

0620.04 Submission of New Contracts and Contract Amendments by Agencies

Issued: January 13, 2014
Revised:

PURPOSE

To communicate the procedures for submissions to the Finance and Claims Committee (F&C) of the Ad Board per the August 30, 2011 Resolution 2011-1 of Agency New Contracts and Contract Amendments for goods and services either delegated by the Department of Technology, Management and Budget, Procurement per MCL 18.1261 or from Agencies with statutory authority to contract directly.

APPLICATION

Executive Branch Departments and Sub-units (Agency).

CONTACT AGENCY

Department of Technology, Management and Budget (DTMB)
State Administrative Board (Ad Board)

Telephone: 517-284-7028 Ad Board Secretary

Fax: 517-335-0046 DTMB Procurement Division fax

SUMMARY

The Ad Board Secretary reviews the DTMB-3529 Bid Tabulation and Recommendation for New Contract Award forms and DTMB-3530 Contract Change Recommendation forms presented by Agencies for Ad Board approval.

APPLICABLE FORMS

DTMB-3526 Finance & Claims Agenda Format (Agenda Format)

DTMB-3529 Bid Tabulation and Recommendation for New Contract Award (Bid Tab)

DTMB-3530 Contract Change Recommendation (CCR)

PROCEDURES

Requesting Agency

- All hearing officer contracts or purchase orders require Ad Board approval and submission of a Bid Tab with Michigan Administrative Hearing System approval.
- All hearing officer contract amendments for time, scope or additional dollars require Ad Board approval and submission of a CCR with a signed copy of the contract amendment.

- Determines whether Ad Board approval is required prior to execution of the contract, purchase order or amendment to a contract regardless of their source of funding or duration, according to any of the following requirements per the August 30, 2011 Ad Board Resolution 2011-1:

General Requirements

- Revenue-generating contracts or purchase orders may require Ad Board approval.
- Until the value of a contract or purchase order reaches \$250,000, a contract or purchase order and its amendments do not require Ad Board approval.
- A request for retroactive approval of a non-emergency purchase made without Ad Board approval must be accompanied by a letter from the Agency's director explaining the reason the purchase was made without prior Ad Board approval and how the Agency's procedures have been modified to prevent purchases without prior Ad Board approval in the future.
- Legal Services Contracts or Amendments submitted by any agency other than the Department of the Attorney General (AG) require submission of an approval letter by the AG with the Bid Tab or CCR. Follow Administrative Guide Procedure 0510.41 to obtain AG approval.

New Contract Requirements

For procurement of goods and services between state departments and vendors, between state departments and educational institutions, or between state departments and other governmental units are as follows:

- All contracts or purchase orders of \$250,000 or more require Ad Board approval prior to execution.
- All contracts whose dollar values are not fixed but which are estimated to be \$250,000 or more require Ad Board approval prior to execution.
- Emergency contracts of any value involving public health or safety do not require prior approval (see Administrative Guide Procedure 0510.38). These contracts must be reported in writing to the Ad Board within 45 days after execution. Emergency Purchase Reports are placed in the Special Items Section of the F&C Agenda.
- If the new contract requires Ad Board approval, a completed Bid Tab must be submitted to the Ad Board Secretary.
- Contract protest periods for submitted items must expire no later than 5:00 p.m. the day before the F&C meeting, and protests for any submitted items must be resolved no later than 5:00 p.m. the day before the F&C meeting or the item will be removed from the F&C Agenda. The Ad Board Secretary must be notified of any unresolved protest before the F&C meeting.

Contract Amendment Requirements

For procurement of goods and services between state departments and vendors, between state departments and educational institutions, or between state departments and other governmental units are as follows:

- Once a contract or purchase order reaches \$250,000, the first amendment that takes the total amendment amount to \$125,000 or more requires Ad Board for approval prior to execution.
- Once \$125,000 in amendments has been approved for a contract or purchase order, amendments may accumulate to \$125,000 again before amendments require Ad Board approval prior to execution.
- If the contract amendment requires Ad Board approval, a CCR must be submitted to the Ad Board Secretary.
- Once the Ad Board approves the term of a contract, Ad Board approval of different start and end dates is not required as long as the contract term remains the same.
- An Option is an additional length of time allowed under the current contract language and does not require Ad Board approval unless money to fund the option is also being added and that funding requires Ad Board approval.
- If the proposed action is exercising multiple option years, the Agency must explain the benefit to the state on the CCR.
- If the proposed action is allowed in the current contract language and requires Ad Board approval, state in the CCR that the current contract language allows this amendment.
- If the proposed action is a change in scope of the contract (including extensions beyond final term), Ad Board approval is required and the CCR must include the language explaining the appropriate exception to competitive bidding from MCL 18.1621(3).
- Emergency contract amendments of any value involving public health or safety do not require prior approval (see Administrative Guide Procedure 0510.38). These amendments must be reported in writing to the Ad Board within 45 days after execution. Emergency Purchase Reports are placed in the Special Items Section of the F&C Agenda.
- Emails the signed submissions to the Ad Board Secretary for each F&C Committee meeting as follows:
 - A Microsoft Word file of the DTMB-3526 Agenda Format Form.
 - A PDF file of the signed Bid Tab for each new contract and the signed CCR for each contract amendment with any attachments immediately following each Bid Tab or CCR.

Ad Board Secretary

- Reviews the Agencies' Agenda Formats and places the information on the F&C Agenda.
- Reviews the Bid Tab(s) and CCR's for each submission.
- Tracks items with unexpired protest periods and items with unresolved protests.
- Organizes the Bid Tabs and CCR's for scanning and uploads them to the Procurement intranet site.
- Emails the draft agendas and the links to the backup documents to the reviewers.
- Emails the F&C Agenda Summary to the Director of DTMB Procurement for the DTMB Director.
- Handles necessary correspondence or other communication relative to items presented.
- Finalizes the F&C Agenda and uploads it to the Ad Board website.
- Attends and takes minutes at the F&C meetings.
- Creates the F&C Report and makes any corrections to the F&C Agenda.
- Uploads F&C Agendas and Reports on the Ad Board website.
- Emails the links to the Committee Reports to the Ad Board for action.
- Attends and takes minutes at the Ad Board meetings.
- Creates the Ad Board minutes, scans them, and uploads them to the Ad Board website.
- Adds the approval stamp to the Bid Tabs and CCR's and uploads them to the Procurement intranet site.
- Emails the link for the stamped approved Bid Tabs and CCR's to all Agencies.
