JOINT CIRCULAR

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY

NO.: 24-22-DPP/OMB/OIT	ORIGINATING AGENCY: DIVISION OF PURCHASE AND PROPERTY OFFICE OF MANAGEMENT AND BUDGET OFFICE OFINFORMATION TECHNOLOGY	PAGE 1 OF 4
EFFECTIVE DATE: IMMEDIATELY	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 14-07-DPP/OMB/OIT
SUBJECT: PROFESSIONAL SERVICES: REVIEW, CONTROL, MONITORING, AND EXTENSIONS		
ATTENTION: DEPARTMENT HEADS AND CHIEF FISCAL OFFICERS		
FOR INFORMATION CONTACT: CONTRACT COMPLIANCE AND AUDIT OMB PROFESSIONAL SERVICES OIT		SCM.Support@treas.nj.gov OMBProfServices@treas.nj.gov OIT.Core@tech.nj.gov

This circular was changed to provide the most current circular references and contacts.

I. PURPOSE

The purpose of this circular is to establish the policies and procedures for agencies to follow with other State agencies when seeking to contract with vendors for Professional Services whether by public advertising or waiver of advertising. Effective planning for and management of Professional Services contracts will result in projects being completed on time and within budget so that the State receives maximum value for its contract expenditures. For purposes of this circular, Professional Services are services requiring special, usually advanced, education and skills. The practice of these skills may require special licenses or other validating credentials. Note the scope of Professional Services addressed in this circular goes beyond the breadth of Professional Services defined at N.J.S.A. 52:34-10.8.

This circular is to be used in conjunction with other Treasury Circulars and policy directives related to Professional Services contracts as specified in applicable sections of this circular. The policies and procedures set forth herein apply to all agency requests, including waivered contracts and other actions obligating or expending public funds for contracted Professional Services.

This circular does not apply to the following:

A. Procurements within the Delegated Purchasing Authority (DPA) Circular;

B. Procurement of engineering and architectural services by the Department of Transportation or the Division of Property Management and Construction;

C. Procurements by State colleges and universities or New Jersey Transit Corporation; and

D. Procurement of legal services and expert witnesses by the Attorney General.

The Treasurer's authority includes oversight of expenditures by the Executive Branch. In order to ensure effective administration and monitoring of contracts for Professional Services, the Department of the Treasury (Treasury) sets policy, advises, facilitates, approves and/or monitors agencies in their procurement of Professional Services. This centralization of authority promotes a consistent approach to State contracting and provides a resource to

enhance agencies' understanding and improvement of contract administration. Four entities within the Treasury department participate in the contracting process for Professional Services. These entities are:

1. The Division of Purchase and Property's Procurement Bureau (Bureau);
2. The Division of Purchase and Property's Contract Compliance & Audit Unit (CCAU);
3. The Office of Management and Budget (OMB); and
4. The Office of Information Technology (OIT).

The participation of these entities ensures coordination, provides for appropriate review, ensures effective monitoring and control, as well as establishes procedures for the administration of Professional Services contracts.

OFFICE OF INFORMATION TECHNOLOGY:

All requests for telecommunications and information technology consultant services, equipment, and software must be approved by OIT. The purpose of OIT's review is to ensure that these contracts result in effective, efficient and economical use of State resources (N.J.S.A. 52:18a-186, et seq.) and reflect the strategic direction for Information Technology (IT) as required by N.J.S.A. 52:18A-224 et seq. and P.L.2007, c.56. Contracts requiring OIT approval should be submitted to:

Office of Information Technology
OIT.Core@tech.nj.gov

OFFICE OF MANAGEMENT AND BUDGET:

OMB's review and approval is primarily a fiscal one to ensure that project outcomes, fiscal requirements, staffing needs, resources needs, and multi-year budget implications conform to overall State policies and budgetary forecasts (N.J.S.A. 52:19-10 to 12). Requests requiring OMB approval are specified in Section II., and should be submitted **electronically (including the summary letter from the agency, copy of the Request for Proposal (RFP), cost information and any waiver documentation)** to:

OMB Professional Services
Office of Management and Budget
P.O. Box 221
Trenton, NJ 08625-0221
OMBProfServices@treas.nj.gov

PROCUREMENT BUREAU:

Pursuant to the authority of the Director, Division of Purchase and Property (DPP), the Bureau has primary responsibility for facilitating the development and award of Professional Services contracts (N.J.S.A. 52:34-12). Specifically, the Bureau finalizes and issues the RFP, receives and tabulates proposals submitted by bidders in response to the RFP, chairs the Evaluation Committee during the evaluation of the proposals, and recommends contract awards to the Director. Requests to procure publicly advertised Professional Service contracts should be submitted to:

Central Intake
Division of Purchase and Property
P.O. Box 230
Trenton, NJ 08625-0230
centralintake@treas.state.nj.us

CONTRACT COMPLIANCE AND AUDIT UNIT (CCAU):

Also part of the DPP, the CCAU serves as a resource for agencies. CCAU processes requests for waivers of advertising for professional services contracts, acts as an intermediary to resolve problems encountered by agencies during contract administration and as the initial arbiter of formal complaints filed by agencies against contractors. The CCAU monitors contractors and State Contract Managers to ensure their compliance with Treasury contract terms and the State Contract Manager Circular. The CCAU identifies and recommends areas for improvement of the agency's contract administration. Agencies are encouraged to request the CCAU's assistance when they have questions or encounter problems related to their Professional Services projects.

Where appropriate for obtaining Professional Services, as set forth in N.J.S.A. 52:34-9 and 52:34-10, Requests for Waivers of Advertising, the agency and CCAU will follow the Request for Waiver of Advertising circular. Agencies should submit requests for the following items to the corresponding email address(es) below:

Contract Compliance and Audit Unit

CCAU Contract Complaints – ccaucomplaints@treas.nj.gov
Chapter 51 Form Submissions – CD134@treas.nj.gov
Chapter 51 Executive Order 333 Questions – preo134@treas.nj.gov
DPA Audits & Questions – DPP.DPA.AUDIT@treas.nj.gov
EEO/AA Questions – ccau.aaeeo@treas.nj.gov
State Contract Management Support & Questions – SCM.Support@treas.nj.gov
Waiver Preapproval Submissions – waiverpreapproval@treas.nj.gov

II. POLICY AND PROCEDURES

The procedures set forth below explain the role of the agency and Treasury.

The requesting agency has primary responsibility for obtaining the maximum value from its Professional Services contracts and to ensure that all deliverables are satisfactorily provided according to agreed upon schedules. The agency's responsibilities, some of which may be concurrent, are as follows:

A. Identify an agency need that requires contracted Professional Services.

B. Whenever feasible, employ in-house staff, other agencies, or the State colleges and universities to provide Professional Services rather than private vendors.

C. Identify funding source and estimate the cost, staffing, and resource needs of the requesting agency to administer and manage the contract. If the contract involves the participation of or includes other State agencies, then the estimates for these items for the other State agencies must be included in the submission. The estimate of costs, staffing, and resource needs must cover the projected duration of the contract.

D. Obtain agency management approvals.

E. Involve the DPP and OIT as early as possible in the process to help define project objectives, scope of work, deliverables, a preliminary schedule and if needed, retain the services of an outside consultant to help develop a suitable RFP. The IT related commodities and services must be included in the respective Agency Strategic Plans and must have involved OIT from early inception (conceptual design discussions) to take advantage of advice, direction and adherence to statewide IT organization standards and capacity planning.

F. Provide projections of the costs, resources, and staffing needs of providing the needed professional services in-house. These estimates should be provided for the projected duration of the contract to be developed and advertised by DPP.

G. Obtain OMB's and OIT's approval, either written or electronic. Such approval requests should be made at least two weeks in advance (longer for larger projects) so as to provide sufficient lead time for a proper review. The request for OMB's and OIT's approvals should comply with the attached OMB requirements checklist, regardless of funding source as well as the guidelines established by OIT in the circular on procurements of information technology (IT) hardware, software and related services.

Professional Services are subject to OMB approval if they are (1) proposed to be with private sector vendors or with a State college or university, and (2) likely to exceed **$250,000** for the term of the contract (excluding extensions), or have no dollar amount specified. Professional services related to IT are subject to OIT approval regardless of any dollar amount.

Procurements of all consultant Professional Services meeting the above criteria, as defined in the attached NJCFS Object Codes listing, are subject to OMB and OIT review and approval. Note that consultant Professional Services that were previously distinguished between "advisory" and "non-advisory" (such as assistance in the implementation of a program) are now subject to OMB and OIT review and approval, including information system feasibility studies or programming/development. The only exceptions are information processing, telecommunications, and operational services (object code 3420), software (object code 3430), equipment rental (object code 3440), and maintenance of computer software and equipment (object code 3450), none of which require OMB review but still require OIT review.

H. Obtain OIT's approval, in writing or electronic, for telecommunications, information technology consultant services, equipment, and software in accordance with the circulars regarding the procurements of information technology (IT) hardware, software and related services and the IT Procurement Moratorium, prior to submission to DPP.

Projects requiring both OMB and OIT approval should be submitted simultaneously to OMB and OIT so that a coordinated and expeditious review can be conducted. OMB and OIT will notify the agency of their respective decision electronically, in writing or will call for missing information within four weeks of submission.

Pre-existing term contract requests for information technology and telecommunications must continue to be submitted directly to OIT for review and approval. OIT will forward a copy of feasibility requests at the **$250,000** threshold to OMB for its concurrent review and approval, obtaining OMB approval solely for OIT managed contracts.

I. Submit directly to DPP, all requests for new contracts for Professional Services that do not require OMB or OIT approval as set forth above. However, all Professional Service contracts must satisfy all other requirements set forth in this circular.

J. Appoint a State Contract Manager (SCM) and be sure the individual fulfills all the duties set forth in N.J.S.A. 52:34-10.7 and the State Contract Manager Circular regarding the roles and responsibilities of the S C M including reviewing final deliverables for final payment and completing and executing the Project Performance Assessment Form and submitting it to CCAU. (This form will be provided by the CCAU with each contract when OMB approval is obtained). Note that completion is a key task for the State Contract Manager. The CCAU will be monitoring select contracts including the performance of the SCM and will report any failure to submit the Project Performance Assessment form to the CCAU.

Remember that the four entities identified can help with the process. Their early and substantive involvement can enhance an agency's ability to meet its contracting objectives.

Amy F. Davis

Amy F. Davis, Esq., Acting Director
Division of Purchase and Property

Tariq Shabazz, Acting Director
Office of Management and Budget

Christopher Rein, Chief Technology Officer
Office of Information Technology

ATTACHMENT - ONE

AGENCY REQUEST FOR PROFESSIONAL SERVICES
OMB REQUIREMENT CHECK LIST

Agency _____ Date _____

Contact Name and Telephone _____

Professional Services Request Title/Subject _____

The following is required in the agency's submittal of a request for OMB approval of Professional Services:

- This form, completed by the agency
- Agency approvals
- Fiscal and staffing information detailed in a separate attachment to include:
    - total amount by funding source
    - multi-year budget forecast
    - productivity impact on revenues, savings, or costs avoided
    - impact on agency staffing
    - fiscal and staff impact on other state agencies, e.g., OIT
- Project duration
- RFP, waiver proposal, or the request for extension/amendment
- One or more of the following supporting documents(s) as appropriate:
    - Agency Order (AO)
    - Requisition Purchase (RP)
    - Waiver (PB-129)
    - Purchase Order (PO)

Submit to OIT for concurrent review if this is a request for an IT feasibility study or for programming/development.

ATTACHMENT - TWO

NJCFS OBJECT CODES RELATED TO PROFESSIONAL SERVICES AND NECESSITATING OMB REVIEW AND APPROVAL

3410 – Information Processing, Development, Telecommunications, and Related Services (External)

Information System and Telecommunication development performed by other State agencies, firms, or individuals who, for a fee, render professional services of a technical nature directly related to information systems and telecommunications, except charges for services rendered by OIT (object account 3910). Included professional services are feasibility/advisability studies, programming and testing, implementation, and training.

3610 – Consultant/Advisory Professional Services (Discretionary)

This account includes charges for services which result in an analysis and recommendation for improvement, such as:

- Studies and surveys related to program research
- Planning, monitoring and evaluation
- Organizational development
- Financial management
- Workflow and procedural analysis
- System design and engineering

3620 – Technical/Professional Services (Mandatory)

Includes charges for all services which are of a necessary operational nature and/or require unique professional or technical skills, licenses, or other validating credentials, but is not limited to services provided by inspectors, appraisers, surveyors, claims processors, real estate fees, notary public, and other operational service providers including microfilming services.

3621 – Medical Doctors/Nurses/Hospitals/Therapists

3622 – Rate Setters/Rate Counsel

3623 – Transcription Services/Court Reporters

3624 – Temporary Personnel/Employment Services

3630 – Legal Services, Legal Advertising, and Legal Expenses

3631 – Lawyers/Pool Attorneys

3632 – Expert Witnesses

3640 – Auditing Services (External)