

# **Procurement Policy**

## **Land of Lincoln Workforce Alliance**

### **PY 17-WIOA**

#### **Code of conduct governing the performance of employees engaged in the award and administration of contracts.**

No employee, officer or agent of the Land of Lincoln Workforce Alliance (LLWA) shall participate in the selection, the award of or the administration of a contract, if a conflict of interest, real or apparent, is involved. Such a conflict would arise when:

1. The employee, officer or agent,
2. Any member of his/her immediate family,
3. His or her partner, or
4. An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The LLWA's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.

#### **Open and free competition**

All procurement transactions in LLWA shall be conducted in a manner that provides maximum open and free competition consistent with this Procurement Policy. Procurement procedures shall not restrict or eliminate competition. Examples of what shall be considered to be restrictive competition include, but are not limited to:

1. Placing unreasonable or different requirements on firms in order for them to qualify for the same procurement;
2. Requiring unnecessary experience and excessive bonding;
3. Noncompetitive pricing practices between firms or affiliated companies;
4. Noncompetitive awards to consultants that are on retainer contracts;
5. Organizational conflicts of interest;
6. Specifying only a "brand name" product instead of allowing an "equal" product to be offered and describing the performance of other relevant requirements of the procurement;
7. Any arbitrary action in the procurement process.

#### **Ability to meet the procurement objectives**

Awards will be made only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Examples of how the ability to meet the procurement objectives can be demonstrated include, but are not limited to: financial resources, technical qualifications, experience, organization and facilities adequate to carry out the project; resources to meet the completion schedule contained in the contract; a satisfactory performance record for completion of contracts; and accounting and audit procedures adequate to control property, funds and assets.

#### **Avoiding unnecessary purchases**

The LLWA will conduct a review of proposed procurements to avoid purchases that are not necessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus

purchase alternatives, and any other appropriate analysis to determine the most economical approach.

### **Affirmative Action**

The LLWA will take all necessary affirmative steps to assure that small and minority firms, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps will include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by small and minority business and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business and women's business enterprises; and
5. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

### **Cost-Price Analysis**

The LLWA will perform a cost or price analysis in connection with every procurement action, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point an independent estimate must be made before receiving bids or proposals. A cost analysis will be performed when the offeror is required to submit the elements of his/her estimated cost, e.g., under professional, consulting, and service contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless 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 regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

### **Specifications**

Each procurement will clearly specify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. In competitive procurements, the description of the material, product or service to be procured will not contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. In addition, the LLWA will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. I don't know what this sentence means

## **Illinois Joint Purchasing Program**

The LLWA may purchase items through the Illinois Joint Purchasing Program without soliciting bids or obtaining quotes. Under this program, the State of Illinois, Department of Central Management Services (CMS) negotiates statewide contracts for the purchase of good frequently used by State and local governments. The LLWA may purchase items specified in these contracts at the prices negotiated.

### **Purchase Approval from DCEO**

Requests for equipment and software with a unit cost of \$5,000 or more must be sent to the Department of Commerce and Economic Opportunity, Bureau of Workforce Development, for prior approval. Three price or rate quotations must be reviewed by the LLWA and approved by the CEOs. The LLWA office will then submit the quotes to DCEO for approval.

### **METHODS OF PROCUREMENT**

Procurement under grants shall be made by one of the following methods.

- 1) Procurement for Small Purchases under \$20,000
- 2) Procurement by Competitive Proposal for Purchases/Contracts over \$20,000
- 3) Procurement by Sealed Bid
- 4) Procurement by Non-Competitive Proposal

#### **1. Procedures for Small Purchases under \$20,000**

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies or other property that do not cost more than \$20,000 in the aggregate with a single vendor during a fiscal year. If small purchase procurements are used, price or rate quotations will be obtained from three qualified sources including internet sources. The date, provider, what is being purchased, and the price or rate will be documented to the file. The decision to choose a particular vendor will be made based upon cost, service or other pertinent needs. Formal competitive bids are not required for contracts less than \$20,000.

The CEOs, WIB and county committee will approve contracts which do not obligate the LLWA and Sangamon County for more than \$20,000. If the committee vote is not unanimous, the contract shall come before the full county board. (County Code: 2.04.470)

#### **2. Procedures for Competitive Proposal Purchases/Contracts over \$20,000**

Procurement will be conducted when either a fixed-price or cost-reimbursement type contract for over \$20,000 (or aggregate to one service provider) is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. Bids shall be obtained on all private contracts (except for professional services, or otherwise provided by law) which obligate the LLWA and Sangamon county for more than \$20,000. All bids received shall be kept on file in the originating department. The CEOs, WIB and county oversight committee will approve the contracts entered into by the LLWA. All contracts which obligate the LLWA and Sangamon County for more than \$20,000 must be approved by the Sangamon County Board. (County Code 2.04.460)

**Splitting contracts prohibited** - The splitting of any contract into smaller contracts with the purpose or effect of evading these rules is prohibited. (County Code: 2.04.480)

### **Public Notice/Outreach**

Requests for proposals/quotes will be advertised in the local newspaper Any response to publicized

requests for proposals shall be honored to the maximum extent practical. Proposals will be solicited from an adequate number of qualified sources. All potential providers/contractors, who have expressed an interest in being considered for awards shall be sent Requests for Proposals/Quotes for the area or areas of service for which they wish to be considered.

### **Staff Guidelines**

Staff will follow these guidelines when preparing for the competitive bid process.

1. Existing service providers will be given consideration based on the score received on the Rating Sheet that will include at a minimum:
  - a. Evaluation of past performance
  - b. Evaluation of the present year-to-date performance
  - c. Costs are reasonable, necessary and allowable based on the cost/price analysis
  - d. Employers in the area have a need for workers who are trained in these areas
  - e. Local labor market data reflects need in the area/region.
  - f. General overall quality of proposal
2. Proposals from new bidders will be given consideration based on the score received on the Rating Sheet which will include at a minimum:
  - a. References from other agencies for which bidder has provided services regarding their ability to operate satisfactory training programs
  - b. References from other agencies regarding their ability to manage fiscal responsibilities
  - c. Costs are reasonable, necessary and allowable based on the cost/price analysis
  - d. Employers in the area have a need for workers trained in occupations offered, as identified by labor market data.
  - e. General overall quality of proposal
3. Should an existing service provider fail performance, the LLWA will place the provider on probation for the 1<sup>st</sup> year and may award a contract if it determines the program meets the needs of WIOA participants and has the potential to improve during the second year. If the provider fails performance a second year, no funding will be awarded. The provider is not prohibited from submitting proposals in the future; however, and will be given the same consideration as a new bidder. Existing service providers whose score on the Rating Sheet are rated unacceptable will not be recommended for a contract award.
4. The LLWA will use a variety of methods for proposal review including evaluations, past performance, interviews, recommendations, etc., when reviewing proposals to determine contract awards;
5. A pre-Award Risk Assessment will be completed for existing providers and new bidders.
6. Awards will be made to the responsible firm whose proposal is most advantageous to the program, including price and other factors considered.

### **RFP Preparation**

The LLWA Executive Director will appoint a committee to develop an RFP for each program where a contract will be issued: Adult, Youth, and Dislocated Worker. The committee will include staff

familiar with WIOA training programs, policies and regulations, and staff familiar with RFP/contract provisions. The committees will first review the RFP from the preceding year and decide which guidelines will be retained. Proposal schedules, RFPs, rating sheets and recommendations will be updated annually and will be maintained at the LLWA office. A schedule listing the calendar dates, steps in the review and selection process will be identified. The RFP will address all requirements needed to deliver quality services and programs under the Workforce Innovation and Opportunity Act. (WIOA) An evaluation/rating sheet will be included in the RFP which identifies the guidelines that will be reviewed for contract award.

## **Review Process**

### **1. Receipt of Proposals**

All proposals received will be stamped with the time and date of receipt. If bidder request receipts, they will be accommodated. The same time and date affixed to the proposal will be put on the receipt.

### **2. Securing Proposals**

Proposals received will be secured. If proposal are received via e-mail, they will be printed and secured in a locked office of management staff.

### **3. Initial Review of Proposals**

Staff will conduct an initial review of proposal packages to determine their completeness. The "Proposal Outline" will be checked to determine if items have been omitted. Missed items can be identified at this time. No one in the LLWA office will solicit changes to the bidder's technical proposal or cost or pricing data at this stage of the process. Such requests for changes in the substance of proposals are only allowable after formal review and during negotiations. However, bidders are allowed to submit unsolicited changes to any part of their proposals prior to the deadline date and time for receipt. All bidders will be allowed to make minor omissions complete.

### **4. Appointing Proposal Review Team**

The Executive Director will appoint a team of at least three persons for each program where contracts will be issued: Adult, Youth, and Dislocated Workers. The Executive Director or an alternate will serve as chairman for the review teams. The reviewers will be briefed before evaluation begins on each program. The briefing will set the tone for the review and provides an opportunity to orient new reviewers on how they should approach technical evaluation of proposals. The chair will conduct the briefing; remind all parties of critical dates and deadlines, review the evaluation factors or criteria from the RFP and their relative weights or importance against which proposals will be measured. Evaluation rating forms will be distributed and explained, a description of the process including the date that the team will meet to discuss ratings, and answer any questions about the evaluations. At this briefing, the chair will restate the rules relating to the ethics of procurement, emphasizing the need for confidentiality, objectivity, and fairness, and going over the ground rules covering actual, potential, or apparent conflicts of interest by reviewers. Each member of the review team will be asked to sign the "Code of Conduct".

### **5. Individual Review**

Each member will read each proposal for a specific title in its entirety. Reviewers will thoroughly evaluate each proposal against the criteria on the designated rating sheets and identify strengths, weaknesses or deficiencies of each proposal reviewed and document on the evaluation form. The LLWA will provide the cost/price analysis for Adult-Youth-Dislocated Worker, and performance reports to evaluate existing providers.

### **6. Team Review**

Upon completion of the individual review, the team will meet. The team chair will log the scores

received on each RFP from each reviewer. The chair will then find the average score for each RFP and make a list of the questions and comments that the reviewers raised concerning the RFPs. Based on the evaluations, the team will then prepare an initial summary report that will contain their recommended selection of service providers with adjusted contract amounts and number of participants. The total amount of funding recommended will equal the amount available for contracts.

**Contract Approval Process\*** (*\*the order of these recommendations/approvals is dependent on the dates the Council/Committees/Board meet*)

### **1. Land of Lincoln Workforce Board**

LLWA staff will prepare a final summary report with recommendations for contracts for approval by the Land of Lincoln Workforce Board. This report will be based on the above evaluation procedures. The report will include the name of the proposer, amount of contract, number of participants, amount of past year's contract, performance, etc. The Land of Lincoln Workforce Board, will approve contracts recommendations. Should a Board member have a real or apparent conflict of interest in the contract award, the member will abstain from voting and the minutes will reflect this action.

### **2. Chief Elected Officials (CEOs)**

Staff will report all contract recommendations to the CEO's at the next meeting.

### **3. Sangamon County Committee**

The Executive Director will present the contract awards to the Sangamon County Community Resources Committee for approval and will advise the bidder orally that their contracts are being recommended for approval.

### **4. Sangamon County Board**

Resolutions for contract awards will be presented to the Sangamon County Board for approval in May or June. After the Sangamon County Board has approved the contracts to be awarded, the LLWA will advise the bidder that the contract has been awarded.

### **5. Meeting with Contractor**

Staff will meet with the successful contractor and review contract terms and begin planning for the upcoming program year. Outreach/recruitment, program start dates, staff training, performance review and other issues will be discussed with the contractor.

### **Recordkeeping**

The LLWA will keep the following items on file:

1. Original RFP submitted by all bidders
2. Final RFP submitted after consultation
3. All rating and evaluation sheets including costs/price analysis and past performance evaluations
4. Signed "Code of Conduct" forms
5. Copy of WIB minutes approving contracts
6. Copy of CEO minutes approving contracts
7. Copy of Sangamon County Community Resources Committee minutes approving contracts
8. Copy of Sangamon County Board minutes approving contracts

## **Contract Renewal/Modification and Extension**

Youth RFPs will cover a two year time frame. Existing youth providers will not complete an entire RFP for awards during the second year. Near the end of year 1, a renewal request will be forwarded to the current providers. Providers will complete sections related to their planned and current performance goals, their planned and current expenditures, and indicate any program changes that will be made in year 2. A committee will review these renewals and may request additional information or a meeting to discuss any issues.

During the WIOA transition period and pending final rules and policy guidance, existing youth provider contracts may be extended to allow for youth services to continue. If an extension and eventual contract modification is approved, youth providers will submit any changes to their scope of work, budget changes and performance goals will be evaluated.

Under both arrangements, either contract renewal or extension, the committee will make a recommendation and the contract approval process listed above will be followed.

## **3. Sealed Bids Procedures**

Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. A sealed bid is the preferred method for procuring construction, if the following conditions are present.

1. In order for sealed bidding to be feasible, the following conditions should be present:
  - a. A complete, adequate, and realistic specification or purchase description is available;
  - b. Two or more responsible bidders are willing and able to compete effectively for the business; and
  - c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
  
2. If sealed bids are used, the following requirements apply:
  - a. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
  - b. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
  - c. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
  - d. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of;
  - e. Any or all bids may be rejected if there is a sound documented reason.

## **4. Noncompetitive Proposals**

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. The use of sole source procurements will be minimized to the extent practicable, but in every case the use of sole source procurements will be justified and documented.

Procurement by noncompetitive proposal may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies: the item is available only from a single source; the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; the Department authorizes noncompetitive proposals; or after solicitation of a number of sources, competition is determined inadequate.

### **Procurement Records**

The LLWA will maintain records which detail the history of procurement. These records will include, but are not necessarily limited to the following: the method of procurement and the basis for the selection or rejection of a contractor, and the basis for the contract price.