

MASTER CONTRACT FOR IT SERVICES - TIER 2 PROCEDURE

Title: Master Contract for IT Services Tier 2 Procedure

Short Title: Tier 2 Procedure

Procedure Owner: State ITSD/AMSB

Effective Date: JUL 2006

Last Update: FEB 2015

I. Purpose

This procedure defines the steps necessary for an Agency to engage a pre-qualified Contractor under the *Master Contract*.

II. Definitions

AMSB – Acquisition Management Services Bureau, State Information Technology Services Division, Department of Administration

BSMB- Business Services Management Bureau, State Information Technology Services Division, Department of Administration

Contractor Engagement Proposal (CEP) – The CEP is the basis for the Tier 2 Procedure.

ITPR – IT Procurement Request, see ITPR Guidelines at:
[Agency IT Procurement Review Guidelines](#)

Master Contract – *Master Contract for IT Services*, Term Contract SPB 06-1263B

SPB – State Procurement Bureau, General Services Division, Department of Administration

Statement of Work (SOW) – A narrative description of services, and deliverables, to be supplied under contract.

Refer to: [Statewide Glossary - Policies and Standards](#) (PDF) for additional terms and definitions.

III. Procurement Method

1. BSMB and AMSB review agency CEP materials, primarily the business case justification and ITPR. BSMB approves agency to proceed with procurement.
2. AMSB reviews agency request to determine best procurement method:
 - a. Master Contract
 - b. Another Existing Contract
 - c. New procurement such as RFP
3. If the Master Contract is determined to be the most appropriate procurement method, proceed to Step IV: Tier 2 Procedure. Otherwise, AMSB will work with the agency to obtain the needed services using another procurement method.

IV. Tier 2 Procedure

Cost considerations are critical to effective processing of a CEP. A responsible agency official must be willing to convey their full commitment/intention of expending the available funds obligated for the acquisition of the services being solicited via this CEP. (A CEP is NOT a fact gathering process or a 'test of the waters'.) An accurate cost estimate, along with committed funding is required prior to posting/ releasing a CEP solicitation.

1. Agency prepares all Contractor Engagement Proposal (CEP) materials, which include:
 - a. [CEP Requisition Form](#)
 - b. [Cover Sheet & Proposal Instructions](#)

The ordering agencies will provide brief project introductory information and requirements, such as due dates and delivery medium and location for the CEP.

This is an instructional document for the offerors. The ordering agency will provide detail where asked, denoted by “[]”. For example, [insert due date].

- c. [Statement of Work](#)

It is imperative that the SOW is properly developed. It is based on the roles and responsibilities expected of the contractor (deliverables), the timelines, acceptance criteria and payment terms. SOW Guidelines and an SOW Template are available from:

<http://itsd.mt.gov/content/contract/docs/SOWGuidelines.doc>

<http://itsd.mt.gov/content/contract/docs/SOWtemplate.doc>

There are some sections of the SOW that may not be completed before posting to the CEP website [OPEN Master Contract CEP Solicitations](#) (such as Compensation and Payment, and Contractor Staff.)

Note: If an agency needs help to develop a complete SOW, one option available is to hire a contractor to assist developing the SOW. If the contract amount to develop the SOW is less than \$5,000, agency may select any contractor without competition. Agency may also undergo a limited solicitation, for contract amounts between \$5,000-25,000. A limited solicitation requires that the agency seek bids from a minimum of 3 contractors. An **IT Procurement Request** will not be required for this work, but the agency must inform AMSB.

If a Contractor is engaged to assist with the SOW, that Contractor will typically **not** be precluded from submitting a proposal for that SOW.

d. [Contractor Engagement Proposal & Evaluation Criteria](#)

The ordering agency will detail the information they require from the proposing Contractors using the CEP. This information will be used to evaluate the proposals received. Additionally, agency develops evaluation criteria and scoring based on their needs as expressed in the SOW and on the information to be provided via the CEP. The weighting factors are included in the CEP.

2. Agency submits all CEP materials per above to the Contract Manager:
SHaynes@mt.gov

The Contract Manager will review the CEP materials. AMSB will coordinate any necessary changes or additional materials with the agency.

3. AMSB posts the CEP materials to the Master Contract CEP Website ([OPEN Master Contract CEP Solicitations](#)) for a minimum of ten business days. Eligible contractors submit proposals according to the Proposal Instructions. The agency must schedule the participation of the Evaluation Committee - to allow for timely scoring/evaluation of the proposals. Evaluation Committee members will be required to complete a 'non-conflict of interest' form: [Declaration Form](#)
4. Ordering agency must advertise and allow for public attendance in the course of proposal evaluation: [Public Meetings](#).
5. Agency provides Evaluation Summary and award recommendation to AMSB.
6. AMSB will review the award recommendation for compliance with Master Contract terms and conditions. AMSB then notifies all offerors of contract award. Successful Contractor accepts award. Upon acceptance, AMSB will notify the agency to proceed with final negotiations with contractor.
7. Agency finalizes project plans, i.e. timelines, deliverables, etc. with successful contractor and completes and executes the SOW or Job Description (for staff augmentations).
8. Contractor completes work.
9. Agency provides [Contractor Assessment](#) to AMSB.

V. Exceptions and Changes

Exceptions

The IT Manager of ordering agency may request an exception to the Tier 2 Procedure based on one of the two reasons below.

- I. Business Need Justification
 - a. Definition: Only one contractor is suitable for the project.
 - b. Justification may include:
 - i. Contractor's previous effort on an agency project, expertise or experience not available from any other qualified contractors.
 - ii. Contractor is the foremost expert in this field
 - iii. Availability of contractor
- II. Sole Source Justification
 - a. Definition: there is only one source for the supply or service item
 - b. Justification must include:
 - i. Why this the only contractor that can perform the needed services

For both exception processes, the agency must adhere to the following:

- If the total project cost is within the agency's delegated authority granted by the State Procurement Bureau (SPB), agency must complete an internal justification. This is either the [Sole Source Justification](#) form or a memo describing the Business Need Justification to the agency procurement officer. The procurement officer must approve the request in writing and must maintain the request per the records retention requirements.
- If the total project cost exceeds the agency's delegated authority granted by SPB, the agency must submit the completed Sole Source Justification form or Business Need Justification memo describing the justification to the State Procurement Bureau. This must be submitted electronically to the AMSB mailbox at: [Master Contract Exception](#) . A response in memo format will be provided to each exception request.

Appendix A – Typical CEP Timeline

Day 0 - SITSD receives CEP documents (Requisition, SOW or Job Description, Evaluation Criteria) & ITPR

Day 0 + 5 Business Days – ITPR review completed and preliminary approval to proceed issued.

Day 5 + 2-3 Business Days – CEP posted/released

Day 8 + 4-6 Business Days – Clarification questions received

Day 12 + 2-3 Business Days – Q&A Posted

Day 15 + 5-7 Business Days – CEP Proposal Deadline

Summary: From the time SITSD receives CEP + ITPR until CEP responses/proposals are available for evaluation by the Agency Evaluation Committee ... it **usually** takes from **18 – 24 Business Days**.