

TRANSMITTAL # 4

MEMORANDUM

September 10, 2008

TO: Workforce Development Council

FROM: Roger B. Madsen, Director *Roger B. Madsen*

SUBJECT: WIA Procurement Policy Amendments

ACTION REQUESTED: Approval of proposed revisions to procurement policies for purchase of goods and services under the Workforce Investment Act

BACKGROUND:

The WIA procurement policy was adopted by the Workforce Development Council in 2003 and has been in effect since that time. The policy mirrors procedures utilized by the Idaho Department of Administration that require a formal bid for any purchase over \$50,000. Since that time, the Department of Administration has raised the formal bidding level to \$75,000 and clarified requirements for small purchase procedures. Formal bidding is not required for purchases of training and professional services until the purchase exceeds \$75,000 and the requirement to obtain and document price or rate quotations does not begin until purchases exceed \$5,000. Purchases for amounts less than \$5,000 may be acquired as each recipient sees fit, in accordance with good business practices and in the best interest of the recipient.

The following changes would be needed for the WIA state policy regarding procurement of goods and services to mirror the Department of Administration's current modifications and to have the WIA state policy automatically conform to Department of Administration changes in the future:

In addition to the requirements established in the Uniform Administrative Requirements applicable to the organizations purchasing goods and services under WIA, found in OMB Circulars A102, A110 and WIA regulations, the following applies:

1. The "simplified acquisition threshold", over which formal bidding is required for all types of purchases with WIA funds, will be ~~\$50,000~~ \$75,000 or such levels as adopted by the Department of Administration for all entities utilizing WIA funds.
2. When small purchase procedures are used by an entity purchasing WIA goods and services over \$5,000, price or rate quotations ~~shall be obtained from an adequate number of qualified~~

sources in accordance with local policy, of not less than three vendors having a significant Idaho presence as defined by Idaho Code section 67-2349 shall be solicited. Award will be made to the responsible and responsive bidder offering the lowest acceptable quotation. The acquisition shall be publicly posted.

3. Procurement records for purchases of WIA goods and services over \$5,000 shall include, at a minimum:
 - a. the rationale for the method of procurement (including justification for any noncompetitive practices) and contract type;
 - b. basis for contractor selection; and
 - c. basis for contract price.
4. All negotiated contracts awarded by recipients and subrecipients shall provide that the funding organization, United States Department of Labor; the U.S. Comptroller General of the United States; or any of their duly authorized representatives shall have access to any books, documents, papers and records of the contractor which are directly pertinent to the program for the purpose of making audits, examinations, excerpts and transcriptions.
5. Procurement by noncompetitive methods may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The awarding agency authorizes noncompetitive proposals; or
 - d. After solicitation of a number of sources, competition is determined inadequate.

Staff Recommendation:

Staff recommend the Workforce Development Council adopt the revised policy, subject to any needed reviews by the Idaho State Division of Purchasing.

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