

## **LWDB PROCUREMENT / PROPERTY MANAGEMENT POLICY**

The system of property and procurement management must have procedures to determine the actions of responsible parties in all categories of transactions. All parties will establish and maintain an adequate system of property management that identifies and safeguards all property acquired and which complies with all requirements of the Workforce Innovation and Opportunity Act (WIOA), and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) located in Title 2 of the Code of Federal Regulations (CFR) as well as state and local laws. This policy applies to the local workforce development board (LWDB), Chief Local Elected Officials (CLEO), fiscal agent, all LWDB administrative support staff, PA CareerLink<sup>®</sup> staff, contractors, as well as subcontractors and any other individuals who utilize funds passed through the local workforce development area.

### **Definitions**

#### **Fixed Assets**

- **Capital Asset:** An asset qualifies as a capital asset if it is valued at least \$5,000 and has an expected life greater than 3 years. Examples of capital assets include, but are not limited to major moveable equipment, fixed equipment, and computer equipment.
- **Inventory Asset:** Items not qualifying as a capital asset may be considered an inventory asset and are tracked if the value is at least \$300 and an expected life greater than one year.
- **Other Asset:** All assets costing less than \$300 or having an expected life of less than one year will not be tagged and thus not tracked except as expensed.

The procurement of services, including WIOA Title I services and training, and all purchases of fixed assets and supplies acquired shall comply with this policy and all applicable local, state, and federal statutes.

The LWDB has developed this procurement and property management policy, as approved by the LWDB and the CLEOs, to control all purchases, including the selection and award of WIOA Title I program services contracts, to appropriately utilize available funding in the local workforce development area. This policy also requires that purchasing is in accordance with any respective funding stream. The fiscal agent structure promotes adequate segregation of duties where purchasing is concerned for the LWDB's administrative support staff, PA CareerLink<sup>®</sup> staff, contractors, and subcontractors, as well as any other individuals who utilize funds passed through the local workforce development area for any purchasing.

## Responsibilities of the Fiscal Agent

- Maintain an inventory system to account for all property acquired with WIOA funds or acquired from other sources and used in the WIOA program.
- Perform an annual physical inventory of all property purchased using WIOA funds or funds from any prior federal program. The results of this physical inventory must be reconciled with records maintained by the fiscal agent and, where applicable, Bureau of Workforce Development Administration (BWDA).
- Verify, prior to any acquisition, that needed property is not available through any alternative source.
- Implement the formal bidding procedures established by the LWDB, for establishing levels for dollar amounts that require procedures such as advertising, sending out formal letters requesting bids from vendors, obtaining sealed bids, etc., as identified below under Procurement Thresholds.
- Obtain written approval from BWDA for the purchase of any property with a unit acquisition cost of \$5,000 or more. The approval request must include a justification and all identifying information.
- Approve or disapprove all subrecipient requests for the purchase of property in accordance with the applicable requirements. Copies of all approvals and the proper documentation and local WIOA tag number(s) assigned must be maintained at the fiscal agent's office and will be made available for review by authorized representatives upon request.
- For subrecipient purchases with a unit acquisition cost of \$5,000 or more, the fiscal agent must obtain BWDA's approval.
- Notify BWDA of excess property with a unit acquisition cost of \$5,000 or more. Notification will be distributed to all fiscal agents so that items no longer needed in one area may be made available for use by other LWDA's. All other miscellaneous excess property will be disposed of to the highest bidder obtained by public advertisement if it cannot be utilized within the system. The resulting program income will be utilized and reported within the funding stream from which the purchase was initially made.
- Establish a control system that will safeguard all property against loss, damage or theft.
- All leasing or renting of any type of asset as outlined above will be evaluated by the fiscal agent and possible options as well as the resulting recommendation will be presented prior to contract execution by the fiscal agent.

## Responsibilities of Subrecipients

Each subrecipient is responsible for establishing and maintaining an adequate system of property management. That system must adhere to all applicable requirements, including those of the fiscal agent from which WIOA funding is received. The subrecipient must also identify and safeguard all property acquired with WIOA funds.

## **Procurement Thresholds**

ALL purchases acquired with WIOA funds or acquired from other sources within the WIOA program must adhere to the following schedule based on anticipated purchase price (per WSP No. 03-2015 Financial Management Policy; 2 CFR Part 200.320):

- Under \$2,500 All purchases or procurement of services require that the best combination of price and quality be obtained for the items purchased and where possible all cost comparison documentation will be maintained by the purchaser and provided to the fiscal agent upon request. All WIOA property must be properly identified.
- \$2,500 - \$20,100 All purchases or procurement of services having a cost between \$2,500 and \$20,100 acquired with WIOA funds or acquired from other sources require three written quotes. All supporting documentation must be attached to the purchase. The fiscal agent must approve the purchase. Note that excess property and equipment available for transfer will take precedence over new purchases. Prior approval of BWDA must be obtained for purchases with a unit cost of \$5,000 or more. BWDA reserves the right to deny a request for purchase.
- Over \$20,100 All purchases or procurement of services having a cost of more than \$20,100 requires a formal bid process to be completed. At least two bids are necessary to ensure a fair and competitive process. Procurement shall be made only with contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement. Prior approval of BWDA must be obtained for purchases with a unit cost of \$5,000 or more. BWDA reserves the right to deny a request for purchase. All bidders must provide documentation that they have not been debarred or suspended from receiving federal grants, contracts or assistance.

## **Sealed Bids Purchase**

Sealed bids are publicly solicited. A firm, fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.

## **Sole Source or Noncompetitive Procurement**

Noncompetitive negotiation is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible under small purchase procedures, sealed bids or competitive proposals, and one of the following circumstances applies:

- a) The item(s) is available only from a single source; or
- b) If a public state of urgency or emergency for the requirement will not permit a delay resulting from competitive solicitation; or
- c) The awarding agency authorizes noncompetitive proposals; or
- d) If, after soliciting a number of sources, competition is deemed inadequate

Cost analysis, which includes verification of the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required. The LWDB shall limit use of noncompetitive procurements, consistent with requirements to maximize full and open competition. The LWDB, through its fiscal agent, shall document and justify the circumstances under which the sole source procurement was made. In addition, a solicitor opinion will be obtained to confirm that the procurement qualifies as sole source or noncompetitive.

### **Standard Clauses for Inclusion in Contracts**

All contracts must include a work statement, costs, dates, non-discrimination clause, and amendments when necessary. All leases and/or rental agreements must contain a contingency clause that states that either party may terminate the lease or rental agreement within a specified period of time. It must also state that the agreement or contract is contingent upon continued receipt of federal/state funding.

Lease/purchase agreements are allowable provided such acquisitions do not exceed the rental cost of comparable assets in the same locality. When necessary, fair market value opinion will be obtained from an expert in the field.

### **Code of Conduct/Conflict of Interest**

[WIOA Section 107(h); WIOA Final Rule § 683.200(c)(5); 2 CFR 200.318; BWDA's WSP No. 03-2015 Financial Management Policy]

For costs that are associated with the awarding of financial assistance or procurement activities, which are determined to be an organizational or a personal conflict of interest or give the appearance of conflict of interest, the following conditions apply:

- No individual in a decision-making capacity, including LWDB members, shall engage in any activity, including participation in the selection, award, or administration of a sub-grant or grant supported by federal and state funds if a conflict of interest, perceived, real, or apparent, would be involved;
- No member of any council under WIOA shall cast a vote on the provision of services by that member (or any organization which that member directly represents) or vote on any matter that would provide direct financial benefit to that member. LWDB members must abstain from voting on any matters which would provide direct financial benefit to that member, member's family, or place of business or which may appear to provide direct financial benefit to the same. However, neither membership on the LWDB nor the receipt of federal and state funds to provide training and related services shall be construed, by itself, to violate these provisions; and

- Funds that are paid to any non-governmental individual, institution, or organization to conduct an evaluation of any program under WIOA are unallowable costs when such individual, institution, or organization is associated with that program as a consultant or a technical advisor. An example might be to have an international organization evaluate its local chapter's performance for a local workforce development area.

Codes of conduct for conflict of interest must be strictly adhered to in an effort to avoid any real or perceived conflict of interest in the procurement of goods and services.

Fiscal agents and their subrecipients may not rent or lease their personally-owned property to the WIOA program, or lease from other activities in which they have a vested interest, or which has interest vested to them.

### **Provision for Protest of Award, Disputes and Claims**

The LWDB is responsible, in accordance with good administrative practices and sound business judgment, for the settlement and satisfaction of all administrative and contractual issues arising out of the LWDB's procurements. Procurement issues including, but not limited to, source evaluation, protests of award, disputes, and claims shall be settled and satisfied by the LWDB. A protest process to handle and resolve disputes is provided as part of the procurement process. Contractors must also ensure that each subrecipient has protest procedures to handle and resolve disputes relating to their procurements. A protester must make every attempt to resolve all administrative remedies with the respective contractor(s) before pursuing a protest to the LWDB.

### **Pre-Award Review Procedures**

Awards will be made only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Each organization being considered for funding must meet all federal, state, and local requirements for program services. Bidding organizations are evaluated for elements such as contractor integrity, financial and technical resources, past performance, etc. either during the procurement process or prior to award of contract.

### **Post-Award Administration**

The LWDB will provide technical assistance as well as perform financial and programmatic monitoring, performance monitoring, and review of documentation and reports following award of contract.

### **Procurement Record Retention**

Records, including documentation created and/or used during the procurement process, must be retained for a period of three years from the date of the final expenditure report for the funding period to the LWDB. Records should include rationale for the method of procurement, selection of contract type, contractor selection or rejection, basis for the contract price, bid or RFP notice, evaluation score sheets, and other supporting materials.

### **General Policy of Competition**

All procurement transactions shall be conducted in a manner that provides maximum open and free competition. Procurement procedures shall not restrict or eliminate competition and, when possible, avoid the requirement that a brand name be specified. Actions shall be taken to ensure that small and minority businesses are utilized when possible as sources of supplies and services.

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## **LWDB PROPERTY MANAGEMENT**

### **Annual Property Inventory Form**

All property with a unit acquisition cost of \$5,000 or more must be reported, whether purchased or transferred into the local workforce development area on the BWDA's Annual Property Inventory Form. This form must be completed and forwarded to the BWDA by October 1 annually.

### **Identification of Capital Assets and Inventory Assets**

(per WSP No. 03-2015 Financial Management Policy)

The fiscal agent is required to ensure that all non-expendable personal property purchased with WIOA funds is identified as WIOA property, as follows:

- Capital assets with a unit acquisition cost of \$5,000 or more must be identified with WIOA property identification tags issued by BWDA.
- Inventory assets with a unit acquisition cost of between \$2,500 and \$4,999 must be identified with either local property tags or BWDA-issued WIOA property tags.
- Property

Inventory identification tags will be placed on non-expendable personal property in an area that is easily accessible for property identification yet would provide protection against wear, damage or loss. Inventory records maintained by the fiscal agent must be corrected immediately to reflect all changes in tag numbers and the reason for the change noted. Any changes in the tag number of an item with a unit acquisition cost of \$5,000 or more must be reported on the next inventory that is submitted to the BWDA.

### **Transfer of Property**

The LWDB is required to establish procedures for transferring property per the BWDA's Financial Management Technical Assistance Guide using the Property Transfer Report Form. The transfer of property will be handled by the fiscal agent, on behalf of the LWDB.

### **Property Safeguard Procedures**

The LWDB must establish procedures that provide adequate safeguards for the protection of all WIOA property within its local workforce development area per BWDA’s WSP No. 03-2015 Financial Management Policy. The implementation of property safeguard procedures will be handled by the fiscal agent, on behalf of the LWDB. When property with a unit acquisition cost of \$5,000 or more has been damaged, lost or stolen, a Property Incident Report Form must be submitted to the BWDA within ten days of determination of the loss. The LWDB will take action to recover the item or appropriate restitution to the fullest extent. The fiscal agent is required to follow their formally documented fraud policy.

**Final Disposition of Property**

When it is determined that property with a unit acquisition cost of \$5,000 or more is no longer needed in the performance of WIOA or other federally supported activities, the fiscal agent, on behalf of the LWDB, must prepare and submit a WIOA Property Disposition Plan to the BWDA requesting disposition instructions following the BWDA’s Financial Management Technical Assistance Guide and using the WIOA Property Disposition Plan Form.

**REFERENCES**

- WIOA Section 107(h)
- 20 CFR 683.200(c)(5)
- 2 CFR Part 200 Uniform Guidance
- PA Department of Labor & Industry’s WSP No. 03-2015 Financial Management Policy

**HISTORY**

Name	Date	Rev. Level	Description of Change	Effective Date
Deb O’Neil	10/20/2014	A	Policy approved by CLEOs and new LWIB	12/17/2014
Deb O’Neil	03/01/2017	B	Update to WIOA changes	8/11/2017
Deb O’Neil	03/01/2018	C	Update thresholds to align with County of Venango	4/27/2018