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POLICY OF EMPLOYINDY

Policy Name	Procurement Policy
Policy Number	2017-014
Program Funding Stream	All

REV	Description of Change	Author	Effective Date	Review Date
	Reissued and replaces policy #2011-FA-002, Procurement policy	S. Phillips	Upon Approval	6/30/2018
1	Adds flexibility to Sole Source requirements; requires DWD approval for procurement over \$5,000 using federal funds	P. Dunning	8/2/2018	8/2/2019

1. Purpose

To set forth standards for the conduct of procurement activities conducted by EmployIndy.

2. Scope

To provide guidance on conduct of all procurement actions in a manner which ensures, to the maximum extent practical, open and free competition.

3. Summary of the Law, Rules, and Governing Policies

Per [2 C.F.R. § 200.317-323](https://www.law.cornell.edu/cfr/text/2/200.317)¹, recipients who receive federal funds are to set forth standards in establishing procedures for the procurement of supplies and other expendable property, equipment, real property, and other services.

Per [2 C.F.R. § 200.403](https://www.law.cornell.edu/cfr/text/2/200.403)², there are factors that affect the allowability of costs, including but not limited to being necessary and reasonable for the performance of the Federal award.

¹ <https://www.law.cornell.edu/cfr/text/2/200.317>

² <https://www.law.cornell.edu/cfr/text/2/200.403>

Per [2 C.F.R. §200.420-475](#)³, there are considerations and principles to be applied in establishing the allowability of certain items involved in determining cost.

[20 C.F.R. § 683.200\(a\)\(5\)](#)⁴ outlines code of conduct and conflicts of interest for Local Workforce Development Boards.

Standards for conflict of interest shall govern all procurement activities and are reflected in [EmployIndy's Conflict of Interest Policy](#)⁵.

4. Responsibilities

EmployIndy's Finance Department is responsible for providing guidance, validation and periodic review of this policy.

5. Policy Statement

All procurement purchases are determined by the amount of purchase and categorized into five different sections:⁶

- Micro-Purchases: Micro-purchases are a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed \$3,000.⁷
- Small Purchases: Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$150,000.⁸
- Sealed Bids: Sealed Bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) 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. The sealed bid method is the preferred method for procuring construction. The requirements for sealed bid procurement are outlined in 2 C.F.R. § 200.320(c)
- Competitive Proposals: 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. The requirements for competitive proposal procurement are outlined in 2 C.F.R. § 200.320(d).
- Sole Source: Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source. Sole source may be used only when approved by a member of EmployIndy executive leadership, and one or more of the following circumstances apply:

³ <https://www.law.cornell.edu/cfr/text/2/200.420>

⁴ <https://www.law.cornell.edu/cfr/text/20/683.200>

⁵ <https://employindy.org/wp-content/uploads/2017/08/7-2-Conflict-of-Interest.pdf>

⁶ [2 C.F.R. § 200.320](#)

⁷ [2 C.F.R. § 200.67](#)

⁸ [2 C.F.R. § 200.320](#) and [2 C.F.R. § 200.88](#)

- The vendor is currently contracted by the Indiana Department of Workforce Development.⁹
- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- After solicitation of a number of sources, competition is determined inadequate.¹⁰

For purposes of all procurement transactions, the following general policy of competition shall apply:¹¹

- Procurement shall be conducted in a manner that provides full and open competition;
- Unreasonable requirements, unnecessary experience, and excessive bonding shall not be placed on firms or organizations that do business with EmployIndy;
- Procurement shall not unreasonably specify “brand names” when “an equal” will suffice;
- Single Distributor/Source procurement will be minimized to the extent possible and, if used, will be justified;
- Positive efforts will be made to utilize small businesses, minority-owned firms, and women’s business enterprises, whenever possible.

The authorization and purchasing limits are outlined in the following table for all procurement transactions:

Amount of Purchase	Required Approval	Bids Required ¹²	Documentation Required
<\$5,000	Department Director	2 bids (oral, catalogue, Internet)	Documentation of bids received How decision was made if lowest price is not used
\$5,000 < \$25,000	Department Director and Director of Finance	3 written bids (catalogue, Internet, written)	Documentation of bids received How decision was made if lowest price is not used

⁹ <https://www.in.gov/dwd/files/2007-15.pdf>

¹⁰ [2. C.F.R. § 200.320\(f\)](#)

¹¹ [2 C.F.R. § 200.319\(a\)](#)

¹² See “Sole Source”, page 2.

			If using federal funds, express written permission from DWD
\$25,001 < \$100,000	Department Director, Director of Finance, and President/CEO	3 written bids (Request for Bids or Request for Proposals)	Copy of RFB or RFP Proposal scoring grids including who participated in the scoring Proposal and contract of winning bid If using federal funds, express written permission from DWD
>\$100,000	Department Director, Director of Finance, President/CEO., and Board of Directors.	3 written bids (Request for Bids or Request for Proposals)	Copy of RFB or RFP Proposal scoring grids including who participated in the scoring Proposal and contract of winning bid If using federal funds, express written permission from DWD

6. Exceptions

The following activities are exempt from this policy:

- The following activities funded by the Workforce Innovation and Opportunity Act:
 - Selection of the One-Stop Operator per Section 117(f)(2) and Section 1212(d).
 - On the Job Training (OJT) contracts; and
 - Individual Training Account (ITA) agreements.
- Activities funded by private grantors or unrestricted funding, unless specified in the grant document.
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7. Definitions

Procurement: The overarching function that describes the activities and processes to acquire goods and services. Importantly, and distinct from “purchasing”, procurement includes the activities involved in establishing fundamental requirements, sourcing activities such as market research and vendor evaluation, and negotiation of contracts. It can also include the purchasing activities required to order and receive goods.

8. Related Policies and Documents

Policies

[EmployIndy Conflict of Interest Policy](#)¹³

Additional Guidance

[DWD Policy 2007-15, “Procurement and Prior Approval Policy for Federally Funded Grantees”](#)¹⁴

[DWD Policy 2010-03, “Financial Interest and Conflict of Interest in DWD Transaction Decisions”](#)¹⁵

¹³ <https://employindy.org/wp-content/uploads/2017/08/7-2-Conflict-of-Interest.pdf>

¹⁴ <https://www.in.gov/dwd/files/2007-15.pdf>

¹⁵ http://www.in.gov/dwd/files/DWD_Policy_2010-03.pdf.