

**GUAM WORKFORCE INVESTMENT BOARD
STANDARD OPERATING PROCEDURES MANUAL**

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COMPETITIVE PROPOSAL PROCEDURES				

PURPOSE:

To ensure that Procurement processes are documented and all contract actions are in accordance with applicable laws. To ensure that records be maintained in sufficient detail so as to provide a significant history of the procurement action. These records must include, but are not necessarily limited to; rationale for the method of procurement, the selection of agreement type, awardee selection or rejections, and the basis for the agreement type.

GENERAL

Competitive proposals shall be solicited in conformance with local and federal procurement guidelines.

PROCEDURES

STEP ONE:

- Review Workforce Investment Strategic Plan and define program objectives.
- Develop RFP based on these analyses.

STEP TWO:

- Solicitation: Using bidders list, advertising methodology, and local procurement procedures, issue RFP.
- Bid Opening: After closing deadline for RFP, open and log proposals.

STEP THREE:

- Review proposals using evaluation process and criteria in RFP.

STEP FOUR:

- Make contract award recommendation to the GWIB.

STEP FIVE:

- Issue notification of contract award.

STEP SIX:

- Complete program /contract evaluation process.

CRITERIA FOR COMPETITIVE PROCUREMENT PROCESS

1.0 PLAN REVIEW:

Competitive procurement procedures should include a review of strategic plans by the GWIB and staff for the purpose of identifying occupational areas in which job openings are likely to occur. Skill training program designs should be tailored toward those occupational areas and other services necessary to operate the program should also be identified as RFPs are developed.

1.1 BIDDER'S LIST AND ADVERTISING:

A current list of interested service providers will be maintained for each program area. A copy of the RFP should be sent to each bidder on the list. All RFP's should be advertised in major local papers of general circulation. A copy of the advertisement should be maintained for monitoring purposes.

1.2 BID OPENING:

As proposals are received, they should be stamped with date, time and recorded in the log. After the published deadline for receipt of proposals, all those, which met the deadline, should be opened for review. Proposals, which did not meet the published deadline, should not be considered.

1.3. PROPOSAL REVIEW:

The proposal review processes is included in the written procurement procedure and include steps for review as well as a numerical rating process, which leads to an award in compliance with appropriate laws and rules, regulations pertaining thereto. The review should be consistent with the format, criteria and information requested in the RFP. Involvement of individual GWIB members in the process will be included.

1.4 CONTRACT AWARD RECOMMENDATION:

After all proposals have been reviewed for compliance with the RFP, cost reasonableness, and program design, a contract award recommendation should be prepared for the full GWIB to consider.

1.5 CONTRACT AWARD NOTIFICATION:

Once the GWIB has acted to award a contract, written notification should be made to all bidders. The process for appeals / grievances is a part of this notification. Any additional information required from the potential contractor should be identified.

1.6 COMPLETE CONTRACT / PROGRAM EVALUATION:

Upon completion of the contract, an evaluation of written contract / program performance should be completed based upon the criteria included in the contract. Results of this evaluation should be maintained for use in future proposal evaluations for the contractor.

1.7 PROPOSAL EVALUATION AND CONTRACT AWARD PROCESS

- 1.7.1 A group of individuals representing both the GDOL, One-Stop Partners and the GWIB will be named as the team for the evaluation of all proposals received in response to an RFP. Proposal reviews may be done individually or as a group; however, the same evaluation sheet should be completed by each individual with results compiled to present a cumulative score to the GWIB at the time of contract award recommendation.
- 1.7.2 The evaluation process used must be objective, using quantifiable factors relating to the review criteria for each RFP. At a minimum, the following areas should be reviewed.
 - § Demonstrated Performance (previous performance on contracts, including monitoring reports)
 - § Proposed Budget (in order to determine cost reasonableness);
 - § Organizational Structure (the proposer's ability to perform the program design as outlined)
 - § Staff Qualifications (adherence to job descriptions in the RFP or the designated staff's ability to carry out the program)
 - § Adherence to Other RFP Requirements.
- 1.7.3 Based on the team score and cost reasonableness of the proposal, a recommendation for contract award should be prepared for the GWIB. If the lowest cost bidder is not being recommended, written justification

should be included in the recommendation (high risk bidder, lack of program experience, etc.)

1.7.4 The actual contract award is the decision of the GWIB. The GWIB may concur with the recommendation, choose another proposal based on information in the review summary, or cancel the RFP entirely. In the event that the GWIB makes an award that is different from the recommendation, justification should be documented. Each action of the GWIB regarding contract awards should be specifically documented in the minutes of that meeting. The minutes should indicate the name of the contractor, the amount of the award, the title of the program and the funding source. All documentation should be retained for compliance review purposes.

1.7.5 **Commercially available or Off-the-Shelf Training:** defined as a training package sold or traded to the general public in the course of normal business operations, at prices based on established catalog or market prices.

§ To be considered as sold to the general public, the package must be regularly sold in sufficient quantities to constitute a real commercial market to buyers that must include other than WIA programs.

§ The package must include performance criteria pertaining to the delivery of the package, which may include participant attainment of knowledge, skills or a job.

§ For the product to be unmodified, it must be sold to the general public in the same condition that it is sold to the State grantee or subrecipients. If the product is altered or customized in order to meet the specific training needs of WIA, it is not a commercially available or off-the-shelf product. The GWIB and subrecipients may negotiate a price that is below the cost paid by the public and/or a different rate or method of payment may be accepted. This would be acceptable and the package would still be considered unmodified. However, the addition of training, services or provider performance would be considered modifications.

§ A catalog price is one that is published in a catalog, price list, schedule, or other form regularly maintained by a supplier and is published or made available for inspection by buyers.

1.8 COST AND PRICE ANALYSIS

1.8.1 Evaluation of each proposal should include cost and price analysis. In addition, cost/ pricing information should demonstrate an understanding of the program needs, and a commitment to the needed resources to do that work. The following factors could be used as additional evaluation criteria:

- § Comparison of competitive price quotations.
- § Comparison of prior quotations and contracts with current quotations for the same or similar programs.
- § Cost per participant or cost per outcome.
- § Comparison of prices on published price lists.

1.8.2 Cost analysis must include the review and evaluation of 1) the supporting data submitted by the proposer; 2) the line item costs; and 3) the factors considered in projecting the cost to perform the specified work. After costs are identified, the evaluator must determine the allowability of costs by the following standards

§ Necessity – A necessary cost is one that is recognized as ordinary and necessary for the conduct of the contract or the contractor’s business. It must also be necessary for the “proper and efficient administration of the program.”

§ Reasonableness – Costs are allowable only if they are reasonable both in type and amount. The three (3) points to consider are:

- The requirements imposed by factors such as accepted sound business practices, arms-length bargaining, federal and state laws and regulations, and contract items and specifications;
- The action that a business person, considering responsibilities to the owners of the business, employees, customers, the government, and the public at large would take under the circumstances; and
- Any significant deviations from the established practices of the contractor that may unjustifiably increase contract costs.

In making judgments about reasonableness, the reviewer needs to have a clear understanding of the technical requirements of the contract. He or she must determine whether the quality and quantity of the performance levels proposed are necessary and sufficient to do the job.

1.8.3 ALLOCABILITY

Allocability establishes the linkage between an expense item and benefits which accrue to the grant supported program. Costs may be allocated to a contract either as direct or indirect costs. A direct cost is any cost that can be identified with a single final cost objective. Under the general concept of allocability, the concern is with whether the cost element, no matter what it is, can be allocated to the contract at all.

1.8.4 TERMS OF THE CONTRACT

A contract may contain specific limitations or exclusions of cost. Some limitations are set by the WIA statute and regulations.

The terms of the contract may also reflect other state and local allowability limitations. Offerers must adhere to these to have their proposed costs (and ultimately their contract costs) deemed allowable.

Reviewers must be familiar with federal, state and agency rules reflecting allowability. They must also review the RFP to see what limitations it sets. When the proposals are evaluated, reviewers must be certain that offerers are proposing costs that conform with these rules. If there is a doubt, clarification should be sought.

1.8.5 COST PRINCIPLES

GWIB will adhere to the OMB cost principles. Sub-grantees will, in turn, be bound by these principles in their own operations as well as procurements and other sub-agreements. Similarly, local governments may have adopted or enacted principles that further define cost categories and which prohibit or set limits on certain categories. Such cost principles will affect the allowability of proposed costs.

Reviewers must be fully aware of these principles and apply them in the review process. For the purpose of cost and price proposals, the GWIB should require proposers to submit a breakout of their proposed cost using the WIA cost categories and cost

1.8.6 PERFORMANCE BASED CONTRACTING

Performance-based contracting methods are intended to ensure that required performance quality levels are achieved and that total payment is related to the degree that services performed or outcomes achieved meet contract standards. Performance-based contracts or task orders. To the maximum extent possible, all procurement procedures for program related activities must be performance based that outlines the following criteria:

Describe the requirements in terms of results required rather than the methods of performance of the work;

Use measurable performance standards (*i.e.*, in terms of quality, timeliness, quantity, etc.) and quality assurance surveillance plans

Specify procedures for reductions of fee or for reductions to the price of a fixed-price contract when services are not performed or do not meet contract requirements and

Include performance incentives where appropriate.

1.8.7 FUNDING RESTRICTIONS FOR “HIGH RISK” RECIPIENTS AND SUBRECIPIENTS

The GWIB may impose certain funding restrictions on recipients or sub-recipients that are responsible entities but have a history of performance problems, audit problems, or system deficiencies. Such funding restrictions are not viewed by the Department of Labor as sanctions but rather as a mechanism to improve performance and/or increase accountability and fiscal integrity, without unduly interrupting the flow of funds.

A recipient or sub-recipient may be considered “high-risk” if an awarding agency determines that the recipient or sub-recipient is otherwise responsible but:

- (a) Has a history of unsatisfactory performance;
- (b) Is not financially stable;
- (c) Has a management system which does not meet the management standards set forth in the WIA regulations; or

- (d) Has not conformed to terms and conditions of a previously awarded contract.
- (e) If the GWIB determines that a contract will be made to a “high risk” recipient or sub-recipient, the special funding restrictions that address the “high-risk” status may be included in the contract. Funding restrictions may include but are not limited to:
 - (1) Payment on a reimbursement basis;
 - (2) Requiring additional and/or more detailed financial or performance reports;
 - (3) Additional monitoring;
 - (4) Requiring the recipient or sub-recipient to obtain specific technical or management assistance, and/or
 - (5) Establishing additional prior approvals.
- (f) If the GWIB decides to impose such funding restrictions, the GWIB will notify the recipient or sub-recipient as early as possible, in writing, of;
 - (1) The nature of the funding restrictions;
 - (2) The reason(s) for imposing them;
 - (3) The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions; and
 - (4) The method of requesting reconsideration of the restrictions imposed.

All grants and contracts to serve youth under Title 1 of the Workforce Investment Act will be awarded on a competitive basis through a Request for Proposal (RFP) Process unless otherwise exempted from federal statute. Notice of RFP will be advertised in all area newspapers and through other relevant marketing capabilities. Eligible providers of youth services will be recommended to the Workforce Investment Board on the basis of program components that meet the following established criteria:

- Development of programs that incorporate basic knowledge, attitudes, skills and habits that promote success and an ongoing desire to learn
- Focus on attainment of a diploma
- Ability to deliver basic skills, tutoring and training skills including drop-out prevention
- Development of work-based learning, emphasizing experiential learning to create an effective learning environment

- Provision of alternative school services or enhancement of existing programs administered by local education agencies
- Summer employment linked to academic and occupational learning
- Paid and unpaid work experiences following federal and state child labor laws
- Provide leadership development opportunities including internship and job shadowing
- Opportunities for adult mentoring including follow-up services
- Twelve-month follow-up services after program completion for performance measures and accountability