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Procurement Policy and Procedures

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Procurement Policy and Procedures

I. Introduction:

This Procurement Policy and Procedures is intended to provide Maryland Military Department (MILDEP) individuals with a summarized overview of the procurement process in the MILDEP. Recognizing that procurement requirements are varied and numerous, and can change from time to time, this regulation does not, nor is it intended to cover every possible issue or situation that may arise. If after consulting the information contained in this regulation, you have any questions, problems, and concerns or require any additional information covering these procedures or other procurement matters, please feel free to contact the MILDEP Chief Procurement Officer at 410-234-3819.

This policy does not apply to contracts for rentals of space at any of the MILDEP facilities.

II. Mission Statement:

It is the mission of the MILDEP Procurement Office to:

To ensure that procurement is conducted in a fair and competitive manner in accordance with all applicable laws and regulations while working cooperatively and effectively with individuals to ensure that they are able to obtain required goods and services in a timely and efficient manner, this includes awarding contracts to the State preferred provides, Maryland Correctional Enterprises (MCE), Blind Industries Services of Maryland (BISM), Certified Sheltered Workshops (through MD Works), Certified Minority Business Enterprise's (MBE), Service Disabled Veteran Small Business Enterprise's (SDVSBE), and Veteran Small Business Enterprise's (VSBE).

III. Legal References:

As a unit of State Government, the MILDEP must, by law, conduct government activities in accordance with laws and regulations set forth in the Annotated Code of Maryland State Finance and Procurement Article and the Code of Maryland Regulations (COMAR) Title 21- State Procurement Regulations.

IV. Delegated Authority:

A. Agency

As the agency head of the MILDEP, The Adjutant General (TAG) is responsible for the procurement of all commodities, supplies, and services for the MILDEP. The following procurement authority has been delegated by State control agencies to TAG:

1. Department of General Services (DGS) Delegated Procurement Authority
 - Commodity Purchasing (excluding-IT equipment and software) not on a Statewide Contract shall have up to but not exceeding a \$25,000 limit.
 - Facility Maintenance Contracts Delegated by DGS (such as HVAC preventive maintenance (PM), housekeeping, pest control, etc) not on a Statewide Contract shall have up to but not exceeding a \$50,000 limit.
 - Construction Maintenance Contracts (such as roofing, HVAC replacement) not on a Statewide Contract shall have up to but not exceeding a \$25,000 limit.

- All commodities and service contracts that can be obtained through the Certified Shelter Workshop (MD Works) that are delegated by DGS shall have the same delegated procurement authority as stated above.
2. Department of Budget and Management (DBM) Delegated Procurement Authority
 - Service Contracts (excluding Facility, Maintenance and IT) not on a Statewide Contract shall have up to but not exceeding a \$25,000 limit.
 - Service Contracts (excluding Facility, Maintenance and IT) which can be obtained through a Certified Sheltered Workshop shall have up to but not exceeding a \$200,000 limit.
 3. Department of Information Technology (DoIT) Delegated Procurement Authority
 - IT Equipment, Software and Services, not on a Statewide Contract shall have up to but not exceeding a \$25,000 limit.
 - IT Services which can be obtained through a Certified Sheltered Workshop shall have up to but not exceeding a \$200,000 limit.
 4. Commodities and services on Statewide Contracts may or may not require Control Agency approval and will depend on the individual statewide contract terms.
 5. All other purchases that fall outside TAG's delegation must be submitted to the applicable State control agency (DGS, DBM, DoIT) in accordance with the respective directives, regulations and procedures.

B. Individual

For the purpose of carrying out procurement for the MILDEP, TAG may delegate in writing the responsibility for approving the award of contracts/purchases within the MILDEP's delegated authority.

Only individuals who have been delegated contracting/purchasing authority by TAG (See ATTACHMENT A) are authorized to sign or execute contracts or agreements on behalf of the MILDEP. Each individual who has been delegated contracting authority will also be authorized a specific dollar amount that cannot be exceeded. Unauthorized individuals who sign or execute contracts on behalf of the MILDEP will be subject to disciplinary action. In addition, unauthorized contracts will be considered void and the vendor may look to the individual as personally responsible and liable for the contents of the contract. All individuals that execute contracts, agreements and or make purchases using the corporate purchasing card agree to follow all procurement laws, regulations, BPW advisories, and MILDEP policies that are in affect at the time of the purchase.

V. Requisitioning (In General):

If you require supplies, commodities, services, memberships, subscriptions, or need to travel you must use one (1) of the MILDEP's five (5) forms. No monies shall be committed to any vendor or contactor without the proper form being completed and signed by all parties that are required. The forms are:

- MILDEP State Requisition form (See ATTACHMENT B)

- Telecommunications Service Request form (TSR) (See ATTACHMENT C)
- Out of State Travel Request form (See ATTACHMENT D)
- Out Service Training form (See ATTACHMENT E)
- Procurement Officers Written Determination form (See ATTACHMENT F)

The only exception to this is in a true emergency as defined by COMAR 21.01.02.01.B(36). All forms shall include all information required for processing. This should include the following types of information:

- Who
- What
- When
- Where
- Why
- How
- May include brand names and model numbers as examples
- Suggested vendor or contractor information, including contact name, phone number, email address, and Federal Identification number.

A separate word document may be attached that provides the information required. For all service requests a scope of work (SOW) shall be attached to the requisition and emailed to the Chief Procurement Officer so that the document may be used in the procurement process.

All forms must be submitted to the appropriate Program Manager(s) or their designee(s) who shall review and approve the request for program and or fund certification. Once the form has been completed and signed by all parties, the form shall be sent to the appropriate office for processing. Requisitions shall be forwarded to the appropriate Corporate Purchasing Card (CPC) card holder or to the Procurement Office for processing. TSR's shall be forwarded to the IT Office for processing, the travel forms shall be forwarded to the Travel Coordinator's office and the training forms shall be sent to the Training Officer's office. NOTE: If travel is required to attend the training, then the travel and training forms shall be submitted together to the Training Officer's office. As part of the fund certification process, the Program Manager must include the appropriate accounting information, (i.e. PCA, Object code, AMSCO/Federal code, grant number, etc.). All forms received without the required information will be returned to the respective Program Manager.

VI. Small Procurements Category I- Under \$5,000:

The MILDEP State Requisition Form (See ATTACHMENT B) shall be used to request goods or services. Individuals should provide as much information as possible on the MILDEP State Requisition Form including specifications, make and/or model number, delivery requirements, estimated cost, suggested vendor(s), Federal Identification number(FEIN), etc.

All CPC card holders are authorized to obtain price quotes for the purchase of goods, supplies and services with an aggregate cost of not more than their delegated CPC per use transaction limit. It is the goal of the MILDEP to be as competitive as possible for all non-contract goods, supplies and services. Therefore, competition should be sought to the extent practical considering factors such as availability of vendors, dollar value of the procurement, cost of administering the procurement, and time available to make the procurement including delivery time. CPC card holders shall obtain a minimum of two (2) verbal or written price quotes for all purchases made between \$500 and their delegated CPC per use transaction limit. As with all purchases it is appropriate to first consider

those sources under existing State of Maryland and MILDEP contracts, including all preferred providers. Quotes obtained shall include quotes from MBE, VSBE and SDVSBE vendors and or contractors. Record keeping of these verbal quotes should be recorded on a phone bid form or other approved document (See ATTACHEMNT G) and maintained as part of the procurement record. Assistance identifying MBE, VSBE and SDVSBE firms may be obtained by contacting the Procurement Office or for MBE visit the Maryland Department of Transportation (MDOT) website: www.mdot.maryland.gov and for VSBE or SDVSBE visit the Federal Government Veterans website www.vip.vetbiz.gov .

For all equipment with a cost of more than \$1000.00 The MILDEP State Requisition Form (See ATTACHMENT B) shall be used and shall be submitted to the procurement office for processing. If you have obtained price quotes for the equipment requested, attach a copy to the requisition.

VII. Small Procurements Category II more than \$5,000 but less than \$15,000:

All orders in excess of \$5,000 require a competitive process (unless appropriately justified as a sole source or emergency – See Section IX & X below). Prior to placing the order or making commitments, individuals must submit their request(s), with program manager (s) signatures (s) to the Procurement Office on a State Requisition Form. (Note: The CPC shall not be used for Category II purchases).

Requisitions shall provide as much information as possible including suggested vendor(s), Federal Identification Number, estimated cost, make and/or model number, detailed specifications, delivery requirements, etc. For all facility maintenance service contracts, all service contracts and all IT contracts a copy of the scope of work/specifications (SOW) include drawings, parts list, etc. shall also be emailed to catherine.nash@maryland.gov. The SOW shall be in word or excel format. Drawings, logos etc. shall be in pdf, or jpg format.

Obtaining phone quotes does **NOT** authorize the individual to proceed with the purchase or service. Once the Procurement Office has properly sought competition, as required by all laws, regulations, directives, and policies that are in effect at the time of the request, the Procurement Office shall execute a contract and or purchase order. The procurement office shall send the successful vendor/contractor the completed purchase order and the fully executed contract with a Notice to Proceed. A copy of the fully executed purchase order, contract, Notice to Proceed and any other documentation necessary for the Contract Manager to proceed will be sent to requestor and the Contract Manager via email.

VIII. Small Procurement Category III more than \$15,000 but less than \$25,000:

A. Commodities/Supply/Equipment:

All requests for commodities, supplies and or non-IT equipment greater than \$15,000 will be submitted on a MILDEP State Requisition Form with a clear and concise description of the specifications and forwarded to the Procurement Office. The procurement office will seek competition as required by all laws, regulations, directives, and policies that are in effect at the time of the request including advertising on eMaryland Market Place (eMM), the State of Maryland's official bid board. All requests that are expected to exceed a value greater than \$25,000 and are not on a statewide contract will be sent to DGS for solicitation and award.

B. Facility Maintenance Projects:

All requests for maintenance services greater than \$15,000 will be submitted on a MILDEP State Requisition Form, accompanied by a clear and comprehensive scope of work or specification and forwarded to the Procurement Office. An electronic copy in word or excel format shall be emailed to the Chief Procurement Office at catherine.nash@maryland.gov. The Procurement Office will seek competition as required by all laws, regulations, directives, and policies that are in effect at the time of the request including advertising on eMM, the State of Maryland's official bid board. The procurement officer will coordinate with the requester to determine the date of pre-bid conference, pre-bid minutes, amendments, if applicable, and award. NOTE: The Agency has been given a delegated authority of up to but not exceeding \$50,000. For maintenance services exceeding \$50,000, the Procurement Office will submit the requisition and scope of work to the DGS for solicitation and award.

C. Construction Maintenance Projects:

All construction maintenance requests greater than \$15,000 will be submitted on a MILDEP State Requisition Form with a clear and concise description of the specifications and forwarded to the Procurement Office. An electronic copy in word or excel format shall be emailed to the Chief Procurement Office at catherine.nash@maryland.gov. The Procurement Office will seek competition as required by all laws, regulations, directives, and policies that are in effective at the time of the request including advertising on eMM, the State of Maryland's official bid board. The procurement officer will coordinate with the requester to determine the date of pre-bid conference, pre-bid minutes, amendments, if applicable, and award. For construction maintenance requests that may exceed \$25,000, the MILDEP's Facility Maintenance Office will submit the requisition and scope of work to the DGS for solicitation and award.

D. Service Contracts

All non DGS related service requests greater than \$15,000 will be submitted on a MILDEP State Requisition Form with a clear and concise description of the specifications and forwarded to the procurement office. An electronic copy in word or excel format shall be emailed to the Chief Procurement Office at catherine.nash@maryland.gov. The Procurement Office will seek competition as required by all laws, regulations, directives, and policies that are in effective at the time of the request including advertising on eMM, the State of Maryland's official bid board. The procurement officer will coordinate with the requester to determine the date of pre-bid conference, pre-bid minutes, amendments, if applicable, and award. All requests that are expected to exceed a value greater than \$25,000 and are not on a statewide contract will be sent to DBM for approval for the MILDEP to solicit and make a recommendation for award.

E. Information Technology (IT) Hardware/Software/Services:

All IT hardware, software, and service requests greater than \$15,000 will be submitted on a MILDEP State Requisition Form with a clear and concise description of the specifications and forwarded to MILDEP's IT Manager for review and approval. Once MILDEP's IT Manager approves the IT request it will be forwarded to the Procurement Office. All requests that are expected to exceed a value greater than of \$25,000 and are not on a statewide contract will be sent to DoIT for approval for the MILDEP to solicit and make a recommendation for award.

IX. Sole Source Procurements:

- A. Sole source orders are subject to intense scrutiny by the State of Maryland and the MILDEP Procurement Office; therefore, these types of requests must always be carefully and fully justified. In accordance with COMAR 21.05.05, there are four circumstances under which a sole source may be requested.
1. When only one source exists which meets the requirement; The Department must document and state why this is the only source and the potential loss or risk to the Department if award is not to this particular vendor.
 2. When compatibility of equipment, accessories, or replacement parts is of paramount concern.
 3. When vendor's item is needed for trial use or testing (for limited period of time).
 4. When certain public utility services are to be procured and only one source exists.
- B. All sole source requisitions submitted exceeding \$5,000 will be accompanied by a written, signed sole source justification (use Procurement Officers written Determination form SEE ATTACHEMNT F) from the individual user and shall include the detailed manufacturer, vendor service information. This form shall be filled out completely providing all the requested information. Additional justification may be requested if justification submitted is not determined to be sufficient by the Procurement Office. It is important to note that cost and/or urgency of need cannot be used as a basis for a sole source. All such requests are subject to the review and approval of the Chief of Procurement. In some instances, the requests are also subject to the review and approval of the Adjutant General (TAG) and the Board of Public Works (BPW) and therefore, when the BPW approval is required the Chief of Procurement shall obtain a letter of approval from the TAG.

X. Emergency Procurement (over \$5,000):

An emergency, as defined in COMAR 21.01.02.01.B(36), means a sudden and unexpected occurrence or condition which agency management reasonably could not foresee that requires an action to avoid or mitigate serious damage to the public health, safety, or welfare. Should a valid emergency arise, contact the Chief Procurement Officer as soon as the emergency is known and describe the situation. During working hours call 410-234-3819. During non-working hours, call 410-370-9457. Departments are not authorized to proceed without the prior approval of Chief Procurement Officer or their designee. Procedures detailed in this directive must be followed to the extent possible to resolve the emergency.

Once the emergency has been mitigated, a completed requisition must be forwarded to the Chief Procurement Officer with a completed Procurement Officers Written Determination form (SEE ATTACHEMNT F). A full explanation of the nature of the emergency and why the matter was to be handled in the matter chosen shall be included on the form or as a separate memo. In most instances, emergencies must be posted on eMM within 30 days and reported to BPW within 45 days of the emergency.

XI. Information Technology Purchases:

- A. All (IT) Equipment, software and license renewals, and or maintenance contracts, send a completed MILDEP State Requisition Form (See ATTACHMENT B) to the IT Office for review and approval. The requisition form shall include detailed information such as, model number, software version and if you want the downloaded version or the full box set, etc. The requestor shall obtain the required program manager's signatures before submitting the requisition to the IT office for review and approval. All IT requisitions shall also include a justification for the request. Once the IT office approves the requisition, the IT office shall submit the completed requisition and all documentation to the procurement office for processing. Purchase of supplies, such as paper, printer cartridges, DVD's and CDs are not considered IT but supplies and shall be purchased using one of the DGS Statewide Contracts.
- B. Cell phones, cell phone services, air cards, telephones, phone services (such as DSL's, T1, etc.) shall be requested on a TSR form (SEE ATTACHMENT C) and sent to the IT office for review and approval. The requestor shall obtain the required program manager's signatures before submitting the TRS to the IT office for review and approval. Once the IT office reviews the TSR request, the IT office shall submit the TSR and all documentation to the procurement office for processing.

XII. Travel and Training

- A. All requests for out of state travel that does not include training shall be submitted to Joyce Sommer on an Out-of State Travel Request form (SEE ATTACHEMENT D). All travel requests shall be submitted in a timely manner to ensure the MILDEP is able to obtain the best rate. Joyce Sommer can be reached at 410-234-3811 or joyce.sommer@maryland.gov.
- B. All training requests shall be submitted on an Out Service Training Request form (SEE ATTACHMENT E) and submitted to Debra Ports in the State Personnel Office for processing. If your training request also requires out of state travel, the Out of State Travel Request form shall be included with the Out of Service Training form and submitted to Derba Ports in the State Personnel Office for processing. Debra Ports can be reached at 410-234-3832 or debra.ports@maryland.gov.
- C. Travel and training requests that are federally reimbursed must have approval of federal program manager that includes name, position title and signature of the federal program manager and the percentage of federal reimbursement for that request. *NOTE: State employees that are traveling in federal reimbursed status must adhere to federal travel and per diem rates.*

XIII. Additional Procurement Requirements:

A. Statewide Contracts:

The State of Maryland has awarded many contracts for goods and services statewide. These statewide contracts shall be used. A list of these contracts can be found on the following websites:

- Department of General Services www.dgs.maryland.gov
- Department of Budget and Management www.dbm.maryland.gov
- Department of Information Technology www.doit.maryland.gov

In addition, the Procurement Office can provide additional information on the availability and nature of these contracts.

B. Preference Providers:

For all procurements not on a current statewide contract, the MILDEP shall first verify with the following preference providers their ability to provide the supplies and or services. (COMAR 21.11.05, Socioeconomic Policies).

- Maryland Correctional Enterprises (MCE)
- Blind Industries and Services of Maryland (BISM)
- Certified Sheltered Workshops (MD Works)

If the above preference providers cannot provide the supplies and or services, the MILDEP shall obtain a waiver. All waivers shall be maintained with the procurement documents and are valid for that procurement only.

C. Minority Business Enterprise Policies

The MILDEP shall include certified minority businesses in all procurement opportunities as required by COMAR 21.11.03

D. Veteran-Owned Small Business Enterprises

The MILDEP shall include veteran –owned small business in all procurement opportunities as required by COMAR 21.11.13.

XIV. Corporate Purchasing Cards

All CPC card holders must read, sign and follow the instructions contained in the State of Maryland Purchasing Card Program – User’s Guide (See ATTACHMENT H and EXHIBITS A, A1, B, B1, C, D, E, L) or the Comptrollers website www.comp.state.md.us for a copy of the current user’s guide and all exhibits.

XV. General Guidelines:

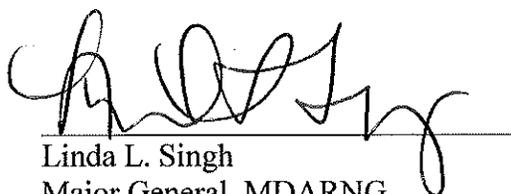
- A. Requesters should note that under Maryland’s State ethics laws, any firm that provides assistance to the MILDEP personnel in preparing specifications for a bid solicitation or request for proposal will preclude that vendor from bidding on this request. Further, procurement under State regulations requires an identified need to be specified for solicitation, rather than a purchase resulting from a product presentation by a vendor. Therefore, requesters should exercise restraint with vendor discussions that may cross over from being general in nature to specifics that may provide a vendor with a competitive edge. If in doubt, contact the Procurement Office for assistance.
- B. Individuals who have not been delegated procurement authority are not authorized to sign any contracts or agreements of any kind on behalf of the MILDEP or any of its employees regardless of the dollar amount of the order. All contracts related to procurement matters should be directed to the Procurement Office. Contracts signed by individuals, other than procurement levels, will not be binding on the MILDEP and will render the agreement and/or the transaction null and void. In some instances, an unauthorized signature may

make the agreement or contract personally binding on the person on the person who signed the agreement or contract.

- C. If employees are contacted by a vendor concerning a bid or solicitation which has been issued by the Procurement Office, please refer all calls to that office immediately. Individuals should not answer any questions nor release any information related to a solicitation no matter how familiar you are with the requirement. Adherence to this procedure will protect the integrity of the solicitation, avoid misunderstandings, and ensure that an equal opportunity is provided to all vendors. The Procurement Office is responsible to obtain and distribute answers to all vendors' inquiries concerning bids and solicitations. If required, the Procurement Office may contact the requesting individual to obtain an answer to inquiries and will ensure that all prospective bidders are provided with that information.
- D. Do not accept any offers, tokens or gifts of any kind (including travel and meals) from vendors who are seeking to do business with the MILDEP.
- E. If you have a problem with a vendor, please do not hesitate to contact the procurement office as soon as possible. Be sure to document the difficulties experienced including the attempt, if any, to resolve the problem with the vendor. This information becomes very important when the Procurement Office attempts to resolve the problem on behalf of the MILDEP.
- F. To help in dealing with vendor representatives and to avoid some common pitfalls, the following guidelines are suggested:
- Advise the Procurement Office in advance of contacting vendors. The procurement office can assist you in obtaining the needed information or guide you how best to speak with vendors without compromising their ability to be involved in subsequent solicitations.
 - Contact two or more vendors to obtain the most competitive price.
 - Give an equal opportunity to all vendor contacts by providing exactly the same information, so that each has an equal opportunity to compete.
 - Detail all aspects of the requirement. Whenever feasible, do so in writing. Use a life cycle approach with regard to equipment purchases and follow-up maintenance.
 - State on the requisition a complete description of the item and attach all pertinent information about the suggested vendor(s) including name of company, address, representative or contact, telephone number, fax numbers, product model number, etc. Attach descriptive literature if available.
 - Do not commit the MILDEP by telling a salesperson that he/she has the order. Only a signed purchase order and or a signed contract from the Procurement Office can commit the MILDEP.
 - Departments are prohibited from accepting gifts or gratuities of any kind regardless if the dollar value, including but not limited to offers of free trips to visit facilities, meals, etc.
 - Watch out for vendor overreactions – created crisis “Price goes up at the end of the month “This is the last one left in stock...”
 - Be wary of unsolicited sales attempts to sell you a “great deal” over the phone. Such items have been found to be overpriced and/or of poor quality or both. Again, purchases are to be the result of an identified need, not vendor-driven.

- Do not wait until the last minute to submit your requests. The Procurement Office and the appropriate control authority require sufficient time to process the request in an effective and efficient manner.

The proponent agency of this regulation is the Office of the Adjutant General. Users are invited to send comments to the Adjutant, State of Maryland, ATTN: MDNG-AG-CP, Fifth Regiment Armory, Baltimore, Maryland 21201-2288



Linda L. Singh
Major General, MDARNG
The Adjutant General

DISTRIBUTION:
ALL STAFF
DEPARTMENT WEBSITE

ATTACHMENTS:

- A DELAGATED AUTHORITY
- B MILDEP REQUISITON FORM
- C TSR FORM
- D OUT of STATE TRAVEL FORM
- E OUT of SERVICE TRAINING FORM
- F PROCUREMENT OFFICERS WRITTEN DETERMINATION FORM
- G PHONE BID FORM
- H CPC MANUAL
 - EXHIBIT A
 - EXHIBIT A1
 - EXHIBIT B
 - EXHIBIT B1
 - EXHIBIT C
 - EXHIBIT D
 - EXHIBIT E
 - EXHIBIT L