

## 0510.39 Purchasing Alliance Program – *Pre Award*

Issued February 9, 2011

**SUBJECT:** Purchasing Alliance program (PAL) – *Pre Award*

**APPLICATION:** Executive Branch Departments and Sub units.

**PURPOSE:** To specify the policies and procedures for procuring goods, services, and Information Technology (IT) equipment/products/services, designated under non-standard delegated authority as a Purchasing Alliance program (PAL) procurement.

**CONTACT AGENCY:** Department of Technology, Management and Budget (DTMB)  
Procurement & Real Estate Services Administration  
Purchasing Operations (PurchOps)

**TELEPHONE:** 517/335-0230

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**SUMMARY:** Non-standard delegated authority under the designation of a Purchasing Alliance Program (PAL) procurement is awarded/granted by the Senior Deputy Director of Purchasing Operations for a particular purchase type, for a set period of time, or for a one-time purchase or group of purchases determined to be appropriate for a department to manage the procurement process under the guidance and oversight of DTMB.

The objective of the Purchasing Alliance (PAL) Program is to establish reasonable standards for the DTMB Purchasing Operations to ally with agency purchasing and authorize them to handle purchases that exceed current standard delegated authority levels. This program allows Purchasing Operations to set designated ceilings based on pre-defined purchasing criteria for each agency. PAL also defines both the procurement process that the agencies will follow and the method Purchasing Operations will use to monitor their utilization of the program. This does not affect the purchases that currently fall within existing delegated authority levels, or are not under the DTMB authority. See Administrative Guide Procedure 0510.01 for Delegated Purchase Authority.

DTMB has the statutory responsibility to prepare specifications, establish terms and conditions, and procure goods and services required for the operation of the Executive Branch of state government.

Purchasing Operations delegates purchasing authority privileges to state agencies for procurements up to \$25,000 under PA 431 of 1984 (commonly called the Management & Budget Act) Section 18.1261 (4) which states in part:

*The department may delegate its procurement authority to other state agencies within dollar limitations and for designated types of procurements. The department may withdraw delegated authority upon a finding that a state agency did not comply with departmental procurement directives.*

The above reference of the Public Act implies that the DTMB may delegate and will monitor delegated authority in order to determine any "*finding that a state agency did not comply with departmental procurement directives*". All procurements under this procedure are subject to review/audit by DTMB. Violations by departments may result in the loss of delegated authority.

- APPLICABLE FORMS
- DTMB Purchase Request Form (PRF)
  - iTRAC Request
  - Bid4Michigan System
  - MAIN Electronic Documents & Processes:
    - Purchase Order PO (PCHL2340)
    - Direct Purchase Order DPO (PCHL2360)
    - CS-138, Contractual Services Request CS-138 (PCHL2117)
  - Procurement Documentation:
    - Solicitation Documents
    - Responses
    - Evaluation Summary
    - Award Documents/Files
    - Confidentiality Statements
    - Conflict of Interest and Disclosure Form
    - Contract Management Toolkit (Mandatory for over \$25,000, optional for under)
      - Project Assessment Report (PAR)
      - PAL Approval Request Form
      - Project Plan

APPROVALS: Services: The disbursement of funds to pay for services performed by an independent contractor must have the prior approval of the Office of the State Employer (OSE) and the Civil Service Commission pursuant to the PRF/OSE/CS-138 process (PCHL2117). See the Department of Civil Service Website at [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs).

Agency & PurchOps: Internal approvals must be obtained and documented according to agency policies and procedures, including provisions surrounding delegated and signature authority.

#### PROCEDURES:

DTMB- Purchasing Operations:

- Will conduct an evaluation of each agency to determine an appropriate dollar threshold for any PAL projects proposed by the agency. This rating and threshold will be reviewed periodically.
- Will notify agency of results of the evaluation and approved dollar threshold for their PAL projects.

Agency:

- Must follow their department's internal procurement policies and procedures, recognizing that the policies and procedures of the delegating authority supersede those of the department in the event of a conflict.
- Determines that a specific procurement over delegated authority but within their PAL limit is a suitable project to partner with Purchasing Operations and manage as a PAL procurement.
- Will submit a completed *PAL Approval Request Form (attached)* through iTRAC along with a Purchase Request Form (PRF) and the Project Assessment Report (PAR) forms.

DTMB- Purchasing Operations:

- Reviews submitted PAL request for approval/denial.
- If the PAL Request Form is approved by the Chief Procurement Officer (or designee), notifies the agency of their authority to handle the requested project and a Purchasing Operations Project Manager will be assigned as the agency contact for all matters and approvals throughout the initiative.
- Updates iTRAC with decisions/comments.

Agency:

- Will complete the solicitation process in accordance with DTMB Purchasing Operations Administrative Guide Procedures, policies and internal processes for DTMB-issued solicitations. Process drivers include:
  - The Project Assessment Report (PAR),
  - The Contract Management Tool Kit,
  - The *PAL Project Plan* checklist, which will be used as a guide through the project to supplement the Contract Management Project Plan, and
  - The Contract Management Project Plan.
- At selected intervals throughout the project PurchOps Project Management approvals will be sought in accordance with the established Contract Management Project Plan based on the established project risk level. These approval requirements will be derived from pre-determined milestones in the project. See the *PAL Project Plan* checklist for details.
- Upon completion of the project solicitation, evaluation, recommendation, DTMB Project Management reviews, and obtaining vendor signature on contract document according to the approved project plan, agency will draft bid tabulation for Finance & Claims Committee, and State Administrative Board approval.

DTMB- Purchasing Operations:

- Upon State Administrative Board approval, the contract will be signed by DTMB Purchasing Operations assigned staff (or designee) according to signature authority policies and PAL Project Plan.
- Updates iTRAC.

Agency:

- All original documentation will be placed in the contract file by the agency in the format/structure requested, and a copy sent to DTMB Purchasing Operations.
- A copy of the contract file should be maintained at the agency office for future reference.
- Contract Administration oversight will be the responsibility of the agency. All required components of the Contract Management Tool Kit will be utilized.
- Requested contract change notices will be initiated by the agency with the assigned PurchOps Project Manager's approval.

DTMB- Purchasing Operations & Agency:

- Will retain all records according to the appropriate Retention & Disposal Schedules.

DTMB- Purchasing Operations:

- Runs periodic reports to review PAL purchases made by agencies for appropriate process and policy compliance.

AUTHORITY: Relevant Acts:

- Public Act 431, of 1984 as amended (Governing Authority)

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## PAL Approval Request Form

Part I - General		
1. Purchase Division: <input type="checkbox"/> Commodity <input type="checkbox"/> Service <input type="checkbox"/> IT <input type="checkbox"/> Other	2. REQ Number:	3. REQ Title:
4. Requesting Agency Name	5. Estimated Dollar Value of Contract	
6. Person completing this request	7. Authorized approver for this request	

Part II – Project Submittals	
<b>Item</b>	
Description of Project:	
Agency Contract Administrator:	
Agency Contract Compliance Inspector:	
Is the Purchase Request Form (PRF) complete and attached?	<input type="checkbox"/> Yes, <input type="checkbox"/> No, <input type="checkbox"/> Other,
Is the Project Assessment Report (PAR) completed and attached?	<input type="checkbox"/> Yes, <input type="checkbox"/> No, <input type="checkbox"/> Other,

**DTMB Approvals:**

Agency PAR Rating in dollars:	\$
Approved for PAL project	<input type="checkbox"/> Yes, <input type="checkbox"/> No, <input type="checkbox"/> Other,
Chief Procurement Officer (or designee)	Date:
Project Manager Assigned: This is the Purchasing Operations contact for this project.	

C; Agency  
DTMB Division Mgr.

***This record will become part of the contract file.***