

Guidelines for
Maintenance Agreements
Service Contracts
and
Delegated Projects

April 2011



State of Idaho Division of Public Works

Maintenance Agreements and Service Contracts are used by various State agencies to develop agreements whereby a contractor or maintenance company is available to perform routine maintenance or accomplish small construction work on a pre-bid cost basis.

Maintenance Agreements are for items such as maintaining elevators, maintaining chillers, and maintaining HVAC control systems. These items are "Preventative Maintenance" as defined in Idaho Code §67-5710B. By this definition, they **do not** fall within the responsibility of the Division of Public Works (DPW). Maintenance Agreements do not require the use of licensed Public Works Contractors, nor do they require performance and payment bonds.

Service Contracts provide a means to construct facilities, to include minor construction projects, or to perform specialty construction such as carpet or electrical work. These items are "Public Works" as defined in Idaho Code §67-5710B. If the estimated annual expenditure for these contracts exceeds \$100,000, they **do** fall within the responsibility of the Division of Public Works and the Permanent Building Fund Advisory Council. Service Contracts are assigned by DPW to Facilities Services, or they are delegated to individual institutions or state agencies. Permanent Building Funds are usually not used for Service Contracts; but, with Council permission, they may be used for certain project components.

Service Contracts do require competitive bidding. They also require the use of licensed Public Works Contractors and performance and payment bonds.

In addition, Service Contracts do require an affidavit certifying compliance with the drug-free workplace program (Idaho Code, Title 72, Chapter 17).

A Service Contract will only be used for services the cost of which is less than \$200,000 per Service Contractor, per project. The total dollar value of Service Contracts may not exceed \$300,000 per project. These limits do not apply to floor covering contracts. The work performed under a Service Contract will include labor, and materials and equipment, or labor only, with the State agency providing the material or equipment. Division of Purchasing rules apply to material and equipment purchases.

Project number assignment and delegation approval are kept on file at DPW for delegated Service Contracts. In almost all cases, contracts are maintained and funds are administered by the using agency. It is acceptable for one agency to use a Service Contract maintained by another agency, if granted permission to do so.

Procedures for Requesting a Delegated Service Contract

When an agency expects that a Service Contract will exceed \$100,000 annually, the agency will submit a written request to the Administrator of DPW for delegated authority to enter into an annual Service Contract. A Delegated Service Contract Worksheet will be included with the request and identify the source of funding, expected annual expenditure, and a brief description of the required "scope of work."

DPW staff is available to assist agency requests for Delegated Service Contracts. A sample "Request for Service Contract Delegation" letter and a Delegated Service Contract Worksheet are provided below. Bid procedures and sample contracts are available from DPW/Facilities Services.

Examples of the types of Service Contracts used by agencies include:

Doors and Hardware	HVAC	Paving
Light Construction	Electrical	Roofing
Plumbing	Low Voltage/Data	Asbestos
Mechanical	Floor Covering	Painting

If you have questions concerning Maintenance Agreements and Service Contracts, or if you require sample documents, please contact Susan Drummond, DPW Management Assistant, at (208) 332-1901.

Note: The statute referenced above can be accessed via the following Internet link:
<http://www.legislature.idaho.gov/idstat/Title67/T67CH57SECT67-5710B.htm>

The PBFAC policies are found at:
http://adm.idaho.gov/pubworks/pdf/PBFAC_Policies_Chapter_7.pdf

SAMPLE

REQUEST FOR SERVICE CONTRACT DELEGATION

(DATE)

Administrator
Division of Public Works
PO Box 83720
Boise, Idaho 83720-0072

Subject: Request for Delegation of a Service Contract for (Type of Work)

Dear Administrator:

(Name of Agency) would like to request delegated authority to bid and enter into a (Type of Work) Service Contract for (Name of Facility).

(Insert reference to a former, or expired, contract.)

(Insert total expected yearly expenditure and source of funds. And enter expected number of annual extensions, not to exceed two annual extensions.)

Attached is a Delegated Service Contract Worksheet for this project. We would ask that you expedite this request so that we may begin the process of developing specifications for bidding.

Please contact me at (Phone Number) if you have any questions.

Sincerely,

(Agency Signature Authority)
(Title)

Enclosure

DELEGATED SERVICE CONTRACT SET-UP SHEET

AGENCY:	
AGENCY CONTACT:	
PROJECT NAME:	
ESTIMATED EXPENDITURE:	

SCOPE OF WORK:

SPECIAL INFORMATION, COMMENTS:

NOTE: All Public Works laws and procedures will be followed in the administration of this public works project.

SIGNATURE: _____

FOR DPW USE ONLY

DPW PROJECT NO.: _____ D	DATE APPROVED:
PROJECT TITLE:	
FUNDS AUTHORIZED:	
CODING:	

DELEGATED PROJECTS AUTHORIZATION AND PROJECT PROCEDURES

AUTHORIZATION

Idaho Code §67-5710A(2) allows the Administrator to delegate control over design, construction, and all other aspects of a Public Works project which costs less than \$150,000 to agencies of State government on a project-by-project basis, subject to the approval of the Permanent Building Fund Advisory Council (PBFAC).

PBFAC DELEGATION OF AUTHORITY

For projects up to \$80,000, the Administrator of the Division of Public Works (DPW) may proceed with delegation, with the stipulation that a report of the delegation be made to the Council at the next regularly scheduled PBFAC meeting.

Requirements and Limitations

- A designated signature authority of the requesting State agency shall make requests for delegation in writing. Letters of request should include estimated project start and completion dates and are to be accompanied by a Delegated Project Set-Up Sheet delineating the scope of work and project budget.
- The State agency shall assume all responsibility for project budgets and shall receive funds appropriated for the project.
- The State agency must comply with all public works statutes and all applicable codes and regulations.
- The State agency must comply with guidelines and procedures of DPW and the PBFAC for project design and construction.
- State agencies may not use Permanent Building Fund contingency funds unless specifically approved by the PBFAC.
- Sole source or limited competition is not allowed without prior written authorization of the DPW Administrator.
- Standard documents adopted by DPW are to be used for professional service and construction contracts.

PROCEDURES

- Following approval of delegation, either by the DPW Administrator or the PBFAC, the Administrator will inform the agency in writing.
- Unless in-house design by registered professionals within the state agency has been approved, the agency is to proceed with the selection of the design professionals as required by law and authorized by the PBFAC. This can be accomplished by use of the DPW pre-selected Regional Architects and Engineers, selection by the DPW mid-range process, or by advertising and issuing requests for qualifications.
- If other than in-house professionals or the DPW Regional Professional Contracts are used, the architect/engineers must be approved by the PBFAC prior to contracting with them.
- Submit plans and specifications to code authorities and obtain approval prior to bidding.
- Advertise the project as required by law, and proceed with the bidding process.
- Hold a public bid opening.
- Evaluate the bids and determine low-responsive bidder.
- If bids cause the project to exceed the \$150,000 limit of authorization for delegation of projects, report to the PBFAC for increased budget approval prior to award of contract.
- Prepare and issue contracts, and proceed with construction.
- Submit tax report form to the Idaho State Tax Commission.
- Provide for site inspection by an approved code inspector.
- Make all payments to design professionals and contractors in a timely manner.
- Conduct final inspections and obtain releases.
- Submit a final project accounting to DPW within sixty (60) days of completion for reporting to the PBFAC.
- Return all unused Permanent Building Funds to DPW.

SAMPLE
LETTER OF REQUEST
FOR DESIGN AND CONSTRUCTION
DELEGATED PROJECT

DATE

Administrator
Division of Public Works
Post Office Box 83720
Boise, Idaho 83720-0072

Subject: Request for Delegation for (Type of Work and Location)

Dear Administrator:

(Name of Agency) would like to request that a DPW project be delegated to (Type of Work and Location).

(Describe the project and state why the work is necessary.)

The estimated total project cost is (Dollar Amount). The source of funding for the project is (Name the Source). It is anticipated that the project will have a construction start date of (identify an approximate date) and will be substantially completed by (identify an approximate date).

Design services for the project will be provided by (Name the Source).

Enclosed is a completed Delegated Project Set-Up Sheet for this project.

Please contact me at (Phone Number) if you have any questions.

Sincerely,

(Agency Signature Authority)
(Title)

Enclosure

COORDINATOR _____

DELEGATED PROJECT WORKSHEET INITIAL SETUP

DPW USE ONLY

DPW PROJECT NO. _____ **D** DATE _____

PROJECT TITLE _____

FIELD REPRESENTATIVE _____

FUNDS AUTHORIZED _____ CODING _____

AGENCY CONTACT: _____

DESIGN ARCHITECT/ENGINEER: _____

DPW FIELD REP: YES _____ NO *(IF NO. NAME INSPECTOR)* _____

ESTIMATED START OF CONSTRUCTION DATE: _____

ESTIMATED SUBSTANTIAL COMPLETION DATE: _____

SCOPE OF WORK:

SPECIAL INFORMATION, COMMENTS (including Request for In-House Design and/or In-House Construction):

c: Asbestos PM, Field Rep, Admin Asst, Receptionist, Fiscal

Date: _____

PROJECT BUDGET

PROJECT NUMBER: _____ **D**

PROJECT TITLE: _____

CATEGORY	BUDGET
(AE) A/E FEES	
(AR) A/E REIMBURSABLE	
(CM) CONSTRUCTION MANAGER	
(MR) MGR REIMBURSABLE	
(CS) CONSULTANT	
(CR) CONSULT REIMBURSABLE	
(TC) TESTING DURING CONST	
(CC) CONSTRUCTION CONTRACT	
(CO) CONTINGENCY & C.O.	
SUBTOTAL CC+ CO	
(EQ) EQUIPMENT	
(M1) MISCELLANEOUS 1	
(M2) MISCELLANEOUS 2	
(M3) MISCELLANEOUS 3	
(CY) PROJECT CONTINGENCY	
(PC) PLAN CHECK	
(AD) ADVERTISING	
(SS) SITE SURVEY	
(SI) SOIL INVESTIGATION	
TOTAL	

Under the supervision and direction of the Administrator of the Division of Public Works, all public works laws and procedures will be followed in the administration of this public works project. Further, I will present to the Permanent Building Fund Advisory Council a request for Architect/Engineer selection (if required), and review and approval of the preliminary plans and specifications, and the final plans and specifications. I acknowledge funds transferred are for the purpose of completing this project, and any remaining funds at completion will be returned to the Permanent Building Fund.

Signature: _____