

APPROVED

April 1, 2003

Michigan State
Administrative Board

Lansing, Michigan

March 4, 2003

A regular meeting of the State Administrative Board was held in the State Capitol, Senate Appropriations Room, 3rd Floor, on Tuesday, March 4, 2003, at 11:00 a.m.

Present: Kelly G. Keenan, Chief Legal Counsel, representing Jennifer M. Granholm, Governor, Chairperson
Lynda Rossi, Chief of Staff, representing John Cherry, Lt. Governor
Susan Leffler, Assistant Attorney General for Law, representing Michael A. Cox, Attorney General
Mary G. MacDowell, Director, Financial Services Bureau, representing Jay B. Rising, State Treasurer
Joseph Pavona, Director, Bureau of Administrative Services, representing Terri Lynn Land, Secretary of State
Elaine Madigan, Assistant Superintendent for Educational Support, representing Thomas D. Watkins, Superintendent of Public Instruction
Myron Frierson, Deputy Director, Finance and Administration, representing Gloria J. Jeff, Director, Department of Transportation
Sherry Bond, Secretary

Others Present:

Deborah Devine, Socorro Guerrero, Department of Attorney General; Wes VanMalsen, Department of Career Development; Steven Liedel, Governor's Office; Alisande Henry, Lt. Governor's Office, James Burris, Jim Konrad, Janet Rouse, Department of Management and Budget; Randy Knapp, Pam Lavender, Darby Schlagheck, Department of Transportation; Ron Khoury, Kheder & Associates

1. CALL TO ORDER:

Mr. Keenan called the meeting to order and led the Pledge of Allegiance to the Flag.

2. READING OF MINUTES OF PRECEDING MEETING AND APPROVAL THEREOF:

Ms. Leffler moved the minutes of the State Administrative Board for the meeting of February 18, 2003 be approved as distributed. Mr. Pavona supported the motion, and it was unanimously adopted.

3. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD

None

4. COMMUNICATIONS:

None

5. UNFINISHED BUSINESS:

None

6. NEW BUSINESS:

Certified Retention and Disposal Schedule(s):

Oceana County Inspection Department, 1/21/03

Retention and Disposal Schedule (s):

Department of Civil Rights, Civil Rights Commission 10/23/02

Department of Community Health, Customer Services Division, Eligibility
Quality Assurance Section, 1/10/03

Family Independence Agency,

Bureau of Accounting Division, 12/04/02

Juvenile Justice Services, 1/31/03

Department of Management & Budget, Michigan Public School Employees
Retirement System Division, 11/27/02

Department of Transportation, Region Offices Division, 9/18/02

Department of Treasury

Return Processing Division, Sales, Use and Withholding Tax Section,
1/31/03

Tax Processing Center, Return Processing Center, Single Business Tax
Section, 1/31/03

Mr. Pavona moved the State Administrative Board approve the Certified Retention and Disposal Schedule and Retention and Disposal Schedules. The motion was supported by Ms. Leffler and unanimously adopted.

7. REPORTS AND RECOMMENDATIONS OF COMMITTEES:

(Please see the following pages)

Ms. MacDowell presented the Finance and Claims Committee Report covering the regular meeting held February 25, 2003. After presentation and review of the forgoing Committee Report, Ms. MacDowell moved that the regular Finance and Claims Committee Report of February 25, 2003 be approved and adopted. The motion was supported by Mr. Pavona.

Ms. Leffler moved to table Resolution 2003-1 to address potential legal concerns. Mr. Pavona supported the motion. Ms. Leffler and Mr. Pavona voted aye; Mr. Keenan, Ms. Rossi, Ms. MacDowell, Ms. Madigan, and Mr. Frierson voted nay. The motion to table Resolution 2003-1 until the next State Administrative Board meeting lost, 2 votes aye, to 5 votes nay.

Mr. Keenan asked for support for Ms. MacDowell's motion that the regular Finance and Claims Committee Report of February 25, 2003 be approved and adopted. Mr. Pavona had supported the motion, so Mr. Keenan asked for the aye votes. Mr. Keenan, Ms. Rossi, Ms. MacDowell, Ms. Madigan and Mr. Frierson voted aye. Ms. Leffler and Mr. Pavona abstained. The motion to accept the report of the Finance and Claims committee including Resolution 2003-1 passed, 5 votes aye, 2 abstentions.

Ms. MacDowell presented the Building Committee Report covering the regular meeting held February 26, 2003. After presentation and review of the forgoing Committee Report, Ms. MacDowell moved that the regular Building Committee Report of February 26, 2003 be approved and adopted. The motion was supported by Ms. Rossi and unanimously approved.

Mr. Pavona presented the Transportation and Natural Resources Committee Report for the regular meeting of February 26, 2003. After review of the forgoing Transportation and Natural Resources Committee Report, Mr. Pavona moved that the Transportation and Natural Resources Committee Report covering the regular meeting held February 26, 2003 be approved and adopted noting the withdrawal at the regular meeting of Items # 18, 21, and 24 of the regular agenda and the withdrawal of Item 2 of the regular agenda at the State Administrative Board meeting of March 4, 2003. Supported by Ms. Leffler, the motion was unanimously adopted.

8. MOTIONS AND RESOLUTIONS:

Mr. Keenan introduced Mr. Liedel, Deputy Counsel to the Governor, to present Resolution 2003-2 for approval by the Board.

Ms. Leffler moved to table Resolution 2003-2 until the next meeting. Mr. Pavona supported the motion to table the resolution. Ms. Leffler and Mr. Pavona voted aye. Mr. Keenan, Ms. Rossi, Mr. Frierson, Ms. MacDowell, and Ms. Madigan voted nay. The motion to table Resolution 2003-2 lost, 2 votes aye, 5 votes nay.

Ms. Rossi moved to approve Resolution 2003-2. Ms. MacDowell supported the motion. Mr. Frierson, Ms. MacDowell, Ms. Rossi, Mr. Keenan, and Ms. Madigan voted aye. Ms. Leffler and Mr. Pavona abstained. The motion to approve Resolution 2003-2 passed, 5 votes aye, 2 abstentions.

9. ADJOURNMENT:

Ms. Rossi moved the meeting be adjourned. The motion was supported by Mr. Pavona and unanimously approved. Mr. Keenan adjourned the meeting.

SECRETARY

CHAIRPERSON

STATE ADMINISTRATIVE BOARD

RESOLUTION No. 2003-2

EXCEPTIONS TO THRESHOLD FOR CONTRACT APPROVAL ESTABLISHED BY RESOLUTION 2003-1

WHEREAS, under Section 3 of 1921 PA 2, MCL 17.3, the State Administrative Board ("Board") exercises general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of this state, and of all state institutions;

WHEREAS, under Section 2 of 1921 PA 2, MCL 17.2, the Board may adopt rules governing its procedure and providing for the general conduct of its business and affairs;

WHEREAS, the Board adopted Resolution No. 2003-1 on March 4, 2003, setting forth a general policy for all contracts, grants, or amendments that must come before the Board and reducing the threshold for state contracts and grants from \$250,000 to \$25,000 and the threshold for state contract and grant amendments from \$125,000 to \$25,000 regardless of the source of funding or duration;

WHEREAS, exceptions to the general policy set forth in Resolution No. 2003-1 are necessary to comply with statutory requirements, are in the interests of efficient and effective administration of state government, and may avoid delays or increased costs to the State of Michigan;

NOW THEREFORE, the State Administrative Board resolves that the requirements of Resolution No. 2003-1 do not apply to any of the following:

1. A Michigan Department of Transportation contract, grant, or amendment exempt from approval by the Board under Section 2 of 1925 PA 17, MCL 250.62.
2. A Michigan Department of Transportation construction or maintenance contract exempt from Board approval under the resolution of the Board dated May 1, 1979, as amended on December 2, 1980, April 7, 1981, August 18, 1981, May 15, 1984, April 7, 1987, December 15, 1987, January 5, 1988, May 2, 1989, September 13, 1996, and July 3, 2001.
3. A Michigan Department of Transportation Indefinite Delivery of Services contract for professional design consulting services exempt from Board approval under the resolution of the Board dated November 18, 1997.

4. A Michigan Department of Transportation Indefinite Delivery of Services contract for professional traffic and safety consulting services exempt from Board approval under the resolution of the Board dated July 21, 1998.

5. A Michigan Department of Transportation Indefinite Delivery of Services contract for professional construction engineering consulting services for maintenance purposes exempt from Board approval under the resolution of the Board dated August 4, 1998.

6. A Michigan Department of Transportation Indefinite Delivery of Services contract for professional construction engineering consulting services exempt from Board approval under the resolution of the Board dated December 1, 1998.

7. A professional service contract or construction contract to study, plan, construct, or equip projects authorized from operating appropriations and lump sum appropriations for special maintenance, energy, environmental, or fire protection projects, if approved by the Director of the Department of Management and Budget or an authorized representative of the Director. Any contract award under this paragraph shall be awarded to the lowest acceptable bidder after being publicly advertised.

8. A construction contract revision approved by the Director of the Department of Management and Budget or an authorized representative of the Director for any of the following:

- a. The aggregate cost of the construction contract revision does not exceed the greater of 5% of the original contract amount or \$ 100,000.
- b. A construction contract revision of less than \$10,000.
- c. A construction contract revision resulting in a reduction in the contract amount or an aggregate contract amount less than the original contract amount.

Contracts approved under Paragraphs 7 and 8 shall be reported quarterly to the Board through its Building Committee.

This Resolution is effective March 25, 2003.