

## Chapter 8 : EXTERNAL APPROVAL ROUTING

### External Routing Requirements

Contracts are reviewed by up to four external offices, depending on the type of contract. The following is the normal routing sequence that specific types of contracts must follow:

<b>SERVICES</b>	<b>EASEMENTS &amp; REAL ESTATE</b>
<ol style="list-style-type: none"> <li>1. Department of Personnel</li> <li>2. State Purchasing/Type II Agency</li> <li>3. Attorney General</li> <li>4. State Controller</li> </ol>	<ol style="list-style-type: none"> <li>1. State Buildings Program (Division of Purchasing)</li> <li>2. Attorney General</li> <li>3. State Controller</li> </ol>
<b>LEASES</b>	<b>GRANTS, LOANS, CONTRACTS WITH OTHER GOVERNMENTS</b>
<ol style="list-style-type: none"> <li>1. State Buildings Program</li> <li>2. Attorney General</li> <li>3. State Controller</li> </ol>	<ol style="list-style-type: none"> <li>1. Attorney General</li> <li>2. State Controller</li> </ol>
<b>CAPITAL CONSTRUCTION</b>	<b>INTERAGENCY AGREEMENTS</b>
<p><b>(Non Delegated by State Buildings)</b></p> <ol style="list-style-type: none"> <li>1. State Personnel (if A/E agreement)</li> <li>2. State Buildings Program</li> <li>3. Attorney General</li> <li>4. State Controller</li> </ol> <p style="text-align: center;"><b>(Delegated by State Buildings)</b></p> <ol style="list-style-type: none"> <li>1. State Personnel (if A/E agreement)</li> <li>2. Attorney General</li> <li>3. State Controller</li> </ol>	<ol style="list-style-type: none"> <li>1. State Controller</li> </ol>
<b>CHANGE ORDERS AND SUPPLEMENTS</b>	<b>GOODS - COMMODITIES</b>
<p><b>(Non Delegated by State Buildings)</b></p> <ol style="list-style-type: none"> <li>1. State Buildings Program(if Capital Construction)</li> <li>2. State Controller</li> </ol> <p style="text-align: center;"><b>(Delegated by State Buildings)</b></p> <ol style="list-style-type: none"> <li>1. State Controller</li> </ol>	<ol style="list-style-type: none"> <li>1. State Purchasing/Type II Agency</li> <li>2. Attorney General</li> <li>3. State Controller</li> </ol>
	<b>AMENDMENTS</b>
	Same routing as the original contract

## **Central Approvers Routing Policies/Procedures**

### ***Department of Personnel Privatization Review***

#### **Policy:**

All contracts, purchase orders, and other agreements utilized by State agencies to acquire personal services must be submitted to the State Personnel Director.

#### **Exceptions:**

1. Intergovernmental agreements: i.e. - contracts between State agencies; contracts between the State and political subdivisions (counties and municipalities); contracts between the State and other states; and contracts between the State and the federal government.
2. Acquiring services exempted from the State classified system by the constitution (i.e. services of judges, attorneys, professors, etc.).
3. Agreements for terms of six months or less for that **are not expected to recur** on a regular basis. However, the agency is required to self certify as to these facts. If the need for the services is recurring the contracts/purchase documents must be submitted for review.
4. The lease or purchase of real property.
5. The purchase of goods or commodities where the personal services piece is not ongoing or significant to the transaction.
6. If an agency has received a letter from the Department of Personnel granting a waiver of its duty to provide individual review of agreements.

#### **Review / Approval Requirements:**

The State Personnel Director shall review and approve all contracts, purchase orders, and other agreements utilized by State agencies to acquire personal services.

#### **Review Time Goal:**

5 days, but the usual practice is same day or one day turnaround.

### **Routing Requirements:**

Note: The personal services certification form is the Department of Personnel's permanent document; this form is never returned to the agency.

- All encumbrance documents for personal services must have a completed personal services certification form attached. The certification form must be signed by an agency representative and dated with the current date.
- Contracts must be entered on the CLIN table before being routed to the Department of Personnel. If submitting an amended contract, a copy of the original contract should also be forwarded.
- For other documents: a copy of a purchase order, invoice, RX (requisition), request for proposal or a memo needs to be attached. Once the information is reviewed, the Department of Personnel's contract administrator will sign one of these documents and return it to the requesting agency.

### **Walk-through Requests:**

A "walk-through" may be requested, however, a walk-through is dependent upon the availability of authorized staff. Please call the Executive Director's office to make an appointment with the appropriate program staff.

### **Most Common Questions:**

1. Do amended contracts need to be submitted to the Department of Personnel? **Yes**
2. Do services awarded on State price agreements need to be reviewed by the Department of Personnel? **Yes**
3. What if the services can be performed within six months? **No review is needed, however the Department of Personnel will still need to review these services if they are recurring (i.e. The use of temporary employees).**
4. What about using the services provided by the Division of Central Services? **Please check with the Division of Central Services when you are in need of services it performs such as collections, graphic design, mail, microfilm and printing services. A letter should be attached to the certification form from Central Services if it is unable to perform the required tasks or cannot be competitive as to quality and price.**

## ***Division of Purchasing Procurement Review***

### **Policy:**

All State contracts and amendments **MUST** be reviewed to verify proper vendor selection and documentation.

### **Statutory Requirement:**

The contractor/vendor must be selected in accordance with one of the options available in the Colorado Procurement Code and Rules. The contract **MUST** conform to the solicitation document (specification; terms and conditions).

### **Exceptions:**

Procurements exempt from the Procurement Code

1. Bridge and highway construction;
2. No public funds paid (e.g., revenue producing);
3. Professional services - architect, engineer, landscape architect, land surveyor;
4. Procurements by the Legislative and Judicial branches, and elected officials;
5. Vendor is specifically identified in a grant;
6. Items bought for resale;
7. Other party is governmental entity - other Colorado agency, political sub-division, other state, federal government, other countries; and
8. Procurements otherwise authorized by law.

Note: Public printing is exempt from the Procurement Code **BUT** is covered by another statute and oversight is given to the Division of Purchasing.

### **Review / Approval Requirements:**

Non-delegated and Group I agencies must submit their contracts to State Purchasing. Group II agencies may do their own review.

### **Review Time Goal:**

3 business days.

**Routing Requirements:**

Route contract through the technician assigned to the State Controller's Office. Contract must be entered on the CLIN table. It is highly desirable that the Privatization Program, Department of Personnel, has already signed off on (approved) the contract.

**Walk-through Requests:**

Call to coordinate emergency, walk-through, and other priority contracts.

**Most Common Errors:**

1. Vendor selection method is not identified or not correctly identified;
2. Justification substantiating non-competitive selection is inadequate or missing;
3. Procurement information on CLIN table is not correct;
4. Non-competitive selection has not been pre-approved;
5. Contract does not conform to solicitation document;
6. Amendment routed without original contract and prior amendments; and
7. Vendor selection does not comply with the Procurement Code.

## ***Office of the Attorney General***

### **Policy:**

All State contracts/amendments must be routed through the Attorney General's Office for legal review.

### **Exceptions:**

1. Interagency agreements
2. Contracts for which Attorney General review has been waived in accordance with the State Controller's waiver procedure.
3. Change orders and A/E supplements consistent with the State Controller's policy.

### **Review / Approval Requirements:**

The contract review attorneys in the State Services and Transportation Unit located on the 5th floor of the State Services Building, 1525 Sherman Street, Denver 80203 review all contracts, except contracts of designated institutions of higher education. These higher education contracts are reviewed by special assistant attorney generals designated by the State Controller.

### **Review Time Goal:**

3 business days

### **Routing Requirements:**

1. Route through the routing technician assigned by the State Controller's Office.
2. Contracts must be entered on the CLIN table, with appropriate attorney billing code entered in the CLIN table.
3. Attorney General is the last routing stop prior to the State Controller's Office.

### **Pre-reviews of Contract:**

Call and arrange pre-review directly with the contract review attorney. Pre-reviews will be done as workload permits. It is preferable that the agency highlight issues that specifically need to be reviewed.

### **"Walk-through" Requests:**

Call and coordinate walk-through reviews with the secretary for the contract review attorney. On priority reviews, conspicuously mark the contract file and informally annotate the reason for the priority request.

**Most Common Errors:**

1. Contract “made date” after the contract effective date (see Chapter 6, page 6-1 for a discussion of “ratification”).
2. Special Provisions either missing or modified without State Controller approval.
3. Indemnification provisions modified without State Controller and Attorney General approval.
4. Contracts routed without exhibits and attachments referenced in body of the contract.
5. Payment provisions ambiguous, inconsistent, or contract type unclear.
6. Use of vendor limitation of liability/exclusion of damages or other vendor boilerplate that limits liability for death, personal injury, and damage to tangible property, or otherwise is inconsistent with Special Provisions.
7. No apparent authority for the agent signing on behalf of the contractor.
8. Amendments routed without basic contract and previous amendments.
9. Routing errors--approvals not obtained from Personnel (personal services contracts with other than political subdivisions), Purchasing or delegate (where Procurement code is apparently applicable to nondiscretionary purchases), State Buildings (leases), Risk Management (where agencies are using CRS 24-30-1510(3)(e) indemnification in leases)
10. Use of advance payment provisions not approved by the State Controller.

## ***State Controller's Office***

### **Policy:**

All contracts, amendments, change orders, and supplements which require the expenditure of funds must be approved by the State Controller.

- If the original contract required the approval and signature of the State Controller, all amendments, change orders, and supplements related to that contract must be submitted to the State Controller for approval and signature, regardless of whether or not a disbursement of funds is required by the amendment, change order, or supplement.
- If an agency does not have delegated Controller authority, then a minimum of four copies each of a contract, amendment, change order, or supplement must be submitted to the State Controller's Office for approval. For leases, a minimum of 5 copies must be submitted to the State Controller's Office, if the agency does not have delegated Controller authority.
- All capital construction contracts, amendments, change orders, and supplements must be approved by the Director of State Buildings or his designee.
- All leases must be approved by the Department of Personnel Executive Director, or delegate. State Buildings Programs has been delegated this responsibility.
- All contracts and amendments (except interagency agreements) must be reviewed by the Attorney General's office prior to approval by the State Controller unless a waiver has been granted through the CATF/CCIT waiver process.
- Any contract involving a payment of funds by the State shall contain a clause providing that the contract will not be deemed valid until it has been approved by the State Controller or a delegated representative of the State Controller.
- All amendments, change orders, and supplements submitted to the State Controller's office must have a copy of the original contract and all prior amendments, change orders, and supplements attached.
- All personal service contracts must be submitted with a certification from the initiating agency to the Department of Personnel that indicates the status of the vendor to be that of an independent contractor.
- All contracts (except interagency agreements) must contain the *Special Provisions* required by Fiscal Rule 3-1.



**Exception:**

The State Controller may delegate his signature authority to a State agency. The delegation must be in writing.

**Review Time Goal:**

6 business days.

**Routing Requirements:**

1. Route through the routing technician assigned in the State Controller's Office
2. Contracts must be entered on the CLIN table

**"Walk-through" Requests:**

***Emergency Contracts***

1. Review the contract or CLI2 table and verify that all required approvals and signatures, other than the State Controller's, have been applied to the contract prior to contacting the State Controller's office and requesting emergency processing and approval of the contract.
2. Verify that all required documents have been completed and are available to the State Controller's contract signatory.

***Walk-through Contracts***

1. Call the State Controller's office for an appointment time
2. Hand carry contract and other required documentation to the contract signatory at the appointed time
3. Receive executed contract from the State Controller's contract signatory.

***Telephone Request Approval Contract***

1. Verify that the contract is in the possession of the State Controller by checking the CLI2 table.
2. Call the State Controller's contract signatory to request emergency processing and to indicate the desired time for the execution of the contract after which an agency representative will pick the contract up.
3. Pick up the executed contract from the State Controller's office at the appointed time.

***Overnight Mail Approval Contract***

1. Verify that the contract is in the possession of the State Controller by checking the CLI2 table.
2. Call the State Controller's contract signatory to request emergency processing
3. Give the State Controller's contract signatory your agency's overnight mail service billing code.

**Most Common Errors:**

1. Special provisions either missing or modified without State Controller approval.
2. Indemnification provisions modified without State Controller and Attorney General approval.
3. Payment provisions ambiguous, inconsistent, or contract type unclear.
4. No apparent authority for the agent signing on behalf of the contractor.
5. Amendments routed without basic contract and previous amendments.
6. Routing error--approvals not obtained from Personnel (personal services contracts with other than political subdivisions), Purchasing Division or delegate (where Procurement code is apparently applicable to nondiscretionary purchases), State Buildings (leases), Risk Management (where agencies are using CRS 24-30-1510 indemnification in leases)
7. Use of advance payment provisions not approved by the State Controller.
8. Encumbrance document (i.e. SC or PO transaction) not "Ready for Approval 3" - various errors on the budget