

0510.38 Emergency Purchase – *Post-Award*

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SUBJECT: Emergency Purchase – *Post-Award*.

APPLICATION: Executive Branch Departments and Sub-units.

PURPOSE: To identify the policies and procedures for procuring commodities and services in emergency situations. This process is mandatory for all agencies that need to make emergency purchases, and under normal conditions would go through DTMB Procurement.

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SUMMARY: An emergency purchase is defined as:

- A purchase in an emergency situation of a commodity or service which has a value in excess of a department's delegated purchasing authority. **and**
- A purchase made to protect the immediate health, safety or welfare of individuals or property.

Emergency purchase is **not** a process to be utilized as a result of failure to begin a procurement process with adequate time to follow state purchasing policies and procedures.

APPLICABLE FORMS: MAIN ADPICS:
Purchase Order (PO) (PCHL2340)
Direct Purchase Order (DPO) (PCHL2360)
CS-138 Contractual Services Request (PCHL2117)

PROCEDURES:

Agency and DTMB Procurement Approvals:

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

Agency:

- Determines that an emergency exists and that a service or commodity is needed to protect individuals, property or governmental services.
- May identify a suggested vendor to provide the commodity or service.
- If the emergency occurs during regular working hours, program office contacts and/or forwards request to appropriate agency procurement staff for processing. If required by agency, this request must include the nature of the emergency, a description of the commodity or service that is needed, and the name and address of a suggested vendor if one has been identified.

- If the commodity or service needed is on an existing contract, calls the contract vendor. If the contract vendor is unable to provide the commodity or service in time to address the emergency, contacts as many vendors by phone as time permits, including the suggested vendor, to get price quotations (bids) and delivery dates/times for the service or commodity. If time does not permit, contacts the suggested vendor or a known vendor to get a price quotation and delivery dates/times.
- If the emergency occurs during a weekend or after regular working hours, these tasks are performed by department program staff.
- Processes and issues a purchase order (PO) using document type "EP" to the suggested or known vendor who can meet the immediate needs of the agency. Enters in the electronic Note Pad of the PO a description of the emergency.
- Off-hours emergency purchases may be handled through a temporary increase to a procurement card limit, or an agreement with the vendor followed by a direct voucher payment of the invoice, utilizing correct emergency purchase document types and justifications (see Administrative Guide Procedure 0510.17 Procurement Card Usage and State Budget Office, Financial Management Guide published procedures for direct voucher).
- Notifies the State Administrative Board (see Administrative Guide Procedure 0620.02); the Michigan Civil Service Commission; and other sources, if applicable.

DTMB Procurement:

- Runs periodic reports to review emergency purchases made by agencies for appropriate use and policy compliance.

Authority:

- Public 431 of 1984, as amended (governing authority).
