



**State of Tennessee  
State Workforce Development Board**

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## **State Workforce Development Board Policy One-Stop Operator and Service Provider Procurement**

**Effective Date: February 28, 2025**

**Duration: Automatic Annual Renewal**

### **I. Purpose**

This policy requires that each Local Workforce Development Board (LWDB) competitively procure<sup>1</sup> the One-Stop Operator (OSO) and Career Service Provider (CSP) for the American Job Center (AJC) System. This policy outlines the federal requirements<sup>2</sup> regarding procurement for the OSO and CSP. This policy also outlines the requirements to procure Youth Service Providers and that the procurement of these services must be conducted with a separate Request for Proposal (RFP) than those RFPs for the OSO and CSP.

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<sup>1</sup> 2 CFR 200.319

<sup>2</sup> 20 CFR 678.605

## II. Competitive Procurement Requirements for One-Stop Operators and Career Service Providers

WIOA and its implementing regulations require LWDBs to use a competitive process for the selection of an OSO<sup>3</sup>. Further, WIOA also strongly recommends the use of a competitive procurement process in the selection of a CSP<sup>4</sup>. Competition by means of a procurement process is meant to promote the efficiency and effectiveness of the OSO and CSP by providing a mechanism for LWDBs to regularly examine performance and costs against original expectations. Sec. 121(d) of WIOA provides a list of entities eligible to serve as OSO.

A LWDB may select a OSO and CSP through a competitive selection process at the local level. In certain cases, the State may also conduct a competitive procurement on behalf of the LWDBs for the selection of a OSO<sup>5</sup>. The minimal requirements applicable to LWDBs in developing the competitive procurement documents (request for proposals) at the local and regional level are listed in the associated subsections below. Each RFP for the OSO and CSP must include the duties set forth in currently-existing federal regulations, which define the OSO's and CSP's role within the workforce system<sup>6</sup>. This competitive procurement for the OSO and CSP must take place, at minimum, every four (4) years<sup>7</sup>. The LWDB may choose to procure more than once every four (4) years.

### A. Local-level Procurement of One Stop Operators and Career Service Providers

If a LWDB elects to select their own OSO and CSP, they must use a competitive procurement process in accordance with the Uniform Guidance located in 2 CFR 200. As subrecipients of federal funds, both OSOs and CSPs must follow the Uniform Guidance in 2 CFR 200, including the contractual provisions at 2 CFR 200.326 and in CFR 2900. This competitive process must be conducted at least once every four (4) years. During the selection of OSO and CSP, LWDBs must adhere to all applicable sections of the law, regulations, and State policy.

#### 1. Eligible Entities

Federal law requires that an OSO must be an entity (public, private, or nonprofit) or a consortium of entities that, at a minimum, includes three or more of the required one-stop partners located in the Local Area<sup>8</sup>. Such entities may include the following:

- a. Government agencies or governmental units, such as: Local or county governments, school districts, State agencies, and Federal WIOA partners.
- b. Employment Service State agencies under the Wagner-Peyser Act, as amended by Title III of WIOA.

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<sup>3</sup> 20 CFR 678.605

<sup>4</sup> TEGL 15-16 pg. 3

<sup>5</sup> 20 CFR 678.605(b)

<sup>6</sup> 20 CFR 678.620

<sup>7</sup> 20 CFR 678.605(a)

<sup>8</sup> 20 CFR 678.600

- c. Indian Tribes, tribal organizations, Alaska Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations.
- d. Educational institutions, such as: institutions of higher education, nontraditional public secondary schools such as night schools, and area career and technical education schools (however, elementary, and other secondary schools are not eligible to become a one-stop operator).
- e. Community-based organizations, nonprofit entities, or workforce intermediaries.
- f. Other interested organizations that can carry out the duties of the one-stop operator, such as a local chamber of commerce, other business organization, or labor organization.
- g. Private for-profit entities
- h. LWDBs, if approved by the Chief Elected Official (CEO) and the Governor as required in WIOA sec. 107(g)(2).

## 2. Methods of Procurement

LWDBs are required to use the methods of procurement described at 2 CFR 200.320 when selecting one-stop operator(s). The method selected will vary by the particular circumstances of the Local WDB. These methods include:

- a. Procurement by sealed bids (formal advertising), such as an invitation for bids (IFB) (2 CFR 200.320(c))
- b. Procurement by competitive proposals (2 CFR 200.320(d)), such as a request for proposals (RFP), or
- c. Under limited conditions, procurement by sole source (20 CFR 678.610)

Any of these methods of competitive procurement should include the phases and steps found in TEGL 15-16 (9), which may take place concurrently with others. These phases may include a planning phase, a release and evaluation phase, a negotiation and selection phase, an implementation phase, and a closeout phase.

## 3. Procurement Standards and Requirements

Under WIOA, and consistent with the Uniform Guidance, the general procurement requirements for LWDBs include:

- a. **Written Policies and Procedures.** 20 CFR 678.605(d) requires the preparation of written policies and procedures explaining the competitive process for selecting one-stop operator(s).
- b. **Full and Open Competition.** All procurement transactions must be conducted using full and open competition in accordance with 2 CFR 200.319(a)-(c). Written procedures must allow for sufficient time for all phases of the procurement process to be carried out in a manner that would not unduly restrict competition<sup>9</sup>.

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<sup>9</sup> TEGL 15-16 8 (B)(iii)

- c. **Written Standards of Conduct.** 2 CFR 200.318 and 200.319 requires that LWDB must have written standards of conduct that are fair and objective during all phases of the procurement process<sup>10</sup>. Written standards of conduct must address the following:
- i. Persons and entities involved in the competitive process to select a one-stop operator(s) must be free of apparent or real conflicts of interest.
  - ii. Consistent with WIOA sec. 121(d)(4)(A), disclosure of any real or apparent conflict of interest, whether individual, or organizational. Written standards of conduct must identify the process for recusal of individuals or organizations that are members of the Local WDB who disclose a real or apparent conflict of interest.
  - iii. As specified in 20 CFR 678.610(c) and in conformity with 20 CFR 679.430 for demonstrating internal controls and preventing conflict of interest, the written standards of conduct must include a description of the use of firewalls to mitigate conflict of interest in circumstances including, but not limited to, situations where an entity acts in more than one role in the one-stop delivery system or performs more than one function in the procurement process, as well as situations where the non-Federal entity uses a sole source selection.
  - iv. Information contained in the proposals submitted by offerors/bidders is maintained in a manner that is confidential, to avoid the use of the information to another offeror/bidder's advantage and to prevent collusive bidding.
  - v. No entity that develops or drafts specifications, requirements, statements of work, IFBs or RFPs, and evaluation of proposals may compete under that procurement<sup>11</sup>.
- d. **Transparency and Sunshine Provisions.** The entire procurement process must be performed under a process that promotes transparency. Information about the selection and certification of the one-stop operator(s) must be made available to the public on a regular basis through electronic means and open meetings (WIOA secs. 101(g) and 107(e)) and made available to auditors and Federal reviewers. Such information may include minutes from Board meetings in which the decision on selection and certification is made. Examples of the information that LWDBs are required to make available to the public can be found in TEGL 15-16 (8)(B)(v).
- e. **Recordkeeping.** In addition to the written procurement policies and procedures, the Local WDB must maintain records sufficient to detail the history of the One-Stop Operator(s) procurement in accordance with 2 CFR 200.318(i)<sup>12</sup>.

The following items are additional requirements the LWDBs must follow when procuring an OSO and CSP:

a. **Bidder's List Requirements:**

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<sup>10</sup> TEGL 15-16 (B)(iv)

<sup>11</sup> 2 CFR 200.319

<sup>12</sup> TEGL 15-16 (B)(vii)

- i. LWDBs must maintain a comprehensive list of eligible entities able to provide OSO and CSP services.
  - ii. LWDBs must share and compare bidder's list within the same planning region to facilitate quick reference of available providers.
- b. **Documentation Requirements:**
  - i. In order to be considered, the LWDB must receive two (2) years of audited financial history from the bidding entity.
  - ii. In order for a bidder to be considered, an organizational chart must be submitted. Bidders must describe whether current or newly-hired staff will provide services. This must be accompanied with resumes of current staff or title and job description of any new positions.
  - iii. All bidders must provide their Dun & Bradstreet number (DUNS number) to the Grants and Budgets unit at [Grants.Budgets@tn.gov](mailto:Grants.Budgets@tn.gov).
  - iv. The reviewing entity must verify that the bidders are not on the federal debarment and suspension list, including documentation of verification.
- c. **Evaluation Response Requirements:**
  - i. Bidders must state how they will comply with all federal/state/local regulations, as well as provide oversight to ensure compliance.
  - ii. OSO bidders must include how they will incorporate all partners into the comprehensive One-Stop system, including assurance that all partners will still fulfill all federal and state requirements of their respective programs.
  - iii. Bidders must detail all implementation plans for training of all partner staff, to include: co-enrollment of participants and outreach to target populations.
  - iv. Bidders must describe their customer service experience, to include: management of complaints and/or concerns, oversight of staff teams, and experience in development and delivery of technical assistance.
  - v. Bidders must propose outcome measures that comprehensively capture and evaluate their effectiveness at providing services as they relate to the local and regional plans.
- d. **Evaluation Criteria Requirements:**
  - i. There must be at least one (1) evaluation criterion that assesses the bidder's financial capabilities.
  - ii. There must be at least one (1) evaluation criterion that assesses the bidder's technical/programmatic capabilities.
  - iii. There must be at least one (1) evaluation criterion that assesses the bidder's service delivery experience.
- e. **Conflict of Interest:**
  - i. All evaluators must disclose any potential conflict of interest they may have with the potential bidders for the OSO and CSP. This form must be collected and maintained along with the required procurement documents.

- ii. If an evaluator of the bidders knowingly has information that they have connection with an entity who has bid on the contract(s), the evaluator must recuse themselves from evaluation and disclose that information to the LWDB Chair.

#### 4. Procurement of Joint OSO and CSP

A LWDB may elect to competitively procure one entity to serve as both the OSO and CSP. However, it must first create appropriate “firewalls” through policies and procedures that ensure competition, oversight, and evaluation of the provider’s performance. Internal controls must be in place to avoid all conflicts of interest<sup>13</sup>. Any entity that is selected to perform multiple functions, must develop written agreements with the LWDB and Chief Local Elected Official(s) clarifying how the organization fulfills its responsibilities and demonstrates compliance with WIOA and relevant Uniform Administrative Guidance.

USDOL-ETA recognizes that the procurement process is lengthy when competitively procuring services and that it may be advantageous and cost efficient to leverage the one-stop operator RFP along with another RFP rather than soliciting two separate RFPs. If a single RFP is used for the selection of entity serving in the capacity as both OSO and CSP, the RFP must clearly delineate the role and functions of an OSO from a CSP as to avoid duplication and strengthen transparency. The proposals or applicants should also clearly delineate a statement of work and budget separately for OSO functions versus CSP functions. It is up to the LWDBs to ensure that any services provided by an OSO or CSP do not detract or hinder the success of the other as well as ensuring that both perform in a manner that will be consistent with the performance measures/goals outlined in the local plan. If a single entity is to perform multiple roles within a Local Area, there has to be approval by the LWDB and CLEO as well as proper firewalls put in place between the two roles to ensure responsibilities are not conflicting<sup>14</sup>.

#### 5. Local Workforce Development Board as OSO/CSP

In accordance with 20 CFR 678.615(b), LWDBs may compete for and be selected as OSO/CSP, as long as appropriate firewalls and conflict of interest policies and procedures are in place in accordance with 20 CFR 679.430.

If a LWDB wishes to bid on the RFP to be OSO/CSP, it must first contract with an outside independent entity to conduct the procurement process<sup>15</sup>. This third party would be responsible for conducting an independent review of all aspects of the competitive process, including a review of the entities selected as a One-Stop Operator such as: past performance; compliance with Federal requirements and policies; financial systems; internal control framework; and policies to perform and manage the One-Stop Operator services in accordance with WIOA. The third party must meet the Uniform Administrative Guidance in 2 CFR 200.318-326.

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<sup>13</sup> 20 CFR 679.430

<sup>14</sup> 20 CFR 679.430

<sup>15</sup> TEGL 15-16(11)(a)

## 6. Sole Source Procurement

Uniform Guidance identifies procurement by noncompetitive proposals as permissible in certain situations. In accordance with 2 CFR 200.320(f), sole source procurement for OSOs and CSPs is only permissible when the following circumstances apply:

- a. The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold.
- b. The procurement transaction can only be fulfilled by a single source;
- c. The public exigency or emergency for the requirement will not permit a delay resulting from providing public notice of a competitive solicitation;
- d. The recipient or subrecipient requests in writing to use a noncompetitive procurement method, and the Federal agency or pass-through entity provides written approval; or
- e. After soliciting several sources, competition is determined inadequate.

In the event that a sole source procurement of a OSO/CSP is determined necessary and reasonable in accordance with 2 CFR 678.605, LWDBs must prepare and maintain written documentation concerning the entire process of making such a selection. LWDBs must also include appropriate conflict of interest policies and procedures in accordance with 20 CFR 679.430.

In limited situations, a LWDB may also be selected as a one-stop operator through sole source procurement. This request can be made by the CLEO and in agreement with the Governor, or Governor's Designee<sup>16</sup>. In order for this request to be considered, the following information should be included in the request:

- a. Updated organizational chart indicating firewall between LWDB and OSO and/or CSP,
- b. Written policy/procedure indicating how the firewall be maintained and monitored,
- c. Reasoning for not competitively procuring along with supporting data,
- d. Timeline to implement changes.

If the LWDB receives approval to serve as its own OSO and/or CSP, a one-year probationary period will be established. During this probationary period, the Tennessee Department of Labor and Workforce Development will assess performance and firewall violations. At the end of the probationary period, if the LWDB fails to meet performance or violates the firewall then the LWDB will be asked to competitively procure an OSO and/or CSP with an expected deadline for completion.

## B. State-level Procurement of OSO

The TDLWD may also conduct a competitive procurement on behalf of the LWDBs for their selection of OSO<sup>17</sup>. In instances in which a State is conducting the procurement, the State must follow the same

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<sup>16</sup> 20 CFR 678.610(d)

<sup>17</sup> 20 CFR 678.605(b)

policies and procedures it uses for procurement with non-Federal funds<sup>18</sup>. States are permitted to select a one-stop operator through sole source selection when allowed under the same policies and procedures used for competitive procurement with non-Federal funds<sup>19</sup>

### III. Procurement Requirements for Youth Service Providers

The following items are the requirements set by Federal Law and the State Workforce Development Board (SWDB) on the procurement requirements for Youth Service Providers:

1. The LWDB must identify eligible providers of youth workforce development activities in the Local Workforce Development Area (LWDA) through a separate RFP from the OSO and CSP.
2. The LWDB must identify eligible youth providers based on the recommendation of the youth standing committee, if they choose to establish a standing youth committee and assign it that function. If a youth standing committee is not established, this responsibility falls to the LWDB. Any member of the LWDB with a potential conflict of interest must recuse themselves from the selection process.
3. Bidders must demonstrate the ability to successfully meet Federal and State performance accountability measures to include performance indicators established by ETA and Key Performance Indicators (KPIs) set by the SWDB in their delivery of services. Bidders must also commit to successful outcomes for all contracted services. In all cases, the LWDBs must ensure that all sub-recipients and contractors are monitored for quality of services and achievement of the above performance standards.
4. LWDBs must ensure that each of the fourteen (14) youth program elements<sup>20</sup> is available in the LWDA. Each program element may be delivered by one (1) or more eligible CSPs (including the local grant recipient). If the LWDB chooses to award grants or contracts to CSPs for some or all of the youth program elements, the contracts must be awarded on a competitive basis. The State expects the LWDB to use youth service providers who are best positioned to provide program elements resulting in strong economic growth outcomes. Each program element must be made available through the following identification or selection methods:
  - a. **Provided by the Local Grant Recipient:**  
Service Providers and/or LWDBs may directly provide some or all of the fourteen (14) program elements. All written agreements, to include amendments, must be sent to [Workforce.Board@tn.gov](mailto:Workforce.Board@tn.gov) prior to the execution of contracts and the contracts must be submitted once executed.
  - b. **Competitive Selection:**  
If the LWDB chooses to award grants or contracts to service providers, LWDBs must conduct a full and open competition to secure youth service providers<sup>21</sup>.

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<sup>18</sup> 20 CFR 678.605(b)

<sup>19</sup> 20 CFR 678.610(a)

<sup>20</sup> 20 CFR 681.460

<sup>21</sup> 2 CFR Parts 200 and 2900



c. **Non-Competitive Selection (Sole Source):**

In situations where the LWDB identifies an insufficient number of youth service providers in the LWDA, such as a rural area, then WIOA allows for the LWDB to noncompetitively procure services<sup>22</sup>. The LWDB must establish a policy that defines what would constitute an insufficient number of eligible youth providers.

d. **Leveraging of Partner Resources:**

LWDBs are encouraged to leverage partner resources to provide one or more of the program elements if WIOA Title I funds are not used to pay for services. However, the LWDB must ensure that if a program element is not funded with WIOA Title I Youth funds, the local program has an agreement in place with a partner organization to ensure that the appropriate services will be offered. The LWDB must ensure that the services are closely connected and coordinated with the WIOA Title I Youth program.

5. When the LWDB has selected the youth service provider(s) to administer youth workforce development activities, the funding award notice(s), amendments, and/or Letter of Intent(s) must include the following:

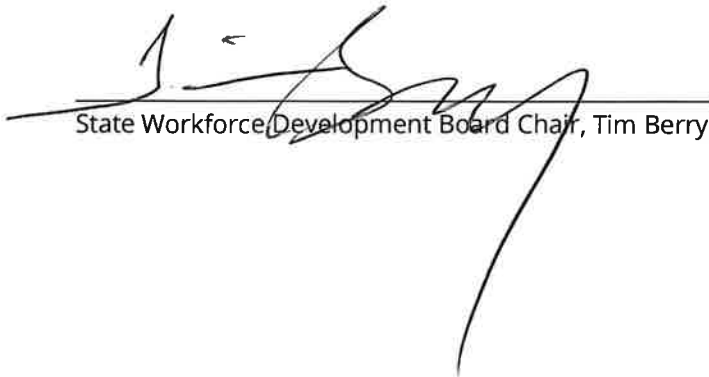
- a. WIOA Title I Youth eligibility criteria;
- b. All applicable expenditure requirements; and
- c. All State and Federal performance requirements.

**References:**

2 CFR 200.318-326; 20 CFR 678.200, 678.600, 678.605, 678.610, 678.400, 678.625, 679.430; WIOA Sec. 134(c)(2)(C); TEGL 21-16; WIOA Section 123; Central Procurement Policy 2013-002

**Contact:**

For any questions related to this policy, please contact the State Workforce Development Board at [Workforce.Board@tn.gov](mailto:Workforce.Board@tn.gov).



State Workforce Development Board Chair, Tim Berry

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<sup>22</sup> WIOA Section 123