



**PROCUREMENT OF GOODS AND SERVICES**

**PURPOSE**

The purpose of this standard operating procedure is to provide guidance on the procedures used to implement Rogue Workforce Partnership's (RWP's) Procurement Policy

**DEFINITIONS**

Procurement – For purposes of this procedure, the term "procurement" includes any acquisition action which obligates WIOA funds for the purchase of equipment, materials, supplies, and services beginning with the process for determining the need and ending with contract completion and closeout. Non-WIOA procurement will be governed by either the requirements specific to federal or state granted funds or Oregon Law for the public trust corporations, as appropriate.

Competitive Proposals – Competitive proposals are used when there is more than one prospective bidder, the lowest price is not necessarily the determining factor for award, and either a fixed-price or cost-reimbursement agreement will be awarded. The competitive proposal method also meets the standards for "full and open competition" and is appropriate when the agency seeking goods or services is looking for a variety of methods that may be employed to achieve the results called for in the Request for Proposal (RFP). Often, the evaluation factors will focus on approach, program design, innovation, coordination, and experience.

The Invitation for Bid (IFB) – The IFB is publicly advertised and bids are solicited from an adequate (more than two) number of known suppliers. The IFB contains all "specifications and pertinent attachments" and defines the items or services to be procured in sufficient detail for the bidders to respond properly. All submitted bids are sealed and publicly opened. A fixed-price contract is awarded to the lowest responsive and responsible bidder. Any or all bids may be rejected if there is a documented reason.

Request for Proposal (RFP) – This type of document solicits offers from service providers for the delivery of a specific type of service. It includes a description of the product(s) or service(s) desired which enable a potential contractor to submit a proposal. The RFP will include information necessary for an objective evaluation and comparison to similar proposals.

Rogue Workforce Partnership will openly publicize all RFP's. They must contain the specifications that provide a common understanding for the proposed goods or services sought and identify all the evaluation factors and their relative importance or weight in selection of successful bidders.



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Proposals are publically solicited from an adequate number of qualified sources and a method for conducting technical evaluations of proposals and selection of awardees is in place. Awards are made to selected bidders whose proposals are most advantageous to the program based on price along with other evaluation factors. Proposals must meet all minimum requirements listed in the solicitation and must respond to all factors of the RFP.

This method is the appropriate form of solicitation when:

- The nature of the service needed precludes developing a specification or purchase description so precise that all proposers would have an identical understanding or approach to the requirements; and
- Cost is not the only factor considered in making an award; and
- The evaluation factors will focus on approach, design, innovation, and experience required providing the product or service requested.

Request for Quotation (RFQ) -A document which is used to acquire the price(s) and pertinent information needed from a vendor/supplier. Since the quotation is not a formal offer, the awarding agency must reach a bilateral negotiated agreement before a binding contract exists. A RFQ differs from an RFP in that it simply asks for a price based on standard specifications that are generally known or apply industry wide.

It is appropriate to use an RFQ when:

- A complete, adequate, and realistic specification or purchase description is available; and
- There are at least two responsible vendors who compete effectively for the award; and
- The procurement lends itself to a negotiated fixed-price contract and selection of a contractor based wholly on price is appropriate and reflective of the nature of the products or service being purchased.

Solicitation -A solicitation is the practice of distributing an Invitation for Bid, Request for Proposal, or any other document, such as a Request for Quotation, issued by a purchasing agency for the purpose of soliciting offers to perform a contract. Solicitations are to include:

- Clear and accurate descriptions of the goods or services being procured.
- Description must not contain features that restrict competition.
- All requirements that must be fulfilled and all other factors used in evaluating bids or proposals.
- Technical requirements described in terms of function to be performed or performance required, including a range of acceptable or minimum acceptable standards.
- Preference for ecologically sound and energy-efficient products.
- Refer to established resolution protocols of all contractual and administrative issues arising out of the procurements unless the issues concern violations of statute which are to be referred to the proper federal, state, or local authority as may have jurisdiction.
- Procurement practices should encourage the utilization of small businesses, minority-owned firms, and women's business enterprises whenever possible.



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**METHODS OF PROCUREMENT**

It is the policy of Rogue Workforce Partnership that the following guidelines for small purchases will apply:

- Purchases less than \$500 – For purchases less than \$500, the Director of Administration has the authority to select a specific vendor and issue a purchase order with the following exceptions:
  - Purchases that are covered by an existing contract or a blanket purchase order.
  - Purchases of \$500 or more that are purchased by installment.
- Purchases of \$500 but less than \$5,000 – For purchases of this range, the Chief Finance and Administrative Officer has the authority to select a vendor and place a purchase order without obtaining additional competitive quotes. This authority is not intended to eliminate competitive quotations, but rather to expedite the purchasing process, as dollar values may not justify further solicitation effort. To the extent feasible, competitive quotes will be obtained. The Executive Director must approve all purchases for single unit items that exceed \$1,000.
- Purchases of \$5,000 but less than \$100,000 – Procurement of goods or services greater than \$5,000 but not exceeding \$100,000 generally requires at least three informally solicited competitive price quotes from three providers or vendors or a cost/benefit analysis of the products or services to be purchased. A written record of the three quotes or the cost/benefit analysis must be on file. In situations where the goods or services are only provided by one vendor or a specific need fulfillment is required, a sole source justification statement must accompany the procurement and a cost/benefit analysis must be completed.
- Purchases of \$100,000 or higher – Requires **Competitive Sealed Bids**. In this type of procurement bids are publicly solicited for which a firm fixed-price (lump sum or unit price) or other fixed price arrangement is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the **Invitation for Bids (IFB)**, is the lowest price. Competitive sealed bids are most effective when the procurement specification can adequately describe and define the item or service. If competitive sealed bids are used, the following procedural requirements will apply:
  - The IFB is developed inclusive of project description, time and date for submission, and all requirements for responsiveness.
  - Reasonable effort will be made to publicize the IFB to the widest practical area of circulation
  - The IFB contains all “specifications and pertinent attachments” and defines the items or services to be procured in sufficient detail for the bidders to respond properly.
  - All submitted bids are to be submitted to and recorded by Rogue Workforce Partnership Senior Projects Manager.
  - All bids are to be publicly opened.
  - All submitted bids are screened for meeting specifications and requirements as listed in the IFB notice. Incomplete or unqualified bids will be considered non-responsive and removed from the selection process.
  - The qualified bid with the lowest submitted price will be considered for contract award.



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- Following the initial selection of a bid, the agency and the vendor commence contract negotiations.
- A firm fixed-price contract is then awarded to the lowest responsive and responsible bidder.
- Any or all bids may be rejected if there is a documented reason.

**Competitive Negotiation** - A method of soliciting proposals from a number of sources through a publicly announced Request for Proposal (RFP) or Request for Quotation (RFQ). Negotiations are normally conducted with more than one of the sources submitting offers, and either a fixed price or cost-reimbursement type contract is awarded. If competitive negotiation is used, the following procedural requirements will apply:

- The solicitation of competitive offers will follow a process for advertising, evaluation, and award in accordance with the competitive standards contained in the policy. Reasonable effort will be made to publicize the solicitation to the widest practical area of circulation.
- To promote reasonable competition that is consistent with the nature and requirements of the procurement, proposals will be current and solicited from an adequate number of qualified sources.
- The solicitation will identify all significant evaluation factors, including price or cost where required, and their relative importance.
- A technical evaluation of proposals received, including review by staff and/or Local Workforce Area committees will be completed and documented.
- Contract awards will be made to the responsible bidder whose proposal is most advantageous to RWP. In making an award, price and other factors will be considered and documented. Unsuccessful bidders will be notified promptly.

**Non-Competitive (Sole Source)** - This method is the solicitation of a proposal from a single source, or after solicitation of a number (more than one) of sources, competition is determined inadequate to fulfill the requirements of the agency. If this method is used, one of the following requirements is to be satisfied:

- All practical methods and efforts involving seeking competitive proposals have been fully exhausted and documented.
- The State Department of Community Colleges and Workforce Development authorize a non-competitive procurement.
- Competition is determined to be inadequate, after solicitation of a number of documented sources.
- The goods or services are for use in a documented pilot or experimental project.

For all noncompetitive procurement actions, a cost analysis is required. This includes verification of the proposed cost data and evaluation of the specific elements of cost and profits, including comparison with the organization's independent price estimate.



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Noncompetitive procurements are allowable under 2 CFR 200.319, but they are considered a "last resort" option and only used when there is documented reason for sole source selection.

Written rationale/justification and any backup documentation for the method of procurement, selection of agreement type, selection or rejection criteria, and the basis for the contract price shall be kept in the file. A cost analysis entails verification of the proposed cost data and evaluation of the specific elements of costs, including comparison with the Agency's independent price estimate.

Permissive Cooperative Procurements – A method which allows purchase to be made through joining another state or local entity's solicitation, award, and contracting processes, as long as the contracting agency's process is an open and impartial competitive one and uses source selection methods substantially equivalent to those specified in ORS 279B; and the contractor agrees to extend the terms, conditions and prices of the original contract to the purchasing entity.

### CONTRACT PRICING

The cost-plus method of contracting will not be used.

Price Analysis – A price analysis will be used in all instances to determine the reasonableness of a proposed contract price, including contract modifications. A price analysis is the process of examining and evaluating a price without looking at the estimated cost elements and proposed profit. It is used when price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulations.

Cost Analysis – A cost analysis of the proposed contract or contract modification will be performed when the offeror is deemed a sub-recipient, individual cost elements have been requested, procurement has been made by sole source method and/or no catalog or market price is available. A cost analysis is the process that examines element-by-element, costs and related information presented in the cost and pricing data submitted by offerors. The method and degree of cost analysis is dependent on the facts surrounding each procurement.

Costs or prices will be consistent with reasonable and allowable cost principles. The offeror will certify that to the best of its knowledge and belief, the cost data are accurate, complete, and current at the time of agreement on price. Contracts or modifications negotiated based on data provided by the offeror may be adjusted, if it is discovered data is not accurate, complete, or current.

Profit- The following factors will be considered in determining whether income or profits are excessive:

- Complexity of work to be performed.
- The risk borne by the contractor.
- The contractor's investment.
- The amount of subcontracting.
- The quality of the contractor's record of past performance.
- Industry profit rates in the surrounding geographical area.
- Market conditions in the surrounding geographic area.



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**GENERAL REQUIREMENTS**

All WIOA funds expended by Rogue Workforce Partnership, whether administrative or programmatic, must be approved by the RWP Corporate Board through approval of the annual budget and WIOA Plans/Plan Modifications. Funds so expended will be charged to the appropriate budgeted fund, cost category, cost objective, and line item.

Rogue Workforce Partnership will ensure fiscal accountability and prevent fraud and abuse by acting in accordance with procurement standards established under WIOA. At a minimum, procurement will:

- Be conducted in a manner that provides full and open competition. Where appropriate, an analysis will be made of lease/rental versus purchase alternatives and any other appropriate analysis to determine which approach would be the most economical.
- Minimize the use of sole source procurement, and justify it in every case.
- Clearly set forth the requirements that bidders or offerors must meet and the factors to be used in evaluating bids or proposals.
- Include a clear and accurate written description of the technical requirements for the material, product, or service to be procured, including the method of procurement, selection and basis for the type of contract, criteria for contractor selection or rejection, contractor selection and basis for payment. Competitive procurement will not contain features which unduly restrict or eliminate completion.
- Contracts will be awarded to responsible bidders who possess the potential ability to perform successfully under the terms and conditions of the procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. The contract award will also include the following provisions:
  - Clearly specify deliverables and basis for payment
  - Compliance with all applicable regulations
  - Assurance of nondiscrimination and equal opportunity as found in 29 CFR 34.20 is required; duration of obligation, covenants.
  - Certifications, where applicable, regarding debarment, suspension, lobbying, and drug free Workplace
  - The opportunity to protest the award. Protests will be processed under the Complaint Procedures contained in the Rogue Workforce Partnership policy entitled "Grievance Procedure"
- Procurement transactions between Rogue Workforce Partnership and any other governmental or nonprofit agency or organization will be conducted on a cost reimbursable basis.
- To the extent possible, small firms, minority firms, women-owned businesses will be included in bidder's lists, and will be targeted for mailings and advertised procurement of goods and services of Rogue Workforce Partnership.



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- In performance under the Procurement Policy, WIOA funds will not be used to duplicate facilities or services available in the area (with or without reimbursement) from federal, state, or local sources, unless it is demonstrated that additional capacity is needed or that alternative services or facilities would be more effective or more likely to achieve performance goals and the mission of Rogue Workforce Partnership.
- Appropriate education agencies throughout Jackson and Josephine Counties will be provided an opportunity to provide educational services, unless the procuring organization determines through the competitive process that alternate agencies and organizations would be more effective or would have greater potential to enhance participant's occupational or career growth.

### **PROCUREMENT RECORDS**

Rogue Workforce Partnership and regional sub-grant recipients will maintain procurement records sufficient to detail the significant history of procurement. These records will include, but are not limited to the following:

- Rationale for the method of procurement (small purchase, request for proposal, etc.)
- The selection of agreement type (cost reimbursement or fixed price)
- Awardees selection or rejection

Records of solicitations shall include:

- Copy of the solicitation package including protest and negotiation procedures and settlement process, as applicable
- Copy of the public notification
- Bidders' list to which notices were mailed
- List of all organizations/entities that received the RFP
- Agenda and minutes of a bidders' conference (if held)
- Written responses to all clarifying questions received outside of the bidders' conference
- Copy of each proposal received
- Rating and scoring sheets completed in the evaluation process
- Determination of demonstrated performance
- Documentation of the rationale for selection of funding any offeror, which did not receive the highest score/ranking in the evaluation process
- Completed cost or price analysis for each selected bidder
- Copy of any submitted protests and the resolution of each

All requests to purchase will be appropriately documented. Additional documentation will accompany the request to explain complex or special purchase requirements.

### **ACTION**

Rogue Workforce Partnership shall follow this standard procedure. This standard procedure will remain in effect from the date of issue until such time that a revision is required.



ROGUE WORKFORCE  
PARTNERSHIP

Program Policy

Standard Operating Procedure

Effective Date: July 1, 2018

New

Revised 3/1/19

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**INQUIRIES**

Inquiries should be addressed to the Chief Finance and Administrative Officer at 541-842-2530.

APPROVED:

  
Chair

DATE:

4-5-19

H:/Admin/RWP/Policy/Admin Financial Management/Procurement