



STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT & BUDGET
LANSING

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GOVERNOR

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DIRECTOR

June 30, 2004

ACQUISITION SERVICES LETTER NO. 121

TO: All Departments and Agencies

SUBJECT: Purchase of Printing Services

In an effort to assist agencies in obtaining the best quality and most cost effective **Printing Services**, delegated purchasing authority for ALL printing projects was reduced to \$500.00, effective October 1, 2003 with the issuance of Acquisition Services Letter No. 118. This change allowed the State to maximize the use of equipment already owned by the State. ALL printing projects exceeding \$500.00 **MUST** be submitted to DMB Print and Mail Consulting Services. This letter is to reiterate the new policy and provide additional information and clarification to the process. This letter supersedes Acquisition Services' Letters 115 and 118.

DMB Print and Mail Consulting Services will manage the completion of print projects in the most timely and cost effective manner. This may include doing the work in-house or subcontracting the work to a private print company based on an pre-qualified bid process. A program has been established that allows Print and Mail Consulting Services to handle projects between \$500.00 and \$100,000.00 in an expedited manner if the project will not be produced in-house. MAIN has been modified to facilitate changes to delegated authority. A new Administrative Guide to State Government procedure will be established. Attached is more detailed information regarding the process that will be used for print projects.

The attached process does not apply to Rapid Copy orders. Agencies in the Lansing area are reminded to obtain all copying services from DMB Rapid Copy Centers. Agencies should utilize w3.michigan.gov/rapidcopy for submission of these projects.

It is our hope that this process provides agencies with quality print documents in a timely manner, while at the same time streamlining the acquisition process and achieving significant overall cost savings for the State. If you have any questions, or need further assistance, please contact Acquisition Services at (517) 335-0230.


Sean L. Carlson
Director
Acquisition Services

APPROVED:


Mitch Irwin
Director

Delegated Authority for Print Services

May 1, 2004

Introduction

Delegated purchasing authority for Print Services is \$500.00. This includes the following types of print services:

- ◆ Bound Booklets
- ◆ Brochures
- ◆ Bulletins
- ◆ Business Cards
- ◆ Composition/Design
- ◆ Envelopes
- ◆ Forms
- ◆ Interior Signage
- ◆ Letterhead
- ◆ Copying (excluding FOIA)
- ◆ Mail Merges
- ◆ Manuals
- ◆ Newsletters
- ◆ Posters

ALL printing projects that exceed \$500.00 MUST be submitted to DMB Print and Mail Consulting Services (P&MCS) and they will manage getting the project completed in the most timely and cost effective manner. This may include doing the work in-house and billing the agency or subcontracting the work to a private print company based on a bid process and billing the agency.

A new program has been established and approved for use on print projects that have an estimated value between \$500.00 and \$100,000.00 (except those that are already handled through an agency specific contract currently in place). The new program is effective May 1, 2004. A pre-qualified list of vendors has been established by DMB Acquisition Services through a formal certification process. The State Administrative Board has approved this program so each individual print project does not need to be submitted to the Board for approval. Appropriate approval paths have been updated.

Process

When a need for printing services arises, the following shall occur:

1. **Agency Submittal** - Agency creates Requisition in MAIN using the following:
 - Commodity code from the 966 series
 - Vendor ID 2386000134 mail code 881 for DMB P&MCS
 - 'OS' document type (agencies should verify user security profiles and document approval paths for this program)
 - Description of printing that is needed
 - Government estimated cost (can be based on historical or industry information, or the agency can work with DMB P&MCS)

Agencies can still use the Print Order Form DMB-598 instead of the above requisition process. This form is available online at www.michigan.gov/DMB (click on Agency Services, then Printing Services). The form can then be sent to DMB P&MCS by fax at (517) 322-5968 or by ID mail at General Services Building, State Secondary Complex.

2. **Agency Justification** - Agency must indicate which of the following criteria the print project meets (for projects under \$25,000.00, use the notepad of the requisition; for projects over \$25,000.00, submit a properly executed AS-1 to DMB P&MCS):
 - o Legal mandate, court order, or for law enforcement purposes
 - o To protect health or safety of Michigan citizens or visitors
 - o To provide for the basic living requirements of residents in state institutions or facilities, including but not limited to food, clothing, and prescription drugs
 - o It is essential to the continued functioning of a legally-mandated program or activity of state government
 - o To produce budgetary savings or increased state revenue, including the prevention of the loss of Federal funds, and to secure additional funds
 - o Exemption by State Budget Director (services only - per 2003-5)

3. **Routing** - Upon posting by the agency, the Requisition will route to DMB P&MCS at mailbox 07112900, level 150.

4. **Submittal of Attachments** - Attachments to Requisitions (i.e. copy of the document to be printed) can be sent to DMB P&MCS the following ways (make sure the Requisition number is referenced):
 - o Larger files can be uploaded to DMB P&MCS' FTP site (please contact them at 322-1889 for instructions).
 - o Smaller files can be either:
 - E-mailed to DMB P&MCS at DMB-PGS-Elec_Files@michigan.gov.
 - Sent to DMB P&MCS through ID Mail at the General Services Building, State Secondary Complex

5. **DMB P&G Assignment** - The Requisition will be reviewed and assigned to a consultant. Once assigned, the consultant's name and phone number will be entered into the notepad and the Requisition will be moved to mailbox 07112900, level 200. The Requisition will remain in this mailbox in an 'approved' status (not posted) until the print project is completed.

6. **In-House Production Process** - If it is determined that DMB P&MCS **does** have the capacity and capability to produce the document needed and can deliver within the time frame required by the agency, the materials will be produced in-house. DMB P&MCS will work with the requesting agency on final production of the documents and establishing the price. Once the project is completed, the documents will be delivered as instructed by the agency and the Requisition will be posted by DMB P&MCS. The agency will then be invoiced using an R*Stars Interface Billing (inter-agency billing) for the cost of the print project, including the appropriate DMB rate.
 - o The requesting agency will then need to enter a document cancellation (screen 8500) in order to release any pre-encumbered funds.

7. **Outsourcing Process** - If it is determined that DMB P&MCS **does not** have the capacity or capability to produce the document needed or cannot deliver within the time frame required by the agency, the production of the materials will be outsourced to a private print company. DMB P&MCS will manage the informal bid process as follows:
 - o Send the requirements out to all vendors on the pre-qualified list for the category of product needed.
 - o Vendors are to respond electronically within 48 hours (in most cases).

- DMB P&MCS determines which vendor can meet the requirements and offers the best price.
 - DMB P&MCS issues a purchase order (through DMB Procurement) to the vendor selected.
 - Once the project is completed, the documents will be delivered as instructed by the agency and the Requisition will be posted by DMB P&MCS.
 - The agency will then be invoiced using an R*Stars Interface Billing (inter-agency billing) for the cost of the print project, including the appropriate DMB rate.
 - The requesting agency will then need to enter a document cancellation (screen 8500) in order to change the requisition status to close and release any pre-encumbered funds.
 - If the bids received are considered excessive (greatly exceeding market rates), DMB P&MCS can choose to not make an award and handle the project in-house, if they can offer the agency considerably better pricing. In this case, the decision will be discussed with the agency and the bidders will also be notified.
8. **Cost Over Approval** - If the award amount of a project exceeds the agency estimate included on the Requisition but is considered reasonable, DMB P&MCS will contact the agency for approval to proceed. The requisition will then be rejected so the agency can revise the amount and resubmit (to demonstrate their approval of the award).
9. **Quantity Increase** - Increase If the agency needs to increase the quantity after issuance of the purchase order, a new requisition will need to be submitted (referencing the original order).
- If the agency needs to revise the quantity prior to award, DMB P&MCS can reject the requisition so the agency can update the quantity and resubmit.

Exceptions to this Program

If DMB P&MCS reviews a Requisition with an estimated value between \$500.00 and \$100,000.00 and determines that the project should be handled by Acquisition Services, the Requisition will be rejected back to the agency initiator. The agency will be instructed to resubmit the Requisition using the 'RA' document type which will route the Requisition to Acquisition Services. Acquisition Services will issue an ITB for the project.

- A purchase order or multiple year contract may be issued, depending on what is determined to be in the best interest of the State. If an agency specific contract is established, releases against the contract will be able to be issued without routing through DMB Acquisition Services.

Also, please note that **Printing Projects with an estimated value that exceeds \$100,000.00 are not part of the above program.** Those Requisitions will automatically route to Acquisition Services. A formal ITB may be issued and State Administrative Board approval may be required for each project.