

ADMINISTRATIVE SERVICES DEPARTMENT[11]

Adopted and Filed

Pursuant to the authority of Iowa Code section 8A.104(5), the Department of Administrative Services (DAS) hereby amends Chapter 1, "Department Organization," Chapter 117, "Procurement of Goods and Services of General Use," and Chapter 118, "Purchasing Standards for Service Contracts," Iowa Administrative Code.

The Department of Administrative Services is amending certain procurement rules to eliminate conflict with statute and to provide flexibility and retain accountability for sole source procurements.

Notice of Intended Action was published in the Iowa Administrative Bulletin on February 5, 2014, as **ARC 1302C**. No public comment was received. No changes were made to the amendments published under Notice.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapter 8A.

These amendments will become effective July 16, 2014.

The following amendments are adopted.

ITEM 1. Adopt the following **new** subrule 1.2(5):

1.2(5) Central procurement enterprise location. The central procurement enterprise's primary office is located in the Hoover State Office Building, Third Floor, 1305 East Walnut Street, Des Moines, Iowa 50319; telephone (515)725-2725. Office hours are 8 a.m. to 4:30 p.m., Monday through Friday, excluding holidays.

ITEM 2. Amend subrule 117.3(3) as follows:

117.3(3) Construction procurement. Formal competition shall be used for selection of a vendor for construction, erection, demolition, alteration, or repair of a public improvement when the cost of the work exceeds \$100,000 or the adjusted competitive threshold established in Iowa Code section 314.1B.

ITEM 3. Amend subrule 117.7(4) as follows:

117.7(4) ~~Construction~~ Advertisement of construction procurement exceeding \$100,000. Construction solicitations shall be advertised twice in a newspaper of general circulation published in the county within which the work is to be done when the cost of the work exceeds \$100,000 or the adjusted competitive threshold established in Iowa Code section 314.1B. Additional means of advertisement used shall be consistent with practices in the construction industry. The department may publish an advertisement in an electronic format as an additional method of soliciting bids.

ITEM 4. Amend rule 11—117.15(8A) as follows:

11—117.15(8A) Thresholds for delegating procurement authority.

117.15(1) No change.

117.15(2) Agency direct purchasing—advanced level. An agency ~~certified by the director or designee as a "procurement center of excellence"~~ may procure non-master agreement goods up to \$50,000 per transaction in a competitive manner. ~~To be certified, only in the event the agency personnel engaged in the purchase of goods must complete~~ have completed enhanced procurement training established by the director or designee. ~~Agency personnel must complete training within a two-year period in order for the agency to be certified.~~

117.15(3) and 117.15(4) No change.

117.15(5) Misuse of agency authority.

a. to c. No change.

d. The department may rescind delegated authority of an agency that misuses its authority or uses the authority to procure goods or services already available on a master agreement.

~~e. The director or designee may revoke an agency's delegated authority if the agency fails to maintain "procurement center of excellence" certification or uses the authority to procure goods or services already available on a master agreement.~~

ITEM 5. Amend subrule 118.7(2) as follows:

118.7(2) *Special procedures required for sole source procurements.*

a. When the annual value of the service contract exceeds \$5,000 or when the estimated value of the multiyear service contract in the aggregate, including renewals, is equal to or greater than \$15,000, the head director of a state agency or designee shall sign the sole source contract or the amendment. In the absence of the director of a state agency or designee, the sole source contract shall be signed only by the DAS director or designee. Use of sole source procurement does not relieve a state agency from negotiating a fair and reasonable price and thoroughly documenting the procurement action.

b. When the annual value of the service contract exceeds \$5,000 or when the estimated value of the multiyear service contract in the aggregate, including renewals, is equal to or greater than \$15,000, a state agency shall be required to complete a sole source justification form. The director of the state agency or designee shall sign the sole source justification form. In the absence of the director of the state agency or designee, the sole source justification form shall be signed only by the DAS director or designee. The claim for the first payment on a contract requires a copy of the signed original contract, a copy of the precontract questionnaire, a copy of the sole source justification form, and an original invoice or original claimant signature.

c. No change.

[Filed 5/15/14, effective 7/16/14]

[Published 6/11/14]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/14.