

**Attachment A**

<b>Contract/Procurement Services Rates</b>		
	<b>Current biennium</b>	<b>13-15 Biennium</b>
<b>Services included</b>	<ul style="list-style-type: none"> <li>• Establish, maintain, and ensure performance of master contracts — formerly performed by General Administration (GA), Department of Information Services (DIS), and Department of Personnel (DOP).</li> <li>• Provide procurement consultation — formerly provided by DIS and GA.</li> <li>• Provide procurement oversight — formerly provided by the Office of Financial Management (OFM).</li> </ul>	
<b>How costs are recovered</b>	<ul style="list-style-type: none"> <li>• <b>Purchasing Administration Fee (PAF)</b> – Either 0.75% or 1.5% of the agency's spending on certain master contracts in the odd-numbered year of the last biennium.</li> <li>• <b>Master Contract Management Fee</b> – The vendor is charged a fee based on the usage (in dollars) of a contract. Rate varies based on the contract from 0.5% to 3%.</li> <li>• <b>Co-op Fee</b> (Not paid by state agencies) – "Club" fee for local governments and non-profits based on the organization's annual expenditures. This fee allows these customers to have access to master contracts. Fees range from \$200 to \$5,000 annually.</li> <li>• <b>Purchase Authority</b> – Master Contracts and Consulting (MCC) charged a fee to review and grant an agency the authority to conduct procurements.</li> <li>• <b>IT Brokering and Procurement Consultation</b> – 1% of sales on purchases made using this service.</li> <li>• <b>IT Master Contracts</b> – Rate ranges from 0.5% or 2% and is paid by the vendors based on the agencies' spend from IT master contracts.</li> <li>• <b>Tier II Contract Fee</b> for Janitorial Services – Each work contract resulting from the Tier II Request for Quotation (RFQ) was subject to a Bid Processing Fee of \$410.</li> <li>• <b>Contract oversight</b> – Previously a general-funded activity. In FY 13 costs were allocated to agencies.</li> <li>• <b>Portion of the Personnel Services Charge</b> – Percent of classified staff salaries.</li> </ul>	<p>To simplify the cost recovery method for these various services, DES is implementing a <b>vendor-paid management (or administrative) fee be assessed on all contracts managed by the Contracts and Legal Division.</b> The initial rate will be set at .74% —and <b>would cover the DES services listed above and, some \$1.9 million in OMWBE costs.</b></p>