



Organization Policy ☒

Standard Operating Procedures ☒

Topic: Procurement

Date: February 1, 2026

☐ New

☒ Revised

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Purpose

The purpose of Worksystems procurement policy is to promote full and open competition, ensure stewardship of public funds, and procure goods and services in a manner that is ethical, transparent, and compliant with applicable federal, state, and local laws and regulations.

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Policy Statement

All procurement activities must be conducted in an open, fair, competitive, and transparent manner; in compliance with applicable federal, state, and local laws and regulations; and in a way that avoids conflicts of interest.

Code of Conduct and Conflicts of Interest

Worksystems *Code of Conduct Policy* applies to all procurements.

- No employee, officer, agent, or board member with a real or apparent conflict may participate in the selection, award, administration of procurements or contractor or subrecipient agreements.
- Violations are subject to disciplinary action consistent with Worksystems *Code of Conduct Policy*.
- Where a parent/affiliate/subsidiary relationship creates an actual or apparent inability to be impartial, the procurement must be managed to avoid the conflict (e.g., exclusion, recusal).
- Procurement staff and evaluators must sign a conflict-of-interest and confidentiality statement to participate in a competitive procurement.

Business Type Consideration

Affirmative steps are to be taken to include the following business types in all procurements, such as including them on solicitation lists:

- Small Businesses
- Minority-Owned Businesses
- Women-Owned Businesses
- Businesses located in Labor Surplus Areas

Staff are required to determine if a prospective contractor or subrecipient is designated as one of these business types. Where it is economically feasible, staff may divide total requirements into smaller tasks or establish delivery schedules to qualify smaller businesses. Where all elements of a quote or proposal are equal, the award should be directed to a business that is certified small, minority- or women-owned.

Suspension and Debarment

Worksystems may not enter into a contract or subaward with any entity that is debarred, suspended, or otherwise excluded from participation in federal programs. A verification of a www.SAM.gov registration must be conducted prior to all contracts or subawards being executed.

Procurement Levels and Methods

Worksystems separates procurement methods into three levels. When purchases with the same contractor or subrecipient for the same purpose within one program year create an aggregate purchase in excess of the next Procurement Level, the purchase must be re-procured using the appropriate procurement level standard.

Level 1 – Micro-purchases

Micro-purchases are purchases of up to \$15,000 and may be awarded without soliciting competitive quotations.

- Comparison shopping is required.
- Economy, efficiency, reasonable price, and experience must be considered in all purchasing decisions.
- To the extent practicable, distribute micro-purchases equitably among qualified suppliers.
- A *Purchase Request Form* is required for any purchase of \$1,000 or more.

Level 2 – Simplified Acquisitions (Small Purchases)

Simplified Acquisitions are purchases greater than \$15,000 but less than \$350,000. These purchases require three quotes dated within 12 months of the purchase. *Compliance and Procurement Manager* approval is required when fewer than three quotes are used or if quotes are older than 12 months.

- Quotes are documented utilizing the *Quotes Documentation Form*. The form and related backup are required to be submitted at the same time as the *Purchase Request Form*.
- Commercially available products (products commonly available in the commercial marketplace) must be purchased at the lowest priced quote.
- A *Purchase Request Form* and a *Price or Cost Analysis Form* are required.

Level 3 – Competitive Procurements

For purchases of \$350,000 or more, Worksystems will utilize the formal procurement method of competitive procurement unless a permitted noncompetitive method or a subaward selection process applies as outlined below. Competitive procurements are conducted through a formal Request for Proposals (RFP) process. Competitive procurements:

- Are conducted through a public process that solicits proposals from potential contractors.
- Utilizes a formal, documented evaluation and selection process based on the criteria identified in the RFP.
- A competitive procurement is valid only within the scope of the original solicitation. A new competitive procurement must be conducted when there are material changes to any of the following:
 - Scope of work of the goods or services, service delivery geography, target populations, performance requirements, or outcomes that were competed for and described in the RFP.
 - Contractors selected as a result of the RFP selection process, unless the RFP explicitly established a qualified pool of contractors and included a defined on-ramp or rolling admission process.
 - Contract term or period of performance identified in the RFP has ended, including any maximum allowable duration. It is recommended that Worksystems adhere to a five-year term limit in all competitive procurement solicitations.

- The One Stop Operator must be procured every four years by law.
- Requires a *Purchase Request Form* and a *Cost or Price Analysis Form* to be completed upon award.

Worksystems may use the competitive selection process to identify and award subawards to subrecipients whenever practicable to promote transparency, equity, and best value for program outcomes. When using this method, the award is only valid within the scope of the original competition. Any material changes identified above apply and a new competitive selection process for the subaward must be conducted.

Worksystems may, at its discretion, determine a contractor or subrecipient is ineligible to qualify for a competitive procurement if the contractor or subrecipient is on a Technical Assistance or Corrective Action Plan.

See the *Competitive Procurement Operating Procedures* below in this policy.

Noncompetitive (Sole Source) Procurement

Noncompetitive procurement may be used only when one or more of the following circumstances are documented:

- The item or service is available from only one source.
- Public exigency/emergency will not permit a delay resulting from a competitive solicitation.
- The funder expressly authorizes noncompetitive sole source procurement in writing or names the specific contractor or subrecipient in the grant agreement.
- A competitive procurement failed; no responses were received.

Sole Source procurement must be minimized and, when necessary, documented through the following:

- Submission of a *Sole Source Purchase Justification Form* approved by the Worksystems' Executive Director or designee and a *Cost or Price Analysis Form*.

Subrecipient Awards

Worksystems may choose to subaward subrecipient agreements only under the following conditions:

- Worksystems is the pass-through entity.
- The grant and related laws or regulations that apply to the funds being used for the project do not require a competitive procurement process to be completed.
- The subrecipient has a record of acceptable performance relative to similar projects funded by Worksystems or by other pass-through entities or jurisdictions.
- A budget narrative is developed that can be analyzed to determine that costs are reasonable, allowable, allocable, and necessary to achieve the program outcomes.

- The applicable program policies or subrecipient agreement clearly show at least one of the following:
 - The subrecipient determines who is eligible to receive services paid for with the grant resources; or
 - Performance will be measured based on whether grant objectives are met; or
 - The subrecipient has responsibility for programmatic decision making, is responsible for adhering to applicable grant requirements and uses grant funds to carry out the program for a public purpose.

Subrecipient awards are documented utilizing the *Subrecipient Award Justification Form*.

For-Profit Subrecipients

Where a subrecipient award is made to a for-profit entity, the profit amount must be negotiated as a separate cost element in excess of actual costs, and must be based on meeting or exceeding related, identified performance goals. The profit payment may be paid on a schedule separate from the cost reimbursement payments (e.g., quarterly, semi-annual, or annual). The funding source grant agreement for the project must also be reviewed to ensure there are no profit limitations set by the funding agency. Profit is evaluated using qualitative and quantitative factors and the approach must consider risk, subrecipient effort, and investment.

Lease versus Purchase Analysis

Where applicable, an analysis will be made of lease versus purchase alternatives to determine which would be most beneficial, economical, and practical for Worksystems, the program, and the funding source. Capital leases (lease-to-own) are treated as equipment.

Equipment

Equipment is defined as tangible property having a useful life of more than one year and a per-unit cost of \$10,000 or more. A purchase must be identified as equipment at the time the *Purchase Request Form* is executed.

- When pre-authorization is required by the funder to purchase equipment, documentation from the applicable funding source must be secured before the purchase process may begin.
- When using federal funds, equipment purchases are considered “approved” if included in the federal grant proposal and therefore do not require approval prior to purchase.
- Computing devices below \$10,000 per unit are treated as supplies and must follow the applicable procurement level based on total purchase amount.
- NDAA FY2019 Section 889-covered telecommunications restrictions apply when purchasing IT/telecom equipment or services.

Excluded Items

Purchase of the following items are excluded from this procurement policy:

- On-the-Job Training (OJT) Contracts and training provided by Eligible Training Providers.
- Items included in Worksystems' Travel Policy.
- Administrative Costs, which are defined as costs associated with performing the following functions:
 - Accounting, budgeting, financial, and cash management
 - Procurement and purchasing
 - Property management
 - Personnel management and payroll
 - General legal services
 - Developing systems and procedures for administrative functions
 - Costs of goods and services required for administrative functions, such as:
 - Rental or purchase of equipment
 - Utilities
 - Office supplies
 - Postage
 - Rental and maintenance of office space
 - Travel costs for official business related to administrative activities
- Costs of information systems related to administrative functions, including:
 - Personnel, procurement, purchasing, contracting, property management, accounting, payroll and website systems
 - Purchase, development, and operating costs of such systems

Purchase Authorization

All purchases of \$1,000 or more, except for common office supplies purchased through an established agreement, require authorization as established by Worksystems Signature Authority. The *Purchase Request Form* is the documentation of purchase authorization. The Purchase Request Form is the first step required in initiating a purchase (including contractor and subrecipient agreements) over \$1,000. The purpose of the *Purchase Request Form* is to ensure:

- **Allowability**: The purchase has been determined to be not only necessary to accomplish the goals of the grant(s) to which it is being charged, but also that the purchase is allowed by the funding source.
- **Budget**: Determination has been made that the Worksystems' budget supports the expenditure prior to the purchase, and that the funds are earmarked or obligated for that purchase.
- **Procurement**: The purchase meets policy, laws, and regulations for procurement rules.

See the *Purchase Request Form Procedures* below in this policy.

Cost Analyses and Price Analyses

Worksystems requires a documented price or cost analysis be performed in connection with every purchase of \$15,000 or more (Level 2 and Level 3), including for contract or subrecipient modifications that add \$15,000 or more of funding. The cost or price analysis must clearly document how the cost incurred is necessary, reasonable, allowable, and allocable to the appropriate funding source(s).

- A price analysis is completed when the price or rate can be compared in the commercial market to determine reasonableness. Price analyses are typically completed for *Professional Services Agreements* and are completed on the *Price Analysis Form*.
- A cost analysis is completed for the purchase of services where various elements of cost are reviewed such as personnel, operating, and participant costs. Cost analyses are typically completed for subrecipient agreements and are documented on the Cost Analysis Tab of the *Budget Narrative Workbook*.

See the *Cost and Price Analyses Procedures* below in this policy.

Competitive Procurement Procedures

Bidder's Conference

When it is determined that it would be helpful for outreach to potential respondents or to seek input from community sources, a conference may be held prior to the release of the Request for Proposals to describe the project and seek feedback on the draft solicitation. Changes and clarifications to the solicitation may be made based on the feedback. Participation in the conference does not preclude any organization from submitting a proposal once the public process begins. The Bidder's Conference does not require the involvement of the *Contracts and Procurement Specialist*, as it is designed to share information about and inform the development of the official Request for Proposals.

Separation of Duties

Worksystems staff who develop the solicitation and/or will be the Contract Manager for the selected proposal(s) may not manage the competitive procurement process. They may be one of a panel of reviewers, but may not be the sole reviewer and may not be the final decision maker in the selection. Additionally, they may not accept incoming proposals on behalf of Worksystems, distribute proposals to review panelists, or collect panelist evaluations.

Solicitation Public Notice

A public announcement of the release of the Request for Proposals is made in a manner that reaches a broad range of potential respondents, including small businesses and minority- and women- owned businesses. The announcement will include a brief description of the purchase or project and directions to access the full solicitation. Posting on Worksystems' website meets the minimum public notice standard, however, additional outreach should occur, including email notices to individuals and organizations that have expressed interest in Worksystems' procurement activities, and publishing in local newspapers (including the news agencies' websites).

The Request for Proposals Solicitation Document

All competitive procurements for goods or services will be open for at least 30 calendar days. The solicitation document will include these components:

- A clear and accurate description of the project's Statement of Work or product technical specifications.
- Contract term, including all available extensions.
- Definition of required deliverables and/or measures of performance.
- Description of response requirements.
- Description of the evaluation criteria, scoring detail and selection process.
- Worksystems standard Administrative Capacity details.
- Additional Provisions and Disclaimers

Evaluation and Selection

- Any and all responses may be rejected when it is in Worksystems' interest to do so.
- Evaluators must attest, in writing, that they do not have a conflict of interest.
- Evaluator will rate responses against the criteria identified in the solicitation.
- Selection will be based on a comparative assessment of proposals against all evaluation criteria in the solicitation.
- Award and regret notifications are made by the *Contracts and Procurement Specialist* or a designee.

Appeals Process

All competitive procurements will include an appeals process.

- The appeal must relate to what the respondent considers a flaw in the Evaluation Committee's process and must be a violation of the process established for the solicitation.
- All appeals are public information.
- The organization/individual filing the appeal must specify the basis of the appeal and provide an alternative the appellant would find acceptable. Proposal rating scores may not be appealed. The fact that a proposal was not recommended for funding is not open to appeal, nor is a complaint about the amount of funding granted.
- Appeals will be accepted for three (3) business days following the award notification date. Worksystems' Executive Director or designee will review the appeal and issue a written response that is the complete and final answer.
- No associated contract(s) can be executed until any appeals are resolved.

Failed Procurement

A failed procurement occurs after a competitive procurement Request for Proposals results in no qualified responses. In such cases, Worksystems may proceed using a noncompetitive procurement method when a review of the market has determined that the scope of the outreach, the Request for Proposals document, and the expense of announcement was appropriate. The detailed market review is to be documented for the procurement file. A failed procurement does not occur when a single qualified response to the solicitation was received.

Purchase Request Form Procedures

A *Purchase Request Form* is required for initiating purchases of goods or services that:

- Totals \$1,000 or more.
- Creates or modifies a contract by adding, changing, or de-obligating funds.
- Are not travel expenses.

The *Purchase Request Form* requires signatures from the staff person making the request and the Manager with ultimate project oversight. The Manager attests that:

- The purchase is necessary for the work of the grant and is an allowable use of those funds.
- The appropriate procurement process has been or will be followed based on these policies.
- Appropriate funder approval has been secured, if necessary.

The *Purchase Request Form* is submitted to the *Contracts and Procurement Specialist* to determine the procurement requirements. The *Contracts and Procurement Specialist* will submit the updated *Purchase Request Form* to the Fiscal department, which will perform the following actions:

- The Worksystems budget will be reviewed and funds earmarked for obligation.
- Once all sections have been completed and it is determined that a purchase may proceed, the Purchase Authorization is completed with the signature of one of the Purchase Authorization signers from the *Signature Authority*.
- The signatures of the requester, Manager, the *Contracts and Procurement Specialist*, and fiscal are attestations that the purchase is allowable and there are funds available to pay.
- The *Purchase Request Form* will be assigned a number and entered into the fiscal system.
- The final *Purchase Request Form* is saved in the Approved Purchase Requests folder and returned to the *Contracts and Procurement Specialist* and the requesting staff.

Price Analysis Form Procedures

Price analyses are used when reviewing quotes and proposals from contractors for products or services that have a competitive market value that is easily verified. To complete a price analysis, use one of the following techniques and document the review using the *Price Analysis Form*:

- Compare the rates or prices to one another.
- Compare proposed rates or prices with rates or prices under active contract and/or with rates or prices proposed in the recent past for the same or similar items or services. Be sure to factor in any market changes (e.g., product price changes) or other influences (e.g., inflation).
- Use measures such as dollars per pound, per square foot, per hour, etc. to compare prices and identify significant inconsistencies that warrant additional pricing inquiry.
- Compare competitor price lists, published catalog or market prices of commodities and products, similar indices, and discount or rebate arrangements.

Cost Analysis Form Procedures

A cost analysis reviews and evaluates the elements of cost (such as personnel, operating, participant expense, and indirect costs) of the project to determine if they are necessary, reasonable, allocable, and allowable. Cost analyses are performed on budgets developed with identified elements of cost and a *Statement of Work* that describes the program or project. A budget narrative is required for all cost-reimbursement agreements. The Budget Narrative Workbook provides details necessary to evaluate the individual items of cost and their relationship to the project, and requires a justification of the costs.

When completing the *Cost Analysis Form*, the staff reviewer and Manager signature is an attestation of the review, including the analysis of the Statement of Work. The Compliance Review signature is by the *Compliance and Procurement Manager* or the *Chief Operating Officer*, and indicates that all required documentation is attached, the review draws a reasonable conclusion based on the information attached, and the budget follows Worksystems policies and procedures.

To begin a cost analysis, verify the accuracy of the cost information submitted and evaluate based on:

- **Necessity**. Staff with an understanding of the program services should review the proposed direct cost elements to determine their necessity to perform the scope of work. A cost may be allowable under the cost principles and reasonable in amount, but still not be necessary to achieve the specific contract outcomes.
- **Allowability**. The applicable cost principles and grant agreement will provide guidance as to whether a type of cost is allowable or not. If the reviewer is unsure of the allowability of a proposed cost, Fiscal staff can provide assistance in reviewing the appropriate cost principles for guidance.
- **Allocability**. The costs are logically related to or required in the performance of the work. The costs provide a benefit to the program and can be distributed to the program in reasonable proportion to the benefit received.

- **Reasonableness**. This term is defined as what a prudent person would pay in a competitive marketplace. A cost can be allowable and allocable, and still not be what a prudent person would pay for similar goods or services.

When conducting the review, proposed costs may be compared with:

- Actual costs previously incurred by the same provider for the same or similar work. If it is a repetitive type of work or service, how much has it cost in the past? Apply any appropriate inflation factors to past costs.
- Actual costs of previous experience with the same or similar work performed by other providers.
- Previous cost estimates from the proposing provider or other proposals for the same or similar items.

Apply the review to the elements of cost outlined in the budget narrative, including but not limited to:

- **Personnel Expense**: Review the personnel information included in the budget narrative for the project. Determine that the purpose and costs are appropriate based on the deliverables and proposed timeline. When considering personnel expenses associated with an increase to an agreement, determine that changes to personnel expense are necessary and reasonable for the changes in the scope of work or the number of participants the provider is expected to serve.
- **Operating Expense**: Review these expenses relative to program operations and the staff dedicated to the work. When considering changes to a provider's operating expense, the change should align with changes in the required scope of work or the number of participants the provider is expected to serve. If operating expenses are increasing for another reason (program location move, specific staff development activity, etc.), review the budget justification and determine that new costs are necessary.
- **Participant Expense**: Analysis should confirm that participant expense categories align with grant requirements, the scope of work, and/or the number of participants the provider is expected to serve.
- **Indirect Costs/Rates**: Worksystems' Fiscal staff are responsible for review, approval, and acceptance of provider indirect cost rates. Analysis and/or support documentation for indirect costs is reviewed using the entity's Federal Indirect Cost Rate agreement. If the provider does not have a current negotiated indirect cost rate with a Federal cognizant agency, the provider may charge the de minimis rate of modified total direct costs.
- **Subcontracts**: If it is approved that a provider will have subcontractors, each subcontractor is required to complete a budget narrative for their portion of the contract funds so the costs and justifications for the entire project budget can be reviewed. Follow the review guidelines for all budgets.

Procurement Records

Documentation must be maintained that supports Level 1, Level 2, Level 3, Sole Source procurements, and Subrecipient Awards, and must include: rationale for method of procurement, selection of contract type, basis for contract price, basis for contractor selection or rejection. The *Contracts and Procurement Specialist* will manage the documentation and maintain the records in Worksystems files.

Procurement Documentation

- Signed *Purchase Request Form*: All purchases in excess of \$1,000.
- *Cost or Price Analysis Form*: All purchases in excess of \$15,000.
- Level 2 – Simplified Acquisitions: *Quotes Documentation Form*.
- Level 3 – Competitive Procurement: Request for Proposals solicitation, scope of the procurement announcement, copies of the responses, signed evaluation scoring forms, selection or rejection of proposals and appeals.
- Sole Source: *Sole Source Purchase Justification Form* and related supporting documentation.
- Subrecipient Awards: *Subrecipient Award Form*.

Contract Agreements

The *Compliance and Procurement Manager* or *Contracts and Procurement Specialist* will determine the appropriate contract type (Professional Services or Subrecipient Agreement). Extensions or renewals may be granted if performance has been met or if the contractor or subrecipient is receiving Technical Assistance or Corrective Action and demonstrating improvement in meeting performance. New budgets and performance will be negotiated for each extension or renewal year.

All contract agreements will contain appropriate certifications, assurances, clauses, and conditions as required by applicable federal, state, and local laws and regulations, and the funding source(s).

Contract Effective Dates

Contracts issued as a result of procurement activities will not have a contract term start date earlier than:

- The grant/funding effective date.
- The date of the documented procurement decision.

The *Contract Information Form* is used to initiate all contract agreements. It is required for each new contract or modification to an existing contract.

Vendor Proprietary Agreement Procedures

When a vendor requires an authorized Worksystems signature on the vendor's proprietary agreement, the following procedures apply:

- If the agreement amount exceeds \$1,000, a *Purchase Request Form* is required.
- If the agreement amount exceeds \$15,000, Level 2 Procurement process applies (see above in policy)
- Submit the vendor's agreement to the *Contracts and Procurement Specialist* to forward to the *Compliance and Procurement Manager* for review and approval.
- *Contract and Procurement Specialist* will manage agreement execution, including:
 - Ensuring all required procurement documentation is completed.



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- Securing Worksystems' Executive Director's signature.
- Distributing the fully executed agreement to Fiscal and the responsible program staff.

Program staff are responsible for managing the terms around termination and auto-renewal, if applicable. Auto-renewal may not occur unless all required procurement actions have been completed for the renewal period. If the funding ceases, program staff are responsible for the timely notification to the *Contracts and Procurement Specialist* in order to terminate the Agreement per its terms and conditions.

References

- 2 CFR 200.317-200.327
- 2CFR 200.331
- 2 CFR 200.334