



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
25 Capitol Street – Room 120
Concord, New Hampshire 03301

Late A

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September 16, 2014

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Executive Council
State House
Concord, NH 03301

SEP 17 2014
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3NO

REQUESTED ACTION

Pursuant to RSA 21-I: 14, I; RSA 541-A: 1, XV and RSA 4:15, the Department of Administrative Services requests approval of certain amendments to the Department of Administrative Services Manual of Procedures ("DAS MOP") section MOP 150, IV and paragraph MOP 1200, I, D.

Specifically, in regard to Chapter MOP 150, Section IV ("Governor and Executive Council Actions"), at the request of the Governor and Executive Council, the Department asks that a change be made in the language describing the Governor and Council's approval of service contracts, effective upon Governor and Executive Council approval. The requested amendments are highlighted in Attachment A hereto and, if approved, would result in MOP 150, Section IV reading as shown in Attachment B hereto.

In regard to MOP 1200, paragraph I, D., and in conjunction with the foregoing, the Department requests certain technical changes be made to provisions relating to Memberships, Dues and Licenses, as described below, effective upon Governor and Executive Council approval. By approval of this item in conjunction with the alterations to DAS MOP 150, IV, the approval threshold for memberships and dues would stand at \$2,500 rather than at the proposed increased personal service contract threshold of \$10,000. The requested amendments are highlighted in Attachment C hereto and, if approved, would result in MOP 1200, Section I, paragraph D reading as shown in Attachment D hereto.

EXPLANATION

RSA 21-I: 14, I provides that the Commissioner of Administrative Services is to adopt a comprehensive uniform system of state financial management described in RSA 21-I: 13, XV and XVI in the form of a manual, to be updated and revised as the Commissioner deems necessary, to explain procedures applicable to all executive branch state agencies, officers and employees. Topics addressed in the Manual of Procedures include, but are not limited to “[g]overnor and council actions.” See RSA 21-I: 14, I, (b) (4).

MOP 150, Section IV

During work sessions held over the past several months, the Governor and Executive Council considered alteration of the approval thresholds relative to service contracts (MOP Chapter 150, Section IV). At the work session held on September 3, 2014, the Department of Administrative Services was asked to submit an item for Governor and Council action reflecting an increase in approval limits for consideration at the meeting of September 17, 2014. This request is the result of that instruction and reflects the changes that DAS understands are generally desired by the Council.

The changes to DAS MOP 150, IV proposed here would:

- Maintain the current approval threshold of \$2,500 for costs associated with organized meetings and make it clear that this approval threshold is also correctly reflected for membership fees or dues under DAS MOP Chapter 1200;
- Establish a \$10,000 approval threshold for contracts covering personal services or consultant services;
- Establish a \$25,000 approval threshold for contracts covering any other type of service;
- Make a citation clarification regarding the items that are reported to the Governor and Executive Council on a quarterly basis;
- Clarify that all amendments to service contracts which have been approved by the Governor and Executive Council shall

themselves require Governor and Council approval, regardless of whether or not those amendments impose additional costs (meaning, for example, that “no cost” extensions go to Governor and Council);

- Clarify that amendments to service contracts which would, in combination with the underlying contract, bring the amount to the applicable threshold will continue to require Governor and Executive Council approval, regardless of whether or not the underlying contract was originally presented to the Governor and Council; and
- Clarify that agencies shall not seek to avoid Governor and Council approval of costs associated with organized meetings by viewing each cost independently and make it clear that costs associated with organized meetings which would, in combination with any other cost pertaining to that meeting, bring the total amount to the applicable threshold require Governor and Council approval.

The changes that would be made to the existing language of MOP 150, Section IV in order to effectuate the foregoing are, for informational purposes, highlighted in Attachment A. The text of the amended version of MOP 150, Section IV that would result from the granting of this request is found at Attachment B. Upon approval, that amended text would become the operative version of DAS MOP 150, IV. DAS MOP 150, IV, F (currently D) would continue to provide, as it does at present, that current practices regarding transactions not requiring Governor and Executive Council approval shall remain in effect pending inclusion of a provision in the Manual describing the circumstances where Governor and Executive Council approval of service contracts at or above the thresholds is not required.

MOP 1200, Paragraph I, D.

Chapter MOP 1200 addresses “Memberships, Dues and Licenses.” Currently, MOP 1200, paragraph I, D. provides that membership fees or dues that exceed the limits established by the Governor and Council for personnel service contracts must be approved by the Governor and Executive Council. A technical change is needed in order to correctly reflect the fact that the pre-existing \$2,500 threshold of MOP 150, rather

than the new \$10,000 personal services threshold, will in the future apply to memberships and dues.

The changes that would be made to the existing language of MOP 1200, I, D in order to effectuate the foregoing are, for informational purposes, highlighted in Attachment C. The text of the amended version of MOP 1200, I, D that would result from the granting of this request is found at Attachment D. Upon approval, that amended text would become the operative version of DAS MOP 1200, I, D.

Respectfully submitted,

A handwritten signature in black ink, reading "Joseph B. Bouchard". The signature is written in a cursive style with a large initial "J".

Joseph B. Bouchard
Assistant Commissioner

EXECUTIVE AND LEGISLATIVE BRANCHES

MOP 150 Governor and Executive Council Actions

The following draft shows MOP 150, Section IV only (approval of service contracts). Regular text is existing language. Additions are in bold, underlining. Deletions are in bold strike-through.

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IV. Governor and Executive Council Approval of Service Contracts

A. Approval of the Governor and Executive Council shall be required in order for any executive branch agency to enter into the following contracts:

- 1. Contracts incur costs associated with organized meetings in the amount of \$2,500.00 or more covering personal services, consultant services, and costs associated with organized meetings; and
2. Incur membership fees or dues in the amount of \$2,500 or more under DAS MOP Chapter 1200;
3. 2. Enter into contracts in the amount of \$10,000.00 or more covering any other type of service, personal services or consultant services; or
4. Enter into contracts in the amount of \$25,000 or more covering any other type of service.

B. The Department of Administrative Services shall, on a quarterly basis, report to the Governor and Executive Council all service contracts for amounts below the thresholds set forth in A. 3. and 4. above which have been approved by agencies without Governor and Executive Council action.

C. Amendments to service contracts which are at or above the applicable threshold level set forth above, or which would, in combination with the underlying contract, bring the amount of the contract to the threshold amount, shall require Governor and Council approval. All amendments to service contracts which have been approved by the Governor and Executive Council shall themselves require the approval of the Governor and Executive Council regardless of whether or not those amendments impose an additional cost.

D. Amendments to service contracts which would, in combination with the underlying contract, bring the amount of the contract to the applicable threshold amount specified in A. 3. or 4. above shall require Governor and Council

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approval regardless of whether the underlying contract was originally presented to the Governor and Council.

E. Agencies shall not seek to avoid Governor and Council approval of costs associated with organized meetings under A. 1. above by viewing individual costs associated with the meeting independently. Costs associated with organized meetings which would, in combination with any other cost pertaining to that meeting, bring the total amount of those costs to the threshold amount specified in A. 1. above shall require Governor and Council approval.

D. F. The Department of Administrative Services shall prepare for inclusion in this manual a description of those circumstances in which Governor and Executive Council approval of service contracts at or above the foregoing thresholds is not required. Pending such inclusion, current practices regarding transactions not requiring Governor and Executive Council approval shall remain in effect.

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IV. Governor and Executive Council Approval of Service Contracts

A. Approval of the Governor and Executive Council shall be required in order for any executive branch agency to:

- 1. Incur costs associated with organized meetings in the amount of \$2,500 or more;
- 2. Incur membership fees or dues in the amount of \$2,500 or more under DAS MOP Chapter 1200;
- 3. Enter into contracts in the amount of \$10,000 or more covering personal services or consultant services; or
- 4. Enter into contracts in the amount of \$25,000 or more covering any other type of service.

B. The Department of Administrative Services shall, on a quarterly basis, report to the Governor and Executive Council all service contracts for amounts below the thresholds set forth in A. 3. and 4. above which have been approved by agencies without Governor and Executive Council action.

C. All amendments to service contracts which have been approved by the Governor and Executive Council shall themselves require the approval of the Governor and Executive Council regardless of whether or not those amendments impose an additional cost.

D. Amendments to service contracts which would, in combination with the underlying contract, bring the amount of the contract to the applicable threshold amount specified in A. 3. or 4. above shall require Governor and Council approval regardless of whether the underlying contract was originally presented to the Governor and Council.

E. Agencies shall not seek to avoid Governor and Council approval of costs associated with organized meetings under A. 1. above by viewing individual costs associated with the meeting independently. Costs associated with organized meetings which would, in combination with any other cost pertaining to that meeting, bring the total amount of those costs to the threshold amount specified in A. 1. above shall require Governor and Council approval.

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- F. The Department of Administrative Services shall prepare for inclusion in this manual a description of those circumstances in which Governor and Executive Council approval of service contracts at or above the foregoing thresholds is not required. Pending such inclusion, current practices regarding transactions not requiring Governor and Executive Council approval shall remain in effect.

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STAFF and PAYROLL

MOP 1200 Memberships, Dues and Licenses

*The following draft shows MOP 1200, Section I, Paragraph D only. Regular text is existing language. Additions are in **bold, underlining**. Deletions are in **bold strike-through**.*

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- D. Membership fees or dues that exceed the limits established by the Governor and Council for ~~personnel service contracts~~ **such items under MOP 150** must be approved by the Governor and Executive Council.

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STAFF and PAYROLL

MOP 1200 Memberships, Dues and Licenses

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- D. Membership fees or dues that exceed the limits established by the Governor and Council for such items under MOP 150 must be approved by the Governor and Executive Council.

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