

Alliance For Business And Training, Inc.

PROCUREMENT MANUAL

2019-2020

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ATTACHMENTS

- ATTACHMENT A – AB&T General (RFP) Request for Purchase Form
- ATTACHMENT B – AB&T General (RFP) Bid Form
- ATTACHMENT C – AB&T Training/Travel Request Form
- ATTACHMENT D- AB&T Travel Claim

Procurement Policy Statement

The purpose of this Policy is to establish guidelines that meet or exceed the procurement requirements for purchases of goods or services when federal funds are being used in whole or in part to pay for the cost of the contract. This policy contains language found in the relevant sections of the Uniform Guidance, 2 C.F.R. Part 200, relating to procurement requirements. For individual contracts, the Alliance for Business and Training, Inc. (AB&T) will also consult grant award documents with the federal grantor agency to determine whether additional procurement requirements apply.

I. Policy

A. Application of Policy. This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance (direct or reimbursed). The requirements of this Policy also apply to any sub-recipient of the funds.

All federally funded projects, loans, grants, and sub-grants, whether funded in part or wholly, are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards (Uniform Guidance) codified at 2 C.F.R. Part 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

B. Compliance with Federal Law. All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200.326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. The Alliance for Business and Training, Inc. (AB&T) will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should AB&T have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.

C. Contract Award. All contracts shall be awarded only to the lowest responsive responsible bidder possessing the ability to perform successfully under the terms and conditions of the contract.

D. No Evasion. No contract may be divided to bring the cost under bid thresholds or to evade any requirements under this Policy or state and federal law.

E. Contract Requirements. All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R. § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.

F. Code of Conduct – Employees are expected to maintain confidentiality and fairness with regard to all areas surrounding procurement.

- The number and names of offerors will not be disclosed until the contract is awarded and the decision is made public.
- Technical or cost/price information from any proposal will not be disclosed to anyone not officially involved in the procurement while the procurement is in progress.

- Certain technical or proposal information that the offeror has designated as proprietary or a trade secret should not be disclosed to other offerors, even after the award is made and publicized, if AB&T concurs with the designation.
- No information will be disclosed to anyone about the Statement of Work, funds available or related data until the information is made known to all offerors, through publicizing the intent to solicit or disseminated by the RFP.
- Information will be given to all offerors and potential offerors equally.
- Proposal evaluation factors will be provided to all prospective offerors.
- Information given in response to a communication from one offeror will be shared with other known potential offerors when the response contains information that is not in the solicitation document.

G. Conflict of Interest - The officers, employees, or agents of AB&T making the award of contracts will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties of sub-agreements. Board members shall refrain from voting on matters that may appear to be a conflict of interest. Board members are not precluded from holding contracts with AB&T if such contracts are awarded through normal procedures.

H. General Policy Competition – AB&T will, to the greatest extent practicable, encourage full and open competition.

- The combined orders require final approval from the Executive Director and/or his/her designee, the Director of Finance.
- All standard supply orders are submitted on a weekly basis and processed by the Finance Department.

In addition, AB&T has incorporated the following procurement policies for the Northeast TN Local Workforce Development Area (NETLWDA) that are prescribed and adhere with the Workforce Innovation and Opportunity Act and will follow these guidelines for all of the purchases for the Alliance for Business and Training, as follows:

1. Procurement shall be conducted in a manner providing full and open competition;
2. The use of sole source procurements shall be minimized , but in every case shall be justified;
3. Procurements shall include an appropriate analysis of the reasonableness of costs and prices;
4. Procurements shall not provide excess program income (for non-profit and other entities) or excess profit (for private for-profit entities), and that appropriate factors shall be utilized in determining whether such income or profit is excessive, such as:
 - a. The complexity of the work to be performed;
 - b. The risk borne by the contractor; and
 - c. Market conditions in the surrounding geographic area;
5. Procurements shall clearly specify deliverables and the basis for payment;
6. Written procedures shall be established for procurement transactions;

7. No contractor or subcontractor shall engage in any conflict of interest, actual or apparent in the selection, award, or administration of a contract;
 8. AB&T shall conduct oversight to ensure compliance with procurement standards; and if specific procurement issues are not addressed in AB&T's Procurement Manual then AB&T will adhere to the Uniform Guidance (including Appendix II of the Uniform Guidance) and the Tennessee Department of Labor and Workforce Development's Financial Policies. These policies are in the Final TAG in finance dept., Part II-10-1 to Part II-10-14. AB&T will also follow any other applicable federal or state requirements.
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- I. The administrative procedures contained in this Policy are administrative and may be changed as necessary at the staff level to comply with state and federal law.

II. General Procurement Standards and Procedures:

- A. **Necessity.** Purchases must be necessary to perform the scope of work and must avoid acquisition of unnecessary or duplicative items.
- B. **Clear Specifications.** All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.
- C. **Notice of Federal Funding.** All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.
- D. **Compliance by Contractors.** All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award.
- E. **Fixed Price.** Solicitations must state that bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this Policy. Cost plus percentage of cost contracts are prohibited. Time and materials contracts are prohibited in most circumstances. Time and materials contracts will not be used unless no other form of contract is suitable and the contract includes a "Not to Exceed" amount. A time and materials contract shall not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.
- F. **Use of Brand Names.** When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or uneconomical to write a clear and accurate description of the requirement(s). When a brand name is listed, it is used as reference only and "or equal" must be included in the description.
- G. **Lease versus Purchase.** Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.
- H. **Dividing Contract for M/WBE Participation.** If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements under this Policy.
- I. **Documentation.** Documentation must be maintained detailing the history of all procurements. The documentation should include the procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor's responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, record of protests or

disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.

J. Debarment. No contract shall be awarded to a contractor included on the federally debarred bidder's list.

K. Contractor Oversight. The Requesting Department receiving the federal funding must maintain oversight of the contract to ensure that contractor is performing in accordance with the contract terms, conditions, and specifications.

L. Open Competition. Solicitations shall be prepared in a way to be fair and provide open competition. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding, specifying a brand name without allowing for "or equal" products, or other unnecessary requirements that have the effect of restricting competition.

M. Geographic Preference. No contract shall be awarded on the basis of a geographic preference.

Alliance For Business And Training, Inc.

III. PROCUREMENT POLICY

All purchases of supplies, equipment, and contractual services related to the Alliance for Business and Training, Inc. whether cash, check, credit cards, invoices shall be made in accordance with the following procedures:

1. Initiation of Purchase

A purchase may be initiated by any staff member so authorized by the Executive Director. When a purchase is initiated, a description of the type of purchase or item and quantity of items desired must be prepared and submitted to the Finance Department.

2. Qualification of Vendors

All vendors providing supplies, equipment or services to AB&T shall be reputable firms having the demonstrated capacity to produce or provide supplies, equipment and/or services and other items within a reasonable period of time or within the time limits established by AB&T. Vendors shall be subject to disqualification if they are found to misrepresent quality, quantity, or price of supplies, equipment, services, or other items delivered. Vendors will also be disqualified if reasonable time limits established by AB&T are exceeded.

3. MICRO PURCHASES

Micro purchases shall be procured using the Uniform Guidance “micro-purchase” procedure (2 CFR § 200.320(a)) as follows:

- a. \$0 - \$500.00 – INCIDENTAL PURCHASES: Incidental purchases are relatively minor acquisitions (i.e., in terms of amount and cost) of goods and services. AB&T will follow 2 CFR§ 200.67

Criteria for use: To qualify as “incidental”, the purchase must cost less than \$500.00 per transaction and meet any one of the following criteria:

- It may be a one-time, unanticipated necessity, or
- It may represent an emergency situation, or
- It must be of a value that is less than the costs associated with using a competitive procurement method
- It may be routine purchase of goods or services such as meeting supplies

Procedural Requirements: These purchases will be executed using the General (RFP) (ATTACHMENT A) by the recipient. This form will represent the necessary documentation for procurement and payment.

- b. \$501.00 - \$5,000.00 – Small/Unique Purchases: This method is appropriate for the acquisition of administrative or program goods or services, such as participant’s material/supplies, or professional services/speakers.

Criteria for use: To qualify as “Small/Unique Purchases”, the purchase must cost at least \$501.00 but less than \$5,000 per transaction.

Procedural Requirements: The following requirements must be met and documented:

- Submission of a completed General RFP Bid Form (ATTACHMENT A) to the Finance Department for processing
 - Prior supervisory approval is required before procurement is processed by the Finance Department
 - All procurement processed for over \$501.00 will require the prior approval from the Executive Director and/or his/her designee which is the Director of Finance
- c. \$5,001.00 - \$24,999.00 This method is appropriate for projects within a grant, for instance, YouthBuild sub-contractors for electrical, plumbing, etc. that have demonstrated working grant program or contracting with agency with subcontractors which have been procured by the agency for their projects or determining the market rate in each local area for a specific or unique goods or service to be provided . This could also be sole source items such as software, accounting system maintenance, etc.

Procedural Requirements:

- Submission of a completed General RFP Bid Form,(Att. A) or a memorandum explaining the justification for the purchase(s), to the Finance Department for procurement processing
- Prior supervisory as well as the Executive Director’s and/or his designee, the Director of Finance, approval is required before procurement is processed by the Finance Department

4. Emergency Purchases

Purchases of specific materials, supplies, equipment or services may be made in the open market for immediate delivery only to meet bona fide emergencies arising from any unforeseen cause. All bona fide emergency purchases must be approved by the Executive Director and/or his designee – Director of Finance. A written report on the circumstances of any such emergency justifying the purchase(s) shall be prepared and maintained by AB&T. All emergency purchases shall, if practicable, be made on the basis of competitive bids.

5. List of Bidders

AB&T shall maintain a list of bidders which shows the types of classes of materials, supplies, equipment or services which the person, firm or corporation is willing and able to furnish to the AB&T. AB&T may require the person, firm or corporation to submit sufficient information to demonstrate the ability to perform any future commitment prior to inclusion on the list of bidders.

6. Purchase Orders

AB&T shall maintain a purchase order system to execute purchasing requests.

All purchases exceeding \$501.00 will require a purchase order and shall be composed and documented by the Finance Department. The Finance Department is responsible for the maintenance of purchase order forms and their specific numerical order.

The purchase order shall list the current date, name of vendor, type/description of items, quantity, price of each item(s) and, if any, the shipping costs.

The purchase order will be signed by the Executive Director and/or his designee – Director of Finance. The purchase order and other documents will be in Accounts Payable for payment, and maintained by the Finance Department.

The exceptions to the use of a purchase order are contracts for professional services, unique services and special services where the contract shall serve as detailed documentation for entering into an agreement for the purchase(s) of services, bills for utilities, office rental, travel expenses/out of area request, postage, fees, permits, etc.

7. Disbursements to Vendors

All disbursements to vendors shall take place in accordance with the following:

- (a) Receipt of all supplies and equipment shall be certified by a staff member of AB&T who has been designated responsible for receipt of purchased items. Deliveries shall

be compared against the purchase order and shall be examined for compliance to the specifications contained in the purchase order.

(b) Invoices shall be matched with the purchase order and requisition when they are received by AB&T. The invoice shall be examined to ensure that the amount requested for payment, matches the cost, type, and quantity as listed on the purchase order.

(c) The invoice, purchase order, and requisition shall be reviewed by the Accounts Payable Department for certification for payment.

(d) All vouchers and request for payment shall be reviewed and approved by the Finance Department and shall be paid in accordance with standard procedure for disbursement of funds.

(e) Upon proper certification of invoices, disbursements shall be made in accordance with the standard procedures for issuance of checks and vouchers by the Alliance for Business and Training, Inc.

(f) Copies of all vouchers and invoices shall be retained and filed on a chronological basis for a period of no less than five (5) years.

8. Equipment

Purchase costs of furniture and equipment, such as computers, printers and computer associated equipment, and sensitive items will follow TDOLWD procurement procedures as outlined in their policy. Freight charges and installation costs shall be included as cost of equipment (all equipment should be properly tagged with WIOA identification numbers). AB&T must maintain property procurement and accountability as outlined in the Tennessee Department of Labor and Workforce Development equipment purchase policy and Grants4tn.

ADMINISTRATIVE PURCHASING PROCESS GOODS/SERVICES/RFP

Request for Goods or Services

A pre-approved request is received from the supervisor/director for the purchase and/or lease/purchase of goods required to carry out activities and/or services planned.

Development of an Invitation for Bid/Request for Proposal Package

A clearly defined and accurate specifications of the material, product or service to be procured is developed and included in the request for bid/request for proposal package.

An analysis shall be made of a lease or purchase alternatives to determine which would be the most economical, practical procurement.

There may be times that purchases may be made by Sealed Bid, by Competitive Proposals and by Non-Competitive Proposals. The requirements for each of these are as follows:

Elements of a Complete Invitation to Bid Package should include: Part 200-Contract Provisions for Non-Federal Entity Contracts under Federal Awards

A. Introduction

- Procurement purchase, issue or release date
- Name, address, telephone number of organization soliciting the purchase and designated contact person
- Type of purchase instrument to be used (contract, purchase order) and payment method
- Deadline for submission, address for bid submission, and number of copies to be submitted

B. Work Statement

The work statement outlines what is expected of the prospective bidder in order to fulfill the specifications:

- Delivery date
- Program Deliverables, timelines, projected outcomes, performance metrics, etc. (if applicable)
- Completion of installation (if applicable)
- Warranties and Service

C. Cost Proposal

Each item must be priced separately. Unit prices shall be shown and in case of error in the extension of prices in the bid, the unit price will govern.

Time of staff by person (if applicable)

D. Bid Requirements & Openings

Each bid must give the full name and business address of the bidder and be signed, in ink, by the official of the company authorized to bind his company in contract.

If a sealed bid process is used, bids will be publicly opened at the time and place prescribed in the invitation to bid. These meetings are open to the public.

E. Bid Evaluation

Bids will be evaluated according to the criteria set forth in the invitation to bid

Any or all bids may be rejected if there is a sound documented reason.

F. Final Selection

Selection and award can begin after all bids have been evaluated according to the criteria set forth in the invitation to bid.

- Responses to requests for proposal will be evaluated according to established procurement regulations and guidance/policy developed by the TN Department of Labor and Workforce Development
- If bids received are relatively close during the evaluation process, the staff may conduct meetings with the bidders to clarify uncertainties or problems in the overall bid document.
 - Will meet bidders' management and key staff who would be assigned to the project (if applicable).
 - Request revised bids or amendments from final contenders subject to further negotiation i.e., "Best and Final Offers". If contenders are given the opportunity to submit new bids, other contenders must be given the same opportunity.

G. Pre-Award Review

A review may be completed on proposed procurement where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase.

Special Note: Review of RFP responses related to procurement of One Stop Operator and/or Career Services will comply with the Workforce Innovation and Opportunity Act, regulations thereto and guidance/policy from the TN Department of Labor and Workforce Development.

H. Award Decision

Upon approval by the Executive Director and the Director of Finance, the successful bidders will be notified.

Special Note: Approval and award of funds to successful respondents to provide One Stop Operator and/or Career Services rests with the Northeast TN Local Workforce Development Board, in accordance with the Workforce Innovation and Opportunity Act, regulations thereto and guidance/policy from the TN Department of Labor and Workforce Development.

I. Retention of Records

AB&T will Retain all award process records (bids, amendments, evaluations, conference meeting minutes, correspondence, etc.) for three (3) years in order to satisfy audit requirements and serve as sources of information when responding to protest from unsuccessful bidders.

J. Purchasing Instrument

Upon approval a Purchase Order or Contract will be issued to the bidder. This document will contain cost and payment information. Attached will be the Procurement Provisions which will be incorporated into the final document.

K. Disputes and Claims

Disputes will be settled by following the Grievance procedures established by AB&T. AB&T shall conduct oversight to ensure compliance with procurement standards; and if specific procurement issues are not addressed in AB&T's Procurement Manual then AB&T will adhere to the Tennessee Department of Labor and Workforce Development's Financial Policies. These policies are in the Final Tag, Part II-10-1 to Part II-10-14. AB&T will also follow Uniform

Guidance, (including Appendix II of the Uniform Guidance) Tennessee Department of Labor and Workforce Development's Financial Policies. AB&T will also follow any other applicable federal or state requirements.

TRAVEL EXPENDITURES

Expenses associated with travel requirements for training such as workshops, conferences or seminars will follow procurement policies when applicable. The Training/Travel Expense Request Form (ATTACHMENT C) will serve as the authorizing and expense approval document for travel advances and costs associated with travel such as hotel expenses, meal allowances, rental of vehicle, and transportation cost (auto, plane, bus, etc.):

All OUT OF AREA Training/Travel Expense Request Forms must have the supervisor's and the Executive Director's and/or his designee – Director of Finance, approval prior to attending the training.

All expenses must be in compliance with the State of Tennessee's Comprehensive Travel Regulations. Upon completion of the training, an Out-of-State or In-State travel claim form is completed and forwarded to the Accounts Payable department with supporting documentation such as hotel, rental, parking receipts, etc. for processing. If using a company credit card, those receipts should be turned in monthly before the bills come in with documentation of each receipt.

Completed travel claim forms must be submitted within 30 days after travel has been completed.