



STATE OF TENNESSEE
PROCUREMENT COMMISSION
3RD Floor, William R. Snodgrass TN Tower, 312 Rosa L. Parks Avenue
Nashville, Tennessee 37243-1102
(615) 741-1035 Fax (615) 741-0684

AGENDA

PROCUREMENT COMMISSION MEETING #002
THURSDAY, JUNE 28, 2012 – 2:00 P.M.
LEGISLATIVE PLAZA – ROOM 29

Agenda Item	Page #
I. Call to Order/Roll Call	--
Old Business:	
II. Approval of Minutes from April 11, 2012 Meeting (see attached documentation)	1
New Business:	
III. Proposed Procurement By-Laws (see attached documentation)	5
IV. Proposed Central Procurement Office Contracting Communications and Negotiations Policy & Procedures for Procurements and Amendments (see attached documentation)	13
V. Proposed Changes to Procurement Policy Manual Section 22.4 (see attached documentation)	20
Reports:	
VI. Certification Related Items (see attached documentation)	25
Other Business:	
VII. Update from Warehousing and Distribution Division, Department of General Services	--
VIII. Strategic Business Plan, Central Procurement Office, Department of General Services	--
IX. Adjournment	--

MARK EMKES, Chairman
Commissioner of Finance & Administration

JUSTIN WILSON
Comptroller of Treasury

STEVEN G. CATES, Secretary
Commissioner of General Services

JESSICA ROBERTSON
Chief Procurement Officer

**MINUTES FROM APRIL 11, 2012
PROCUREMENT COMMISSION MEETING**



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

STEVEN G. CATES
COMMISSIONER

BILL HASLAM
GOVERNOR

MINUTES
PROCUREMENT COMMISSION #001
WEDNESDAY, APRIL 11, 2012
EXECUTIVE CONFERENCE ROOM – STATE CAPITOL

Members in Attendance:

Justin P. Wilson, Comptroller of the Treasury; Steven G. Cates, Commissioner for the Department of General Services; Mark Emkes, Commissioner for the Department of Finance and Administration; Jessica Robertson, Chief Procurement Officer

Others in Attendance:

Terry Mason, Mary Anne Queen, Bryan Chriske, Reen L. Baskin, Melinda Parton, Toni L. Stuart, Sondra Howe, Buddy Lea, Jane Chittenden, Mike Perry, Stephen Reksten, Kyle Hunter, Charles Key, Paul D. Krivacka, Kippine Smith, Marcy Damon, Christopher Shay Oliphant, James Reyes, Thad Watkins, Laura Kinard, Abigail Lipshie, Martha Nichols, Tom Arnold, Mike Poliboy, Keith Boring, Mike Morrow

Call to Order: Commissioner Emkes called the meeting to order and asked for a roll call of the members.

I. Minutes from the March 9, 2012 Board of Standards Meeting

Commissioner Emkes presented the March 9, 2012, minutes of the Board of Standards. The March 9, 2012, minutes were unanimously approved by the Procurement Commission upon the motion of Commissioner Emkes and a second by Commissioner Cates.

II. Communications and Negotiations Policy

The Procurement Commission considered a proposed *Communications and Negotiations Policy* upon the request of Chief Procurement Officer Robertson. The *Communications and Negotiations Policy* was previously approved for recommendation by the Advisory Council on April 9, 2012, for the Procurement Commission's adoption. After discussion by the Procurement Commission and at the suggestion of Commissioner Emkes, action on the *Communications and Negotiations Policy* was deferred by the Procurement Commission to a later meeting to allow the Commission members time to adequately review prior to approval.

CENTRAL PROCUREMENT OFFICE

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III. Transition Plan Report

Chief Procurement Officer Robertson presented several major milestones that have been achieved and future initiatives of the Central Procurement Office (“CPO”). Chief Procurement Officer Robertson stated that these milestones and initiatives included the following:

- October 1, 2011 – Chief Procurement Officer Robertson reported that the Advisory Council was established.
- January 1, 2012 – Chief Procurement Officer Robertson reported that the CPO created a single Internet site with content containing bid and RFP opportunities and other useful information for the vendor community and general public.
- Strategic Initiatives – Chief Procurement Officer Robertson reported that the CPO has a strategic sourcing RFP on the street and that the CPO is evaluating a software program that will assist the CPO in analyzing spend on various state and agency contracts. The CPO is also working in consultation with F&A for a grant database and making more content available on its web site.
- Organization Chart – Chief Procurement Officer Robertson reported that an organizational chart showing the hierarchy of duties and responsibilities within the CPO is nearing completion.

Chief Procurement Officer Robertson introduced the CPO leadership team members. Each member of the leadership team spoke on their individual teams and their responsibilities and initiatives as follows:

- James Reyes, Director of Training and Compliance - Mr. Reyes stated that his team is responsible for agency training and a certification program to facilitate delegated purchasing authority to agencies.
- Marcy Damon, Director of Systems Management - Ms. Damon stated that her team is responsible for Edison processes, best practices, streamlining content management, and vendor communication.
- Shay Oliphant, Director of Sourcing - Mr. Oliphant stated his team is responsible for working with various state agencies on procurement matters. Mr. Oliphant stated that the Sourcing Team will provide oversight and guidance on delegated purchasing authority granted by the CPO and that his team will provide pricing analysis.
- Paul Krivacka, Director of Category Management and Legal - Mr. Krivacka stated that Category Management refers to the procurement and management of statewide contracts. Mr. Krivacka stated that he will utilize saber metrics to manage and measure procurement efficiency, cost savings, and process defects. Mr. Krivacka stated that the CPO Legal Team is reviewing rules, statutes, and Procurement Commission Bylaws. Mr. Krivacka also stated that the Legal Team will present to the Commission at a later date a plan for repealing the current DGS and F&A policies, rules and regulations and replacing them with CPO policies and emergency rules that will become permanent rules.

- Mike Perry, Deputy Chief Procurement Officer - Mr. Perry is the point of contact for measuring the CPO's metrics and measurements. Mr. Perry stated that cost savings are a primary focus of the CPO along with timeliness of service delivery and customer satisfaction.

Chief Procurement Officer Robertson confirmed that additional CPO progress will be reported to the Procurement Commission at its next meeting. Chief Procurement Officer Robertson suggested that the Procurement Commission meet on a monthly basis for the first few months to facilitate the changes occurring within the CPO.

Comptroller Wilson requested that the CPO draft a set of bylaws or rules of procedure to be presented at the next Procurement Commission meeting. Comptroller Wilson asked Chief Procurement Officer Robertson if the STREAM contract had been reviewed by the Office of the Comptroller of the Treasury, to which Chief Procurement Officer Robertson stated that the Comptroller of the Treasury was given the opportunity to review and comment upon the STREAM contract. Comptroller Wilson inquired about videotaping future Procurement Commission meetings to further transparency. Chief Procurement Officer Robertson stated that she is working on having all Procurement Commission meetings scheduled in the Legislative Plaza to allow for videotaping since video streaming is not cost effective from the Tennessee Tower. Comptroller Wilson asked for a Surplus Property report by the next meeting and a report on how new software has or will improve CPO efficiencies.

IV. ADJOURNMENT

A motion to adjourn was made by Commissioner Emkes and seconded by Comptroller Wilson, whereupon the April 11, 2012, Procurement Commission meeting was adjourned.

PROPOSED PROCUREMENT BY-LAWS

TENNESSEE PROCUREMENT COMMISSION

BYLAWS AND RULES OF PROCEDURE

6/28/2012

MISSION STATEMENT

To promote the efficient, fair, transparent, timely, and cost-effective procurement of goods and services and ensure proper management of contracts between proposers and the various departments, agencies, and commissions of the State of Tennessee with respect to procurement decisions.

ARTICLE I

NAME

The name of this organization shall be referred to herein as the "Tennessee Procurement Commission" or the "Commission."

ARTICLE II

DUTIES AND RESPONSIBILITIES

The Commission shall have the duty and responsibility to review, comment, and approve rules and regulations, policies, standards, and procedures to be followed consistent with Title 4, Chapter 56 and Title 12, Chapters 3 and 4, and such other duties and responsibilities assigned to the Commission by the Tennessee General Assembly. The Commission shall also recommend changes to rules and regulations, policies, standards, and procedures governing the procurement of goods and services, contracting, agency contract and grant management, training and professional development, and disposal of goods and services by the State of Tennessee.

The Commission is further authorized to promulgate necessary rules and regulations in accordance with the Uniform Administrative Procedures Act, Title 4, Chapter 5, as well as policies and procedures to implement its duties and responsibilities under Title 4, Chapter 56 of the Tennessee Code. The Commission shall not exercise authority over the award or administration of any particular contract or grant.

ARTICLE III

DOCUMENT GOVERNING PROCEEDINGS

These Bylaws and Rules of Procedure, referred to herein as the "Procedures", shall govern all hearings, information items and matters for consideration or approval before the Commission.

ARTICLE IV

RECORD OF PROCEEDINGS

The Chief Procurement Officer shall keep a permanent and accurate record of all proceedings of the Commission.

ARTICLE V

FILING

All documents to be filed with the Commission for consideration or approval must be filed with and received by the Chief Procurement Officer at least fifteen (15) calendar days in advance of a Commission meeting by no later than 4:00 PM CST. Electronic filing by email with return receipt requested is recommended, but not required. All documents will be provided by the Chief Procurement Officer to Commission members at least ten (10) calendar days in advance of a Commission meeting no later than 4:00 PM CST.

ARTICLE VI

MEMBERS OF THE PROCUREMENT COMMISSION

The members of the Procurement Commission shall consist of the commissioners of General Services, Finance and Administration, and the Comptroller of the Treasury. The Chief Procurement Officer shall serve as a non-voting member.

ARTICLE VII

OFFICERS

The officers of the Commission shall consist of a Chairperson, Vice-chairperson, and Secretary. The Governor shall appoint the Chairperson. The voting members of the Commission shall elect a Vice-chairperson. The Chief Procurement Officer, as a non-voting member, shall serve as Secretary to the Commission. The terms of office shall begin on April 1 of each year and end March 31 of the following year.

ARTICLE VIII

LEGAL COUNSEL

The Attorney General and Reporter shall serve as legal counsel to the Commission in accordance with the requirements of Tenn. Code Ann. § 8-6-301.

ARTICLE IX

MEETINGS, PUBLIC HEARINGS, QUORUMS, AND VOTING

A. The Commission shall meet as frequently as required for the purpose of electing officers and conducting other appropriate business.

B. Regular meetings of the Commission shall be held the third Thursday of each month at such time and place as designated by the Chairperson after consultation with the other members, except that the regular meeting in November shall be held on the second Thursday. Should the third Thursday fall on a federal or state holiday, the regular meeting of the Commission will be held on the second Thursday of the month. One member may appear at meetings telephonically if notice is provided to the other two members at least three (3) business days prior to such meeting and provided the other two members are present for the meeting. A Regular meeting may be cancelled or rescheduled by the Chairperson after consultation and written consent with all members. Special meetings of the Commission may be called by the Chairperson, provided the Chairperson gives the other members and the public at least three (3) business days notice.

C. At all meetings, a majority of members, being two (2), shall constitute a quorum for action only upon consent by all members after reviewing the agenda. A Majority vote of the quorum shall constitute the action of the Commission.

D. All meetings of the Commission shall be recorded and minutes of the Commission shall be in writing and presented for approval or correction by the Commission at its next meeting subsequent to the meeting in which the action was taken. All meetings to the extent possible will be video taped and accessible for future reference. Agendas and minutes shall be posted on the Central Procurement Office website from a link on the home page of the Central Procurement Office internet site to promote transparency.

ARTICLE X

DUTIES OF CHAIRPERSON

The Chairperson shall be the principal officer of the Commission. The Chairperson shall:

- A. Preside at meetings of the Commission;
- B. Create standing and special committees as needed, upon majority approval of the other voting members, and appoint committee members;
- C. Be an ex-officio member of all committees;
- D. Send notices of meetings to the other members and to the members of the public;
- E. Establish agenda for meeting in consultation with the staff of Commission members;
- F. Ensure the objectives of the Commission are met;
- G. Perform such other duties as are appropriate to the office.

ARTICLE XI

DUTIES OF VICE-CHAIRPERSON

The Vice-chairperson shall:

- A. Perform the duties of the in the absence of the Chairperson;
- B. Serve in such capacities as may be assigned by the Chairperson;
- C. Perform such other duties as are appropriate to the office.

ARTICLE XII

DUTIES OF THE SECRETARY

The Chief Procurement Officer, a non-voting member of the Commission, shall serve as Secretary and shall:

- A. Certify and authenticate minutes and other documents relating to the business of the Commission;
- B. Provide minutes to the Commission members for approval or correction;
- C. Perform such other duties as are appropriate to the office;
- D. Establish the draft agenda for the Chair to consult with all members;
- E. Maintain all records and recordings of the meetings.

ARTICLE XIII

COMMITTEES

Committees, standing or special, shall be appointed by the Chairperson with majority consent of the other voting Commission members. The Chairperson shall be an ex-officio member of all committees.

ARTICLE XIV

COMMUNICATION AND NOTICE

Communication and notice may be accomplished through the Central Procurement Office website, e-mails, announcements, newsletters, or other methods. The Chief Procurement Officer, in consultation with the Chairperson, shall be responsible for collecting information and producing a "Final Copy" of the communication ready for posting on the Central Procurement Office website or for distribution via other methods. Final Copy is defined as the communication that has been edited for proper grammar, accuracy, and overall clarity and quality, including any final pictures or graphics to be attached.

ARTICLE XV

COMMISSION STAFF

The Commission's staff shall consist of the Chief Procurement Officer and such other staff of the Central Procurement Office as designated by the Chief Procurement Officer.

ARTICLE XVI

SUSPENSION OF PROCEDURES

Any provision of these Procedures may be suspended upon a unanimous vote of the voting members of the Commission at a Regular or Special Meeting without the necessity of an amendment to these Procedures.

ARTICLE XVII

AMENDMENTS

These Procedures may be amended at any Regular or Special Meeting of the Commission by a unanimous vote of the voting members of the Commission.

Effective _____

**PROPOSED CENTRAL PROCUREMENT
OFFICE CONTRACTING
COMMUNICATIONS AND NEGOTIATIONS
POLICY & PROCEDURES FOR
PROCUREMENTS AND AMENDMENTS**

Central Procurement Office
Contracting Communications and Negotiations Policy & Procedures
for Procurements and Amendments

Effective: Upon approval by the Procurement Commission of the State of Tennessee

Prepared by: The Central Procurement Office of the State of Tennessee

Purpose

To establish a transparent, consistent and equitable process for communicating, clarifying and negotiating with responsive and responsible proposers during the procurement solicitation process, and negotiation with parties to whom a contract award has been made, including any amendments to such awarded contracts.

Scope

These policies and procedures apply to all procurements, contract awards and amendments to such awarded contracts when the solicitation and award are conducted by the Central Procurement Office.

Definitions

For purposes of this policy, the following terms shall have the meanings described below:

“Competitive Range” – means those proposals that have a reasonable chance for contract award based on criteria set forth in the written solicitation document. Only proposals within the Competitive Range shall be considered for additional discussions and negotiation.

“Contract Amendment” - means an amendment, renewal and/or extension of an Original Contract, which includes by example only, changes to term, scope of work, pricing and amount of compensation.

“CPO” – means the Central Procurement Office of the State of Tennessee acting by and through the Chief Procurement Officer or his or her designee as the context requires.

“Fair Pricing” – means pricing that is mutually acceptable to the parties after considering:

- the level of competition within the marketplace,
- time sensitivities,
- technical qualifications,
- the scope of work at issue,
- economies of scale benefits,
- the presence of proprietary, intangible, personal or real property rights at issue,
- the scarcity or abundance of manpower or resources, or
- other considerations.

The "Fair Pricing" shall be ascertained after benchmarking for time, labor, pricing, or deliverables when practical and available information exists. Benchmarking shall compare the individual or market basket of goods and services, as applicable, for the contract or amendment at issue in the relevant market place for the relevant period of time.

"Original Contract"- means any contract resulting from a procurement or solicitation process entered into between the State and any person or legal entity.

"Person" – expansively means a natural person, an association, a legal entity or such other entity with the legal capacity to enter into a contract.

"Procurement" - means buying, purchasing, renting, leasing, or otherwise acquiring any goods or services. It also includes all functions that pertain to the obtaining of any goods or services, including the description of requirements, selection and solicitation of sources, negotiation, preparation and award of a contract, and all phases of contract administration.

"Proposer" – expansively includes a "bidder" or "proposer" that is a person or legal entity that has properly registered as required by the State. The terms "bidder" and "proposer" may be used interchangeably for the term "proposer".

"Responsible bidder" – means a person who has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability necessary for good faith performance.

"Responsive bidder" – means a person who has submitted a bid (proposal) which conforms in all material respects to the invitation to bid (Request for Proposal).

"Scope of Work" – means a detailed, written description of the conceptual requirements for the goods or services that are the subject of the procurement. The scope of work should detail what is required of the party to whom a contract award is made.

"Special Procurement" – means a contract procurement without a solicitation, or an amendment to an Original Contract, where the Chief Procurement Officer has determined that the goods or services involve, by way of example only,:

- Equipment or service for which there is no comparably competitive product;
- Public utility services from natural or regulated monopolies;
- A component or replacement part or service for which there is no commercially available substitute and which can be obtained only directly from the manufacturer or provider;
- An item where compatibility is the overriding consideration (e.g., computer operating software or hardware enhancements for an existing system);
- The ability of a vendor to meet a necessary condition dictated by unique circumstances (e.g., the need for immediate delivery or repairs at a particular location or emergency situations); or

- Competitive alternatives that are impractical, unfeasible, or will be to the detriment of the State of Tennessee.

“State” – means the State of Tennessee and its agencies, boards and commissions as the context requires.

Policy and Procedure –Procurement Process

This Policy and Procedure shall act as a frame work for establishing a consistent, equitable process for communicating, clarifying and negotiating with responsive and responsible proposers during the procurement solicitation process. Negotiation with proposers to whom a contract award has been made, including any amendments to such awarded contracts, is discussed below.

As appropriate, solicitations of proposals shall state whether negotiations may be conducted with responsive and responsible proposers, who submit proposals determined to fall in the Competitive Range as set forth in the proposal, for award as determined by the CPO. All communications, clarifications and negotiations shall be conducted in a transparent and documented manner that is calculated to arrive at Fair Pricing on terms and conditions most advantageous to the State of Tennessee.

Pre-Award and Post-Award

All communications, clarifications and negotiations shall be conducted in a manner that maintains fairness and transparency in the disclosure of information. There shall be no disclosure of the proposal contents until after the intent to award notice is issued by the CPO. In conducting communications, clarifications or negotiations with a proposer, the CPO may use information derived from proposals submitted by competing proposers in discussions, only if the identity of the proposer providing the information is not disclosed to others. The CPO shall provide comparable information to all proposers with whom communications or negotiations are conducted. Proposer identity shall not be disclosed until after the intent to award notice is issued by the CPO. There shall be no public comment on the procurement process until after the intent to award notice is issued.

All communications, clarifications and negotiations shall be conducted in a manner that supports fairness in proposal improvement. All parties involved in the negotiation, performance, or administration of procurements and contracts for the CPO shall act in good faith. All proposers shall have a reasonable opportunity to address issues such as non-responsiveness, ambiguity, or suspected mistakes. Negotiations shall only be conducted with responsive and responsible proposers falling in the Competitive Range for award as determined by the CPO and as detailed in the written solicitation. All proposers shall be given fair treatment, therefore comparable information shall be provided in communications and negotiations and a consistent evaluation process and criteria shall be upheld throughout the procurement. Price negotiations, including target pricing, may be conducted as long as written equivalent information is provided to all proposers having a reasonable chance for award. Target pricing may be based on considerations such as current pricing, market considerations, benchmarks, budget considerations, or other method that does not reveal individual proposer pricing. During price

negotiations proposers are not obligated to meet or beat target prices, but will not be allowed to increase overall prices.

The Chief Procurement Officer shall assign and maintain a single point of contact for proposers throughout the procurement process, including with respect to communications and clarifications. Negotiations shall be conducted by the Chief Procurement Officer, his or her appointed lead negotiator or appointed negotiation team. Documentation of the procurement shall include, at a minimum, the following documents:

- A log of the date and times of each meeting with a proposer, including the identity of the proposer and their representative;
- A description of the nature or reason for all material communications with each proposer; and
- A copy of all written communications, including electronic communications, with each proposer.

Special Procurements

Special procurement of contracts, or amendments to such contracts, shall only be conducted after a determination by the Chief Procurement Officer that the goods or services involve, by way of example only,:

- Equipment or service for which there is no comparably competitive product;
- Public utility services from natural or regulated monopolies;
- A component or replacement part or service for which there is no commercially available substitute and which can be obtained only directly from the manufacturer or provider;
- An item where compatibility is the overriding consideration (e.g., computer operating software or hardware enhancements for an existing system);
- The ability of a vendor to meet a necessary condition dictated by unique circumstances (e.g., the need for immediate delivery or repairs at a particular location or emergency situations); or
- Competitive alternatives are impractical, unfeasible, or will be to the detriment of the State of Tennessee.

Additional State approvals may be required by statute or rules and regulations before such contracts or amendments can be fully executed.

The Chief Procurement Officer shall assign and maintain a single point of contact for proposers throughout the procurement process, including with respect to communications and clarifications. Negotiations shall be conducted by the Chief Procurement Officer, his or her appointed lead negotiator or appointed negotiation team. Documentation of the special procurement shall include, at a minimum, the following documents:

- An analysis of viable alternate options available and the benefits of pursuing direct negotiation instead of competitive alternatives;

- A determination that the contract or amendment procured pursuant to direct negotiation results in a contract or amendment at Fair Pricing on terms and conditions most advantageous to the State of Tennessee;
- A log of the date and times of each meeting with a proposer, including the identity of the proposer and their representative;
- A description of the nature or reason for all material communications with each proposer; and
- A copy of all written communications, including electronic communications, with each proposer.

Policy and Procedure – Existing Contracts

All existing contract negotiations for a Contract Amendment shall be conducted in good faith and in a manner that supports a transparent process. Negotiations for Contract Amendments or renewals or extensions or to provide additional goods or services must be for scope, (i) within the scope of work set forth in the Original Contract and within the intent and purpose of the Original Contract, or (ii) that is a logical extension of the scope of work in the Original Contract. Negotiations shall only be conducted with vendor representatives having authority to negotiate on behalf of their company.

In determining whether the State’s best interests are served by accepting the proposal of an existing vendor resulting from negotiations conducted relative to a Contract Amendment (a “Vendor Proposal”), the Chief Procurement Officer, or his or her designee, shall determine whether the pricing provided in the Vendor Proposal represents Fair Pricing and provides benefits to the State that outweigh the benefits to the State that could be obtained by procuring the scope of work through a solicitation to the marketplace. The determination of the Chief Procurement Officer that the benefits to the State from accepting the Vendor Proposal outweigh the benefits to the State that could be obtained through a solicitation to the marketplace must be articulated in writing and may be based on one or more of the following rationales (this list is intended to be exemplary and not exhaustive): (1) scope of work is too limited to elicit competitive bids that would provide cost savings; (2) time delays resulting from competitive procurement process would harm the State; (3) whether the resulting contract, as amended, reflects Fair Pricing on terms and conditions that are most advantageous to the State of Tennessee; and (4) whether the existing vendor is the most qualified or only vendor of such goods or services (as determined through initial bid responses or approval of a sole source contract). Following such a determination, a Contract Amendment executed by the parties shall clearly detail the additions, deletions, and modifications to the Original Contract.

SOURCES

State of Georgia Procurement Manual

The Virginia Public Procurement Act Guide for Local Government

The Virginia Public Procurement Act, Chapter 7, Competitive Negotiation

Comparative Review of State IT Procurement Practices, NASPO

New York State Science & Technology Law Center, Model Negotiation Policies

Illinois Administrative Code, Westlaw

Code of Maryland Regulations, Westlaw

Code of Massachusetts Regulations, Westlaw

Mississippi Administrative Code, Westlaw

Illinois Central Bureau of Land Acquisition, Negotiation Policies and Procedures

Regulations of Connecticut State Agencies

Oklahoma Department of Central Services, Central Purchasing Administrative Rules

State of South Carolina, Classifying Proposals and Conducting Discussions

Commonwealth of Pennsylvania, Bureau of Procurement, Procurement Handbook

**PROPOSED CHANGES TO PROCUREMENT
POLICY MANUAL SECTION 22.4**

22.4 Prior Authorization Required

This list includes purchases which do not require purchase orders, but which should be made by contract or authorization approved by the Department of General Services, pursuant to applicable rules and procedures as indicated.

1. Fees for personal, consultant, and professional services. (Rules established by the Department of General Services, Central Procurement Office).
2. Rental or lease of property (Department of General Services, Real Estate Asset Management).
3. Purchase of artifacts for historical or commemorative purposes (Department of General Services, Central Procurement Office).



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF ACCOUNTS
21ST FLOOR, WILLIAM R. SNODGRASS TENNESSEE TOWER
312 ROSA L. PARKS AVENUE
NASHVILLE, TENNESSEE 37243-0293

MARK A. EMKES
COMMISSIONER

To: Jessica Roberson
Chief Procurement Officer
Department of General Services

From: Jan I. Sylvis *Jan I. Sylvis*
Chief of Accounts

Subject: Proposed changes to the Procurement Policy Manual

Date: June 13, 2012

We have been conducting a review of our accounting policies and updating them for new business processes. As a part of that review we also reviewed items that routinely come to F&A Division of Accounts for approval prior to purchase. The latter items are found in the Procurement Policy Manual Section 22.4 – Prior Approval Required. These items do not require a purchase order, but require a contract or authorization by F&A or the Department of Human Resources. I've attached a document that goes through each item and identifies an action for the Procurement Commission's consideration. Some items have been covered in other policies or procedures. Some of these items are in conflict with current or proposed language in the accounting policies. Some of the items involve issues that have been transferred to General Services' jurisdiction. And lastly, some items we believe are best managed at the department level due to their immaterial nature (departmental meetings and awards to private citizens). To avoid confusion, it would be helpful if these issues were deleted, edited or simply referred to the appropriate procedure or policy so that agencies will not be confused about the necessary action.

We appreciate the Commission's favorable consideration of these changes. I'll be happy to answer any questions you may have and can be reached at 615.741.2382.

Recommendations on Section 22.4:

1. Fees for personal, consultant, and professional services. Examples are doctors, lawyers, veterinarians, architects, consultants, court reporters, interpreters, ambulance, demurrage, appraisals (F & A Rules, Chapter 0620-3-3, and DOHR).

Potentially edit to remove reference to F&A - New Rules will be promulgated through Central Procurement Office

2. Rental or lease of property (F & A)

Potentially edit to remove reference to F&A - Responsibility moved to General Services, Real Estate Asset Management

3. Purchase of artifacts for historical or commemorative purposes (Purchasing)

Potentially edit - Responsibility with Central Procurement Office

4. Tuition, fees and supplies for training of individuals. (the Department of Human Resources on Form 602, Out Service Training Nomination for State Employees by the Department of Finance and Administration for other individuals).

Potentially delete or refer to operational procedures summarized in 2006 Department of Human Resources Commissioner memo.

5. Occasional charges for rooms for meetings, and attendant expenses in excess of \$200 per day for a maximum of five (5) days would be required. The \$200 per day maximum would be totally inclusive of all charges for the day (F & A)

Potentially delete or refer to F&A Policy 8 – Travel Regulations. Division of Accounts is processing proposed changes to authorize department head approval of such costs. Department heads are in the best position to determine the necessity of meetings based on its business purpose and budgetary constraints.

6. Convention fees/Registration fees in excess of \$100 per individual for a maximum of ten (1) individuals.

Potentially delete or refer to F&A Policy 8. The business processes around these items change depending on the budgetary climate. When the budgetary climate necessitates, the Commissioner of F&A distributes a financial management policy memo to adjust the business process accordingly.

7. Association entry fees (F &A)

Potentially delete or refer to F & A Policy 10 – Dues and Subscriptions

8. Organization, membership dues and subscriptions to newspapers, periodicals, newsletters, or pamphlets (F & a Policy 10).

Potentially delete or refer to F & A Policy 10 – Dues and Subscriptions

9. An employee's moving expense (F & A)

Potentially delete or refer to F & A Policy 27 – Moving Policy

10. Rental of passenger vehicles (F& A)

Potentially delete or refer to F&A Policy 8 –Travel Regulations, paragraph 25 – Automobile Rental – currently under revision for the centralized car rental program operated by DGS.

11. Purchase of awards for State employees (DOHR)

Potentially delete or refer to operational procedures in place summarized in 2006 Department of Human Resources Commissioner memo.

12. Purchase of awards for private citizens (F & A)

Potentially edit to delete F&A. Department heads are in the best position to determine the necessity of private citizen awards based on its business purpose and budgetary constraints.

13. Honoraria and attendant expense (F & A)

Potentially edit to delete F&A. These would typically be covered under Item 1 (service contracts for speaking or conference presentation).

14. Insurance policies (F & A) or an appropriate committee as required by law.

Potentially edit to remove F&A. We generally refer questions about these to Treasury, Board of Claims.

CERTIFICATION DOCUMENTATION



STATE OF TENNESSEE
PROCUREMENT COMMISSION
3RD Floor, William R. Snodgrass TN Tower, 312 Rosa L. Parks Avenue
Nashville, Tennessee 37243-1102
741-1035 Fax (615) 741-0684

CERTIFICATION ITEM(S)

1. Item No. 763.A146
Service: Janitorial Services
Agency/Location: Department of Human Services
155 Legends Drive, Suite #H
Lebanon, TN 37087
Annual Price: \$13,520.88 or \$2.075346 per square foot
Certification Requested for Period of 6/01/12 – 5/31/13

RE-CERTIFICATION ITEM(S)

2. Item No. 763.48
Service: Janitorial Services
Agency/Location: Department of Human Services
903-907 Buffalo Street
Johnson City, TN
Annual Price: \$19,168.08, or \$1.1999 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13
3. Item No. 763.51
Service: Janitorial Service
Agency/Location: Department of Environment & Conservation
Environmental Assistance Office
2220 Silverdale Road
Johnson City, TN
Annual Price: \$22,648.20, or \$1.45442 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

4. Item No. 763.50
Service: Janitorial Services
Agency/Location: Labor & Workforce Development
206 High Point Road
Johnson City, TN
Annual Price: \$9,811.20 or \$1.181689 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13
5. Item No. 763.36a-763.36e, 763.36g-763.36r, 763.36v-763.36z
Service: Adult Incontinent Briefs and Pads
Agency/Location: Various
Annual Sales: \$423,339.18, requesting an increase in shipping costs
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 05/01/12 – 04/30/13
6. Item No. 763.A79
Service: Janitorial Services
Agency/Location: Tennessee Military Department
Tennessee Emergency Management Agency (TEMA)
803 North Concord Street
Knoxville, TN 37919
Estimated Annual Price: \$9,005.52 or \$0.90055 per square foot, no price increase requested
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 05/01/12 – 04/30/13
7. Item No. 763.47
Service: Janitorial Services
Agency/Location: Alcohol & Beverage Commission
4420 Whittle Springs Road
Knoxville, TN 37917
Annual Price: \$3,748.92 or \$1.13 per square foot, no price increase requested
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 05/01/12 – 04/30/13
8. Item No. 763.42
Service: Janitorial Services
Agency/Location: Department of Safety/DL
111 Ellison Road
Lafollette, TN
Annual Price: \$9,521.76 or \$2.11595 per square foot, no price increase requested
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 05/01/12 – 04/30/13

9. Item No. 763.45
Service: Janitorial Services
Agency/Location: Department of Safety, THP/HQ
7601 Kingston Pike
Knoxville, TN
Annual Price: \$9,600.00 or \$1.28 per square foot,
no price increase requested
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

10. Item No. 763.A49
Service: Janitorial Services
Agency/Location: Department of Safety
Legal Division
322 Nancy Lynn Lane, Suite 74
Knoxville, TN 37919
Annual Price: \$5,315.04 or \$1.65012 per square foot, no
price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

11. Item No. 763.A46
Service: Janitorial Services
Agency/Location: Tennessee Board of Probation & Paroles
Probation & Paroles Office
1311 South Locust, Suite 101
Lawrenceburg, TN 38464
Annual Price: \$5,641.32 or \$1.8316 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

12. Item No. 763.A36
Service: Janitorial Services
Agency/Location: Department of Labor & Workforce
Development
Tax Office
230 East James Campbell Blvd., Suite 112
Columbia, TN 38401
Annual Price: \$4,584.96 or 1.5283 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

13. Item No. 763.A45
Service: Janitorial Services
Agency/Location: Tennessee Housing Development Authority (THDA)
930 N. Ellington Parkway
Lewisburg, TN
Annual Price: \$5,004.24 or \$1.3169 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

14. Item No. 763.A52
Service: Janitorial Services
Agency/Location: Department of Environment & Conservation
Environment & Conservation Office
245 Blanton Avenue
Nashville, TN 37210
Annual Price: \$2,642.28 or \$1.76152 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

15. Item No. 763.A31
Service: Janitorial Services
Agency/Location: Tennessee Board of Probation & Paroles
Probation & Paroles Office
220 Blanton Avenue
Nashville, TN 37210
Annual Price: \$13,173.48 or \$0.76408 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

16. Item No. 763.A33
Service: Janitorial Services
Agency/Location: Department of General Services
Surplus Property
6500 Centennial Blvd.
Nashville, TN 37209
Annual Price: \$10,499.64 or \$1.39995 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

17. Item No. 763.64
Service: Janitorial Services
Agency/Location: Metropolitan Government of Nashville
& Davidson County
Metro Water & Sewage Services
1700 3rd Avenue N.
Nashville, TN
Annual Price: \$34,883.04 or \$1.28625 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

18. Item No. 763.A48
Service: Janitorial Services
Agency/Location: Department of Agriculture
Forestry Office
222 E. Main Street
Livingston, TN 38570
Annual Price: \$1,306.56 or \$2.17760 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

19. Item No. 763.A40
Service: Janitorial Services
Agency/Location: Department of Environment & Conservation
Environment & Conservation Office
1221 Burgess Falls Road
Cookeville, TN 38501
Annual Price: \$10,264.32 or \$1.12277 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

20. Item No. 763.A42
Service: Janitorial Services
Agency/Location: Department of Labor & Workforce
Development
837-845 Ester Lane/1501-A Sarah Court
Murfreesboro, TN 37129
Annual Price: \$8,250.60 or \$1.71888 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

21. Item No. 763.A51
Service: Janitorial Services
Agency/Location: Tennessee Board of Probation & Paroles
Probation & Paroles Office
425 South Water Street
Gallatin, TN 37066
Annual Price: \$5,376.24 or \$1.55563 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

22. Item No. 763.A41
Service: Janitorial Services
Agency/Location: Tennessee Probation & Paroles
Probation & Paroles Office
1711 Old Fort Parkway
Murfreesboro, TN 37129
Annual Price: \$13,084.08 or \$1.50 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

23. Item No. 763.40
Service: Janitorial Services
Agency/Location: Tennessee Board of Probation & Paroles
Probation & Paroles Office
1432 W. Main Street, Suite 500
Lebanon, TN
Annual Price: \$4,854.84 or \$2.157705 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

24. Item No. 763.A75
Service: Janitorial Services
Agency/Location: Department of Environment & Conservation
Archeology Division
TPS Campus, Cole Complex
Building #2
1214 Foster Avenue
Nashville, TN 37210
Annual Price: \$6,246.36 or \$1.64378 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

25. Item No. 763.A76
Service: Janitorial Services
Agency/Location: Department of Environment & Conservation
Archeology Division
TPS Campus, Cole Complex
Building #3
1216 Foster Avenue
Nashville, TN 37210
Annual Price: \$6,246.36 or \$1.64378 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13
26. Item No. 763.A77
Service: Janitorial Services
Agency/Location: Department of Children's Services
289 Plus Park Blvd.
Nashville, TN 37217
Annual Price: \$16,295.40 or \$1.303632 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13
Service: Ground Maintenance Services
Agency/Location: Tennessee Board of Probation and Paroles
Probation & Paroles Office
2816 Dickerson Road
Nashville, TN
Annual Price: \$8,915.85, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13
27. Item No. 763.A127
Service: Grounds Maintenance Services
Agency/Location: R.S. Gass Complex
630 Hart Lane
Nashville, TN 37216
Annual Price: Required Activities: \$78,193.78, no price increase requested.
As Needed Activities: \$3,125.00, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

28. Item No. 763.A128
Service: Janitorial Services
Agency/Location: Department of Labor & Workforce
Development
613 Ashville Highway
Greeneville, TN 37143
Annual Price: \$3,730.44 or \$2.07 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

29. Item No. 763.A129
Service: Janitorial Services
Agency/Location: Alcohol Beverage Commission
117 West Park Court, Suite 1
Talbot, TN 37877
Annual Price: \$2,159.52 or \$1.5514 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

30. Item No. 763.A105
Service: Janitorial Services
Agency/Location: Department of Children's Services
1810 Columbia Highway
Franklin, TN 37064
Annual Price: \$11,821.56 or \$1.173239 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

31. Item No. 763.54
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation
Region 3 Complex
(Bldg A, B, C, F, RTMC, 17 Restrooms, & Bldg E Locker Rooms)
6601 Centennial Blvd.
Nashville, TN
Annual Price: \$147,384.48 or \$1.56960649208 per square foot, no price
increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13

32. Item No. 763.A50
Service: Janitorial Services
Agency/Location: Department of Veterans' Affairs
Veterans' Affairs Office
90 E. Spring Street
Cookeville, TN 38501
Annual Price: \$1,689.48 or \$3.83973 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/12 – 4/30/13
33. Item No. 763.A37
Service: Janitorial Services
Agency/Location: Tennessee Board of Probation & Paroles
Probation & Paroles Office
2506 Pillow Drive
Columbia, TN 38401
Annual Price: \$7,074.84 or \$1.0253 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 6/01/12 – 5/31/13
34. Item No. 763.A32
Service: Janitorial Services
Agency/Location: Tennessee Board of Probation & Paroles
Probation & Paroles Office
2816 Dickerson Road
Nashville, TN 37207
Annual Price: \$9,730.68 or \$0.77845 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 6/01/12 – 5/31/13
35. Item No. 763.A44
Service: Janitorial Services
Agency/Location: Department of Revenue
370 S. Lowe Avenue
Cookeville, TN 38501
Annual Price: \$5,206.68 or \$1.2936 per square foot per year, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 06/01/12 – 05/31/13

36. Item No. 763.70
 Service: Janitorial Services
 Agency/Location: Department of Children's Services
 TPS Campus (6 Locations)
 A) 1252 Foster Avenue, DCS Developmental Training Bldg.
 B) 1256 Foster Avenue, DCS Educational Services Bldg.
 C) 1290 Foster Avenue, DCS Centralized Intake, Sills #1
 D) 1288 Foster Avenue, DCS Post Adoptions, Sills #2
 E) 1284 Foster Avenue, DCS Centralized Intake, Sills #4
 F) 1286 Foster Avenue, DCS Centralized Intake, Sills #3
 Nashville, TN
 Annual Price: A) \$25,025.76 or \$1.00392 per square foot, no price increase
 B) \$16,995.36 or \$1.4651 per square foot, no price increase
 C) \$5,781.60 or \$1.65190 per square foot, no price increase
 D) \$4,460.16 or \$1.17373 per square foot, no price increase
 E) \$5,781.60 or \$1.65190 per square foot, no price increase
 F) \$5,781.60 or \$1.65190 per square foot, no price increase
 Satisfaction: No complaints have been filed.
 Re-Certification Requested for Period of 06/01/12 – 05/31/13
37. Item No. 763.B144
 Service: Janitorial Services
 Agency/Location: Department of Children's Services
 1300 Salem Road
 Cookeville, TN
 Annual Price: \$33,049.44 or \$1.2534 per square foot per year,
 no price increase requested.
 Satisfaction: No complaints have been filed.
 Re-Certification Requested for Period of 06/01/12 – 05/31/13
38. Item No. 763.A145
 Service: Janitorial Services
 Agency/Location: Department of Human Services
 1000 England Drive
 Cookeville, TN
 Annual Price: \$41,952.72 or \$0.9323 per square foot, no price
 increase requested.
 Satisfaction: No complaints have been filed.
 Re-Certification Requested for Period of 06/01/12 – 05/31/13

39. Item No. 763.29
Service: Janitorial Services
Agency/Location: Tennessee Board of Regents
Tennessee Technology Center at Murfreesboro
1303 Old Fort Parkway
Murfreesboro, TN 37129
Annual Price: \$16,096.44 or \$1.02938 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 06/01/12 – 05/31/13
40. Item No. 763.A53
Service: Janitorial Services
Agency/Location: Military Department
Tennessee Army National Guard
117th Regional Training Institute
Building 500
Smyrna, TN
Annual Price: \$29,362.80 or \$0.9200 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 06/01/12 – 05/31/13
41. Item No. 763.A54
Service: Janitorial Services
Agency/Location: (formerly) Department of Children's Services
Center for Adoption
TPS, 1158 Foster Avenue
Nashville, TN 37243
Annual Price: \$11,013.12 or \$0.77557 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 06/01/12 – 05/31/13

ADDENDUM TO RE-CERTIFICATION ITEM(S)

42. Item No. 763.B143
Service: Janitorial Services
Agency/Location: Department of Human Services &
Childrens' Services
286 Frey Street, Suites 101 & 102
Ashland City, TN 37015
Annual Price: \$18,201.36 or \$1.65 per square foot, which is a requested price increase of \$5,944.32 annually or \$0.54 per square foot due to increased utilization requiring additional cleaning services.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 02/01/12 – 01/31/13

43. Item No. 763.A06
Service: Janitorial Services
Agency/Location: Department of Safety/DL
6604 Centennial Blvd.
Nashville, TN
Annual Price: \$11,309.16 or \$3.77 per square foot, which is a requested price increase of \$5,988.36 or \$2.00 per square due to increased utilization requiring additional cleaning services and an additional monthly deep cleaning service.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 03/01/12 – 02/28/13
44. Item No. 763.A40
Service: Janitorial Services
Agency/Location: Department of Environment & Conservation
Environment & Conservation Office
1221 Burgess Falls Road
Cookeville, TN 38501
Annual Price: \$17,172.84 or \$1.1803 per square foot, which is a requested price increase of \$6,908.52 annually or \$0.0576 per square foot due to increase square footage of 14,549 square feet.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 05/01/12 – 04/30/13

DE-CERTIFICATION ITEM(S)

45. Item No. 763.B132
Service: Janitorial Services
Agency/Location: Department of Children's Services/
Internal Affairs
585 W. Highway 11E
New Market, TN 37820
Annual Price: \$2,512.44 or \$0.83359 per square foot
Satisfaction: No complaints have been filed.
De-Certification Requested To Be Effective 4/30/2012
46. Item No. 763.A93
Service: Janitorial Services
Agency/Location: Department of Human Services
712 North Cumberland Road
Lebanon, TN
Annual Price: \$9,491.52 or \$1.35593 per square foot
Satisfaction: No complaints have been filed.
De-Certification Requested Effective 05/31/2012 due closure and relocation of agency.

47. Item No. 763.A50
Service: Janitorial Services
Agency/Location: Department of Veterans' Affairs
Veterans' Affairs Office
90 E Spring Street
Cookeville, TN 38501
Annual Price: \$1,689.48 or \$3.83973 per square foot
Satisfaction: No complaints have been filed.
De-Certification Requested Effective 05/31/2012 due relocation
of agency to a new facility.