



A private-public partnership administered locally by
the Macomb/St. Clair Workforce Development Board, Inc

PROCUREMENT POLICY & PROCEDURES

February, 2020

The Macomb/St. Clair Workforce Development Board, Inc., the administrative entity for the Macomb/St. Clair MWA will be herein referred to as Macomb/St. Clair Workforce Development Board, Inc. or "The Board". The County of Macomb is considered the Grant Recipient. and as such, shall abide by its procurement guidelines. However, the MSCWDB shall adhere to more restrictive Department of **Labor and Economic Development-Workforce Development (LEO-WD)** guidelines as indicated in the following Policy Issuance and respective changes:

Policy Issuance (PI) No. 15-12 (Dated July 17, 2015)

Policy Issuance (PI) No. 12-30 (Dated March 5, 2013)

- References:** Code of Federal Regulations (CFR), Title 2 – Grants and Agreements
CFR, Title 48 – Federal Acquisition Regulations System
Workforce Innovation and Opportunity Act (WIOA)
U.S. Department of Labor, Employment and Training Administration, One-Stop Comprehensive Financial Management Technical Assistance Guide
- Rescissions:** WDA PI 12-29, issued March 5, 2013
Office of Workforce Development PI 04-03, issued February 27, 2004
- Background:** This policy restates the uniform administrative requirements for the procurement of equipment, supplies, and/or services utilizing any OWD funding source. In addition, it clarifies the requirement for prior approval of the procurement of capital assets in excess of \$250,000.

A. GENERAL LEO-WD PROVISIONS – Administrative

The MSCWDB the MWA does hereby adopt the following written procurement policy for all funding sources as determined by the Department of Labor and Economic Development-Workforce Development (LEO-WD) regarding the procurement and management of services, space, equipment and supplies. Macomb/St. Clair Workforce Development Board, Inc. shall conduct procurement procedures in such a manner that provides full and open competition.

The Michigan Department of Technology, Management and Budget (DTMB) has agreed to accept for state agencies the competitive bid process undertaken by partner agencies at the Michigan Works! Service Center, for the same goods and services, as satisfying the competitive bid requirements for purchasing such items as space, furniture, and equipment for their use at a Michigan Works! Service Center.

The 2 CFR 200 competitive bid requirements are also met if state departments have undertaken a DMB competitive bid process for space, furniture, and equipment, and the terms of those contracts are extended to the MWAs. Thus, it would not be necessary for a Michigan Works! Service Center or its partners to undertake another competitive bid process for space, furniture, and equipment for Michigan Works! American Job Centers.

B. CAPITAL EXPENDITURES

The approval authority has been delegated to the state for all grants administered by LEO-WD. And, to the extent that state procedures for state organizations are sufficient to define the allowability of Employment & Training Administration (ETA) capital asset acquisition costs and do not inappropriately constrain non-state organizations, the state's policy can be applicable to non-state governmental sub grantees.

The DTMB Procedure delegates purchasing authority for procurements of equipment and or services up to \$250,000 to state departments; that is the Simplified Acquisition Threshold. Per the above, LEO-WD delegates this authority to the MWAs. Although this authority rests in the MWA, all equipment procurements, regardless of cost, are only allowable costs if they are necessary and reasonable for proper and efficient performance and administration of the grant award. Procurements may not be divided into separate orders (transaction splitting) with the intent to stay within this delegated authority.

Procurement of equipment and capital improvements in excess of \$250,000 are subject to approval by LEO-WD at:

Michigan Department of Labor and Economic Opportunity
Workforce Development
Victor Office Center
201 North Washington Square
Lansing, Michigan 48913

The MWA's request for approval shall include at a minimum the following applicable information:

1. A discussion of how the proposed capital improvement or equipment will benefit the MWA's program(s).
2. The expected cost of the procurement with a cost or price analysis.
3. A copy of the technical specifications or other pertinent information given to prospective bidders that explains in sufficient detail what is being procured.
4. Bidders' list and how the solicitation will be publicized.

No procurement of equipment or capital improvements in excess of \$250,000 can be made prior to the date of approval. Construction or Purchase of Facilities is prohibited under the grants administered by LEO-WD with limited exceptions.

C BASIC POLICY REQUIREMENTS (As specified by LEO-WD and agreed to by MWA)

At minimum, the procurement policy shall require:

1. Cost and/or price analysis for every procurement;
2. Written standards for all types of procurement;
3. Conduct that ensures full and open competition;
4. Methods for acquisition of equipment, building space, or related facilities, as well as the selection of service providers;
5. Provisions for leases and contracts;
6. Provisions which prohibit conflict of interest and discrimination;
7. Procedures for inventory, record keeping, and reporting to show history of each procurement;
8. Methods to ensure sub recipient compliance with the terms and conditions of contractor purchase orders and awards made to responsible sub recipients;
9. Review of proposed procurement to prevent unnecessary purchases; and

10. Documentation of all procurements by the MWA and any sub recipient for all procurement regardless of dollar amount
11. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase.

D. STANDARDS (As specified by LEO-WD and agreed to more specifically within this Policy)

In order to ensure that unfair requirements are not placed on procurement procedures, the following situations that are considered restrictive of competition are to be avoided. For Macomb/St. Clair Workforce Development Board, Inc. MWA details of standards please reference content that follows.

I. *Macomb/St. Clair Workforce Development Board, Inc. CODE OF CONDUCT*

FOR WIOA and/or Welfare to Work Funds - Workforce Development Board Members or Youth Council Members must neither cast a vote on, nor participate in any decision-making capacity, on the provision of services by such member (or any organization which that member directly represents), nor on any matter which would provide any direct financial benefit to the member or a member of his immediate family. No MSCWDB council member, MWA official, employee, or agent, Grantee's or sub grantee's of Macomb or St. Clair counties shall:

- A. Solicit or accept gratuities, favors, or anything of monetary value from suppliers or potential suppliers; the grantee and sub grantee may set rules where financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value
- B. Participate in the selection or award of a procurement subject to this section where, to the individual's knowledge, any of the following has a financial or other substantive interest in any organization which may be considered for award:
 1. The council member, MWA official, employee, or agent;
 2. Any member of his or her immediate family;
 3. His or her business partner; or
 4. A person or organization which employs any of the above or with whom any of the above has an arrangement concerning prospective employment.

Immediate family is defined as:

Wife, husband, son, daughter, mother, father, brother, brother-in-law, sister, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, grandparent, step- parent, and step-child.

C. The MSCWDB, in accordance with LEO-WD Policy Issuance No. 19-30, assures that all Conflicts of Interest will be avoided in the procurement and authorization of all goods and services.

D. **Violation of Standards:** If there is a material failure to comply with the WDB Code of Conduct, the WDB may take one or more of the following actions against the individual or entity that materially failed to comply, as appropriate in the circumstances:

1. Temporarily withhold cash payments pending corrections of the violation or more severe enforcement action;
2. Disallow all or part of the cost of the activity or action which is in violation of the standards;
3. Withhold further awards to a service provider;
4. Discipline a WDB employee as warranted;
5. Require corrective action to remedy the violation; and
6. Take such further action as the WDB believes appropriately based.

II. BASIC POLICY

The MSCWDB procurement shall avoid the following situations that are considered restrictive of competition:

- A. Placing unreasonable requirements on firms or organizations in order to qualify to do business;
- B. Requiring unnecessary experience and/or excessive bonding;
- C. Noncompetitive pricing practices between firms or organizations or between affiliated companies or organizations;
- D. Noncompetitive awards to consultants that are on retainer contracts;
- E. Awards that would create organizational conflicts of interest;
- F. Specifying brand name products instead of allowing a similar product of equal quality and describing the performance of other relevant requirements of the procurement;
- G. Overly restrictive specifications; and
- H. Any arbitrary action in the procurement process.

III. PROCUREMENT METHODS

A. Micro-Purchase <\$10,000

This method of procurement used when the acquisition of services or supplies does not exceed \$10,000 within a 12-month period. The amount is lowered to \$2,000 when it the acquisition is for construction subject to the Davis-Bacon Act.

1. Purchases for Supportive Services

This method is appropriate for costs associated with federally funded programs. Cost must be necessary, reasonable, allowable and allocable to the grant, including allocating the costs to the extent a benefit was received.

Individual grants have narrative plans and internal policies to describe allowable costs with program or locally determined limitations.

Specific examples of policies related to participant support services requests are as follows:

- Workforce Development Board Policy Issuance 01-03
- PATH Program Manual, Chapter 9

See MSCWDB Allowable Cost policy for further details.

2. Credit Card Purchases

This method of purchase pertains to any purchases made with the Macomb/St. Clair Workforce Development Board (MSCWDB) credit card, issued by County of Macomb. The credit card may be used for the following purposes (not all inclusive):

- On-line purchases of supplies/equipment
- Purchases for special projects
- Online/special supportive service purchases
- Postage
- Travel/Conference Reservations
- Meeting expenses

See MSCWDB Credit Card policy for further details.

B. Small Purchase >\$10,000 <\$250,000

Simple and informal procurement method when price is the overriding factor. Prices must be easily quoted and compared, delivery must be standardized, and the performance outcomes cannot dependent upon the content of goods and or services being procured.

This method requires a minimum of three quotes from a minimum of three qualified sources. For the quotes to be qualified they must be dated and current for the purchase being made.

C. Sealed Bids

Publicly solicited, and a firm fixed price contract is awarded to the lowest priced bidder meeting all the conditions of the invitation to bid. This can be for a lump sum or per unit price contract. Prior to initiating a sealed bid an independent cost estimate must be conducted. When conducting a sealed bid an Invitation for Bid (IFB) will be publicly advertised as well as solicited from known suppliers. The IFB will include time, date and location at which the bid will be opened. Adequate time will be allotted to advertise/solicit bids prior to the date set for a public bid opening. The Invitation for Bid needs to clearly define all items and or services that are listed within the bid request in order to allow bidders to accurately respond. The IFB must also include a firm fixed price contract amount by either lump sum or unit price. The bid will be awarded to the entity that has the lowest priced bid and meets all terms and conditions outlined in bid requirements.

There needs to be a minimum of two bidders that are willing to compete for business, no limit to the number of potential bidders will be set. Bidders are not required to be present at the bid opening to be awarded the bid.

Any or all bids may be rejected but there must be a sound documented reason for the rejection.

D. Competitive Proposals

Competitive procurement is used when there is more than one source bidding and the procurement of property or services over \$250,000 in the aggregate. The lowest price is not necessarily the determining factor for selecting the proposal. Factors such as experience, outcomes, and/or program design are some possible evaluation criteria. Prior to proposal an independent price estimate must be conducted. When conducting a competitive proposal, a Request for Proposal will be publicized. Publication will include all specifications being requested to ensure that bidders can grasp the scope of the proposed goods and or services. It is required that Bidders are made aware of how each section of the RFP will be evaluated and how each section of the RFP is weighted in determining the winning bid. The bid agreement will be based on a fixed price or a cost reimbursement agreement.

MSCWDB will evaluate proposals based on price, technical and other factors. The WDB will also retain evaluation procedures used to evaluate the proposals. Documentation of price rates or quotes shall be attained from an adequate number of qualified sources.

MSCWDB shall not break down one purchase into several purchases merely to be able to use small purchase procedures.

Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other analysis to determine the most economical approach towards the procurement in question. It is and has been the policy of MWA to not utilize lease provisions for equipment, goods and services and is avoided except where facilities require it.

E. Noncompetitive Proposals

This method is also known as sole source; a method where there may only be one source where the goods and or services may be procured. This method may only be used when it may not be practical using one of the other four procurement methods listed above.

Some examples of when this method is acceptable to use:

1. Item is only available from only one source
2. Public emergency for the requirement will not permit a delay resulting from a competitive solicitation.
 - Necessary for the imminent protection of public health
 - Emergency repairs to protect life or property
 - Unforeseen crisis requiring immediate procurement

3. The federal awarding agency or LEO-WD expressly authorizes noncompetitive proposals in response to a written request from the Entity
4. After solicitation of multiple sources competition is determined inadequate.
 - This usually occurs after a competitive process has been used and there are insufficient bidders available

This is considered a last resort option and should only be used when there is documented reason for sole-source selection. Prior approval is required for all sole-source awards where the cost exceeds the LEO-WD simplified acquisition and Sealed Bids or Competitive Proposals were not utilized. Approval requests need to include a description and or specifications of the items to be purchased, the independent cost estimate, purpose of the proposed purchase, cost and/or price analysis, an explanation on why another procurement method is not viable, and supporting documentation as to how the purchase meets one of the conditions described above. Approval requests needs to be submitted to:

Department of Labor and Economic Development Opportunity-
Workforce Development
Executive Office
Victor Office Center
201 North Washington Square
Lansing, Michigan 48913

F. **Third-Party Procurement**

The Michigan Legislature has authorized the following two programs in which eligible grantees and sub grantees may utilize for procurement. Since these are State authorized contracts no additional bids would be required in order to justify the use.

1. **MiDEAL** – Authorized under Public Act 431 of 1984, Section 263, MiDEAL allows local units of government in Michigan to use stated procured contracts to buy goods and services (<http://www.michigan.gov/localgov>)
2. **REMC Association of Michigan** – Authorized under Public Act 451 of 1976, Section 380.671, the REMC Statewide \$AVE (Schools Aggregated Volume in Education) Bid Project allows schools, colleges, public libraries, museums, State, County and local government agencies to purchase a variety of supplies, equipment, software, computer and networking items through its list of approved vendors. (<http://remcbids.org>)

G. **Partner Organizations**

It is possible for two or more organizations to share responsibility for carrying out the main work of a grant. One organization must be classified as the “lead” organization while all of the rest will be co-grantees or co-sub grantees. However, each will be equally responsible for performance and financial obligations. Documentation must be present that clearly defines the roles and relationships these partner organizations will have.

H. **Requirements**

When comparing items to procure “Brand” naming is not allowed, unless there is a proprietary need, only features and specs can be listed as a requirement. There should be 2-3 comparable items pf different brands from different vendors. No single vendor can be used to provide like items, nor can the same item/model be used from different vendors. Each supporting comparable should be unique in regards to manufacture and vendor but should have same, or comparable, specifications.

IV. GENERAL PROCUREMENT - Local Operational Guidelines

- A. Open competitive procurement practices seeking to obtain the most satisfactory product or service at the most reasonable cost shall be employed.
- B. The MSCWDB shall ensure that an unfair requirement on procurement which restricts competition is avoided.
- C. Only individuals authorized by the Executive Director shall procure any item for MSCWDB staff use.
- D. The MSCWDB assures that all procurement shall be conducted in a manner which provides for open and free competition from independent vendors and the MSCWDB bidding processes.
- E. Selection of a Vendor(s) is accomplished via accumulation of common line items purchase history for the prior years’ period – the most common 24 items and then those items are shopped via 3 competitive

vendors that must offer the following:

1. Possess secure electronic shopping portals available that
2. Provides Order/Invoice Tracking and History
3. Provides Purchase Terms of "Net 30 Days"
4. Prevents designated shoppers from actually making purchase decisions without full review and approval of the Board Purchasing/IT Manager.
5. The E-commerce security prevents a breaches.
 - It is important to note that the use of the Electronic Browser based Secure on-line shopping format has:
 - Reduced administrative support time to coordinate all offices needs that are spread across two counties.
 - Enabled a self-service availability with full review
 - Ability for local users have input and identify the needs of their office
 - Efficiency delivery - usually within 24 hours and include free inside delivery services
 - Has interest free credit line that allows for cross matched invoices to be delivered monthly to a central location for processing
 - Allows for emergency in-store purchases, using House Account, that can be procured at discounted rate which are agreed upon in the contract or in-store sale/clearance rate, if less costly.

Electronic Service Agreements with select vendor(s) in no way excludes the Procurement Manger or any other authorized by the Executive Director from using other competitive vendors. Competitive vendors are used when items/services may be acquired at a reasonable cost savings. This maximize the competitive nature of procurement and resources available to staff and customers of the Macomb/St. Clair Workforce Development Board, Inc.

- F. At minimum three bids shall be received from vendors prior to purchase. A Bid Summary Report (BSR), with cost analysis calculator, will be used to evaluate Bids. The BSR evaluates bids on price and quality and will be the major determining factor in vendor selection.

Vendors can be disqualified for any of the following (not all inclusive):

1. Failing to meet reasonable specification standards for equipment or which leave areas incomplete or ambiguous in their response
2. Providing inferior substitute specs of their own choosing that fail to meet equal standards laid out and could result in acquiring inferior/incomplete or substituted product
3. Removing cost such as shipping/handling/setups to undercut another vendor then making the removed cost a requirement after-market acquisition
4. Unapproved redesign of the Boards established specifications that tailors the Bid to the vendors' products or any advantage and or makes bid unable to be evaluated by BSR analysis calculator

During evaluation inference cannot be made on any vendors' bid. Any bid that does not clearly detail responses to align with board specification can be disqualified. Competitive bids need to be fair and equitable and allow the board to be assured that any equipment/services provided will meet quality standards.

- G. Where a respondent Vendor in good faith may demonstrate to the Board that Specifications may require adjusting to ensure the receipt of anticipated quality/performance of equipment or services and the Board agrees the Bid shall be Modified. Subsequently the Bid is Modified and resubmitted to all respondents identifying any such shortfall or error of the original bid to keep the process equitable. The opportunity must be provided to all competing Vendors. Quality Specifications established by Procurement research and equipment result in kind to equal Acquisition of Quality Equipment and Services.
- H Sole source shall be used when the award of a contract is unfeasible by sealed bids or competitive proposals. Non-competitive procurement can only be used under certain circumstances. Please see Part III. Procurement Methods – Section E.

The MSCWDB shall maintain documentation of non-competitive procurement and justification of same.

I. The procurement procedure within the MSCWDB is as follows:

1. Each MI Works Center and Macomb/St. Clair Workforce Development Board, Inc. designated Shoppers shall accumulate the identified expendable items required for the month and shall create a shopping cart via the Internet Vendor that is then submitted via email on the first Friday of each month (with the exception of July as the order date would fall on a Holiday) for review to avoid the purchase of unnecessary or duplicative items and approval by the Procurement/IT Officer.
2. The Procurement/IT Officer reviews items for errors and cost factors and either modifies and or edits as needed and then when correct and complete the order is released via Purchase Order with terms Net 30 days via Government (GSA Pricing) House Account with Vendor using Secure Socket Layer (SSL & EDI) Technology to ensure E-Commerce Security of the order.
3. Immediately upon order release approval the Vendor forwards the order to warehouse for process and shipping within 24 hours.
4. The Electronic Shopping system for MI Works Centers is intended to provide for small purchase expendable needs only. Shoppers are not permitted to order Computer Equipment / Hardware / Software or Furniture items. As all such items are procured by the Board and provided for use in the MI Works Centers it is the responsibility of those delivering services within said facilities to justify the need and expense to the Board and so that procurement standards are met and satisfied in the process and so that the Executive Director can determine whether available budget resources to acquire said equipment is available before any such authorization. MI Works subcontractors are not privy to these factors and as such must go through the Board's review and approval process to acquire such items. The Procurement/IT Officer maintains the Inventory database and Purchase records that identify Warranty Terms. If Shoppers were permitted to blindly order items they could be ignoring the fact a warranty may exist and provide for a free replacement component or service.

Any items reviewed from said Shoppers Cart may be removed prior to any order approval and the MI Works Center is informed they must have advance justification submitted to and approved by the Executive Director of the Board first. The Procurement Officer maintains a copy for future reference should the Executive Director authorize said procurement.

5. As equipment requests can take extensive research time to acquire competitive bids and timelines in many cases for delivery of such items can equal weeks or months from the point of ordering to delivery – Timelines are of utmost importance. Also - So as to maximize the Board's discounts to qualify for GSA pricing or other discounting it is unreasonable for MI Works Subcontractors to expect to make request for equipment items on a monthly basis like one would for an expendable item available off the shelf.

Equipment needs must be evaluated at the beginning of each Program Year and then on a quarterly basis projecting future needs for all centers/subcontractors and submit such requests cumulatively on a quarterly basis. To enable sufficient time to gather:

- Complete and concise research,
- Build quality specifications and
- Solicit competitive pricing to maximize budget resources
- Planning well in advance must be done by subcontractors with the Board.

6. Expectations of a procurement of non-expendable Equipment on a monthly basis is an unacceptable means to acquire said equipment as in many circumstances the item(s) may not be off the shelf consumer items and discounts availability may be tied to timelines that require a manufacture wait time – immediate warehouse availability for furniture and equipment typically comes at a loss of significant discounts. Proper planning and forecasting results in tremendous savings and expedites procurements, one at a time equipment purchases are not cost effective means to establish as a revolving recurring event as the time simply isn't available to permit such a practice.

Aside from a circumstance that warrants an Emergency Need (as defined by the Board per LEO-WD Guidelines) the timelines to ensure the development of quality specifications and maximized discount it shall be the goal of the Procurement Officer to produce a completed bid within 30 days following approval to Procure said equipment by the Executive Director.

The Equipment acquisition ETA on the Equipment follows that process. The 30 days is to allow for research, spec's building, invitation for quote, and solicitation of competitive resources and evaluation. The actual ETA for the equipment is decided upon the awarding of the Vendor Bid chosen unless conditions and timelines require expediency. Thirty days or sooner is the goal for Equipment Procurement Bid Process.

7. As numerous subcontractors deliver services in the MI Works Centers they at times need to resolve needs jointly so as to prevent duplication or neglect of needs of one versus another. As the MI Works Center is a One Stop environment to provide services to the entire MI Works Customer base all local needs for equipment must be evaluated and considered as to ensure equity in the delivery of services and customer needs.
8. Again, ordering equipment and maximizing our price line discounts and the time involved to properly meet such needs is paramount and is not to be considered in the same manner as one would to acquire expendable supplies. Such requests must be submitted in writing with justification to the Executive Director quarterly to determine the availability and budget resources prior to Procurement/IT Officer developing a Bid Process and subsequent order of equipment.

It must be understood that Procurement timelines can depend on tasks at-hand being serviced and other MANDATORY Services required by the Procurement/IT Officer as the network is always the First Priority to maintain the Network services for Board, Staff, and MI Works Customers. The Network needs take precedence.

9. Nor do the Shoppers order Equipment replacements. Instead the Procurement/IT Officer must review the warranty status of said equipment from the inventory database to determine whether warranty replacement by the Manufacturer remains an alternative first via RMA Shipping/Replacement.

Where the warranty may have expired for the item then it is the Procurement/IT Officer's responsibility to seek alternative resources available within the Boards inventory first and then if no resources exist to reallocate then a replacement item shall be procured via the competitive bid process and with the review and approval of the Executive Director using competitive processes.

10. Any emergency exceptions to this procedure are subject to approval by the Executive Director.
- J. Procurement of items with a single unit cost of \$250,000 or more shall only be entered into with a written contract in compliance with LEO-WD Policy Issuance No. 19-30.
 - K. The MSCWDB shall not procure items, pursuant to the following categories, without prior approval from LEO-WD:
 1. Audits;
 2. Capital improvements in excess of \$250,000
 3. Equipment with a single unit cost in excess of \$250,000;
 4. Management studies by outside agencies;
 5. Rent-purchase agreements;
 6. Option to purchase agreements;
 7. Sole source procurement in excess of \$250,000.
 - L. Title to equipment with an acquisition cost of \$5,000 or more is to be vested in the MWA or with the subcontractor as determined by the MWA. Vestment of title is contingent upon the MWA's operation of applicable programs. Title to equipment will transfer to LEO-WD upon the MWA's termination of applicable programs.

- M. Property which is destroyed, disposed of, stolen or missing shall be reported to the MSCWDB's Procurement/IT Officer who shall record and report information in compliance with LEO-WD Policy Issuance No. 19-30.

Destroyed, Missing, or Stolen Equipment— The Macomb/St. Clair Workforce Development Board, Inc. MWA shall maintain documentation of all equipment destroyed. Documentation shall include date equipment was destroyed, a description of equipment and serial number(s), and the cause of loss.

MWAs shall contact their local police department and request a report to be completed on any missing or stolen equipment. A copy of the report shall be maintained by the grant recipient / administrative entity. For equipment, which originally cost \$5,000 or more, a copy of the police report must be forwarded to LEO-WD. Inventory records shall be adjusted accordingly.

A settlement process is established whereby; it is established the Entity is responsible for the settlement of all contractual and administrative issues arising out of the procurements. These include, but are limited to, source evaluation, protests, disputes, and claims. Violations of law must be referred to appropriate local, State, or Federal agency having jurisdiction.

- N. Protest procedures are included in RFP/IFQ process to handle and resolve disputes relating to both the award and administration of their contracts. Protest procedures have remedies and the information related to the protests and is required to be disclosed to the awarding agency.
- O. The following affirmative steps will be taken to ensure that minority firms, women's business enterprises, and labor surplus area firms are used when possible:
1. Placing qualified small, minority and women's businesses on solicitation lists;
 2. Ensuring that small, minority and women's businesses are solicited whenever they are potential sources;
 3. Dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by small, minority and women's businesses;
 4. Establishing delivery schedules, where the requirements permit, which encourage participation by small, minority and women's businesses;
 5. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 6. Requiring the prime contractor, if subcontracts are to be let, to take the same affirmative steps.
- (example: Primary Expendables Vendor has contracts and accountability reports that report to MWA Quarterly procurements specifically targeted at these target group contractor suppliers plus Veterans and the Disabled-They receive Special consideration and are identified by shoppers via an assigned icon that represents this group during selection of these expendable goods and services.)

- P. Cost or Price Analysis - A cost or price analysis will be performed for every procurement action, including contract modifications, except those which have no monetary impact.

Cost analysis is the review and evaluation, element by element, of an agency's proposal. Contract cost analysis is the element by element examination of costs and related information presented in the cost and pricing data offerors submit. Cost analysis will be used when the offeror is required to submit the elements of the estimated costs, or when adequate price competition is lacking. Cost analysis is also required for all sole source procurement.

Price analysis is the process of examining and evaluating a price without looking at individual cost elements. The focus is the "bottom-line" price. The method and degree of the analysis depends on the particular procurement and pricing situation. Price analysis will be used when price reasonableness can be established on the basis of the catalog or market price of a product or is based on prices set by law or regulation. At a minimum, the MSCWDB will make independent in-house estimates before receiving bids or proposals.

- Q. A certification shall be submitted by the offeror to the MSCWDB stating that the cost data is accurate, complete and current at the time of agreement, in all cases where a cost analysis is necessary and there is inadequate price competition. Awards or modifications negotiated in reliance on such data will provide the MSCWDB a right to a price adjustment to exclude any significant sum by which the price was increased in cases where the awardee had knowingly submitted data that was not accurate, complete or current as certified.
- R. Selection of Service Providers - The primary consideration in selecting agencies or organizations to deliver services will be the effectiveness of the agency or organization in delivering comparable or related services based on demonstrated performance, in terms of the likelihood of meeting performance goals, cost, quality or training, and characteristics of participants.
- The selection of service providers will be made on a competitive basis to the extent practicable and will include a determination of the ability of the service provider to meet program design specifications established by the MSCWDB that take into account the purposes and goals of the specific program. All procurement procedures within this policy apply to the selection of service providers.
- S. Debarred and Suspended Parties - MSCWDB will not contract with any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs. Verification of procurements of \$25,000 or more with Vendors and Bidders will be checked against the System for Award Management System (SAM) <https://www.sam.gov>
- T. In compliance with Section 104 of PRWORA, the Charitable Choice provision, MWAs are to consider religious organizations on an equal, nondiscriminatory basis with the other groups when deciding to contract with private institutions for welfare services funded by TANF or Food Assistance programs.

V. SOLICITATIONS

- A. Solicitations include clear and concise/accurate description of technical requirements for the goods or services to be procured. The Solicitation cannot contain features that restrict competition.
- B. Board solicitations will include all the requirements the bidders must fulfill and all other factors to be used in the evaluating bids or proposals.
- C. Solicitations will include a description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristic's or minimum acceptable standards.
- D. Solicitations will include specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in solicitations.
- E. Solicitations will include the acceptance, the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
- F. Solicitations will include preference, to extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

VI. LEASES / RENT

- A. The MSCWDB shall have leases for all facilities rented for business use in excess of one year. Due to the unique nature, office & building leases do not qualify under micro purchase or small purchase methods without prior LEO WD approval. Each lease shall contain the following:
1. The agency organization name and business address of the lessee and the lesser;
 2. The signatures of authorized representatives of both the lessee and the lesser;
 3. The date of the signing of the agreement;
 4. The effective dates of the agreement (beginning and ending dates);
 5. Specific items covered by the agreement, i.e., address of the facility, quantity and description of equipment items, quantity and type of motor vehicles;
 6. Specific maintenance and operating costs which are included or excluded;

7. Insurance costs;
8. Lease insurance for motor vehicles;
9. Conditions for termination of the lease without penalty costs should federal funds become unavailable.
10. Macomb/St. Clair Workforce Development Board, Inc. has had a policy of not procuring leases on equipment per long standing guidelines that prohibit the payment of accumulated interest.

B. The MSCWDB shall receive prior approval from the LEO-WD for lease-purchase and option to purchase agreements.

C. The MSCWDB shall ensure that facilities utilized for WIOA administration or programs comply with Section 502/504 of the Rehabilitation Act of 1973.

VII. CAPITAL IMPROVEMENTS

The MSCWDB will seek approval from LEO-WD for capital improvements of \$250,000 or more.

VIII. SERVICES

A. Prior approval shall be received from LEO-WD prior to entering into an agreement for management studies from outside agencies.

B. In the lease of motor vehicles, insurance shall be maintained that ensures appropriate parties are held harmless against claims arising from the maintenance or use of such motor vehicles. Insurance shall be through a commercial insurance policy and cover bodily injury and property damage. A minimum coverage of \$100,000 per person and \$300,000 per accident for bodily injury, and \$25,000 per accident for property damage is required.

IX. EQUIPMENT

A. Open competition practice of purchasing shall be utilized unless an item meets and requires use of the sole source criteria.

B. Prior approval from LEO-WD is not necessary on the purchase of equipment of less than \$250,000 per unit item. The title of equipment is vested in MWA.

C. MSCWDB will seek approval from LEO-WD prior to purchasing equipment at a unit cost of \$250,000 or more.

D. The MSCWDB shall abide by the destroyed, missing, or stolen equipment policies as indicated in LEO-WD Policy Issuance No. 19-30.

X. PURCHASE OF GOODS AND SERVICES

A. Procurement/IT Officer or other Board Administrative Staff authorized by the Executive Director as (Purchasers) shall complete the Bid Summary Form. Completion of form and conditions and workflow in its use is as follows:

1. Include the goods/services to be purchased, i.e., printing forms for intake, fax machine for the Resource Room, etc.;
2. Include rationale for purchase, i.e., providing documentation necessary for intake eligibility, to receive information from other centers in a quick, efficient manner such as resumes, job orders, etc.;
3. Include the names of each bidder with their quotation. Also attach original copies of responses to the bid and all support documents;
4. Provide Cost/Price Analysis and any pre-bid In-House estimates.
5. Indicate the bidder recommended to secure goods/ services;
6. Indicate the rationale for selection, i.e., lowest bid, able to meet timeframes, etc.;
7. Bid Summary "Purchasers" will sign, indicate department and date;

8. The completed form, along with original bids, support documents would be submitted to the Executive Director for Review and approval;
9. Upon approval, the package would be returned to the "Purchasers" for notice of approval, activate order processing, copying for Procurement Database Entry.
10. Executive Director authorizes payment and coordinates the identification of appropriate Designated Budget Source Funds based upon the use of said equipment with the Fiscal Department Supervisor.
11. The recipient of the Approved Bid Summary then awaits delivery of Goods and Services to be complete thereby meeting the terms of the Bid Summary prior to any financial reimbursement. Once all conditions are met the next step is carried out.
12. Upon receipt of invoicing from Vendor the Purchaser forwards the completed Bid Summary along with all support documentation with invoices of the approved package to the fiscal department with the Vendors FED Tax ID Number for processing by Fiscal Department.
13. Fiscal department establishes new account (if new vendor) processes paperwork to cut checks to the approved Vendors in the amount of submitted invoices.
14. Fiscal Department must follow-up and identify to the Procurement Officer the decided "Designated Funding Source" so the annual inventory including identification of expenditures by grant FAIN and reported to LEO-WD can be updated in its reporting requirements.
15. When vouchers are approved, they are returned to the fiscal department;
16. When checks are ready to be sent, fiscal department staff separates bid package, fills in voucher number on the bid summary form, and sets up a file for the package
17. Fiscal Department Completed Bid packages shall be kept in one location by program year to ensure easy access.
18. Completed bid packages are maintained for Fiscal Review within the Fiscal Dept.

XI. OPERATIONAL EQUIPMENT MANAGEMENT

- A. The Procurement Inventory shall be maintained on computer (FileMaker Pro 11.0 Advanced Database-Procurement/IT Officer) and ledger systems (Fiscal Dept.-One Solution). Through these systems, the MSCWDB shall be able to provide information upon request regarding the equipment's:
 1. Description of Equipment - Make and model;
 2. Serial number
 3. Tag number
 4. Funding source(s) of equipment; including grant FAIN
 5. Vestment of title (federal, MWA grant recipient);
 6. Acquisition date
 7. Unit acquisition cost;
 8. Percentage of federal funds used in acquisition.
 9. Location of Equipment
 10. Condition of equipment;
 11. Program utilizing the equipment
 12. Approval Date for Disposal
 13. Disposal Date
 14. Net Sales proceeds (if disposed of)

- B. TAGGING PROCEDURES: Inventory controls will be maintained on any equipment which has a unit acquisition cost of \$500 or more.
 1. For any Equipment/Services procured independent of the Procurement/IT Officer with the authorization of the Executive Director such individual is responsible for meeting the same

standards/conditions required in Section IX herein. As such the Procurement/IT Officer cannot be expected to take responsibility for satisfying the conditions in Section IX nor will a sign off occur where the Purchasing/IT Officer was not directly involved in the Procurement.

2. However, upon the completion and meeting all terms within Section IX it is the responsibility of Purchaser to provide all required information in Section X, subsection A so as to enable recording onto the Inventory Database and the development of tagging materials, otherwise there are no means for the Procurement/IT Officer to know the item exists and no other Inventory Database is maintained by the Board.

New Equipment: When new equipment is delivered to a specific location, i.e., administrative office, MI Works Customer Service center, etc., The Procurement Officer develops property identification tags to reference an assigned unique ID number along with the serial number of the item that is cross indexed with the Inventory Database for history and tracking purposes for service, support, use, warranty, age, condition, depreciation, disposition and reporting.

- C. Equipment owned by the Federal Government shall be identified to indicate Federal Ownership in electronic records database records and reporting.
- D. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.
- E. Where the Board is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.

Responsibilities of the Procurement/IT Officer:

1. Ensure that MI Works Centers who are about to receive equipment have appropriate notice and that they likewise inform Procurement upon receipt so tagging can be arranged from Invoices received that identify the serial number and unit acquisition costs and unit acquisition dates logged into the database.
 2. Tagging cannot be done in advance in most cases since upon receipt you do not receive an invoice. Invoices follow delivery in most cases separate from the delivery process and a shipping receipt has no serial numbers or pricing factors provided most of the time. They cannot be joined when they are separate events.
 3. At the point where the Invoices are received and prior to payment to vendor that identify all required data entry items for the Inventory Database then the database records are created and at the same time a property tag is generated reflecting the Tag and Serial Numbers.
 4. In most situations physical tagging will be delegated to the IT Technical Assistant.
 5. Inventory ledgers of procurements and copies of invoices are to be maintained in a file located in the fiscal department;
- F. PROCEDURES FOR MOVING EQUIPMENT:
1. Moving equipment from its designated area must be planned in advance and approved by the Executive Director with Caveats when it comes to IT related equipment.
 - Must also be reviewed by Procurement/IT Officer beforehand to allow proper planning - as the movement of Technical related equipment and services can have an adverse impact on the users of said equipment and render the tool where it cannot be used temporarily. IT related equipment is not always plug and play like a standard electronics item, network settings for the Domain and Servers and user info that is targeted through the Active Directory of our Network requires those factors to be considered before moving such equipment as network equipment settings. May require modification to enable continuation of services.
 2. When approved the Procurement/IT Officer will update the inventory database file with the updated location specifics.
 3. The actual physical relocation of all equipment is not necessarily the responsibility of Procurement/IT Services and where a review of the equipment move does not indicate it requires a technician local staff may be asked to relocate their own equipment physically where it does not require Technical Network expertise to do so.

G. PROCEDURES FOR DISPOSING OF EQUIPMENT:

Disposing of equipment from its designated area must be approved in advance by the Executive Director. The Subcontractor Supervisor Staff shall request disposal via email. It is the responsibility of the Procurement/IT Officer to complete and update the appropriate information on the inventory database. The department supervisor is responsible to make arrangements for equipment disposition were applicable.

Equipment will revert back to the Grant Recipient; equipment with a Fair Market Value (FMV) of \$5,000 or more will not be disposed of without LEO-WD approval. Prior to disposal the Macomb/St. Clair Workforce Development Board, Inc. shall send the following information to LEO-WD:

1. Item description and condition;
2. Tag number;
3. Original cost and date of purchase;
4. Date of transfer or sale;
5. Name of agency or other entity receiving or purchasing items; and
6. Program for which the proceeds of the sale will be used.

Equipment with a Fair Market Value (FMV) of less than \$5,000 which is no longer needed may be sold for market value or be retained by the County of Macomb. If it is sold, proceeds will be reported as program income. Equipment which have been transferred from either Macomb or St. Clair Counties shall be maintained on the inventory with a cross-referenced tagging system but may not have unit acquisition cost and or original purchase date as these items may have been purchased by a sub-recipient.

- H. In accordance with LEO-WD guidelines an equipment inventory will be performed at least once yearly by May 1st. This is delegated to the IT Technician whom is Independent of the Procurement Process or other individuals authorized by the Executive Director that are also independent of the Procurement Department.
- I. Inventory and general procurement procedures shall be periodically monitored by MSCWDB administration to assure compliance. Prior approval from LEO-WD is necessary if the MSCWDB disposes of equipment with a unit cost of \$5,000 or more.

MI Works Customer Centers are monitored informally on a regular basis (weekly) as the IT Technician visits Centers and observes the equipment. Other high ticket equipment items like copy machines, color laser printers, fax machines are in full service use and demand and immediate failure would be reported. If suddenly any one of these items were missing or stolen they are so integral to services that they would result in immediate notice back to our office and the nature of the items themselves (size and weight) prevents theft.

- J. The MSCWDB will abide by the destroyed, missing, or stolen equipment policies as indicated in LEO-WD Policy Issuance No. 19-30.

XII. PROPERTY MANAGEMENT ADMINISTRATIVE STANDARDS- Per LEO-WD Policy Issuance No. 19-30.

- A. *Record Retention*—All pertinent property disposition records and supporting documentation shall be maintained for a period of three years. The retention period begins on the date of LEO-WD's acceptance of the final closeout report for the grant or contract. Records for nonexpendable property shall be retained for a period of three years after final disposition of the property. Records shall be retained beyond the three years if any litigation or audit is begun or if a claim is instituted involving the grant or agreement covered by the records. In these instances, the records shall be retained until the litigation, audit, or claim has been finally resolved.
- B. *Property Maintenance*—Adequate maintenance procedures must be developed to keep the property in good condition. This includes securing pertinent warranties, following manufacturers recommended procedures for maintenance, and providing adequate care.
- C. *Vestment of Title*—Title to equipment with an acquisition cost of \$5,000 or more is to be vested in the MWA or with the subcontractor as determined by the MWA. Vestment of title is contingent upon the MWA's operation of applicable programs. Title to equipment will transfer to LEO-WD upon the MWA's termination of applicable programs.
- D. *Inventory Requirements*—MWAs are responsible for the maintenance of the property inventory. The LEO-WD defines equipment as property with a per unit acquisition cost of \$5,000 or more and having a life of one year or more. Property includes computer software acquisitions if the per unit acquisition cost is \$5,000 or more.
- E. *For purposes of inventory control*, maintenance of records by automatic data processing, ledger, or property card format shall be required for all equipment items purchased in whole or in part with funds from LEO-WD. Equipment inventory is to be physically verified annually by the MWA, by someone other than the Director or Property Manager. Equipment with an acquisition cost of \$5,000 or more may not be moved outside the MWA's jurisdiction.

The annual inventory list shall include **all** of the following information:

1. Description of equipment
2. Serial number
3. I.D. or Tag number
4. Funding source(s) of equipment
5. Vestment of Title
6. Acquisition date
7. Cost
8. Percentage of federal funds used in the acquisition
9. Location of the equipment
10. Condition of the equipment
11. Program utilizing the equipment
12. Approval date for disposal
13. Disposal Date
14. Net sales proceeds (if disposed of)
15. Federal Award Identification Number (FAIN)

For all new purchases with a unit cost of \$5,000 or more, the MWA shall add the items to their inventory list within 30 days of acquisition.

- F. *Equipment Disposition*—Equipment purchased utilizing LEO-WD funding sources, which is no longer needed, must be disposed of at fair market value. Equipment may be traded-in or sold with the proceeds applied to offset the cost of replacement equipment. Equipment may be sold or otherwise disposed of (junked, donated, etc.) with the proceeds (if any) treated as program income and applied to offset program costs in the original funding sources. All equipment dispositions must be properly documented and the information retained as required in Item 1.

- G *Destroyed, Missing, or Stolen Equipment*—MWAs shall maintain documentation of all equipment destroyed. Documentation shall include date equipment was destroyed, a description of equipment and serial number(s), and the cause of loss. MWAs shall contact their local police department and request a report to be completed on any missing or stolen equipment. A copy of the report shall be maintained by the grant recipient/administrative entity. For equipment, which originally cost \$5,000 or more, a copy of the police report must be forwarded to LEO-WD. Inventory records shall be adjusted accordingly.

XIII. CONTRACTS ADMINISTRATION

The Board Contract review and approval process ensures contractor conformance with the terms, conditions and specifications of the contract and ensures adequate and timely follow-up of all purchases.