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Policy #28, Procurement and Contracting Policy
Attachment A

Policy Letter #28

TO: All Cumberland County Workforce Development Service Providers

FROM: Nedra Clayborne Rodriguez, Director

SUBJECT: Procurement and Contracting Policy

PURPOSE

This policy provides guidance on the minimum standards and procedures designed to ensure the proper procurement of and contracting for services. The policy and procedures detailed herein in this document were established to ensure the fair and equitable treatment of all persons involved in public purchasing, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

Local WDBs and contractors are required to establish and maintain procurement and contracting policies and procedures to ensure full and open competition. These minimum standards apply to all funding received through the Division of Workforce Solutions and also apply to the procurement of property, consultants, or personal services contracts.

POLICY

Procurement and contracting is the primary management system for ensuring accountability in the proper use of grant funds and integrity regarding the legitimacy of the result being accomplished in terms of both program objectives and cost-effectiveness.

The nature of employment and training programs requires that flexibility be allowed to effectively respond to circumstances that will vary widely among local workforce board service areas and among the target populations to be served. Procurement and contracting is a major management tool for ensuring that appropriate flexibility does not result in unnecessary or inappropriate relaxation in the administration of funds for program activities.

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This document is based on the assumption that there is a standard set of actions and steps that need to be completed in any procurement and contracting process in order to create an opportunity for accountability and integrity to be accomplished. As Cumberland County Workforce Development Board members and staff are aware, real accountability and integrity result from the willingness to establish strong and clear performance expectations and objectives that relate to local needs and to carry these expectations and objectives throughout the series of steps that comprise the procurement and contracting process.

This document defines the requirements and minimum standards for the policies and procedures which must be in place regarding the solicitation and acquisition of goods and service from outside and internal sources. The requirements are based on the procurement and sub-grant management principles defined in the US Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200 and the North Carolina General Statutes (N.C.G.S.). The General Statutes allow local policy to be more restrictive than the general statute. This policy is more restrictive regarding bid requirements of services and dollar thresholds for contractual signatures. Periodically, legislation results in changes to general statutes. These policies and procedures shall be automatically updated upon changes in general statutes reference herein, except for bid requirements of services and dollar thresholds for contractual signatures.

Local Preference

Contracts for the provision of services in any amount and all contracts for the purchase of apparatus, materials, supplies, and equipment in which the aggregate (a purchase of multiple items of the same product) purchase price in any single contract is **less than \$30,000** shall be awarded to local vendors or suppliers, to the greatest extent possible, in accordance with the further conditions set out herein.

Local vendors or suppliers shall be those who demonstrate that they pay business personal or real property taxes and are either self-employed residents of Cumberland County or employ at least one resident of Cumberland County as an employee or officer of the contracting business entity.

Procurement

Accountability and integrity issues revolve around the procurement of goods and services. The public is interested in assuring that procurements are achieved in an environment that is free of undue influence and gives the taxpayer the best buy for their tax dollars. To ensure that these objectives are met, a heavy emphasis is placed on the integrity of the procurement process. This section addresses the major components of the process which are:

- Determining what goods and services are necessary to carry out program objectives;
- Determining which procurement method will be utilized to obtain those good and/or services;
- Clearly defining the goods and/or services desired; and
- Defining criteria and minimum qualifications for evaluating and selecting providers to provide the goods and services.

Procurement systems must be consistent with the principles described in this section.

- A. General Requirements: The grant sub-recipient must have written procurement policies and procedures consistent with the requirements described in this section which are also consistent with applicable state and local laws and regulations.
- a. Responsible Contractors – The grant sub-recipient shall make awards only to responsible entities possessing the ability to perform successfully under the term and conditions of a proposed procurement at a reasonable cost.
 - b. Code of Conduct – The grant sub-recipient must maintain a written code of conduct governing the performance of their employees, officers, and agents involved in the award and the administration of contracts. (Reference Policy #26 Conflict of Interest)
 - c. Arm’s Length Negotiations – All negotiations of a contract for or with potential contractors/service providers must be arm’s length negotiations. The definition of an arm’s length negotiation is a negotiation where the parties to the negotiation have opposing economic interests to that of the organization with which they are negotiating.
 - d. Restricting Competition – The grant sub-recipient must prohibit non-competitive pricing practices between firms, organizations, or affiliated companies or organizations.
 - e. Consideration of Small, Minority, and Women’s (SMW) Businesses and Labor Surplus Suppliers – The WDB must provide an opportunity to SMW business organizations and labor surplus suppliers to participate in its procurement process.
 - f. Occupational Skills Training – The grant sub-recipient must identify occupations for which there is a demand for training.
 - g. Bidders’ List – The grant sub-recipient must ensure that a list of persons, firms, or other organizations which are used in acquiring goods and services are current and include sufficient numbers of qualified sources to ensure maximum open and free competition.
 - h. Avoidance of Unnecessary or Duplicative Purchases – Procedures must provide for a review of proposed procurements to avoid the purchase of unnecessary or duplicative items and to facilitate the acquisition of goods/services in the most economical manner.
 - i. Adequate Administrative and Support Funds – The grant sub-recipient must ensure that sub-recipient contracts include adequate funds necessary for administrative and supportive services. The level of administrative funding to be covered by the agreement should be determined through negotiations. If administrative funds are to be donated, the agreement must so stipulate.
 - j. Maintenance of Records – The grant sub-recipient shall maintain records sufficient to detail the significant history of procurement. These shall, at a minimum, include the following:
 - Rationale for the method of procurement;
 - Selection of contract type;
 - Contractor selection or rejection;

- The basis for the contract price; and
- The contract development process.

B. Competitive Procurement Options: Competitive procurement is the strongly preferred method for procuring goods and services. This section describes the various competitive methods to be considered and the requirements for each method.

Note: WDBs are required to use a competitive procurement process to select providers of the Workforce Innovation and Opportunity Act (WIOA) Youth, Adult, and Dislocated Worker program services, as well as for the operator of the local certified NCWorks Career Center using the WIOA Final Regulations. Local WDBs should be strategic in nature and should have an arm's length relationship to the day-to-day delivery of services to Career Center customers. (Reference DWS Policy Statement PS 19-2017, dated November 21, 2017)

Youth, Adult, and Dislocated Worker Training Services – Section 107(g)(1)(A) of WIOA mandate that local WDBs shall not provide training services to customers. This requirement is also reiterated in the Final Rule at 679.410(b) that a local WDB acting as a direct provider of services is not optimal, as the local WDB is designed to oversee the one-stop system and its services, not provide them. WDBs must competitively procure these training services in compliance with all state and federal regulations, and have a very clear and distinct firewall between WDBs and the services delivered to customers; the effective date of this requirement was July 1, 2016. WIOA section 107(g)(1)(B) allows that a waiver of these procurement requirements may be granted under certain conditions, provided that the request is submitted to the WDB's Division Planner within 30 days of the failed procurement (Reference Attachment A, Waiver of Training Prohibition).

One-Stop Operator – Requirements for the competitive procurement of one-stop operators are addressed in WIOA Final Rules section 678.605 (a)-(d). That section requires the one-stop operator to be selected through a competitive process; the effective date of this requirement was July 1, 2017. While the Final Rule allows for the possibility of a local WDB to be the one-stop operator, DWS's position is to reject that, as the WDB's role is to provide strategic direction and oversight to service delivery. The Final Rule (CFR 678.615) also allows a one-stop operator to be a service provider. However, the section clarifies that there must be firewalls in place to ensure that the operator is not conducting oversight of itself as a service provider.

- a. Micro-Purchase Option (\$0-\$2,500) – An acquisition of products or services where the aggregate amount does not exceed \$2,500. An exception to the formal procurement method is the case of purchases less than or equal to \$2,500 (i.e. micro-purchases). Purchases below the \$2,500 threshold may be made without soliciting competitive prices or rate quotations if the price is considered to be reasonable. A reasonable price may be by comparing to a previous purchase, personal knowledge of the item being purchased, or by comparing to similar items being purchased. Records still need to be kept for all purchases regardless of the procurement method used, including micro-purchases. Also, to the extent practicable, micro-purchases must be distributed equitably among qualified suppliers.
- b. Small Purchase Option (\$2,501-\$5,000) – A simple and informal competitive process for securing services, supplies, and other property that do not cost more than \$5,000 in the

aggregate on an annual basis is allowable. For purposes of economy, responsiveness to needs and administrative efficiency, the WDB may consolidate procurements for similar needs (e.g. yearly requirements for office consumables or instruction materials), or break out project requirements into more than one procurement (e.g. separating computer hardware and software) in order to procure the best and most effective items in each category. This option may not be used to purchase training services.

The WDB must not break out purchase requirements for the sole purpose of staying under the aggregate limit of \$5,000 or the administrative entity's limit, if lower. The following requirements must be met and documented:

- Price Quotes – A minimum of three price quotes is required, which are supported by documentation consisting of product or service catalogs, current price lists, or telephone quotes substantiated by a written record of the price and source providing the quote, which is signed and dated by the staff person who obtained the quotes. When the minimum of three quotes cannot be obtained, the justification for sole-source procurement must be met (see Section C).
 - Basis for Selection – For most commodity goods/services, the basis for selection would be the lowest price. If the basis is something other than price, the criteria for selection must be documented (e.g. the need and benefit of the purchase and the relative advantage of the offering from the provider selected).
 - Formal Document – A purchased order, letter of agreement, or contract must be issued. Unless required by local procedures, a bilateral contract is not required. Purchase orders, vouchers, bills, sales slips, or similar record can provide documentation. **Note:** For the purchase of consumable materials under \$5,000 per transaction, non-competitive procurement is an option (see Section C).
- c. Aggregate Purchase (\$5,000 and above) – A purchase of multiple items of the same product. The aggregate purchase costing \$5,000 and over must have a review and written approval by DWS before the purchase is completed. The filing is to be submitted to the assigned DWS Financial Monitor a minimum of ten (10) business days prior to purchase. During the onsite monitoring, the DWS Financial Monitor will review the purchase documentation against the filing submitted to DWS.
- d. Request for Proposal (RFP) Method – An RFP is commonly used in procuring training or services for participants when potentially more than one entity would be submitting offers and program specifications are too broad to compare responses solely on the basis of cost. The solicitation must clearly specify deliverables and the basis for payment and incorporate a clear and accurate description of the technical requirements for the material, product, or services being procured (including quantities).
- Contents of Request for Proposal – To ensure resulting proposals include the information needed to make sound award decision, it is required that the RFP include the following elements, as appropriate to the service being solicited:
 1. Name and address of the WDB's administrative entity.

2. Name, address, and phone number of the person(s) to contact regarding the solicitation.
3. General description of the sub-grant program, including identification of the applicable federal, state, and local laws and regulations with which the selected contractor must comply. (**Note:** At a minimum, the RFP should reference the Workforce Innovation and Opportunity Act; USDOL Regulations, and any appropriate NC Division of Workforce Solutions policy statements).
4. The population to be served and minimum levels of services to specific target groups.
5. An estimate of the number/range of individuals to be served and expected results in each activity.
6. Applicable coordination requirements.
7. Funding parameters by activity must include a reasonable amount. An RFP with no funding or nominal funding will restrict competition and would violate the prohibition on non-competitive pricing practices under 2 CFR 200.319(a) and 29 CFR 97.36(c)(1)(iii).
8. A description of the training and/or services to be provided.
9. The period of performance.
10. Applicable monitoring and reporting requirements, including, but not limited to, data entry, performance, and financial reporting.
11. Other services or requirements (e.g. responsibility for eligibility determination, WDB policy on support payments, audit requirements, and work statement requirements) that will affect proper budgeting by the proposer.
12. Prohibition against sub-contracting without WDB approval.
13. Line item budget of proposed costs, including any profit to be realized and/or funds to be contributed.
14. Documentation to be supplied by the proposer to establish its programmatic and financial capability to perform the work.
15. Requirements for preparation and submission of the proposal, due date and time, content and format, number of copies and location/person where the bid should be submitted.
16. Process and procedures by which proposals will be evaluated for competitiveness, including identification of specific criteria that will be used.
17. Description of the procedures for responding to bidder inquiries and a schedule for the receipt of proposals including approximate dates for review and award.
18. Grievance procedures for contesting the procurement process.
19. Affirmative action assurance that the proposer will comply fully with the nondiscrimination and equal opportunity provisions of the Workforce Innovation and Opportunity Act, the Non-traditional Employment for Women Act of 1991, Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, Title IX of the Education Amendments of 1972, as amended, and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to, 29 CFR Part 34. The United States has the right to seek judicial enforcement of this assurance.

The WDB may choose to include other background and reference information in the solicitation. In organizing the solicitation package, the WDB should clearly distinguish information which is a general background from that which is directly applicable to preparing and submitting a competitive proposal.

- Publication Requirements and Clarifying Information – The WDB must provide adequate public notice of the solicitation prior to the date established for submission. Such notice must include written notification to all organizations on the current, applicable bidders' list and written publication in newspaper(s) of general (i.e. the WDB's service area) circulation or posting to an accessible website.

A second public notice does not have to be completed if the RFP is being distributed with an intention to bid process. In this case, the RFP must be distributed to the providers responding to the intention to bid, as well as to any party requesting it.

To provide the opportunity for a maximum number of qualified organizations to prepare bids, it is strongly recommended that the sub-recipient issue the public notice a minimum of 30 days prior to the submission date for proposals.

If the sub-recipient accepts inquiries, the solicitation should describe the process for receiving/responding to the inquiries. Any comments provided in response to inquiries must be provided to all recipients of the RFP.

- Amendments to Solicitations – If a determination is made to amend (expand or restrict) the solicitation, distribution of this information to each person or organization who received an RFP is required.
- Evaluating for Competitiveness/Demonstrated Performance – Criteria must be established for evaluating competitiveness and demonstrated performance. At a minimum, the procedures must include:
 1. Provisions for ensuring the independence of ratings by those involved in the evaluation process; and
 2. Provisions for the use of weighted criteria and a standard evaluation worksheet.

In establishing the scoring methodology to evaluate competitiveness, awarding additional points for specific organizations including minority enterprises, women-owned businesses, Community Based Organizations (CBOs), or publicly-funded educational institutions, may only be given to the extent the WDB's agency-wide policy allows such additional points in procurement for funding sources other than the Workforce Innovation and Opportunity Act (WIOA).

- Selection and Award Procedures – The WDB must establish and follow procedures by which proposal evaluation results are prepared, reviewed by the WDB, and the extent to which the staff is authorized to award and negotiate resulting contracts.

This process and specific WDB authority must be reflected in the WDB bylaws, the oversight section of the local Workforce Development Area plan, and/or in the WDB's procurement procedures.

- Use of Contingency List – If the WDB chooses to use a contingency list for proposals which were not selected for immediate award, but to whom contracts may be awarded if additional funds become available, the list must:
 - Include only proposals that have an evaluation score which meet or exceeds the minimum level defined for competitiveness.
 - Be developed, maintained, and used in accordance with established procedures regarding the priority order for using bidders on the list.
- e. Intention to Bid – This competitive method maintains the integrity of a competitive procurement process by identifying, through a public notice, potential bidders to determine the feasibility of procurement.
 - Criteria for Use – This procedure is appropriate when there is a high level of uncertainty regarding the number of bids that will be received and whether there will be a sufficient number of bids to justify the development of a solicitation.
 - Procedural Requirements – To use this method, the WDB must complete the steps described below:
 1. Develop a set of preliminary training/service specifications for which the WDB intends to request bids. The specifications must include the following parameters:
 - a. Date the proposed solicitation will be issued;
 - b. Specific type of training/services to be performed;
 - c. Estimated number of participants and/or available fund or ranges, if preferred;
 - d. Expected period of performance;
 - e. Geographic area to be served;
 - f. Specific target groups to be served, if applicable;
 - g. Type of contract to be awarded; and
 - h. Expected performance.
 2. Issue a public notification in the same manner as that used for the issuance of RFPs. In addition, issue letters or email notifications to all applicable organizations on the bidders' list, requesting an indication of whether the organization intends to bid on specific training/services which are described in the letter, consistent with the specifications developed in the preceding step. The letter must indicate the date by which a response is to be received.

3. If the intention to bid process is used and no interest is received, non-competitive sole source procurement may be used. When one intention to bid response is received, every effort must be made to negotiate desired training/services with that provider. However, if acceptable training/services cannot be negotiated, the WDB may use a sole source justification to obtain the training/service. A complete history of this process must be documented in the procurement file.
- Limitations – Sole source procurement may not be used if more than one organization indicated its intent to bid. In this case, a solicitation for the training/services advertised must be developed and transmitted to all who responded to the intention to bid.
- f. Request for Quotation/Invitation for Bid (Formal Advertising for Sealed Bids)- Under this method, bids are publicly solicited and a contract is awarded to the responsible proposer whose bid, conforming to all material terms and conditions of the solicitation, is the lowest in price. A fixed-price contract is a preferred method to be used.

Note: Procurement by sealed bids may not be used when securing program or activity-type services.

According to 29 CFR 95.48 and 29 CFR 97.36, all procurement contracts and other transactions between local Boards and units of state or local government must be conducted **only** on a **cost reimbursement basis**. There is no provision for profit allowed. (WIOA Section 184(a)(3)(B))

- Criteria for Use – This method is appropriate and effective when the WDB is capable of specifying and describing goods or services to be provided at a high level of precision and completeness. The best examples are commodity-type goods/services which are widely available in the marketplace; e.g. computer equipment and software, instructional and testing materials, furniture, or training available to the general public.
- Procedural Requirements – The minimum procedural requirements for this method are:
 - Prepare a Request for Quotation (RFQ)/Invitation for Bid (IFB). The RFQ/IFB must include full and clear definitions and descriptions of the items to be procured, key performance dimensions or specifications, format for submission of bids, submission deadline, and timeframes.
 - Distribute the RFQ/IFB to organizations on established bidders' list and publicly advertise the procurement in a local newspaper with WDB area-wide circulation or post to an accessible website, allowing sufficient time prior to the date of the bid opening to permit adequate responses to the solicitation.
 - Open all bids publicly at the time and place stated in the RFQ/IFB.
 - Complete a cost or price analysis to determine the reasonableness of cost.

- Award a contract to the responsible proposer whose bid represents the lowest price and conforms to all of the specifications in the RFQ/IFB and meets the demonstrated performance criteria.
 - Provide written notification to unsuccessful proposers promptly and file documentation accordingly.
- C. Non-competitive Procurement Options – Non-competitive procurement may be necessary for selected situations when the competition is not available. This method should be minimized to the extent practicable, but in every case, it must be justified and documented. This section describes the options and criteria to be used in considering non-competitive procurement, depending on the specific situation. Although not required, WDBs are encouraged to consult with state staff when non-competitive procurement is being considered and the appropriateness of the circumstances is uncertain.
- a. Small Value Purchasing Authority (SVPA) – To purchase consumable material without a formal award or competitive bidding process, the small value purchasing authority may be used if all of the following requirements are met:
 - Purchases are limited to consumable goods and/or supplies and may not exceed \$5,000 per transaction.
 - It is used for immediate over-the-counter purchases and/or to take advantage of cost-saving purchases such as advertised specials. Splitting orders into multiple orders to avoid the dollar limitation is not allowable.
 - Written guidelines governing the use of VPA purchases must be developed by the WDB.
 - Documentation of each purchase is maintained, such as a purchase order or detailed sales receipt to show the items bought.
 - b. Emergency – An emergency situation is one that endangers lives, property, or causes the immediate discontinuation of a vital program and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services. In an occurrence of this nature, where the cost exceeds the micro-purchase limit (\$2,500), the WDB should contact the DWS Financial Monitor via email as soon as possible, noting the specific emergency and what measures are being taken to rectify the situation.

The WDB should negotiate with a potential vendor(s) in an effort to acquire the quality of goods or services needed at the best possible price, delivery, terms, and conditions. A solicitation document requesting or inviting an offer(s) shall be issued, including standard language terms and conditions, unless circumstances prohibit their use.

Subsequently, whether or not such prior approval was possible, if the expenditure is over the WDB's micro-purchase limit, an explanation of the emergency purchase shall be reported in writing to the DWS Financial Monitor. If under the WDB's micro-purchase limit, documentation shall be included in the WDB's procurement file.

The use of sole sourcing for emergency situations should be infrequent and for limited time periods (i.e. reflecting the emergency). If the need generated by the emergency will

continue over an extended period of time, a competitive procurement method must be used after the emergency has been resolved.

- c. State Authorized Non-competitive Procurement – WDBs may request authorization from DWS to use non-competitive procurement in circumstances when the competitive procurement is not feasible to meet a special need and the non-competitive criteria do not address the special circumstances. A written request must be transmitted to DWS which includes the following information:

- Purpose of the project;
- Agency(ies) involved and the collaboration to be improved; and
- The circumstances which justify non-competitive procurement,

The circumstances must involve a real collaborative effort to provide services that will benefit the clients of each agency's use of this criterion. It is not appropriate to procure a broker for services or a provider of services who has no client to benefit from the project.

Note: The ability to use state authorized non-competitive procurement may not be used if it violates the local administrative entity's procurement policy.

- d. On-the-Job Employer Agreement – Agreement directly with employers for the provision of On-the-Job Training (OJT) may be procured non-competitively. If an intermediary "broker" is contracted to administer the OJT activity, the broker's services must be procured competitively.
- e. One Service Provider – The WDB may use non-competitive procurement if it has been determined that the item or service is available only from a single source. Efforts should be made during the next regular procurement cycle to determine if the particular item or service has become available from other sources.
- f. Failed Competitive Procurement – The WDB may use non-competitive procurement if it has conducted a competitive procurement process and only one or no competitive bid was received. When the WDB receives one competitive bid, every effort must be made to negotiate desired training/services. However, if acceptable services cannot be negotiated or no competitive bids were received, the sole source may be used to obtain the training/service. A complete history of this process must be documented in the procurement file.
- g. Unsolicited Proposals for Services – This option is not intended to circumvent competitive procurement. It may be used to take advantage of worthy proposals that meet a need not addressed through the most recent solicitation process. Considerations in funding unsolicited proposals include, but are not limited to:
- These proposals must be reviewed and evaluated by the same criteria as those used to evaluate proposals received through competition.
 - The contract period for such awards should not be extended beyond the training cycle(s) proposed/funded so that the services may be included in the next competitive solicitation following the training.

- Unsolicited proposals for customized training from an employer or group of employers, or an agency acting on their behalf, should describe what the training will include (e.g. skills/competencies, methods of instruction), how the employer will be involved, and include commitment by the employer(s) to hire successful completers of the training.

To guard against complaints from proposers not funded, it is strongly recommended that procurement procedures specify whether or not unsolicited proposals will be accepted and if so, those similar unfunded proposals on the contingency list if used, will receive priority for funding if they meet the need being addressed.

D. Additional Procurement Guidelines

- a. WDB Agreements – A WDB may enter into an agreement or contract with another WDB to pay or share the cost of education, training, placing, or providing supportive services to individuals participating in programs funded by WIOA. Any agreement must be approved by the WDB and described in the WDB’s workforce development plans.
- b. Review Process – Non-competitive procurement must be reviewed for competitiveness and demonstrated performance, not just as competitive procurements. Because of the emergency nature of some non-competitive procurements, the review process may be different since time may be a critical factor with such procurements.
- c. Reasonableness of Cost – A determination of cost or price reasonableness must be completed for each procurement action for which an award is made, **both competitive and non-competitive**, including contract modifications and renewals (unless there is no monetary impact). In making the determinations, the allowability, allocability, appropriateness, and necessity of the proposed levels of projected costs must be considered in relation to the level and scope of services to be provided.
- d. Independent Cost/Price Estimates – Development of independent cost/price estimates is required prior to receiving bids or proposals for all procurements. The estimates should be used for internal guidance in determining cost or price reasonableness and should not be included in the solicitation or provided to outside parties.
- e. Cost Analysis – Cost analysis is required in determining the reasonableness of a line item budget in a cost-reimbursable contract or through a fixed price contract for specified deliverables in which the price is based on the line item budget and not on market prices. The Program Cost Analysis Guide (Attachment B) should be used in the determination of the reasonableness of cost decisions.
- f. Proposer Certification of Cost Data – When cost analysis is required and there is inadequate competition (e.g. when using a line item budget to establish a fixed price contract and the deliverables are not available on the open market for price comparison), the proposer must certify that to the best of its knowledge and belief, the cost data are accurate, complete, and current at the time of agreement on the fixed price.

Contracts or modifications negotiated in reliance on such data will provide the WDB a right to a price adjustment if it is later discovered that the contractor knowingly submitted data that were not accurate, complete or current as certified (as in discovering through monitoring that the contractor has not hired the staff or purchased materials as proposed in the line item budget on which the fixed price was based).

- g. Price Analysis – A simplified price analysis may be used in lieu of a cost analysis when reasonableness can be established on the basis of comparison of catalog or market prices of commercially available products, services, or training packages sold in substantial quantities to the general public or based on prices set by law or regulation (e.g. tuition prices).
- h. Contract Negotiations – The WDB must negotiate with contractors/service providers prior to contract execution to agree on work statement elements and verify the necessity of proposed costs in relation to the elements of service. Written documentation of the negotiations and the final outcome must be maintained in the procurement file.

High-risk contractors/service providers should be determined prior to negotiations so that concerns can be discussed and potential sanctions established during the negotiation process.

- i. Range of Negotiations – Negotiations must be structured around WDB-established priorities, policies, definitions, and parameters included in the solicitation. Negotiation ranges are further defined by the criteria and weights used to evaluate the competitiveness of bids submitted. Negotiations cannot alter the structure of the competitive environment established in the procurement process.
- j. Negotiating Profit/Fees – Profit is defined as the contractor's/service provider's return after meeting all WIOA-related operating expenses. It is allowable for for-profit contractors/service providers only. Profit may be paid as a lump sum after services are delivered, in the form of a fee as incremental performance benchmarks are achieved or as part of a fixed unit price. In all cases, the earning of profit must be tied to the reasonable and measurable delivery of the contract objectives.

WDBs must not permit excess profit. Profit must be negotiated as a separate cot item and cannot be paid as a percentage of the contract cost. To establish a fair and reasonable profit, consideration must be given to the following criteria, which are included in the Determination of Reasonableness of Profit Worksheet (Within Attachment B):

- The complexity of the work to be performed;
- The risk borne by the contractor;
- The contractor's investment;
- The amount of sub-contracting;
- The quality of the contractor's record of past performance;
- Industry profit rates in the surrounding geographical areas for similar work; and
- Market conditions in the surrounding geographical area.

To document that excess profit was not permitted, contractor's/service provider's audits must include a profit schedule and the WDB must determine that the profit earned was reasonable in consideration of the work performed.

- k. Determining Business Operation Capability – The WDB must verify the business operation capability of each potential service provider. Information required to make this determination may be required with submission of the proposal (if an evaluation factor) or obtained during a pre-award review, but the determination must be made prior to contract execution. Items for consideration include:
- Staffing capabilities;
 - Business licenses and/or registrations with appropriate oversight agencies;
 - Adequate accounting systems;
 - Sufficient bonding and insurance coverage;
 - Determining the Absence of Debarment and Suspension. The WDB must ensure that the organization is not on any current federal, state, or local “debarment and suspension” list. The sub-recipient must require each prospective bidder to certify that it is not on any federal, state, or local debarment or suspension list. A “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transactions” form must be executed and included in all contracts of \$25,000 or more.
- l. Procurement Records – The WDB must develop and maintain a record/file of each relevant procurement sufficient to detail the significant history of the procurement and support the procurement decisions made. The record should include the following information as appropriate for the type of procurement:
- Evidence of WDB involvement in the decision-making and planning process;
 - A copy of the solicitation package (e.g. RFP/RFQ/IFB/ITB);
 - A copy of the public notification;
 - Bidders' list to which notices were mailed;
 - List of all organizations/entities sent a solicitation package (i.e. RFP/RFQ/IFB/ITB);
 - Agenda and minutes of the bidders' conference, if a conference is conducted;
 - A copy of each question asked and the answer issued, if applicable;
 - Log sheet of bid proposals received, including the date and time;
 - A copy of each bid which was received;
 - Rating and scoring sheets completed during the evaluation process;
 - Business operation capability evaluations;
 - Documentation of the rationale for selection and funding of any proposal which did not receive the highest score/ranking in the evaluation process;
 - Evidence of WDB approval of the procurement;
 - Completed Memo of Negotiations for each sub-recipient contract;
 - Completed cost analysis for each selected bidder;
 - A copy of any submitted grievance(s) and the resolution of each;
 - High-risk determinations and special award/contract conditions, if appropriate; and
 - Completed profit analysis, if appropriate.

Contracting

- A. Introduction – This section identifies the allowable contract instruments which can be used. Each instrument is described in terms of appropriate use and a description of general provisions and specific contract provisions that must be included in contracts.

One of the first considerations in developing a contract is the relationship the WDB expects to have with the organization delivering the services. Based on the complexity of the work to be performed, these relationships fall into two categories:

- A vendor relationship exists then the WDB enters an agreement to purchase generally required goods and services which are available and sold to the general public during normal business operations.
- A sub-recipient relationship exists when an award is made to provide specific WIOA services that are not provided to the general public, based on negotiated specifications.

Both vendors and sub-recipients are defined as service providers.

- B. Vendor Contracts – Fixed price contracts must be used with vendors.

- Fixed Price Contracts – A fixed price contract is used to purchase generally required goods and services which are sold to the general public during normal business hours at an agreed upon price regardless of the contract's cost incurred. The appropriate uses of fixed priced contracts are provided below:
 - For the purchases of equipment, supplies, or materials when a purchase order is not appropriate.
 - For the purchases of personal services of consultants when the deliverables are specifically defined and priced. Consultants and personal services contracts, costing \$5,000 and over, must be filed with the DWS Financial Monitor before the contract is finalized. The filing is to be submitted to DWS a minimum of ten (10) business days prior to the execution of the contract. During the onsite monitoring, the DWS Financial Monitor will review the contract documentation against the filing submitted to DW. The filing submitted to DW must include:
 1. The cost of the proposed contract;
 2. The starting and ending dates;
 3. The purpose of the contract;
 4. The list whether the procurement is Competitive or Non-competitive; and
 5. The funding source to be used.

The contract must identify the specific deliverables and the related price for each deliverable for which payment will be made.

- C. Sub-recipient Contracts –

- Cost Reimbursable Contracts – WDBS may use a cost reimbursable contract for any form of procurement. In this type of contract, reimbursements are made to the contractor for actual expenses incurred in the provision of goods/services. Under cost reimbursable contracts, the primary risk in achieving a reasonable relationship between expenditures and results fall to the WDB in negotiating line costs.

This type of contract is required for procurement transactions between a unit of state or local governments and any other entity organized principally as the administrative entity for the local workforce development board.

Each contract must contain a detailed line item budget specifying the expense item and estimated amounts for all costs. All costs in the approved budget must be allowable and properly allocated among the cost categories that will benefit. The contract must fully describe the services to be delivered and the invoicing, payment, and procedures including signatory authority for the submission of invoices. Any provisions of flexibility in expenditures among the specific line items must also be described in the contract.

- Cost Reimbursable Contracts with Profit – A cost reimbursable contract may include a profit element when an incentive is appropriate to induce a private for-profit contractor/services provider to provide WIOA training or services.
- Fixed Price Contracts – The use of a fixed price contract is limited to specific circumstances in which a contractor/service provider agrees to deliver specified WIOA services at a negotiated price. These situations might include such services as eligibility determination, assessment, or case management with a detailed work statement, with a unit price established for each deliverable, e.g. number of enrollments, number of assessments, etc.

This type of contract differs from a fixed unit price, performance based contract only to the extent that it provides for the delivery of a specific service, regardless of participant outcomes. Requirements for establishing and paying the fixed price are the same, except that payment conditions must be based on the delivery of measurable units of service, rather than on participant outcomes.

- Hybrid Contracts (Cost Reimbursable with Fixed Price Element) – Hybrid contracts incorporate a combination of cost-reimbursement and fixed price characteristics. In these contracts, some cost items will be separately identified to be reimbursed on actual costs incurred and other cost items will be units identified as a fixed price.

These contracts must be negotiated and executed on the bases of a detailed line item budget in which the cost items to be reimbursed are separately identified from the fixed price element(s). The requirements applicable to the cost reimbursable and fixed price contracts will apply to each separately identified set of expenses.

- Fixed Unit Price/Performance Based Contracts – Fixed unit price/performance based contracts are allowable for employment and training services as an incentive for contractors to perform efficiently and achieve high levels of participant outcomes. The following requirements apply in establishing a fixed unit price and the condition for payments:
 - A cost analysis of all cost elements, i.e. line item costs, must be conducted and documented, and reasonableness of the unit price determined;
 - The fixed unit price must be allocated to benefitting cost categories based on the ratios established in the cost price analysis;
 - The proposer must certify in writing that cost data are accurate, complete, and current at the time of agreement on price. The awarding agency must retain the

- right to a price adjustment if it is discovered that the sub-recipient knowingly submitted data that were not accurate, complete, and current; and
- Payment conditions must include measurable participant outcomes (e.g. quantifiable levels of skill attainment, placement in training-related position, a placement wage requirement, job retention, etc.).

D. General Contract Provisions for All Contracts – Except for small purchase for which a purchase order is appropriate, the WDB must award a bilaterally executed contract which includes, at a minimum:

- The fixed price and/or estimated costs;
- A description of the scope and extent of work performed or specification of the goods/services to be provided; and
- The period of performance.

Note: There is no requirement that fixed unit price agreements establish minimum or maximum quantity or funding levels to require performance or limit obligations. However, it is strongly recommended that a maximum be included in the agreement to identify obligations and to manage risk.

The WDB must include in each vendor and sub-recipient contract the following provisions and must require that the contractor include the provisions, or references to them, in any subcontracts:

- Remedies – A provision will allow for administrative, contractual, or legal remedies if the contractor violates or breaches terms of the contract and which provides for appropriate sanctions and penalties.
- Termination – A provision for termination of the contract for cause and for convenience by the awarding agency and for termination because of circumstances beyond the control of the contractor. The provision must include an identification of the conditions under which termination actions will be taken, the manner in which actions will be taken, and the basis for settlement.
- Modification – A provision defining the conditions under which the contract can be modified, including specification of the conditions by which the contract can be unilaterally modified by the WDB,
- Assignment – A provision prohibiting the assignment of the contract to another party.
- Funds Availability – A provision for withdrawal of funds from the contract as a result of discontinued or more limited funding to the WDB from its funding source.
- Coordination of Grant Funds – A provision for coordination, documenting, and reporting funds from High Education Act grants (e.g. Pell, Supplemental Educational Opportunity Grant (SEOG)), and other sources that are used in conjunction with WIOA fund on behalf of participants.

- Payment Conditions and Delivery Terms – A provision that describes conditions under which payments will be made, the documentation required for invoicing, and the timeframes for submission and payment of invoices. (Payment conditions depend on the type of contract used.)
 - Contract Period – Sub-recipients may, with sufficient justification, renew an annual contract for two (2) additional years without benefit of competitive procurement, not to exceed a total of three (3) years. Each renewal shall be limited to a one (1) year period. Renewal of an annual contract shall not preclude the contract negotiation requirement or the cost or price analysis process. This requirement applies except in the case of non-competitive procurement under the emergency criterion and unsolicited proposals. If establishing a contract period which crosses program years, contract provisions must address the longer period of performance.
 - Audit Responsibilities – A provision describing the contractor's/service provider's audit responsibilities. In the case of vendors, in lieu of an audit, the right to access to vendor records of program charges and to staff for interviews must be included.
 - Data/Copyrighting – A notice of WIOA requirements pertaining to rights of data of products developed with the use of WIOA funding. Specifically, the awarding agency, DWS, and the US Department of Labor must have unlimited rights to any data first produced or delivered under the agreement, including agreements which involve the use/development of computer programs/applications, or the maintenance of databases or other computer data processing programs, including the input of data. There must also be a notice of WIOA requirements pertaining to copyrighting only in contracts that involve the use or development of copyrighted materials.
 - Reporting Requirements – a description of the WDB requirements for reporting data and other information.
 - Complaints – Information for filing a complaint or grievance.
 - Records and Retention – A description of the records that must be maintained and the applicable record retention period defined.
- E. Additional Provisions for Sub-recipient Contracts – In addition to the general provisions required for all contracts described above, the following provisions are required for contractor/service provider contracts only:
- Adherence to Applicable Laws and Regulations – A provision that the contractor/service provider will adhere to all applicable federal, state, and local regulations, laws, and policies, including:
 - Certification Regarding Lobbying (29 CFR Part 93)
 - Drug-Free Workplace Requirements Certification (29 CFR Part 98)

- Use of Program Income – A provision defining the procedures and criteria for the disposition and use of program income earned by the contractor, if applicable.
- Non-duplication of Services – An assurance that facilities and services are not duplicated through the contract unless it has been established that alternative services or facilities would be more effective or more likely to achieve performance goals.
- Equal Opportunity – The WDB must include the following equal opportunity provision verbatim and must require that its contractors/service providers include the clause in any of their contracts which has, or is expected to have, an aggregate value exceeding \$25,000 within a 12-month period:

During the performance of this contract, the contractor agrees as follows:

- a. The contractor will comply fully with the nondiscrimination and equal opportunity provisions of the Workforce Innovation and Opportunity Act (WIOA), including the Nontraditional Employment for Women Act of 1991, Title VI of the Civil Right Act of 1964, as amended, Section 504 of the Americans with Disabilities Act of 1990, as amended, the Age of Discrimination Act of 1975, as amended, Title IX of the Education Amendments of 1972, as amended, and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including, but not limited to, 29 CFR Part 34. The United States has the right to seek judicial enforcement of this assurance.*
- b. The contractor will not discriminate against any employee or applicant for employment, or program applicant/participant because of race, color, age, religion, sex, disability, national origin, or political affiliation or belief. The contractor will take affirmative action to ensure that applicants are employed/selected and that participants and employees are treated during their period of employment/participation without regard to their race, color, age, religion, sex, disability, national origin, political affiliation or belief. Such action must include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of the non-discrimination clause.*
- c. The contractor will, in all solicitations or advertisements for employees or participants placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, age, religion, sex, disability, national origin, political affiliation or belief.*
- d. The contractor will permit access to any contract-related books, records, and accounts by the contracting agency, the State of North Carolina, and the US Secretary of Labor for purposes of investigation to ascertain compliance with applicable rules, regulations, and orders.*

e. In the event of the contractor's non-compliance with the non-discrimination clauses of this contract with any such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further government contracts and such other sanctions may be imposed and remedies invoked as provided by rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.

- Compliance with Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332) – Contracts for the construction and repair of any government building funded by WIOA and whose values exceed \$2,500 must include a statement referencing compliance with (c)(3)(iii) of the Contract Work Hours Safety Standards Act. This requirement does not apply to contracts for the purchase of supplies or materials or articles ordinarily available on the open market, or to work where the USDOL assistance is in the form of a loan guarantee or insurance.
- Safety – The WDB must include in all construction contracts in excess of \$2,000 which involves the employment of laborers or mechanics a provision requiring the contractor to comply with 29-70.21613 (c)(3). Except in instances where the contract is subject to the Davis-Bacon Act, the following provision must be included:

The contractor shall not require a laborer or mechanic employed in the performance of the contract to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to health and safety.

- Compliance with Copeland Anti-kickback Act (40 U.S.C. 276c and 18 U.S.C. 874) – Contracts in excess of \$2,000 for construction, completion, or repair of public buildings, public works, or building work financed in whole or in part by federal funds, must include the provision prescribed in 29 CFR 5.5 (a)(5), requiring compliance with the Copeland Act. The Copeland Act prohibits illegal deductions or kickbacks of wages to which employees are otherwise entitled. The WDB must report all suspected or reported violations to the State.
- Certification Regarding Lobbying – Executed contracts with a value in excess of \$100,000 must include a provision that prohibits the use of federally appropriated funds for lobbying the Executive or Legislative branches of the Federal Government in connecting with a specific contract, grant, or loan. The WDB must ensure that the contractor completes and signs a “Certification Regarding Lobbying” form so indicating. The provision must also specify that the contractor must complete a “Disclosure of Lobbying Activities” form for any and all lobbying activities which are supported by other than federally appropriated funds.
- Buy American Notice Requirement – In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds available under WIOA, it is the sense of the Congress that entities receiving assistance should, in expending assistance, purchase only American-made equipment and products, as required by the Buy American Act (41 USC 10a et seq.). (Reference WIOA Section 502- Buy American Requirements)

- Salary and Bonus Limitations – None of the funds appropriated under the heading ‘Employment and Training’ in the appropriation statute(s) may be used by a recipient or sub-recipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II. This limitation shall not apply to vendors providing goods and services as defined in OMB Uniform Guidance. Where states are recipients of such funds, states may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from sub-recipients of such funds, taking into account factors including the relative cost-of-living in the state, the compensation levels for comparable state or local government employees, and the size of the organizations that administer federal programs involved including Employment & Training Administration programs. (Reference Public Law 113-76, Division H, Title I, Section 105 and USDOL Training and Employment Guidance Letter (TEGL) Number 05-06 (available via http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2262) for further clarification)
- Intellectual Property Rights – The Federal Government reserves a paid-up, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for federal purposes: i) the copyright in all products developed under the grant, including a sub-grant or contract under the grant or sub-grant; and ii) any rights of copyright to which the grantee, sub-grantee, or a contractor purchases ownership under an award (including, but not limited to, curricula, training models, technical assistance products, and any related materials). Such uses include, but are not limited to, the right to modify and distribute products worldwide by any means, electronically or otherwise. Federal funds may not be used to pay any royalty or license fee for use of a copyrighted work, or the cost of acquiring by purchase copyright in a work, where the US Department of Labor has a license or rights of free use in such work. If revenues are generated through selling products developed with grant funds, including intellectual property, these revenues are program income. Program income is added to the grant and must be expended for allowable grant activities.

If applicable, the following needs to be on all products developed in whole or in part with grant funds:

This workforce product was funded by a grant by the U.S. Department of Labor’s Employment and Training Administration. The product was created by the grantee and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, the accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes inadmissible. All other uses require the prior authorization of the copyright owner.

- Veterans’ Priority Provisions – This program, funded by the U.S. Department of Labor, is subject to the priority of service requirements of 38 USC 4215 and 20 CFR Part 1010. Section 4215 of Title 38 requires that priority of service be provided to veterans and spouses of certain service members and veterans for the receipt of employment, training,

and placement services. (Reference TEGL No. 10-09, via http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2816)

- F. Sub-recipient Work Statement Requirements – The following elements are required in contract work statements with contractors/service providers who will provide participant training, and in other contract work statements as appropriate, to the services to be provided or the work to be performed. Other contract requirements may be added at the discretion of the WDB.
- Training Activities – A description of the type and duration of the training activity including, if applicable, length of training cycles and the approximate number of participants per cycle.
 - Other Training and Support Activities – A description of other specific services and activities to be provided such as assessment, the administration of specific test instruments, individual service strategy completion, counseling, job development, placement, work experience, support payments, follow-up, and their relationship to the training activities.
 - Placement Targets/Wages – Occupational target considered as training-related placements, as well as the related placement wage for each target. Wages should reflect the prevailing local wage for the occupation, based on local or regional surveys.
 - Participant Completion Definitions – A description of the skill levels to be acquired and the method(s) for measuring attainment.
 - Program Entry Requirements – A description of the minimum skill levels required for entry into the program. Any educational requirement should reflect the minimum skills needed to successfully complete training. Occupational skill requirements should reflect an absence of skills necessary for entry in the occupation of training. The method to be used to assess the skills must be included.
 - Target Population – A description of the participants to be served in the program by number, key demographic, or target group characteristics.
 - Staffing/Management Plan – A description of each job title and primary responsibilities, number of staff per job title and percent of time committed for each position to the contract. This breakout may be included in the statement of work or as the backup to the line item budget. It is recommended that an organizational chart and related job descriptions/qualifications of the individuals in the WIOA funded positions be attached to the contract to verify the adequacy and abilities of the staff to deliver quality services and provide effective monitoring/oversight of performance.
 - Program Performance – The planned number of eligible individuals must be identified (by group, if applicable) who are to be enrolled, complete training, and meet performance outcome/retention criteria.
 - Facilities – A description of the facilities and location to be used during the training/contract period.

- Equipment – An itemized listing of the equipment (e.g. computers, etc.) to be used in the program in accordance with the requirements of training.
- Training Supplies and Materials – An itemized listing of training supplies and materials (e.g. work tools, work books, supplied, etc.) to be used in class-sized programs, in accordance with the requirements of the curriculum and the number of participant slots.
- Implementation Schedule – The period of performance and any requirement related to minimum start-up and completion dates for individual training cycles.
- Sub-contracts – Any third parties to whom any part of the contract will be sub-contracted must be identified and their responsibilities defined. All applicable work statement items will flow to the sub-contract contract, with the sole exemption being the On-the-Job Training employers.
- Coordination – A description of coordination arrangements with other organizations which will contribute funds or provide services on behalf of program participants. This description should correlate to a statement of shared/contributed costs in the budget section.

Note: When payments are tied to performance, the work statement elements must be consistent with payment conditions stated in the contract.

- G. Timely Contract Execution/Use of Pre-agreement Letters – As a standard operating procedure, sub-grant funds are to be obligated and disbursed to contractors in accordance with a fully-executed contract and/or sub-contract. When the risks associated with having a fully-executed contract are outweighed by the need to provide services, the use of a pre-agreement letter should be used to clarify expectations until a fully-executed contract is finalized. Such costs are allowable only to the extent that they will be incurred after beginning of the contract period. The letter should be executed by the WDB prior to program start-up. At a minimum, the letter should contain the following information:
- A general description of the service to be provided;
 - The negotiated line item budget for the project;
 - The period of the proposed contract;
 - A statement indicating that a fully-executed contract will be in place within a specified period (e.g. 60 days)
 - A statement indicating that no money will be exchanged between the parties until the contract is executed; and
 - Names, titles, and signatures of the individuals for both entities planning to enter the proposed contract and agreeing to terms outlined regarding negotiated contract costs.
- H. Contract Administration and Records – WDBs must maintain a system for contract administration to ensure that contractors/service providers and other suppliers comply with the terms, conditions, and applicable performance requirements of contracts or purchase orders and to ensure adequate and timely completion of all transactions.

- I. Monitoring – All WDBs must maintain a system for contract monitoring (both programmatic and fiscal) to ensure that contractors/service providers comply with the performance requirements and provisions of the contracts.
- J. Contract Files – All WDBs must maintain a file on each executed contract sufficient to document the record of the contract, performance against the contract and payments made. The file should include the following elements:
- Executed contract and modifications;
 - Cost/price analysis for each modification or documentation as to why it was not required;
 - Official correspondence;
 - Memos to file.
- K. Property Control – All WDBs must develop procedures and maintain controls for property acquisition, utilization, maintenance, and disposition. A physical inventory of all property costing \$500 or more per unit and having a useful life of one year or more must be performed at least once a year.

PROCEDURE

Financial Management

Local Workforce Development Areas and sub-grantees are required to adhere to the following financial policies and procedures for the administration of WIOA Title I programs.

I. Recipient Funding

A. Administrative Adjustment/NFA Process

The Division of Workforce Solutions (DWS) issues planning allocations to Local Workforce Development Areas (local areas) and other recipients based on preliminary allocations provided to the state by the U.S. Department of Labor (USDOL). These preliminary allocations are subject to change; therefore, allocations are not official until the state receives a Notice of Award (NOA) from USDOL. Once the state has received an NOA from the USDOL, Notices of Fund Availability (NFA) are issued via Workforce Information System Enterprise (WISE) showing the funds available to the recipient. The funds are awarded by Program Year and must be tracked accordingly. Program Year funds are awarded for a period of two years unless indicated otherwise on the NFA letter as maintained in WISE. Funds availability may be reduced after issuance if the state's NOA is reduced by USDOL.

NFA letters include the Local Area's funding level by fund and program year. A Program Year fund amount will remain in WISE until the final audit for the Program Year has been reconciled, resolved, and agreed upon by both DW and the local area. The local area should contact their assigned DWS Planner and submit an Administrative Adjustment via WISE to de-obligate any funds that will not be spent. Monthly financial reports are required until the NFA equals the expenditures and cash drawdowns.

B. Obligated Authority

NFAs are awarded to recipients when the funds become available to the state. However, “Obligational Authority” is not granted to recipients until an approval Local Area Plan, or another application is approved by DWS. Recipients are not authorized to incur the cost or allowed to request cash drawdowns until the funds are approved in WISE. The Plan must be prepared in accordance with the guidelines provided in the North Carolina Instruction for Local and Regional Workforce Development Area Plans Policy Statement.

II. Cash Management

A. Cash Drawdowns

DWS will utilize the Electronic Payments method to transfer funds to recipients. Both the Authorization Agreement for Automatic Deposit and the Electronic Payment Form documents must be completed, signed, and returned prior to initiating a recipient’s first request for drawdown. These forms must be faxed or scanned to DWS with the signed originals mailed in order for bank accounts to be set up in the payment system in a timely manner. When a cash transfer has been completed, a notification will be sent to the recipient via email as indicated on the Electronic Payment Form. Cash requests will be processed once a week.

Note: All requests submitted via WISE by 11:59 pm on Monday will typically be transferred to the recipient’s account by the following Friday.

There will be no exceptions granted concerning the 11:59 pm deadlines. Any changes in the cash drawdown schedule due to observed holidays or other planned events will be noted in correspondence issued by DWS.

Each recipient and sub-recipient must develop cash management procedures that ensure no excess cash is on hand. Excess cash is defined as any cash that exceeds your immediate cash needs.

When a recipient determines there is excess cash on hand, and cash is to be returned to DWS, a request for drawdown in a negative amount equal to the refund may be entered if additional drawdowns, when netted against the refund, exceed \$1 for that Program Year on the date requested.

B. Sanctions

When a recipient demonstrates an inability or unwillingness to follow established procedures minimizing the time between cash drawdowns and disbursements, cannot adhere to laws, regulations, or special conditions, or is unable to submit reliable and/or timely reports, DW may withhold fund requests in WISE.

III. Financial Reporting

A. Monthly Financial Reports

Expenditures will be reported on a monthly basis by Program Year on a Monthly Financial Report (MFR) via WISE. **Note:** MFRs are due by the last working day of the month following the report month for any open Program Year. Any reports not keyed by the due date are considered delinquent. The fiscal reporting period for **all** MFRs is July through the following June. Cash expenditures are to be reported monthly to reflect the cumulative amount for the Program Year, while accruals are also reported monthly. In the event that Program Year funds are not fully expended by the end date specified on the Program Year budget, an administrative adjustment to de-obligate the remaining funds should be requested in WISE.

DWS will approve all MFRs on the first working day of the month. Once approved, WISE does not allow for modification. Any changes will be reported in the following month's MFR. If the approval has not yet been made, DWS Finance staff can be notified to return the MFR. This will allow the local area to re-submit a corrected MFR.

B. Delinquent MFRs

Delinquent MFRs will result in the following consequences:

1. Cash draw requests will be suspended on all Program Years until the delinquent report(s) is in the system.
2. A letter will be written notifying recipient officials of the occurrence of the delinquent report(s) as follows:
 - a. First occurrence within a fiscal year – Letter is written to the Local Area Director with an offer of technical assistance.
 - b. Second occurrence within a fiscal year – Letter is written to the Local Area Director, WDB Chair, and Chief Elected Official (CEO).

IV. Federal Office of Management and Budget (OMB) Uniform Guidance

A. Uniform Guidance

OMB Uniform Guidance provides instruction in several administrative areas, including (1) financial management and cost principles, (2) audit, (3) grants management, (4) records management, and (5) property management. In some cases, the state requirements are more restrictive than the Uniform Guidance. In cases where the DWS and Uniform Guidance requirements conflict, the most restrictive requirement must be followed. (Reference 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and 2 CFR Part 290 Grants and Agreements)

B. Cost Principles

In determining allowable costs under a grant or contract, the recipient must (unless granted prior written approval by DWS):

1. Follow federal cost principles, including any subsequent amendments to the Uniform Guidance cited which are applicable to the recipient's organization.
2. Allow only those costs permitted under the cost principles which are reasonable, allocable, necessary to achieve approved program goals, and which are in accordance with recipient policy and terms of the grant or contract.

Special Organization-specific requirements are now combined in the Uniform Guidance but are readily identified in separate sections as stated in the Electronic Code of Federal Regulations (via https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl).

V. De-obligation and Reallocation

- A. De-obligation – Consistent with WIOA expenditure policies, it is the policy of the State of North Carolina that all local areas expend their full WIOA allocations within a two-year time frame from the original award year as further described below. Any exceptions will be noted in correspondence issued by DWS.
1. Effective on June 30 of the second full fiscal year after a WIOA allocation, all funds must be expended. Any unspent funds will be de-obligated from the local area and returned to the state via WISE.
 2. Any change in funding necessitated by the de-obligation/reallocation policy will be made on an NFA.

Rapid Response or State Set Aside funding follows the end date as stated on the NFA Letter.

B. Reallocation

DWS will redistribute de-obligated funds.

VI. Audit

A. Audit Requirements

Non-Federal sub-recipients that expend \$750,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of Uniform Guidance 2 CFR Part 200 Subpart F 200.501 Audit Requirements. Details are provided in the Uniform Guidance relating to specified types of sub-recipients.

B. Audit Resolution

DWS is responsible for resolving findings that arise from the state's monitoring reviews, investigations, and audits. Each entity that receives WIOA funds and awards a portion of those funds to one or more sub-recipients shall:

1. Ensure that each sub-recipient complies with the applicable audit requirements;
2. Resolve all audit findings that impact WIOA with its sub-recipient and ensure that corrective action for all such findings is instituted within six months after receipt of the audit report and where appropriate, corrective action shall include debt collection action for all disallowed costs; and
3. Maintain an audit resolution file documenting the disposition of reported questioned costs and corrective actions taken for all findings.

The debt collection policies and procedures and the audited agency's right to appeal an audit determination will be in accordance with 2 CFR Part 200.516 Audit Findings, resolution of findings from monitoring and oversight reviews.

VII. Property Procedures

A. Equipment and Property Management

The Grant Administration Agreement between DWS and the Local Area in the "Property" Section 3.6 sets forth the state policies for equipment and property. The Grant Administrator and sub-recipients shall adhere to all state and local government procurement policies and procedures when acquiring all non-expendable property.

Title to property acquired with WIOA funds becomes vested with the Grant Administrator, who retains the title to the property and is responsible for the identification, accountability, inventory, and proper maintenance and security of all property under its control.

Property means tangible non-expendable property, including exempt property, charged directly to the award having a useful life of more than one year and an acquisition cost of \$500 or more per unit, and, as outlined in the "Property" Section 3.6 of the Grant Administration Agreement.

Property records shall be maintained and a physical inventory of equipment shall be taken at least annually, and reconciled to the property records. An appropriate control system shall be used to safeguard property and equipment shall be adequately maintained by the local area.

When property with a current per unit fair market value in excess of \$5,000 is no longer needed for a Federal Program, it may be retained or sold with the Federal Agency having a right to a proportionate amount of the current fair market value.

In addition to the sub-grantees inventory system, the additional information must be entered to accurately identify the property:

1. Funding source
2. Manufacturer's name
3. Serial number (if applicable)
4. Description of item
5. Unit cost, including taxes, shipping, and handling

6. Location of property
7. Date of delivery

B. Auditable Areas

All sub-grantees are responsible for establishing a property inventory system to cover the auditable areas of property management to include the following items:

1. Acquisition
2. Proper Local Area (LA) utilization
3. Maintenance
4. Inventory
5. Disposition
6. Exact location of the property

The Grant Administrator and sub-recipients are responsible for assuring activities funded under WIOA are audited in accordance with the requirements set forth in the “Recordkeeping, Reporting and Accounting” section of the Grant Administration Agreement.

Stand-in costs, if used for repayment, must have been recorded and reported as uncharged program costs under the same WIOA title, in the same program, and during the same period in which the disallowed costs are incurred. The accounting for these stand-in costs are a function of Local Area financial accounting and are not identified separately in WISE.

C. Acquisition

All property with unit costs of \$5,000 or more or an aggregate purchase (a purchase of multiple items of the same product) of \$5,000 or more (taxes, shipping, and handling costs included) must have DWS approval and written certification by a Financial Monitor that the Local Area is in compliance with applicable federal, state, and local laws and regulations, and are necessary and reasonable.

All purchase requests must be submitted to the assigned DWS Financial Monitor and accompanied by the following documentation:

1. Full justification of need and include the funding source;
2. Assurance that local procurement procedures were followed and that competitive bid determined the selection of one item over another;
3. Documentation that alternative methods of acquisition have been explored;
4. Location where the property will be used; and
5. Exact cost of property items, including installation, taxes, shipping, and handling charges.

D. Lease Equipment

In order to minimize the use of local area funds for the purchase of non-expendable property having unit costs of \$5,000 or more, sub-grantees should explore alternate methods of acquisition rather than direct purchase.

All leases with options to purchase over \$5,000 must have DWS' review and written compliance certification.

E. Computer Equipment

When submitting a request to purchase computer equipment, the unit cost must reflect the total sum of the individual cost of the components (e.g. keyboard, logic unit or CPU, monitor/display screen, and diskette drive).

Software installed on computer hard drives becomes a part of the computer cost.

F. Missing, Stolen, or Maliciously Damaged Property

All situations involving property items with unit costs of \$5,000 or more must be reported to DWS immediately.

All missing, stolen, or maliciously damaged property items with unit costs between \$500 and \$4,999 will follow established written procedures as prescribed by the Local Area.

DWS will require the sub-grantee to obtain a written report form from the proper law enforcement agency and submit a copy of the report to DWS.

G. Disposition of Property

Equipment items with a current per unit fair market value of less than \$5,000 may be retained, sold, or disposed of with no obligation to the North Carolina Division of Workforce Solutions.

For equipment with a fair market value of \$5,000 or more, recipients of WIOA funds should take the following steps as outlined in 2 CFR 200.313 (5) (e) (1) (2) (3) (4), 29 CFR 97.32 (g) and 29 CFR 95.34 (c):

1. The recipient may use the equipment in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal funds.
2. If the equipment is no longer needed by the original program/project, the recipient shall use the equipment in connection with its other federally-sponsored activities. Priority should be given to programs funded by USDOL's Employment Training Administration.
3. If the equipment is no longer needed by the program/project or used in connection with other federally-sponsored activities, the recipient may:
 - a. Retain the equipment for other uses;
 - b. Transfer the title to a third party; or
 - c. Sell the equipment.

If the equipment is retained, transferred, or sold, then compensation must be made for the WIOA federal funds used in the purchase. The amount of compensation shall be computed by applying the percentage of WIOA federal funds used in the purchase. If only WIOA federal funds were used for the purchase, then the percentage would be 100 percent. If both WIOA federal and local funds were used in the purchase, then use the WIOA federal funds percentage for the calculation. This percentage is applied to the fair market value or proceeds of the sale for the equipment. Recipients of sub-grants are permitted to deduct actual reasonable selling and handling expenses (\$500 or 10 percent of the proceeds of the sale, whichever is less) from the proceeds of the sale. The balance of WIOA federal funds must be sent within 30 days to the DWS Finance Unit. The Name of the Entity, Agreement Number, Program Year, and Funding Stream must be provided when submitting the funds.

In case of retention, transfer, or sale of the equipment, a Request for Transfer or Disposition of Excess Property should be submitted and communicated to DWS for pre-approval. All such forms, yearly inventory reports, and requests for disposition approvals must be submitted to the respective DWS Financial Monitor at DWS.

Computation of "Fair Market" Value: The selling price of an item that is sold through auction, advertisement, or a dealer is the fair market value of the item regardless of any prior estimates. An item that is not sold but retained by the entity has a fair market value based on similar items that are offered for sale, using the selling price, if known. Methods for determining fair market value include, but are not limited to: Auction, Classified advertisement for a similarly used item, Dealers and Licensed appraisers. (For automobiles, trucks, and vans, the standard authority on the value of used vehicles is the Kelley's Blue Book.)

Property Records Retention: Property records (for all WIOA property items costing \$500 and above) must be maintained from the date of acquisition, through final disposition. Sub-recipients must also retain those records for a period of three years from the date of their last expenditure report submitted to DWS. If any litigation, claim, or audit is started before the expiration of the three-year period, all records must be retained until all findings have been resolved and final action is taken.

VIII. Consultants and Personal Service

For the purchases of personal services or consultants when the deliverables are specifically defined and priced. Consultants and personal services contracts, costing \$5,000 and over, must be filed with the DWS Financial Monitor before the contract is finalized. The filing is to be submitted to DWS a minimum of ten (10) business days prior to the execution of the contract. The Financial Monitor will review the contract documentation against the filing submitted to DWS. The filing submitted to the Division must include:

1. The cost of the proposed contract;
2. The starting and ending dates;
3. The purpose of the contract;
4. List whether the procurement is Competitive or Non-competitive; and
5. The funding source to be used.

IX. Outreach Services

Pursuant to the Uniform Administrative Guidance WIOA 2 CFR 200.421 (b)(4), WDBs may purchase outreach materials to promote WIOA services and programs to eligible audiences. The material must be necessary, reasonable, allowable, and allocable, and at a minimum, the documentation must include the following:

1. The material must contain information related to WIOA programs;
2. A Statement of Work (SOW) that details the events for which the outreach materials will be provided;
3. Detail the measures for safeguarding the outreach materials;
4. Three quotes are required for procurement, regardless of cost; and
5. List the funding source to be used.

X. County Procedures

A. Purchase Orders

All services and purchases in amounts of **\$1,000 or more** must have a purchase order prior to the purchase being made or the services being rendered. All purchase of goods in an amount **greater than \$500** requires a document (invoice, quote, proposal, etc.) with sale details.

B. Purchases & Services

1. Less than \$1,000 – The Director shall authorize services or purchases of apparatus, supplies, materials, or equipment up to \$999.99 without a purchase order if sufficient funds are budgeted and available within the department budget. Prior to the purchase, the department must ensure there is an appropriation authorizing the obligation and that sufficient funds will remain in the appropriation to pay the amounts that are expected to come due in the fiscal year in which the obligation is incurred.
2. \$1,000 - \$29,999.99 – The Director shall solicit proposals for services or purchases of apparatus, supplies, materials, or equipment when the estimated cost is between \$1,000 and \$29,999.99. County Purchasing will review the purchase upon receipt of requisition to ensure compliance with County policies. County purchasing may elect to solicit additional proposals on a random basis or if experience has revealed that a more favorable price is available.

C. Purchases of apparatus, supplies, materials, or equipment

1. \$30,000-\$89,999.99 – **Informal bids** are required for any purchase of apparatus, supplies, materials, or equipment that requires an expenditure of \$30,000 to \$89,999.99, except for purchases that qualify under the Competitive Bidding Exceptions as per N.C.G.S. 143-129(e). The department shall submit specifications to County Purchasing for purchases in this category.

2. \$90,000 and above – **Formal bids** are required for any purchase of apparatus, supplies, materials, or equipment in amounts of \$90,000 or more, with exception of purchases that qualify under the Competitive Bidding Exceptions as per N.C.G.S. 143-129(e). The department shall submit specifications to County Purchasing for purchases in this category. The County Manager will approve bid awards in amounts between **\$90,000 and \$99,999.99**. The Board of County Commissioners must approve bid awards in amounts of **\$100,000 or greater**.

D. Purchase of Services

1. \$30,000 and above – An **Informal RFP** process is required for services estimated to cost \$30,000 or more. County Purchasing will review the proposal upon receipt of requisition to ensure compliance with County policies. County Purchasing may elect to solicit additional proposals on a random basis or if experience has revealed that a more favorable price is available.

E. Procurement Cards

The procurement card program was established to provide a more rapid turnaround of requisitions for low dollar value goods and to reduce paperwork and handling costs. Procurement cardholders may initiate transactions in person, or by telephone, within the established limits of these procedures. The Director may designate individuals to receive procurement cards. Procurement cardholders must attend a class in County Purchasing addressing the guidelines involved in the responsibility associated with the card. To ensure pre-audit requirement compliance, funds for each department's estimated procurement card charges shall be encumbered at the beginning of each fiscal year.

F. Contracts

All contracts for expenditures, in amounts of **\$50,000 or more** require the County Manager's signature. Contracts resulting from a formal bid process for expenditures in amounts of **\$100,000 or more** require the signature of the Chairman to the Board of County Commissioners, after Board approval. Contracts with a total amount of **less than \$50,000** may be signed by the Director.

These signature requirements pertain to all contracts in which the County is obligated to expend funds, even if the funds have been approved by the Board of County Commissioners in the original budget.

G. Guidelines

1. Objectives

- a. To conduct business with integrity and fairness so as to maintain public trust and reduce the County's exposure to criticism and legal action.
- b. To secure the right materials, equipment, and services at the right quality and quantity, on a timely basis, as efficiently as possible, and at the lowest overall cost.

- c. To conserve public funds by obtaining the best products and services for the dollars spent.
- d. To provide all customers with quality service in a manner that is courteous, responsive, and accessible.
- e. To furnish timely information to management and appropriate departments covering market conditions and trends, and probable effect on supply and price.
- f. To assure vendors that impartial and equal treatment is afforded to all that wish to do business with the County.
- g. To secure, whenever possible, competitive prices on purchases.
- h. To be receptive to changes in material and requirements and new products and procedures.
- i. To ensure all purchases are made in accordance with N.C.G.S. and County policies and procedures.

2. Departmental Responsibilities

- a. Accept the purchasing authorities delegated to County Purchasing.
- b. Put forth an effort in good faith to comply with the policies and established purchasing procedures without reservation or evasion.
- c. Prepare acceptable specifications that define the quantity and quality of goods and services needed to perform a specific function without undue influence or personal preference.
- d. Allow the time necessary for County Purchasing to select a vendor and for the vendor to deliver.
- e. Receive and inspect items delivered and report vendor performance, good or bad.
- f. Work with County Purchasing to promote goodwill between the County and its vendors.
- g. Allow County Purchasing a reasonable amount of time to review documents and provide suggestions. If County Purchasing review is needed or required, provide documentation to County Purchasing at least two weeks prior to the data needed, when possible.
- h. Initiate a purchase requisition to obtain services or to purchase specified supplies, materials, and equipment.
- i. Determine the needed quantity and general type or character of supplies, materials, equipment, and date by which the delivery is required.
- j. Anticipate the needs in advance and initiate requisitions allowing adequate time for the process.
- k. Refuse to accept any shipment or delivery that fails to meet the terms of the purchase.
- l. Report any failure to deliver by the designated time to appropriate County Purchasing personnel.
- m. Make all emergency purchases through County Purchasing during normal business hours when possible.
- n. Advise County Purchasing of any change in plans or programs that may affect the purchase or use of supplies, materials, equipment, or services.

- o. Advise County Purchasing of the appropriateness and suitability of commodities, equipment, and services furnished.

H. Procurement Procedures

1. Food and Meal Purchases

All food or meal purchases outside of employee travel must be approved in advance by the County Manager. The Director shall provide a written request to the County Manager which includes:

- The purpose;
- The number of people who will be served;
- An estimated cost per person;
- A total not-to-exceed amount;
- The date and time of the event, meeting, or training; and
- An explanation that justifies the use of public funds for the food or meal.

If the request pertains to a reoccurring meeting and food or meals will be purchased for each meeting, the planned schedule should also be included in the memo. The request and County Manager's approval must be attached to all documentation related to the purchase. Failure to obtain approval in advance may result in the expense being disallowed or reimbursement to the County may be required.

These requirements are applicable under any purchasing method: procurement card, invoice, contract, or purchase order. For re-occurring meetings, the memo must be re-approved each fiscal year.

2. Purchase Orders

All procedures set forth in this manual must be followed to obtain a purchase order. All supporting documentation validating that County Purchasing policies were followed must be provided with a requisition. Purchase orders are required for any purchase or service that totals **\$1,000 or more**, including, but not limited to: utilities, training, dues and subscriptions, purchases/services from County-wide contracted vendors and emergency requests. Purchase orders cannot be issued after a service has been rendered or an item received.

If a purchase order was not completed as required, a non-compliance memo must be completed by the Director to the attention of the Finance Director. The memo must contain the following:

- A description of the items or services received;
- Detailed explanation of the circumstances that resulted in the non-compliance; and
- The department's plan of action to prevent future non-compliance.

Invoices should not be submitted to Accounts Payable for payment until the memo has been approved by the Finance Director. Upon approval, the memo should be included as part of invoice entry backup documentation. This documentation is required for auditing purposes.

3. Open Purchase Order

Open purchase orders are those that are “Open” and do not identify specific items, allowing departmental staff to procure on an “as needed basis”, thus permitting continuous, day-to-day operation of the business. The purchase order must specify the period in which the open purchase order will be used.

Examples of acceptable open purchase orders include:

- Items of services that are being purchased as the result of a formal or informal bid process or, if under those thresholds (\$30,000 or less), the result of obtaining price quotes from at least three (3) vendors, when possible.
- Items that are being purchased from an approved contract, i.e. N.C. State Contract, US Communities, NJPA, Charlotte Cooperative Purchasing Alliance, etc.
- Items or services being purchased from a countywide contracted vendor.
- Items or services from vendors who qualify as sole source vendors.
- Utilities

To ensure compliance with the requirements set forth, an open purchase order must be created each year for any purchase and/or service which meets the open purchase order definition.

County Purchasing will work with departments on any other circumstances that may qualify for an open purchase order but are not listed.

4. Budget Revisions

Budget revisions for specific purchases, services, or projects must go through all required approvals and be posted in the County financial system prior to any requisitions that pertain to those specific purchases, services, or projects being submitted to County Purchasing.

Upon completion, the budget revision number should be notated in the requisition.

5. Object Codes

Object codes must match the purchase or service being acquired through a purchase order.

To ensure proper approvals are routed through the County’s financial system (Munis), a technology-related object code must be used for technology-related

purchases. If a department is using a “special” object code, such as a grant object code, Information Services approval can be acquired by email and attaching the requisition.

- a. Capital Expense Purchase Orders – When requisitions are submitted to County Purchasing, departments must specify if the funds were approved by “original budget” or “budget revision” to include the revision number and the request must match the quantity, type, and amount adopted in the original budget or in the approved budget revision.

Any deviation to the budgeted quantity, type, or amount must be pre-approved through the following process before submitting a requisition to County Purchasing. The Director must submit a memo addressed to the County Manager through the Finance Director describing the changes, the justification for the change, and the department’s recommendations. The County Manager will review and forward the final decision to the department. The approval memo must be included in the backup documentation of the requisition.

- b. Capital Expenses and Grant Funds or Other “Special” Codes – All purchases considered a capital outlay expense must be coded to a capital outlay object code, even if the funds are from a grant or have been set up as a “special” code for a specific project.

To ensure the funds are appropriate to the correct capital expense object codes when submitting grant revenue to County Finance, departments must identify any qualifying capital expense items to be purchased. The same rule applies to any “special” funds established for certain projects.

If funds are all appropriated to a specific grant or “special” object code and it is determined a purchase using the funds will qualify as a capital expense, a budget revision to move the funds to the correct capital expense object code must be processed prior to submitting a requisition to County Purchasing.

6. Services and Purchases – Procedures Applicable to Both

- a. Less than \$1,000 – The County encourages price comparisons for purchases of any amount to ensure public funds are expended in the most fiscally responsible manner possible. The County’s Local preference policy should be implemented when possible.
- b. \$1,000 - \$29,999.99 – At a minimum, three (3) vendors must be contacted when possible, in compliance with the County’s Local preference policy. Solicitation and responses can be through phone, fax, or email. The proposals/quotes received must be attached to the requisition submitted to County Purchasing or, if received through phone, the vendor’s name, contact information (the person who provided the quote), and the quoted

amount must be provided in the notes of the requisition submitted to County Purchasing. If any of the solicited vendors are nonresponsive, the nonresponsive vendor's name, contact information, and date solicited must be provided in the notes of the requisition submitted to County Purchasing.

7. Purchases – Procedures Applicable to the Purchase of Apparatus, Supplies, Materials, or Equipment

- a. \$30,000 - \$89,999.99 – With the exclusion of purchases that qualify under the Competitive Bidding Exceptions as per N.C.G.S. 143-129(e), departments will submit specifications to County Purchasing for purchases in this category.

The department shall indicate on the specifications the names and phone numbers and/or emails of vendors that have been contacted regarding the proposed purchase or whom the department has determined can provide the requested items. County Purchasing will then solicit proposals in accordance with the appropriate statutes.

County Purchasing will review bids received to verify compliance with the bid request requirements and submit the bids to the department for review of the specification requirements. The department will submit a requisition to obtain a purchase order for the lowest, responsive, responsible bidder. If the vendor selected is not the lowest bid, the department must supply written justification for selection.

All contracts for expenditures in the amount of **\$50,000 or more** require the County Manager's signature.

- b. \$90,000 and Above – The department shall indicate on the specifications the names and phone number and/or emails of vendors that have been contacted regarding the proposed purchase or who the department has determined can provide the requested items. County Purchasing will then solicit proposals in accordance with the appropriate statutes. The formal bid process may take eight (8) to twelve (12) weeks to complete once a request has been received by County Purchasing. Plan accordingly.

County Purchasing will review bids to verify compliance and will then submit the bids to the department for review of the requirements and recommendations of the specifications.

The County Manager must approve bid award amounts between **\$90,000 and \$99,999.99** through the following process:

- The requesting department will review all proposals and will forward a written recommendation to the Purchasing Manager.
- The Purchasing Manager will review and forward the final recommendation to the County Manager.

- Upon County Manager's approval, the Purchasing Manager will notify the vendor of the award in writing and notify the department they can move forward with the final contract.
- Signature is required by the County Manager on the final contract.

The Board of County Commissioners must approve bid awards in amounts of **\$100,000 or greater** through the following process:

- The requesting department will review all the proposals and will forward a written recommendation to the Purchasing Manager.
- The Purchasing Manager will review and forward the final recommendation to the County Manager.
- The County Manager will determine whether the item needs to be presented to a committee of the Board of County Commissioners.
- If the item is to go to the committee meeting, that process and timeline will prevail.
- If the decision is for the item to go directly to the next Board of County Commissioners meeting, the Purchasing Manager will submit the recommendation within the consent agenda packet to the Board of County Commissioners for consideration at the next scheduled meeting.
- Upon Board of County Commissioner approval, the Purchasing Manager will notify the vendor of the award and notify the department they can move forward with the final contract.
- Signature is required by the Chairman of the Board of County Commissioners on the final contract.

8. Services – Procedures Applicable to the Acquisition of Services

- a. \$30,000 and Above – At a minimum, three (3) vendors must be contacted when possible, in accordance with the Local preference policy. Solicitation and responses can be through phone, fax, or email. If any of the solicited vendors are nonresponsive, the nonresponsive vendor's name, contact information, and date solicited must be provided in the notes of the requisition submitted to County Purchasing. County Purchasing may elect to solicit additional proposals on a random basis or if by experience, they conclude a more favorable price is available and will also ensure the Local preference policy is enforced when possible.

All contracts for expenditures in the amount of **\$50,000 or more** require the signature of the County Manager.

I. Contract Procedures

Also, reference Attachment C (Cumberland County Contract Procedures)

1. Signatures

Contracts with a total amount of **less than \$50,000** may be signed by the Director. All contracts for expenditures in amounts of **\$50,000 or more** require the signature

of the County Manager. Contracts resulting from a formal bid process for expenditures in amounts of **\$100,000 or more** require the signature of the Chairman of the Board of County Commissioners, after Board of County Commissioners' approval.

These signature requirements pertain to all contracts in which the County is obligated to expend funds, even if the funds have been approved by the Board of County Commissioners in the original budget.

Signature requirements based on dollar thresholds are not intended to replace any previously established contract approvals required by departments based on internal processes and/or grant funding requirements. This requirement satisfies the minimum standard for signatures on a contract that is **\$50,000 or above**.

2. Technology Contracts

Contracts for the purchase of computer hardware and/or software require the County's Information Services department head's signature. This requirement is applicable to all County departments, including those who have their own Information Services divisions.

3. Pre-Audit Requirements

All contracts must specify a "Not-to-Exceed" amount (total contract amount) for which the unencumbered total exists within the current year budget at the time the Finance Director signs.

If an obligation is reduced to a written contract or written agreement requiring the payment of money or is evidenced by a written purchase order for supplies and materials, the written contract, agreement, or purchase order shall include a certificate stating that the instrument has been pre-audited. The certificate, which shall be signed by the finance officer, or any deputy finance officer approved for this purpose by the governing board, shall take substantially the following form:

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

4. Contract Amendments

Any change to a contract requires a contract amendment that must be processed through the County's contract amendment procedures prior to the contract expiration. Purchase orders cannot be increased nor can invoices be paid until the contract amendment process is complete.

5. Contract Contingencies

Contract Contingencies must be encumbered to the Munis vendor, 'Cumberland County Contingencies' (Munis vendor number 6192). If the funds are needed for project completion, a contract amendment must be processed followed by a

purchase order change order to decrease the contingency purchase order and to increase the vendor's purchase order.

6. Countywide Contracts

Departments must utilize countywide service or purchase contract vendors when those services or purchases meet the department's specific needs.

A list of all countywide contracts can be found on the County's Intranet/Extranet, Finance/Purchasing page.

J. Procurement Card Procedures

Those who have been issued procurement cards may initiate transactions in person, or by telephone, within the established limits of these procedures (see Attachment D). The Director can designate individuals to have procurement cards after they attend a class in County Purchasing addressing the guidelines involved in the responsibility associated with the card. To ensure pre-audit requirement compliance, funds for each department's estimated procurement card charges shall be encumbered at the beginning of each fiscal year.

K. Definitions

1. Addenda/Addendum – Additional requirements, specifications, or instructions to the originally issued Invitation to Bid or Request for Proposals. All contents for the addendum are incorporated into the original document.
2. Appropriation – An authorization granted by the Board of County Commissioners to make expenditures and to incur obligations for specific purposes.
3. Bidder – Any person, firm, partnership, corporation, association, or joint venture seeking an award of a public contract with the County of Cumberland, or their agents.
4. Competitive Bidding Exceptions – Exceptions to competitive bid requirements, as set forth in N.C.G.S. 143-129(e).
5. Contract – A legally-binding document, which specifies and defines the performance requirements and expectations for a service, purchase, or project administered by the County or their agents.
6. Contractor – The person, firm, partnership, joint venture, corporation, or association who performs a trade or service agreement at any level with the County or for their agents.
7. Discrimination – An action or series of activities that set apart or causes separate and unequal treatment of a person or group of persons solely based on age, gender, ethnic background, national origin, and/or disability. Acts of discrimination are illegal in the performance of projects for the County.
8. Documentation – A written or audio record of all efforts and activities related to the creation and performance of a contract.
9. Encumbrance – Expenditure commitments created by purchase orders or contracts that have been issued, but for which no goods or services have been paid.
10. Informal Bid Procedure – Procedure required for awarding purchase contracts involving the expenditure of public funds in an amount of \$30,000 or more, but

less than \$90,000 and construction and repair contracts between \$30,000 and \$499,999.99, pursuant to N.C.G.S. 143-131.

11. Formal Bid Procedure – Procedure required for awarding purchase contracts involving the expenditure of public funds in an amount of \$90,000 or more and construction contracts of \$500,000 or more, pursuant to N.C.G.S. 143-129.
12. Predominant Acceptance Rule – Rule used to determine which purchasing thresholds and procedures must be adhered to when there is a combination of service and purchase. If the predominant purpose of an expense is to obtain a service, service procedures apply; if it is a purchase, purchase procedures apply.
13. Pre-bid Conference – A pre-bid conference may be scheduled for Informal and Formal bids and RFPs to review specifications, pertinent terms, and conditions, and to answer vendor questions pertaining to the bid process. Pre-bid conferences can be mandatory.
14. Procurement Card – A credit card issued to a permanent employee of the County for making authorized purchases on the County’s behalf.
15. Purchase Order – A legal document issued by County Purchasing to a vendor for goods or services.
16. Request for Proposals (RFP) – A request written as a performance specification, outlining the desired result and asking the responders to propose a method for reaching that result.
17. Requisition – A written request from a department to County Purchasing to obtain specific goods and services.
18. Specifications – The parameters, requirements, and instructions that define the exact item or service this at desired and provide the basis for comparing bids. Specifications are generally incorporated into a contract, by reference, to become the successful bidder’s legal obligations under the contract. Good, clear specifications are an essential aspect of competitive bidding. Quality and service can be as important as price, therefore, specifications needed that will fulfill, but not exceed, the requirements for which the items and/or services are intended. The ordering department prepares specifications. Brand names or equal should only be used when no other description would be equally satisfactory.

References

- DWS Policy Statement PS 21-2017, Procurement and Contracting Policy (dated November 21, 2017)
- DWS Policy Statement PS 19-2017, Requirement for Local Workforce Development Boards to Use Competitive Selection Processes to Procure Training Providers and One-Stop Operators (dated November 21, 2017)
- DWS Policy Statement PS 20-2017, Financial Management Policy for Workforce Innovation and Opportunity Act Title I (Dated November 21, 2017)
- Workforce Innovation and Opportunity Act (WIOA) and Final Rules
- NC Division of Workforce Solutions Sub-grant Agreement Section 3.4
- North Carolina Administrative Code Title 4, Chapter 20 Section .0304(a) and (b)
- 20 CFR Part 652, et al.
- 29 CFR Part 97.36 Uniform Administrative Requirement
- 29 CFR Part 95 Sections 95.40 through 95.48
- Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200
- North Carolina General Statutes (N.C.G.S.)
- Cumberland County, NC Purchasing Policy and Procedure Manual (updated January 22, 2018)

Attachments

A: Waiver of Training Prohibition

B: Cumberland County Workforce Development Board Program Cost Analysis Guide

C: Cumberland County Contract Procedures

D: Cumberland County Procurement Card Program Guidelines

E: Procurement and Contracting Checklist Guide

Creation Date

February 2018

Revised Date

N/A

Waiver of Training Prohibition

The Workforce Innovation and Opportunity Act (WIOA) Section 107(g)(1)(A) indicates that local Workforce Development Boards (WDBs) may not provide training services to customers. The Act does, however, allow an opportunity for a waiver of this provision.

Any local WDB that wishes to directly provide training services to customers through its staff or through the staff of the local WIOA administrative entity/grant recipient or experiences a failed competitive selection process must submit a waiver request to the Division of Workforce Solutions (DWS) that contains the following:

- I. Based upon a failed competitive procurement, satisfactory evidence that there is an insufficient number of eligible providers of such a program of training services to meet local demand in the local area;
- II. Information demonstrating that the WDB meets the requirements for an eligible provider of training services under WIOA section 122;
- III. Information demonstrating that the program of training services prepares participants for an in-demand industry sector or occupation in the local area; and
- IV. A description of the clear and distinct firewall between the Board and the services delivered to customers.

The local WDB must make the proposed waiver request available to eligible providers of training services and other interested members of the public for a public comment period of not less than 30 days. The final request for the waiver must also include the evidence and information described in the list I – IV above, as well as the comments received during the public comment period.

Duration: A waiver granted to a local WDB shall apply for a period that shall not exceed one year. The waiver may be renewed for additional periods based upon evidence submitted to the DWS and if the local WDB continues to meet the requirements of the provisions stated above.

Revocation: The DWS shall have the authority to revoke the waiver during the appropriate period described in the preceding paragraph if it determines the waiver is no longer needed, the local WDB involved has engaged in a pattern of inappropriate referrals to training services operated by the local WDB, or there were irregularities in the competitive procurement process.

Cumberland County Workforce Development Board Program Cost Analysis Guide

INTRODUCTION

This cost analysis guide provides a framework for determining prices and evaluating the reasonableness of costs associated with the operation of the Workforce Innovation and Opportunity Act (WIOA) Title I-funded activities in the Workforce Development Board (WDB) service area.

An objective cost/price analysis will enable the WDB to provide the services available to the greatest number of people. The object of WIOA is to help people obtain employment. A contract that is obtained for the best price is one that most efficiently uses the available funds to provide quality services to the most participants. This is the goal of the WDB, and an objective cost analysis will help the WDB to determine the best service providers.

In performing cost analysis, the assigned staff must perform discrete functions. First, they must verify the cost and pricing data submitted and evaluate the cost elements in that data. This includes judging the necessity for and reasonableness of proposed costs, including allowances for specific contingencies. It also includes evaluating the service provider's cost trends on the basis of current and historical cost or pricing data. This function also includes conducting a technical appraisal of the estimated labor, material, and other requirements proposed. This first analysis step may also require evaluators to apply negotiated, audited, or proposed indirect cost rates to determine the contract price, where such rates are proposed.

The second element of cost analysis is a comparison of the costs proposed by service providers with other data. This data includes actual costs incurred by the same service provider in the past. Cost analysis can also compare the current proposed costs with previous cost estimates from the same service provider or from other service providers for the same or similar items. It is appropriate and helpful to compare costs with those proposed by other service providers in the same procurement process.

In addition, a cost analysis will be performed to verify that the service provider's submitted costs are in accordance with applicable contract cost principles. These cost principles define and describe the meanings and limits of a variety of costs. Costs that do not conform to these meanings and limits are not allowable. State or local laws and regulations may make certain costs unallowable or place limits on costs in addition to those cited in WIOA provisions or regulations.

ANALYSIS PROCEDURE

The cost analysis procedure may vary by program; the reviewed may require more justification of some types of programs than other types in order to strengthen the capability to analyze costs. However, common elements for the reviews of all programs include the following steps:

1. Check computations;
2. Review for completeness of information;
3. Review for proper cost categorization;
4. Determine the estimating base; and
5. Determine the allowability of the proposed estimate

Allowability includes:

- Necessity
- Reasonableness
- Terms of the contract
- Cost principles
- WIOA regulations or policies
- State policies, and
- WDB policies

In addition to these guidelines, the WDB may employ any or all of the following procedures to determine cost reasonableness:

1. Development of an independent estimate for planning and comparison purposes;
2. Comparison of competitive bids, where available;
3. Comparison of prior quotations/contracts with current proposals for the same or similar programs;
4. Comparison of prices on published price lists;
5. Comparing the proposer's estimated cost to actual costs incurred for former programs of the same or similar nature (historical cost data should be adjusted for inflation and any upward or downward price trends); and
6. Any other cost analysis available

It is equally important that the contract reviewer has a technical understanding of the contract requirements. In addition to the ability to determine excess costs, the reviewer should be reasonably certain the proposer has requested enough funding to fulfill contract requirements.

CONTRACT

All contract applications will require detailed line item budgets.

MODIFICATION

Where contract modifications that affect the contract budget are justified and allowed in the WIOA Administrative Entity's procurement policy, another cost analysis must be performed.

OPTION YEAR(S)

Where solicitations seek second-year or third-year operations or option year cost proposals from service providers, these proposals will be subject to the same detailed cost/price analysis as the first year. The reviewer must examine how the subsequent year costs will change from the ones in the first year. Unless the RFP calls for a reduced scope of work in the subsequent year, usually the work will be the same.

However, in nearly all instances, costs may change. For example, inflation occurs, contractor personnel usually receive pay raises, etc. Thus, the cost of labor and materials usually rise, but they do not rise equally. Also, improvements in efficiency and the work experience level of personnel can result in lower costs. The reviewer will have to analyze the second year costs in the same manner as other costs.

DOCUMENTATION

Documentation is vital to the cost analysis process. It provides a record of the entire analysis and will be used to justify actions taken. Documentation will be used to justify the rating given to a particular offeror, to use as a basis for discussion and negotiation with the offeror, to use in the event of a challenge of the award, and finally to use during contract monitoring and administration.

COST ANALYSIS WORKSHEET

Part I – General

Bidder:		
1.	Offeror computations checked and verified Problems/Comments:	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	All necessary cost elements included Problems/Comments:	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.	Offeror supporting documentation and justification complete Problems/Comments:	<input type="checkbox"/> Yes <input type="checkbox"/> No
4.	WIOA cost categorization (Administration, Program) Correctly categorized Need more information (detail below) Problems/Comments:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No

Part II – Specific Costs

Cost Element	Necessary/Reasonable	Basis for Judgement (Check one or more)
1. Staff Costs	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
2. Fringe Benefits (For tax-based elements, be sure that rates and bases are current.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
3. Materials: Training/Program	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
4. Materials: Supplies/General	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		

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5. Equipment	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
6. Facilities	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
7. Communications (e.g., telephone, website, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
8. Insurance/Bonding	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
9. Staff Travel	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)

Comments/Concerns/Problems:		
10. Consultants	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
11. Accounting/Audits	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
12. Legal Services	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
13. Photocopying/Printing	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		

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14. Supportive Services	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
15. Indirect Costs (When proposed, ensure that costs are not duplicated indirect costs.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
16. Subcontracts (Review subcontractor cost/price proposal)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
17. Other (Specify)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		
18. Other (Specify)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Independent Agency Estimate <input type="checkbox"/> Compared/Other Current Offers <input type="checkbox"/> Compared/Past Offers <input type="checkbox"/> Verified Market Price or Quote <input type="checkbox"/> Other (specify)
Comments/Concerns/Problems:		

Part III – Determination of Reasonableness of Profit

Assign an overall rating of low, medium, or high to each criterion, after analyzing each of the elements.

- A **Low** rating indicates a low level of effort; low profit justified
- A **Medium** rating indicates an ordinary effort, e.g., a standard curriculum, some assistance in program delivery, etc.; medium level of profit justified
- A **High** rating indicates an extraordinary level of effort will be needed for program delivery, e.g., innovative program, strong service to groups with barriers, etc.; high profit justified

1.	<p>Complexity of Work</p> <p>Comments/Concerns/Problems:</p>	<input type="checkbox"/> Low <input type="checkbox"/> Medium <input type="checkbox"/> High
<p>Will the offeror be responsible for the full range of services for program participants, i.e., recruitment, certification, assessment, case management, training, placement, follow-up through retention?</p>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
<p>Will the offeror provide multiple training opportunities through several components, i.e., basic skills, pre-employment skills, vocational skills, work-based training, job search, etc.?</p>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
<p>Will the training be in higher skills, and will the offeror be required to serve a high number of individuals with multiple barriers?</p>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
<p>Will the offeror be expected to achieve a high level of coordination in providing training or services?</p>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
<p>Will the offeror be required to have an accounting system capability to make direct participant payments or reimburse employers directly?</p>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
2.	<p>Contract Risks</p> <p>Comments/Concerns/Problems:</p>	<input type="checkbox"/> Low <input type="checkbox"/> Medium <input type="checkbox"/> High
<p>Will the offeror be reimbursed for all expenses incurred in program delivery?</p>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
<p>Is the program design new and/or innovative?</p>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
<p>Will the offeror be required to achieve multiple program outcomes?</p>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat

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Is a high level of service required for hard-to-serve groups?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
Are placement and retention goals high?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
3. Contractor Investment Comments/Concerns/Problems:	<input type="checkbox"/> Low <input type="checkbox"/> Medium <input type="checkbox"/> High
Was the offeror required to develop an innovative, complex program design?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
Will the offeror be responsible for managing services at multiple sites?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
Will the complexity of the program require complex accounting and participant recordkeeping?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
Will costs be reimbursed on a regular basis, or payments for performance made intermittently?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
4. Subcontracting Comments/Concerns/Problems:	<input type="checkbox"/> Low <input type="checkbox"/> Medium <input type="checkbox"/> High
Will the offeror rely on subcontracts for program delivery?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat
Could the level of subcontracting impact negatively for the offeror's performance, i.e.: <ul style="list-style-type: none"> • If OJT or customized training, the employer commits to hiring prior to subcontracting; therefore, any negative impact would more likely be related to the offeror's inability to counsel and motivate the participant. • If other types of training are subcontracted, with the offeror responsible for placement, poor training could negatively impact the offeror's ability to place the participant. • If only support services are contracted, they would bear no impact on performance. 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat

<p>5.</p>	<p>Past Performance</p> <p>Past performance should be rated in terms of rewarding high performance with higher profit.</p> <p>Give a High rating if in the previous year the offeror achieved all performance goals at a level of 90% - 100%.</p> <p>Give a Medium rating if in the previous year the offeror achieved all performance goals at a level of 80% - 89%.</p> <p>Give a Low rating if in the previous year the offeror achieved 70% - 79% of its performance goals.</p> <p>If in the previous year the offeror achieved less than 70% of its performance goals, its past performance should be considered Unsatisfactory and negative consideration given to this criterion in determining the reasonableness of profit/program income.</p> <p>If the offeror did not have a contract in the previous program year, the lack of rating for this criterion should not negatively impact the determination of reasonable profit.</p> <p>Comments/Concerns/Problems:</p>	<p><input type="checkbox"/> Low</p> <p><input type="checkbox"/> Medium</p> <p><input type="checkbox"/> High</p> <p><input type="checkbox"/> Unsatisfactory</p> <p><input type="checkbox"/> Not Applicable</p>
<p>6.</p>	<p>Industry Profit Rates</p> <p>Comments/Concerns/Problems:</p>	
<p>7.</p>	<p>Market Conditions</p> <p>Comments/Concerns/Problems:</p>	

After consideration of the aforementioned criteria, the rating schedule below will be used to determine a reasonable level of profit.

- **Low** rating: A profit equal to 3% - 5% of proposed operating costs are considered reasonable.
- **Medium** rating: A profit equal to 6% - 8% of proposed operating costs are considered reasonable.
- **High** rating: A profit equal to 9% - 12% of proposed operating costs are considered reasonable.

Offeror: _____

Overall Rating: _____

Rating completed by: _____

Part IV – Conclusion

Prepare a brief narrative citing:

- 1) Specific additional cost justifications needed;
- 2) Recommended adjustments to specific cost elements; and
- 3) Any other comments about the cost/price proposal

(Attach additional pages if necessary)

Part IV – Signature(s)

Completed by: _____

Signature: _____

Date: _____

Cumberland County Contract Procedures

This memo states the procedures that are to be used for the execution, processing, and retention of contracts. The county attorney will use these written procedures to provide guidance and training with respect to contract requirements, including review for legal sufficiency and pre-audit. This memo is written in a question and answer format to facilitate the provision of that guidance and training.

1. What is a contract?

A contract is an agreement stating the obligations and benefits arising out of a transaction between the county and at least one other party. A contract must be signed by the county and all other parties to the contract. Although purchase orders, proposals, bids and letters of intent signed by only one party may certainly be necessary to comply with statutes and county purchasing policies, these documents are not contracts to which these procedures shall apply.

2. Who may contract with the county?

The contractor must be an entity that has the legal capacity to contract. Typically, contractors are individuals, corporations, limited liability companies, or other units of government. If a contractor identifies itself as some other kind of entity than one of these four, then the contractor must provide a copy of the legal documents under which it has been created. If the contractor is a corporation or a limited liability company, it must either be registered to do business in North Carolina with the North Carolina Secretary of State, or it must provide a certificate of good standing from the Secretary of State of the State in which it is organized.

3. Who may sign a contract on behalf of the county?

In Cumberland County, the practice for many years has been that the county manager and department heads have signed contracts with the knowledge of the board. For that reason this practice will continue, subject to the following:

- All contracts in which one of the other parties is a governmental unit must be approved by the board of commissioners and be signed by the board chair. This will help to ensure compliance with the special requirements for inter-local agreements in Article 20 of Chapter 160A.
- All contracts to sell, purchase or lease real property must be approved by the board of commissioners and signed by the board chair. This will help to ensure compliance with the special requirements for the disposition of real estate in Article 12 of Chapter 160A.
- All contracts for the construction or demolition of buildings or making any other improvement to real property owned by the county must be approved by the board of commissioners and signed by the board chair. This is simply a good practice because of the permanency of these transactions.
- The sheriff and the register of deeds shall sign all contracts for which the funding has been allocated to their offices or departments.
- Any other contracts may be signed by the county manager or the department head of the department for which the funds have been allocated.
- No employees other than the sheriff, the register of deeds, the county manager or department heads are authorized to sign any contract for the county.

4. When must a contract be pre-audited?

G.S. 159-28 provides that no obligation may be incurred unless a budget appropriation and unencumbered balance are remaining in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction. Any contract or agreement evidenced by a contract or

agreement requiring the payment of money shall include a pre-audit certificate on its face. The pre-audit certification says there is enough money to pay the obligation in the current fiscal year.

5. What does “approved for legal sufficiency mean”?

“Approved for legal sufficiency” means that the document, if fully executed and pre-audited when required, complies with all North Carolina legal requirements and sufficiently describes the transaction to adequately inform the decision makers and the public. This review does not ensure that a contract made under the laws of another state complies with the law of that state and such a contract provision should be avoided for that reason.

Approval for legal sufficiency is not an opinion on the merits of the contract. It is merely an opinion as to whether the contract sufficiently addresses the legal requirements applicable to it under the laws of North Carolina. The department head or manager negotiating a contract must make sure the contract satisfactorily addresses the reasons the contract is needed.

6. What are the North Carolina legal requirements for a valid contract?

General Requirements:

In addition to the requirements for legal capacity to contract, proper execution by all parties and pre-audit, there are other legal requirements that apply to all contracts. All contracts are required to comply with the statutory bidding and contracting requirements and all county purchasing policies. These requirements include formal and informal bidding, E-verify and vendor certifications. The public policy of the State contained in Chapter 22B of the General Statutes also voids any provisions in contracts that require any dispute under the contract to be instituted or heard in another state or purport to require a party to waive the right to a jury trial.

Special Requirements:

There are numerous other requirements that apply only to specific transactions. Some of these special requirements are covered in the execution procedures stated above. Some other transactions to which the county has been a party and to which special requirements apply are the following:

- G.S. 22B-1 voids certain construction indemnitees. Construction includes the design, planning, construction, alteration, repair or maintenance of a building, structure, highway, road, appurtenance or appliance, including moving, demolition and excavating.
- G.S. 22B-2 voids any provision in any contract, subcontract, or purchase order for the improvement of real property in this State, or the providing of materials therefor, if it makes the contract, subcontract, or purchase order subject to the laws of another state, or provides that the exclusive forum for any litigation, arbitration, or other dispute resolution process is located in another state.
- G.S. 105-299 provides that only the Board of Commissioners may employ persons or firms having expertise in one or more of the duties of the assessor to assist the assessor in the performance of these duties.
- Sec. 10-83 of the County Personnel Ordinance requires that any agreement for employment with the county must be in writing, and, if for a classified position, approved by the Board of Commissioners.

7. What is required for a contract to be approved for legal sufficiency?

For a contract to comply with all North Carolina legal requirements, it must have been solicited in accordance with all applicable statutory requirements and county policies, and all the issues discussed above must be addressed by its terms.

8. What are the most common problems encountered when contracts are reviewed?

The following contract problems occur with frequency, even after being identified in the same contract with the same vendor through legal review for successive years, and are the most common reasons that contracts are delayed:

- The contractor does not have the legal capacity to contract because it is not an individual, corporation, limited liability company or unit of government.
- The contract contains an indemnity provision that requires the county to assume a contingent liability. An indemnity is a legally enforceable obligation. Unless the amount of the indemnity obligation is stated, it is an unknown amount and cannot be pre-audited.
- The contract contains a provision that extends the county's obligations for an indefinite period of time beyond the date the contract terminates. This is often applied to obligations to maintain confidentiality or protect the licensure of software or other proprietary systems and indemnity obligations.
- The contract contains provisions that are against the public policy of the State.

9. When is approval for legal sufficiency not required?

Because of the number of contracts made by the county, the number of recurring issues with the same vendors each year, the supremacy of state and federal agencies in contract matters and the need to process contracts as timely as possible, certain contracts will no longer require approval for legal sufficiency, as follows:

- any contract with an agency or department of the government of the United States or the State of North Carolina
- any contract creating an obligation for the expenditure of no more than \$5,000 in any fiscal year
- the renewal of any contract that has been in place between the county and the same vendor for the current and past fiscal years for which there has been no dispute with the vendor and the only change in the contract language is the length of the term or the amount of the consideration being paid by the county to the vendor

10. What procedures are to be used for processing contracts?

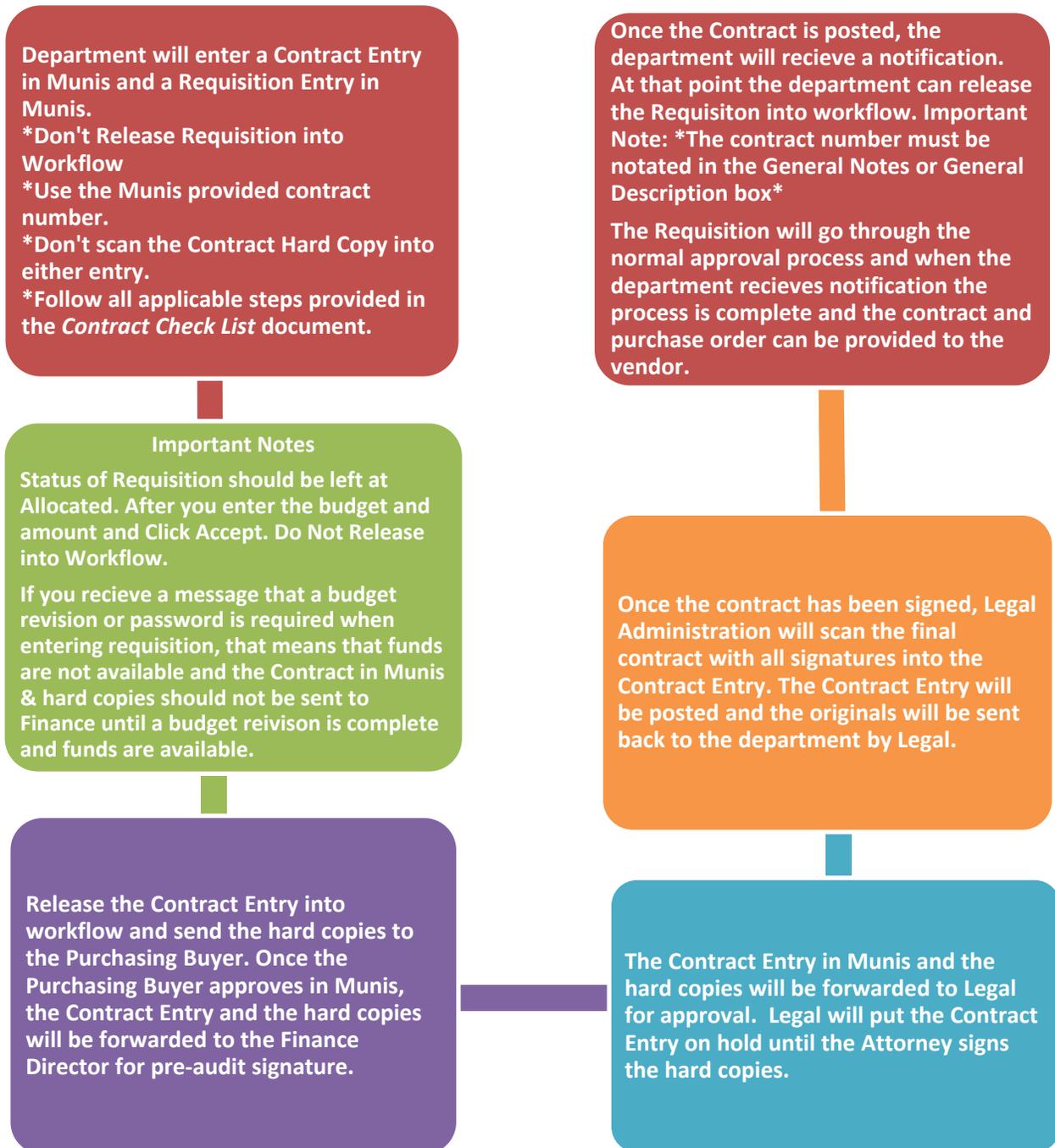
The attached contractor's certification and request for legal review of contract forms must be filled out and attached to the contract before it is submitted to the legal department for review. Contracts will not be reviewed by the legal department without these certifications and any documentation indicated by the forms.

Contracts shall not be submitted to the Finance Office, nor shall Purchase Orders be created, until the contract has been properly signed by the duly authorized representatives for all parties. The department head or manager requesting the contract shall be responsible to obtain signatures.

The department head or manager requesting the contract shall provide all documentation required by the Finance Office directly to the Finance Office.

Duplicate originals of the contract shall be signed for each party to the contract. The County Attorney's office will retain the county's original contract in accordance with the retention schedule for legal documents. Contracts shall be retained and indexed by the County Attorney's office with a system that enables the contracts to be retrieved quickly.

Contract Workflow Chart



All signatures must be obtained, except Legal and Finance prior to being sent to Finance. You must still include (3) originals and any other contract procedures already in place.

Completed By: _____

Contract Amendment Check List

for

Contract Number:

All boxes should be checked prior to submitting a contract to Finance.
Any of the above items or actions that are missing will cause the contract to be

1. Purchase Order Change Order has been created but not released.	
2. Contract Change Order has been entered in Munis and released into workflow	
3. All required signatures have been obtained, <u>except for Legal and Finance.</u> Any position (Title) who signed the original contract must also sign the contract amendment.	
4. There are (3) signed originals	
5. There is either a Total Amount or Not to Exceed amount listed in the contract language or if the amount is not changing, whatever is being amended is clearly stated	
6. There is a completed <i>Request to for Legal Review</i> form attached	
7. There is enough space for Legal and pre-audit signatures or a signature page is attached	
8. There are tabs identifying all signature pages	

rejected and delayed.

Completed By: _____



CONTRACT #: _____

IRAN DIVESTMENT ACT CERTIFICATION. Contractor hereby certifies that Contractor, and all subcontractors, are not on the Iran Final Divestment List (“List”) created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.55-69. Contractor shall not utilize any subcontractor that is identified on the List.

E-VERIFY. CONTRACTOR shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes. Further, if CONTRACTOR utilizes a subcontractor, CONTRACTOR shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes.”

Company Name: _____

_____ Date _____
Authorized Signer

[Type the document title]

The undersigned requests legal review of the contract between Cumberland County and _____.

The undersigned certifies as follows (At least one must be selected OR an explanation provided):

Bid tabulation or actual proposal copies must be attached in Munis to Contract Entry or attached to hard copies, if applicable.

This contract was obtained through the following process:

Services & Purchases

___ Solicitation of quotes (1,000 - 29,999.99)

Purchases (Items, Apparatus, Materials)

___ Informal bids (30,000 - 89,999.99)

___ Formal bids (90,000 and above)

Services

___ Informal RFP (30,000 and above)

Construction

___ Informal bid (30,000 - 499,999.99)

___ Formal bid (500,000 and above)

Engineering/Consulting/Architect

___ RFQ (Any amount)

- Does this contract with this vendor also include construction work? ___ If so, was an RFQ the only bid process followed? ___, Please Explain: _____

If none of the above, provide justification/explanation: _____

<p>Boxes are for Purchasing Office Only</p> <p>Put NA or cross through where not applicable</p> <p>Completed By (Initial): ___</p> <p>SAM CHECKED: ___ IRAN LIST CHECKED ___</p> <p>DOA CHECKED: ___</p> <ul style="list-style-type: none"> • Proper bid process verified _____ • Bid tabulation or proposal copies attached in Munis to Contract Entry or attached to hard copies ___ • Board approval verified ___ • Memo for approval of meal/food purchase attached ___ • Meal/Food amounts in line with GSA ___ <p>Internal Note: _____</p> <p>_____</p>
<p>Contract Amendments Only</p> <ul style="list-style-type: none"> • Change in line with original bid process and work _____

1. Date contract was approved by BOC (Put NA if Not Applicable) _____.
2. All statutory requirements applicable to the process were followed.
3. All applicable Cumberland County purchasing and contracting requirements were followed.
4. All applicable documentation required by the Cumberland County Finance Office submitted.

If legal review is not required, indicate the reason below.

- () 5. The only other party to this contract is a department or agency of the government of the United States or the State of North Carolina.
- () 6. This contract requires the expenditure of not more than \$5,000 in any fiscal year.
- () 7. The county and this contractor or vendor have had this same contract in place for the current and past fiscal years without any dispute and the only change to the existing contract is extending the term and/or increasing the contract amount.

Certified by _____ for the following department of Cumberland County Government:

_____ Date Submitted: _____

Contract Signature Page
for
Contract #:
Amount:

This instrument has been
pre-audited in the manner
required by the Local
Government Budget and Fiscal
Control Act.

Approved for Legal Sufficiency

BY: _____
County Finance Director

BY: _____
County Attorney's Office

[Type the document title]

The undersigned, on behalf of the contractor or vendor named below, certifies with respect to the attached contract between Cumberland County and vendor name as follows:

1. The contractor is
 an individual
 a corporation
 a limited liability company
 a unit of local government
 other: _____ . (If the contractor is described as "other," a certified copy of the legal documents by which it is organized must be attached.)
2. The contractor's business address is _____ .
(If this is an out-of-state address, the contract must be signed by the contractor before it is reviewed.)
3. If the contractor is not an individual or a unit of local government, is it registered with the Secretary of State to do business in North Carolina?
 Yes (Attach a copy of the screen page from NC Secretary of State Website showing active status.)
 No (If it is not registered with the North Carolina Secretary of State, a certificate of good standing from the Secretary of State in the state in which it is organized must be attached.)
4. The individual or individuals making this certification and signing the contract on behalf of the contractor are duly authorized to do so by the action of the contractor.

If the contract was prepared or drafted by contractor or contractor's attorney, complete the following additional certifications:

5. This contract is made subject to the laws of the State of _____ .
6. This contract does does not contain a provision that may require the county to indemnify the contractor. If it does contain this indemnity provision, the maximum amount for which the county may liable under this indemnity is \$ _____ . (An indemnity provision that is not capped may result in the contract not being accepted by the county.)
7. All obligations incurred by the county under the terms of this contract terminate on the following date: _____ . (Any contract provision which extends the obligations of the county beyond the date the contract terminates will not be accepted by the county.)

The contractor agrees that the county does not waive its rights as to any provisions of the contract which are against the public policy of the State of North Carolina, regardless of the choice of law stated in the contract.

Certified by _____ for the contractor stated above.

Signature: _____

Date Submitted: _____

(7/15)

Cumberland County Procurement Card Program Guidelines

Updated January 2018

Cumberland County Procurement Card Program

1.0 Introduction

The procurement card program is designed to increase productivity and cost saving through better managing small dollar purchases. The program brings many benefits to departments, the County, and its suppliers.

County-issued procurement cards are intended for the sole purpose of purchasing items and services that are required to serve the public.

The procurement card will enable departments to purchase non-restricted commodities, by telephone, internet, or in person, directly from suppliers.

The procurement card will be issued in the employee's name with the "Cumberland County" name and seal clearly indicated on the card.

Employees who are issued a County procurement card must read and follow all program guidelines.

Program Administrator: Amanda Bullard, Purchasing Manager 678-7743

Back-Up Program Administrator: Kimberly Williams, Purchasing Buyer 678-7746

Supervisor: Ivonne Mendez, Accounting Supervisor 678-7748

2.0 General Guidelines

2.1 Training

All employees must attend a procurement card training session before receiving a County-issued card. Funds to cover the cost of the requested maximum monthly limit must be available in the department's budget at the time of the request.

2.2 Office Supplies

The County's office supply contract is with Williams Office Environments. Departments should always go to Williams first for their supply needs. If Williams cannot supply what is needed, then other vendors can be considered. If another vendor is used for office supplies, justification must be provided.

2.3 Information Technology

Aside from County IT cardholders and department IT division cardholders, informational technology cannot be purchased using the procurement card. This includes, but is not limited to, cell phones, iPad/Tablet/notebook technology, software, and computers.

This also includes printers, laptops, and printer supplies, such as ink, unless pre-approved following the guidelines in the Cumberland County Print Management Policy. **Proof of approval will be required.**

Restricted items that are purchased without proper approvals may be required to be returned and funds refunded to the County.

2.4 Food and Meals

All food or meal purchases outside of employee travel must be approved in advance by the County Manager. The Department Head shall provide a written request to the County Manager which includes: the purpose, the number of people who will be served, an estimated cost per person, a total not-to-exceed amount, the date and time of the event, meeting, or training, and an explanation which justifies the use of public funds for the food or meal. If the request pertains to a reoccurring meeting and food or meals will be purchased for each meeting, the planned schedule should also be included in the memo. The request and the County Manager's approval must be attached to all documentation related to the purchase. Failure to obtain approval in advance may result in the expense being disallowed or reimbursement to the County may be required.

These requirements are applicable under any purchasing method: procurement card, invoice, contract, or purchase order. The memo must be re-approved each fiscal year for reoccurring meetings.

2.5 Donations/Approved Incentive "Gifts"

Any item purchased for the pre-approved purposes of being "donated" or "gifted", such as gift cards for incentive programs, cannot be purchased to be kept in stock. They must be purchased in the exact amount required for an upcoming event/purpose. **A log must be maintained and a signature obtained from each recipient. The log must specify the amount/item received. The logs must be submitted as part of the backup, with receipts.**

2.6 Reimbursements to the County

When reimbursement is required, funds must be received within five (5) business days of the date the purchase was made or if the purchase is not determined to be reimbursable until reviewed by County Finance, within five (5) business days of notification by County Finance that reimbursement is required. Reimbursements must be submitted using the *Procurement Card Reimbursement* form (located on the County Intranet/Extranet).

2.7 Other Restricted Items

Procurement cards cannot be used for capital outlay, gas, or hotel room service.

3.0 General Cardholder Responsibilities

Misuse of the County-issued procurement card is subject to disciplinary action in accordance with the County's policies and procedures relating to disciplinary action. Procurement card privileges are dependent upon the adherence to the responsibilities listed below.

Cardholders Must:

1. Ensure the assigned card is used for legitimate business purposes only.
 - It is the sole responsibility of each cardholder to ensure that the card assigned to them is used for official business purposes only, regardless of who requested the purchase be made. The cardholder will be responsible for reimbursing the County for any expenses determined to not be for "legitimate business purposes". Cardholders are

encouraged to contact County Purchasing prior to making any purchase for which they are not certain meets the established criteria.

- Personal usage is prohibited under any circumstances.
 - Items that do not aid in or directly provide a service to the public are considered personal expense items and are therefore prohibited under any circumstance. Some examples are plates, cups, and utensils for the intended purpose of employee lunch breaks or birthday parties, or flowers and sympathy cards for the loss of a co-worker relative.
2. Maintain the card in a secure location always.
 3. Only use the card assigned to them and refrain from allowing other individuals to use the assigned card.
 4. Adhere to all preset purchase limits and restrictions.
 - All cardholders have a single transaction limit of \$999.99. Single transactions over this amount require a purchase order.
 - Purchases in violation of any pre-set limitations will be denied at the point-of-sale.
 - Under certain circumstances, departments may request to temporarily increase/lift pre-set limits. The correct forms, located on the County Intranet/Extranet, must be used and the proper approvals obtained for charges that are outside of the scope of any preset limits.
 - Charges cannot be “broken-up” for the purposes of avoiding the single transaction limit and purchase order requirements. **Cardholders who are in noncompliance with this requirement must submit a memo to the Finance Director. The memo must contain the following: a description of the items or services received, a detailed explanation of the circumstances that resulted in the noncompliance, and the department’s plan of action to prevent future noncompliance.**
 5. Reconcile monthly purchases to track spending, using the method established to your respective department.
 - It is the cardholder’s responsibility to track spending to ensure compliance with approved monthly credit limits. Aside from unforeseen circumstances, which require a temporary increase, all efforts should be made to remain within the approved monthly limit.
 6. Verify procurement card statements. Verify the activity for accuracy and that any returned purchases have been credited back by the vendor.
 7. Follow guidelines for procurement card disputed items in Section 5.0.
 8. Obtain a receipt for all transactions. A receipt **MUST** be obtained for all transactions.
 - When making a purchase via telephone order, always ask for a costed receipt from the supplier.
 - A costed receipt must show each item purchased, the amount for each item, and the sales tax paid.
 - If a receipt is lost, contact the vendor to obtain a copy of the receipt. If the vendor is unable to provide a copy, then a memo explaining the circumstance and amounts of the transaction should be submitted in place of the receipt.

9. Only use the card for hotel reservations if present at the time of checkout. Use the card for room charges only.

4.0 Statements & Reconciliation

Statements are sent by email at the beginning of each month. This statement (like regular credit card statements) will display purchase activity for the prior month. Transactions conducted within the month will not be displayed on the statement unless the transaction has posted. **This is especially important to note in the month of June. Any transactions made in June that post on the July statement must come from new year funds. For this reason, departments are cautioned to carefully use procurement cards for the last couple of days of the month of June.**

Statement activity includes:

- Date of purchase
- Merchant information
- Dollar amount spent
- Total amount due

4.1 Statements – Cardholder Responsibilities

1. Verify that all purchases on the statement are correct. The cardholder is responsible for verifying the statement for correct information and accurate charges.
2. Note any *credit* transactions that may have been applied for any returned merchandise. The merchant is responsible for originating a credit to the cardholder's account.
 - If you have returned purchase and expect to see a credit on your statement and it does not appear on two consecutive monthly statements, contact the supplier and/or department card administrator.
3. Ensure all receipts and documentation are submitted to the department administrator in a timely manner.

4.2 Statement Reconciliation

1. In order to continue the use of a County-issued procurement card, reconciliation of purchases must be submitted via PNC Active Pay Site no later than the 20th of each month. This is usually completed by the department administrator.
2. Total dollars for purchases will be charged out to each department's budget at the first of each month.
3. The Purchasing Manager will review all County PNC Active-pay entries. Once the review is complete, Finance will complete a Journal Entry to debit the correct object code/expense.

4.2a Specific Documentation Requirements

Hotel Charges: An agenda must be included as part of the backup documentation for all hotel charges.

5.0 Disputed Items

It is the sole responsibility of the cardholder to ensure that all required forms are completed and submitted to the appropriate persons within the timeframe required to ensure that the County is eligible for reimbursements. Failure to follow the correct processes for disputed items could result in personal liability. **Disputes must be initiated within sixty (60) days of the bill date that the transaction first appeared.**

Disputed items are purchases that for various reasons need to be re-considered for final payment. Some examples of disputed items are:

- An unauthorized transaction made on your card
- An unrecognized transaction appearing on the statement
- A discrepancy of the dollar amount appearing on the statement from what your receipt indicates
- A purchased item that was damaged when received

5.1 Disputed Items – Cardholder Responsibilities

1. Always review memo statements for questionable purchases. The earlier disputes are initiated, the quicker they will be resolved.
2. Initial contact for problem resolution should be with the merchant where the purchase was made.
 - If unable to resolve the dispute with the merchant, the “Billing Inquiry” form should be completed and submitted to County Purchasing immediately. This form is located on the County Intranet/Extranet.
3. If an item has been disputed, but credit does not appear on two consecutive statements, contact your supplier and/or department card administrator immediately.
4. If there is a fraudulent charge, the “Billing Inquiry” form must be completed and submitted to County Purchasing immediately.

5.2 Lost/Stolen Card – Cardholder Responsibilities

1. Immediately contact PNC by phone at 1-888-762-2265.
2. Immediately notify the department administrator who will notify County Purchasing. County Purchasing will coordinate with PNC to ensure that a new card is requested.
 - If the Department Administrator is unavailable, the cardholder should contact County Purchasing directly.

CONTRACTING GUIDE

	Vendor Contracts	Sub-Recipient Contracts													Initial Once Attached
	Fixed Price Contracts	Cost Reimbursable Contracts	Cost Reimbursable Contracts-with Profit	Fixed Price Contracts	Hybrid Contracts(Cost Reimbursable with Fixed Price Element)	Fixed Unit Price / Performance Based Contracts	General Contract Provisions for All Contracts	Additional Provisions for Sub-Recipient Contracts	Sub-recipient Work Statement Requirements	Timely Contract Execution/Use of Pre-agreement Letters	Contract Administration and Records	Monitoring	Contract Files	Property Control	
State Requirements															
Must contain a detailed line item budget specifying the expense item and estimated amounts for all costs. All costs in the approved budget must be allowable and properly allocated among the cost categories that will benefit. The contract must fully describe the services to be delivered and the invoicing, payment, and procedures including signatory authority for the submission of invoices. Any provisions of flexibility in expenditures among the specific line items must also be described in the contract.		X													
may include a profit element when an incentive is appropriate to induce a private for-profit contractor/services provider to provide WIOA training or services.			X												
limited to specific circumstances in which a contractor/service provider agree to deliver specified WIOA services at a negotiated price.				X											
might include such services as eligibility determination, assessment, or case management with a detailed work statement, with a unit price established for each deliverable, e.g. number of enrollments, number of assessments, etc.				X											
differs from a fixed unit price, performance based contract only to the extent that it provides for delivery of a specific service, regardless of participant outcomes. Requirements for establishing and paying the fixed price are the same, except that payment conditions must be based on the delivery of measurable units of service, rather than on participant outcomes.				X											
incorporate a combination of cost-reimbursement and fixed price characteristics. In these contracts, some cost items will be separately identified to be reimbursed on actual costs incurred and other cost items will be units identified as a fixed price.					X										

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State Requirements															
must be negotiated and executed on the bases of detailed line item budget in which the cost items to be reimbursed are separately identified from the fixed price element(s). The requirements applicable to the cost reimbursable and fixed price contracts will apply to each separately identified set of expenses.					X										
allowable for employment and training services as an incentive for contractors to perform efficiently and achieve high levels of participant outcomes.						X									
Requirements: A cost analysis of all cost elements, i.e. line item costs, must be conducted and documented, and reasonableness of the unit price determined; The fixed unit price must be allocated to benefitting cost categories based on the ratios established in the cost price analysis; The proposer must certify in writing that cost data are accurate, complete, and current at the time of agreement on price. The awarding agency must retain the right to a price adjustment if it is discovered that the sub-recipient knowingly submitted data that were not accurate, complete, and current; and Payment conditions must include measurable participant outcomes (e.g. quantifiable levels of skill attainment, placement in training-related position, a placement wage requirement, job retention, etc.).						X									

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State Requirements															
General Contract Provisions for All Contracts – Except for small purchase for which a purchase order is appropriate, the WDB must award a bilaterally executed contract which includes, at a minimum: the fixed price and/or estimated costs; A description of the scope and extent of work performed or specification of the goods/services to be provided; and The period of performance. The WDB must include in each vendor and sub-recipient contract the following provisions and must require that the contractor include the provisions, or references to them, in any subcontracts: Remedies; Termination; Modification; Assignment; Funds Availability; Coordination of Grant Funds; Payment Conditions and Delivery Terms; Contract Period; Audit Responsibilities; Data/Copyrighting; Reporting Requirements; Complaints; and Records and Retention.							X								
In addition to the general provisions required for all contracts the following provisions are required for contractor/service provider contracts only: Adherence to Applicable Laws and Regulation to include Certification Regarding Lobbying (29 CFR Part 93) and Drug-Free Workplace Requirements Certification (29 CFR Part 98); Use of Program Income; Non-duplication of Services; Equal Opportunity; Compliance with Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332); Safety; Compliance with Copeland Anti-kickback Act (40 U.S.C. 276c and 18 U.S.C. 874); certification Regarding Lobbying; Buy American Notice Requirement; Salary and Bonus Limitations; Intellectual Property Rights; and Veterans' Priority Provisions.								X							

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State Requirements																
Elements are required in contract work statements with contractors/service providers who will provide participant training, and in other contract work statements as appropriate, to the services to be provided or the work to be performed. Other contract requirements may be added at the discretion of the WDB. Elements to be included are: Training Activities; Other Training and Support Activities; Placement Targets/Wages; Participant Completion Definitions; Program Entry Requirements; Target Population; Staffing/Management Plan; Program Performance; Facilities; Equipment; Training Supplies and Materials; Implementation Schedule; Sub-contracts; and Coordination.									X							
When the risks associated with having a fully-executed contract are outweighed by the need to provide services, the use of a pre-agreement letter should be used to clarify expectations until a fully-executed contract is finalized. Such costs are allowable only to the extent that they will be incurred after beginning of the contract period. The letter should be executed by the WDB prior to program start-up. At a minimum, the letter should contain the following information: A general description of the service to be provided; The negotiated line item budget for the project; The period of the proposed contract; A statement indicating that a fully-executed contract will be in place within a specified period (e.g. 60 days); A statement indicating that no money will be exchanged between the parties until the contract is executed; and names, titles, and signatures of the individuals for both entities planning to enter the proposed contract and agreeing to terms outlined regarding negotiated contract costs.										X						

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State Requirements																
WDBs must maintain a system for contract administration to ensure that contractors/service providers and other suppliers comply with the terms, conditions, and applicable performance requirements of contracts or purchase orders and to ensure adequate and timely completion of all transactions.											X					
All WDBs must maintain a system for contract monitoring (both programmatic and fiscal) to ensure that contractors/service providers comply with the performance requirements and provisions of the contracts.												X				
All WDBs must maintain a file on each executed contract sufficient to document the record of the contract, performance against the contract and payments made. The file should include the following elements: <ul style="list-style-type: none"> • Executed contract and modifications; • Cost/price analysis for each modification or documentation as to why it was not required; • Official correspondence; • Memos to file. 													X			
All WDBs must develop procedures and maintain controls for property acquisition, utilization, maintenance, and disposition. A physical inventory of all property costing \$500 or more per unit and having a useful life of one year or more must be performed at least once a year.															X	

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State Requirements															
County Requirements															
Purchase Orders -All services and purchases in amounts of \$1,000 or more	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Purchases & Services - less than \$1,000	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Purchases & Services - \$1,000-\$29,999	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Purchases of apparatus, supplies, materials, or equipment - \$30,000 - \$89,999- <i>Informal Bids</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Purchases of apparatus, supplies, materials, or equipment - \$90,000 and above- <i>Formal Bids</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Purchases & Services - \$100,000 and above- <i>Formal Bids and County Commissioners approval</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Purchase of Services - \$30,000 or more - <i>Informal RFP</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Contracts -Less than \$50,000- <i>signed by Director</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Contracts -\$50,000 or more- <i>signed by County Manager</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Contracts -\$100,000 or more- <i>signed by County Commissioners, after Board approval</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Contract Procedures-Signatures -Contracts with a total amount less than \$50,000 may be signed by the Director. All contracts for expenditures in amounts of \$50,000 or more require the signature of the County Manager. Contracts resulting from a formal bid process for expenditures in amounts of \$100,000 or more require the signature of the Chairman of the Board of County Commissioners, after Board of County Commissioners' approval.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	

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State Requirements																
Contract Procedures-Technology Contracts-Contracts for the purchase of computer hardware and/or software require the County's Information Services department head's signature. This requirement is applicable to all County departments, including those who have their own Information Services divisions.	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Contract Procedures-Pre-Audit Requirements-All contracts must specify a "Not-to-Exceed" amount (total contract amount) for which the unencumbered total exists within the current year budget at the time the Finance Director signs. If an obligation is reduced to a written contract or written agreement requiring the payment of money, or is evidenced by a written purchase order for supplies and materials, the written contract, agreement, or purchase order shall include a certificate stating that the instrument has been pre-audited. The certificate, which shall be signed by the finance officer, or any deputy finance officer approved for this purpose by the governing board, shall take substantially the following form: This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.	X	X	X	X	X	X	X	X	X	X	X	X	X	X		

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State Requirements															
Contract Procedures-Contract Amendments -Any change to a contract requires a contract amendment that must be processed through the County's contract amendment procedures prior to the contract expiration. Purchase orders cannot be increased nor can invoices be paid until the contract amendment process is complete.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Contract Procedures-Contract Contingencies -Contract Contingencies must be encumbered to the Munis vendor, "Cumberland County Contingencies" (Munis vendor number 6192). If the funds are needed for project completion, a contract amendment must be processed followed by a purchase order change order to decrease the contingency purchase order and to increase the vendor's purchase order.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Contract Procedures-Countywide Contracts -Departments must utilize countywide service or purchase contract vendors when those services or purchases meet the department's specific needs. A list of all countywide contracts can be found on the County's Intranet/Extranet, Finance/Purchasing page.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	