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(SN17)
WIOA BULLETIN NO. 17 -16

DATE: December 15, 2016
TO: WIOA Partners
SUBJECT: Procurement Policy and Standards

I. PURPOSE:

To communicate procurement requirements applicable to all entities receiving funds under Title I of WIOA from the State of Hawaii.

II. BACKGROUND:

All entities will comply with the procurement requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rules.

III. GENERAL STANDARDS:

- a. Procurement by State Entities
In accordance with 2 CFR Part 200.317, State entities must follow the same policies and procedures it uses for procurements for its non-federal funds. State entities shall follow provisions set forth in Chapters 103D and 103F, Hawaii Revised Statutes (HRS) and applicable Hawaii Administrative Rules (HAR) Chapters 120-131 and 140-149.

Provisions of these statutes and rules cover all facets of procurement including, but not limited to, conducting Small Purchase Procurements, Request for Proposal (RFP), settlement of protests, and other stated provisions.

In the event of conflicting requirements, provisions of federal regulations shall prevail over provisions of HRS and HAR.

- b. Procurement by Other Non-Federal Entities

In accordance with 2 CFR Part 200.318, all other non-federal entities, including subrecipients of the State, must follow its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal laws and regulations. Provisions stipulated in 2 CFR Part 200.318 (General procurement standards) through Part 200.326 (Contract provisions) should be incorporated in written procedures.

In the event of conflicting requirements, provisions of federal regulations shall prevail.

IV. GUIDELINES:

- a. WIOA subrecipients and subgrantees are solely responsible, without recourse to the State, regarding the settlement and satisfaction of all contractual and administrative issues relating to procurement transactions including soliciting offers and bids, evaluating responses, selecting contractors, handling disputes, claims and protests.
- b. WIOA subrecipients and subgrantees will conduct all procurement transactions in a manner that provides for full and open competition. Documented procurement standards shall address employee conflict of interest relating to the selection, award and administration of contracts.
- c. WIOA subrecipients and subgrantees will contract only with contractors that possess the ability to successfully meet the terms and conditions of the agreements with consideration of the factors listed below:
 - i. Contractor integrity;
 - ii. Compliance with public policy;
 - iii. Record of past performance; and
 - iv. Financial and technical resources.
- d. WIOA subrecipients and subgrantees will maintain procurement records to provide sufficient detail and history of the procurement actions. All procurement records must be made available for review by Federal and State agencies.
- e. WIOA subrecipients and subgrantees will maintain oversight of their contracts to insure contractor performance in accordance with specified terms and conditions of agreements and purchase orders.
- f. WIOA subrecipients and subgrantees must avoid acquisition of

unnecessary or duplicative items.

- g. WIOA subrecipients and subgrantees must take affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- h. WIOA subrecipients and subgrantees that contract with any units of State or local governments must be conducted only on a cost-reimbursement basis, as stipulated in 20 CFR Part 683.200(c)(4).
- i. WIOA subrecipients and subgrantees must include in all contracts the applicable provisions described in 2 CFR Part 200, Appendix II.

V. METHODS OF PROCUREMENT:

WIOA subrecipients and subgrantees must use one of the following methods of procurement :

- a. Procurement by micro-purchase – 2 CFR Part 200.320(a)
Procurement by micro-purchase is the acquisition of supplies or services for amounts less than \$3,000. To the extent possible, micro-purchases must be distributed equitably among qualified vendors. Micro-purchases may be made without soliciting competitive quotes if the price is considered to be reasonable.
- b. Procurement by small purchase procedures – 2 CFR Part 200(b)
Procurement by small purchase procedures is the acquisition of supplies, services or other property for amounts less than the Simplified Acquisition Threshold currently set at \$150,000. The threshold is periodically adjusted and set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1.

Small purchase procedures require obtaining an adequate number of quotes from qualified vendors. State policies should be referenced to insure compliance with State requirements.
- c. Procurement by sealed bids – 2 CFR Part 200(c)
Procurement by sealed bids is the acquisition of services and other property through formal advertising. Bids are publicly solicited and a firm, fixed price contract is awarded to the responsible bidder with the lowest price.

State policies should be referenced to insure compliance with State requirements.
- d. Procurement by competitive proposals – 2 CFR Part 200(d)

Procurement by competitive proposals is the technique normally used for the acquisition of services to be awarded with a fixed price or cost-reimbursement type contract. Proposals are publicly solicited and technically evaluated. A contract is awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

State policies should be referenced to insure compliance with State requirements.

- e. Procurement by noncompetitive proposals – 2 CFR Part 200(f)
Procurement by noncompetitive proposals is the technique used to solicit a proposal from only one source for the acquisition of supplies, services or other property when one or more of the following specific circumstances apply:
1. The item/service is available only from a single source;
 2. Public exigency or emergency will not permit a delay resulting from competitive solicitation;
 3. USDOL and the State specifically authorizes a noncompetitive procurement in response to a written request; or
 4. After solicitation of a number of sources, competition is determined inadequate.

State policies should be referenced to insure compliance with State requirements.

VI. COST AND PRICE ANALYSIS:

WIOA subrecipients and subgrantees must perform a cost or price analysis for every procurement in excess of the Simplified Acquisition Threshold currently set at \$150,000. The threshold is periodically adjusted and set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1. In accordance with 2 CFR Part 200.323, the analysis must include the considerations listed below:

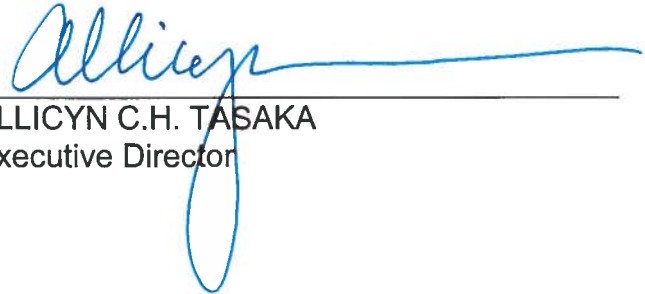
- Independent estimates should be determined prior to receiving bids or proposals; and
- Any profit must be negotiated as a separate element of the price.

VII. INQUIRIES:

Inquiries regarding this bulletin may be directed to Kim Saito, Kim.A.Saito@hawaii.gov or (808) 586-8903.

VIII. REFERENCES:

- Title I of the Workforce Innovations and Opportunity Act (WIOA) of 2014
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule
- Federal Acquisition Regulation, 48 CFR Subpart 2.1
- Hawaii Revised Statutes (HRS) Chapters 103D and 103F
- Hawaii Administrative Rules (HAR) Chapters 120-131 and 140-149



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