

0510.39 Purchasing Alliance Program – Pre-Award

Issued: February 9, 2011

Revised: July 31, 2012

SUBJECT: Purchasing Alliance (PAL) Program – *Pre-Award*.

APPLICATION: Executive Branch Departments and Sub-units.

PURPOSE: To identify the policies and procedures for procuring goods, services and Information Technology (IT) equipment/products/services designated under non-standard delegated authority as a Purchasing Alliance (PAL) Program procurement.

CONTACT AGENCY: Department of Technology, Management and Budget (DTMB)
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SUMMARY: Non-standard delegated authority under the designation of a Purchasing Alliance (PAL) Program procurement is awarded/granted by the Director of DTMB Procurement for a particular purchase type, for a set period of time, or for a one-time purchase or group of purchases determined to be appropriate for an agency to manage the procurement process under the guidance and oversight of DTMB.

The objective of the Purchasing Alliance (PAL) Program is to establish reasonable standards for DTMB Procurement to ally with agency purchasing and authorize them to handle purchases that exceed current standard delegated authority levels. This program allows DTMB Procurement to set designated ceilings based on pre-defined purchasing criteria for each agency. PAL also defines both the procurement process that the agencies will follow and the method DTMB Procurement will use to monitor their utilization of the program. PAL does not affect the purchases that currently fall within existing delegated authority levels, or are not under the DTMB authority (see Administrative Guide Procedure 0510.01 Delegated Purchase Authority).

DTMB has the statutory responsibility to prepare specifications, establish terms and conditions, and procure goods and services required for the operation of the Executive Branch of state government.

DTMB Procurement delegates purchasing authority privileges to state agencies for procurements up to specific dollar thresholds. The delegating authority is based on the Management and Budget Act, P.A. 431 of 1984, Section 18.1261 (4), which state in pertinent part:

The department may delegate its procurement authority to other state agencies within dollar limitations and for designated types of procurements. The department may withdraw delegated authority upon a finding that a state agency did not comply with departmental procurement directives.

The above reference of the public act implies that DTMB may delegate and will monitor delegated authority in order to determine any “finding that a state agency did not comply with departmental procurement directives”.

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

APPLICABLE FORMS AND PROCESSES:

DTMB Purchase Request Form (PRF)
iTRAC Request
Civil Service Annual Disclosure
Bid4Michigan System (in future, DTMB Public Procurement Web Tool)

MAIN Electronic Documents & Processes:

- Purchase Order (PO) (PCHL2340)
- Direct Purchase Order (DPO) (PCHL2360)
- Contractual Services Request (CS-138) (PCHL2117)

Procurement Documentation:

- Solicitation Documents
- Responses
- Evaluation Summary
- Notice of Recommendation
- Notice of Award/Award
- Confidentiality Statements
- Conflict of Interest and Disclosure Form
- Contract Management Toolkit (optional for purchases at or below \$25,000; mandatory for purchases over \$25,000)
 - Project Assessment Report (PAR)
 - PAL Approval Request Form
 - Project Plan

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.

Michigan Civil Service Commission Approval for Services:

- The disbursement of funds to pay for services performed by an independent contractor must have the prior approval of the Michigan Civil Service Commission pursuant to PRF/CS-138 process (PCHL2117). See the Michigan Civil Service Commission Website at www.michigan.gov/mdcs.

DTMB Procurement:

- Conducts an evaluation of each agency to determine an appropriate dollar threshold for any PAL projects proposed by the agency. This rating and threshold will be reviewed periodically.
- Notifies agency of results of the evaluation and approved dollar threshold for their Pal projects.

Agency:

- Must follow its department's internal procurement policies and procedures, recognizing that the policies and procedures of the delegated authority supersede those of the department in the event of a conflict.
- Determines that a specific procurement over delegated authority but within their PAL limit is a suitable project to partner with DTMB Procurement and manage as a PAL procurement.
- Submits a completed PAL Approval Request Form (Attachment 1) through iTRAC, along with a Purchase Request Form (PRF) and the Project Assessment Report (PAR) forms.

DTMB Procurement:

- Reviews submitted PAL request for approval or denial.
- If the PAL Approval Request Form is approved by the Chief Procurement Officer (or designee), notifies the agency of their authority to handle the requested project; and a DTMB Procurement Project Manager will be assigned as the agency contact for all matters and approvals throughout the initiative.
- Updates iTRAC with decisions/comments.

Agency:

- Completes the solicitation process in accordance with DTMB Procurement Administrative Guide procedures, policies and internal processes for DTMB-issued solicitations.
- Process drivers include:
 - Project Assessment Report (PAR).
 - Contract Management Tool Kit.
 - PAL Project Plan checklist, which will be used as a guide through the project to supplement the Contract Management Project Plan.
 - Contract Management Project Plan.
- At selected intervals throughout the project DTMB Procurement project management approvals shall be sought in accordance with the established Contract Management Project Plan. These approval requirements will be based on the established project risk level and derived from pre-determined milestones in the project (see the PAL Project Plan checklist for details).
- Upon completion of the project solicitation, evaluation, recommendation, DTMB Project Management reviews, and obtaining vendor signature on contract document according to the approved project plan, agency will draft bid tabulation and submit to the State Administrative Board secretary for Finance & Claims Committee and State Administrative Board approvals.

DTMB Procurement:

- Upon State Administrative Board approval, the contract will be signed by DTMB Procurement assigned staff (or designee) according to signature authority policies and PAL Project Plan.
- Updates iTRAC.

Agency:

- All original documentation will be placed in the contract file by the agency in the format/structure requested and a copy sent to DTMB Procurement.
- A copy of the contract file should be maintained at the agency office for future reference.
- Contract administration oversight will be the responsibility of the agency. All required components of the Contract Management Tool Kit shall be utilized.
- Requested contract change notices will be initiated by the agency with the assigned DTMB Procurement Project Manager's approval.

DTMB Procurement and Agency:

- Retains all records according to the appropriate Retention and Disposal Schedules.

DTMB Procurement:

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

Authority:

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

Attachment 1

PAL Approval Request Form

Part I - General		
1. Purchase Division: <input type="checkbox"/> Commodity <input type="checkbox"/> Service <input type="checkbox"/> IT <input type="checkbox"/> Other	2. REQ Number:	3. REQ Title:
4. Requesting Agency Name	5. Estimated Dollar Value of Contract	
6. Person completing this request	7. Authorized approver for this request	

Part II – Project Submittals	
Item	
Description of Project:	
Agency Contract Administrator:	
Agency Contract Compliance Inspector:	
Is the Purchase Request Form (PRF) complete and attached?	<input type="checkbox"/> Yes, <input type="checkbox"/> No, <input type="checkbox"/> Other,
Is the Project Assessment Report (PAR) completed and attached?	<input type="checkbox"/> Yes, <input type="checkbox"/> No, <input type="checkbox"/> Other,

DTMB Approvals:

Agency PAR Rating in dollars:	\$
Approved for PAL project	<input type="checkbox"/> Yes, <input type="checkbox"/> No, <input type="checkbox"/> Other,
Chief Procurement Officer (or designee)	Date:
Project Manager Assigned: This is the Procurement contact for this project.	

C: Agency
DTMB Division Manager

This record will become part of the contract file.