

0510.15 Procuring Direct Human Services and Medical Services – General – Pre-Award

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PURPOSE

To specify the policies and procedures for procuring direct human services and medical services.

APPLICATION

Executive Branch Departments and Sub-units.

CONTACT AGENCY

Department of Technology, Management and Budget (DTMB)
Procurement

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SUMMARY

The following services may be purchased directly by Executive Branch Departments (department) in any dollar amounts subject to the procedures and conditions below.

Medical Services – Clinical services provided directly by members of any health occupation licensed or registered by the Bureau of Health Services, Michigan Department of Licensing and Regulatory Affairs (LARA), except services licensed by the Board of Pharmacy and managed care medical services.

Direct Human Services – Services directly concerned with investigation, treatment and material aid of the economically underprivileged and socially deprived. (If not primarily a direct delivery of service to individual clients, the services must be handled pursuant to Administrative Guide Procedures 0510.30-38 for solicitations going through DTMB Procurement and 0510.01 for Delegated Purchase Authority requests).

Conditions

- The department's procurement procedures for these services must be approved by the Director of DTMB Procurement.
- The department's standard contract terms and conditions used for these services must be approved by the Director of DTMB Procurement.
- The department must specifically authorize, in writing, those employees who can execute contracts on behalf of the department.

- All procurements under this procedure are subject to review and audit by DTMB. Violations by departments may result in the loss of delegated authority.

APPLICABLE FORMS AND PROCESSES

Bid4Michigan (in future, DTMB Public Procurement Web Tool)

- Solicitation Notice
- Attachments
- Addendums
- Responses
- Notice of Award/Award
- Notice of Recommendation
- Notice of Award/Award
- Posted Comments

Civil Service

Civil Service Annual Disclosure

Developed outside of Bid4Michigan

- Solicitation Attachments (RFQ/ITB/RFP)
- Solicitation Responses (if hardcopy response allowed) (Quotes, Bids, Proposals)
- Confidentiality Statements
- Disclosure/Conflict of Interest Form

DTMB Procurement Procedures & Policy Letters

- Service Level Agreement Letter (SLA) for solicitations and amendments
- Signature Authority Letter (Purchasing Operations PL127)
- Internal Procedures for Quotes, Invitations to Bid (ITB) and Requests for Proposal (RFP)
- Procurement Definitions Document

iTRAC

iTRAC Request

Purchase Request Form (PRF) in iTRAC

MAIN

- Requisition Header (REQ) (PCHL2100)
- Purchase Order (PO) (PCHL2340)

- Blanket Purchase Order (BPO) (PCHL2342)
- Direct Purchase Order (DPO) (PCHL2360)
- Advice of Change (AOC) (PCHL8010)
- CS-138 Contractual Services Request (PCHL2117)

Procurement Documentation

- Contract Management Toolkit (optional for purchases at or below \$25,000; mandatory for purchases over \$25,000)
 - Project Assessment of Risk (PAR)
 - Project Plan
- iTRAC System:
 - Status updates, tracking, comments and attachments
 - iTRAC Instructions

PROCEDURES

Agency and DTMB Procurement Approvals

- Internal and external approvals must be obtained and documented according to agency policies and procedures, including provisions surrounding delegated and signature authority.

Agency

- Must follow its 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.
 - Completes a PRF in iTRAC Request (see iTRAC PRF Instructions), posts an ADPICS REQ (PCHL2100) in MAIN and obtains CS-138 approval (see Administrative Guide Procedure 0510.30 Procurement Request).
 - Enters the CS-138 ID value in the appropriate field(s) on the purchasing documents. Uses the National Institute for Governmental Purchasing (NIGP) commodity code that most accurately describes the services needed (found in Bid4Michigan system).
 - In the event the appropriate code is not in MAIN, it must be added to MAIN prior to posting of the award (DPO/PO/BPO). Procurement technicians in DTMB Procurement have the necessary security to add commodity codes to MAIN.
- Determines if the need will be best satisfied by Special Personal Services or an independent contractor (see the [Civil Service Commission website](http://www.michigan.gov/mdcs) (<http://www.michigan.gov/mdcs>)). If an independent contractor is determined to be the method, proceeds under the direction provided herein.

- If required service is available through a state contract/BPO, the item must be obtained via contract release from the contract. Contract releases may be processed by issuing a DPO (PCHL2360) or PO (PCHL2340) in MAIN, or through a procurement card or direct voucher if the contract is listed on the current list of contracts approved for alternate payments (DTMB Procurement Approved Alternate Payments List).
- If an educational institution, governmental agency or single source provider (if indicated by approved exemption to ban on single-source procurements) can best fulfill the need, writes a justification in accordance with the requirements and exemptions laid out in Public Act 431 of 1984, as amended.
- Documents exception to use the Bid4Michigan system for procurement, if applicable.
- Develops Statement of Work (SOW) according to Administrative Guide Procedure 0510.31 for IT professional services and performance based contracts, if needed.
 - Uses the RFP template for services for multi-year contracts for Direct Human Services. All templates also include detailed instructions for establishing a contract. Some example work statement templates for routine services are available on [DTMB Purchasing intranet](https://stateofmichigan.sharepoint.com/teams/insidemi/for-your-job/purchasing) (<https://stateofmichigan.sharepoint.com/teams/insidemi/for-your-job/purchasing>). Buyers in DTMB Procurement are available to help develop the specifications or work statement.
 - RFP attachment should include:
 - Description of the service required.
 - Deliverable schedule (if multiple deliverables are required, identify requirements for each) and period of time needed.
 - Cost model to propose pricing.
 - Any specialized licensing requirements.
 - Anticipated contract period.
 - Basis for payment.
 - Criteria for evaluating and awarding the contract.
 - Name of the contract administrator or contact person.
 - Any other information that would be beneficial to the vendor community in responding to the solicitation.
 - Agencies may find the need for site visits, oral presentations, etc. and should reserve the right to utilize these processes in the RFP.
 - Attach appropriate terms or conditions and any special requirements that apply to the solicitation proposed on Bid4Michigan.

- These terms and conditions must include:
 - Performance provisions specific to the work to be performed.
 - Provisions providing for indemnification of the state.
 - Insurance coverage and cancellation. The requirement for Commercial General Liability Insurance may be waived for individuals performing services, such as members of the clergy, if the risks to the state are low and the cost of the insurance is prohibitive to the individual performing the services. Appropriate professional liability insurance or errors and omissions insurance, such as medical malpractice insurance, is required, if applicable. For assistance in assessing risks and determining the insurance requirements and other appropriate contract language, contact DTMB Procurement.
- If the purchase is not from a contract and no exception has been applied, uses the appropriate solicitation type in the Bid4Michigan system to post the opportunity and obtain competitive responses in accordance with the solicitation process outlined in Administrative Guide Procedures 0510.01-38.
- If the value or duration of the contract exceeds the amount and/or duration previously approved by the Civil Service Commission, obtains a revised approval.
- Departments shall respond to bidder's requests for information concerning the status of awards and, on request, shall make evaluation, recommendation and award documentation available for review and examination subject to the Freedom of Information Act (FOIA).
- Completes a written contract with the bidder selected (contact DTMB Procurement for assistance if needed). The contract needs to be signed by an authorized representative of the department and the contractor.
- A written contract must be agreed to and signed by all parties before services begin and expenses are incurred.
- When a written contract has been agreed to and signed by all the parties no changes to specifications, quantity or price are allowed without a formal written amendment to the contract.
- Departments must provide bidders with a process whereby bidders may appeal award decisions made by the department. DTMB Procurement handles appeals on any of its award decisions.
- Department enters a purchasing document into ADPICS.
- Prior to posting a BPO (PCHL2342) in MAIN, a signed contract agreement must be executed. (For additional guidance regarding steps required to develop a contract agreement, see Administrative Guide Procedure 0510.35)

Recommendation of Award, 0510.36 State Administrative Board and Award, and 0610.02 Contracting.)

- Posts Award in Bid4Michigan, entering DPO/PO/BPO (from MAIN) number and date executed.
- Places all documentation of the procurement process, performance and payment documentation in the appropriate bid folder/contract folder for future reference and use.

DTMB Procurement

- Requisitions are electronically forwarded to DTMB Procurement through MAIN if (1) the document type “OP” is used, or (2) the value is greater than \$25,000, except as otherwise provided by DTMB Procurement in writing. Along with the REQ routing through MAIN, a PRF is completed in iTRAC for routing and tracking through DTMB Procurement.
- The requisitions and iTRAC requests are assigned to the appropriate DTMB Procurement buyer for processing in accordance with Administrative Guide Procedures 0510.30-0610.04, updating status in iTRAC throughout the process to keep agency fully informed.
- Places all documentation of the solicitation process in the appropriate bid folder/contract folder for future reference and use.

Authority

- Public Act 91 of 2005 (Service Disabled Vet Preference)
- Public Act 112 of 1988 (Persons with Disabilities)
- Public Act 124 of 1999 (requirement to post all requests estimated at or over \$50,000 on a public Website)
- Public Act 237 of 1988 (Reciprocal Preference Table)
- Public Act 431 of 1984, as amended (governing authority)
