

# Procurement Presentations

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# BOARD PROCUREMENT APPROVAL PROCESS

The Maryland Health Benefit Exchange Procurement Policies and Procedures, “Policy” is the formal document that lists all requirements of the board and staff for procurement processing. The Policy does not identify when multi-year procurements should be brought before the board for approval and when the board would like to review the procurement before its effective date.

All procurements requiring board approval should be presented to the board according to a specified timeline and in a consistent format to allow board members ample time and materials to make sound judgement and decision on potential contracts.

The board must approve all contracts in the amount of \$200,000 or greater. Multi-year contracts are often entered into and approved by the board.

Monthly and annually, all contracts are reported to the board.

# BOARD PROCUREMENT APPROVAL PROCESS

Term	Current Process	Proposed Process
<b>Base Year(s)</b>	<ul style="list-style-type: none"> <li>❖ “Preview” to board 30 days before presenting award for board approval.</li> <li>❖ Board approves base year(s) and option years for a full contract period</li> <li>❖ Board approves a not to exceed amount (NTE) for one year only.</li> <li>❖ Purchase order / Blanket Purchase Order created for one year only.</li> <li>❖ Annual presentation and approval by board for additional base years</li> <li>❖ Annual amount for contract is included in budget approved by the Governor and appropriated by the legislature</li> </ul>	<ul style="list-style-type: none"> <li>❖ Recommended award presented to board 60 days before contract effective date.</li> <li>❖ Board approves base year and option years for a full contract period not to exceed amount (NTE).</li> <li>❖ Blanket Purchase order for entire contract</li> <li>❖ Purchase order created for each base year.</li> <li>❖ Eliminate annual presentation and approval for additional base year(s)</li> <li>❖ Annual amount for contract is included in budget approved by the Governor and appropriated by the legislature</li> </ul>

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Term	Current Process	Proposed Process
<b>Option Year (s)</b>	<ul style="list-style-type: none"><li>❖ Option years are presented to board at minimum 30 days before contract renewal.</li><li>❖ Board approves option year not to exceed amount (NTE).</li><li>❖ Purchase order created for option year.</li><li>❖ Annual amount for contract is included in budget approved by the Governor and appropriated by the legislature.</li></ul>	<ul style="list-style-type: none"><li>❖ Proposal for board to exercise option year of contract is presented to board 30 days before contract renewal.</li><li>❖ Board authorizes staff to exercise option year.</li><li>❖ Purchase order created for option year.</li><li>❖ Annual amount for contract is included in budget approved by the Governor and appropriated by the legislature.</li></ul>

# BOARD PROCUREMENT PRESENTATION DISCUSSION

1. Does the board support approving an NTE for the entire length of the contract, including multiple base years, and, if applicable, option years?
2. If the board has approved a multi-year **base** contract and an NTE for the length of the contract, does the board want to have a presentation before each year of a multi-year base contract?
3. Is at minimum, 60 days prior to contract effective date, an appropriate time for the board to review contract recommendation for approval?
4. Other thoughts?