ALABAMA WORKFORCE INVESTMENT SYSTEM

Alabama Department of Commerce
Workforce Development Division
401 Adams Avenue
Post Office 304103
Montgomery, Alabama 36130-4103

February 29, 2016

GOVERNOR'S WORKFORCE INNOVATION DIRECTIVE NO. PY2015-12

SUBJECT: Statewide Workforce Innovation and Opportunity Act (WIOA) Procurement Procedures

1. Purpose. To provide Local Workforce Development Boards (LWDBs) and other subrecipients minimum standards and procedures designed to ensure the proper procurement of and contracting for services.

2. Discussion. Local Workforce Development Boards (LWDBs) and other subrecipients are required to establish and maintain procurement and contracting policies and procedures to ensure full and open competition. The attached procedures are designed pursuant to: 20 CFR Parts 675, et al and Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200 including any exceptions identified by the U.S. Department of Labor (USDOL) at 2 CFR Part 2900. The OMB's Uniform Guidance 2 CFR 200.317 requires states to follow the same policies and procedures it uses for procurements from non-Federal funds when procuring property and services under a Federal award. All other non-Federal entities, including subrecipients of a state, will follow the requirements at 2 CFR 200.318 (General Procurement Standards) through 2 CFR 200.326 (Contract Provisions).

2 CFR 200.318(a) states that the non-Federal entity must use its own documented procurement procedures, which reflect applicable state and local laws and regulations provided that the procurements conform to applicable Federal law and the standards identified at 2 CFR 200.317 through 2 CFR 200.326.

These minimum standards apply to all funding received through the Workforce Development Division. These minimum standards also apply to the procurement of property, consultants or personal services contracts.

3. **Action.** Local Workforce Development Boards (LWDBs) and other subrecipients are required to develop written procurement procedures and to incorporate these minimum standards into their procurement and contracting policies and procedures.

4. **Contact.** Questions regarding this Directive should be referred to Bill Hornsby, Supervisor, Workforce Development Division, State Programs, Planning and Divisional Budget Management Section at (334) 242-5847 or bill.hornsby@commerce.alabama.gov.

2/29/2016

Steve Walkley, Division Manager, Workforce Development Division **Date**
Alabama Department of Commerce

Attachments:

Disclaimer: This policy was drafted based on the WIOA Law (Public Law 113-128), the Uniform Guidance 2 CFR 200 and the USDOL's exceptions to the Uniform Guidance 2 CFR 2900. If, upon issuance of the WIOA's Implementing Regulations, there are additional requirements and/or clarifications; this policy will be revised as may be necessary.

STATEWIDE WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) PROCUREMENT PROCEDURES

Alabama Department of Commerce
Workforce Development Division
Montgomery, Alabama

February 2016

STATEWIDE WORKFORCE INNOVATION and OPPORTUNITY ACT (WIOA)
PROCUREMENT PROCEDURES

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I Governor's Procurement Procedures

This document entitled *Statewide WIOA Procurement Procedures,* has been developed in accordance with the requirements of 2 CFR 200.217 – 200.326, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;* Final Rule 2 CFR Chapter I, Chapter II, et al. and 2 CFR Part 2900 (*Uniform Guidance*). These procurement procedures are applicable to programs to include the State's Workforce Development Board, the state administrative agency, Local Workforce Development Areas, and Local Workforce Development Boards (LWDBs). Any subrecipients or other service providers of the above entities as applicable, are covered insofar as they receive WIOA Title I funds. All procurements should be planned, solicited, and effected in such a manner that the resulting costs will be made in accordance with the allowable cost criteria contained in the *Uniform Guidance.* The ultimate objective is to ensure fiscal accountability and prevent waste, fraud, and abuse in the noted programs administered under the Act.

Per 2 CFR 200.317, when procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with 2 CFR 200.322 Procurement of recovered *materials* and ensure that every purchase order or other contract includes any clauses required by section 2 CFR 200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow 2 CFR 200.318 General Procurement Standards through 2 CFR 200.326 Contract Provisions.

Per 2 CFR 200.318, the non-Federal entity must use its own documented procurement procedures, which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified at 2 CFR Subpart D-Procurement Standards.

II Background Discussion

Procurement and contracting is the primary management system for ensuring accountability in the proper use of grant funds and integrity regarding the legitimacy of results 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 by the Workforce Innovation and Opportunity Act (WIOA) program. 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. Procurement actions should only be executed for activities that are in addition to activities that would otherwise be available in the local workforce development area in the absence of such funds; e.g., supplanting of funds is not allowable per the WIOA Section 194(2).

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 Local Workforce Development Boards' (LWDBs) staff and members are aware, real accountability and integrity results 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 services from outside and internal sources. The requirements are based on the procurement and sub-grant management principles defined in the U.S. Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200.

A. Procurement

Introduction. Accountability and integrity issues revolve around the procurement of goods and services. The public is interested in ensuring 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 goods and/or services.
- Clearly defining the goods and/or services desired.
- 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.

III General Requirements

The grant subrecipient 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. (2 CFR 200.318)

Responsible Contractors. The grant subrecipient shall make awards only to responsible entities possessing the ability to perform successfully under the terms and conditions of a proposed procurement at a reasonable cost. (2 CFR 200.318(h))

Code of Conduct

The grant subrecipient 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. (2 CFR 200.318(c)(1))

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 an opposing economic interest to that of the organization with which they are negotiating.

Restricting Competition

The grant subrecipient must prohibit noncompetitive pricing practices between firms, organizations or affiliated companies or organizations.

Consideration to Small, Minority and Women's (SMW) Businesses and Labor Surplus Suppliers

The LWDB must provide an opportunity to SMW business organizations and labor surplus suppliers to participate in its procurement process. (2 CFR 200.321)

Occupational Skills Training

The grant subrecipient must identify occupations for which there is a demand for training.

Bidders' List

The grant subrecipient 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. (2 CFR 200.319(d))

Avoidance of Unnecessary or Duplicative Purchases

Procedures must provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items and to facilitate the acquisition of goods/services in the most economical manner. (2 CFR 200.318(d))

Adequate Administrative and Support Funds

The grant subrecipient must ensure that subrecipient contracts include adequate funds necessary for administration 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.

Maintenance of Records

The grant subrecipient shall maintain records sufficient to detail the significant history of procurement. These shall at a minimum include the following: rationale for method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price, and the contract development process. (2 CFR 200.318(i))

IV 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.

1. Small Purchase Option – 2 CFR 200.320(b)

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 LWDB may consolidate procurements for similar needs (e.g., yearly requirements for office consumables or instructional 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 LWDB 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 catalogues, 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 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 purchase 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 records can provide documentation. **Note:** For the purchase of consumable materials under $5,000 per transaction, non-competitive procurement is an option (see Section C).

State administered and/or local government administered WIOA programs should follow the procurement procedures of the applicable administrative entity, so the small purchase option may not be available to those entities.

2. Request for Proposal (RFP) Method – 2 CFR 200.320(d)

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 decisions, it is required that the RFP include the following elements, as appropriate to the services being solicited for the WIOA program.

- Name and address of the LWDB's administrative entity.
- Name, address and phone number of person(s) to contact regarding the solicitation.
- General description of the sub-grant program, including identification of the applicable federal and state laws and regulations with which the selected contractor must comply. [Note: At a minimum, the LWDB should reference the Workforce Innovation and Opportunity Act; USDOL Regulations; and any appropriate Workforce Development policy statement(s).]
- The population to be served and minimum levels of services to specific target groups.
- An estimate of the number/range of individuals to be served and expected results in each activity.
- Applicable coordination requirements.
- Funding parameters by activity.
- A description of the training and/or services to be provided by successful proposers.
- The period of performance.
- Applicable monitoring and reporting requirements, including, but not limited to, data entry, performance, and financial reporting.

- Other services or requirements (e.g., responsibility for eligibility determination, LWDB policy on support payments, audit requirements and work statement requirements) that will affect proper budgeting by the offeror.
- Prohibition against subcontracting without LWDB approval.
- Line item budget of proposed costs, including any profit to be realized and/or funds to be contributed.
- Documentation to be supplied by the offeror to establish its programmatic and financial capability to perform the work.
- Requirements for preparation and submission of the proposal, due date and time, content and format, number of copies and location/person where the proposal should be submitted.
- Process and procedures by which proposals will be evaluated for competitiveness, including identification of specific criteria which will be used for evaluating proposals.
- Description of the procedures for responding to proposer inquiries and a schedule for the receipt of proposals including approximate dates for review and award.
- Grievance procedures for contesting the procurement process.
- Affirmative action assurance that the offeror 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.
- Include a copy of the State's Contract General Provisions and/or local LWDB's Contract General Provisions, which comply with 2 CFR 200.326 and with the WIOA required assurances.
- Clause to indicate if the project/proposal/or activity may be extended beyond the initial funding period (initial procurement) subject to funding availability, successful performance by the subrecipient, and approval by the applicable approval authority such as the LWDB, Governor for State Governor's Set Aside funded subrecipient agreements, etc.
- Clause which allows for the rejection of any and all proposals.
- Request completed W-9 Request for Taxpayer Identification Number and Certification Form.
- Request completed Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transactions Form
- Request for State Agency Administered WIOA Proposers completed Potential Service Provider Form.
- Completed State of Alabama Disclosure Statement Form.
- Completed Certificate of Compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act Form.

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

Publication Requirements and Clarifying Information

The LWDB 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' or proposers' list and written publication in newspaper(s) of general (i.e., the LWDB'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 in conjunction 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 proposals or bids as applicable, it is strongly recommended that the LWDB issue the public notice a minimum of 30 days prior to the submission date for proposals.

If the subrecipient 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 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 LWDB's agency-wide policy allows such additional points in procurements for funding sources other than the Workforce Innovation and Opportunity Act (WIOA).

Selection and Award Procedures

The LWDB must establish and follow written procedures by which proposal evaluation results are prepared, reviewed by the LWDB and the extent to which the staff is authorized to award and negotiate resulting contracts.

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

Use of Contingency Lists

If the LWDB 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 meets 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 or proposers on the list.

3. Intention to Bid

This competitive method maintains the integrity of a competitive procurement process by identifying, through public notice, potential bidders (proposers) 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 or proposals as applicable, which will be received and whether there will be a sufficient number of bids or proposals to justify the development of a solicitation.

Procedural Requirements

To use this method, the LWDB must complete the steps described below.

a. Develop a set of preliminary training/service specifications for which the LWDB intends to request bids. The specifications must include the following parameters:

- date the proposed solicitation will be issued
- specific type of training/services to be performed
- estimated number of participants and/or available funds or ranges, if preferred
- expected period of performance
- geographic area to be served
- specific target groups to be served, if applicable
- type of contract to be awarded
- expected performance

b. Issue a public notification in the same manner as that used for the issuances of RFPs. In addition, issue letters or e-mail notifications to all applicable organizations on the bidders' or proposers' list, requesting an indication of whether the organization intends to respond 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.

c. If the intention to bid process is used and no interest is received, noncompetitive 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 LWDB may use a sole source justification to obtain the training/service. A complete history of this process must be documented in the procurement file. (2 CFR 200.318(i))

Limitations

Sole source procurement may not be used if more than one organization indicated its intent to bid (respond). In this case, a solicitation for the training/services advertised must be developed and transmitted to all who responded to the intention to bid.

4. Request for Quotation/Invitation for Bid

(Formal Advertising for Sealed Bids – 2 CFR 200.320(c))

Under this method, bids are publicly solicited and a contract is awarded to the responsible offeror whose bid, conforming to all material terms and conditions of the solicitation, is the lowest in price. A fixed-price contract is the preferred method to be used.

PROCUREMENT BY SEALED BIDS MAY NOT BE USED WHEN SECURING PROGRAM OR ACTIVITY TYPE SERVICES.

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 LWDB is capable of specifying and describing the desired 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 LWDB area-wide circulation or post to an accessible website, allowing sufficient time prior to the date of 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 offeror 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 offerors promptly and file documentation accordingly.

Note: The LWDB can reserve the right to reject any or all bids when there are sound reasons in the best interest of the program. However, the LWDB must communicate this in the solicitation.

V. Non-Competitive Procurement Options

Procurement by noncompetition proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the below stated circumstances apply. Noncompetitive procurement may be necessary in selected situations when competition is not available. This method should be minimized to the extent practicable, but in every case must be justified and documented. This section describes the options and criteria to be used in considering noncompetitive procurement, depending on the specific situation. Although not required, LWDBs are encouraged to consult with State staff when noncompetitive procurement is being considered and the appropriateness of the circumstances are uncertain.

1. Procurement by Micro-Purchases – 2 CFR 200.320(a)

To purchase consumable materials without a formal award or competitive bidding process, the small value purchasing authority may be used if all the following requirements are met:

- ❖ Purchases are limited to consumable supplies or services (excluding construction) and may not exceed $3,000 per transaction in the aggregate.
- ❖ It is used for immediate over-the-counter purchases and/or to take advantage of cost-saving purchases such as advertised specials. Splitting of orders into multiple orders to avoid the dollar limitation is not allowable.

- ❖ To the extent practicable, LWDBs must distribute micro-purchases equitably among qualified suppliers.
- ❖ Micro-purchases may be awarded without soliciting competitive quotations if the LWDB considers the price to be reasonable.
- ❖ Written guidelines governing the use of micro-purchases must be developed by the LWDB.
- ❖ Documentation of each purchase is maintained, such as a purchase order or detailed sales receipt to show the items bought.

2. One Service Provider

If the item is available only from a single source – 2 CFR 200.320(1). This should be a rare occurrence in the era of web searches for goods and services.

- ❖ Documentation of an "exhaustive" search for more than one source of the goods and/or services being sought by the LWDB should be maintained as this method of procurement should "limited" by the LWDB.

3. Emergency – 2 CFR 200.320(f)(2)

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.

4. Federal Awarding Agency or State Authorized Noncompetitive Procurement – 2 CFR 200.320(f)(3)

LWDBs may request authorization from the Workforce Development Division to use noncompetitive procurement in circumstances when a competitive procurement is not feasible to meet special need and the noncompetitive criteria do not address the special circumstances. The Federal awarding agency or the state (pass-through entity) would have to expressly authorize noncompetitive proposals to a written request from the non-Federal entity. The state would request guidance from the U.S. Department of Labor in such cases. A written request must be transmitted to the Workforce Development Division, which includes the following information:

- ❖ Purpose of the project.
- ❖ Agency(ies) involved and the collaboration to be improved.
- ❖ The circumstances which justify noncompetitive procurement.

The circumstances must involve a real collaborative effort to provide services, which 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 base to benefit from the project.

NOTE: The ability to use state authorized noncompetitive procurement may not be used if it violates local administrative entity procurement policy.

5. On-the-Job Employer Agreement

Agreements directly with employers for the provision of on-the-job training may be procured noncompetitively. If an intermediary "broker" is contracted to administer the OJT activity, the broker's services must be procured competitively. No OJT procurement action should be completed with employers who have received payments under previous contracts under this Act or the Workforce Investment Act of 1998 and have exhibited a pattern of failing to provide on-the-job training participants with continued long-term employment as regular employees with wages and employment benefits (including health benefits) and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work per the WIOA Section 194(4).

6. Incumbent Worker Training Programs (IWTP) Agreements

IWTP agreements with employers may be procured through a sole-source procurement process. The State or LWDBs should make the IWTP application available via website or other public access methodology so as to provide the opportunity for proposals from a large cross section of employers. Proposals would be funded on a first come/first funded basis until the State or LWDB's IWTP budget has been obligated to the maximum extent possible. Note that employers select the training providers for their respective programs and proposed training provider information is included with the respective IWTP application.

7. Failed Competitive Procurement – 2 CFR 200.320(f)(4)

The LWDB may use noncompetitive procurement if it has conducted a competitive procurement process and only one or no competitive bid was received. When the LWDB received 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, sole source may be used to obtain the training/service. A complete history of this process must be documented in the procurement file.

8. 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, that similar unfunded proposals on the contingency list, if used, will receive priority for funding if they meet the need being addressed.

VI. Additional Procurement Guidelines

LWDB Agreements

A LWDB may enter into an agreement or contract with another LWDB to pay or share the cost of education, training, placing or providing supportive services to individuals participating in programs funded by the WIOA (WIOA Section 194(3)(A)). Any agreement must be approved by the LWDB and described in the LWDB's workforce development plans (WIOA Section 194(3)(B)).

Review Process

Noncompetitive procurements must be reviewed for competitiveness and demonstrated performance, just as competitive procurements. Because of the emergency nature of some noncompetitive procurements, the review process may be different since time may be a critical factor with such procurements.

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 noncompetitive*, 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 on behalf of the WIOA program.

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.

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 attached **Program Cost Analysis Guide Worksheets** (Attachment 2) may be used in the determination of reasonableness of costs decisions.

Offeror 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 offeror 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 LWDB 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).

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).

Contract Negotiations

The LWDB 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.

Range of Negotiations

Negotiations must be structured around LWDB established priorities, policies, definitions, and parameters included in the solicitation. Negotiation ranges are further defined by the criteria and weights used to evaluate the competiveness of bids submitted. Negotiations cannot alter the structure of the competitive environment established in the procurement process.

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. LWDBs must not permit excess profit. Profit must be negotiated as a separate cost 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 attached **Determination of Reasonableness of Profit Worksheets 2 CFR 200.323(b)** (Attachment A, Part III)**:**

- The complexity of the work to be performed – Less complex work should reduce profit levels.
- The risk borne by the contractor – If the recipient has very little risk of not covering its costs, then the profit should be reduced accordingly.
- The contractor's investment – If the recipient's investment is minimal, then profit should be minimal as well.
- The amount of subcontracting – As more of the work is being performed not by the recipient directly, but by its subrecipients, then the contractor should be "earning" less profit.
- The quality of the contractor's record of past performance.
- Industry profit rate in the surrounding geographical areas for similar work – This factor is one way in which reasonableness of costs is measured. If the level of profit exceeds the going rate of profit in the surrounding area, then that profit is unreasonable by definition and is, therefore, not an allowable cost.
- Market conditions in the surrounding geographical area.

The ETA's Division of Policy Review and Resolution provided the following information in addition to the "bullet" points provided immediately above.

The Uniform Guidance does not establish a specific percentage or dollar amount. The FAR at 48 CFR 15.404-4 states that it be less than 10%. The Department of Human Services limits profit as a matter of practice to no more than 8%. The 10 percent maximum amount does not mean that the negotiated profit should be 10%. The appropriate amount of profit depends on the level of risk and the services provided.

When developing a policy, a State or Local area must establish the factors that one will gauge and calculate the level or percentage of profit. One of the most common findings from onsite compliance reviews are weaknesses in the procurement process that resulted in poor execution of a contract and miscalculation of profit. For instance, payment of profit should be tied to the achievement of some performance; and it should not be calculated on costs that are considered as pass through. For instance, if this company simply cuts checks to training providers or for supportive services that are provided by a third party, there is no risk or services being provided so it would not make sense that the profit is calculated on those expenses. In other words, profit should not be based on total expenses incurred, but performance achieved.

So what are the requirements applicable to establishing profit in Federally funded programs? The primary rule is that you must negotiate profit as a separate element from price when there is no price competition and in all cases where cost analysis is performed. Cost analysis is required when the award exceeds the simplified acquisition threshold. Under these circumstances, profit cannot be hidden in an overall price, but must be separately negotiated and identified in the agreement. Profit should be tied to performance and the amount or level must be specified in the contracting instrument used to secure such services.

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

Determining Business Operation Capability

The LWDB 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 (2 CFR 200.331(b)), but the determination must be made prior to contract execution per 2 CFR 200.318(h), awards may only be made to responsible contractors. Items for consideration include:

- Staffing capabilities
- Business licenses and/or registrations with appropriate oversight agencies
- Adequate accounting systems
- Sufficient bonding and insurance coverage
- Ability to perform successfully
- Past performance, compliance with public policy, financial and technical resources, contractor integrity
- Determining Absence of Debarment and Suspension. The LWDB must ensure that the organization is not on any current Federal, State or local "debarment and suspension" list. The subrecipient 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.
- Tax liability – No awards to individuals or companies with outstanding tax liabilities.
- Felons – No awards to felons – individuals and/or companies.

Procurement Records

The LWDB 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 LWDB 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 (e.g., 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 and/or proposals received, including the date and time
- a copy of each proposal or 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 offeror which did not receive the highest score/ranking in the evaluation process
- evidence of LWDB approval of the procurement
- completed Memo of Negotiations for each subrecipient contract
- completed cost analysis for each selected bidder/proposer
- a copy of any submitted grievance(s) and the resolution of each
- high risk determinations and special award/contract conditions, if appropriate
- completed profit analysis, if appropriate (Note: Per the Federal Acquisition Register (FAR) 15.404-4, the profit should be less than 10 percent.)

VII. 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 which must be included in contracts.

One of the first considerations in developing a contract is the relationship the LWDB 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 when the LWDB enters an agreement to purchase generally required goods and services, which are available and sold to the general public during normal business operations.
- A subrecipient 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 subrecipients are defined as service providers.

B. Vendor Contracts

Fixed price contracts must be used with vendors.

1. 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 contractor'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** have review and written approval by the Workforce Development Division before the contract is finalized. The request for review by the Division must include:

  - ✓ the purpose of the contract
  - ✓ the cost of the proposed contract
  - ✓ the starting and ending dates
  - ✓ an assurance of adherence to State and local procurement policies, and
  - ✓ the funding source to be used
  - ✓ equipment purchases with a unit cost of $5,000 or more also requires prior approval of the Workforce Development Division

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

C. Subrecipient Contracts

1. Cost Reimbursable Contracts

LWDBs 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 LWDB in negotiating line item costs.

This type of contract is required for procurement transactions between units of State or local governments and any other entity organized principally as the administrative entity for the local workforce development board. Pursuant to the WIOA Section 184(a)(3)(B) procurement transactions under WIOA between local boards and units of state local governments shall be conducted only on a cost-reimbursement basis.

Each contract must contain a detailed line item budget specifying the expense items and estimated amounts for all costs. All costs in the approved budget must be allowable and properly allocated among the cost categories (Administration and Program Costs) that will benefit from the expenditures. The contract must fully describe the services to be delivered and the invoicing and 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.

2. 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/service provider to provide WIOA training or services.

3. Fixed Price Contracts

With **prior approval** from the Federal awarding agency, a pass-through entity may provide sub-awards based on fixed amounts up to the Simplified Acquisition Threshold (currently $150,000), provided that the sub-awards meet the requirements for fixed amount awards at 2 CFR 200.201, use of grant agreements (including fixed amount awards), cooperative agreements, and 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 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.

4. 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 basis 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.

5. 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 offeror 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 subrecipient knowingly submitted data that were not accurate, complete and current.
- ❖ 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).

6. Pay for Performance Contract Strategy - (WIOA Section 3(47))

The term 'pay-for-performance contract strategy' means a procurement strategy that uses pay-for-performance contracts in the provision of training services described in Section 134(c)(3) or activities described in Section 129(c)(2), and includes:

- Contracts, each of which shall specify a fixed amount that will be paid to an eligible service provider (which may include a local or national community-based organization or intermediary, community college, or other training provider, that is eligible under Section 122 or 123, as appropriate) based on the achievement of specified levels of performance on the primary indicator of performance described in Section 116(b)(2)(A) for target populations as identified by the local board (including individuals with barriers to employment), within a defined timetable, and which may provide for bonus payments to such service provider to expand capacity to provide effective training.
- A strategy for independently validating the achievement of the performance described above; and
- A description of how the State or local area will reallocate funds not paid to a provider because the achievement of the performance described above did not occur as contracted.
- Pay-for-Performance contractors do <u>not</u> get paid any WIOA payments unless contracted performance is achieved and validated by the LWDB. (They use their own non-WIOA funds "upfront" with an anticipation of meeting performance and receiving contracted payments.)
- Per WIOA Section 189(g)(2)(D) funds for Pay-for-Performance contract strategies by local areas shall remain available until expended.

VIII. General Contract Provisions for All Contracts

Except for small purchases for which a purchase order is appropriate, the LWDB 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 LWDB must include in each subrecipient agreement the following provisions and must require that the subrecipient include the provisions, or references to them, in any subcontracts:

- Compliance with The Act (WIOA) and its Implementing Regulations
- Compliance with Administrative Requirements such as Governor's Workforce Innovation Directives, Statewide WIOA Fiscal Procedures Manual, other Grantor administrative requirements, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Final Rule (2 CFR Chapter I, Chapter II, Part 200 et al. as supplemented by the U.S. Department of Labor in its codification of the policies and procedures for financial assistance administration (2 CFR Part 2900)).
- Certification of Legal Capacity.
- Utilization of Grantor's Grievance Procedures.
- Compliance with Record Maintenance Requirements for the WIOA Title I-B Program.
- Compliance with the WIOA Section 188(a)(3) – Sectarian Activities.
- Clause regarding the Maintenance of Safety and Health Standards in work and training situations.
- Compliance with the Conditions of Employment per the WIOA Section 181(b)(5).
- Clause regarding the provisions of Workers' Compensation or insurance per the WIOA Section 181(b)(4).
- Clause regarding Maintenance of Effort.
- Clause regarding Training Objectives.
- Compliance to ensure no Supplanting of Funds.
- Clause regarding required Reports from subrecipients.
- Compliance with Participant Selection requirements.
- Compliance with program Performance requirements.
- Acceptability of work progress and amounts to be paid.
- Indemnification clause.
- Bank Account requirements.
- Bonding requirements.
- Compliance with Procurements and Property.
- Subcontractor requirements.
- Cooperation with Monitoring, Evaluation, and Audit of program by Grantor agencies.

- Clause regarding agreement Modifications.
- Product Ownership clause for any inventions and materials generated under the WIOA agreement.
- Compliance with the Copyrights requirement accruing to the Federal Government.
- Cost of Contract clause.
- Compliance with the Public Relations requirements to give credit to the Act.
- Clause regarding Source Documents.
- Clause regarding Successors.
- Clause regarding what constitutes Written Notice.
- Warranty that all representations of information is true and correct.
- Rights and Remedies pursuant to the agreement.
- Clause regarding the limitation of using grant funds for Construction.
- Compliance with the Relocation preclusion for providing services to companies that lay off workers and relocate to another state such as to Alabama.
- Clause regarding the maintenance of a Code of Standards for the conduct of staff.
- Clause regarding exclusion of grant funds for Public Service Employment, except to provide disaster relief employment per WIOA Section 170(d) of WIOA (WIOA Section 194(10)).
- Clause regarding exclusion of grant funds for Employment Generating Activities.
- Clause regarding the preclusion of using WIOA funds for Foreign Travel per WIOA Section 181(e).
- Disputes resolution process clause.
- Terminations clause.
- Clause to address Hearing on Appeal.
- Compliance with Nondiscrimination/Equal Opportunity provisions WIOA Section 188 as well as with the American with Disabilities Act of 1990, Title II, Subtitle A and compliance with OSHA work place requirements.
- Compliance with Davis-Bacon and Copeland "Anti-Kickback" Act.
- Compliance with the Contract Work Hours and Safety Standards Act.
- Rights to Inventions Made Under a Contract or Agreement clause.
- Compliance with the Clean Air Act and Federal Water Pollution Control Act.
- Compliance with Energy Conservation requirements of the Energy Policy and Conservation Act (Public Law 94-163).
- Compliance with Debarment and Suspension per Executive Orders 12549 and 12689.
- Certification Regarding Lobbying restrictions at 29 CFR Part 93.
- Compliance with the Procurement of Recovered Materials pursuant to 2 CFR 200.322.
- Tobacco Smoke restrictions pursuant to Public Law 103-227, Title X, Part C.
- Drug-Free Work Place Requirements at 29 CFR Part 98.
- Compliance with the Transparency Act Requirements Public Law 109-282.
- Compliance regarding the preclusion of Political Activity.
- Compliance with the Human Trafficking Provisions of Section 106(g) of the "Trafficking Victims Protection Act of 2000" (22 U.S.C. 7104).

- Purchase of American-Made Equipment and Products as stated in Section 507 of Public Law 103-333.
- Mandatory Disclosures pursuant to 2 CFR 200.113.
- Clause to address compliance with Not to Constitute a Debt of the State pursuant to Article II, Section 213 of the Constitution of Alabama, 1901, as Amended by Amendment Number 26.
- Access to Records by the State, the recipient, the subrecipient, the U.S. Department of Labor, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records (including computer records) of the contractor or subcontractor which are directly pertinent to the administration of the contract in order to conduct audits and examinations, and make excerpts, transcripts, and photocopies. This right also includes timely and reasonable access to contractor's and subcontractor's personnel for the purpose of interviews and discussions related to such documents (vendor contracts).
- Provisions against Assignment.
- Contingency Clause regarding funds availability.
- Conflict of Interest Real or Apparent clause to address this requirement.
- Audit Requirements for Federal funds pursuant to 2 CFR Part 200, Subpart F.
- Compliance with the requirement for a Disclosure Statement unless exempt under subsection 41-16-82, Code of Alabama 1975.
- Clause to address Compliance with Federal, State, and Local Laws.
- Compliance with Veteran's Priority Provisions per Public Law 107-288.
- Compliance with the Salary and Bonus Limitations pursuant to Public Law 113-235, Section 105.
- Compliance with the Federal requirement regarding Intellectual Property Rights.
- Compliance with the requirement for safeguarding Personally Identifiable Information.
- Clause to avoid Violation of the Privacy Act pursuant to 5 U.S.C. 552a or its implementing regulations.
- Clause to comply with the Federal Requirements for Conference and Conference Space as well as conference cost requirements at 2 CFR 200.432.
- Clause to address Health Benefit Coverage per Public Law 113-235.
- Clause to address Flood Insurance restrictions with Grant funds.
- Compliance with the Architectural Barriers Act of 1968, 42 U.S.C. 4151, et seq., as amended, also comply with 41 CFR 102-76, and 36 CFR 1191, Appendix C and D.
- Clause to address Hotel-Motel Fire Safety pursuant to 15 U.S.C. 2225a for all space for conferences, meetings, conventions, or training seminars funded in whole or in part with Federal funds.
- Clause regarding the Prohibition and Contracting with Corporations with Felony Criminal Convictions.
- Clause regarding the Prohibition or Contracting with Inverted Domestic Corporations.
- Clause regarding the Prohibition on Contracting with Corporations with Unpaid Tax Liabilities.

- Clause regarding the Prohibition on Providing Federal Funds to ACORN.
- Clause to comply with Profit restrictions from Federal financial assistance pursuant to 2 CFR 200.400(g) and WIOA Section 121(d).
- Compliance with Executive Order 12928 – Subcontracting/subgranting opportunities to Historically Black Colleges and Universities and other Minority Institutions.
- Compliance with Executive Order 13043 – Increasing Seat Belt use.
- Compliance with Executive Order 13513 – Reducing Text Messaging While Driving.
- Compliance with Executive Order 13166 – Improving Access to Services for Persons with Limited English Proficiency.

IX. Subrecipient 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 LWDB.

- *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 targets 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 Definition*

  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 employment 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 work statement or as 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 to 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 the training.

- *Training Supplies and Materials*

  An itemized listing of training supplies and materials (e.g., work tools, work books, supplies) 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 requirements related to minimum start-up and completion dates for individual training cycles.

- *Subcontracts*

  Any third parties to whom any part of the contract will be subcontracted must be identified and their responsibilities defined. All applicable work statement items will flow to the subcontract contract, with the sole exemptions being the on-the-job training employer's incumbent worker training projects with employers. Subcontracts require prior approval by the LWDB.

- *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.

X. Timely Contract Execution/Use of Pre-Agreement Letters

As a standard operating procedure, subgrant funds are to be obligated and disbursed to contractors in accordance with a fully-executed contract and/or subcontract. 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 LWDB 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.

XI. Contract Administration and Records

LWDBs must maintain a system for contract administration to ensure that 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.

XII. Monitoring

All LWDBs 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.

XIII. Contract Files

All LWDBs 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

XIV. Property Control

All LWDBs must develop procedures and maintain controls for property acquisition, utilization, maintenance, and disposition. A physical inventory of all property must be performed at least every two years or more often if local policy requires a more frequent physical inventory.

XV. Workforce Development Board Program Cost Analysis Guide

1. INTRODUCTION

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

An objective cost/price analysis will enable the LWDB to provide the services available to the greatest number of people. The object of the 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 LWDB, and an objective cost analysis will help the LWDB 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 for a particular program. 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 for consideration.

A second element of cost analysis is comparison of 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.

2. ANALYSIS PROCEDURE

The cost analysis procedure may vary by program; the reviewer 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
- LWDB policies

In addition to these guidelines, the LWDB 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 have 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.

3. CONTRACT

All contract applications will require detailed line item budgets.

4. 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.

5. 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.

6. 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.

XVI. Agreement / Modification / Proposal – Review Instrument – Cost / Price Analysis / Conflict of Interest / Non-Disclosure Statement – Attachment A (Pages 1 – 20).

Review Instrument
Agreement / Modification or Proposal
Workforce Development Division

Distribution: *(Original in Procurement File for New Procurement; if Modification, Original goes into Agreement File)*

☐ Proposer ☐ Subrecipient

☐ Agreement ☐ Proposal

Name: _____

Name of Applicant Agency: _____

Location of Applicant Agency: _____

_____

Phone Number: _____

Grant Type:

☐ Planning ☐ Implementation ☐ Training Services

☐ Other _____

Document being Reviewed:

☐ Agreement ☐ Proposal ☐ Modification No. _____

Fund Source:

☐ 5% WIOA ADM ☐ 10% WIOA Program Costs ☐ 2% Trans

☐ NDWG ☐ CB ☐ Other _____

Date Received by Workforce Development Division : _____

Proposer / Applicant Agency Purpose:

☐ New Proposal and Purpose ☐ Modification and Reason for Modification

_____

_____

_____

_____

_____

_____

Cost Category: (WIOA 15%)

	Original Amount	Increase	Decrease	Revised Amount	Category Percents
Administration					
Program Costs					
Rapid Response					
TOTAL COSTS					

Match Cost Category:

	Original Cash Match	Increase	Decrease	Revised Amount	Category Percents
Administration					
Program Costs					
TOTAL COSTS					

Program: _____

	Original In-Kind Match	Increase	Decrease	Revised Amount	Category Percents
Administration					
Program Costs					
TOTAL COSTS					

Other Fund Sources:

☐ **NDWG** ☐ **Other** _____

	Original Amount	Increase	Decrease	Revised Amount	Category Percents
Administration					
Program Costs					
Supportive Services					
Needs-Related Payment					
Other Services					
TOTAL COSTS					

Cover Sheet Budget Section:

1.	Does the Document include a Signature Sheet?	☐	Yes	☐	No	☐	N/A
2.	Are all required signatures affixed to the Document?	☐	Yes	☐	No	☐	N/A
3.	Does the Document being reviewed comply with the maximum on administrative costs?	☐	Yes	☐	No	☐	N/A
4.	Does the Document being reviewed comply with the minimum on program costs?	☐	Yes	☐	No	☐	N/A

5. Comments on Revised Cost Categories:

_____

_____

_____

_____

_____

6.	Is the budget mathematically correct?	☐	Yes	☐	No	☐	N/A
	Comments: _____						
7.	Are required itemizations / schedules (budget back-up) included?	☐	Yes	☐	No	☐	N/A
	Comments: _____						
8.	Is there match where required?	☐	Yes	☐	No	☐	N/A
9.	Is Indirect Cost charged to the contract?	☐	Yes	☐	No	☐	N/A
	If Yes, is there a copy of an approved Cost Allocation Plan?	☐	Yes	☐	No	☐	N/A
10.	Are there any costs duplicated (covered under line item and Cost Allocation Plan)?	☐	Yes	☐	No	☐	N/A

Comments:

_____

_____

_____

_____

_____

_____

_____

COST / PRICE ANALYSIS
For New Program or Programs in which the Budget is
Revised Upwards and/or Activities Conducted Revised

Part I GENERAL

1. **Proposer Computations Checked and Verified** ☐ Yes ☐ No
   Problems and/or Comments:

2. **All Necessary Cost Elements Included** ☐ Yes ☐ No
   Problems and/or Comments:

3. **Proposer Supporting Documentation & Justification Complete** ☐ Yes ☐ No
   Problems and/or Comments:

4. **Cost Categorization (Administrative and Program)**
   Correctly Categorized ☐ Yes ☐ No
   Need More Information ☐ Yes ☐ No
   Problems and/or Comments:

* **Cost Categories Are:**
Administrative, Program Costs, Rapid Response, Needs-Related Payments, and Supportive Services.

Part II SPECIFIC COSTS - ADMINISTRATIVE AND PROGRAM

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
1. Staff Costs	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
2. Staff Costs (For tax-based elements, be sure that rates and bases are current)	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
3. Staff Travel	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Part II SPECIFIC COSTS - ADMINISTRATIVE AND PROGRAM (continued)

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
4. Facilities (Includes rent, utilities, maintenance for rental space and show cost per square foot on back-up)	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
5. Communications (Telephone, internet, cell phones, etc.)	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
6. Office Supplies (Includes postage, software, desktop supplies, etc.)	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Part II SPECIFIC COSTS - ADMINISTRATIVE AND PROGRAM (continued)

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
7. Books and Training / Teaching Aids	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
8. Equipment (Itemize on back-up)	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
9. Other (Specify)	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Part II SPECIFIC COSTS - ADMINISTRATIVE AND PROGRAM (continued)

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)
10. Other (Specify)	☐ Yes ☐ No	Independent Agency Estimate ☐ Compared / Other Current Offers ☐ Compared / Past Offers ☐ Verified Market Price or Quote ☐ Other (Specify) _____ ☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)
11. Other (Specify)	☐ Yes ☐ No	Independent Agency Estimate ☐ Compared / Other Current Offers ☐ Compared / Past Offers ☐ Verified Market Price or Quote ☐ Other (Specify) _____ ☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)
12. Payment of ITAs	☐ Yes ☐ No	Independent Agency Estimate ☐ Compared / Other Current Offers ☐ Compared / Past Offers ☐ Verified Market Price or Quote ☐ Other (Specify) _____ ☐

Comments / Concerns / Problems:

Part II SPECIFIC COSTS - ADMINISTRATIVE AND PROGRAM (continued)

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
13. Indirect Costs (Review copy of indirect document & copy of cognizant Agency's approval which should be attached)	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
14. OJT	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)	
15. Work Experience-Wages	☐ Yes ☐ No	Independent Agency Estimate	☐
		Compared / Other Current Offers	☐
		Compared / Past Offers	☐
		Verified Market Price or Quote	☐
		Other (Specify) _____	☐

Comments / Concerns / Problems:

Part II SPECIFIC COSTS - ADMINISTRATIVE AND PROGRAM (continued)

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)
16. Work Experience-FICA	☐ Yes ☐ No	Independent Agency Estimate ☐ Compared / Other Current Offers ☐ Compared / Past Offers ☐ Verified Market Price or Quote ☐ Other (Specify) _____ ☐

Comments / Concerns / Problems:

Cost Element	Necessary / Reasonable	Basis for Judgement (Check One or More)
17. Supportive Services to Participants or Needs-Related and Supportive Services	☐ Yes ☐ No	Independent Agency Estimate ☐ Compared / Other Current Offers ☐ Compared / Past Offers ☐ Verified Market Price or Quote ☐ Other (Specify) _____ ☐

Comments / Concerns / Problems:

Part III PROFIT / FEE

1. Proposer is (Check One) ☐ **For-Profit** ☐ **Non-Profit**

2. If Non-Profit, No Profit Allowable.

3. If For-Profit, Amount of Profit Proposed. $ _____

   Profit as % of Total Other Costs _____ %

Prior to completing Part III, please review the following information provided by the USDOL / ETA's Division of Policy Review and Resolution.

The Uniform Guidance does not establish a specific percentage or dollar amount. The FAR at 48 CFR 15.404-4 states that it be less than 10 percent. The Department of Human Services limits profit as a matter of practice to no more than 8 percent. The 10 percent maximum amount does not mean that the negotiated profit should be 10 percent. The appropriate amount of profit depends on the level of risk and the services provided.

When developing a policy, a State or Local Workforce Development Area must establish the factors that one will gauge and calculate the level or percentage of profit. One of the most common findings from onsite compliance reviews are weaknesses in the procurement process that resulted in poor execution of a contract and miscalculation of profit. For instance, payment of profit should be tied to the achievement of some performance, and it should not be calculated on costs that are considered as pass through. For instance, if this company simply cuts checks to training providers or for supportive services that are provided by a third party; there is no risk or services being provided, so it would not make sense that the profit is calculated on those expenses. In other words, profit should not be based on total expenses incurred but performance achieved.

When determining the factors in which profit will be gauged, consider the costs principles and reasonable costs that would consider the following:

- Complexity of the work performed. Less complex work should reduce profit levels.
- The level of risk borne by recipient. If the recipient has very little risk of not covering its costs, then the profit should be reduced accordingly.
- Recipient's investment. If the recipient's investment is minimal, then profit should be minimal as well.
- Amount of funding passed through to subrecipients. As more of the work is being performed not by the recipient directly but by its subrecipients, then the contractor should be "earning" less profit.
- Quality of past performance.

- Industry profit rate in the surrounding area for similar work. This factor is one way in which reasonableness of costs is measured. If the level of profit exceeds the going rate of profit in the surrounding area, then that profit is unreasonable by definition and is, therefore, not an allowable cost.
- Market conditions in the surrounding geographical area.
- So what are the requirements applicable to establishing profit in Federally-funded programs? The primary rule is that you must negotiate profit as a separate element from price when there is no price competition and in all cases where cost analysis is performed. Cost analysis is required when the award exceeds the simplified acquisition threshold. Under these circumstances, profit cannot be hidden in an overall price, but must be separately negotiated and identified in the agreement. Profit should be tied to performance, and the amount or level must be specified in the contracting instrument used to secure such services.

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.

4. **Complexity of Work** ☐ **Low** ☐ **Medium** ☐ **High**

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?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Will the offeror provide multiple training through several components, *i.e.*, basic skills, pre-employment skills, vocational skills, work-based training, job search?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Will the training be in higher skills, and will the offeror be required to serve a high number of individuals with multiple barriers?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Will the offeror be expected to achieve a high level of coordination in providing training or services?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Will the offeror be required to have an accounting system capability to make direct participant payments or reimburse employers directly?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Part III PROFIT FEE

5. **Contract Risk** ☐ **Low** ☐ **Medium** ☐ **High**

Will the offeror be reimbursed for all expenses incurred in program delivery?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Is the program design new and/or innovative?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Will the offeror be required to achieve multiple program outcomes?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Is a high level of service required for hard to serve groups?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Are placement and retention goals high?

☐ **Yes** ☐ **No** ☐ **Somewhat**

6. **Contractor Investment** ☐ **Low** ☐ **Medium** ☐ **High**

Was the offeror required to develop an innovative, complex program design?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Will the offeror be responsible for managing services at multiple sites?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Will the complexity of the program require complex accounting and participant recordkeeping?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Will costs be reimbursed on a regular basis, or payments for performance made intermittently?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Part III PROFIT FEE (continued)

7. **Subcontracting** ☐ **Low** ☐ **Medium** ☐ **High**

Will the offeror rely on subcontracts for program delivery?

☐ **Yes** ☐ **No** ☐ **Somewhat**

Could the level of subcontracting impact negatively the offeror's performance, *i.e.:*

- If OJT or customized training, the employer commits to hire 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.

☐ **Yes** ☐ **No** ☐ **Somewhat**

8. **Past Performance** ☐ **Low** ☐ **Medium** ☐ **High**

Past performance should be rated in terms of rewarding high performance with higher profit.

Give a **High** rating if in the previous program year the offeror achieved all performance goals at level of **90% - 100%**.

Give a **Medium** rating if in the previous program year the offeror achieved all performance goals at a level of **80% - 89%**.

Give a **Low** rating if in the previous program year the offeror achieved only **70% - 79%** of its performance goals.

If in the previous program 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 reasonableness of profit/program income.

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.

Part III PROFIT FEE (continued)

9. **Industry Profit Rates**

10. **Market Conditions**

After a 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 is considered reasonable.
- **MEDIUM** Rating: A profit equal to **6% - 8%** of proposed operating costs is considered reasonable.
- **HIGH** Rating: A profit equal to **9% - 12%** of proposed operating costs is considered reasonable.

11. Profit is (Check One) ☐ **Reasonable** ☐ **Not Reasonable (Excessive)**

12. If Profit is Deemed **Reasonable**, Describe Basis for Judgement (e.g., Agency Profit Guidelines; Application of Profit Guidelines; Other)

13. If Profit is deemed **Excessive**, List Profit Objective (% or Dollar Amount) to be Negotiated

PRICE ANALYSIS TOOL

PART I: Primary Comparison (with other proposer's to this RFP)

	This Proposer	Proposer 2 Name	Proposer 3 Name	Proposer 4 Name
1. Price Per Positive Outcomes (Job Placement or other positive)				
2. Total Fixed Price (Proposal Total)				
3. Price Per Instruction Hour*				
4. Price per participant**				

*Total instructional hours divided into the total proposal amount.
**Total proposal amount divided by the total planned participants.

PART II: Cost Data Comparison (Reference Budget Sheets for each proposed program of this type to obtain comparison information)

	This Proposer	Proposer 2 Name	Proposer 3 Name	Proposer 4 Name
1. Number of Planned Participants				
2. Total Staff Hours				
3. Total Planned Staff Cost				
4. Proposed Staff Costs Per Participant				

PART III: Secondary Comparison (with other proposer's to this RFP)

	This Proposer	Proposer 2 Name	Proposer 3 Name	Proposer 4 Name
1. Price Per Positive Outcomes (Based on goals & objectives as stated in proposal)				
2. Total Fixed Price (Proposal Total)				

PART IV - NARRATIVE

1. Give a brief narrative judgement about reasonableness of proposer's prices. Justify your judgement. If you developed an Independent Agency Cost Estimate, describe how proposer's suggested prices compare to your estimate.

2. If price suggested is too high, develop new price objectives for negotiations and justify.

   a. Suggested New Prices: $ _____ $ _____

   b. Rationale:

PART IV - CONCLUSIONS

Prepare a brief narrative citing:

1. Specific additional cost justifications needed;
2. Recommended adjustments to specific cost elements; and
3. Any other comments about cost / price proposal.
   (Use another sheet of paper if additional writing space is needed.)

OFFEROR _____ **Overall Rating** _____

Rating Completed By _____ **Date** _____

RECOMMENDATIONS:

Corrections Required _____

_____

_____

_____

_____

_____

Proposer / Subrecipient Notified of Corrections? ☐ Yes ☐ No ☐ N/A

(Please do not notify until after Unit Supervisor(s) / Section Supervisor(s) authorizes to contact.)

Person Contacted: _____

Date Contacted: _____

Comments: _____

_____

_____

_____

_____

_____

_____

Date Corrected Document Received: _____

Corrected Document Approved: ☐ Yes ☐ No ☐ N/A

Note: See Succeeding Attachment(s) if Corrections Were Requested:

Comments: _____

_____

_____

_____

_____

_____

Signature Requirements:

Signature of 1st Reviewer _____ Date Review Completed _____

Approved: ☐ Yes ☐ No

Signature of 2nd Reviewer _____ Date Review Completed _____

Approved: ☐ Yes ☐ No

Section Supervisor Review _____ Date Review Completed _____

Approved: ☐ Yes ☐ No

WDD Manager Review _____ Date Review Completed _____

Approved: ☐ Yes ☐ No ☐ N/A*

Acting Deputy Secretary for Workforce Development
& AIDT Director, Alabama Department of Commerce _____ Date Review Completed _____

Approved: ☐ Yes ☐ No ☐ N/A*

Comments: _____

*Review Not Required

COMMERCE / WORKFORCE DEVELOPMENT DIVISION
CONFLICT OF INTEREST / NON-DISCLOSURE STATEMENT

☐ **RFP / Solicitation or** ☐ **Agreement No.** _____

Title: _____

I acknowledge that I have been appointed to conduct reviews of proposals or agreement modifications received under the solicitation cited above. I have been briefed about my responsibilities relating to conflict of interest and non-disclosure of information obtained during these reviews. I have also been briefed on the conflict of interest rules adopted by the Workforce Development Division and currently in effect.

I do not have any conflict of interest, personal or organizational, real or apparent, in participating in this procurement or modification of an agreement. If during the course of the review, I become aware of an actual or possible conflict of interest, I will notify the unit and/or section supervisor, and seek their advice on withdrawing from the review group.

Further, I will disclose no information obtained in reviewing proposals under this solicitation or agreement modification to anyone not also participating in this review. Specifically, I will not disclose the number of respondents to the solicitation; the names of individuals and organizations that respond; nor will I disclose any information from technical or cost/pricing submissions of these offerors, except to other reviewers officially assigned to this solicitation or agreement modification review.

Finally, if anyone outside the official review chain seeks information about the procurement, I will not supply any information but will refer them to the agency official heading this procurement.

Printed Name	Signature
Title	Date