

APPROVED

JAN 24 2017

RECOMMENDATION FOR ADOPTION OF A RESOLUTION
Department of Technology, Management and Budget, State Facilities Administration

**MICHIGAN STATE
ADMINISTRATIVE BOARD**

RECOMMENDATION FOR ADOPTION OF A RESOLUTION IN CONSTRUCTION CONTRACTS
(This resolution is the newly adopted threshold limits, and will replace previous resolution dated December 10, 1997.)

The State Administrative Board has historically granted the Director of the Department of Technology, Management and Budget authority for the award of certain professional services and construction contracts, the release of funds from lump sums appropriations and defined construction contract revisions. This authority enables DTMB to expeditiously carry out its responsibilities in the state building, remodeling and repair arena. The State Administrative Board's last action relative to this was a May 6, 1997, adoption of a resolution.

The Department of Technology, Management and Budget is now recommending a revision to the delegated authority to reflect current construction process and operational need.

Meeting the needs of state agencies in a continuously changing environment and responding to field conditions in an expedited manner are essential to a timely, cost effective construction program. The proposed resolution includes the following changes:

- A. The addition of language in item (1) granting DTMB the authority to award contracts less than \$500,000.
- B. Changing the limits in item (4) on when the director may authorize contract revisions.

**RECOMMENDATION FOR REPLACEMENT OF RESOLUTIONS APPROVED
BY THE STATE ADMINISTRATIVE BOARD ON MARCH 19, 1996, MAY 6, 1997 AND
DECEMBER 16, 1997, except as provided on Section 9 below as to the December 16, 1997
Resolution**

WHEREAS, pursuant to the provisions of Act No. 2 of the Public Acts of 1921, the State Administrative Board was created to promote efficiency of State Government, and

WHEREAS, pursuant to the powers and duties vested by law to the State Administrative Board, the Board in the exercising of its powers and duties conferred and imposed by virtue of the Act creating it, adopted rules and regulations which provided for all contracts for construction, alternations, or repairing of buildings, structures, and leased facilities to be submitted to the Administrative Board for final determination; and

WHEREAS, the Department of Technology, Management and Budget, is desirous of carrying out its responsibilities in the awarding of contracts for professional services, construction and leased space and making changes thereto in the most efficient and expedient manner in order to avoid delays and increased costs resulting therefrom; now, therefore, be it

RESOLVED BY THE STATE ADMINISTRATIVE BOARD of the State of Michigan as follows:

1. Contracts for professional services awarded by the Department of Technology, Management and Budget and concurred with by the Joint Capital Outlay Subcommittee of the Senate and House of Representatives for preliminary planning, other than the contracts for institutions of higher education which have not specifically designated the

Department of Management and Budget as their agent for that specific purpose on the project, may be extended by the Director, Department of Technology, Management and Budget, through the final planning phase and the construction stage. The Director, Department of Technology, Management and Budget, or an authorized representative, is authorized to award construction contracts of less than \$500,000.

2. The Director, Department of Technology, Management and Budget, is authorized to release funds from lump sum appropriations for Special Maintenance, Remodeling and Additions, Energy, Environmental, Agency Projects and Fire Protection projects for all required professional service and construction contracts.
3. The Director, Department of Technology, Management and Budget, or an authorized representative, is authorized to award professional services and construction contracts to study, plan, construct and equip projects authorized from operating appropriations and lump sum appropriations for Special Maintenance, Remodeling and Additions, Energy, Environmental, and Fire Protection projects. Construction contracts shall be awarded to the, "*Responsive and responsible best value bidder,*" after being advertised publicly.
4. Authorizations for construction contract revisions shall be made by the State Administrative Board, except that the Director, Department of Technology, Management and Budget, or an authorized representative, may authorize those revisions which come under the following categories:
 - a. The aggregate cost of such revisions does not exceed 5 percent of the original contract amount or \$500,000 whichever is greater.
 - b. Notwithstanding the requirements of a above, any revision of less than \$10,000.
 - c. Notwithstanding the requirements of a and b above, any contract revision resulting in a reduction in the contract amount, or when aggregate contract is less than the original contract amount.
 - d. All extensions of contract time for weather-related delays, authorized additional work, or late delivery of materials or documents.
5. Authorization for tenant improvements to leased facilities shall be made by the State Administrative Board, except that the Director, Department of Technology, Management and Budget, or authorized representative, may authorize revisions on leased facilities wherein the aggregate cost of such revisions shall not exceed \$50,000, in a fiscal year, for leased facilities over 12,000 rentable square feet and \$25,000, in a fiscal year, for leased facilities having less than 12,000 rentable square feet.
6. All contracts and revisions to the contracts indicated in items 3 and 4, and revisions to leased facilities indicated in item 5, shall be reported quarterly through the Building Committee to the State Administrative Board.
7. This resolution shall take immediate effect and shall apply with regards to existing contracts and leases as well as contracts and leases approved after the date of this resolution.

8. This resolution shall supersede and void the resolution approved by the State Administrative Board on March 19, 1996, and May 6, 1997.
9. The December 16, 1997 resolution's threshold amounts shall apply to any new/existing contracts for the City of Flint owned infrastructure.

This Resolution is effective January 24, 2017.