

# DHMH PROCUREMENT MANUAL

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## PREFACE

The purpose of this procurement manual is to provide general information to DHMH programs regarding the various types of procurements they will encounter. This manual includes general procedures for, and background information on, various procurement elements. Any exceptions to the procedures listed are dealt with on a case-by-case basis. Programs should consult with their procurement unit for assistance during the procurement process. Fiscal Forms can be found on your program's Intranet and OPASS forms can be found on the OPASS Standard Forms Page at [http://dhmh.maryland.gov/pages/sf\\_dcpf.aspx](http://dhmh.maryland.gov/pages/sf_dcpf.aspx)

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## SECTION 1 – FISCAL INFORMATION

### Definition:

- 1) Service: the purchase of time, effort, or work not involving a specific physical product other than reports incidental to support program operations. In general, any object code beginning with "04" or "08" pertains to a service.
- 2) Commodity: purchases that involve a physical product. In general, any object code beginning with "09", "10", or "11" pertains to a commodity. For DHMH purposes, licenses, dues, or subscriptions are object "13" expenditures that are considered to be commodities.

### 1.1 THE CORPORATE PURCHASING CARD (CPC)

**Responsibility:** Corporate purchasing cardholders

**Purpose:** To allow designated staff to purchase goods and services totaling \$5,000 or less using a corporate purchasing card.

**Supporting Documentation:** Corporate Purchasing Card information is located in the Fiscal section of your unit's Intranet.

### INTRODUCTION

CPCs are issued in the name of individual employees. The card must only be used by the person issued the card. No exceptions can be made.

### PROCEDURE

1. Receive an Approval Request Form from staff requesting purchase.
2. Determine if the commodity or service is a prohibited item. The CPC cannot be used for food (purchased from restaurants, grocery stores), alcohol, airfare, or personal services. The CPC can be used for catering services; however, you should choose an SBR caterer and you must attach an attendee list and agenda to your receipt/invoice for audit trail purposes.
3. Contact vendors in the following order for all purchases:
  - A. Preferred Provider
    - Maryland Correctional Enterprises (MCE)
    - Blind Industries and Services of MD
    - Maryland WorksIf any of the Preferred Providers can furnish the commodity or service, that vendor must be used.
  - B. Statewide Contracts  
<http://www.dgs.maryland.gov/Procurement/StatewideContracts/commodities.html>  
If any of the vendors listed on the website provide the commodity or service, that vendor must be used.
  - C. Lowest Bid Price (purchases of \$2,500 and under do not require bids)
    - Contact a minimum of three vendors and use MBEs or SBRs whenever possible. To facilitate this process, invite your vendor pool to register as an MBE and/or SBR.
    - Develop a bid board notice describing the product or service to be purchased. This bid board notice should be written by the staff member who requested the purchase. Each

vendor on the list must be presented with the bid board notice either by e-mail or fax. The bid board notice should include an area for vendors to submit their quote and contact info. NOTE: If a vendor asks for information not provided in the bid board notice, all vendors contacted must receive the additional information provided. Vendors must be asked to respond with their bid price by e-mail or fax on or before a preset date.

- After bids are received, the cardholder must accept the lowest bid price. This only applies to purchases with an estimated value of over \$2,500.
- D. Sole Source (applies to purchases over \$2,500)-Generally, conference registrations, subscriptions to professional journals/periodicals, hotel registration for conferences, training sessions etc. are recognized as sole source procurements. Any travel paperwork must be completed in advance. If you are unsure whether your purchase is a sole source, then please contact your procurement unit.
4. Complete the CPC Approval Form and obtain the signatures of the fiscal officer and the office director.
  5. Contact the vendor to make the purchase. The cardholder must notify the vendor at the time of purchase that the purchase is Maryland State tax-exempt.
  6. Keep all original documentation including invoices, receipts, packing slips, and cash register receipts. NOTE: The cardholder should keep documentation (sole source form) to verify that the purchase is a sole source.

## 1.2 THE NON-CPC SERVICES FORM

**Responsibility:** Designated staff

**Purpose:** To allow designated staff to purchase services totaling \$5,000 or less from vendors who do not accept the CPC.

**Supportive Documentation:** Non-CPC Services Form information is located in the Fiscal section of your unit's Intranet.

### PROCEDURE

1. Complete a Non-CPC Services Form.
2. Contact vendors in the following order for all purchases:
  - A. Preferred Provider
    - Maryland Correctional Enterprises (MCE)
    - Blind Industries and Services of MD
    - Maryland WorksIf any of the Preferred Providers can furnish the service, that vendor must be used.
  - B. Statewide Contracts  
<http://www.dgs.maryland.gov/Procurement/StatewideContracts/commodities.html>  
If any of the vendors listed on the website provide the service, that vendor must be used.
  - C. Lowest Bid Price (purchases of \$2,500 and under do not require bids)
    - Contact a minimum of three vendors and use MBEs or SBRs whenever possible. To facilitate this process, invite your vendor pool to register as an MBE and/or SBR.
    - Develop a bid board notice describing the service to be purchased. This bid board notice should be written by the staff member who requested the purchase. Each vendor on the list must be presented with the bid board notice either by e-mail or fax. The bid board

notice should include an area for vendors to submit their quote and contact info. NOTE: If a vendor asks for information not provided in the bid board notice, all vendors contacted must receive the additional information provided. Vendors must be asked to respond with their bid price by e-mail or fax on or before a preset date.

- After bids are received, the staffperson must accept the lowest bid price. This only applies to purchases with an estimated value of over \$2,500.
- D. Sole Source (applies to purchases over \$2,500)-Generally, conference registrations, subscriptions to professional journals/periodicals, hotel registration for conferences, training sessions etc. are recognized as sole source procurements. Any travel paperwork must be completed in advance. If you are unsure whether your purchase is a sole source, then please contact your procurement unit.
3. Contact the vendor to make the purchase.
  4. Keep all original documentation including non-CPC form, invoices, receipts, packing slips, and cash register receipts. NOTE: You should keep documentation (sole source form) to verify that subscriptions, conferences and training are sole source.

### 1.3 THE FUND CERTIFICATION FORM (FUND CERT)

**Responsibility:** Designated staff

**Purpose:** To allow designated staff to purchase services totaling over \$5,000, a Memorandum Of Understanding or Memorandum Of Agreement of any dollar amount, or services \$5,000 and under in which a BPO might be needed.

**Supportive Documentation:** Fund Cert Form information is located in the Fiscal section of your unit's Intranet. This web page will always have the latest version of the fund cert form. Please go to this web page and use a new form each time – do not re-use previous versions of the forms.

**Fund Cert Modification vs. Fund Cert Revision:** A modification is used for changes in the aggregate amount, term, and scope of service after the award has been made. These changes take place after the service has begun. A revision is used for changes in funding sources prior to the award of a contract, during the award process, or after the contract starts. A revision is also used for changes in the aggregate amount, term, and scope of service prior to the award of a contract.

#### PROCEDURE

1. Fill out the Fund Cert Form fields as indicated in its instructions.
2. If the vendor is a Preferred Provider or a sole source, then the vendor info should be entered in the vendor section. If not, then leave the vendor section blank. Your procurement unit will contact you regarding any vendor address changes or updates.
3. Fund Certs need to be signed by the appropriate personnel as noted in the signature area.
4. Your procurement unit will assign a Fund Cert number and a copy of the signed Fund Cert will be given to the program. If you fail to receive a copy, then please contact your procurement unit.
5. After an award is made from a solicitation, your procurement unit will enter the cost and vendor information for small procurements (\$25K and under). For large procurements (over \$25K), the program

will submit a new Fund Cert, still retaining the same fund cert number, and enter the cost and vendor information.

## **1.4 THE REQUISITION INPUT FORM (REQ INPUT)**

**Responsibility:** Designated staff

**Purpose:** To allow designated staff to purchase commodities totaling over \$5,000 or commodities \$5,000 and under in which the vendor doesn't accept a CPC.

**Supporting Documentation:** Requisition Input Form information is located in the Fiscal section of your unit's Intranet. This web page will always have the latest version of the Req Input form. Please go to this web page and use a new form each time – do not re-use previous versions of the forms.

### **PROCEDURE**

1. Fill out the Req Input Form fields as indicated in the instructions.
2. If the vendor is a Preferred Provider or a sole source, then the vendor information should be entered in the vendor section. If not, then leave the vendor section blank. Your procurement unit will contact you regarding any vendor address changes or updates.
3. Req Input forms need to be signed by the appropriate personnel as noted in the signature area.
4. A copy of the signed Req Input form will be given to the program. If you fail to receive a copy, then please contact your procurement unit.
5. After an award is made from a solicitation, your procurement unit will enter the cost and vendor information for small procurements (\$25K and under). For large procurements (over \$25K), the program will submit a new Req Input form and enter the cost and vendor information.

## SECTION 2 – SBR (SMALL BUSINESS RESERVE)

**Title:** Small Business Reserve (SBR) Program

**Responsibility:** Staff initiating a solicitation for either a bid or a proposal

**Purpose:** To provide instruction on SBR compliance so that Maryland meets the 10% mandated requirement for SBR contracts.

**Notes:**

- ▶ Grants (see Section 9) and MOUs are not subject to SBR requirements.
- ▶ In DHMH, SBRs are generally used for solicited procurements involving printing services, catering services, media services, commodities, and consulting services.
- ▶ Purchases exempt from the SBR requirement include purchases from a State Preferred Provider (MCE, MD Works, Blind Industries), a State Contract, or a Sole Source.

### 2.1 INTRODUCTION

The State of Maryland Small Business Reserve (SBR) Program is committed to the growth and success of small businesses. The SBR Program allows small businesses to bid on State contracts without competing with larger, more established companies.

Beginning October 1, 2004, designated agencies were required to award a minimum of 10 percent of their units' total dollar value of goods, supplies, services, maintenance, construction, construction related, architectural service and engineering service contracts to small businesses.

Complete information on the SBR program can be found at <http://goma.maryland.gov/Pages/sbr-Program.aspx> on the web.

**\*\*All procurements with private vendors should be treated as an SBR unless an exemption applies.\*\***

### 2.2 PROCEDURE

1. Determine the commodity or service scope and have your procurement unit go to the SBR directory on e-MM. If you want to do an SBR search yourself, then you must have an e-MM ID to continue (register at <https://emaryland.buyspeed.com/bsol/> or call 410-767-1492 for assistance).
  - A. After logging into e-MM, click on the "Vendors" tab and choose "Search".
  - B. Click on the "Small Business Reserve" box on the bottom of the screen.
  - C. Choose how you wish to search – you may know the vendor's name and want to search to see if they are an SBR – or – you may know the service/commodity you wish to procure and want to search to see which vendors are listed as an SBR.
  - D. Printout your results page and keep for your records – attach a copy to your fiscal form.
  - E. Because SBR information is now accessed through e-MM, your procurement unit can do the search for staff without e-MM access.
2. The resulting SBR list serves as the direct solicitation vendor list. To qualify as an SBR procurement, the SBR list must contain at least three (3) vendors.
3. If over \$25,000, file for an exemption if there are less than 5 SBRs on the direct solicitation list. Exemptions must also be filed for procurements over \$25,000 from a State Preferred Provider (MCE, MD



Works, Blind Industries), a State Contract, or a Sole Source. The exemption form is located on the OPASS Standard Forms Page.

4. If over \$25,000, the exemption form should accompany the Procurement Review Group paperwork to ensure that the exemption is processed in a timely manner.
  - A. Exemption forms are used for procurements over \$25,000.
  - B. The MBE liaison and OPASS Director of Procurement sign off on exemptions for all large procurement over \$25,000 and the Procurement Review Group signs off on exemptions for all large procurements over \$100,000.
5. Once a procurement has been designated as an SBR procurement, the Bid Board Notice, IFB, or RFP document must contain the following language:

**This solicitation has been designated as a Small Business Reserve (SBR); only registered SBRs may respond. Please apply at <https://emaryland.buyspeed.com/bso/> to begin the process, then follow the prompts to see if your business qualifies. For assistance in the SBR registration process, please call 410-767-1492. If you qualify, please put your SBR number on the bid page.**

6. Your procurement unit (for small procurements) or OPASS (for large procurements) will check the e-MM website to verify the validity of the SBR vendors on the bid sheets. Only those bids with current SBR vendors will be accepted for consideration by the office.

## SECTION 3 – MBE (MINORITY BUSINESS ENTERPRISE)

**Title:** Minority Business Enterprise (MBE) Program

**Responsibility:** Staff initiating a solicitation for either a bid or a proposal

**Purpose:** To provide instruction on MBE goal setting and compliance.

**Notes:**

- ▶ Grants and MOUs are not subject to MBE requirements.
- ▶ Purchases exempt from the MBE requirement include purchases from a State Preferred Provider (MCE, MD Works, Blind Industries) or a State Contract. Sole Sources generally do not have a MBE goal, but the goal setting form still must be signed off by the MBE liaison at the PRG meeting.

### 3.1 INTRODUCTION

The State of Maryland Minority Business Enterprise (MBE) Program is committed to the growth and success of minority businesses. The MBE Program encourages minority businesses to respond to small procurement solicitations and be subcontractors on large procurements with MBE goals.

### 3.2 PROCEDURE

#### **MBE Goal Setting Process for Procurements Greater than \$25,000**

1. Based on the scope of service in your IFB or RFP, determine if any components can be subcontracted.
2. Once the subcontractable components are identified, visit the Maryland Department of Transportation's (MDOT) MBE directory at <https://mbe.mdot.maryland.gov/directory/> to search for vendors for each category. Print out the resulting MBE lists. In order to set an MBE goal, there should be at least 3 MBE vendors listed for each subcontractable component.
3. Go to OPASS's Standard Form Page and fill out an MBE goal setting form. Procurements over \$25,000 are reviewed by the Procurement Review Group (PRG). They generally meet the 2<sup>nd</sup> and 4<sup>th</sup> Thursday of each month.
4. For modifications of contracts with MBE goals, an MBE compliance spreadsheet should accompany the goal setting form. Programs are required to track MBE payments on this spreadsheet. Payments are based on the schedules that the prime vendor and subcontractor submit monthly. Goal setting forms do not need to be submitted for modifications of contracts with a 0% MBE goal.

### 3.3 MBE REPORTING

1. Prime vendors and their subcontractors are required to submit a monthly reporting schedule to the contract monitor. The prime vendor's payment schedule shows payments made to the subcontractors while the subcontractor's payment schedule shows payments received by the prime vendor. The contract monitor is required to give their procurement unit a copy of prime and subcontractor payment schedule for each month.
2. The contract monitor is required to keep a spreadsheet of the monthly payment history. This spreadsheet is essential in tracking MBE compliance in the contract.

3. If the MBE goal is not being met, then the program must request and receive a corrective action plan from the prime vendor.

### **3.4 VETERANS SMALL BUSINESS ENTERPRISE (VSBE)**

1. Based on the scope of service in your IFB or RFP, determine if any components can be subcontracted. These subcontractable items should mirror what is on the MBE goalsetting form.
2. Once the subcontractable components are identified, visit the VSBE directory at <https://www.vip.vetbiz.gov> to search for vendors for each category. Print out the resulting VSBE lists. In order to set an VSBE goal, there should be at least 3 VSBE vendors listed for each subcontractable component.
3. Go to OPASS's Standard Form Page and fill out a VSBE goal setting form. The VSBE goal % is based on the budget of the subcontractable components divided by the overall budget. Procurements over \$25,000 are reviewed by the Procurement Review Group (PRG). They generally meet the 2<sup>nd</sup> and 4<sup>th</sup> Thursday of each month.

## SECTION 4 – PRINTING SERVICES

### 4.1 INTRODUCTION

Maryland Correctional Enterprises (MCE), Maryland Works, or by solicitation.

### 4.2 PROCEDURE

The following steps must be taken when requesting print jobs:

1. Please contact MCE for a quote. For printing jobs under 5,000 pieces, please use the quick copy shop at 410-540-6726 and the Plant Manager (Michele Walker) at [mtwalker@dpsc.state.md.us](mailto:mtwalker@dpsc.state.md.us) via e-mail. For jobs that are high volume or for jobs that need a traditional printing press, please contact MCE customer service at 410-540-5454 and e-mail them at [MCECustomerService@dpsc.state.md.us](mailto:MCECustomerService@dpsc.state.md.us). Please ask for the Graphics Department and give MCE 72 hours to respond with a quote or waiver. If they do not respond, document it and move on to step 2.
2. If MCE gives a waiver, then contact Maryland Works at [opportunities@mdworks.com](mailto:opportunities@mdworks.com) to determine if they can provide the service. Their phone number is 410-381-8660. Please give Maryland Works 5 business days to respond with a quote or a waiver. If they do not respond, document it and move on to step 3.
3. If both entities give you a waiver, then the print request must be solicited as an SBR and a bid board notice must be created.
4. For time sensitive print jobs only, you may need to contact both entities (MCE and Maryland Works) at once, acquire the quotes or waivers, and proceed to select the proper entity.

The only exception to the protocol above is when programs modify an existing order. Once a program receives the deliverables and pays for the order, then the order is closed. Any subsequent reprints and/or requests for additional copies must then start at step 1.

### 4.3 REQUIRED FISCAL FORMS FOR PRINT JOBS

1. **Preferred Provider Print Jobs:** For MCE or MD Works print jobs over \$5,000, please complete and submit a Fund Cert. Your Procurement Officer/Coordinator will create preferred provider print jobs Blanket Purchase Orders up to \$25,000. OPASS will create preferred provider print job purchase orders over \$25,000. For print jobs \$5,000 and under, please purchase with your CPC (or non-CPC services form if vendor doesn't accept the CPC).
2. **Solicited Print Jobs:** For solicited print jobs over \$5,000, please complete and submit a Fund Cert. For print jobs \$5,000 and under, please purchase with your CPC (or non-CPC services form if vendor doesn't accept the CPC).

### 4.4 BUSINESS CARDS

For all business card orders, please continue to use MCE as MCE already has the artwork on file.

### 4.5 PRINTING SERVICES SOLICITATIONS

If MCE and The League provide waivers, then the printing service must be solicited as an SBR. Small procurement print jobs (\$25,000 and under) can be solicited as an IFB (invitation for bid) or multi-step IFB. This assures that the vendors are qualified, prior to basing the award on price. In certain cases, an RFP (request for proposal) may be needed. Large procurement print jobs (over \$25,000) can be solicited as an IFB, multi-step IFB, or if needed, an RFP. The lead time for large procurements is at least 12 months so plan accordingly.

#### **4.6 STORAGE OF DELIVERABLES**

If you plan on storing your deliverables in the DHMH warehouse, please contact Central Services at 410-767-6809 prior to placing your order. Central Services needs to determine how much storage space is available before they can commit to storing your items in the warehouse.

## **SECTION 5 – SMALL PROCUREMENTS (\$25,000 AND UNDER)**

**Title:** Service and Commodity Purchases \$25,000 or Less (Small Procurements)

**Responsibility:** Contract monitors, procurement staff, fiscal staff

**Purpose:** To provide guidance for offices/programs when procuring services or commodities in the amount of \$25,000 or less.

### **5.1 PURCHASES \$5,000 OR LESS**

#### **PROCEDURE**

Follow instructions in the "Fiscal Information" section.

### **5.2 PURCHASES BETWEEN \$5,000-\$25,000**

#### **PROCEDURE**

Required Procurement Paperwork:

- ▶ Signed fiscal form (Fund Certification Form for services or Requisition Input Form for commodities);
- ▶ Electronic draft copy of bid board notice to be reviewed by your procurement unit (bid board notice samples are available from your procurement unit by request);
- ▶ Quote sheets from Preferred Providers, if applicable;
- ▶ Waivers from Preferred Providers, if applicable;
- ▶ Small procurement contract form, if applicable; and
- ▶ Sole source justification form, if applicable

### **5.3 SOLE SOURCE**

#### **PROCEDURE**

1. At least 2 weeks prior to the contract start date, complete and submit a fiscal form.
2. Complete a sole source justification form, attach it to the fiscal form, and e-mail a specifications document to your procurement unit.
3. Your procurement unit will review and approve the sole source justification, enter the specs into the small procurement contract form, and e-mail the contract form to the program. The program e-mails the contract form to the vendor and the vendor sends back three signed originals.
4. A blanket purchase order is created by your procurement unit and two signed originals are given to the program with the specifications document and your unit's cover sheet.
5. Program makes a copy of the specifications document and sends it, along with one of the original signed blanket purchase orders, to the selected vendor and keeps the other original for the file.

## **5.4 SOLICITATION \$5,000-\$25,000 (IFB – INVITATION FOR BID)**

### **Definition:**

- 1) IFB: this procurement method is used when price alone is the determining factor of award. In certain cases, you may wish to add mandatory requirements that must be met before the bid is considered.

### **PROCEDURE**

1. At least 2 months prior to the contract start date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline and SBR determination.
2. Complete and submit the proper fiscal form.
3. Complete and submit a bid board notice including a bid sheet.
4. Your procurement unit will review the bid board notice and e-mail the finalized version to program. If applicable, the program will send the bid board notice to the direct vendor listing. The Program submits a copy of the listing to their procurement unit.
5. Your procurement unit places the solicitation on eMaryland Marketplace for a minimum of 3 days (typically up to 2 weeks). After the bids are reviewed by the program and their procurement unit, a vendor is selected and the procurement unit completes the small procurement contract form. The contract form is e-mailed to the program for vendor signature (3 signed originals from the vendor), and a blanket purchase order is created by your procurement unit. The program sends the 3 signed contract originals to their procurement unit for signature. A signed original is given to the program with their unit's cover sheet and blanket purchase order.
6. Program sends an award letter and a copy of the signed blanket purchase order to the selected vendor. The program keeps their blanket purchase order for their file. A copy of the award letter is sent to your procurement unit.

## **5.5 SOLICITATION \$5,000-\$25,000 (RFP – REQUEST FOR PROPOSALS)**

### **Definition:**

RFP: this procurement method is used when price is not the sole determining factor of award. RFPs are awarded based on a combination of technical evaluation and price. The technical and financial components have equal weight unless otherwise specified in the RFP document.

### **PROCEDURE**

1. At least 2 months prior to the contract start date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline and SBR determination.
2. Complete and submit the proper fiscal form.
3. Complete and submit a bid board notice that includes the evaluation criteria, technical requirements, and bid sheet.

4. Your procurement unit will review the bid board notice and e-mail the finalized version to the program. If applicable, the program will send the bid board notice to the direct vendor listing. The program submits a copy of the listing to their procurement unit.
5. The program will create an evaluation tool based on the criteria on which the vendors are being evaluated. A sample evaluation tool can be obtained from your procurement unit by request. Evaluation teams should have three members and be DHMH employees.
6. Your procurement unit places the solicitation on eMaryland Marketplace for a minimum of 3 days (typically up to 2 weeks). After the proposals are reviewed by the program and their procurement unit, a vendor is selected and the procurement unit completes the small procurement contract form. The contract form is e-mailed to the program for vendor signature (3 signed originals from the vendor), and a blanket purchase order is created by your procurement unit. The program sends the 3 signed contract originals to their procurement unit for their signature. A signed original is given to the program with their unit's cover sheet and blanket purchase order.
7. Program sends an award letter and a copy of the signed blanket purchase order to the selected vendor. The program keeps their blanket purchase order for their file. A copy of the award letter is sent to their procurement unit.
8. Non-awarded vendors are entitled to request a debriefing to discuss their proposal's strengths and weaknesses. A sample debriefing form can be obtained from your procurement unit by request.

## 5.6 SMALL PROCUREMENT MODIFICATIONS

### PROCEDURE

1. At least 2 weeks prior to the desired modification effective date, complete and submit the proper fiscal form. The fiscal form number should be of the format (fiscal number – mod number). For example, 1010-mod 1.
2. The program should attach a memo to the fiscal form explaining why the modification is needed. Under no circumstances can a small procurement modification push the contract value over \$25,000.
3. The small procurement contract modification form is sent for vendor signature (3 signed originals from the vendor). Your procurement unit will create a change order through FMIS in order to modify the existing purchase order. A copy of the modified purchase order and the signed modifications will be forwarded to the program and to fiscal.

## 5.7 SMALL PROCUREMENT CONTRACT OVERVIEW (OVER \$5,000 AND UP TO \$25,000)

### PROCEDURE

The Small Procurement Contract is only needed for solicitations (IFBs or RFPs) or sole sources for services that result in an award of over \$5,000. Any exceptions are treated on a case-by-case basis.

For:	Items Needed:
<b>IFB</b>	Exhibit A – bid board notice Exhibit B – bid sheet
<b>RFP</b>	Exhibit A – bid board notice



	Exhibit B – proposal
<b>Sole Source</b>	The small procurement contract, specification sheet, and sole source document are needed.
<b>Commodity</b>	The Small Procurement Contract is not needed. Solicit as an IFB and make an award based on the results.
<b>Preferred Provider (MCE, The League, etc)</b>	The Small Procurement Contract is not needed, but a documented quote from the vendor is requested for the files. The vendor should also receive a copy of the specification notice to keep for their records.
<b>Statewide Contract</b>	The Small Procurement Contract is not needed, but a documented quote from the vendor and the Statewide Contract Number is requested for the files. All terms and conditions are governed by the Statewide Contract.

## 5.8 STORAGE OF DELIVERABLES

If you plan on storing your deliverables in the DHMH warehouse, please contact Central Services at 410-767-6809 prior to placing your order. Central Services needs to determine how much storage space is available before they can commit to storing your items in the warehouse.

## SECTION 6 – LARGE PROCUREMENTS (OVER \$25,000)

**Title:** Large Procurements: Invitation For Bid (IFBs), Request For Proposal (RFPs), and Sole Sources (Sole Sources/Emergency Template)

**Responsibility:** Contract monitors, procurement staff, fiscal staff, OPASS contract officer. Non-IT services up to \$100,000 are processed in-house by OPASS. IT services over \$25,000 are processed by The MD Department of Information Technology (DoIT)

**Purpose:** To provide guidance for offices/programs when procuring services over \$25,000.

**Definition:**

- 1) IFB: this procurement method is used when cost is the determining factor in awarding the contract. The award is based on the lowest bid. Most often, vendors must first meet mandatory or minimum requirements before cost is factored.
- 2) RFP: this procurement method is used when price is not the sole determining factor of award. RFPs are awarded based on a combination of technical evaluation and price. The technical and financial components have equal weight unless otherwise specified in the RFP document.
- 3) Sole Source: procurement method used when only one vendor is qualified to perform the service. The reasoning may include proprietary licensing, federally qualified vendor, or exclusive rights.

**OPASS Forms:** All templates cover sheets, and MBE forms can be found on the OPASS Standard Forms Page.

### **6.1 IFBs OVER \$25,000 (this process should begin at least 15 months prior to the contract start date)**

#### **PROCEDURE**

Required Procurement Paperwork:

- ▶ Signed fiscal form (Fund Certification Form for services or Requisition Input Form for commodities);
- ▶ Electronic draft copy of IFB to be reviewed by Contract Fulfillment Team (CFT);
- ▶ Solicitation cover sheet; and
- ▶ MBE/VSB/SBR paperwork

1. At least 15 to 18 months prior to the contract start date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline and SBR determination.
2. Complete and submit the proper fiscal form.
3. Submit the electronic draft copy of the IFB and signed document checklist to your procurement unit. Your procurement unit will contact OPASS for a contract officer.
4. After a contract officer is secured, your procurement unit will send the IFB draft and checklist to OPASS to start the document review process.
5. After the document review is completed by OPASS, your procurement unit will set up a CFT meeting and e-mail the IFB to the members for comments.

6. After the CFT meeting is held, the program incorporates the CFT changes into the IFB and sends the IFB draft to your procurement unit. The solicitation cover sheet and MBE paperwork is also sent to your Procurement unit.
7. Your procurement unit submits the procurement paperwork to the OPASS contract officer. The contract officer sends the IFB draft to the Assistant Attorney General for final approval.
8. The Procurement Review Group (PRG) reviews the MBE paperwork.
9. Once the IFB is approved, OPASS either posts IFB on e-MM (if \$100K and under), or sends it to DBM for review (over \$100K) and posts on e-MM after DBM approval.
10. Solicitations should be posted for 30-60 days, depending on the complexity. A pre-bid conference is held about a week or two after the solicitation is posted.
11. After the responses are received, mandatory requirements and MBE submissions are verified. Once verified, the program and their procurement unit review the bids and award based on lowest cost. The program must submit a debarment form to ensure that the awardee is not debarred. Your Procurement unit will forward the vendor's Resident Agent information on file with the Department of Assessments and Taxation to the program to ensure that the information matches.
12. Award paperwork is submitted to OPASS for processing. The award package is then submitted to the Department of Budget and Management (DBM) for approval. Awards exceeding \$200,000 (\$50,000 for single bid responses) must go to the Board of Public Works (BPW).
13. After DBM/BPW approval, OPASS submits paperwork to your procurement unit.
14. Your procurement unit submits paperwork to the program and the program forwards a copy of the award letter to their Procurement unit.

## **6.2 RFPs OVER \$25,000 (this process should begin at least 15 months prior to the contract start date)**

### **PROCEDURE**

#### Required Procurement Paperwork:

- ▶ Signed fiscal form (Fund Certification Form for services or Requisition Input Form for commodities);
  - ▶ Electronic draft copy of RFP to be reviewed by Contract Fulfillment Team (CFT);
  - ▶ Solicitation cover sheet; and
  - ▶ MBE/VSBE/SBR paperwork
1. At least 15 to 18 months prior to the contract start date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline and SBR determination.
  2. Complete and submit the proper fiscal form.
  3. Submit the electronic draft copy of the RFP and signed document checklist to your procurement unit. Your procurement unit will contact OPASS and OPASS will assign a contract officer.

4. After a contract officer is secured, your procurement unit will send the RFP draft and checklist to OPASS to start the document review process.
5. After the document review is completed by OPASS, your procurement unit will set up a CFT meeting and e-mail the RFP to the members for comments.
6. After the CFT meeting is held, the program incorporates the CFT changes into the IFB and sends the RFP draft to their procurement unit. The solicitation cover sheet and MBE paperwork are also sent to their Procurement unit.
7. Your procurement unit submits the procurement paperwork to the OPASS contract officer. The contract officer sends the RFP draft to the Assistant Attorney General for final approval.
8. The Procurement Review Group (PRG) reviews the MBE paperwork.
9. Once the RFP is approved, OPASS either posts the RFP on e-MM (if \$100K and under), or sends it to DBM for review (over \$100K) and posts on e-MM after DBM approval.
10. Solicitations should be posted for 30-60 days, depending on the complexity. A pre-proposal conference is held about a week or two after the solicitation is posted.
11. After the responses are received, any mandatory requirements and MBE submissions are verified. OPASS schedules an evaluation orientation for the evaluation committee members and issues the proposals to members afterwards. Evaluation teams should have an odd number of members (usually three or five) and should be State employees, DHMH preferred. For large procurement evaluation teams, at least one member must be either an office or bureau director.
12. If necessary, vendors are contacted to clarify responses. Oral presentations and/or Best and Final Offers (BAFOs) may follow.
13. Evaluations are finalized and a recommendation for award is made to OPASS. The program must submit a debarment form to ensure that the awardee is not debarred. Your procurement unit will forward the vendor's Resident Agent information on file with the Department of Assessments and Taxation to the program to ensure that the information matches. The award package is then submitted to DBM for approval. Awards exceeding \$200,000 must go to the BPW.
14. After DBM/BPW approval, OPASS obtains the proper signatures and submits paperwork to your Procurement unit.
15. Your procurement unit submits paperwork to the program and the program forwards a copy of the award letter to PHPA Procurement.

### **6.3 SOLE SOURCES OVER \$25,000 (this process should begin at least 9 months prior to the contract start date)**

#### **PROCEDURE**

##### Required Procurement Paperwork:

- ▶ Signed fiscal form (Fund Certification Form for services or Requisition Input Form for commodities);
- ▶ Electronic draft copy of Sole Source/Emergency template to be reviewed by the Contract Fulfillment Team (CFT);
- ▶ Sole Source justification sheet;

- ▶ Sole Source over \$25K cover sheet; and
  - ▶ MBE/VSBE/SBR paperwork
1. At least 9 months prior to the contract start date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline.
  2. Complete and submit the proper fiscal form.
  3. Submit the electronic draft copy of the Sole Source/Emergency template, signed document checklist, and sole source form (signed by program director) to your procurement unit and to fiscal for initial review. Your procurement unit will forward the draft, checklist, and sole source justification to OPASS and request a contract officer.
  4. After a contract officer is secured, your procurement unit will send the Sole Source/Emergency template draft to OPASS to start the document review process.
  5. After the document review is completed by OPASS, your procurement unit will set up a CFT meeting and e-mail the Sole Source/Emergency template draft to the members for comments.
  6. After a contract officer is secured, your procurement unit will set up a CFT meeting and e-mail the Sole Source/Emergency template draft to the members for comments.
  7. After the CFT meeting is held, the program incorporates the CFT changes into the Sole Source/Emergency template and sends the draft to their procurement unit. The solicitation cover sheet and MBE paperwork are also sent to their Procurement unit.
  8. Your procurement unit submits the procurement paperwork to the OPASS contract officer. The contract officer sends the contract draft and sole source justification to the Assistant Attorney General for final approval.
  9. Due to private vendors more closely scrutinizing contracts with the State, the Sole Source/Emergency template may also be sent to the vendor for their legal team to review prior to signature, consulting with the Assistant Attorney General when needed.
  10. The Procurement Review Group (PRG) reviews the MBE paperwork.
  11. Once all parties approve the contract, the vendor signs and returns 3 originals to the program. Your procurement unit will forward the vendor's Resident Agent information on file with the Department of Assessments and Taxation to the program to ensure that the information matches. The program forwards the contracts, signed sole source, cover sheet, and MBE paperwork to their procurement unit. Any relevant sole source documentation from the vendor should also be attached to the DHMH sole source form.
  12. Your procurement unit submits the procurement paperwork to OPASS for processing. The sole source package is then submitted to DBM for approval. Sole sources exceeding \$100,000 must go to the BPW.
  13. After DBM/BPW approval, OPASS obtains the proper signatures and submits paperwork to your Procurement unit.
  14. Your procurement unit submits paperwork to the program and the program forwards a copy of the award letter to their procurement unit.

## **6.4 LARGE PROCUREMENT MODIFICATIONS (this process should begin at least 4 months prior to the contract modification effective date)**

### **PROCEDURE**

1. At least 4 months prior to the contract modification effective date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline and to determine whether the modification has to go to the PRG and/or BPW.
2. Complete and submit the proper fiscal form for the modification. The fiscal form number should be of the format (fiscal number – mod number). For example, 1010-mod 1
3. Submit the electronic draft copy of the contract modification to your procurement unit, the program's fiscal officer, and their AG for initial review. If the modification involves a change in the scope of service or an additional scope of service, then your procurement unit will send the modification to OPASS for review. OPASS may need to consult with the AG.
4. After the contract modification is approved, it can be sent to the vendor for signature. Three originals must be signed by the vendor and returned to the program.
5. The program should forward the following to their procurement unit: three signed original modifications, MBE goal setting form (if applicable), BPW agenda (if applicable), BPW briefing (if applicable), and modification cover sheet.
6. Your procurement unit forwards all paperwork to OPASS. If the original contract had an MBE goal, then the modification will also go to the PRG.
7. After OPASS processes the modification and obtains the proper signatures, the paperwork will be returned to your procurement unit. Your procurement unit forwards paperwork to the program. The program sends a copy of the modification award letter to their Procurement unit.

## **6.5 LARGE PROCUREMENT OPTIONS (this process should begin at least 4 months prior to the contract option effective date)**

### **PROCEDURE**

1. At least 4 months prior to the contract modification effective date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline and to determine whether the option has to go to the PRG and/or BPW.
2. Complete and submit the proper fiscal form for the modification. The fiscal form number should be of the format (fiscal number – option number). For example, 1010-opt 1. Attach a draft of the option letter and option cover sheet to the fiscal form. Your procurement unit will forward to OPASS for processing.

## **6.6 BOARD OF PUBLIC WORKS (BPW) ITEMS**

1. Certain large procurements must go through the BPW for approval. These procurements include:
  - A. Solicited (IFB or RFP) contracts or options valued at \$200,000 and over;

- B. Solicited (IFB or RFP) contracts valued at over \$50,000 in which only one bid/response was received;
  - C. Sole Source contracts valued at over \$100,000;
  - D. Contract modifications that result in an increase or decrease of at least \$50,000;
  - E. Contract modifications that result in a cumulative increase or decrease of at least \$50,000;
  - F. Contract modifications that cause the value of a sole source contract to exceed \$100,000;
  - G. Contract modifications that cause the value of a solicited contract to exceed \$200,000.
2. Your procurement unit will make BPW determinations during the preliminary meeting with the program. MOUs or MOU modifications do not need to go to the BPW. Agenda forms are available for new contracts, contract options, or contract modifications that need BPW approval. Tax clearance is only required for new contracts only, not options or modifications.

## **6.7 STORAGE OF DELIVERABLES**

If you plan on storing your deliverables in the DHMH warehouse, please contact Central Services at 410-767-6809 prior to placing your order. Central Services needs to determine how much storage space is available before they can commit to storing your items in the warehouse.

## SECTION 7 – MOU/MOA/LOA

**Title:** Memorandum of Understanding (MOU), Memorandum of Agreement (MOA), and Letter of Agreement (LOA)

**Responsibility:** Contract monitors, procurement staff, fiscal staff

**Purpose:** To provide guidance for offices/programs when procuring services from DHMH or another governmental entity. There are no cost restrictions when dealing with MOUs or MOAs.

**Definition:**

A **Memorandum of Understanding** (MOU) is a formal agreement between DHMH and another State, County, or Governmental Municipality in Maryland, other State Government, or Federal Government entity that involves funding for a service, or if no funding is involved, the acquisition of a tangible item.

MOU and MOU modification forms can be found on the OPASS Standard Forms Page.

A **Memorandum of Agreement** (MOA) is an agreement between administrations within DHMH that involves funding for a service, or if no funding is involved, the acquisition of a tangible item or collaboration on a project. The document is an agreement that contains the contact person for each administration cited, duties of each administration, term and cost, and a signature area for each administration's designee.

Please contact your procurement unit if assistance is needed to create an MOA.

A **Letter of Agreement** (LOA) is an agreement between DHMH and another State, County, or Governmental Municipality in Maryland that involves no funding for the service provided. The document is an agreement that contains the contact person for each Maryland entity cited, duties of each entity, term, and a signature area for each entity's designee.

Please contact your procurement unit if assistance is needed to create an LOA.

### **7.1 MOUs (this process should begin at least 4 months prior to the MOU start date)**

#### **PROCEDURE**

Required Procurement Paperwork:

- ▶ Signed fiscal form (Fund Certification);
  - ▶ Electronic draft copy of the MOU to be reviewed by your procurement unit, fiscal, and the program Attorney General; and
  - ▶ MOU cover sheets;
1. At least 4 months prior to the MOU start date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline.
  2. Complete and submit a Fund Certification Form to your Fiscal Unit.
  3. Submit the electronic draft copy of the MOU to your procurement unit and your fiscal officer for initial review. The MOU templates are now legally sufficient so, in most cases, only your procurement and fiscal units will need to review. After the review is completed, in certain cases, you may have to submit a



draft to the Assistant Attorney General for initial review, copying your procurement unit and Fiscal. Your procurement unit can provide you with the name of the Assistant Attorney General who handles your program's MOUs.

4. After the MOU is approved, it can be sent to the governmental entity for signature. Three originals must be signed and returned by the entity.
5. Send the three originals to your procurement unit along with an MOU cover sheet at least four weeks prior to the MOU start date. Your procurement unit will log the items in and submit to OPASS for processing. If the MOU is with an institute of higher education **and** has a value over \$500,000 during the life of the agreement, then DBM pre-approval is needed. A WORD version of the MOU and Attachment A must be e-mailed to your procurement coordinator. Your coordinator will send the documents to OPASS.
6. After OPASS processes the MOU, your procurement unit gives two signed originals to the program with your unit's cover sheet. The program keeps one original and gives the other to the entity, along with the program's award letter to the vendor. The program sends a copy of the award letter to their procurement unit.

## **7.2 MOU MODIFICATIONS (this process should begin at least 3 months prior to the MOU modification effective date)**

### **PROCEDURE**

#### Required Procurement Paperwork:

- ▶ Signed fiscal form (Fund Certification);
  - ▶ Electronic draft copy of MOU modification to be reviewed by your procurement unit, fiscal, and the program Attorney General; and
  - ▶ MOU modification cover sheet;
1. At least 3 months prior to the MOU modification effective date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline.
  2. Complete and submit a Fund Certification Form. The fiscal number in the upper right of the form should be of the format (fund cert number - mod number). For example, 1010-mod 1.
  3. Submit the electronic draft copy of the MOU modification to your procurement unit and the program's fiscal officer for initial review. In certain cases, the modification may need to be sent to the Assistant Attorney General for review. Your procurement unit can provide you with the name of the Assistant Attorney General who handles your program's MOUs.
  4. After the MOU modification is approved, it can be sent to the governmental entity for signature. Three originals must be signed and returned by the entity.
  5. Send the three originals to your procurement unit along with a MOU modification cover sheet at least four weeks prior to the MOU modification effective start date. Your procurement unit will log the items in and submit to OPASS for processing. If the MOU modification is for an institute of higher education **and** it pushes the value over \$500,000 during the life of the agreement, then DBM pre-approval is needed. A WORD version of the MOU modification and Attachment B must be e-mailed to your procurement coordinator. Your coordinator will send the documents to OPASS.

6. After OPASS processes the MOU modification, your procurement unit gives two signed originals to the program with your unit's cover sheet. The program keeps one original and gives the other to the entity, along with the program's modification award letter to the vendor. The program sends a copy of the modification award letter to their procurement unit.

### **7.3 MOU OPTIONS (this process should begin at least 3 months prior to the MOU option effective date)**

#### **PROCEDURE**

1. At least 3 months prior to the MOU option effective date, schedule a preliminary meeting with your procurement unit to discuss a procurement timeline.
2. Complete and submit the proper fiscal form for the modification. The fiscal form number should be of the format (fiscal number – option number). For example, 1010-opt 1. Attach a draft of the option letter and MOU option cover sheet to the fiscal form. Your procurement unit must receive all paperwork at least 4 weeks prior to the option start date.
3. Your procurement unit will forward to OPASS for processing.

### **7.4 MOAs**

#### **PROCEDURE**

##### Required Procurement Paperwork:

- ▶ Signed fiscal form (Fund Certification); and
- ▶ Electronic draft copy of MOA to be reviewed by your procurement unit and fiscal;

1. Complete and submit a Fund Certification Form.
2. Submit the electronic draft copy of the MOA to your procurement unit and the program's fiscal officer for initial review. An MOA can simply be a letter that describes the services, term, and cost. There needs to be a signature area for the program's Director and the other DHMH administration's Director.
3. After the MOA is approved, it can be sent to the appropriate Directors for signature. A signed copy is sent to your procurement unit.

### **7.5 MOA MODIFICATIONS**

#### **PROCEDURE**

##### Required Procurement Paperwork:

- ▶ Signed fiscal form (Fund Certification); and
- ▶ Electronic draft copy of MOA to be reviewed by your procurement and fiscal unit;

1. Complete and submit a Fund Certification Form. The fiscal number in the upper right of the form should be of the format (fund cert number - mod number). For example, 1010-mod 1.
2. Submit the electronic draft copy of the MOA modification to your procurement unit and the program's fiscal officer for initial review. A MOA modification can simply be a letter that describes the

modification and how it relates to the original MOA. The signature area should be set up the same way it was in the MOA.

3. After the MOA modification is approved, it can be sent to the appropriate Directors for signature. A signed copy is sent to your procurement unit.

## **7.6 LOAs AND LOA MODIFICATIONS**

### **PROCEDURE**

#### Required Procurement Paperwork:

- ▶ Electronic draft copy of LOA to be reviewed by your procurement unit;

Submit the electronic draft copy of the LOA to your procurement unit for initial review. An LOA is a letter that describes the services and term - no cost is involved. There needs to be a signature area for the program's Director and the other agency's Program Director.

A LOA modification is a letter that describes the modification and how it relates to the original LOA. The signature area should be set up the same way it was in the LOA. Modifications to LOAs are rare - in most cases, it may be easier to just do a new LOA.

No fiscal forms are needed for LOAs or LOA modifications.

## SECTION 8 – INFORMATION TECHNOLOGY PURCHASES

**Title:** Information Technology Purchases

**Responsibility:** Program staff, Office of Information Technology (OIT) staff, OPASS

**Purpose:** To provide guidance for offices/programs when procuring Information Technology (IT) equipment.

**Definition:** IT equipment is defined as individual workstations, laptops, etc.

**Procedure:**

1. When there is a need to purchase IT equipment, you or your designee will open an OIT help desk ticket by calling x76534. Clearly state the specific need (e.g., requesting to purchase an individual PC/monitor/keyboard/mouse, requesting to purchase a laptop, etc.)
2. OIT will respond by conveying the order specifications, compliant with Departmental standards.
3. Once the program receives the specifications, convey the OIT-approved specifications to approved vendors for quotes (up to \$25,000). For purchases over \$25,000, OPASS will obtain quotes
4. The requestor will then review the quotes and authorize the purchase. If, for any reason, the program is unable to authorize a purchase based on quotes received, then the program should follow-up with OPASS.
5. Once the purchase is authorized, instruct the program CPC card holder (i.e., the person who makes approved CPC purchases on behalf of your program) to order/purchase the approved item(s) you have approved (totaling less than \$5,000). Purchases of \$25,000 or less should follow the small procurement procedures. Keep in mind that single purchases over \$25,000 must be placed by OPASS.
6. Instruct the CPC holder or program point of contact to have the item(s) shipped to the OIT equipment storage room (SS-2). If OPASS is placing the (over \$25,000) order, request that OPASS also have the item(s) shipped to SS-2. **Please make sure the CPC holder has their name on the packing slip.**
7. Once received, OIT staff will perform any necessary set-up and then contact the program to arrange for delivery and set-up to your identified location.

## SECTION 9 – GRANTS

**Title:** Grants

**Responsibility:** Grant monitors, procurement staff, fiscal staff

**Purpose:** To provide guidance for offices/programs when processing Standard Grant Agreements. There are no cost restrictions when dealing with grants. **(OPASS does not process grants. We only provide a mechanism of payment.)**

### 9.1 DEFINITION: CONTRACT VS. GRANT

A **Contract** is used to purchase goods/services for DHMH use or benefit. The scope of work is defined by DHMH and may take the form of definitive specifications to meet the objectives of the program or task for which the object of the procurement is intended to accomplish. DHMH's role is that of a buyer and the vendor is that of a seller. Buyer-Seller relationships are well defined and formalized. Work is controlled and directed through specifications, change orders, inspection, and acceptance procedures, etc. Spending authority is given through the annual budget or special appropriations, generally by broad category, to fund ongoing and new governmental programs. Contracts can fall under any Agency Object budget item other than 1222.

A **Grant** supports, stimulates, or aids another party's activities in order to accomplish a public purpose (usually authorized by law), and helps recipients pursue recognized objectives. The scope of work is defined by the grant recipient in terms of what or how it will accomplish overall program objectives. This may be accomplished through submittal of a proposal or plan. DHMH's role is that of a partner, relationships are more co-operative, responsibilities for performance may be shared, and the details are less formalized and provide for flexibility and discretion in meeting program objectives. Spending authority may be given through a legislative act which generally establishes overall program objectives and appropriations of funds to be assigned or awarded to grantees. Standard Grants are an Agency Object 1222 budget item.

Standard Grant Agreement forms and Appendix templates can be found in the fiscal section of your unit's Intranet.

If the services provide support, care, or shelter directly to third-party clients, then it is considered a Human Service award, not a Standard Grant Agreement. Please contact the Grants Division on the 5<sup>th</sup> floor to process.

### 9.2 GRANTS (this process should begin at least 2 months prior to the Grant start date)

#### PROCEDURE

##### Required Procurement Paperwork:

- ▶ Signed fiscal form (Fund Certification);
- ▶ Electronic draft copy of the Standard Grant Agreement to be reviewed by Fiscal; and
- ▶ Grant buck slip;

1. At least two months prior to the grant start date, schedule a preliminary meeting with your PHPA procurement unit to discuss a grant timeline. This is optional and is only needed if the program feels that they need guidance (i.e. unusual grant, new grant monitor).
2. Complete and submit a Fund Certification Form.

3. Submit the electronic draft copy of the grant to the program's fiscal officer for initial review. Only submit to your procurement unit if there are unusual terms and conditions.
4. After the grant is approved, it can be sent to the vendor for signature. Three originals must be signed and returned by the vendor.
5. Send the three originals, the signed grant buck slip, and Appendix A, to your procurement unit. Appendix A is required for all grants. Other Appendices may be needed, depending on the grant requirements. Your procurement unit will log the items in and submit to the Secretary's Office for signature.
6. After the Secretary's Office processes the grant, your procurement unit gives two signed originals to the program with a grant cover sheet. The program keeps one original and gives the other to the entity, along with the program's grant award letter to the vendor. Program sends a copy of the grant award letter to your procurement unit.

### **9.3 GRANT MODIFICATIONS (this process should begin at least 1 month prior to the Grant modification effective date)**

#### **PROCEDURE**

##### **Notes:**

- ▶ Grant **modifications** are only allowed when additional time is needed for the vendor to complete the service (no cost extension). This requires a cover letter that is signed by the grantee and the DHMH program designee. The cover letter must include a revised invoicing/billing schedule. A fund cert revision is submitted for signature and your procurement unit receives a copy of the modification letter.
- ▶ If the program wants to **supplement**, or add more funds to, an existing grant, then a new grant award must be made. Please follow the procedure for grants.
- ▶ If the program wants to **reduce** funds to an existing grant, then a cover letter signed by the grantee and the DHMH program designee must be submitted. Your procurement unit receives a copy of the reduction letter. Any unspent funds that are already paid to the grantee must be returned to the DHMH program.

## SECTION 10 – DHMH PROCUREMENT ACTION SUMMARY

*Contracts over \$5,000 and up to \$25,000*

**Small Procurements (IFBs/RFPs):** initiated at least 2 months prior to the contract start date.

**Small Procurements (Sole Sources):** initiated at least 1 month prior to the contract start date.

**Small Procurements (Modifications):** initiated at least 1 month prior to the modification effective date.

*Contracts over \$25,000*

**Large Procurements (IFBs/RFPs):** initiated at least 15 months prior to the contract start date.

**Large Procurements (Sole Sources):** initiated at least 9 months prior to the contract start date.

**Large Procurements (modifications/options):** initiated at least 4 months prior to the contract start date.

*Governmental Agreements of any amount*

**MOUs/MOAs/LOAs:** initiated at least 4 months prior to the start date.

**MOUs/MOAs/LOAs (modifications/options):** initiated at least 3 months prior to the effective date.

*Grants of any amount*

**Grants:** initiated at least 2 months prior to the start date.