

0620.03 Submission of Contracts and Contract Amendments by DTMB Procurement

Issued: January 13, 2014

SUBJECT: Submission of new Contracts and Contract Amendments for Goods and Services to the Finance and Claims Committee of the State Administrative Board

APPLICATION: Department of Technology, Management and Budget, Procurement Division

PURPOSE: To communicate the procedures for the Department of Technology, Management, and Budget, Procurement Division for submission of new contracts and contract amendments for approval by the State Administrative Board.

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

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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 for Ad Board approval.

APPLICABLE FORMS DTMB-3529 Bid Tabulation and Recommendation for New Contract Award (Bid Tab)
DTMB-3530 Contract Change Recommendation (CCR)

PROCEDURES:

Requesting Agency:

- Determines whether Ad Board approval is required pursuant to the August 30, 2011 Ad Board Resolution 2011-1 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:
 - 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 prior 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.
 - 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 contract reports are placed in the Special Items Section of the F&C Agenda.

- If the new contract requires Ad Board approval, a 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 approval prior to execution.
 - Once \$125,000 in amendments has been approved for a contract or purchase order, amendments may accumulate up 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 contract and does not require Ad Board approval unless money to fund the option is also being added and the new amount requires Ad Board approval.
 - If the proposed action is exercising multiple option years, 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, the CCR must state that the current contract language allows the amendment.
 - If the proposed action is a change in scope of the contract (including extension beyond the 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 contract reports are placed in the Special Items Section of the F&C Agenda.
- DTMB Procurement logs the Bid Tabs and CCR's that have been signed by the buyer and their manager(s) and delivers them to the Ad Board Secretary.

Ad Board Secretary:

- Reviews the submissions.
- Tracks items with unexpired protest periods and items with unresolved protests.
- Forwards the Bid Tabs and CCR's to the Procurement Director for final review and signature.
- 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 submitted.
- 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 for the F&C on the Ad Board website.
- Emails the links to the committee recommendations to the Ad Board for action.

- Attends and takes minutes at the Ad Board meeting.
- 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.
- Stamps the Bid Tabs and CCR's "approved" and distributes them to DTMB Procurement.
