Northeastern Workforce Development Board (NWDB) Policy and Procedures Procurement	
Policy 010	**EFFECTIVE DATE: November 30, 2017** ***Revised: August 1, 2018***
Approved by: NWDB - Executive Director	

SECTION I – RESPONSIBILITY AND AUTHORITY

A. General Responsibilities

The primary procurement responsibility of the Northeastern Workforce Development Board, (NWDB) is to provide oversight and guidance to the NWDB staff and all subrecipients to ensure that legal and performance requirements are met and to ensure that procurement processes are consistent, fair, and supportive of NWDB's goals and objectives.

NWDB staff members are responsible for the development, implementation, monitoring, and maintenance of all procurement activities in such a way as to meet the requirements of applicable laws, regulations, policies, and procedures.

B. Legal Citation

This policy complies with standards in the following federal and state laws and rules:

1. Workforce Innovation and Opportunity Act (WIOA) of 2014;
2. OMB Super Circular 2 CFR Part 200.317 through 200.326;
4. Workforce Innovation and Opportunity Act, Final Rules; and
5. Training and Employment Guidance Letter WIOA NO. 15-16 Competitive Selection of One Stop Operators.

C. Authority

The NWDB possesses the ultimate legal authority within its jurisdiction for awarding, withdrawing from, or assigning contracts. The following authority has been delegated by the board for procurement and contracting activities:

DECISION MAKING/SIGNATURE AUTHORITY

Disbursement of funds	**NWDB Full Board**	**NWDB Executive Committee**	**NWDB Executive Director ***	**NWDB County Commissioners**
Contracts for service providers funded from annual allocations **	X Ratification of Exec. Com. approval	X Approval	X Approval	X Informed
Mid-Year Contract Modifications ***	X Informed	X Approval	X Approval	X Informed
All other contracts $5,000 and under	X Informed	X Informed	X Approval	X Informed
All other contracts $50,000 to $5,001	X Informed	X Approval	X Approval	X Informed
All other contracts $50,001 to $200,000	X*** Ratification of Exec. Com. approval	X Approval	X Approval	X Informed
All other contracts Greater than $200,001	X Ratification of Exec. Com. approval	X Approval	X Approval	X Informed

*The NWDB Executive Director may delegate authority for contract approval during his/her absence to the NWDB Treasurer.

**Service provider allocations will be approved by the NWDB Executive Committee and ratified by the full board as part of the budget review and approval process.

*** Modifications to those contracts which were approved by the Council previously or remain under $50,000.

****Contract approval for those contracts between $1,000 and $5,000 will not require approval by the Full Board only if the contracts are time-sensitive. All contracts approved in this manner will be listed in the full board materials for review at the first following Board of Directors meeting.

D. Exclusions

Purchases of the following items are specifically excluded from this procurement policy: 1) On the Job Training (OJT) as covered by the 005 NWDB OJT Policy; 2) Individual Training Accounts (ITA) with Eligible Training Providers as covered by the 006 NWDB Supportive Services Policy (specific federal requirements are defined in WIOA Law Title 1, Subtitle B, Chapter 3- Eligible Training Providers); 3) expenses covered by the NWDB Travel Reimbursement procedure; and 4) subrecipient awards, wherein the original grant proposal lists specific providers that are considered "required partner' awards and are exempt from further solicitation based on the funder's requirement that they be partners in the project. Their proposed services and costs are included in the proposal and accepted as such directly by the funder. Exclusions 1 and 2 are to be provided only by an approved, properly procured service provider described in the Section VI.

SECTION II- CONFLICT OF INTEREST

A. Code of Conduct Applicability

The NWDB Chief Elected Officials, (CEOs), NWDB Board members, the NWDB Executive Committee, and NWDB employees, agents, subrecipients, and contractors shall comply fully with the NWDB Code of Conduct Contents (below), as well as with the rules and opinions governing conflict-of-interest situations contained in the following documents: State of Maine Conflict of Interest Policy Number PY15-07; United States Department of Labor (USDOL) laws; Workforce Innovation Opportunity Act, (WIOA) of 2014; and OMB SuperCircular 20 CFR 200. Should federal, state or NWDB Conflict of Interest Policy contain differing provisions, the most stringent interpretation shall apply.

B. Code of Conduct Contents

NWDB Code of Conduct includes, but is not limited to:

Individuals on Local Workforce Development Board, Youth Council and other Subcommittees agree to abide by the following conflict of interest provisions as required by the Workforce Innovation Opportunity (WIOA) Act of 2014.

Restricted Activities. No member shall cast a vote or participate in any decision-making capacity on any matter under consideration regarding the provision of services by such member (or by an entity that the member represents) or that would provide direct financial benefit to such member or the immediate family of such member; engage directly or indirectly in any business transactions or private arrangement for profit which accrues from or is based upon his or her official position or authority on the board; participate in the negotiation of or decision to award contracts or grant, the settlement of any claims or charges in any contracts or grants, the certification of any eligible providers or the establishment of any designation of local workforce

investment areas or the establishment of any one stop delivery systems, with or for any entity in which he or she has a financial or personal interest.

No individual may be placed in a WIOA employment activity if a member of that person's immediate family is directly supervised by or directly supervises that individual.

Representation of interest. No member of the Local Workforce Development Board (LWDB), or any Council or Committee shall represent or act as an agent for any private interest, whether for compensation or not, in any transaction in which the members direct and substantial interest and which could be reasonably expected to result in a conflict between a private interest of the member and the member's official responsibility.

Misuse of board facilities and equipment. No member of board shall use any board equipment, supplies, or properties for his or her own private gain or for other than official designated purposes.

Duties of Board Members. It shall be the duty of all Board members to:

a) Recuse themselves from their official board duties if there is a conflict of interest.
b) Advise the board of any potential conflicts of interest
c) Ask the board for an opinion if they have any doubts that a specific situation involves a conflict of interest.

Violations of the conflict of interest code. If, after an investigation, the board believes that this code has been violated it can recommend to the Chief Elected Officials (CEOs) of the local workforce development area that the individual who has violated the code be removed as member of the board. The CEOs have the authority to remove a member of the board for a violation of this code, even if the board has not made such a recommendation.

Conflict of Interest Disclosure

In order to avoid conflict of interest or the appearance of such conflict, each member shall disclose any potential conflict of interest to the Board/appropriate committee membership. Minutes of meetings shall record the abstentions of members who are prohibited from voting due to conflict of interest. These prohibitions shall apply to regular, special, and committee meetings of the NWDB.

SECTION III- NOTIFICATION AND APPROVAL

Agencies or individuals submitting written proposals or quotes shall be notified in writing of the acceptance or denial of their proposal or quote. No contract award shall be considered final until a written agreement or purchase order is signed by an authorized NWDB employee.

SECTION IV- GENERAL PROCUREMENT REQUIREMENTS

1. All procurements shall be conducted in a manner that maximizes full and open competition, regardless of the procurement method. Competitive procurements shall not unduly restrict or eliminate competition.

2. All expenditures must be reasonable, allowable, allocable, and necessary.

3. All purchases of goods and services will be reviewed.

4. All construction, remodeling or renovation must have prior written approval from funding source.

5. All purchases of equipment with a per-unit acquisition price of $5,000 or more and a

useful life of more than one (1) year require written approval from the funding source.

6. All procurements of service providers, consultants, and large purchases (as defined in Section VI) shall clearly set forth all requirements which bidders or offerors must fulfill and all other factors to be used in evaluating bids or proposals, including a clear and accurate written description of the goods and services being procured; technical requirements for the material, product, or service to be procured; a description of all requirements that must be fulfilled and all other factors used in evaluating bids or proposals; and specific features of "brand name or equal" products.

7. Where appropriate, an analysis shall be made of lease/rental versus purchase alternatives to determine which approach is most economical.

8. Consideration shall be given to either consolidating or breaking up procurement actions to maximize competition.

9. The NWDB may "tag on" to other agencies' procurements or use common goods and services where it fosters greater economy and efficiency. Competitive procurement requirements may be met by the use of competitive procurement by another agency. Tag-on agencies may include, but are not limited to, federal, state and local governments, and nonprofit entities who maintain documentation of an open, competitive selection process. Considering tag-on purchases does not preclude a price or cost analysis.

10. The NWDB will use federal excess and surplus property whenever it is feasible and results in cost savings.

11. The primary consideration in selecting agencies or organizations to deliver services shall be the effectiveness of the agency or organization in delivering comparable or similar services based upon the meeting of demonstrated performance goals, cost, the quality of training, and participant characteristics.

12. Efforts shall be made to include community-based organizations, small businesses, minority-owned firms, women-owned firms, historically African-American and Native American colleges and universities, and faith-based organizations in the solicitation process.

13. NWDB funds shall not be used to duplicate facilities or services available in the area, unless it is demonstrated that alternative services or facilities would be more effective or more likely to achieve performance goals.

14. In identifying any program income or profit to be earned by the bidder, the following factors shall be considered in determining whether program income or profits are excessive:

- Complexity of work to be performed;
- Risk born by contractor/subrecipient;
- The contractor's/subrecipient's investment;
- The amounts of subcontracting;
- The quality of the contractor's/subrecipient's record of past performance;
- Industry profit rates in the surrounding geographical area; and
- Market conditions in the surrounding geographic area.

15. The NWDB requires accurate and complete reporting of allowable stand-in costs.

SECTION V - SUBRECIPIENT OR CONTRACTOR DETERMINATION

Anticipated purchases are either from "subrecipients" or from "contractors." This determines the type of contract terms to be used and affects the cost or price analysis.

A. Subrecipient

A subrecipient is a legal entity to which an award of federal funds is made, and which is accountable for the use of funds provided. Subrecipients generally perform the following activities:

- Determine eligibility for a federally funded program;
- Have performance measured against the objective of the federal program;
- Have responsibility for programmatic decision-making;
- Have responsibility for adherence to applicable federal program compliance requirements (for example, the WIOA regulations); and
- Use federal funds to carry out a program, as opposed to providing goods or services to a service provider.

B. Contractor

A contractor is a dealer, distributor, merchant, or other seller providing goods or services that are required for the operation of a federal program. The following activities are indicative of a contractor relationship with an organization:

• Provides the goods and services within normal business operations;
• Provides similar goods or services to many different purchasers;
• Operates in a competitive environment;
• Provides goods or services that are ancillary to the operations of the federal program;
and is not subject to federal compliance requirements.

The determination of a subrecipient as opposed to a contractor considers all the characteristics related to the type of provider. No single factor is used. See the following table for further clarification on contractor/subrecipient determination.

SECTION VI - PROCUREMENT PROCESS

A. Levels

The NWDB groups procurement requirements for materials and services into three levels, in accordance with 2 CFR 200.320 and 2 CFR 200.323. The levels are defined as:

Level 1 – Large purchases and contracts:
Amounts above $100,000 which is below the current SAT (Simplified Acquisition Threshold), published in the FAR (Federal Acquisition Regulations):

• Must be procured by competitive proposals, meeting the standards outlined in 200.320(d) for broad publication and solicitation as well as technical evaluation. See also detailed requirements in Section VI below.

• Cost or price analysis must be performed on all bids in this category.

• An independent estimate must be formed in advance of proposals received.

Level 2 – Small purchases:
Amounts less than the current SAT published in the FAR but more than $5,000:

• Price or rate quotations must be obtained from an adequate number of qualified sources.
• Price comparisons must be documented.

Level 3 – Minor purchases:
Amounts less than $5,000:

• Aggregate dollar amount does not exceed $5,000.

• Price deemed reasonable. Written quotes from qualified sources, "tag on" purchases, catalog or market price reviews, and other means will be undertaken to establish price reasonableness and to foster economy and efficiency in all purchasing decisions.

• Distribute purchases equitably among suppliers.

In developing cost estimates for prospective purchases, consider the maximum anticipated need for related items or services over an estimated period of 12 months. If there is any reasonable likelihood that costs may exceed the highest dollar limit of the applicable procurement level, use of the next higher procurement level is strongly recommended. In relation to contractors of operating services, whether evidenced by lease or not, procurement level procedures shall be followed in terms of items or services over an estimated period of 12 months. The recommended cost or price analysis for the above purchasing levels is considered minimum and can be exceeded. Authorization to use a given procurement method rests with the NWDB Executive Director or her/his designee.

B. Competitive Proposals

Program Services: The competitive proposal process is the preferred method for procuring goods and program services costing more than the current SAT. A list of interested bidders for these services will be continually updated. Competitive procurement is the required process for procuring One-Stop Operators (once every four years) and subrecipients to provide WIOA program services (once every three years). Competitive proposal documents should include:

1. A Statement of Work or Specifications, which explains what needs to be accomplished. This is the portion of the solicitation that defines the program goals and objectives. It represents a description of the services to be acquired;

2. A description of the requirements for the time, place, and method for performing services;

3. Required certifications, assurances, and representations, which may include lobbying, debarment, and suspension; non-discrimination and equal opportunity; drug-free workplace; signature authority; ownership; organization; management capabilities; financial resources; and audit history;

4. Submission and preparation instructions; and

5. The evaluation criteria, the selection process, and an appeal process.

All competitive proposal responses will be evaluated pursuant to the criteria identified in the proposal document. The following evaluation procedures generally apply:

1. Initial Proposal Review: Upon opening proposals, staff will conduct an initial review of proposal packages to determine completeness and adherence to the requirements defined in the document. Incomplete and other non-responsive proposals may be removed from further consideration.

2. Technical Evaluation: Evaluation criteria and selection methodology will be listed in the procurement document. Staff will develop an evaluation form for use in the evaluation process. While evaluation criteria may change from project to project, most proposal reviews shall consider administrative and technical competence, program design, past experience and demonstrated effectiveness in delivering the same or similar services, organization and staff qualifications, and cost. Factor(s) in addition to price or cost will be considered in making an award. An evaluation committee may be established to discuss ratings and to reach a consensus after everyone has reviewed the proposals and developed preliminary ratings. The evaluation committee may, at its discretion interview any or all proposers to clarify responses and/or elicit additional information to assist in making a final determination. Documentation describing the evaluation and selection process will be maintained by staff.

Other Professional Services and Goods: Competitive procurement is also the preferred method for professional services and other goods and services totaling more than $50,000 (and may also be used for those less than $50,000, as deemed appropriate). A Request for Proposals or Bids shall be widely distributed to interested providers and/or contractors and/or advertised in one or more newspapers that will reach the provider and/or contractor audience for a period of no fewer than ten (10) days. A list of interested bidders will be continually updated. A contract or purchase shall be awarded to the most responsive and responsible bidder whose bid, conforming to the requirements of the invitation and subject to negotiation, is reasonable in price. Any or all bids may be rejected when it is in the best interest of WSW.

C. Competitive Negotiation

a. Notice

Notice elements are to include:

1. Posting on the NWDB website (www.northeasternwdb.org);

2. Advertising in one or more papers of general circulation within the workforce area;

3. NWDB Program Staff notification to NWDB Board of Directors of upcoming RFP solicitations;

4. Posting of RFP must be out for solicitation for a minimum of 30 days if procuring One-Stop Operators or for program subrecipients;

5. Direct local contact, which includes contacting known referrals and entities that have expressed specific interest for inclusion on the NWDB contractor list and subrecipient interest list; and

6. May include direct national solicitation, which may include known referrals and national entities that have expressed interest for inclusion on NWDB's contractor and subrecipient provider lists.

b. Contractor/Subrecipient List

The NWDB shall maintain, where practical, "Contractor/Subrecipient" lists. Such lists are intended to provide an opportunity for potential providers to be included in procurement opportunities. Providers may be purged from the list after two (2) years or after failure to respond to a solicitation, whichever may occur first. All providers and contractors representing small businesses, minority-held and/or female-owned businesses, faith-based and community-based organizations are encouraged to participate in NWDB procurements.

c. Solicitation Contents

As applicable, Request for Proposals, Request for Qualification, and Request for Bids shall include the following information:

1. Name and address of awarding agency;

2. Name and contact information of person to contact;

3. General description of the sub-grant program, including identification of the applicable federal and state laws and regulations with which the subrecipient must comply;

4. Scoring parameters;

5. The population to be served and minimum service levels to specific target groups;

6. An estimate of the number/range of individuals to be served and expected results in each activity;

7. Applicable coordinator requirements;

8. Funding parameters by activity;

9. A description of the training and/or services to be provided, including the period of performance;

10. Applicable monitoring and reporting requirements, including, but not limited to, data entry, performance, and financial reporting;

11. Criteria for performance and fiscal accountability;

12. Other services or requirements (e.g., responsibility for eligibility determination, responsibility for support payments, audit requirements, etc.);

13. Prohibition against subcontracting without prior approval;

14. Line item budget of proposed costs, including any profit to be realized and/or funds to be contributed;

15. Budget explanation sheet to explain allocated item(s) that are not self-explanatory on the line item budget;

16. Documentation to be supplied by the proposer to establish programmatic and financial capability to perform work;

17. Requirements for preparation and submission of the proposal, due date and time, content and format, number of copies, and the location and the person to whom the bid should be submitted;

18. Process and procedure by which the proposals will be evaluated for competitiveness, including identification of specific criteria to be used;

19. Description of the procedures for responding to bidder inquiries and a schedule for the receipt of proposals, and approximate dates for review and award;

20. Appeal procedures for contesting the procurement result;

21. Assurances that the proposer will comply fully with nondiscrimination and equal opportunity provisions, as well as all the applicable requirements imposed by WIOA laws and regulations, including federal law and grant requirements; and

22. All significant evaluation factors, including price or cost.

d. Request for Proposals (RFP)

The RFP is a set of documents that includes a description of the product(s) or service(s) desired, enabling a potential contractor/subrecipient to submit a proposal. The RFP will include information necessary to evaluate proposals submitted.
An RFP method is used when:

1. The service needed precludes developing a specification or purchase description so precise that all proposers would have an identical understanding to approach the requirements; and

2. Two or more responsible suppliers are likely to be willing and able to complete effectively for the award.

e. Request for Qualifications (RFQ)

An RFQ is used when the same conditions listed under the definition for RFP exist and WSW wishes to solicit several qualified providers who will work as a team to develop the service delivery system. It may also be used to solicit and determine qualified providers from which a Competitive Negotiated Procurement will result.

f. Request for Bids (RFB)

The RFB is a document that includes a brief description of the product(s) or service(s) desired, enabling a potential contractor to submit a proposal. The RFB will include information necessary to evaluate proposals submitted. An RFB differs from an RFP, in that an RFB simply asks for the price based on industry-standard specification generally known or applied industry-wide. An RFB is used to establish the exact specifications desired, and, when evaluated, will determine the successful bidder.

An RFB is appropriate when:

1. A complete, adequate, and realistic specification or purchase description is available;

2. Two or more reasonable suppliers are likely to be willing and able to compete effectively for the award;

3. The procurement lends itself to a firm fixed-price contract; and

4. When selection of a contractor based wholly on price is appropriate and reflective of the nature of the products or service being purchased.

D. Proposal Evaluation

Procurement Commitment and Awards
When awarding contracts and selecting qualified providers for employment and training services, consideration will be given to such matters as whether the subrecipient has:

1. Adequate financial resources or the ability to obtain them;

2. The ability to meet the program design specifications that consider the WIOA and/or funding source purpose and goals at a reasonable cost, as well as the ability to meet performance goals/standards;

3. A satisfactory record of past performance in job training, basic skills training or related activities, including demonstrated quality of training, retention in training, training completion, reasonable drop-out rates from past programs, participant placements, rates of licensure, retention in employment, and earning rates of participants;

4. The ability to provide services that can lead to the achievement of competency standards for participants with identified deficiencies;

5. A satisfactory record of integrity, business ethics and fiscal accountability;

6. The necessary organization, experience, accounting and operational controls; and

7. The technical skills to perform the work.

E. Procurement File Standards

Procurement records and files for large purchases shall include the following at a minimum: a) the basis for subrecipient selection; b) justification for lack of competition when competitive bids or offers are not obtained; and c) a cost or price analysis.

Procurement records will be retained for three (3) years after final payment on a contract and all other matters are closed. Records should detail the significant history of procurement.

These records may include, but are not necessarily limited to, the following:

1. Rationale for the method of procurement (small purchase, request for proposal, etc.);

2. The selection of agreement type (cost reimbursement or fixed price);

3. Awardees' selection or rejection:

4. Copy of the solicitation package;

5. Copy of the public notification;

6. Bidders' list to which notices were mailed;

7. List of all organizations/entities that received the RFP;

8. Agenda and minutes of a bidders' conference, if held;

9. Written responses to all clarifying questions received outside of the bidders' conference;

10. Copy of each proposal received;

11. Documentation of the rationale for selection and funding of any proposer that did not receive the highest score/ranking in the evaluation process;

12. Completed cost or price analysis for each selected bidder or purchase; and

13. Copy of any submitted protests and the resolution of each.

SECTION VII – NONCOMPETITIVE NEGOTIATION (SOLE SOURCE)

Noncompetitive (sole source) negotiation is procurement through solicitation of a proposal from only one provider or contractor. Sole-source procurement may be used when the award of a contract is infeasible under large, small, or minor purchase procedures.

Circumstances under which a sole-source contract may be awarded include the following:

1) the services or goods are available only from a sole source;

2) unavoidable urgency for the services or goods will not allow time for a competitive solicitation;

3) the funding source authorizes noncompetitive proposals;

4) a contractor or subrecipient possesses unique capacity or is uniquely qualified to provide the goods or service; or

5) after a public solicitation, competition is determined inadequate.

All sole-source purchases shall be documented, including:

1) the reason why regular large, small, or minor purchase procedures were infeasible;

2) which sole-source rationale was applied;

3) a cost analysis; and

4) signed authorization for the sole-source award.

SECTION VIII – MOU'S AND OTHER PARTNERSHIP AGREEMENTS

It is recognized that there may be times when the NWDB needs to enter into an agreement or memorandum of understanding (MOU) with another agency or local business, such as in the case of the local One-Stop system's MOU and Resource Sharing Agreement. These agreements/memoranda of understanding generally relate but are not limited to cooperative efforts, including clarifying relationships/responsibilities and another interagency collaborative undertakings.

SECTION IX – DEFINITIONS OF COMMON TERMS

Acquisition: The process of purchasing goods and services through purchase, rent, or lease. Includes the establishment of needs, description of requirements, selection of procurement method, selection of sources, solicitation of procurement, solicitation for offers, award of contract, financing, contraction administration, and related functions.

Capital Equipment: An article on non-expendable (tangible) personal property having a useful life of more than one (1) year and an acquisition cost of $5,000 or greater per unit. Items that cost less than $5,000 or have a useful life of less than one (1) year are considered materials and supplies.

Competitive Negotiation: A method for purchasing goods and services, usually of a highly complex and technical nature whereby qualified individuals or agencies are solicited by means of a Request for Proposals. Negotiations are conducted; the best proposal, as judged against criteria contained in the Request for Proposals, is accepted; and an award is issued.

Contract: An agreement enforceable by law between two or more parties.
Contract Administration: The management of all facets of a contract to assure that total performance is in accordance with contractual commitments and that the contract obligations are fulfilled.

Contract Modification: Signed formal written change in the terms of the original contract.
Contractor: An individual or agency that has entered into an agreement to provide goods or services.

Cost Analysis: A cost analysis must include a documented review and evaluation of each element of cost to determine reasonableness, allocable and allowable. Specific cost analysis methods are further outlined in Section VI of this policy.

Cost Reimbursement Contracts: Contracts based on payment by an agency to a contractor or subrecipient of allowable, reasonable, and allocable costs incurred as prescribed in the contract. These contracts may not require completion of the contract work, but rather the best efforts of the subrecipient. The types of cost reimbursement contracts include: (a) cost; (b) cost sharing; (c) cost plus fixed fee; (d) cost plus incentive fee (CPIF); and (e) cost plus award fee (CPAF).

Davis Bacon Wages: Wage determinations issued by the Department of Labor, which determines the minimum wage rates to pay on federally funded or assisted construction projects. The prevailing wage rate corresponds directly to the union wage. This is especially true in urban areas, where union membership tends to be higher.
http://www.dol.gov/esa/programs/dbra/whatdbra.htm

Effective Competition: A market condition that exists when two or more contractors/subrecipients, acting independently, actively compete for an agency's business in a manner that ensures the agency will be offered the lowest price or best technical design to meet its minimum needs.

Eligible Provider: The term "eligible provider," used for (a) training services, means a provider who is identified in accordance with WIOA regulations; (b) youth activities, means a provider who is awarded a grant or contract in accordance with WIOA; or (c) a One-Stop Operator designated or certified under WIOA.

Evaluation of Bids: The process of examining a bid after opening to determine the bidder's responsiveness to requirements, responsibility, and other characteristics of the bid relating to selection.

General Terms and Conditions: Standard clauses and requirements incorporated into all solicitations (bids/RFPs/RFQs) and resulting contracts that are derived from laws or administrative procedures (also called "boilerplate" or "terms and conditions").

Informal Solicitation: A solicitation that does not require a sealed response.

Informality: A minor defect or variation of a bid or proposal from the exact requirements of the invitation for bids or the request for proposals, which does not affect the price, quality, quantity, or delivery schedule for the goods, services or construction being procured.

Price Agreement: A written contractual agreement, in which a purchaser contracts with a contractor to fulfill the purchaser's requirements at a predetermined price. Usually involves a minimum number of units, orders placed directly with the contractor by the purchaser, and limited duration of the contract.

Price Analysis: The process of examining and evaluating a proposed price by comparing it with other offered prices, market prices or prices previously paid for similar goods or services.

Procurement: The procedures for obtaining goods or services, including all activities from the initial planning steps; preparation and processing of a requisition; receipt and acceptance of delivery; processing of a final invoice for payment; closeout, audit, and the resolution of any outstanding issues.

Professional Services: Work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy, or professional engineering, etc.

Project Manager: A third party consultant or employee that works for the owner and coordinates the activities of a project. Assists with the development of specific strategies of the project (including bidding and contracting), establishing time frames and benchmarks for the project and assisting the owner in hiring other professional services; reviews plans and drawings and makes recommendations to the owners; monitors the budget of all phases of the project; works with all consultants; monitors the day-to-day work progress of the contractor/subrecipient; and assists the owner in close-out.

Program Income: Gross income earned by the contractor/subrecipient that is directly generated by a supported activity or earned because of the award. Program income includes, but is not limited to, income from fees for services performed; the use of rental or real personal property acquired under an award; license fees and royalties on patents and copyrights; and interest on loans made with award funds. Interest earned on advances of federal funds is not program income. Except as otherwise provided in federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.

Purchase Order: A document an agency uses to execute a purchase transaction with a contractor. It serves as notice to a contractor that an award was made.

SAT ("Simplified Acquisition Threshold"): A dollar amount set by the federal government and published in Federal Acquisition Regulations (FAR). Items valued above this amount are subject to procurement by competitive bid. Items valued below this amount are subject to small or micro-purchase procedures.

Stand-In Costs: Non-federal costs that may be substituted for otherwise unallowable costs charged to the funding source. Stand-in costs must be: 1) incurred; 2) incurred in the same grant as the costs that they replace; 3) reported as stand-in cost to the funding source; 4) included on the grantee/subrecipient/contractor financial system; 5) adequately documented; and 6) for allowable activities. Cash match more than any funding source match requirement may be considered a stand-in cost.

Statement of Work (SOW): That portion of the contract that clearly and concisely defines requirements of the specific work to be accomplished. Statements of work are tailored to consider the period of performance, deliverable items, if any, and the desired degree of performance flexibility.

Subcontract: An agreement between a prime or general contractor/subrecipient and a subcontractor for the execution of a portion of the contractual obligation of the prime contract.

SECTION X – REVISIONS

These procurement policies, practices, and procedures may be revised from time to time without prior notice by the NWDB.