



POLICY – 106

Rev. Level: E

May 1, 2009

PROCUREMENT & PROPERTY MANAGEMENT POLICY

1.0 Purpose. The system of property and procurement management shall have procedures to determine the actions of responsible staff and applicable Contractors in all categories of transactions. The delegation of procurement authority is aligned with the dollar thresholds established. All parties will establish and maintain an adequate system of property management that identifies and safeguards all property acquired through this contract, and which complies with all requirements of WIA, Regulations of the US Department of Labor, Regulations and policies of the PA Department of Labor and Industry, and policies and procedures of the RCWE. These procedures have been written in accordance with local needs, Pennsylvania Financial Management Technical Assistance Guide (TAG), 29 CFR 97.36, and OMB Circulars A-102, A-110, and A-122.

2.0 Requirements. Real property, equipment including tangible and intangible property, and supplies acquired or produced after July 1, 1993, with Federal funds, shall be governed by the following definitions and requirements:

- Governmental Subrecipients – Federal Register, 29 CFR Part 97, Volume 53, Number 48, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, (commonly referred to as OMB Circular A-102, Common Rule);
- Non-Profit Subrecipients – OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations codified at 29 CFR Part 95; and
- For-Profit Subrecipients – Title to property acquired or produced using WIA funds shall vest in the awarding agency. In addition, any acquisitions of property with a unit acquisition cost of \$5,000 or more must have written approval by the Bureau prior to acquisition.

Property Management Standards for WIA require adherence to the U. S. Department of Labor regulations contained in OMB Circulars, as applicable.

3.0 Scope. This document shall apply to all RCWE staff, PA CareerLink®s, and Contractors, as well as subcontractors, who utilize WIA funds to purchase, sell, and manage inventory items.



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4.0 Responsibility. All procurement transactions, despite dollar amount or methods used, are required to be executed in a way that provides for the maximum of open and free competition. Title to all property furnished by the RCWE shall remain with the RCWE. Title to all property acquired by the CONTRACTOR, including acquisition through lease-purchase agreement, for the cost of which the CONTRACTOR is to be reimbursed in whole or in part as a direct item of cost under this contract, shall immediately vest in the RCWE upon delivery of such property. The following shall be considered with respect to purchases, sales, and management of inventory:

- 1) **Code of Conduct/Conflict of Interest** – RCWE shall not participate in the selection, award, or administration of a procurement subject to this section where to the individual's knowledge any of the following has a financial or other substantive interest in any organization which may be considered for award. RCWE Divisions staff, RCWE Board members and LMC members shall not solicit gratuities, favors, or anything of monetary value from suppliers or potential suppliers; and
 - a) The officer, employee, or agent;
 - b) Any member of his or her immediate family;
 - c) His or her partner
 - d) A person or organization which employs any of the above or with whom any of the above has an arrangement concerning prospective employment; or
 - e) Any RCWE, LMC members, members of immediate family, or place of business.
 - f) Any violation of law or established standards of conduct by the RCWE Divisions staff, RCWE Board members, LMC, or RCWE subrecipients may be subject to penalties, sanctions or other disciplinary actions (such as suspension, termination or civil action to recover money damages), to the extent permissible by Federal, State and local law.
- 2) **General Policy of Competition** – all procurement transactions shall be conducted in a manner that provides maximum open and free competition. Procurement procedures shall not restrict or eliminate competition and, when possible, avoid the requirement that a brand name be specified. Actions shall be taken to assure that small and minority businesses are utilized when possible as sources of supplies and services.
- 3) **Sole – Source or Noncompetitive Procurement** – Noncompetitive negotiation is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Noncompetitive negotiation may be used when the award of a contract is not feasible.



Circumstances under which a contract may be awarded by noncompetitive negotiation are limited to the following:

- a) the item is available only from a single source;
 - b) public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation;
 - c) the federal grantor agency authorizes noncompetitive negotiation; or
 - d) after solicitation of a number of sources, competition is determined inadequate.
- 4) **Small Purchases** – procedures for small purchases are simple and informal procurement methods for securing services, supplies or other property that do not cost more than \$25,000 in the aggregate. All services costing less than \$25,000 shall follow the established Statement of Thresholds in item 5. A contract or requisition form shall be required as the procurement document.
- 5) **Statement of Thresholds** – different thresholds have been established. Please note that all computer and software purchases by Contractors that utilize WIA Title 1 funds shall be excluded from the RFP and instead included on a supplemental request for equipment and software to be submitted to RCWE. RCWE shall purchase and inventory the items before forwarding them to the Contractor.
- a) Non-expendable personal property is defined as "tangible personal property (equipment) with a useful life of more than one (1) year, having a unit cost of \$100 or more". All parties shall maintain on file a list of all non-expendable personal property purchased with a unit cost of \$100 or more. At the end of applicable subrecipient contracts, such property must be returned to the RCWE, unless a new contract is negotiated.
 - b) All disposable property with a unit cost of between \$100 and \$499 requires three phone or internet quotes.
 - c) At least three written quotes must be secured for each individual property item having a unit cost equal to or greater than \$500 but less than \$5,000. For similar items on one purchase order/requisition with a total cost equal to or greater than \$500 but less than \$10,000 at least three written quotes must be secured.
 - d) Each individual item over \$5,000, or the total cost of similar items over \$10,000 require three written quotes. RCWE must approve the purchase and then complete a FISCAL TAG ATTACHMENT #8-1 form and obtain written approval from the Department of Labor and Industry prior to procurement of non-expendable personal property with a unit acquisition cost of \$5,000 or more.



- e) For the procurement of services and/or property costing more than \$25,000 an Invitation for Bid (IFB) or a Request for Proposal (RFP), as defined in the TAG and in section 2.0 of this document, will be utilized. All IFB's will be published for three consecutive days and will require sealed bids, which will be opened publicly in the presence of witnesses at a time and place designated.
- 6) **Responsive** – is defined by whether an offer meets the specifications required. Specifications shall not contain features which unduly restrict competition.
- 7) **Responsibility** – is reflected in past organizational performance. Procurement shall be made only with responsible Contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Debarment certificates shall be secured for all purchases over \$25,000.
- 8) **Standard Clauses for Inclusion in Award Document** – all contracts shall include a work statement, costs, dates, nondiscrimination clause, and amendments when necessary, as well as a contingency clause that will state either part may terminate the lease or rental agreement within a specified period of time. It shall also state that the agreement is contingent upon continued receipt of Federal/State funding.
- 9) **Provision for Protest of Award, Disputes and Claims** – Every attempt shall be made to settle all protests of award, disputes, and claims at the Workforce Investment Area level (RCWE) by presenting justification of our decision. If the matter still cannot be settled it shall be referred to the Department of Labor and Industry. Contractors shall ensure that each lower tier subcontractor has protest procedures to handle and resolve disputes relating to their procurements. A protester shall exhaust all administrative remedies with the CONTRACTOR before pursuing a protest at a higher level.
- 10) **Checks and Balances** – to ensure no purchase is initiated, received, and paid for by the same person, the following procedures shall be used:
 - a) Purchase requisition is completed, consistent with the established dollar thresholds, by the requesting staff member or Contractor, reviewed, and approved by the Chief Executive Officer. The original goes to the vendor, a copy is forwarded to the fiscal tech, and a copy is given to the appropriate person initiating the request.
 - b) The property is received and checked by the Fiscal Tech.
 - c) The invoice is approved for payment by the Chief Executive Officer.



- d) The fiscal tech processes the invoice for payment per the approval of the Chief Executive Officer.
- e) The Chief Executive Officer reviews and approves all voucher payments.
- f) The Chief Executive Officer reviews all vouchers and checks. The WIB approves all individuals who are authorized to review vouchers/checks and then sign the checks.

11) **Inventory System** – the following system has been established to account for all property over \$100 and less than \$5,000 acquired with WIA funds:

- a) When purchase requisitions are completed, a copy is given to the person initiating the request.
- b) The property is received by the Fiscal Tech, tagged and posted to the inventory listing by the fiscal agent as follows:
- c) Property with a unit acquisition cost of \$5,000 or more must be identified with WIA property identification tags issued by the Bureau of Workforce Investment.
- d) Property with a unit acquisition cost of between \$2,500 and \$4,999 must be identified with either local property tags or Bureau-issued WIA property tags.
- e) Property with a unit acquisition cost under \$2,500 need not be identified with local or Bureau issued property tags but should be posted on the inventory listing by the fiscal agent.
- f) The Chief Executive Officer shall approve the invoice for payment upon receipt.
- g) Annually the Chief Executive Officer or person appointed shall review the inventory listing and the property listed, checking for loss and updating the condition of the property.

12) **Inventory of Items with a Unit Acquisition Cost over \$5,000** – the following system has been established to account for property with a unit acquisition cost of \$5,000 or more:

- a) Prior to purchase a TAG Attachment #8-1 Form shall be completed and mailed to the Department of Labor by the Chief Executive Officer
- b) The Chief Executive Officer shall receive the response and if approved, the purchase will be initiated
- c) When the property arrives it is tagged with identifying tags supplied by the Department of Labor and Industry and added to the inventory list which will be supplied to the Department
- d) By September 30th of each year an Annual Property Inventory Form TAG Attachment #8-2 shall be completed by the Network Specialist and forwarded to the WIA Property Officer in Harrisburg by the Chief Executive Officer.



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- e) **Contract completion.** Upon the completion of this contract or as otherwise requested, the CONTRACTOR shall submit to the RCWE, in acceptable form, inventory schedules covering all items of RCWE property not consumed in the performance of this contract.
- 13) **Property Damage, Loss, or Theft** – all WIA property is kept in secure buildings and fully covered by insurance. Any cleaning companies utilized will also be required to be bonded. Property with a unit acquisition cost of \$5,000 or more that has been damaged, lost, or stolen shall be reported to the Department of Labor on TAG Attachment #8-4 in accordance with the guidelines listed in the Fiscal TAG.
- a) Any property that involves theft or damage by vandals shall be reported to the local police department as well as the FBI because all property and equipment purchased with WIA funds is federally owned property. An insurance claim will also be filed.
 - b) Contractors shall provide for the maintenance, repair, protection and preservation of RCWE property, following sound business practices, to assure the full availability and usefulness of said property in the performance of this contract. The Contractor shall be liable for any loss of, or damage to, the RCWE property, or for expenses incidental to such loss or damage (including expenses incidental thereto) which results from willful misconduct or lack of good faith on the part of any of the Contractor's representatives or for which the Contractor is otherwise responsible under the express terms of this contract.
 - c) All Contractors are required to establish property security measures for all items with a unit acquisition cost of \$100 or more, including the provision of adequate insurance coverage. Reimbursement by the Contractor for stolen or damaged property may be requested when such action is warranted.
- 14) **Excess Property** – all WIA property with a unit acquisition cost of \$5,000 or more may be disposed of under the following conditions:
- a) Determination by RCWE that such WIA property acquired is no longer needed by RCWE or its subrecipients.
 - b) RCWE wishes to trade-in its property items for similar equipment, which is more current technologically.
 - c) The following priorities shall be followed:
 - i) Transfer the property to another WIA program activity within the Fiscal Agent's jurisdiction;
 - ii) Trade-in on a similar piece of equipment;



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- iii) Transfer the property to another Fiscal Agent for use in their WIA programs;
 - iv) Use the property for other Federally supported activities;
 - v) Transfer the property to the Bureau if the acquisition cost meets the definitions outlined in this TAG;
 - vi) Sell the property and return the proceeds by proportionate share to the same programs that were involved in purchasing the property;
 - vii) Discard the property as scrap.
- d) The Chief Executive Officer shall fill out and submit TAG Attachment #8-5 shall note on the inventory listing the fashion in which it was disposed, \ the condition at disposal, and the date of disposal.
- 15) **Transferring Property** – before purchasing property with a unit acquisition cost of \$5,000 or more, excess property listings shall be reviewed. If it is determined that the property is available for transfer and that it would be cost efficient to do so, transfer shall be arranged with the other WIA. Method of transfer shall take into account the proximity of the other WIA, as well as the size and condition of the property.
- Transfer shall be done in the most cost efficient way and determined on an individual basis. The PA Department of Labor and Industry shall be notified of the change in location of the item on Property Transfer Report TAG Attachment #8-3. The WIA releasing the property is responsible for notifying the Department of Labor when the transfer has been completed. Costs associated with the transfer will be borne by the WIA's involved. The TAG Attachment #8-3 shall be used as notification to release the WIA of its responsibility for the property, transferring that responsibility to the receiving WIA. In addition, this notification shall ensure that all inventory records are accurate.
- 16) **Subrecipient Property Management** – Each WIA subrecipient is responsible for establishing and maintaining an adequate system of property management as explained in all subrecipient contracts. The system must adhere to all requirements of the Pennsylvania Department of Labor and Industry as well as the RCWE. The subrecipient must also identify and safeguard all property acquired with WIA funds.
- 17) **DLI Property Management Requirements** – all procedures shall be adhered to in the Pennsylvania Department of Labor and Industry, BWI, WIA Policies and Procedures Manual. Should changes be made to the manual, they shall override policies in this system.



5.0 History.

Name	Date	Rev. Level	Description of change	Effective Date
Lori Hall	01/01/03	A	Original	
Lori Hall	09/26/03	B	Update	
Jim Triplett	01/21/05	C	Update	
Jim Triplett	09/07/05	D	Update	
Debra O'Neil	5/1/2009	E	Update logo, content and EO contact	7/01/2009

Auxiliary aids and services are available upon request to individuals with disabilities.

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