

**The Workforce Connection, Inc.**

**Policy Title: Procurement**

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## **Introduction:**

The Workforce Connection Board (TWC Board), the Workforce Board for Boone, Winnebago and Stephenson Counties, has assembled this overall Procurement Policy to ensure accountability and keep the procurement process in line with Workforce Innovation and Opportunity Act (WIOA) reasonable and necessary requirements, Department of Labor (DOL) and Illinois Department of Economic Opportunity (DCEO) policy, Office of Management and Budget (OMB) Uniform Guidance, Illinois' Government Accountability and Transparency Act (GATA) prequalification requirements (including recipient checklist for determining if the entity receiving funds has a contractor or sub recipient relationship), and other applicable rules and regulations.

The procurement procedures described in this Procurement Policy are established as standards of conduct governing the performance of organizations and individuals engaged in the purchases of all goods and services with funds under the purview of TWC Board. No employee, officer, or agent of any such organization shall participate in the selection, or in the purchase of goods and services supported by Federal funds if a conflict of interest, real or apparent, would be involved.

In general, TWC Board requires that all procurement transactions be conducted in a manner providing full and open competition. All procurement of goods and services under the purview of TWC Board will comply with all TWC Board requirements and other processes and procedures in place; all procurements must comply with OMB Uniform Guidance

## **References:**

TEGL 15-16

Uniform Guidance 2 CRF part 200

## **Procurement Principle:**

All services procured shall be assured to be the best available to meet the employment and training needs of the individuals served with funds under the purview of TWC Board.

Awards for contractors are made to vendors who can provide services that are the most advantageous regarding service, price, and other specific factors.

Contract or sub recipient relationships will be determined by utilizing the "Recipient Checklist for Determining if Entity Receiving Funds has a Contractor or Sub recipient Relationship attached to this policy.

## **Definitions:**

**Procurement:** For the purposes of this policy, the term *procurement* includes any acquisitions action which obligates funds under the purview of TWC Board for the purchase of equipment, materials, supplies, and/or program or administrative services beginning with the process for determining the need and ending with contract completion and closeout, as applicable.

**Request for Proposal (RFP)/Request for Bids (RFB):** For purposes of this policy and subsequent actions, a **request for proposal (RFP)** is issued at an early stage in a procurement process, where an invitation is presented for suppliers, often through a bidding process, to submit a proposal on a specific commodity or service. This process will provide structure to the procurement decision and is intended to

allow the risks and benefits to be identified clearly up front. The RFP may dictate to varying degrees the exact structure and format of the supplier's response. RFPs will reflect the strategy and short/long-term program objectives, providing enough detail for potential suppliers to offer a matching perspective.

**No Bid or Sole Source Procurement:** Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or, if after solicitation of a number of sources, competition is determined inadequate. This method of procurement may be used only when the award of a contract is documented to be infeasible under small purchase procedures, sealed bids, or competitive proposals, and one of the following circumstances applies:

- The item(s) is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal or State awarding agency authorizes noncompetitive proposals in response to a written request from TWC Board; or
- After solicitation of a number of sources, competition is determined inadequate.

**Procurement by small purchases procedures:** Small purchase procedures are used to secure services, equipment, or supplies. Any purchase of \$5000 or less requires no quotes from vendors. Purchases for equipment and services over \$5000 will require three written quotes. Equipment purchases over \$5000 must have prior approval from DCEO or Federal funding sources. For services over \$5000, a request for quotation or bids will be sent to potential bidders explaining the scope of the project along with due dates, etc.

**Request for Qualifications (RFQ):** Is a process to identify potential bidders. Appropriate procurement methods will follow a RFQ.

### **Competitive Procurement Procedures**

All procurement transactions shall be conducted in a manner to provide, to the maximum extent possible, open and free competition. TWC Board shall be alerted to organizational conflicts of interest as well as noncompetitive practices among Operators/Providers/contractors that may restrict or eliminate competition.

TWC Board members, staff and proposal/bid reviewers will adhere to the Boards Conflict of Interest Policy; disclosing real, apparent or organizational conflicts and exclusion from any participation or discussion regarding development of the RFP/RFB, and any activities related to evaluation and/or award or denial. Members of the proposal review team will provide written statements verifying no conflicts (real, apparent or organizational) or financial/ material interest in any proposing entity (ies).

Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to TWC Board issuing the request for bid/proposal--price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the solicitor. Any and all bids or offers may be rejected when it is in the solicitor's best interest to do so.

### **Confidentiality of Proposal / Bid Documents**

TWC Board members, staff and proposal / bid reviewers will handle proposer /bidders documents in a confidential manner so that no potential entity may compete under the procurement developed or participate in drafting specifications, requirements, statement of work, RFP's, or participate in evaluating proposals. Proposal reviewers will sign a statement of confidentiality form.

**Request for Proposals (or Bids) for Programming**

Requests for Proposals (RFP) are issued to procure program services. An RFP will describe the types of services being solicited and provide requirements on the submission of proposals. Notice of the availability of the RFP is distributed to all appropriate vendors on the current list of potential vendors and is published in a local newspaper. The RFP is posted in its entirety on TWC Board's website. The RFP identifies at least the following: project duration; submission information; detailed description of all services solicited; targeted groups to be served; proposal evaluation criteria; and budget information requirements.

One-Stop Operator procurement will be conducted as a Request for Proposals (RFP) Under the direction of TWC Board any award from the RFP will include an option to renew for up to three additional one-year periods. The timetable for selection of a One-Stop Operator / WIOA Career Services provider(s) will be through a competitive process, and include procurement through sealed bids, and conducted in accordance with WIOA requirements.

**Request for Proposal (RFP) Distribution:**

A notice regarding the availability of a *Request for Proposals* and, if scheduled, the date of the Bidders' Meeting is posted on TWC BOARD's website, [www.theworkforceconnection.org](http://www.theworkforceconnection.org). Notice of the availability of an RFP and the Bidders' Meeting (if scheduled) may be sent to a list of potential bidders for the particular programming sought. Potential bidders may attend the Bidders' meeting. Potential bidders may download the RFP from TWC BOARD's website where all RFPs are posted prior to the bidders' meeting.

**Bidders' Meetings:**

Bidders' Meetings are often held to distribute and discuss the RFPs. (Whether or not a Bidders' Meeting is held usually depends on the complexity of the RFP, the programming changes being made, etc.) At the Bidders' meetings, staff 1) review selected area of the RFP, including, as applicable, the changes in the RFP from previous years; 2) discuss important topics relating to the programming sought (e.g., performance measures, budget development); and 3) answer initial questions. The questions/responses are then posted on TWC BOARD's website.

**Proposal Review and Evaluation:**

The proposal review process for Title I-B programming follows the *Proposal Evaluation* process identified below:

***A. Proposal Evaluators***

*Proposals will be evaluated by a team of Board members and community members who have no conflict of interest with any bidding organization. One team will review all proposals submitted in response to a specific Request for Proposals*

***B. Proposal Evaluation Review Levels*****Level 1: Technical Review of Proposals**

Staff will perform a technical review of each proposal prior to their being distributed to a review team. The technical review will determine if the proposal is complete and meets all the submission guidelines stated in the Request for Proposals (RFP). Proposals that are incomplete or fail to meet all the submission guidelines stated in the RFP will be rejected. Bidders will be notified regarding the status of their proposals after the technical review. Bidders may appeal the technical review results. (TWC will only accept appeals related to the technical review of a proposal)

- a) TWC Board staff will notify bidders via e-mail of the results of the technical review of their proposals. If a proposal is denied based on a technical review, bidders may then request a debriefing of their proposal's technical review. TWC Board Executive Director or designee must receive this request via e-mail within two working days of the day the Bidder was e-

- mailed notification that their proposal was rejected based on the technical review
- b) The debriefing will be held within two working days of TWC Board Executive Director's or designee's receipt of the bidder's request for a debriefing of their proposal's technical review.
  - c) After the debriefing, the bidder will have three working days to present to TWC Board Executive Director or designee a written appeal of any aspect of their proposal's technical review.
  - d) TWC Board Executive Director or designee will review the written appeal and make the final decision regarding any action on the appeal.
  - e) The Bidder will be notified in writing within three working days of the Board Executive Director or designee's decision regarding the appeal.

Level 2: Evaluation of Proposals by Review Team

- a) The proposal review team members will receive information regarding the programming sought through the Request for Proposals, the proposal review process, and the use of the Evaluation Tool. A team facilitator will be responsible for assisting the team to reach consensus regarding each proposal's Evaluation Tool scoring and priority for funding.
- b) All team members will review all proposals using the Evaluation Tool. During this initial review, review team members may suggest a score in response to each item on the Evaluation Tool.
- c) Team members will meet and discuss each proposal, arriving at a consensus score for each item on the Evaluation Tool. The proposal Evaluation Score will be the total of all the item scores on the Evaluation Tool.

Level 3: Evaluation of How Well Proposed Program Meets TWC BOARD's Strategic Objectives and Priorities

- a) The review team will then discuss how well the proposed program meets one or more strategic objectives or strategic priorities of the Board and CEOs. Included in this discussion will be a consideration of the bidder's ability to deliver the proposed programming, past success in attaining the WIOA Performance Standards, service provision in relation to the total Boone, Winnebago, and Stephenson County area, connection/collaboration with the One-Stop Center/System, and the proposed program's ability to further TWC Board's strategic initiatives.
- b) Budgets, program size, and other aspects of a proposed program may be negotiated, as necessary. (RFPs will not contain budget limits or cost/per participant limits.) Review teams will consider the reasonableness of bidders' proposed budgets in relation to the proposed program and the funds available.

- c) The review team will then prepare its funding priority recommendations. Bidders will not necessarily be recommended for funding based on their Evaluation Score in relation to the Evaluation Scores of other bidders.

***C. TWC BOARD/CEO Action on the Recommendations of the Evaluation Teams:***

1. The funding priority recommendations of the Proposal Review Teams will be presented to the appropriate TWC Board Committee, who will then prepare funding recommendations for TWC Board and CEO action.
2. TWC Board and CEOs will take action on the program funding recommendations.
3. Bidders will be notified of the TWC Board/CEO action.
4. Bidders may contact the TWC Board Executive Director or designee and request a debriefing of their proposal's evaluation.

***D. Cost/Price Analysis:***

If the Fiscal Agent has no conflict of interest with a bidder, the Fiscal Agent's accounting staff will review all the proposals' budgets, performing a **cost/price analysis** (using a specific cost/price analysis instrument) for each proposed budget. However, should the Fiscal Agent have a conflict of interest with any bidder, the fiscal review will be performed by TWC Board staff, TWC Board members, or an outside party. Any concerns resulting from the cost/price analysis will be discussed with the review team when they meet to prepare funding priority recommendations.

**Purchasing Policies, Standards, and Procedures**

Small purchase procedures are used to secure services, equipment, or supplies. Any purchase of \$5000 or less requires no quotes from vendors. Purchases for equipment and services over \$5000 will require three written quotes. Equipment purchases over \$5000 must have prior approval from DCEO or Federal funding sources. For services over \$5000, a request for quotation or bids will be sent to potential bidders explaining the scope of the project along with due dates, etc.

Sole source procurement or by noncompetitive proposals is used only when the award of a contract is documented to be infeasible under small purchase procedures, sealed bids, or competitive proposals, and one of the following circumstances applies:

- The item(s) is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal or State awarding agency authorizes noncompetitive proposals in response to a written request from TWC BOARD; or
- After solicitation of a number of sources, competition is determined inadequate.

All procurement activities shall allow for open and free competition among potential vendors for services. Awards for contracts are made to vendors who can provide services that are the most advantageous to the workforce system regarding service, price, specific factors, and meeting the needs of the individuals served with funding that is under the purview of TWC Board.

TWC Board and/or CEO approval is not needed to purchase goods, services and equipment if the purchase is \$5,000 or less. The TWC Board Executive Director can authorize such purchases.

Any officer, employee, or agent of TWC Board or any of its contractors who is either (a) engaged in negotiations with a potential provider, (b) has arrangements concerning prospective employment with a potential contractor, or (c) has financial interest in a potential contractor may not participate in the review, award, or administration of a contract for a potential contractor. Such relationships constitute a conflict of interest.

### **Procurement Procedures**

- A. The following procurement guidelines will be adhered to:
  - Avoid purchasing unnecessary items.
  - Where appropriate, make an analysis of lease and purchase alternatives to determine which would be most economical and practical procurement using Federal funds.
  - Ensure that solicitations for goods and services provide for all of the following:
    - A clear and accurate description of the technical requirements for the material, product, or service to be procured--in competitive procurements, such a description shall not contain features which unduly restrict completion;
    - Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals;
    - A description, whenever feasible, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards;
    - The specific features of 'brand name or equal' descriptions that bidders are required to meet when such items are included in the solicitation;
    - Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
- B. Make positive efforts to use small businesses, minority-owned firms, and women's business enterprises, whenever possible.
- C. Use procuring instruments (e.g., fixed price contracts/agreements, cost reimbursable contracts/agreements, purchase orders, and performance-based contracts/agreements) that are appropriate for the particular procurement and for promoting the best interest of the program or project involved.
- D. Initiate contracts/agreements with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. (Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.)
- E. On request, make available for the local, state or federal awarding agencies, pre-award review and procurement documents.

### **Cost/Price Analysis**

Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicators, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine if it is reasonable,

allowable and able to be allocated.

## **Procurement Records**

Procurement records and files for purchase in excess of the small purchase threshold shall include the following at a minimum:

1. Basis for contractor selection,
2. Justification for lack of competition when competitive bids or offers are not obtained, and
3. Basis for award cost or price.

**Action Required:** This information will be disseminated to organizations and individuals engaged in the purchases of goods and services using funds under the purview of The Workforce Connection Board (TWC Board).

**Inquiries:** Questions regarding any aspect of this Procurement Policy should be directed to the TWC Board Executive Director.

**Date Effective:** November 3, 2015



**The Workforce Connection, Inc.**  
**STATEMENT OF CONFIDENTIALITY OF PROPOSAL INFORMATION**  
**For Proposal Reviewers**

**NAME:** \_\_\_\_\_

**STATEMENT OF CONFIDENTIALITY:**

As a member of the Review Committee for the One-Stop Operator / WIOA Career Services Proposal Review process, I agree to the following terms:

- 1) Attest to no conflict of interest with any proposing for bidding entity;
- 2) The proper handling of bidders' information during the review process; and
- 3) Compliance with proper disposal of bidders' information after completion of the selection process.

**AFFIRMATION:** I have read The Workforce Connection, Inc.'s ***Procurement Policy*** and agree to the terms and conditions of confidentiality. I hereby affirm that I am not connected with any entity proposing or bidding under this procurement and that information contained in the proposals submitted by bidders will maintained in a manner that is confidential so that no potential entity may use the information to their advantage to compete under the procurement developed or drafted specifications, requirements, statement of work, RFP's, or evaluated proposals. Upon completion of the selection decision, I will return all review documents / information to the board staff responsible for proper disposal of this information and any other materials related to the review process.

\_\_\_\_\_  
\_\_\_\_\_

**Date:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

# RECIPIENT CHECKLIST FOR DETERMINING IF THE ENTITY RECEIVING FUNDS HAS A CONTRACTOR OR SUBRECIPIENT RELATIONSHIP

This document is intended to help a recipient of federal funds make a judgment as to whether each agreement it makes, for the disbursement of federal program funds, casts the entity receiving the funds in the role of a subrecipient or a contractor. Based on 2 CFR Chapter I, Chapter II, Part 200 et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), issued by the U.S. Office of Management and Budget (OMB) on December 26, 2013, and effective for non-federal entities on December 26, 2014, the following information is intended for use by all non-federal entities.

## Important Terms:

**Recipient:** A non-federal entity that receives a federal award directly from a federal awarding agency to carry out an activity under a federal program. The term recipient does not include subrecipients. (See 2 CFR 200.86 of the Uniform Guidance.)

**Subrecipient:** A non-federal entity that receives a subaward for the purpose of carrying out part of a federal award. The subaward creates a federal assistance relationship with the subrecipient. (See 2 CFR 200.92 & .330 (a) of the Uniform Guidance.)

**Contractor:** A non-federal entity that receives a contract for the purpose of providing goods and services for the awarding non-federal entity's own use. The contract creates a procurement relationship with the contractor. The Uniform Guidance replaced the term "Vendor" with "Contractor." (See 2 CFR 200.22 & .330 (b) of the Uniform Guidance.)

**Instructions:** The "Characteristics" column in this checklist is based on language in the Uniform Guidance. The column lists characteristics that support the classification of a non-federal entity as a subrecipient or contractor. Since all of the characteristics listed may not be present in all cases, the Uniform Guidance recognizes that the recipient "...must use judgment in classifying each agreement as a subaward or a procurement contract." (2 CFR 200.330 (c).) In the "Explanations" column, AGA provides additional information to assist in answering the questions under "Characteristics." Answer each question by checking "yes" or "no" where indicated. Based on responses to the questions, a key provided at the end of each section will help in making a judgment as to whether a subrecipient or contractor relationship exists. White space is provided in between the "Characteristics" column and the "Explanation" column so that users can tailor this checklist to accommodate the unique aspects of various programs or jurisdictions.

**Note:** One check in a subrecipient box does not necessarily mean the entity is a subrecipient. A judgment should be based on the totality of responses.

Office \_\_\_\_\_

Entity receiving funds \_\_\_\_\_

Funding Source(s) \_\_\_\_\_

## Notes:

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## CHARACTERISTICS

## EXPLANATIONS

### Decision Making Authority

**200.330 a. 1** Determines who is eligible to receive what Federal assistance;

a. Does the entity determine who is eligible to participate in the federal program?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If the entity determines whether a participant meets a federal program's eligibility requirements for assistance, it is most likely a subrecipient.

**200.330 a.3** Has responsibility for programmatic decision making;

a. Does the entity have the ability to make decisions about how services will be delivered to participants, in accordance with federal programmatic requirements?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

A contractor may provide services to clients in a program after eligibility has been determined by the recipient.

If the entity has authority to make decisions regarding the delivery of service, operations, or types of assistance provided within the terms of the agreement, it is typically a subrecipient.

**OR**

**200.330 b.4** Provides goods or services that are ancillary to the operation of the Federal program;

b. Does the entity provide goods or services for the recipient's own use?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

b. Does the entity provide services designated by the recipient to serve the recipient's participants without regard to specific federal programmatic requirements?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If the entity provides goods or services directly to the recipient or to program participants at the direction of the recipient and does not make programmatic decisions or adhere to program requirements, it is typically a contractor.

If you selected "yes" to **EITHER** item **a**, this is an indicator of a subrecipient relationship.  
If you selected "yes" to **EITHER** item **b**, this is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

### Nature of Award

## EXPLANATIONS

**200.330 a. 2** Has its performance measured in relation to whether objectives of a federal program were met;

a. Are the scope of work (or portion, if applicable) and terms and conditions of the agreement the same for the entity as they are for the recipient that received the federal funds?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If the entity is providing a service for the recipient to meet the goal of the grant, it is a contractor; if the entity is providing a service that carries out a goal within the scope of the grant, it is a subrecipient. When a grant program contains multiple goals, it is possible for the recipient to complete part of the goals and for the entity to perform another part.

a. Is the entity carrying out completion of the goal of the grant (or part, if applicable) as stated in the federal award?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

**OR**

**200.330 b.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.

b. Does the recipient develop the scope of work and terms and conditions of the agreement to meet the recipient's needs?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If the scope of the agreement is per the federal program terms/guidance, the entity is a subrecipient. A subrecipient may also provide programmatic or progress reports to ensure compliance with federal program requirements.

Conversely, if the scope of the agreement is per the recipient's terms and not federal program guidance, and if the recipient's oversight is governed only by the contract terms and conditions, it is a contractor.

If you selected "yes" to **EITHER** item **a**, this is an indicator of a subrecipient relationship.  
If you selected "yes" to item **b**, this is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

**200.330 a.4** Is responsible for adherence to applicable Federal program requirements specified in the Federal award;

a. Funding to the entity depends on the entity's ability to best meet the objectives of the award. Although performance is measured against federal award objectives, the entity assumes little risk if the objectives are not met.

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

OR

**200.330 b.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.

b. The entity assumes financial risk if they fail to deliver the goods or services agreed upon.

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If you selected "yes" to item **a**, this is an indicator of a subrecipient relationship.  
If you selected "yes" to item **b**, this is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

If the funding is given to the entity with a purpose of completing the goal of the grant, the recipient will be required to ensure the entity adheres to federal grant program guidance. The recipient will also be required to monitor the activities of the entity per Uniform Guidance section 200.331. The entity assumes little risk should federal grant guidance not be met. The risk falls with the recipient.

If the recipient directs specific activities to be completed by the entity, by providing goods or services, the risk falls on the entity to deliver, per the agreement terms. In this case, the entity would not be required to adhere to the federal grant program requirements, just the terms and conditions in the agreement with the recipient.

## Criteria for Selection

## EXPLANATIONS

**200.330 a.5** In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

a. Does the entity demonstrate a financial or public need for funding to carry out a project or provide a service?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

a. Will the entity be contributing match or other non-Federal funding in support of the award?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

a. Will the entity be reimbursed for only actual costs incurred?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

OR

**200.330 b.3** Normally operates in a competitive environment;

b. Were procurement policies applied in the selection of the entity?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

b. Was the entity's proposed price a factor in the selection process?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

b. Will the entity derive a profit from the agreement?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If you selected "yes" to **ANY** item **a**, this is an indicator of a subrecipient relationship.  
If you selected "yes" to **ANY** item **b**, this is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

If the entity was chosen because it has the best widgets or service for the price, it has a contractor relationship with the recipient. Typically, a procurement method is followed, such as a competitive bid or RFP process. In this type of agreement, the entity usually makes a profit by delivering this good or service to the recipient. Payments to contractors are typically made based on contract terms.

Conversely, if the entity was chosen because it was already providing a service within the guidelines of the grant program and wants to partner with the recipient to expand the delivery or assist in meeting the goal of the grant, it may be a subrecipient. Typically, the entity may not make a profit and may provide its own non-federal funding as match or cost sharing. The entity may have been chosen through an application process or an announcement of funding, as opposed to the procurement process described above. Payment to a subrecipient is generally based on actual expenses unless awarded on a fixed amount subaward (2 CFR 200.332). It is typical of subrecipients to submit budgets, financial reports, or copies of invoices to the recipient, to document activity.

**200.330 b.1** Provides the goods and services within normal business operations;

b. Is the entity's normal business to provide the goods or services being purchased in the agreement?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

**200.330 b.2** Provides similar goods or services to many different purchasers;

b. Does the entity provide the same goods or services to other organizations?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If you selected "no" to **EITHER** item, it is an indicator of a subrecipient relationship.  
If you selected "yes" to **BOTH** items, it is an indicator of a contractor relationship.

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

If a federal program provides funding to modify public buildings for handicapped accessibility and the recipient provides funds to an entity to update the entity's building, per the terms of the award, then a subrecipient relationship exists.

Conversely, if the recipient hires an entity to update their own building to be handicapped accessible, then a contractor relationship exists.

## Determination

## EXPLANATIONS

### Final Determination

Subrecipient	Contractor
<input type="checkbox"/>	<input type="checkbox"/>

Review all the entries and make an overall determination of the relationship. **Check the appropriate box in this section.**

Determined by \_\_\_\_\_  
(enter name of person initially making decision)

\_\_\_\_\_  
(date)

Approved by \_\_\_\_\_  
(enter name of person reviewing)

\_\_\_\_\_  
(date)

*Based on the relationship determined above, see additional guidance on requirements governing agreements.*

*Section 200.331 - "Requirements for pass-through entities," for subrecipient agreements*

*Section 200.317 through 200.326 - "Procurement Standards," for contractor agreements.*