

Purchasing Policies and Practices Overview



Presented to the
Natural Resources Commission
on June 3, 2010

Rules for Purchasing



- State and federal law
- State rules and regulation
- Governor's Directives
- Department policies and procedures
- Power resides in DTMB
 - Delegated to agencies

Purchasing “Players”



- DTMB - Procurement (commodities and services)
- DTMB - VTS (vehicles)
- DTMB - Technology (IT contracts and equipment)
- DTMB - Facilities (Construction)
- DTMB - State Budget Office (spending restrictions)
- DTMB - State Employer (service contracts)
- Civil Service Commission (service contracts)
- Administrative Board (all major purchases, grants, and leases)
- Legislature (boilerplate or statute)
- Federal Government (debarment, Davis Bacon Act)

Purchasing Objectives



- Best value (fair and reasonable pricing)
 - Generally, best price
- Open, transparent, and fair process
 - Highly structured and objective
- Vendor preferences and diversity efforts
 - Disabled veterans (5%)
 - Small business and underrepresented groups
 - USA based
 - Michigan based

Commodities Under \$10,000



- Under \$2,500 – purchase order not required
- Statewide contract - use if available, at any value
- P Card (467 on resource side and 136 on environment side)
- Division handles bids (\$2,500 - \$10,000)

Commodities Between \$10,000 – \$25,000



- DNRE Central Procurement bids and awards
- “Bid4Michigan” website
- Division level approvals

Commodities Over \$25,000



- DTMB Procurement
- Department central office level approvals

Services



- Must obtain Civil Service and Office of State Employer approvals (“Why not state employees?”)
- Can not use P cards (federal tax reporting issues, as well as approvals)
- Statement of work (must be clear) and terms and conditions (state standards)

Construction



- DTMB Facilities
- Construction engineering and oversight
- “Prevailing Wage” rules apply

Major Spending Areas



- License and reservation systems
- Equipment and vehicles
- Computers and other IT
- Fish food
- Maintenance, repairs, and operations
- Research contracts
- Construction

Thank you!



Questions?