect itself against fire and theft of property in its custody, the Subrecipient must maintain sufficient insurance coverage. The following criteria must be met prior to Workforce Partnership's approval of a Subrecipient's request to purchase non-expendable personal property:

- Proof of adequate insurance coverage for reimbursement in case of fire or theft; and
- Proof of adequate safeguards to protect property against fire or theft.

Any property damaged while being used in the performance of a Workforce Partnership contract may be repaired by the Subrecipient using funds from the contract if it is determined that the repair is economically reasonable. In the event an item is damaged beyond repair, the Subrecipient may work with Workforce Partnership to properly dispose property.

H. USE, DISPOSITION, AND TRANSFER OF PROPERTY

No property purchased with Workforce Partnership funds may be used for spare parts, reduced to a lesser unit, disposed of, sold or donated, or transferred without prior written authorization from the Workforce Partnership. The Workforce Partnership assigns excess property to other Subrecipients based on demonstrated program and financial need, funder requirements, and other factors.

Disposition and Transfer of Property Process

- **Disposition of Property:**
 - Upon termination of a contract, or when the property is no longer needed for utilization under a contract, the Subrecipient shall inform Workforce Partnership Contract Administrator.
 - The Workforce Partnership shall make a determination as to the disposition of the property based on the disposal guidelines outlined in and [Property - Purchasing, Inventory, and Disposal WSD16-10](#).
- **Transferring Property:**
 - The Subrecipient requesting the transfer of property must complete the **ATTACHMENT – REQUEST TO TRANSFER PROPERTY FORM** and submit to Workforce Partnership’s Help Desk at helpdesk@workforce.org.

I. PROPERTY CLOSEOUT PROCEDURES

At the close of a contracting period, the Subrecipient is required to submit to the Workforce Partnership a detailed closeout package. The package includes:

- **ATTACHMENT – CLOSEOUT PACKAGE** which can be found as an attachment in **San Diego Workforce Partnership Operations Manual, Chapter 6 – Financial Management**.

The closeout package must reflect the following:

- List of all non-expendable personal property purchased for the current year;
- List of all non-expendable personal property purchased under Workforce Partnership’s contracts of previous years if the property is in the Subrecipient’s custody;
- List of all transferred property received from the Workforce Partnership and/or other Subrecipient for regardless of the transfer date.

Note: if relocation of property from the Subrecipient to the Workforce Partnership is required, the Subrecipient must make transportation arrangements to turn over the property to the Workforce Partnership.

J. PROPERTY RECORDS RETENTION AND STORAGE

The Subrecipient must maintain all records pertinent to a Workforce Partnership contract for a minimum of four (4) years following the contract closeout. If a contract is the subject of an audit, the records must be maintained until full resolution of any related findings. Should the Subrecipient cease operations prior to the four (4) years, the Subrecipient shall either (1) notify the Workforce Partnership as to the location of the repository, or (2) deliver the records to a location designated by the Workforce Partnership. Records for non-expendable property must be retained for a period of four (4) years after the final disposition of the property.

IV. PROCUREMENT POLICY & PROCEDURE REQUIREMENTS

Subrecipients must use their own documented procurement procedures and must be consistent with applicable state and local laws and regulations and the procurements conform to the applicable standards in [2 CFR 200.318-200.326](#). Subrecipients must follow the policy and procedure requirements listed below.

Subrecipients must have written procurement procedures that include, but are not limited to, the following:

- Procedures to administer contracts and ensure contractors perform in accordance with the terms, conditions and specifications of contracts.
- A written code of conduct and clearly established firewalls for employees engaged in the award agreements or administration to avoid any internal or external conflict of interest.
- Procedures that detail the requirement for a review of prospective procurements to avoid purchase of unnecessary or duplicate items.
- Procedures that promote the use of shared resources and other agreements for common goods and services, as well as the use of federal excess and surplus property wherever possible.
- Standards to ensure that awards are made only to responsible contractors. The awarding agency standards should address integrity, compliance with public policy, past performance, and contractor resources (technical and financial) for prospective contractors.
- Procedures should document each significant step in making an award. The documentation should include rationale for method of procurement, selection of agreement type, selection or rejection criteria, and the basis for the contract price, including the independent agency estimate of price.
- Procedures which details the settlement of all procurement issues, including those related to source evaluation, protests, claims, and disputes.
- Procedures to utilize small, minority, or women owned business or labor surplus area firms whenever possible.
- Procedures for analysis of lease versus purchase alternative to determine the most economical and practical procurement ([2 CFR 200.323](#)).
- Procedures for conducting a price or cost analysis for every procurement action that exceeds the *Simplified Acquisition Threshold*. The extent of the analysis should depend on factors of the procurement, but at minimum include an estimated cost of the purchases before bids or proposals are sought ([2 CFR 200.323](#)).

Each Subrecipient's written procurement policies must be established and available for review by the Workforce Partnership. These policies may be self-certified. Subrecipients may request a review of their policies by Workforce Partnership staff to ensure compliance at the subrecipient's request ([2 CFR 200.324](#)).

Other general guidelines for all procurements:

- WIOA and other public funds will not be used to duplicate facilities or services available (with or without reimbursement) from other Federal, State or local resources, unless alternative services or facilities would be more effective or more likely to achieve performance goals.
- For purchases over the *Simplified Acquisition Threshold* (currently \$250,000 per [48 CFR 2.1](#)), a protest or appeals procedure to address disputes related to both award and administration of contracts.
- Large purchases cannot be divided into multiple smaller purchases in order to avoid the required approval and quote levels.
- All purchases should be reasonable and benefit the grant(s) funding the purchase.

A. REASONABLE COSTS

All procurements must be "necessary and reasonable" and follow the guidelines below:

- Consistent with uniform guidance and established policies and procedures.
- Similar costs must be considered either direct or in-direct costs.
- Costs must be determined with generally accepted accounting principles.

- Costs must not be used as cost sharing or matching requirements.
- Costs must be adequately documented.
- Procurements may benefit other non-WIOA/organizational operations as long as the procurement is necessary to WIOA program and the cost can be distributed in proportion of use.
- If the procurement benefits multiple (i.e., WIOA) projects the cost should be allocated based on relative benefit. If the relative benefit cannot be determined, a reasonable and documented method may be used.
- Costs cannot be shifted to additional programs to overcome fund deficiencies or to avoid federal restrictions ([2 CFR 200.405](#)).

B. QUESTIONS AND DISALLOWED COSTS

Funds used for procurements that are determined to be unallowable will be returned to the federal government ([2 CFR 200.345](#)). Such unallowable procurements are defined as questioned costs in DOL Exceptions outlined in [2 CFR 2900.3](#). Questioned costs could result from the following:

- Procurements that violate statute, regulations, or terms and conditions of award.
- Procurements without support documentation.
- Procurements with unreasonable costs.

C. REQUIRED CONTRACT CLAUSES

Contracts entered into by subrecipients may be fixed price or cost reimbursement, depending on the method of procurement and goods or services being procured. Each agreement funded by federal funds must contain the following contract clauses referred to in Uniform Guidance Appendix II to Part 200, as appropriate:

- All contracts in excess of the *Simplified Acquisition Threshold* must address administrative, contractual, or legal remedies where contractors violate or breach contract terms. The clause must also provide for sanctions or penalties, as appropriate.
- All contracts in excess of \$10,000 must address termination for cause for convenience by the non-federal entity, including the process for exercising the clause and the basis for settlement.
- Compliance with Equal Employment Opportunity provisions identified in 41 CFR Part 60.
- Compliance with the Davis-Bacon Act (40 U.S.C. 3141–3144 and 40 U.S.C. 3141-3148) for prime construction contracts in excess of \$2,000.
- Compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708) for contracts in excess of \$100,000 that involve the employment of mechanics or laborers.
- Compliance with Rights to Inventions Made by Nonprofit Organizations and Small Business Firms under Government Grants (37 CFR Part 401) for any small business or nonprofit organization.
- Compliance with the Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387) for any contract in excess of \$150,000.
- A provision requiring that contracts should be issued for any entity listed on the Excluded Parties List System in the System for Award Management (SAM)
- Compliance with the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) for contractors bidding over \$100,000.

- Compliance with Section 6002 of the Solid Waste Disposal Act and 40 CFR part 247 for items in excess of \$10,000.

It should also be included in all applicable agreements that, regardless of the procurement method, anyone who provides WIOA services must abide by the WIOA equal opportunity and nondiscrimination provisions of Section 188 and 29 CFR Part 38.

D. PROCUREMENT PRICING

Procurement activities may require an **Independent Price Estimate, Cost Analysis** and/or **Price Analysis**.

- Independent Price Estimate must be made **before** receiving bids or proposals ([2 CFR 200.323\(a\)](#)).
- A Cost Analysis and/or Price Analysis must be made **after** receiving bids, quotes or proposals. **The Procurement Lead shall determine whether a Cost Analysis and/or Price Analysis will be conducted depending on the facts surrounding each procurement.**

1. Independent Price Estimate

The Procurement Lead will conduct an Independent Price Estimate to determine the estimated cost of the product or service to be purchased.

Procurement Lead must include an Independent Price Estimate with:

- A description of the goods or services being purchased, including the quantity and any additional criteria used to determine the procurement decision;
- If the item is a special purchase or anomaly;
- An estimate of what the purchase would cost based on a purchase of a similar good or service within the last year or internet search (i.e., eBay, Amazon, etc.).

2. Cost Analysis

A cost analysis:

- An element-by-element review and evaluation of the estimated or actual cost to determine the probable cost to the contractor.
- Is used to break down a contractor's cost by analyzing the direct and indirect costs leading to the final price of the goods and services.
- *Reasonableness is based on a thorough analysis of each cost element.*
- A Cost Analysis will be necessary when adequate price competition is lacking, and for Sole Sources, including contract modifications.
- If applicable, may be performed during the Sealed Bid or Competitive Proposal evaluation process to examine, element-by-element, reasonableness of costs and related information presented in the cost and pricing data submitted by respondents.

3. Price Analysis

A price analysis:

- The process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit. The end result of a price analysis should always be a determination that the prices is "fair and reasonable".

- Can include the comparison of price quotations submitted, market prices, published prices, and historical prices.
 - **Example:** To figure out if the price of product “X” is fair and reasonable, staff conduct a general internet search of the same or similar item to get an idea of the published prices.
- *Reasonableness is based on a comparison of proposed prices to same or similar items.*

4. Lease vs. Purchase Analysis

To avoid unnecessary or duplicative items, whichever analysis is completed, will include an analysis of lease vs. purchase to determine which would be the most economical and practical procurement ([2 CFR 200.318\(d\)](#)).

5. Shared Resources

The Workforce Partnership promotes the use of shared resources and other agreements for common goods and services, as well as the use of federal excess and surplus property wherever possible ([2 CFR 200.318\(e-g\)](#)) through the use of MOUS.

6. Documentation

When applicable the Procurement Lead shall produce the Independent Price Estimate, Price Analysis, Cost Analysis, Lease vs. Purchase Analysis, and other pricing documentation. This documentation will be included in the Master Contract File. These files must be made accessible to monitors and/or auditors.

7. Negotiated Profit

Profit is to be identified as a separate element of the price for each contract in which there is no price competition and, in all cases, where a Cost Analysis is performed. To establish a fair and reasonable profit, the following factors may be considered ([2 CFR 200.323\(b\)](#)):

- Contractor effort measured by the complexity of the work to be performed and amount of subcontracting (if approved under the contract terms);
- Contract cost risk;
- The contractor’s investment and independent development;
- The quality of the contractor’s record of past performance including cost control and past accomplishments;
- Industry profit rates in the surrounding geographical areas for similar work; and
- Additional factors as needed.

8. Certificate of Insurance (COI)

The vendor must provide the Procurement Lead a copy of a valid, in-force insurance certificate listing the Subrecipient, the San Diego Workforce Partnership, the City of San Diego, and the County of San Diego as “additional insureds” as well as a policy of endorsement

- Examples of when COI is not applicable: travel reimbursements, supplies, online purchases, employee reimbursements, etc.
- Examples of when COI is applicable: when the vendor will be performing services or installations on Workforce Partnership sites, including Career Centers.

E. PROCUREMENT PRIOR APPROVAL

Prior to the Procurement Lead purchasing computer equipment (i.e., computers, software, hardware, packaged applications, monitors, printers, scanners) the Workforce Partnership must be consulted and provide written approval of the purchase, in addition to the normal procurement approvals.

1. Procurements valued over \$5,000: Fixed Assets/IT Equipment/IT Maintenance

Written prior approval from the Workforce Partnership, EDD Regional Advisor, Federal Program Officer (FPO), or the applicable funder may be required prior to purchasing equipment, the service of equipment (i.e., increasing memory capacity in computers already owned), and related property (i.e., software licenses, purchasing cubicles) under the following criteria:

- Procurements with a per-unit cost that exceeds \$5,000.
- Related procurements with cumulative costs that exceed \$5,000 within the same state fiscal year.
- Procurements resulting in improvements to land, buildings, or equipment which exceed \$5,000.

Additional Information regarding approval:

- **Public exigency or emergency** resulting in an immediate procurement need waives the requirement for prior approval, however, approval should be sought afterwards to conform of the appropriate use of funds.
- **Ongoing procurement costs** such as subscriptions, maintenance, license, support costs or procurement which are otherwise paid annually will be considered approved after the initial approval if the cost remains constant or decreases.
- **Procurements under \$5,000** which have additional or unexpected charges within the same 12-month period which causes the total cumulative cost to exceed \$5,000 can be submitted for *Retroactive Approval* through the prior approval process. The *Retroactive Approval* should be requested before the cumulative charges exceed \$5,000. Cumulative charges are only applicable for procurements of a single or set of similar or connected goods or services (i.e., servers and related infrastructure or computers and computer memory for equipment).

i. Approval Procedures

Procurement requests should be submitted no less than 30 calendar days before executing the contract. However, no contract should be executed without prior approval from applicable funder. Documentation for approval purchase requests must be submitted with:

- **ATTACHMENT – REQUEST FOR APPROVAL TO CHARGE WIOA FUNDS** (i.e., the Workforce Partnership, EDD); or
- Memo (i.e., DOL, City of San Diego); and
- Completed procurement documentation

Procurement requests will include the following:

- Description of goods or services to be purchased (item[s] name and description)
- Estimated total cost (dollar amount of total cost)
- Description of item(s) (detailed description of procurement, including functionality and use)
- Reasons for procurement (detailed justification of procurement and why the procurement is necessary for grant operations)

- Procurement methods and lease-option sharing considerations:
 - What procurement method was used and why
 - Quote or proposal and other documents as required by the procurement method
 - Justification of why a lease or property sharing cannot be used
 - Why the chosen provider or contractor was selected over other alternatives
- Cost (description of how the cost was determined, including any associated fees)
- Location (where the procurement item will be located or operate)

Applicable to WIOA Programs only:

ATTACHMENT – REQUEST FOR APPROVAL TO CHARGE WIOA FUNDS and supporting documentation should be submitted to the Contract Specialist via email and only by a Manager or above. For further guidance on prior approval and approval process, please refer to Workforce Services Directive [*Procurement of Equipment and Related Services \(WSD17-08\)*](#).

EDD approval can take a month once submitted so it is crucial that requests are submitted timely. See the table below of approval process and timeline:

Step	Approver	Approval Criteria	Timeframe
1	The Workforce Partnership's assigned Regional Advisor or Project Manager	<ul style="list-style-type: none"> • Proposed procurement is reasonable, allowable and necessary • Cost sharing review 	Up to 10 business days
2	Information Technology and Program Accountability Section (ITPAS) manager (if the procurement involves computer or Information Technology [IT] equipment, software, subscriptions or contracts)	<ul style="list-style-type: none"> • Technical review of proposed procurement • Proposed procurement cannot be provided by state or local partners 	Up to 16 business days
3	Finance Management Unit	<ul style="list-style-type: none"> • Proposed procurement is reasonable and allowable • Availability of funds • Procurement method review 	Up to 14 business days

Once the procurement has been approved via an approval letter, the WIOA funds account may be charged for the purchase. If a procurement is denied, the Subrecipient will receive a letter specifying the reason for the denial. If a procurement request is not approved and property is charged, the Subrecipient may incur a disallowed cost.

2. PROCUREMENTS WITH SPECIAL OR UNSUAL COSTS

Written prior approval from the Workforce Partnership, EDD Regional Advisor, Federal Program Officer (FPO), or the applicable funder may be required prior to incurring special or unusual costs regardless of the dollar amount.

The following table lists key sections of the Uniform Guidance that addresses when prior written approval is required:

Circumstance	Section
Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts	§200.201, paragraph (b)(5)
Cost sharing or matching	§200.306, paragraph (c)
Program income	§200.307, paragraph e
Revision of budget and program plans	§200.308
Real property	§200.311
Equipment	§200.313
Fixed amount sub awards	§200.332
Direct costs	§200.413, paragraph (c)
Compensation – personal services	§200.430, paragraph (h)
Compensation – fringe benefits	§200.431
Entertainment costs	§200.438
Equipment and other capital expenditures	§200.439
Exchange rates	§200.440
Fines, penalties, damages and other settlements	§200.441
Fund raising and investment management costs	§200.442
Goods or services for personal use	§200.445
Insurance and Indemnification	§200.447
Memberships, subscriptions, and professional activity costs	§200.454, paragraph (c)
Organization costs	§200.455
Participant support costs	§200.456
Pre-award costs	§200.458
Rearrangement and reconversion costs	§200.462
Selling and marketing costs	§200.467
Taxes (including Value Added Tax)	§200.470
Travel costs	§200.474

ii. *Approval Procedures*

The Procurement Lead must obtain approval prior to incurring special or unusual costs regardless of the dollar amount from the funder. Requests should be submitted no less than 30 calendar days before the requested action is scheduled to occur ([2 CFR 2900.16](#)).

Documentation for approval requests must be submitted with:

- **EDD Prior Written Approval Request Form** (i.e., the Workforce Partnership, EDD); or
- Memo (i.e., DOL, City of San Diego); and
- Completed procurement documentation

Procurement requests will include the following:

- Description of goods or services to be purchased (item[s] name and description)
- Estimated total cost (dollar amount of total cost)
- Description of item(s) (detailed description of procurement, including functionality and use)
- Reasons for procurement (detailed justification of procurement and why the procurement is necessary for grant operations)
- Procurement methods and lease-option sharing considerations:
 - What procurement method was used and why
 - Quote or proposal and other documents as required by the procurement method
 - Justification of why a lease or property sharing cannot be used
 - Why the chosen provider or contractor was selected over other alternatives
- Cost (description of how the cost was determined, including any associated fees)
- Location (where the procurement item will be located or operate)

Applicable to WIOA Programs only:

If purchase in an unusual request, Workforce Partnership will submit to EDD for approval by completing the **ATTACHMENT – PRIOR WRITTEN APPROVAL REQUEST FORM** which can be found as an attachment in *the Workforce Partnership’s Internal Procedures, Procurement Policy*.

F. PROCUREMENT TYPE AND THRESHOLDS

PROCUREMENT TYPES AND THRESHOLDS		
Procurement Method*	Threshold	# of Quotes/Proposals Required
Pico Purchase	\$1 - \$3,499	One (1) quote at a reasonable cost.
Micro Purchase	\$3,500 - \$9,999	Two (2) quotes in response to a Request for Bid (RFB) . Quotes can be from catalogs, prices list, or from a potential contractor in writing. <i>However, the Workforce Partnership recommends obtaining at least 3 quotes.</i>
Small Purchase	\$10,000 to \$249,999	Two (2) quotes in response to a Request for Bid (RFB) . Quotes can be from catalogs, prices list, or from a potential contractor in writing. <i>However, the Workforce Partnership recommends obtaining at least 3 quotes.</i> <i>This requires the same documentation as a micro purchase and in addition requires a Certificate of Insurance (COI) and Conflict of Interest Disclosure to be completed by vendor/contractor.</i>
Sealed Bid	\$250,000 and above	Three (3) formal written bids in response to an Invitation for Bid (IFB) .
Competitive Proposal	\$250,000 and above	Three (3) written competitive proposals in response to a Request for Proposal (RFP) .
Noncompetitive Proposal	Any	All bids and quotes obtained that meet 1 of the 4 specific criteria.

*The type of procurement method is generally determined by the “per transaction” value of the procurement, the type of good or service being purchased.

- “Per transaction” is a single solicitation for a single item (i.e., copy machine), group of related items (i.e., office furniture), or a specified service (i.e., staff training).
- Purchases are not to be broken down into smaller components to avoid more stringent procurement requirements.

There are six (6) procurement methods by which Subrecipients may procure goods or services ([2 CFR 200.320](#)):

1. Pico Purchase
2. Micro Purchase
3. Small Purchase
4. Sealed Bid
5. Competitive Proposal
6. Noncompetitive Proposal

Procurement Lead should determine the most appropriate method of procurement and ensure the Master Contract File contains all required documentation.

1. Pico Purchase: between \$1 - \$3,499

The Pico Purchase procurement method is used when the “per transaction” value of a purchase is less than \$3,500 and may be used without soliciting competitive quotations if the price is reasonable. To the extent practicable, the Workforce Partnership will distribute Pico Purchases equitably among responsible bidders.

This method requires at least one (1) documented quote. The Procurement Lead should ensure, at a minimum, the quote includes goods/services to be rendered, quantity, and price. The quote can be obtained through:

- Contact with potential contractor **in writing**.
- Prices from websites or internet searches.
- Prior receipts less than twelve (12) months old.
- Hard copy catalogs and price list should be updated at least annually

i. Proper Documentation

Proper documentation includes the following:

1. Quote(s) received
2. Copy of the purchase document (i.e., sales receipt, contract)

2. Micro purchase: Between \$3,500 - \$9,999

The Micro Purchase procurement method is used when the “per transaction” value of a purchase is less than the *Micro-Purchase Threshold* (currently \$10,000 per [48 CFR 2.1](#)) and may be used without soliciting competitive quotations if the price is reasonable. To the extent practicable, Subrecipient will distributed Micro Purchase equitably among qualified bidders.

This method requires at least two (2) documented quotes obtained through a **Request for Bid (RFB)**. *However, the Workforce Partnership recommends obtaining at least 3 quotes.*

- Sole Source Justification: if only one (1) bid is obtained, and that bidder is deemed to be responsible, then the [Noncompetitive Proposal](#) process may be used.

The Procurement Lead should ensure, at a minimum, the quote includes goods or services to be rendered, quantity, and price. Quotes can be obtained through:

- Contact with potential contractor **in writing**.
- Prices from websites or internet searches.
- Prior receipts less than twelve (12) months old.
- Hard copy catalogs and price list should be updated at least annually.

i. Proper Documentation

Proper documentation includes the following:

1. Quote(s) received
2. Copy of the purchase document (i.e., sales receipt, contract)
3. Independent Price Estimate
4. Cost/Price Analysis
5. Sole Source Justification, if applicable

3. Small Purchase: Between \$10,000 - \$249,999

The Small Purchase procurement method may be used when the “per transaction” value of a purchase equipment or services is less than the *Simplified Acquisition Threshold* (currently \$250,000 per [48 CFR 2.1](#)).

- The use of informal quotations is used for Small Purchase procurements, in lieu of the more expensive and time-consuming Sealed Bid or Competitive Proposal process.
- **Price as determined by a price analysis is generally the main factor when determining awards.** However, other factors such as availability, delivery time, current stock, and location can be taken into consideration.

This method requires at least two (2) documented quotes obtained through a **Request for Bid (RFB)**. *However, the Workforce Partnership recommends obtaining at least 3 quotes.*

- Sole Source Justification: if only one (1) bid is obtained, and that bidder is deemed to be responsible, then the [Noncompetitive Proposal](#) process may be used.

Quotes can be obtained through:

- Contact with potential contractor **in writing**.
- Prices from websites or internet searches.
- Prior receipts less than twelve (12) months old.
- Hard copy catalogs and price list should be updated at least annually.

i. Proper Documentation

Proper documentation includes the following:

1. Quote(s) received
2. Copy of the purchase document (i.e., sales receipt, contract)
3. Independent Price Estimate
4. Cost/Price Analysis
5. Sole Source Justification, if applicable
6. Conflict of Interest Disclosure
7. Certificate of Insurance (COI)

4. Sealed Bid: \$250,000 and above

The Sealed Bid procurement method is generally used when the “per transaction” value of the good or service to be purchased (1) will be more than the *Simplified Acquisition Threshold* (currently \$250,000 per [48 CFR 2.1](#)) and (2) its nature **can be** precisely defined. The desired procurement must have a complete, adequate and realistic specifications or purchase description.

The Sealed bid requires the issuance of an **Invitation for Bid (IFB)**. The IFB must be:

1. publicly solicited or advertised to an adequate number of known suppliers;
2. provide sufficient time to respond;
3. clearly state specifications, bidding processes, and dates;
4. define the quantity, timeframes, product requirements, specifications, and pertinent attachments of the good or service being purchased;
5. notify contractors of the purchase requirements and to submit a Sealed Bid to a specified location by a specified date and time;
6. distributed in writing (including fax or email) to qualified respondents and posted on Subrecipient's website.

At least three (3) competitive bids must be received.

- If two (2) bids are received during a Sealed Bid process, justification must be written explaining the limited participation. The justification should include firms and individuals contacted. These documents should be kept in the Master Contract File and submitted with procurement requests, if applicable.
- Sole Source Justification: if only one (1) bid is obtained, and that bidder is deemed to be responsible, then the Noncompetitive Proposal process may be used.

The responsible bidder that submits the lowest bid will be awarded the contract.

- The lowest bid should be calculated with factors such as discounts, transportation, and life cycle costs.
- Any bidder that falls outside of the parameters will normally have their bid rejected.
- Award of a firm fixed price or fixed unit price contract by written notice is sent to the lowest responsible bidder.

The Procurement Lead is responsible for developing, storing and organizing the proper IFB documentation needed for future reference and monitoring or auditing purposes.

i. Proper Documentation

Proper documentation includes the following:

1. Quote(s) received
2. Copy of the purchase document (i.e., sales receipt, contract)
3. Independent Price Estimate
4. Cost/Price Analysis
5. Sole Source Justification, if applicable
6. Conflict of Interest Disclosure
7. Certificate of Insurance (COI)
8. Final Version of IFB
9. Distribution list, public notice (i.e., website posting) & other methods of publication
10. Winning Quote response letter(s)
11. Losing Quote response letter(s)

5. COMPETITIVE PROPOSAL

The Competitive Proposal procurement method is typically used when the "per transaction" value of the good or services (1) will be more than the *Simplified Acquisition Threshold* (currently \$250,000 per [48 CFR 2.1](#)) and (2) its nature **cannot be** defined as precisely as required by the Sealed Bid method. Competitive Proposal is specifically used when factors other than price are

important in the selection decision **or** if the technical requirements or specifications are of a functional nature or unclear.

The Competitive Proposal process requires the issuance of a **Request for Proposal (RFP)**. The RFP must:

- Be publicly solicited or advertised to an adequate number of known suppliers.
- Include:
 - A clear and accurate description of the technical requirements for the material, product or service to be procured
 - All requirements which the respondents must fulfill and all other factors to be used in evaluating proposals
 - Anticipated timeline with key milestones of the procurement process
- Define:
 - Scope of work
 - Quantity/volume desired
 - Timeframes for the procurement and ensuing contract
 - Evaluation factors used along with their importance
 - Deadline of receipt
 - Procurement dispute process
- Notify contractors to submit a proposal based on the purchase requirements of the RFP to a specified location by a specified date and time to be evaluated.
- Distributed in writing (including fax or email) to qualified respondents and posted on Subrecipient's website.

All proposals should be considered on the merits of the proposal and a written review of technical evaluations should be retained for each.

- The review committee then makes a final recommendation as to which proposal(s) best meets the stated requirements.
- Careful documentation of the successful bidder selection should be maintained for reference.
- A public notice of intent to award should be issued followed by the award and the execution of the contract.

At least three (3) competitive bids must be received.

- If two (2) bids are received during a Competitive Proposal process, justification must be written explaining the limited participation. The justification should include firms and individuals contacted. These documents should be kept in the Master Contract File and submitted with procurement requests, if applicable.
- Sole Source Justification: if only one (1) bid is obtained, and that bidder is deemed to be responsible, then the [Noncompetitive Proposal](#) process may be used.

ii. Proper Documentation

Proper documentation includes the following:

1. Quote(s) received
2. Copy of the purchase document (i.e., sales receipt, contract)
3. Independent Price Estimate
4. Cost/Price Analysis
5. Sole Source Justification, if applicable
6. Conflict of Interest Disclosure

7. Certificate of Insurance (COI)
8. Final Version of RFP
9. Distribution list, public notice (i.e., website posting) & other methods of publication
10. Winning Quote response letter(s)
11. Losing Quote response letter(s)

6. NONCOMPETITIVE PROPOSAL

The Noncompetitive Proposal procurement method **may only be used under certain limited circumstances**. The reason for selecting this method along with the justification for the provider selection must be carefully documented and maintained. Per [2 CFR 200.320\(f\)](#), in order to use this type of procurement the purchase must have been infeasible under one (1) of the methods discussed above **and** have met at least one (1) of the conditions identified in Sole Source justification:

1. **Single Source:** The product or service is available only from one (1) source.
2. **Public Emergency:** The urgent need for the product or service will not permit delay (i.e., a flood or fire requires the immediate availability of services).
3. **Authorized:** The product or service is authorized to be sole sourced by funding source.
4. **Inadequate Competition:** After solicitation(s), competition for the product or service was determined inadequate. This usually occurs after a Sealed Bid or Competitive Process has been used and there is only one (1) bidder.

If the Procurement Lead is pursuing a Noncompetitive Proposal, the following steps must be taken:

- Identify the Sole Source reason (single source, public emergency, authorized, inadequate competition).
- If necessary, submit formal memo to funding source requesting written approval for Sole Source.
- Include copies of Sole Source justification, a copy of the procurement method and its supporting documentation.

G. PROCUREMENT LOG

The Subrecipient is responsible for ensuring the Procurement Log is updated and completed for Sealed Bid, Competitive Proposal, and Noncompetitive Proposal. The Subrecipient will be ready and available to print out requested procurement documents for monitoring and auditing.

The following information must be recorded in Procurement Log:

- Date the procurement was issued/released
- Date of when procurement begins
- Procurement Name
- Procurement type (i.e., Sealed Bids, Competitive and Noncompetitive Proposal)
- Respondent(s) selected as a result of the procurement
- Resulting contract or agreement
- Contract method
- Funding source
- Estimated contract amount
- Point of contact for procurement
- Debarment Checked: Procurement Lead must verify respondent is not barred from doing business with the federal government. Use the [System for Award Management \(SAM\) Portal](#) to verify information.

REFERENCED ATTACHMENTS

Request for Approval to Charge WIOA Funds Form

Request for Approval to Purchase/Lease Furniture or Equipment Form

Request for Relief of Accountability Form

Request to Transfer Property Form

Year-to-Date Property Accounting Form