

ATTACHMENT 9:
Financial Procurement Policy / Financial
(General) Policy



**EASTERN JACKSON COUNTY
WORKFORCE DEVELOPMENT BOARD**



Serving Eastern Jackson County Mo. including:
Independence, Blue Springs, Lee's Summit, Grandview, Raytown,
Sugar Creek, Buckner, Grain Valley, Oak Grove, Lone Jack, and other municipalities.

The Full Employment Council, Inc. (FEC) is the fiscal
agent and workforce support organization for the
Eastern Jackson County Workforce Development Board.

Workforce Development Board Policy

**PROCUREMENT POLICY – EASTERN JACKSON COUNTY POLICY AND
PROCEDURE**

POLICY NUMBER: 2017- 103, MODIFICATION 2

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APPROVED BY

Clyde McQueen, President/CEO
Full Employment Council, Inc.,
Strategic Workforce Organization/Fiscal Agent
Eastern Jackson County Workforce Development Board

INQUIRIES

Questions about this issuance should be addressed by email to Tirhas Kidane, Chief Financial Officer, at tkidane@feckc.org, who shall disseminate the agency response to Workforce Development Board staff.

PURPOSE: To communicate Full Employment Council (FEC's) methods for the procurement of goods and services obtained with Workforce Investment Opportunity Act (WIOA) funds and sets forth the requirements provided by the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule Title 2 of the Code of Federal Regulations; 2 CFR 200.

The Procurement Policy will be included in the FEC Fiscal Policy and Procedures Manual and implemented immediately. It is generated to assist in maintaining appropriate administrative and fiscal procedures for the Full Employment Council, Inc., and its subcontractors as applicable.

ACTION: FEC staff and contractors should add this issuance to their Policy and Procedures Manuals.

PROCUREMENT POLICY – EASTERN JACKSON COUNTY POLICY AND PROCEDURE

Policy No. 2017-103, Modification 2

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I. 320.1 Procurement Policy

A. General Procurement Standards

FEC will use documented procurement procedures that reflect State and local laws and regulations, provided that the procurements conform to applicable Federal law and standards identified in 2 CFR Parts 200.317 through 200.326.

FEC will maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

FEC's Code of Conduct and Conflict of Interest Policy provides standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real, perceived or potential conflict of interest. Conflicts of interest must be disclosed in writing when known in advance or announced to the voting body. The party must excuse themselves from any further discussion and/or vote on the matter in question. Violations of such standards are subject to disciplinary actions provided in FEC's Code of Conduct and Conflict of Interest Policy.

FEC's procurement procedures will avoid acquisition of unnecessary or duplicative items and promote cost-effective use of shared services by entering into state and local intergovernmental agreements for procurement or use of common or shared goods and services where appropriate.

FEC will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as:

- Contractor integrity,
- Compliance with public policy,
- Record of past performance, and
- Financial and technical resources.

FEC will maintain records sufficient to detail the history of procurement. These records will include, but are not limited to:

- Rationale for the method of procurement,
- Selection of contract type,
- Basis for contractor selection or rejection, and
- the basis for the contract price

B. Competition (2 CFR 200.319)

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards provided in section 200.319 of 2 CFR 200. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that

develop or draft specifications, requirements, statements of work or invitations for bids or requests for proposals must be excluded from competing for such procurements.

FEC procurement transactions will contain no requirements that unduly restrict competition as specified in 200.319(a) and (b).

FEC procurement procedures will ensure that all solicitations:

- Incorporate a clear and accurate description of the technical requirements for the Material, product, or service to be procured in a manner that does not unduly restrict competition; and
- Identify all requirements which the offerors must fulfill and all other factors to be used in

Evaluating bids or proposals.

FEC will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free completion. FEC will not preclude potential bidders from qualifying during the solicitation period.

C. Methods of Procurement (2 CFR 200.320)

FEC may use one of the following methods of procurement:

1. **Micro-purchases** (purchases of \$1 - \$5,000): Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (currently \$5,000, see Micro-purchase definition). To the extent practicable, FEC will distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if FEC considers the price to be reasonable.
 - a. **Small Purchases** (purchases of \$5,001 - \$50,000): Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (as of the publication of 2 CFR Part 200, the Simplified Acquisition Threshold is \$50,000 but is periodically adjusted for inflation.) If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. **A cost price analysis will be performed.**
2. **Competitive Proposals** (purchases of \$50,000– and above): The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
 - a. Purchase over \$50,000 must be approved by the Fiscal Agent/Administrative Entity.
 - b. Requests for proposals must be publicized in at least one local newspaper and identify all evaluation factors and their relative importance. Any response to

publicized requests for proposals must be considered to the maximum extent practical; Proposals must be solicited from an adequate number of qualified sources;

- c. FEC will follow its written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - d. Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered;
3. **Sealed Bids (Formal advertising)** (purchases of \$50,000 – and above): Bids are publicly solicited and a firm fixed price or cost-reimbursement type contract is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.
- a. Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time and the invitation for bids must be publically advertised;
 - b. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
 - c. All bids will be opened in the presence of the evaluation committee.
 - d. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest.
 - e. Any or all bids may be rejected if there is a sound documented reason.
4. **Noncompetitive Proposals (Sole Source)**: Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
- a. The item is available only from a single source; or
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; or
 - c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in [response to a written request from the non-Federal entity](#); or
 - d. After solicitation of a number of sources, competition is determined inadequate.

[D. Contracting with Small and Minority Businesses, Women's Business Enterprises, \(2 CFR 200.321\)](#)

FEC will take necessary affirmative steps to ensure that minority businesses, and women's business enterprises, are used when possible.

E. Procurement Review 2 CFR §200.324—Federal awarding agency or pass-through entity review.

(a) FEC will make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition

(b) FEC will make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when the circumstances detailed in 200.323(b) apply.

(c) FEC is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

(1) FEC may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;

(2) FEC may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

H. Bonding Requirements : 2 CFR §200.325

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold (currently \$50,000), the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

§200.326—Contract provisions. The non-Federal entity’s contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards. Procurement Review (2 CFR 200.324)

I. Contract Provisions (2 CFR 200.326)

FEC’s contracts must contain the applicable provisions described in Appendix II to Part 200 of 2 CFR 200.326 – “Contract Provisions for non-Federal Entity Contracts under Federal Awards.”

J. Sub recipient and Contractor Determinations (2 CFR 200.330)

FEC will make a case-by-case determination whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a sub recipient or a contractor (see Sub recipient and Contractor in the Definitions section of this policy).

In determining whether an agreement between FEC and another non-Federal entity casts the latter as a sub recipient or a contractor, the substance of the relationship is more important than the form of agreement. FEC will use judgment in classifying each agreement as a sub award or a procurement contract.

In compliance with 2 CFR 200.330, FEC will classify eligible providers of WIOA Adult, Dislocated Worker and Youth services as sub recipients.

K. Selection of One-Stop Operators [WIOA Sec. 121(d)]

The local board, with the agreement of the chief elected official, is authorized to designate or certify one-stop operators and to terminate for cause the eligibility of such operators. To be eligible to receive funds made available under this subtitle to operate a one-stop center, an entity:

1. Shall be designated or certified as a one-stop operator through a competitive process; and
2. Shall be an entity (public, private, or nonprofit), or consortium of entities (including a consortium of entities that, at a minimum, includes 3 or more of the one-stop partners describes in subsection 121(b)(1), of demonstrated effectiveness.

FEC will ensure that in carrying out activities under this title, one-stop operators-

1. Disclose any potential conflicts of interest arising from the relationships of the operators with particular training service providers or other service providers;

2. Do not establish practices that create disincentives to providing services to individuals with barriers to employment who may require longer-term services, such as intensive employment, training and education services; and
3. Comply with Federal regulations, and procurement policies, relating to the calculation and use of profits.

L. Suspension and Debarment (2 CFR 2900)

Non-federal entities and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, sub awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

II. 320.2 - Initiating Purchase for Services, Goods, Commodities and Office Supplies

General Policies

1. All expected purchases greater than \$50 require the generation and submission of an approved purchase requisition.
2. No Employee is authorized to procure goods, services or other incidental expenses on behalf of FEC without the approval of the PRESIDENT or his designee. Such authorization must be obtained by completing the purchase request form before taking any action that will obligate the organization.
3. For purchases greater than \$500, A Purchase Order is generally the only legal means under which a vendor has the authority to ship or provide service and invoice for goods or services specified on the order. The only other legal means are a formal letter signed by the President or his designee. President/CEO must approve all purchases over \$500.
4. All contracts/lease agreements, irrespective of the dollar amount will be signed **ONLY** by the PRESIDENT.
5. Any purchase made outside of this procedure will be rejected unless approved by the PRESIDENT.
6. All purchases request properly completed should be directed to the Fiscal Department. The Chief Fiscal Officer (CFO) will review request and assign it to the appropriate individual. The CFO will forward all Purchases greater than \$5,000 directly to designated Procurement Staff to be processed.
7. **For purchases greater than \$5,000** and less than \$50,000 three written competitive prices are required to be obtained unless the request for proposals is publically advertised. A price analysis shall be made for the special items to determine the lowest bidder. All items requested shall be procured and distributed within five working days of receipt of the request.

8. All purchases greater than \$50,000 requires a sealed written formal public bid; a proposal, publicly advertised in at least one local newspaper. Preparation of detailed product or service specifications, solicitation of bids and awarding of such Purchase Orders is the responsibility of the Administration Department.

III. 321.0 – Preparation of Purchase Requisitions

All purchases of goods and services greater than \$50 must be requested on an approved Purchase Request Form. Except for Office Supplies that have its own separate requisition.

Requisitions must include the suggested vendors name, phone number, appropriate approval signatures, initiator name, complete specifications, and an estimate of the price quotation if obtained by requester and expected delivery date. The requesting department must complete the Requisition in its entirety to assure clarity of information. All requisitions may be approved by the appropriate division officer or their designee before submitting to Fiscal. **Requisitions under \$500 require approval from two (2) Officers (two of any of the Chief Financial Officer, the Chief Executive Officer, or the Chief Operating Officer). Requisitions of \$500 or greater require the signature of three (3) Officers.**

IV. 321.1 – Office Supplies

Office supplies can be requested by completing an office supplies requisition form. Each item has a 4-digit item code (e.g., 2015 is metal roller black ink pen). The measuring unit indicates whether each, by box or by pack, should requisition that item. Do not change the measuring unit on the form, as it would affect the expenditures charged. FEC is currently under a contract for office supplies with Corporate Express. All departments should have the Office Supply Order Forms. The order forms are on hand in the Admin/Fiscal Department along with the catalog. The order forms are submitted to the Fiscal Department for placement.

All Office Supplies Requisition Forms returned by the contracted vendor shall be filed in separate files, chronologically, by month, to establish documentation.

Items not on the requisition form but in the Office Supplies Catalog, a copy of which is distributed to each Secretary, may be requested by writing in the area marked “SPECIAL ORDER FORM”, and indicating the “stock number” and description in the Office Supplies catalog.

However, if the unit price for the item not in stock is **\$100.00** or more, the requisition must be made by Purchase Request e.g. Printer, Fax, etc., and follow the procedures in Section 321 above. Otherwise, the request will be rejected.

All Purchases other than office supplies shall originate with a Purchase Request, prepared by user Department.

The Office Supplies Requisition must be approved by the division officer or designee before submitting to Accountant. In the absence of Section Director, the CFO will approve the request for emergency *cases*.

V. 322.0 – Purchase Orders

PURPOSE

To define the general methods followed in the processing of Requisitions by the Fiscal & Administration Department to create Purchase orders (See Attachment A).

All Purchase Request will be directed to the CFO. Purchase Request greater than \$5,000 will be forwarded to the Designated Procurement Staff for processing. All procurement related with training service provider will be the responsibility of the Administrative/Planning Unit. The Fiscal Department will process Purchase Request less than \$5,000. The Accounts Payable (AP) Associate is assigned to act as purchasing agent to collect information and coordinate purchases under \$5,000 with direct supervision of the CFO.

Upon receipt of an approved Purchase Request, the assigned Purchasing Agent (Fiscal or Administration) will review the requisition and determine the necessary action i.e., select a vendor or solicit price quotes as required by the procurement procedures and/or Federal Guidelines.

The Fiscal Department issues a Purchase Order after thorough review to determine the following:

1. Completeness of requisition;
2. Approval has been secured;
3. Accurate and thorough description of item to be purchased;
4. When necessary, are supporting documents and/or quotations attached?
5. Is the item(s) on pre-negotiated contract (s) or blanket orders

The Purchase Order is printed in the Fiscal Department and signed by the CFO. Substitutions, changes in prices and anticipated delivery problems will be reviewed with the Requester and confirmed prior to order placement.

Purchase Order Distribution

Purchase Requisitions, which pass all of these approval steps, will result in the issuance of an approved Purchase Order. New Purchase Orders are distributed as follows:

1. The white copy will be mailed to the vendor
2. The Pink copy is to be used as the Receiving Report. The receiving employee has to sign on this copy and this will be attached with the invoice at the point of payment.
3. The Yellow copy remains with the Fiscal file containing all documents associated with the order.

Purchase Order numbers are called into the approved vendor by the Fiscal Department. In the event the vendor is not available, the Office of Purchasing will fax a hard copy to the vendor. The Office of Purchasing will secure a delivery date from the vendor. The date could change due to

product availability. If timely delivery is not made, the Fiscal Department must be contacted for additional delivery information. The Fiscal Department should be contacted if the condition or timing of the product or services is not satisfactory.

Blanket Purchase Orders

The Administrative Department will issue Blanket Purchase Orders (contracts) for goods for services where it is advantageous from a pricing point of view and where there is a need to eliminate repetitive requisitions. A Blanket Purchase Order is issued to cover merchandise or service requests limited to a specific time period from a particular vendor. The intent of Blanket Purchase Orders is to eliminate small repetitive requests for expendable supplies or services. Its usage will reduce paperwork and expedite individual transactions. Currently, we have printing contracts with Antioch, Office Supplies with Corporate Express, Supportive Services with Wal-Mart, and Life Uniforms. This selection of vendors should follow FEC procurement policy and Federal guidelines.

VI. 323.0 – Authorized Approval Procedures

- A. User department prepares “Purchase Request” approval by Division Director/Vice President and forwarded to the Fiscal Department.

The CFO reviews the purchase request and determines the following:

1. Allowable cost
2. Available Funds
3. Determines appropriate procedural process.
4. Necessary approval signatures are checked.

It is then:

1. Forwarded to an AP Associate for processing where the accountant follows procurement procedures and prepares purchase order for approval by the Chief Fiscal Officer.
2. Upon receipt of the same, the user department signs receiving slip and forwards to the Fiscal Department.
3. Designated Inventory/fixed Asset Staff Tags inventory (if necessary), prepares equipment memorandum form for WIOA and update computer database.
4. Invoice(s) is/are routed directly to Accounts Payable Associate.
5. This Accounts Payable Associate re-verifies invoice(s) with the receiving slip and compares price with Purchase Order and re-computes the invoice calculations.
6. The Accounts Payable Associates then prepares payment voucher for payment.

All Purchase Orders shall be submitted to the CFO for approval along with the following documents:

1. Purchase Request, duly approved
2. Three written bids and the basis of award for purchases of \$5,000 and above, but less than \$50,000.

3. Proof of formal advertised competitive bid process and Request for Proposal (RFP) for procurement of any purchase of \$50,000 or more and forward RFP to more than three vendors.

The COO shall approve the purchase order, and the CFO after ensuring compliance of the procurement procedures, signs and forward purchase order to the President/CEO.

VII. 324.0 – Request for Proposals

- A. Distribution of RFP. RFP shall be distributed to vendors on FEC vendor list. RFP shall be advertised. The RFP shall be sent to anyone responding to the advertisement. Additionally, FEC shall also send it to known vendors exceeding three (3) in an attempt to get as many bids as possible. Prospective bidders will be given a minimum of 30 days to respond to any solicitation.
- B. Form Evaluation Committee (for Service Provider Selection/Major Purchase Only). An evaluation committee must be formed with at least three members. The number of members and the makeup of the committee should be such that there is no actual or appearance of impropriety. The CEO shall select committee.
- C. Hold a Pre-Bid Conference. Unless the RFP is extremely straightforward or simple. It is advisable to hold a meeting with the prospective bidders to answer questions and clarify issues. This conference may disclose the need for written amendments to correct or clarify the original RFP.
- D. Receive and Log Bids. Bids received shall be time-stamped, logged and placed under lock until the bid opening. Bids received after the closing time should be returned unopened to the bidder. A receipt will be issued for hand delivered bids.
- E. Open Bids. Bids **must** not be opened prior to the stated closing time and date. The bids should be opened by at least two people and the bids forwarded to the members of the Evaluation Committee. Committee members **must** read all bids before meeting as a group.
- F. Evaluate the Bids. The committee shall schedule a meeting to evaluate the bids with the first item of business to determine if each bid is responsive. Responsive bids are those which conform to the essential elements of the solicitation including procedural requirements (regarding submission of offers) and substantive requirements (regarding technical substance and delivery). Non-Responsive bids may be omitted from further analysis. A written report deeming each bidder either responsive or non-responsive must be prepared with adequate documentation of the reasoning for any bid deemed non-responsive. Second, the responsive proposals should be analyzed in accordance with the evaluation criterion established in the RFP. Third, the Committee must make the contract award(s) decision based upon their evaluation. The Committee will either make the award, if empowered to do so, or make a recommendation to the program. Fourth, the committee shall prepare a formal report on the award, recommendation for award or lack thereof. Competitive – Formal Advertised Competitive Bid Process does

not have a minimum number of proposals required; however, should only one be received or deemed responsive, it is imperative that reasonableness of cost and price analysis be completed.

- G. Award. Either the committee as indicated above or the appropriate authority shall issue an award notice to the successful bidder. The appropriate authority may take the committee's recommendation; re-evaluate the bids based on all applicable requirements included in the procurement system guidelines or **reject all bids received if there is an overriding documented factor**.
- I. Items Exempt From Competitive Procurement Sole Source Exemption. Exempt procurements must follow requirements outlined in VI A.B.C. and D., 4 Attachment C, the Waiver Request Form is not required to be submitted to DWD for items in this section.
1. The following types of procurement are exempt from the guidelines in V. A, B, C, or D. Selection shall be made from known vendor(s).
- a) Magazine
 - b) Books
 - c) Periodicals
 - d) Newspapers
 - e) Direct Advertising space and time, unless there are multiple businesses in the area to provide the same services to the same coverage area needed and same demographics.
 - f) Conferences ~ the cost of attending or participating is exempted. The cost of putting together a conference is not exempted.
 - g) Training sessions and seminars ~ related to the individuals profession or program
 - h) Copyrighted materials such as films, filmstrips, books, pamphlets, videotapes or audio tapes (computer software is not included in this category). Copyrighted materials are defined as those that are available for purchase only from the publisher owning an exclusive franchise from the publisher.
 - i) Updates of computer software that the agency already owns.
 - j) Repair services and operational supplies from original manufacturer, if such repairs/parts/services/supplies must be performed or obtained by the original manufacturer or by the manufacturer's authorized service center, because (1) the nature of the repair, service or supplies are available only from the original manufacturer as a result of a lawful patent, or (2) the technical nature of the repair or service can only be performed by the original manufacturer due to a patented design or technical manufacturing process, or (3) repairs of such equipment would violate the terms of, or part of, the equipment warranty or purchase agreement.

2. As a member of the state of Missouri Procurement Cooperative, FEC is eligible to buy from State of Missouri/Federal Contractors. Such procurement may be done without any additional procurement practices.
 3. FEC may contract with Federal government, states and other units of government without bid processes and their agencies or institutions and public bodies without any additional procurement practices. DWD to provide statewide coordinated services; [MOJOBS](#), State of Missouri, Department of Elementary and Secondary Education (DESE) to provide coordinated ITA services.
 4. FEC may contract with Federal government, states and other units of government without bid processes and their agencies or institutions and public bodies without any additional procurement practices. DWD to provide statewide coordinated services; [MOJOBS](#), State of Missouri, Department of Elementary and Secondary Education (DESE) to provide coordinated ITA services.
- J. Reasonableness of Cost and Price Analysis. As outlined in Section IV, every procurement, including contract modifications, whether competitive or noncompetitive, is required to have a written estimate of the cost of the procurement. The estimate must be prepared by the procuring agency staff having knowledge of the type of procurement to be made, and approved by authorized agency staff of sufficient authority for the level of procurement to be made. The estimate must be made before soliciting bid or receiving bids or proposals.
- K. Reasonableness of Cost Determination Reasonableness of cost determination from each procurement transaction, including contract modifications, must be documented in writing prior to award and be based on a cost or price analysis of the offeror. The method and degree of cost of price analysis depends on the facts surrounding the particular procurement and pricing situation and must be documented in writing. A comparison to service providers in other areas could be used as a reasonableness justification. Every agency shall develop a written policy on how they will determine reasonableness of cost. It is acceptable for the policy to include more than one method. The following list of ways to justify reasonableness of cost is provided for informational purposes and is not inclusive of all methods, which could be used to justify the reasonableness of cost.
- i. Comparison of previous local experience.
 - ii. Comparison of similar proposals
 - iii. Comparison of national and/or state averages
 - iv. Analysis of projected budget for a new and unique program.
 - v. Comparison to experience by another similar AE.
- L. Cost, Which Exceeds the Cost Comparison. A cost, which exceeds the cost comparison, should be evaluated to determine if special conditions exist to justify additional cost (i.e. large hard-to-serve population, extensive geographic area, or additional follow-up requirements). A detailed budget could be used to support the price, however this will require explanation of the need for each item.

1. A price analysis to determine price reasonableness is not necessary when price reasonableness can be established on the basis of a documented catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation.
2. A cost price analysis is required to determine price reasonableness; when the offeror is required to submit the detailed elements of the estimated cost; when adequate price competition is lacking; and for all such bids exceeding \$5,000 that, to the best of their knowledge and belief, the cost data are accurate, complete and current prior to the contract or bid award. Contracts or modifications negotiated in reliance on such data should provide the awarding agency a right to a price adjustment to exclude any significant sum by which the price was increased because the contractor had submitted data that was not accurate, complete or current as certified.
3. A price analysis shall be used in all other instances to determine the reasonableness of the proposed contract or bid award.

M. WIOA Procurement's Shall Not Permit Excess Program Income. WIOA procurement's shall not permit excess program income (for nonprofit and governmental entities) or excess profit (for private for-profit entities). If profit or program income is included in the price, the awarding agency shall negotiate profit or program income as a separate element of the price for each contract in which there is no price competition, and in all cases where cost analysis is performed. To establish a fair and reasonable profit or program income, consideration shall be given to:

- a. The complexity of the work to be performed;
- b. The risk borne by the contractor,
- c. The contractor's investment;
- d. The amount of sub-contracting;
- e. The quality of the contractor's record of past performance;
- f. Industry profit rates in the surrounding geographical area for similar work and
- g. Market conditions in the surrounding geographical area.

VIII. 324.1 E – Verify SOLICITATION REQUIREMENTS

The Missouri Revised Statutes, Sections 285.525 – 285.550 *RSMo*, require that all vendors, contractors, and subcontractors paid from state-funded organizations or programs must enroll in the Employment Eligibility Verification Program (E-Verify). In line with this Statute, As a condition for the award of any service contract in excess of five thousand dollars by the Full Employment Council, Inc. to a business entity, shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Every such business entity shall sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. Any entity contracting with the Full Employment Council, Inc. shall only be required to provide the affidavits required in this subsection to the FEC on an annual basis. During or immediately after an emergency, the

requirements of this subsection that a business entity enroll and participate in a federal work authorization program shall be suspended for fifteen working days. As used in this subsection, “emergency” includes the following natural and manmade disasters: major snow and ice storms, floods, tornadoes, severe weather, earthquakes, hazardous material incidents, nuclear power plant accidents, other radiological hazards, and major mechanical failures of a public utility facility.

1. Section 285.530, RSMo pertains to all solicitations for services over \$5,000. Section 285.530, RSMo does not apply to solicitations for commodities only. If a solicitation is for services and commodities, section 285.530, RSMo applies if the services portion of the solicitation is over \$5,000.
 - a. Section 285.530, RSMo does not pertain to purchases that will be paid using exempt object codes.
 - b. Section 285.530, RSMo does not apply to procurements in which an agency contracts with a Missouri state agency or federal governmental entity. Section 285.530, RSMo does pertain to procurements in which an agency contracts with a Missouri school, a Missouri university, an out of state agency, an out of state school, an out of state university, all political subdivisions, an instate vendor, an out of state vendor, or a foreign vendor.
2. Written Solicitation – All solicitation documents for services over \$5,000 must include the AFFIDAVIT OF WORK AUTHORIZATION AND DOCUMENTATION bidder language, CONTRACTOR’S PERSONNEL contractor language with the additional highlighted language, SUBCONTRACTOR USAGE or SUBCONTRACTOR USAGE – NO PRIOR APPROVAL contractor language with the additional highlighted language [NOTE: Include Subcontractor Usage or Subcontractor Usage – No Prior Approval contractor language if awarded contract may include a subcontractor(s).] and the BUSINESS ENTITY CERTIFICATION, ENROLLMENT DOCUMENTATION, AND AFFIDAVIT OF WORK AUTHORIZATION EXHIBIT.

As a vendor, contractor, or subcontractor of the Full Employment Council, They must complete the documents, referenced below, to comply with your contract. Registration could be done by going to <https://e-verify.uscis.gov/enroll/StartPage.aspx?JS=YES>

New Registration:

1. A copy of the E-Verify MOU
2. Affidavit of Work Authorization
3. Business Entity Certification with Box A (Non-Business Entity) or Box B (Business Entity) completed.

Renewal of Registration:

1. Affidavit of Work Authorization Annual Renewal.
2. Business Entity Certification with Box C (Affidavit on File – Current Business Entity Status) completed

3. Non-Written Solicitation –Section 285.530, RSMo needs to be addressed if solicitation for services is over \$5,000. Proceed to Non-Written Solicitation under EVALUATION REQUIREMENTS below.

4. All solicitation documents for services over \$5,000 must include

- AFFIDAVIT OF WORK AUTHORIZATION AND DOCUMENTATION bidder language (using contractor in place of the reference to bidder),
- CONTRACTOR’S PERSONNEL contractor language with the additional highlighted language, and
- BUSINESS ENTITY CERTIFICATION, ENROLLMENT DOCUMENTATION, AND AFFIDAVIT OF WORK AUTHORIZATION EXHIBIT

EVALUATION REQUIREMENTS

1. Written Solicitation – Review and evaluate bids company responses to determine if bidders contractors have provided the following with their bids company responses or through follow-up clarification prior to award:

BUSINESS ENTITY CERTIFICATION, ENROLLMENT DOCUMENTATION, AND AFFIDAVIT OF WORK AUTHORIZATION EXHIBIT – The bidder company must certify their current business status by completing Box A, Box B, or Box C.

Box A Completed:

a. If bidder company has completed Box A, the bidder company has certified that the bidder does not currently meet the definition of a business entity as defined in section 285.525, RSMo pertaining to section 285.530, RSMo. By completing Box A, the bidder company is responsive regarding section 285.530, RSMo and is not required to enroll and participate in the E-Verify federal work authorization program, is not required to submit the required E-Verify documentation, and is not required to submit a completed, notarized Affidavit of Work Authorization to be considered for an award.

b. If awarded a contract and the contractor’s business status changes during the life of the contract to become a business entity as defined in section 285.525, RSMo pertaining to section 285.530, RSMo, then the contractor shall, prior to the performance of any services as a business entity under the contract,:

1) Enroll and participate in the E-Verify federal work authorization program with respect to the employees hired after enrollment in the program who are proposed to work in connection with the services required in the contract; AND

2) Provide documentation affirming the contractor’s enrollment and participation in the E-Verify federal work authorization program. Documentation shall include a page from the E-Verify Memorandum of Understanding (MOU) listing the contractor’s name and the MOU signature page completed and signed, at minimum, by the contractor and the Department of Homeland Security

– Verification Division. If the signature page of the MOU lists the contractor’s name and company ID, then no additional pages of the MOU must be submitted.; AND

3) Complete and submit a notarized Affidavit of Work Authorization dated on or after September 1, 2009.

Box B Completed:

a. If bidder company has completed Box B, the bidder company has certified that the bidder company does meet the definition of a business entity as defined in section 285.525, RSMo pertaining to section 285.530, RSMo. By completing Box B, the bidder company must:

1) Enroll and participate in the E-Verify federal work authorization program with respect to the employees hired after enrollment in the program who are proposed to work in connection with the services required in the RFQ document; AND

2) Provide documentation affirming said companies/individual’s enrollment and participation in the E-Verify federal work authorization program. Documentation shall include a page from the E-Verify Memorandum of Understanding (MOU) listing the bidder’s name and the MOU signature page completed and signed, at minimum, by the bidder company and the Department of Homeland Security – Verification Division. If the signature page of the MOU lists the bidder’s name and company ID, then no additional pages of the MOU must be submitted.; AND

3) Complete and submit a notarized copy of the Affidavit of Work Authorization dated on or after September 1, 2009.

b. If a bidder company provides the documents stated in paragraphs a2) and a3) above prior to award of a contract, then the bidder meets the requirements of section 285.530, RSMo. NOTE: Confirm notarization on Affidavit of Work Authorization by checking for notary’s black ink rubber stamp seal or notary’s engraved embosser seal for a State of Missouri notary. If non-Missouri notary, absence of a seal may or may not be an issue. Confirm notary’s commission has not expired by checking the expiration date entered on the affidavit or stated in the notary’s seal. A copy of a completed, notarized Affidavit of Work Authorization may be accepted, if dated on or after September 1, 2009

c. If a bidder does not provide the documents stated in paragraphs a2) and a3) above prior to award of a contract, then the bidder is non-responsive. The bidder company cannot be considered for award.

Box C Completed:

1) If bidder/offeror has completed Box C, the bidder/offeror company has certified that the bidder/offeror company does meet the definition of a business entity as defined in section 285.525, RSMo pertaining to section 285.530, RSMo. By completing Box C, the bidder/offeror has:

a) Enrolled and participate in the E-Verify federal work authorization program with respect to the employees hired after enrollment in the program who are proposed to work in connection with the services required in the RFP document

b) Provided documentation affirming said companies/individual's enrollment and participation in the E-Verify federal work authorization program. Documentation shall include a page from the E-Verify Memorandum of Understanding (MOU) listing the bidder's/offeror's name and the MOU signature page completed and signed, at minimum, by the bidder/offeror and the Department of Homeland Security – Verification Division. If the signature page of the MOU lists the bidder's/offeror's name and company ID, then no additional pages of the MOU must be submitted.

c) Completed and submitted a notarized copy of the Affidavit of Work Authorization dated on or after September 1, 2009.

2) If Box C is completed, check the spreadsheet located G:\E-verify\subcontractor for documentation. If bidder/offeror Company is not listed on the spreadsheet, then the documents will need to be requested from the agency noted in Box C. If agency is unable to supply documentation, the bidder/offeror must be contacted to provide a copy.

2. Non-Written Solicitation – If solicitation is over \$5,000, the BUSINESS ENTITY CERTIFICATION, ENROLLMENT DOCUMENTATION, AND AFFIDAVIT OF WORK AUTHORIZATION EXHIBIT must be faxed/mailed to the potential awardee. The potential awardee must be instructed to certify their current business status by completing Box A or Box B on the exhibit.

IX. 325.0 Procurement Protest / Dispute Procedures

Protests and disputes for goods, services, supplies, and other non-participant service programs shall be appealed to the Procurement Committee for review. The Procurement Committee shall hear the appeal of the procurement award and make its recommendation to the President/CEO who shall make the final decision.

Protests and disputes involving subrecipient awards shall appeal to the Chairman of the Eastern Jackson County Workforce Development Board, who will appoint a committee to review the decision. The committee shall decide by a majority vote to uphold or reverse the decision of the Procurement Committee regarding the subrecipient award.

A protester having exhausted all administrative remedies with FEC shall pursue the protest to WIOA. Violation of law will be referred for action to the Department of Labor, Office of the Inspector General and other appropriate local and state authorities having proper jurisdiction.

The Office Supply Requisition must be approved by Division Vice President before submitting to Accounting Department.

The Chief Fiscal Officer shall review and approve all special orders. Only requests deemed necessary and allowable will be approved.

X. 325.1 Responsibilities

The Fiscal Department & Administration Department has the following operational responsibilities:

- To purchase quantities of commodities, equipment, and services as requested by the various Operations units, at the lowest price consistent with required quality, from suppliers who will deliver purchased items at the specified time and place.
- To conduct the preliminary negotiations with suppliers, to locate sources of supply, to obtain price quotations through formal procedures, to select vendors, and to place purchase orders (See Attachment A).
- To follow-up on purchase orders, except departmental purchase orders, continuous or standing purchase orders and procurement cards, to ensure that the vendor fulfills the purchase agreement on delivery, and that the carrier delivers the shipment promptly and in good condition.
- To handle, directly with the vendor, all correspondence concerning purchases, including price adjustments, the return of defective or incorrect materials, additional shipments to fill shortages, purchase order cancellation, and to present claims for shortages and damages.
- To furnish prices and estimates of cost for materials, equipment, and services to operation units.
- To suggest changes that will improve product quality, promote better availability, or provide greater economies in purchase or application.
- To maintain or obtain catalogues and other data about vendors, materials, and services for campus units to use in determining their needs. Such data may include information that is necessary to determine the overall responsibility of a vendor.

XI. 325.2 Payment Terms

FEC policy is to pay vendors net 30 days after an invoice has been received at the Fiscal Department. This assumes proper delivery and functioning of goods and services. If, in the event special terms or prepayment are necessary, the Fiscal Department must be contacted in advance.

Attachment A:

Purchase Request

Attachment B:

Purchase Order



PURCHASE ORDER

FEC N^o 2933

Please quote our P.O # on your invoice

Ship to: (The same billing address if left blank.)

To:

Bill To: Full Employment Council, Inc.
1740 Paseo, Suite D
Kansas City, MO 64108
(816) 471-2330

Date: _____

Quantity	Unit	Description & Account Code	Unit Cost	Total Cost
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COO / President

CFO

White - Vendor Yellow - Finance Pink - Receiving

FEC-0009