




Orange County Workforce Development Board  
**Procurement Policy**

PAGE: 1 of 6

Effective:  
April 29, 2026**SUBJECT:**

Information Notice No. 26-OCWDB-06  
 Supersedes Information Notice 17-OCWDB-20

**APPROVED:**

Nancy Cook,   
 Director of Workforce and Economic Development

**PURPOSE**

This policy establishes guidance for procuring goods and services using Workforce Innovation and Opportunity Act (WIOA) funds. It ensures all purchases comply with federal, state, and local requirements and are conducted through fair, open, and fully documented competition.

**EFFECTIVE DATE**

This policy is effective on the date of issuance.

**REFERENCES**

- WIOA (Public Law 113-128)
- Title 2 Code of Federal Regulations (CFR) Part 200: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance)
- Title 2 CFR Part 2900: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Department of Labor [DOL] Exceptions)
- Title 20 CFR WIOA, "DOL; Final Rule"
- Title 34 CFR WIOA, "Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule"
- California State Contracting Manual, Subject: Chapter 5: "Competitive Bidding Methods" (June 2025)
- Workforce Services Directive (WSD)16-10, Subject: Property - Purchasing, Inventory, and Disposal
- WSD16-05, WIOA Closeout Requirements
- WSD16-16, Allowable Costs and Prior Written Approval
- WSD17-08, Procurement of Equipment and Related Services
- Workforce Services Informational Notice (WSIN) 25-17, Federal Adjustment of Dollar Amounts and Rates
- [2026 County of Orange Contract Policy Manual](#)

**BACKGROUND**

In October 2024, the U.S. Office of Management and Budget's revised Uniform Guidance, 2 CFR Part 200, became effective. These revisions apply to all federal grant awards issued on or after October 1, 2024, including any amendments to grant awards that result in the award of additional funds, or any incremental funding awarded by the DOL's Employment and Training Administration on or after October 1, 2024.

Part of these updates made federal adjustments to certain dollar amounts specified in existing Employment Development Department (EDD) Directives and became effective October 1, 2024 (unless otherwise stated). Adjustments were made to Amount Thresholds, Expenditure Rates, and Index of Adjustments by Directive.

**DEFINITIONS**

**Contract** - A legal instrument by which a subrecipient purchases property or services needed to carry out the project or program under a federal award. This term 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 or subaward (Uniform Guidance Section 200.22).

**Contractor** - An entity that receives a contract (Uniform Guidance Section 200.23).

Conflict of interest - An employee, officer, agent, or any member of the organization that has interest in a financial gain or tangible benefit and who participates in the selection, award, or administration of a contract supported by a federal award (Uniform Guidance Section 200.318[c][1]).

Cost Analysis - An element-by-element review and evaluation of the estimated or actual cost to determine the probable cost to the contractor.

Equipment - tangible personal property (including information technology systems) having a useful life of more than one year and a per unit acquisition cost of which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$10,000 (Uniform Guidance Section 200.33).

Information Technology Systems - Information technology systems means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources (Uniform Guidance Section 200.58).

Invitation for Bid (IFB) - A type of solicitation document used in a formal competitive bidding process, which contains a detailed statement of what the agency is attempting to purchase. An IFB is used to obtain simple, common, or routine services that may require personal or mechanical skills. Qualifying bidders compete solely on the basis of cost (California State Contracting Manual).

Labor Surplus Area Firm - The Department of Labor maintains a listing of areas of the nation where the average unemployment rate is 20% higher than the national unemployment rate. A listing and other information on labor surplus areas can be found at [www.doleta.gov/programs/lisa.cfm](http://www.doleta.gov/programs/lisa.cfm).

Micro-Purchase Threshold - Fiscal threshold set by Federal Acquisition Regulation (currently \$15,000 per WSIN 25-17). The threshold is periodically updated based on inflation.

Pass-through Entity - A non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program (Uniform Guidance Section 200.74).

Procurement - All stages of the process of acquiring property or services, beginning with the process for determining a need for property or services and ending with contract completion and closeout.

Questioned costs - Any cost or procurement that is questioned by an auditor, pass-through entity or awarding agency representative. Purchases can be questioned due to possible violations of statutes and regulations, inadequate documentation or possible unreasonable costs (Uniform Guidance Section 2900.3).

Request for Proposal (RFP) - A type of solicitation document, used in a formal competitive bidding process where an invitation is presented for suppliers to submit a proposal on a specific commodity or service. The RFP process brings structure to the procurement decision and is meant to allow the risks and benefits to be identified clearly up front. The RFP is used to obtain complex services in which professional expertise is needed and may vary and/or where different methods and approaches may be applied during performance. (California State Contracting Manual).

Simplified Acquisition Threshold - Fiscal threshold set by Federal Acquisition Regulation (currently \$350,000 per WSIN 25-17). The threshold is periodically updated based on inflation.

Subaward - An award provided by a pass-through entity to a subrecipient for the subrecipient 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 subaward may be provided

through any form of legal agreement, including an agreement that the pass-through entity considers a contract (Uniform Guidance Section 200.92).

**Subrecipient** - A non-federal entity that receives a subaward from a pass-through entity to carry out part of the federal program, but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from the federal awarding agency (Uniform Guidance Section 200.93).

**Supplies** - All tangible personal property other than equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the nonfederal entity for financial statement purposes or \$10,000 (per WSIN 25-17), regardless of the length of its useful life (Uniform Guidance Section 200.94).

**POLICY**

The Orange County Workforce Development Board (OCWDB) and its Service Providers shall comply with the County of Orange Contract Policy Manual and EDD Directive WSD 17-08 for procurement guidance.

OCWDB and its Service Providers (where applicable) shall:

- Ensure full and open competition in all required procurement activities.
- Use the most economical and equitable approach to the procurement of goods and services.
- Award only to responsible contractors, giving consideration to:
  - Contractor Integrity
  - Compliance with public policy
  - Record of past performance (when applicable)
  - Financial and technical resources
- Maintain records detailing:
  - The history of the procurement, including the rationale for the selected method of procurement.
  - Selection of contract type.
  - Basis for contractor selection or rejection.
  - Basis for contract price.
- Provide ongoing oversight to ensure contractors perform in accordance with all contract terms, conditions, and specifications.
- Enforce a conflict of interest policy prohibiting employee, officer, or agent from participating in procurement activities when a real, perceived, or potential conflict of interest exists.
  - Conflicts must be disclosed in writing when known in advance or announced in the voting body, when applicable.
  - Individuals with conflict must recuse themselves from any further discussion, evaluation, and voting related to the procurement.

**WIOA Requirements**

WIOA funded contracts between local boards and government units must be cost reimbursement based, and any fixed amount awards that generate revenues exceeding actual costs must be treated as program income. Local workforce investment plans must also document the competitive process used to award WIOA-funded contracts and training services outside of Individual Training Accounts. These procurement rules do not apply to identifying eligible training providers (DOL Final Rule Section 680, Subpart B) though grantees are still encouraged to establish formal agreements with training providers through purchase orders, contracts, or similar methods.

**Reasonable Costs**

All WIOA procurements must be necessary, reasonable, and compliant with uniform guidance, established policies, and generally accepted accounting principles, while being properly documented and treated

consistently as either direct or indirect costs. When procurement benefits both WIOA and non-WIOA operations, costs must be distributed proportionally based on use or relative benefit. If relative benefit cannot be determined, a reasonable and documented allocation method must be used. Costs may not be shifted between programs to cover funding deficiencies or avoid federal restrictions. (Uniform Guidance Section 200.405)

### **OCWDB Prior Approval**

Although WIOA and Uniform Guidance require prior written approval for equipment and related services exceeding a per-unit cost of \$10,000, OCWDB requires Program Manager approval for the incurrence of special or unusual purchases. This includes recurring procurement costs such as subscriptions, maintenance, license, and support costs.

When submitting Procurement Request form, Service Providers must:

- Review Inventory List to avoid purchase of unnecessary or duplicate items.
- Determine whether opportunities exist to use shared resources, cooperative agreements for common goods and services, or federal excess and surplus property.
- Seek use of small, minority-owned, or labor surplus area firms whenever possible.
- Conduct a thorough lease versus purchase analysis to determine the most economical and practical procurement option.
- Complete required cost/price analysis, including an independent estimate before bids.

Once the above has been completed, Service Provider must submit the Procurement Request form and required documentation, as follows:

1. OCWDB Service Provider must complete and submit the Procurement Request form, along with all required documentation, to their Program Manager no less than 45 days prior to the anticipated purchase date.
2. The Program Manager will review and obtain County approval.
3. For purchases requiring EDD Prior Approval, OCWDB will submit the request to the assigned Regional Advisor for final approval.
4. OCWDB Service Provider will receive formal written notification from their Program Manager indicating approval or denial. Written approval must be received prior to incurring any cost. If a procurement request is not approved and property is purchased, the Service Provider may incur a disallowed cost.

Service Providers can appeal a denial of procurement through the OCWDB, which will then be submitted to the Chief of the Central Office Workforce Services Division.

### **EDD Prior Approval**

Written prior approval from EDD is required for equipment and related services under the following criteria:

- Procurement with a per-unit cost that exceeds \$10,000
- Related procurements with cumulative costs that exceed \$10,000 within the same fiscal year.
- Procurements resulting in improvements to land, buildings, or equipment which exceed \$10,000.

Ongoing procurement costs such as subscriptions, maintenance, license, support costs or procurement which are otherwise paid annually will be considered approved after the initial approval if the cost remains constant or decreases.

### **Procurement Methods**

All WIOA procurements must ensure full and open competition, with the procurement method determined by the “per-transaction” value and type of good or service. Purchases cannot be broken into smaller pieces to avoid stricter requirements. There are five procurement methods:

Micro Purchase (up to \$15,000) -The micro purchase procurement method is used when the “per transaction” value of a purchase is less than the micro-purchase threshold. To the extent practicable, micro-purchases must be distributed equitably among qualified suppliers.

Small Purchase (\$15,001 - \$350,000) - The small purchase procurement method may be used when the “per transaction” value of a purchase of equipment or services is less than the Simplified Acquisition Threshold. Informal quotations are used for small purchase procurements, in lieu of the more expensive and time-consuming sealed bid or competitive proposal methods.

Purchases between \$15,000 and \$350,000 require a minimum of three documented quotes from qualified sources. Documented quotes can be obtained from catalogs, price lists, or from a contractor in writing. Catalogs or price lists should be no more than one year old.

Sealed Bids (\$350,000 and above) - The sealed bid method is used for well-defined goods or services above the small-purchase threshold and requires issuing an Invitation for Bid (IFB). The IFB must be publicly advertised, sent to an adequate number of suppliers, allow sufficient response time, and clearly outline all specifications and deadlines. At least three bids should be obtained, and the contract must be awarded to the lowest responsive and responsible bidder. Required documentation includes the IFB, all bids received, the responsibility determination, and the award.

Competitive Proposals - Competitive proposals are used when price alone isn't the deciding factor or when specifications are not clear. An RFP is issued, proposals are evaluated on merit using documented scoring criteria, and a public notice of intent to award must be issued before finalizing the contract. If fewer than three bids are received, written justification is required explaining the limited participation.

Noncompetitive Proposals - Noncompetitive proposals are a last resort and only allowed when one of the following applies:

- only one source exists,
- there is a public emergency,
- the federal agency authorizes it, or
- competition is determined inadequate after a prior competitive process.

The reasoning must be documented in all cases.

The OCWDB will follow the County Contract Manual Policy for sealed bids, competitive proposals, and noncompetitive proposal policies and procedures.

### **Questioned and Disallowed Costs**

Funds used for procurements that are determined by an auditor, the cognizant agency, the pass-through entity or authorized awarding agency representative to be unallowable will be returned to the federal government (Uniform Guidance Section 200.345). Such unallowable procurements are defined as questioned costs in DOL Exceptions Section 2900.3. Questioned costs could result from the following:

- Procurements that violate statute, regulations, or terms and conditions of award.
- Procurements without support documentation.
- Procurements with unreasonable costs.

For further guidance on the disposition of disallowed costs, please refer to Workforce Services Directive WIOA Closeout Requirements (WSD 16-05).

### **Required Contract Clauses**

All OCWDB contracts funded by federal dollars may be either fixed price or cost reimbursement and include required clauses per Uniform Guidance Appendix II part 200. Additionally, all agreements must require WIOA Service Providers to comply with equal opportunity and nondiscrimination provisions under Section 188 and 29 CFR Part 38, and all Service Providers must adhere to Uniform Guidance, Department of Labor exceptions and all corresponding WIOA administrative requirements.

### **ACTION**

Bring this policy to the attention of all relevant staff, subrecipients, and partners to ensure full understanding and compliance with federal and state audit resolution requirements.

### **INQUIRIES**

If you have any questions regarding this policy, please email [info@ocworkforcesolutions.com](mailto:info@ocworkforcesolutions.com).

### **ATTACHMENTS**

Attachment I: Prior Written Approval Request