

AREA 2 | SUMMIT & MEDINA
WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA)
POLICY LETTER A-05 | PROCUREMENT OF YOUTH
PROGRAM SERVICES

- I. **SUBJECT:** Procurement of Youth Program Services
 - II. **PURPOSE:** The purpose of this policy is to outline the requirements and procedure for procurement of youth program service providers.
 - III. **EFFECTIVE DATE:** July 1, 2018
 - IV. **DATES REVISED:** November 5, 2018; December 5, 2018; July 1, 2019
-

V. BACKGROUND

A responsibility of the local area Workforce Development Board is the selection of providers of youth workforce development program activities and services. The state of Ohio has created new framework for serving low-income Ohioans ages 16 to 24, through an integrated intervention program that combines the Temporary Assistance for Needy Families (TANF) program and the Workforce Innovation and Opportunity Act (WIOA) Youth program. Designed to assist one of Ohio's most vulnerable populations, this new way to work is titled the Comprehensive Case Management and Employment Program (CCMEP). Activities include outreach, program eligibility determinations, assessments and case management, and the provision of the 14 CCMEP program elements. All procurement transactions of the Area 2 Workforce Development Board (WDB) and subrecipients shall be conducted in a manner that provides, to the maximum extent possible, opportunity for free and open competition. Policies and procedures governing procurement shall ensure that all goods and services are obtained in an effective and efficient manner, which is consistent with the requirements of applicable federal, state, and local laws, rules, and regulations.

VI. GENERAL REQUIREMENTS

The Area 2 WDB will collaborate with the CCMEP lead agency in designing procured youth services and activities; the WDB may also partner with the CCMEP lead agency to jointly procure youth program providers for CCMEP as long as the lead agency does not wish to bid to become a provider of WIOA youth services. If a joint procurement is conducted, the WDB will take the lead in all aspects of the procurement process.

The WDB must conduct a cost and price analysis for contracts in excess of \$150,000. The WDB will award contracts to youth service providers to carry out some or all youth workforce development

activities on a competitive basis. All contracts must be performance-based, firm-fixed-price, or cost reimbursement-based.

Specific activities that may be conducted by the CCMEP lead agency:

1. Outreach;
2. WIOA Youth program eligibility;
3. CCMEP Comprehensive Assessment;
4. CCMEP Individual Opportunity Plans;
5. Case management;
6. Development and managing of Individual Training Accounts (ITA) and On-the-Job training contracts (OJT);
7. Provision of labor market information and labor exchange activities;
8. Supportive services; and
9. Follow-up services.

The remaining WIOA Youth program services and activities must be procured. Providers of CCMEP Youth services may be selected in one of the following ways:

1. Competitive grants and contracts;
2. Use of partner resources – an agreement must be formulated with the Partner organization; and
3. Discretion of the WDB – the WDB may determine the CCMEP lead agency can conduct specific activities most efficiently and cost-effectively.

VII. METHODS AND PROCEDURE

Types of Procurement

1. Micro-Purchases (purchases of \$0.01 - \$3,000)
 - a. Micro-purchases may be awarded at the discretion of the Executive Director without soliciting quotes for acquisitions of supplies or services when:
 - i. The price of the good or service is considered reasonable; and
 - ii. To the extent practical, micro-purchases are distributed equitably among qualified suppliers.
2. Small Purchases (purchases of \$3,001 - \$150,000)
 - a. If appropriate, a Request for Quotes (RFQ) will be utilized.
 - b. For purchases where price is the overriding factor and which involve standardized products or services (e.g. office equipment and supplies), the WDB may use an informal procurement method by obtaining price or rate quotations from an adequate number of qualified sources, but not less than three sources.
 - c. For purchases where price is not the overriding factor and where relative quality and performance must be evaluated (e.g. consultant services), the WDB shall seek proposals from an adequate number of qualified sources, but not less than three sources.
 - i. When the WDB has contacted and provided the opportunity to propose to at least three sources and only one source provides a proposal, bid, or quote, the WDB may declare that competition is inadequate and award the contract to the sole proposing source.

3. Large-Purchase Competitive Proposals (\$150,000+)
 - a. The Area 2 WDB shall use competitive proposals when the conditions are not appropriate for the use of micro-purchases or small purchases.
 - b. A Request for Proposals (RFP) will be utilized.
 - c. In order to promote a free and open competition in the procurement of CCMEP Youth program services, the WDB will:
 - i. Solicit bids by publicly issuing an RFP;
 - ii. Ensure that the RFP adequately describes the procurement process, description of services needed, and all significant evaluation factors;
 - iii. Certify that the RFP and any corresponding material is available at all times on the WDB's website during the open bid period;
 - iv. Post a legal notice in the appropriate local paper(s) announcing the active request;
 - v. Require interested bidders submit a Letter of Intent to propose;
 - vi. Hold a Technical Assistance (TA) meeting to answer questions about the RFP;
 - vii. Make clear the deadlines for RFP questions, Notice of Intent to Propose, and the proposal;
 - viii. Publicly post any RFP questions received on the WDB website; and
 - ix. Document the process for identifying any potential conflicts of interest in the selection of the provider(s).

Sole Source

A true sole-source situation is the only exception to the requirement for competitive selection of a youth program provider. The term, "sole source," means only one entity is qualified to fulfill the role of youth program provider in the local area. Written documentation of the entire selection process must be maintained and must demonstrate that sufficient market research and outreach was conducted to justify sole source selection. A cost and/or price analysis must be conducted and documented as well.

A request for review of the sole source documentation may be submitted to the Ohio Department of Job and Family Services, Office of Contracts and Acquisitions, prior to the execution of the contract. The Deputy Director will assess whether the documentation demonstrates that sufficient efforts were taken by the local WDB to support a sole-source determination.

Procedure – Competitive Process

1. Area 2 WDB will develop a draft RFP timeline;
2. Establish a team of proposal evaluators;
3. Develop the RFP with Area fiscal agent and the CCMEP lead agency, if applicable;
4. Issue the RFP;
 - a. Publish the RFP and corresponding documents on the WDB website;
 - b. Publish public notices, including a legal notice in the newspaper(s) if appropriate;
5. Offer potential bidders a TA session prior to the deadline for the Letters of Intent (LOI) if appropriate;
6. Accept LOIs until the published deadline;
7. Allow for a question and answer (Q&A) period and publish all responses to questions on the WDB website so all bidders may view them;

8. Accept proposals until the published deadline;
9. Check-in the proposals and distribute to the selected evaluators;
10. Evaluate accepted proposals using the proposal evaluation tool and compile scores;
11. Conduct provider conferences if appropriate and needed;
12. Evaluators will recommend providers and contract amounts based on the compiled scores and conferences;
13. Conduct a price and cost analysis if applicable;
14. Forward recommendations to the WDB Executive Committee for approval;
15. Notify the selected providers and negotiate contracts along with the Area fiscal agent; and
16. Document the above steps.

Procedure – Documentation

The WDB must maintain documentation of the selection process from planning through selection and the execution of a contract. Documentation must include:

1. Copies of the Area procurement policies and procedures
2. A copy of any area Conflict of Interest policies or procedures;
3. Copies of any multi-functional agreements;
4. A copy of the local area code of conduct;
5. Documentation of the roles and responsibilities to be assigned to the Youth program provider, including a description of how the WDB determined which roles to assign;
6. Documentation of the provider's federal System for Award Management (SAM) status;
7. Documentation of a cost and/or price analysis if applicable;
8. A copy of the draft and final dates in the RFP timeline;
9. A copy of the RFP;
10. A copy of all questions from bidders, including those asked at the TA session, and their responses;
11. Copies of all proposals submitted;
12. A copy of the proposal evaluation tool;
13. Copies of all proposal evaluations;
14. Copies of the award and denial letters; and
15. A copy of the resulting contract(s).

Use of Partner Resources

For those program elements not funded by the WIOA youth program, Area 2 may leverage partner resources to provide some of the readily available program elements. Area 2 must ensure that if a program element is not funded by WIOA, there is an agreement in place with the partner organization to ensure the program element will be offered. Area 2 will also ensure the program element is closely connected and coordinated with CCMEP.

VIII. COST AND PRICE ANALYSIS

The Area 2 WDB will perform a cost and/or price analysis in connection with every procurement action over the \$150,000 threshold, including contract modifications where it has been determined that the planned modifications have a monetary effect. The method and degree of the analysis is dependent on the facts surrounding that particular procurement, but at minimum, the WDB will make independent estimates before receiving any proposals/bids.

Price Analysis

Price analysis is the process of examining and evaluating a price, without looking at the estimated cost elements and proposed profit of the offer or whose price is being evaluated.

Price analysis techniques will include:

1. Comparison of proposed prices with independent estimates of cost developed by the WDB;
2. Comparison of prior quotes and contracts with current quotes for the same or similar services;
3. Use of parametric relationships to point out apparent gross differences (e.g. dollars per placement or participant, price per instruction hour, price per participant training hour, etc.); and
4. Comparison of prices on published price lists with published market prices of commodities.

Cost Analysis

Cost analysis is the review and evaluation, element by element, of the cost estimate supporting a company's proposal for the purpose of pricing a contract. A cost analysis is necessary when the bidder is required to submit the elements of the estimated cost, when adequate price competition is lacking, and for sole-source procurements such as contract modifications when it has been determined that the proposed modification will have a monetary effect.

Cost analysis includes evaluation of:

1. The supporting data submitted by the bidder;
2. The cost elements; and
3. The factors the bidder considered in developing the estimated cost of performing the specified work.

IX. PROPERTY STANDARDS

Materials, supplies, or equipment used for the performance of a WIOA-funded contract may be charged as direct costs. In the specific case of computers and laptops, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of the contract.

If materials, supplies, and/or equipment was purchased by a WIOA Youth Program Services provider through its contract with the SAMWA COG and there is a residual inventory of supplies and/or equipment whose original value exceeded \$5,000 aggregate, upon termination or completion of the WIOA program contract, the supplies and/or equipment must be retained by the SAMWA COG for use on other WIOA-funded activities.

X. CONFLICT OF INTEREST

To ensure a fair and open competitive process, all potential conflicts of interest in the procurement, management, and oversight of the youth program provider must be identified and addressed before planning and implementation of the procurement process. The WDB will issue a Conflict of Interest Statement to all agencies bidding on a procurement that must be returned with their LOI to bid.

Until the solicitation document is released to the public, it must be kept confidential to ensure that no individual or entity that will compete to serve as youth program provider has an unfair advantage over other competing individuals or entities.

Further, no WDB board member or other individual involved in the planning and the development of the RFP shall respond directly to inquiries from any individual or entity that will compete. All such inquiries should be directed to the WDB website where all questions and responses can be seen by all competitors during the open Q&A period.

Paragraph (B) of section 102.03 of the Revised Code prohibits current and former public officials and employees from disclosing or using confidential information acquired during official duties as public officials or employees when the confidential designation is set by statute or otherwise warranted because of the circumstances under which the information was received and preserving confidentiality is necessary to the proper conduct of government business. With respect to procurement, any individual with knowledge of the solicitation process or solicitation document must not disclose the information to ensure that the competitive process is fair and open to all.

XI. REFERENCES

1. ODJFS WIOA Policy Letter 17-03 Procurement of the Comprehensive Case Management and Employment Program Provider for WIOA Youth-Funded Activities and Services
2. WIOA Public Law 113-128
3. Ohio Administrative Code Chapter 5101:9-4
4. Ohio Revised Code Chapter 102 and 2921.42
5. Uniform Guidance 2 CFR 200.314, 200.318-326, 200.453