MICHIGAN WORKS! Southwest
Branch, Calhoun, Kalamazoo & St. Joseph Counties

**Workforce Development Board** **WDB Policy 6 R10**

**AUTHORITY:** The Michigan Works! Southwest Workforce Development Board is established under the Workforce Innovation and Opportunity Act of 2014, and subsequent changes. The Board is assigned the responsibility to set policy for the workforce investment system within the local area.

**ORDER OF PRECEDENCE:** Where any part of this policy shall be determined to conflict with any federal, state, or local policy, the federal, state, and then local policy shall take precedence without affecting any other part or parts of this policy.

# Procurement & Property Management

**EFFECTIVE DATE** 9/10/2026

**BACKGROUND** Federal and state regulations require Michigan Works! Agencies (MWA) to establish, maintain and follow written policies and procedures to guide the selection of subrecipients/service providers and vendors for all procurements done with federal and/or state funds.

**SCOPE** All workforce development programs, services and activities under the auspices of the Michigan Works! Southwest Workforce Development Board.

**REFERENCES** Michigan Department of Labor and Economic Opportunity, Workforce Development and its successors, Policy Issuance 24-36 and subsequent changes, Procurement

Michigan Department of Labor and Economic Opportunity, Workforce Development and its successors, Policy Issuance 22-04c1 and subsequent changes, Property Management

Workforce Innovation and Opportunity Act of 2014

Code of Federal Regulations (CFR), Title 2, Subtitle B – Federal Agency Regulations for Grants and Agreements

2 CFR Part 200 and 2 CFR Part 2900 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Code of Federal Regulations (CFR), Title 48 – Federal Acquisition Regulations System

Michigan Works! Southwest Workforce Development Board Policy 10 R11, and subsequent revisions/changes – Standards of Conduct

Michigan Works! Southwest Workforce Development Board Policy 31 R03, and subsequent revisions/changes, Records Management and Destruction

**DEFINITIONS** Equipment—tangible personal property (including information technology systems) with a unit



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acquisition cost of $10,000 or more and having a useful life of one year or more.

The State or State—refers to the State of Michigan's workforce development department and its successors.

Supplies—tangible personal property other than those described in the equipment definition with a unit acquisition cost of less than $10,000.

**POLICY**

**I. Simplified Acquisition Threshold**

A. Unless otherwise prescribed by the specific grant or funding source, the simplified acquisition threshold for procurements made in whole or in part with funds administered by the State is $250,000.

B. Prior approval from the State is required before initiating any procurement of equipment, capital improvements, and/or other capital expenditures more than the simplified acquisition threshold and using formula funds administered by the State. State established procedures must be used to secure required prior approval for these types of procurements.

C. The entity initiating any procurement over the simplified acquisition threshold, including contract modifications, must perform a cost or price analysis.

D. Discretionary funds and other non-formula funds administered by the State may have lower thresholds for which prior State and/or federal agency approval is required. If no specific guidance is provided from the funding agency, approval from the federal awarding agency is required for capital expenditures, including equipment, of $10,000 or more.

**II. Procurement Standards**

A. Prior to initiating any procurement, the Michigan Works! Southwest (MWSW) Agency and their subrecipients/service providers must conduct a review of their current equipment, supplies, and services to ensure the planned purchase is necessary and non-duplicative.

1. The MWSW Agency and their subrecipients/service providers must also contact the MWSW Agency's Administration Unit prior to the purchase of supplies or equipment to assure that a suitable item is not available in the inventory of returned/unused items.
2. Lease versus purchase options shall also be considered to avoid unnecessary or duplicative purchases.
    a. Prior to initiating any procurement, a review of existing items must be completed to avoid the purchase of unnecessary or duplicative items.
    b. Where appropriate, lease vs purchase options shall be reviewed to determine the most economical approach.

B. Funds shall be awarded only to entities capable of successfully meeting the terms, conditions, and specifications in the procurement documents. All procurement decisions shall consider a bidder's past performance, integrity, risk potential and financial and technical resources.

C. The total value of the procurement is to be considered before determining the procurement method to be used.

D. Procurements shall be conducted using only the methods approved by the state or federal funding agency.

1. Approved procurement methods include:
    a. Micro-Purchases
    b. Small Purchases/Simplified Acquisitions



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c. Sealed Bids
d. Competitive Proposals (Request for Proposals/RFP) and
e. Noncompetitive Proposals (Sole Source purchases).

2. A detailed description of each approved procurement method, situations for use, and the requirements for each method shall be included in the local Procurement and Property Management Procedures.

E. For all procurements more than the simplified acquisition threshold, formal procurement procedures shall be used. Formal procedures shall include only sealed bids or competitive proposals (RFP).

F. Documentation of each step in the procurement process must be maintained including rationale for the method of procurement, selection of contract type, independent estimates, cost/price analysis, solicitations, bids, proposals, documentation of costs, justifications, bidder lists, contractor selection or rejections, resulting agreements, profit, and the basis for the agreement price.
   1. Written procedures for procurement transactions must include:
      a. a clear and accurate description of the requirements and
      b. identify the requirements and all other factors to be used to evaluate proposals/bids.
   2. Documentation of the procurement of a subrecipient and all non-equipment and supply purchases shall be maintained for three years after the end of the funding period.

G. Prior approval from the MWSW Agency's Administration Unit is required for all subrecipient equipment purchases of $10,000 or more.

H. Procurements cannot be separated into multiple processes or purchases unless it is documented that using such a procedure would result in a cost savings or maximize participation by small businesses and minority, women-owned and veteran-owned businesses, and labor surplus area firms.

I. The entity initiating the procurement shall be responsible for the settlement of all contractual and administrative issues arising out of the procurement.

J. All entities shall conduct procurements without consideration for statutorily or administratively imposed state or local geographic preferences in the evaluation of bids or proposals unless applicable Federal statutes mandate or encourage geographic preference.

K. Equipment or products purchased with Workforce Innovation and Opportunity Act (WIOA) Title I or II or Wagner-Peyser (W-P) Act funds shall comply with the "Buy American Act" and the "Solid Waste Disposal Act."

## III. Selection of Subrecipients/Service Providers

A. The selection of subrecipients/service providers for direct workforce development services, must be conducted using Request for Proposal (RFP), a formal, competitive procurement process.
   1. RFP documents shall require bidders to submit documentation and/or responses that demonstrate
      a. their understanding of and ability to work with the population being served,
      b. to design and implement effective programming, and
      c. to meet program requirements and performance goals while operating within budget and allowable cost parameters.
   2. Written evaluation criteria for each RFP for direct service delivery shall be weighted to ensure that effectiveness is the focus of consideration, and that level of risk has been evaluated.



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3. All bidding organizations must also submit documentation required for the Risk Assessment. Risk Assessments will be reviewed by Michigan Works! Southwest Fiscal and Administrative Staff and will examine the performance of each bidding organization based on a review of qualifications, past performance, and procedures.

B. A committee consisting of at least three members or ex officio members of the WDB shall review and score proposals received in response to an RFP.
   1. This recommendation, along with the Michigan Works! Southwest staff recommendation, will result in an award determination.
   2. The subrecipient selection decision shall be communicated to the WDB at the next regularly scheduled meeting of the Michigan Works! Southwest Workforce Development Board (Executive Committee or the Full Board).

C. Unless otherwise required by the funding source, the RFP instructions shall indicate that the solicitation for services shall be for a period of no more than three years.
   1. Initial agreements awarded as a result of an RFP process will be developed for a one-year period. The development of agreements for the second and third years of funding is contingent upon
      a. the availability of state/federal funding,
      b. satisfactory attainment of performance objectives,
      c. the negotiation of budgets and performance levels, and
      d. an evaluation of risk.
   2. Michigan Works! Southwest Administration Unit reserves the right to conduct an additional solicitation during the three-year period if it is determined to be in the best interest of the program.
   3. Agreements awarded as a result of an RFP for direct service delivery shall be structured for cost reimbursement only.

D. An administration monitoring system shall be used to ensure that subrecipients/service providers perform in accordance with the terms, conditions, and specifications of an agreement.

E. Agreements awarded in response to an RFP shall contain sufficient language to
   1. protect the federal funds from waste, fraud, and abuse;
   2. protect the fund recipient and subrecipient/service provider; and
   3. be in compliance with applicable federal, state, and local laws.

F. The MWSW Agency shall not award an agreement to any party which is debarred, suspended, ineligible for, or otherwise excluded from participation in federal assistance programs or funding.
   1. The Procurement and Property Management Procedures shall include procedures to assure that funds are not awarded in violation of this requirement.
   2. Agreements shall contain the provisions required by federal and state statue and policy.

## IV. Procurement and Property Management Procedures

A. The Michigan Works! Southwest Administration Unit shall establish, maintain, and follow Procurement and Property Management Procedures that are consistent and align with applicable federal, state, and local laws, regulations, policies, and procedures.
   1. These procedures shall establish a procurement environment that allows full and open competition.
   2. Standards shall be established in the Procurement Procedures to assure that unfair requirements that would restrict competition are not placed on procurements.

3. The Standards of Conduct/Conflict of Interest policies and procedures established by the WDB shall be incorporated into these Procedures and shall address employees, Workforce Development Board members, and organizational conflict of interest.

B. This policy and the Procurement and Property Management Procedures shall apply to all subrecipients/service providers.
   1. Subrecipients/Service Providers may utilize the procurement procedures of their organization if the requirements of this policy and the related procedures are incorporated in their organization's procedures.
   2. Subrecipients/Service Providers using the MWSW Agency's Procurement and Property Management Procedures must formally adopt them through their administrative structure.

C. The Procurement and Property Management Procedures shall include procedures for the recording and disposition of equipment and supplies, inventory requirements, and procurement record retention requirements that incorporate federal, state, and local regulations and policies.

**V. Equipment and Property Management**

A. All goods purchased with grant funds shall be used by the program or project for which it was purchased.

B. When no longer needed for the original program or project, the equipment may be used in other activities supported by a federal agency.

C. Goods purchased with grant funds shall be used until they are no longer useful or needed by the original program or project; or no longer used by another federally supported program or project for which the equipment was reassigned.
   1. The Michigan Works! Southwest Agency's Administration Unit shall be contacted regarding proper disposition of equipment and supplies deemed no longer useful or needed.
   2. The Procurement and Property Management Procedures shall detail the procedure for disposing equipment and supplies based on the requirements of policy and the funding source.

D. All subrecipients/service providers shall be responsible for proper control, maintenance, and accountability of all goods purchased with grant funds, regardless of the cost of the items.

E. Adequate records sufficient to detail the status and significant history of all goods purchased in whole or in part with state or federal funds shall be maintained.

F. At a minimum, records of equipment and supply purchases shall be retained for three years after the funding period ends or final disposition of the equipment, whichever is longest.

G. A local inventory system shall be utilized to track equipment and supplies.
   All subrecipients/service providers shall maintain an equipment and property inventory for goods having a useful life of one (1) year or more, and submit and/or reconcile their inventory based on a schedule established by the MWSW Agency.

**ACTION**

All staff must become familiar with the requirements of this policy and all impacted staff must take action, as appropriate and necessary, to implement the directives of this policy immediately.

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| **INITIAL EFFECTIVE DATE** | 7/01/2005 | |
| **APPROVED** | | |
| **Initial Policy** | WDB Executive Committee | 07/01/2005 |
| **Revision 01** | Workforce Development Board | 05/14/2009 |
| **Revision 02** | WDB Executive Committee | 07/12/2012 |
| **Revision 03** | WDB Executive Committee | 06/06/2013 |
| **Revision 03** | Workforce Development Board | 10/15/2024 (applied to all four counties) |
| **Revision 03** | WDB Executive Committee | 04/15/2015 |
| **Revision 04** | WDB Executive Committee | 07/15/2015 |
| **Revision 05** | WDB Executive Committee | 07/20/2016 |
| **Revision 06** | WDB Executive Committee | 01/10/2020 |
| **Revision 07** | WDB Executive Committee | 03/17/2022 |
| **Revision 08** | WDB Executive Committee | 01/16/2025 |
| **Revision 09** | WDB Executive Committee | 08/20/2026 |
| **Revision 10** | Workforce Development Board | 09/10/2026 |
| **EXPIRATION** | Ongoing | |



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