

Standards

- Workforce Solutions contractors will purchase and manage inventory and equipment used to deliver system services as efficiently as possible.
- Contractors will maintain up-to-date inventory of all required items and regularly provide H-GAC with a current inventory list
- Contractors will promptly notify H-GAC when any inventory item is purchased, moved or disposed of

Intent

Federal and state rules require Workforce Solutions system to purchase, track, manage, and dispose of certain items of equipment according to specific guidelines. The purpose of this piece is to describe in detail those guidelines for Workforce Solutions contractors' use.

It is necessary that H-GAC be able to locate all equipment/inventory for which it is responsible – which means any non-expendable equipment or real property that has been purchased by Workforce Solutions contractor for use in delivering services. It is also necessary for Workforce Solutions contractors to maintain sufficient records of purchase, use, and disposal for all equipment, including a current inventory that shows the current location of each piece of equipment. Workforce Solutions center managers must make plans to accommodate staff using equipment and have a paper trail showing equipment assigned to a center.

Implementation Guidelines

Following processes and procedures are to be used by all contractors in managing equipment and inventory.

Staff

1. Workforce Solutions contractors will designate staff to be responsible for the inventory and control of all real property purchased in whole or in part with funds received under their contracts from H-GAC and in the custody of the contractor, its subcontractors, or service provider partners.
2. Workforce Solutions contractors will provide written notice to H-GAC of those staff who are responsible for managing equipment and inventory.

Buying Inventory and Equipment

Contractors must obtain prior written approval from H-GAC before purchasing non-expendable property (including lease/purchase equipment) having a unit acquisition cost of \$1,000 or more or an aggregate cost of \$5,000 or more. “Non-expendable” property includes any real property

with a useful life of more than one year and an acquisition cost of at least \$1,000. Contractors must use the attached *Request for Purchase Review* form to obtain approval.

The H-GAC contract liaison will review requests and provide a response to a contractor within 10 working days. Contractors must be aware that certain purchases also require approval from one or more of H-GAC's funding sources, and that H-GAC approval may be contingent upon approval from the funding source or sources.

Contractors must keep all invoices for property purchases or leases and all documents which substantiate purchase in accordance with procurement rules. These documents can include price quotes, bid requests, and bids, cooperative purchasing agreements, and explanations for sole source purchase. Contractors must keep records of purchases so that they may be viewed at any time by H-GAC or its grantors, representatives, or agents.

Contractors must follow procurement rules as specified in H-GAC's contract (federal management circulars, state financial management guides, or other grantor specific requirements) when buying any item of inventory or equipment.

H-GAC will not accept requests to purchase equipment after July 15 of each contract year.

Notifying H-GAC and Tagging Equipment

Contractors must notify H-GAC in writing immediately after buying or leasing any non-expendable property items and give the following information about each item:

- a. purchase price
- b. brand name, make, model name
- c. serial number, model number, or other identifying number
- d. purchase date
- e. physical location of item
- f. funding source and percent of funding

H-GAC will forward numbered tags to contractors' designated staff responsible for inventory. Contractors are responsible for making sure these tags are placed on each inventory item.

Inventory and Management

1. Contractors are responsible for maintaining complete and correct inventories of all property leased or purchased with workforce funds. Contractors will provide H-GAC a copy of a current, complete and correct inventory at least once during each contract year, at H-GAC's request.
2. Contractors must maintain inventory of each item of non-expendable property with an acquisition cost of \$500 or more.

3. The contractor using workforce property is responsible for the maintenance of that property in good condition and for any loss or damage. Contractors are liable to repay H-GAC for any loss or damage to grant property. Contractors must report immediately any theft, loss or damage to property items to H-GAC. All thefts must also be reported to the local police or other law enforcement authorities, and contractors must provide H-GAC with a copy of the police report.
4. Workforce Solutions contractors must maintain insurance coverage on all non-expendable items of property purchased with funds from H-GAC workforce system contracts to protect against loss, theft, or damage. Insurance coverage documents may be kept on file at a contractor's site and must be available for H-GAC's review.

Transfer

Workforce Solutions office manager, ES/VETS/RIO staff or responsible contractor staff person initiating an equipment move must complete the top portion of the attached *H-GAC – Notice of Inventory Transfer*. A copy of the form must be forwarded to the Workforce Solutions office manager or responsible contractor staff person releasing the equipment and to **Jacqueline Ray** at H-GAC. This may be done by mail, fax or e-mail.

The “Date of Anticipated Move” shown on the form must allow sufficient time for adjustments in office operations made necessary by the move (i.e., at least 3 working days after sending the notice unless both parties agree to a shorter time frame).

Unless, through discussion, office managers agree to change the date of transfer, the releasing office should be prepared to release the equipment on that date.

Workforce Solutions site requesting the move is responsible for transferring the equipment to the new site. At the time the equipment is moved, the releasing manager must sign and date the *Notice of Inventory Transfer* and the person moving the equipment must initial the form to indicate receipt. The releasing manager must keep a copy and send the signed form with the equipment to the new site. This releases this site manager from responsibility for the equipment and moves the responsibility to the requesting organization.

When the equipment is delivered to the new site, that manager must sign and date the form, keep a copy and forward the completed form by mail or fax to H-GAC Workforce Inventory Management.

Disposal

Contractors must submit a written request and obtain written permission from H-GAC prior to disposing of any property item.

A contractor may dispose of property through to transfer to H-GAC, sale, or other means when the property is no longer needed for Workforce Solutions services. A contractor may also dispose of property that has exceeded its useful life.

Under certain limited circumstances, H-GAC may allow transfer of Workforce Solutions property for non-workforce use.

Notice to H-GAC

The *Request for Purchase Review* must be sent to a contractor's respective contract liaison at H-GAC.

Any notice of purchase, the *Notice of Inventory Transfer* and any other information to be sent to H-GAC must be directed to:

Jacqueline Ray
Workforce Inventory Management
Houston-Galveston Area Council
3555 Timmons Lane, Suite 120
P. O. Box 22777
Houston, Texas 77227-2777
Jacqueline.ray@wrksolutions.com

Review and Sanctions

H-GAC will conduct periodic physical inventory of all workforce system property and reviews of contractor inventory and purchase records. H-GAC will periodically check contractors and individual sites to make sure contractor inventories are complete.

H-GAC may recover funds from a contractor that did not follow procurement rules when buying inventory or equipment. H-GAC may also recover funds when a contractor fails to report stolen or lost equipment.

H-GAC may withhold payments on any invoices owed to a contractor if the contractor does not provide H-GAC with a current inventory when requested.

H-GAC may refuse to close a contract and make a final payment to a contractor if the contractor's inventory is not current with H-GAC records.

Questions

Questions about inventory and equipment management may be directed to Jacqueline Ray at 713.627.3200 or Jacqueline.ray@wrksolutions.com



Attachments:

- Request for Purchase Review Form
- Notice of Inventory Transfer Form