



# Northern Middle Tennessee Workforce Board Inc.

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Duration: Indefinite

## Procurement Policy

### Purpose

This policy communicates the methods for the procurement of goods and services obtained with Workforce Innovation and 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.

### Background

WIOA Sec. 184(a)(3)(A) requires each State (including the Governor of the State), local area (including the chief elected official for the area), and provider receiving funds under this title to comply with the appropriate uniform administrative requirements for grants and agreements applicable for the type of entity receiving the funds, as promulgated in circulars or rules of the Office of Management and Budget (OMB).

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 supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, A-122, A-89, A-102, A133 and the guidance in Circular 1-5 - on Single Audit Act follow-up. 2 CFR 200, consolidates the guidance previously contained in the aforementioned citations into a streamlined format that aims to improve both the clarity and accessibility of the guidance.

Procurement standards referenced in 2 CFR 200.110 and 200.318 — 200.327, allow for nonfederal entities to continue to comply with procurement standards in previous OMB guidance for three additional fiscal years after this part goes in effect (June 30, 2018).

### Policy & Instructions

#### A. Cost-Reimbursement only

Procurement transactions under this title between local boards and units of state or local governments shall be conducted on a cost-reimbursement basis only.

#### B. General Procurement Standards

The Northern Middle Tennessee Workforce Board (NMTWB) 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 200.327.

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

The NMTWB 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 the Federal award if he or she has a real, perceived or potential conflict of

interest, Conflicts of interest must be disclosed in writing when know 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 the NMTWB's Conflict of Interest Policy.

The NMTWB 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 of use of common or shared goods and services where appropriate. The NMTWB will use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

The NMTWB 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 pas performance, and
- Financial and technical resources

The NMTWB 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

Time and materials contracts [For major construction only; 2 CFR 200-318(j)]: The NMTWB may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.

The NMTWB will be responsible for the settlement of all contractual and administrative issues arising out of procurement. These issues include, but are not limited to:

- Source evaluation
- Protests
- Disputes, and
- Claims

### **C. Competition**

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards provided in section 200.319 or 2 CFR 200. In order to ensure objective contractor performance and eliminated unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work or invitations for bids or requests for proposals must be excluded for competing for such procurements.

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

The NMTWB 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 proposer must fulfill and all other factors to be used in evaluating bids or proposals.

The NMTWB 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. The NMTWB will not preclude potential bidders from qualifying during the solicitation period.

#### **D. Methods of Procurement**

The NMTWB may use one of the following methods of procurement:

1. **Micro-Purchases (purchases of \$1-\$10,000):** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the Micro-purchase threshold. To the extent practicable, the NMTWB will distribute micro-purchase equitably amount qualified suppliers. Micro purchases may be awarded without soliciting competitive quotations in the NMTWB considers the price to be reasonable.
2. **Small Purchases (\$10,001-\$250,000):** 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 \$250,000 but is periodically adjusted for inflation.) If small procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources
3. **Competitive Proposals (purchases of \$250,001-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. Purchases over \$150,000 must be approved by the NMTWB.
  - b. Requests for proposals must be publicized on the NMTWB website and other public communication sites and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
  - c. Proposals must be solicited from an adequate number of qualified sources.
  - d. The NMTWB will follow its written method for conducting technical evaluations of the proposals received and for selecting recipients
  - e. Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

- f. The NMTWB may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (NE) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
4. Sealed Bids (Formal advertising purchases of \$ 150,001 and above): Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to 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, if the following conditions apply:
  - a. Purchases over \$150,000 must be approved by the NMTWB.
  - b. In order for sealed bidding to be feasible, the following conditions should be present:
    - i. A complete, adequate, and realistic specification or purchase description is available;
    - ii. Two or more responsible bidders are willing and able to complete effectively for the business; and
    - iii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
  - c. If sealed bids are used, the following requirements apply:
    - i. Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids for state, local and tribal governments, the invitation for bids must be publicly advertised;
    - ii. 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;
    - iii. All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
    - iv. 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. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of, and
    - v. Any or all bids may be rejected if there is a sound documented reason.
5. 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.
- e. Purchases over \$150,000 must be approved by the NMTWB.
- f. The NMTWB can piggyback on other state or local government procurement.

**E. Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms**

The NMTWB will take necessary affirmative steps to ensure that minority businesses, women's business enterprises, and labor surplus firms are used when possible.

**F. Domestic Preferences for Procurements**

The NMTWB will, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

**G. Contract Cost and Price**

The NMTWB will perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (\$250,000) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the NMTWB will make independent estimates before receiving bids or proposals.

Where applicable, the NMTWB will negotiate profit 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, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the NMTWB under Subpart E — Cost Principles-of the Uniform Administrative Guidance 2 CFR Part 200. The NMTWB may reference its own cost principles that comply with the Federal cost principles.

The cost plus a percentage of cost and percentage of construction cost methods of contracting are not allowable.

**H. Procurement Review**

The NMTWB will make available, upon request by 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.

The NMTWB 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 200.325(b) apply.

The NMTWB is exempt from the pre-procurement review if the Federal awarding agency or pass-through entity determines that its procurement systems comply with this part.

- The NMTWB 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.
- The NMTWB 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 NMTWB that it is complying with these standards. The NMTWB must cite specific policies, regulations, or standards as being in compliance with these requirements and have its system available for review.

#### **I. Bonding Requirements**

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold (currently \$250,000), 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 requirements of 200.326(a)-(c) must be followed.

#### **J. Contract Provisions**

The NMTWB contracts must contain the applicable provisions described in Appendix II to Part 200 — "Contract Provisions for non-Federal Entity Contracts Under Federal Awards."

#### **K. Sub-recipient and Contractor Determinations**

The NMTWB 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 The NMTWB 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, The NMTWB will use judgment in classifying each agreement as a sub-award or a procurement contract.

In compliance with 2 CFR 200.331, the NMTWB will classify eligible providers of WIOA Adult, Dislocated Worker and Youth services as sub-recipients.

#### **L. Delivery of Career Services – Adult and Dislocated Workers**

Career services described in WIOA Section 134(c)(1)(A)(ii) for eligible adult and dislocated workers shall be provided through the one-stop delivery system.

- Directly through one-stop operators Identified pursuant to section 121 (d), or

- Through contracts with service providers (sub-recipients), which may include contracts with public, private for-profit, and private nonprofit service providers, approved by the local board.

#### **M. Training Contracts**

Training services authorized under this paragraph may be provided pursuant to a contract for services in lieu of an individual training account (ITA) if:

- The Consumer Choice Requirements are met;
- Such services are on-the-job training (OJT), customized training, incumbent worker training or transitional employment;
- The NMTWB determines there are an insufficient number of eligible providers of training services in the local area involved to accomplish the purposes of a system of individual training accounts;
- The NMTWB determines that there is a training services program of demonstrated effectiveness offered in the local area by a community-based organization or another private organization to serve individuals with barriers to employment;
- The NMTWB determines that It would be most appropriate to award a contract to an institution of higher education or other eligible provider of training services in order to facilitate the training of multiple individuals in in-demand industry sectors or occupations and such contract does not limit customer choice; or
- The contract is a pay-for-performance contract.

Training services must be directly linked to an in-demand industry sector or occupation in the local area or the planning region, or in another area to which an adult or dislocated worker receiving such services is willing to relocate, except that the NMTWB may approve training services for occupations determined by the local board to be in sectors of the economy that have a high potential for sustained demand or growth in the local area

Nothing in this paragraph shall be construed to preclude the combined use of Individual training accounts (ITAs) and contracts in the provision of training services, including arrangements that allow individuals receiving ITAs to obtain training services that are contracted this clause.

#### **N. Selection of Eligible Providers of Youth Services**

The NMTWB shall award grants or contracts on a competitive basis to providers (sub-recipients) of youth workforce investment activities based on the criteria in the State plan (including such quality criteria as the Governor shall establish for a training program that leads to a recognized postsecondary credential), and taking into consideration the ability of the providers to meet performance accountability measures based on primary indicators of performance for the youth program as described in WIOA Section 116(b)(2)(A)(ii) and in WIOA section 102(b)(2)(D)(i)(V), based on the recommendations of the special populations committee; and shall conduct oversight with respect to such providers.

Exceptions: A local board may award grants or contracts on a sole source basis if such board determines there is an insufficient number of eligible providers of youth workforce investment activities in the local area involved for grants and contracts to be awarded on a competitive basis.

Consistent with the above sections, the local board may terminate for cause the eligibility of such providers (sub-recipients).

#### **O. Selection of One-Stop Operators**

The NMTWB, 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:

- Shall be designated or certified as a one-stop operator through a competitive process; and
- 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 described in subsection 121(b)(1)), of demonstrated effectiveness.

The NMTWB will adhere with State Workforce Board guidelines and direction.

- Disclose any potential conflicts of interest arising from the relationships of the operators with particular training service providers or other service providers.
- 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
- Comply with Federal regulations, and procurement policies, relating to the calculation and use of profits.

#### **P. Suspension and Debarment**

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.

#### **Definitions**

Contract (2 CFR 200.1): A legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award

Contractor (2 CFR 200.1): An entity that receives a contract as defined in "Contract", above.

(2 CFR 200.331(b)): A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor (see 200.1 Contract).

Characteristics indicative of a procurement contract relationship between the non-Federal entity and a contractor include when the non-Federal entity receiving the Federal funds:

1. Provides the goods and services within normal business operations.
2. Provides similar goods or services to many different purchasers.
3. Normally operates in a competitive environment.
4. Provides goods or services that are ancillary to the operation of the Federal program; and
5. Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

Cooperative Agreement (2 CFR 200.1): A legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with 31 U.S.C. 63026305:



- (a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the non-Federal entity to carry out a public purpose authorized by a law of the United States and not to acquire property or services for the Federal government of pass-through entity's direct benefit or use.
- (b) Is distinguished from a grant in that it provides for substantial involvement between the Federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity contemplated by the Federal award.

Customized Training (WIOA Sec.3(14)): Training that is designed to meet the specific requirements of an employer (or group of employers); that is conducted with a commitment by the employer to an employ an individual upon successful completion of the training; and for which the employer pays a significant portion of the cost of training, as determined by the board, taking into account the size of the employer and other factors determined by the board and further defined in this part.

Federal Award (2 CFR 200.1): Federal award has the meaning, depending on the context, in either paragraph (a) or (b) of this section:

- (a)(1): The Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity,
- (a)(2): The cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity.
- (b) The Instrument setting forth the terms and conditions, the instrument is the grant agreement, cooperative agreement, other agreement for assistance in paragraph (b) of 200.1 Federal financial assistance, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.
- (c) Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal government owned contractor operated facilities (GOCOs).
- (d) See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.

Federal Awarding Agency (2 CFE 200.1): The Federal agency that provides a Federal Award directly to a non-Federal entity.

Federal Financial Assistance (2 CFR 200.1): For grants and cooperative agreements, assistance that non-Federal entities receive or administer in the form of:

- (a) Grants
- (b) Cooperative agreements
- (c) Non-cash contributions or donations of property (including donated surplus property)
- (d) Direct appropriations; and
- (e) Other financial assistance.

Fixed Amount Awards (2 CFR 200.1): A type of grant agreement or cooperative agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award.

Grant Agreement (2 CFR 200.1): A legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with 31 U.S.C. 6302, 6304:

- (a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use:

- (b) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.

Incumbent Worker Training: WIOA funded training for incumbent workers is designed to meet the specific requirements of an employer (including a group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment and conducted with a commitment by the employer to retain or avert the layoff of the incumbent worker. An ideal incumbent worker training would be one where a participant acquires new skills allowing him or her to move into a higher skilled and higher paid job with the company, thus allowing the company to hire a job seeker to backfill the incumbent worker's position. Incumbent worker training must increase both the participant's and the company's competitiveness. An incumbent worker does not necessarily have to meet the eligibility requirement for career and training services for adults and dislocated workers under WIOA. Individual with Barrier to Employment [WIOA Sec. 3(24)]: A member of one or more of the following populations:

- o Displaced homemakers
- o Low-income individuals
- o Indians, Alaska Natives, and Native Hawaiians
- o Individuals with disabilities
- o Older individuals
- o Ex-offenders
- o Homeless individuals (see definition of Homeless Individuals], or homeless children and youth (see definition of Homeless Children and Youth) o Youth who are in or have aged out of the foster care system
- o Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers o Eligible migrant and seasonal farm workers
- o Individuals within two (2) years of exhausting lifetime TANF eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) o Single parents (including single pregnant women)
- o Long-term unemployed individuals
- o Such other groups as the Governor involved determines to have barriers to employment.

Local Plan (WIOA Sec. 3(35)): A plan submitted under WIOA section 108, subject to WIOA section 106(c)(3)(B).

Micro-Purchase (2 CFR 200.1): A purchase of supplies or services the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and costs. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR part 2, subpart 2.1 (Definitions). It is \$10,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

Northern Middle Tennessee Workforce Board (NMTWB) (WIOA Sec. 3(33)): A local workforce development board established under WIOA section 107, subject to section 107(c)(4)(B)(i).

Non-Federal Entity (2 CFR 2900.2): A state, local government, Indian tribe, institution of higher education (IHE), for-profit entity, foreign public entity, foreign organization or nonprofit organization that carries out a Federal award as a recipient or sub-recipient.

On-the-Job Training (OJT) (WIOA Sec. 3(44)): Training by an employer that is provided to a paid participant while engaged in productive work in a job that:

- Provides knowledge or skills essential to the full and adequate performance of the job.
- Is made available through a program that provides reimbursement to the employer of up to 50% of the wage rate of the participant, except as provided in WIOA section 134(c)(3)(H), for the extraordinary costs of providing the training and additional supervision related to the training; and
- Is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

Pass-through Entity (2 CFR 200.1): A non-Federal entity that provides a sub-award to a sub-recipient to carry out part of a Federal program.

Proposal Costs (CFR 200.460): The costs of preparing bids, proposals, or applications on potential Federal and non-Federal awards or projects, including the development of data necessary to support the non-Federal entity's bids or proposals.

Simplified Acquisition Threshold (2 CFR 200.1): The dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR part 2, subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this part, the simplified acquisition threshold is \$250,000, but this threshold is periodically adjusted for inflation.

State Plan (WIOA Sec. 3(58)): A unified State plan under WIOA section 102 or a combined State plan under WIOA section 103.

Sub-award (2 CFR 200.1): An award provided by a pass-through entity to a sub-recipient for the sub-recipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A sub-award may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Sub-recipient (2CFR 200.1): A non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A sub-recipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

2 CFR 200.331(a): sub-award is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the sub-recipient, characteristics of which support the classification of the non-Federal entity as a sub-recipient and include when the non-Federal entity:

- 1) Determines who is eligible to receive what Federal assistance.
- 2) Has its performance measured in relation to whether objectives of a Federal program are met

Transitional Employment (WIOA Sec. 134(d)(5) and proposed 20 CFR 680.830): A transitional job is one that provides a limited work experience (WEX), that is subsidized in the public, private, or non-profit sectors for those individuals with barriers to employment because of chronic unemployment or inconsistent work history; these jobs are designed to enable an individual to establish a work history, demonstrate work success, and develop the skills that lead to unsubsidized employment.

Standing Committee [WIOA Sec. 107(b)(4)(A)]: The Board may designate and direct the activities of standing committees to provide information and to assist the Board in carrying out activities under WIOA.

**References**

OMB Uniform Guidance 2 CFR Part 200; Office of Management and Budget Guidance: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Office of Management and Budget (OMB); TEGL 15-14;WIOA Sections: 3 –Definitions, 107(d)(10)(B)- Selection of Youth Providers, 107(h) - Conflict of Interest, 108(16)-Competitive Process in the Local Plan, 134(c)(3)-Training Services Adults and Dislocated Workers, 134(c)(3)(G)(ii)-Training Contracts

Authorized by:

Approved by:

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