MACON-DEWITT WORKFORCE INVESTMENT SOLUTIONS

WIA #19

PROCUREMENT POLICY

Updated: June 1, 2018
INTRODUCTION

Workforce Investment Solutions has an obligation to grant opportunities for all interested parties to provide goods and services. It also has a responsibility to secure goods and services with the most quality at the lowest price. Competition is, therefore, the cornerstone of procuring goods and services in the public sector.

Adequate competition:

1) Assures that goods and services are obtained at reasonable prices
2) Allows open access to transactions and promotes equity
3) Encourages innovation among competitors and increases overall quality
4) Safeguards the integrity and independence of transactions

All aspects of the procurement system will adhere to the requirements of the Workforce Investment Act, implementing regulations and the Illinois Administrative Code. This written procedure explains internal policies and procedures of Workforce Investment Solutions which implement the aforementioned legal citations.

All costs for items or services purchases must meet the test of being “reasonable, necessary, and allocable” to Workforce Investment Solutions. The item or service must be one that benefits the purpose of the program and not be prohibited by state or federal rules.

The use of the word “Director” refers to the Executive Director of Workforce Investment Solutions and indicates that responsibility is vested with the Director or the Administration office either individually or jointly.

Conflict of Interest

All Macon-DeWitt Workforce Investment Board Members shall abide by the Code of Conduct as stated by their Bylaws. Staff members are also be required to abide by Conflict of Interest Statement as reflected in the Macon County Employee Handbook.

GENERAL PROCEEDURES

Both the Director and Fiscal Assistant are responsible for various parts of the administration/supervision of the procurement system. They will assure that proper procedures are implemented and followed as outlined herein. This policy applies to the purchase of any item or service regardless of purpose, amount, or for whom. Anything which requires expenditure to acquire an item or service is covered by this policy.

All procurement will be authorized by the use of a Contract, Purchase Order, Payment Authorization, or Client Services Authorization except for conference/workshop fees and organizational dues. Items which are rented or leased are exempt from this policy.
A cost or price analysis will be performed for every procurement, including contract modifications, except for Very Small Purchases and Tuition Based Payments to Educational Institutions.

No in-state or local geographical preference will be given in soliciting bids or when evaluating bids or proposals except when Federal Statutes authorized or encourage geographical preferences.

Workforce Investment Solutions may utilize the State Contract Pricing of Central Management Services to procure goods and services.

**TYPES OF PROCUREMENT**

The following methods are available for the acquisition of goods, services, and training programs:

1. Very Small Purchases
2. Small Purchases
3. Sealed Bids
4. Competitive Proposal
5. Noncompetitive Proposals
   A. Sole Source Awards
   B. Emergencies
   C. Authorized by Department of Commerce & Economic Opportunity (DCEO)
   D. Inadequate Competition
6. Purchases By/For Participants
7. Tuition Based Payment to Educational Institutions

If it is not clear which method of procurement is to be used, an inquiry should be directed to the Director who will decide as to the proper method. The following are procedures for each type of procurement.

**Very Small Purchases:** Very small purchases are those which total under $5,000 per purchase with one vendor. Use of this method does not require obtaining competitive bids. Continued use of this method for a particular item will be examined by the Director to determine if the purchase of this item should be more appropriately and cost effectively done by a different method.

The Director and Fiscal Assistant are authorized to make purchases using this method. These individuals are responsible and will be held accountable for authorizing appropriate expenditures. For other than standard supplies, it may be advisable to seek the prior approval of the Director.
Any questions regarding this method of procurement shall be addressed to the Workforce Investment Solutions Director.

**Small Purchases:** Small purchases are those which total $5,001 or more but not more than $50,000 per purchase with one vendor. Use of this method requires written price or rate quotations from at least three qualified sources.

The only exception to obtaining price or rate quotations for every purchase over $1,001 is to obtain prices or rates from at least three qualified sources with the intention of using the lowest vendor for the course of a whole year. However, it is imperative that new prices or rate quotations be obtained at the end of annual period.

Small Purchases method of procurement is best suited for goods and services which are similar and made principally on price. It is not well suited for procuring training programs. The use of this method is limited to circumstances where the total purchases with a vendor does not exceed $25,000 during the fiscal year. Because of this dollar limitation, buyers should try to anticipate all purchases with a particular vendor during the fiscal year. If, despite this precaution, a future purchase will exceed the dollar limitation, an alternative method must be used.

The Fiscal Assistant will prepare a spread sheet for the Workforce Investment Solutions Director. The Director will approve and present to the Macon County Board Operations, Personnel & Legislative Committee for approval. Any questions regarding this method of procurement shall be addressed to the Workforce Investment Solutions Director.

**Sealed Bids:** Sealed bids are invitations for bids that are publicly advertised and solicited. In order for sealed bids to be feasible, the following conditions should be present: a complete, adequate, and realistic specifications or purchase description is available; two or more responsible bidders are willing and able to compete effectively for business; and the procurement leads itself to a firm-fixed-price contract. The contract is to be awarded to the lowest responsive and responsible bidder whose bid conforms to all the material terms and conditions of the invitation for bids.

Sealed bids are appropriate for any dollar amount and for when the goods or services being procured are similar. It is not well suited for procuring training programs.

At the request of the Workforce Investment Solutions Director, the Fiscal Assistant will implement a sealed bid procurement. The Fiscal Assistant will publicize the invitation for bids through media and vendors list. Bids will be reviewed and approved by the Workforce Investment Solutions Director and the Macon County Board Operations, Personnel and Legislative Committee.

Additional documentation that is needed in this procurement process includes:

1) Evidence of public advertisements of the invitation for bid
2) A description of steps taken to attempt to obtain three bids
3) Documentation supporting that bids were publicly opened at the time and place stated in the invitation for bids
4) The name of each bidder and the amount of the bid
5) Documentation supporting the selection of the winning bid and rejection of any of the bids.

Any questions regarding this method of procurement shall be addressed to the Workforce Investment Solutions Director.

**Competitive Proposals:** Competitive proposals are request for proposals that are publicly advertised and solicited when the conditions of using sealed bids are met. It is often most appropriate to use procurement by competitive proposals when the procurement decision will be based on more than price and the cost of the good or service is expected to exceed $50,000. Procurement by competitive proposals is also appropriate when you anticipate that a good or service expected to cost less than $25,000 will need to be procured again from the same vendor during the same fiscal year and the aggregate amount or procurement is expected to exceed $25,000. This method of procurement lends itself to a firm-fixed-price or cost-reimbursement contract to the bidder who submits the proposal most advantageous for Workforce Investment Solutions.

This method would generally be used to procure training programs. Items to be procured through a competitive proposal process would generally be developed by the Administrative Staff.

Upon the direction of the Director, staff will prepare a Request for Proposal (RFP) packet. The packet will include, but not be limited to, a description of the item to be procured, a description of the quality standards, a description of all evaluation factors (rating sheet) and the relative importance of each factor, a complete description of the requirements that vendors must fulfill, and an indication of the date on which the decision will be made.

The Director will publicize the RFP through the media and the providers/contractors list. Proposals should be solicited from an adequate number of qualified sources. On receipt of bids, members of the administrative staff will review and rate the proposals and conduct a cost/price analysis. The successful bid will be presented to the Workforce Investment Board and/or the Macon County Board Operations, Personnel & Legislative Committee stating reasons for the award. The Workforce Investment Board or the OPL Committee may affirm or reject the award. If they choose to reject the award, the Committee will conduct its own review and rating and conduct a cost/price analysis or will request the staff to re-rate the proposals. Their decision will be reported to the full Workforce Investment Board at the next regularly scheduled meeting. They may also reject all proposals. The award decision cannot be changed without re-rating the proposals using the published criteria.

Additional documentation that is needed in this procurement process includes:
1) Documentation showing that an RFP was publicized
2) The results of evaluations for all proposals received
3) Documentation showing the basis on which the award decision was made

Any questions regarding this method of procurement shall be addressed to the Director.

**Noncompetitive Proposals:** Procurement by noncompetitive proposals may be used only when it is not feasible to use any other procurement method. This method of procurement should not be used unless absolutely necessary because it reduces competition among potential vendors to provide goods and services. Under certain procurement situations, however, there is no alternative. One of the following situations must exist:

1) The good or service is available from only one source. Sole source awards may be used when there is **clearly no alternative process** for the goods or services.

2) The public urgency or emergency for the good or service will not permit a delay resulting from competitive solicitation. This situation would require that the time needed to use competitive procurement methods would result in foreseeable harm to physical facilities or persons. Another emergency purchase may occur when there is a sudden plant closing or mass layoff and Workforce Investment Solutions must respond rapidly allowing insufficient time to use competitive procurement methods.

3) The Department of Commerce and Economic Opportunity grants an exemption from standard procurement guidelines.

4) Competition is determined inadequate after a number of sources have been solicited.

In the event one of these situations exists, the Director may authorize the purchase. A cost/price analysis is required for this type of purchase. If the purchase is for procuring training programs a contract will be prepared by the Director.

Any questions regarding this type of procurement shall be addressed the Director.

**Purchases By/For Participants:** Instances arise when the purchase of miscellaneous goods or services for participants are necessary. Sometimes the purchase is made directly by the participant, while other times Workforce Investment Solutions will pay the vendor directly. Each of these instances requires a separate process.

If a participant purchases an item(s) for an authorized use and is to be reimbursed by Workforce Investment Solutions, the procurement does not fall under these guidelines. The receipt from the vendor shall be submitted to the Fiscal Department. The Fiscal Department will reimburse the client upon receipt of a signed Payment Authorization or Fixed Payment Authorization.
If participant selects an item(s) for an authorized use and payment is to be made directly to the vendor, the procurement is subject to guidelines as outlined in this policy. Should the items total more than the Very Small Purchase procurement threshold, staff shall follow the appropriate procedures as outlined in another procurement method. Once a vendor has been selected, a staff person will prepare a Payment Authorization Form and give it to the Fiscal Department, the case manager should keep a copy for participant file. The vendor will submit bill to Fiscal Department for payment.

Any questions, regarding this method of procurement shall be addressed to the Fiscal Department.

**Tuition-Based Payments to Educational Institutions:** Tuition-based payments are limited to providers that are private, business, or vocational schools under the Vocational Schools Act or private or public education agencies. Furthermore, the class cannot be for special or class-size programs and the price must be that which is published in the general school catalog. Requests to initiate such will be made by the case management staff. The case management staff will enroll participants at the institution and forward tuition authorization to the Fiscal Department for payments.

Any questions, regarding this method of procurement shall be addressed to the Fiscal Department.

**PROVIDERS/CONTRACTORS LIST**

A list shall be maintained of potential providers/contractors for training programs who have expressed an interest, in writing, in being considered for awards. The providers/contractors list will be maintained by the Director. The list shall include names, addressed and type of services. All potential providers/contractors who have expressed interest in being considered for awards for training programs shall be sent Request for Proposals for the area of service for which they wish to be considered.

**AFFIRMATIVE ACTION**

When possible, attempts will be made to procure from minority firms, women’s business enterprises and labor surplus area firms.
PROCUREMENT DOCUMENTATION CHECKLIST

Check method for procurement used for this purchase:

_____ Very Small Purchase (under $5,000)
_____ Small Purchase ($5,001 or more)
_____ Sealed bid
_____ Competitive Proposal
_____ Noncompetitive Proposals
    _____ Sole Source Awards
    _____ Emergencies
    _____ Authorized by Department of Commerce & Economic Opportunity (DCEO)
    _____ Inadequate Competition

Submit Documentation Checklist and Bids (where applicable).

If the acquisition is Sole Source, Emergency, or Authorized by DCEO, provide an explanation of the circumstances that authorize the use of this method:

Yes/No:

_____ The purchase is reasonable, necessary, an allocable to Workforce Investment Solutions.
_____ A cost/price analysis was completed on this acquisition costs and/or the final price is appropriate for this geographical area for the same or similar goods or services.
_____ The purchase has been reviewed and it is hereby certified that the purchase is not a duplication.
_____ The procurement is from a minority firm, women’s business, or labor surplus firm.

Basis for award decision:

Prepared By: ____________________________        Date: ____________________________