

	NCWorks Commission
	NCWorks Commission Policy Statement Number: CPS 02-2026
	Date: February 11, 2026
	Subject: Selection Process for Service Providers and One-Stop Operators
	From:  <hr style="width: 30%; margin: auto;"/> Tom B. Rabon, Jr. Chair, NCWorks Commission

Purpose: To inform Local Area Workforce Development Boards (WDBs) of the processes to select providers of Workforce Innovation and Opportunity Act (WIOA) Adult, Youth, and Dislocated Worker services, as well as, for the One-Stop Operator of a local certified NCWorks Career Center.

This Commission Policy Statement (CPS) rescinds CPS 04-2022, Change 1. The procedures herein supersede all previous policies, procedures, and guidelines regarding the selection processes to procure service providers and One-Stop Operators.

Background: WIOA and 2 CFR 200 set the general expectation that WDBs conduct open and competitive procurement processes to identify appropriate providers of one-stop operator and other services. WIOA also sets the expectation that WDBs will serve as strategic entities and the US Department of Labor (DOL) further clarified that expectation in 20 Code of Federal Regulations (CFR) § 679.410 by placing restrictions on WDBs (and WDB staff) as one-stop operators and service providers and outlining the requirements of WDBs that want to assume those roles. All WIOA service delivery, whether through a procured service provider or WDB, must have been selected in accordance with this policy.

Adult, Youth, and Dislocated Worker Services: Section 107(g)(1) of WIOA states that training services may not be provided by the WDB unless the Governor, pursuant to a request from the WDB, grants a written waiver of the prohibition. 20 CFR § 679.410 states career services for adults and dislocated workers can be provided by the Local Area with the approval of the Chief Local Elected Official and the Governor. With respect to youth, 20 CFR § 681.400 states that the grant recipient/fiscal agent has the option to directly provide some or all of the youth workforce investment activities; however, as provided in WIOA Section 123, if a WDB chooses to award grants or contracts to youth service providers to carry out some or all of the youth workforce investment activities, the WDB must award such grants or contracts on a competitive basis (except that where the WDB determines

there are an insufficient number of eligible youth providers in the Local Area, such as a rural area, the WDB may award grants or contracts on a sole source basis). TEGL 21-16 states that DOL intends for the flexibility provided by 20 CFR § 681.400 to allow WDBs to determine whether to directly provide the WIOA youth program elements that they can most efficiently, and cost effectively provide, such as labor market and employment information and services that are part of program design including assessment, supportive services and follow-up services. However, WDBs must request a waiver from DWS before providing training services directly to customers. All procurements and awards of contracts by WDBs must be in compliance with all state and federal regulations.

Applicable federal authority includes:

- Section 107(d)(10) and (g)(1), Section 121(d)(2)(A), Section 123(b) of WIOA
- 20 CFR §§ 679.370(1)(1), 679.400-410 and 430
- TEGL 21-16
- 20 CFR §§ 678.605 and 678.625
- 20 CFR 681.400
- 2 CFR 200.317 – 200.237 Procurement Standards

In the event a competitive procurement process fails, the Division of Workforce Solutions (DWS) may, at its discretion, ask for reasonable additional information, provide technical assistance about how to have a successful competitive procurement, and/or request that the procurement be redone prior to approving a waiver. Failure to make reasonable efforts to have a successful competitive process or failure for successive years may be taken into consideration when evaluating direct service provision requests.

One-Stop Operators: Requirements for the competitive procurement of One-Stop Operators are set forth in 20 CFR § 678.605, which requires the One-Stop Operator to be selected through a competitive process. Although applicable regulations allow a WDB to be the One-Stop Operator in limited circumstances, the DWS opposes such an arrangement because the WDB's principal role is to provide strategic direction and oversight to service delivery.

Section 121(d)(2)(A) of WIOA and 20 CFR § 678.605(a) require the One-Stop Operator to be selected through a competitive process at least once every four (4) years. The DWS will allow this procurement interval as an exception to the other subrecipient contracts governed by the DWS Procurement and Contracting Policy CPS. In addition, the WDB may enter into a four-year contract, if and only if, the local Financial Management/Procurement Policy allows for four-year contracts for the One-Stop Operator.

Applicable regulations (20 CFR § 678.625) allow a One-Stop Operator to be a service provider. In the event the One-Stop Operator has also been procured as the

service provider, the contract may be for a four-year period. Proper internal controls and firewalls must be in place to ensure that the entity's dual roles as Operator and service provider do not conflict. To guard against possible conflicts of interest, these internal controls and firewalls must ensure that the Operator is not overseeing itself as a service provider.

Applicable to Service Providers and One Stop Operators: Extreme care should be taken to ensure that WDBs continue to provide strategic direction and maintain an arm's length relationship in the day-to-day delivery of services to Career Center customers (20 CFR § 679.430).

Action:

Adult and Dislocated Worker Training Services: WDB must use ITAs and the ETPL to provide training services unless one of the exceptions to contract directly under 20 CFR § 680.320 is met. Each WDB must procure Adult and Dislocated Worker training services except on-the-job training, customized training, incumbent worker training, or transitional employment, unless the Governor has granted a waiver for the local WDB to provide training services pursuant to this policy.

All waiver requests must comply with the attached Waiver of the Provision of Training Services guidelines and be submitted to the WDB's DWS Planner within thirty (30) days of the failed procurement or thirty (30) days prior to the WDB's desired start date to provide training services directly.

Adult and Dislocated Worker Career Services: WDBs shall select providers of career services through a procurement process. The WDB cannot provide these services unless the WDB follows the process outlined in the Request for Approval to Provide WIOA Basic and/or Individualized Career Services and Notice to Provide Youth Services CPS, that results in a written agreement between DWS, designated by the Governor as the state's administrative entity for WIOA, and the chief local elected official. Case management, coordination, and administrative activities associated with OJT and customized training are provided as career services under 20 CFR § 678.430(a)(5) (coordination of activities with other programs and services, including program and services within the one-stop and other workforce development programs). The training activities themselves remain classified as training services under WIOA.

Youth Services: Each WDB may directly provide some or all of the youth workforce investment activities following the process outlined in the Request for Approval to Provide WIOA Basic and/or Individualized Career Services and Notice to Provide Youth Services CPS. The WDB must competitively procure youth workforce investment activities not directly provided by the WDB, except if there are too few providers (see WIOA Section 123(b)).

Adult, Youth and, Dislocated Worker Career and Training Services: Each WDB must maintain a very clear and distinct firewall between the WDB and the services

delivered to customers in all circumstances including when the WDB provides the career or training services.

One-Stop Operators: Operators of certified NCWorks Career Centers must be competitively procured at least once every four (4) years. This extended service period is an allowed exception to the requirements regarding contract terms set forth in Attachment 1 of the Procurement and Contracting Policy CPS.

Local Area WDBs must follow all applicable federal, state, and local procurement requirements (with the exception of the extended procurement interval/service period discussed above) in selecting service providers and One-Stop Operators to deliver services funded by WIOA resources. Federal requirements include, but are not limited to:

- 1) Sections 200.317 through 200.327 of 2 CFR Part 200 (the United States Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards); Procurement Procedures which establish principles and standards for determining costs for all federal awards carried out by state and local governments; and
- 2) 20 CFR Sections 678.605(a) and 678.610, 20 CFR §§ 679.370(l)(1), 679.400-410 and 430.

The DWS will provide oversight of compliance through:

- 1) Reviewing the Local Area Plan responses outlining procurement procedures;
- 2) monitoring activities including online and direct site visits; and
- 3) oversight summary reports.

Effective Date: Immediately

Expiration: Indefinite

Contacts: DWS Fiscal Monitor
DWS Planner

Attachment: Waiver for the Provision of Training Services