

Guidelines for Maintenance Agreements Service Contracts

May 2014



State of Idaho Division of Public Works

Maintenance Agreements and Service Contracts are used by various State agencies to develop agreements whereby a contractor or maintenance company is available to perform routine maintenance or accomplish small construction work on a pre-bid cost basis.

Maintenance Agreements are for items such as maintaining elevators, maintaining chillers, and maintaining HVAC control systems. These items are "Preventative Maintenance" as defined in Idaho Code §67-5710B. By this definition, they **do not** fall within the responsibility of the Division of Public Works (DPW). Maintenance Agreements do not require the use of licensed Public Works Contractors, nor do they require performance and payment bonds.

Service Contracts provide a means to construct facilities, to include minor construction projects, or to perform specialty construction such as carpet or electrical work. These items are "Public Works" as defined in Idaho Code §67-5710B. If the estimated annual expenditure for these contracts exceeds \$100,000, they **do** fall within the responsibility of the Division of Public Works and the Permanent Building Fund Advisory Council. Service Contracts are assigned by DPW to Facilities Services, or they are delegated to individual institutions or state agencies. Permanent Building Funds are usually not used for Service Contracts; but, with Council permission, they may be used for certain project components.

Service Contracts do require competitive bidding. They also require the use of licensed Public Works Contractors and performance and payment bonds.

In addition, Service Contracts do require an affidavit certifying compliance with the drug-free workplace program (Idaho Code, Title 72, Chapter 17).

A Service Contract will only be used for services the cost of which is less than \$200,000 per Service Contractor, per project. The total dollar value of Service Contracts may not exceed \$300,000 per project. These limits do not apply to floor covering contracts. The work performed under a Service Contract will include labor, and materials and equipment, or labor only, with the State agency providing the material or equipment. Division of Purchasing rules apply to material and equipment purchases.

Project number assignment and delegation approval are kept on file at DPW for delegated Service Contracts. In almost all cases, contracts are maintained and funds are administered by the using agency. It is acceptable for one agency to use a Service Contract maintained by another agency, if granted permission to do so.

Procedures for Requesting a Delegated Service Contract

When an agency expects that a Service Contract will exceed \$100,000 annually, the agency will submit a written request to the Administrator of DPW for delegated authority to enter into an annual Service Contract. A Delegated Service Contract Worksheet will be included with the request and identify the source of funding, expected annual expenditure, and a brief description of the required "scope of work."

DPW staff is available to assist agency requests for Delegated Service Contracts. A sample "Request for Service Contract Delegation" letter and a Delegated Service

Contract Worksheet are provided below. Bid procedures and sample contracts are available from DPW/Facilities Services.

Examples of the types of Service Contracts used by agencies include:

Doors and Hardware	HVAC	Paving
Light Construction	Electrical	Roofing
Plumbing	Low Voltage/Data	Asbestos
Mechanical	Floor Covering	Painting

If you have questions concerning Maintenance Agreements and Service Contracts, or if you require sample documents, please contact Gary Foote, DPW Management Assistant, at (208) 332-1901.

Note: The statute referenced above can be accessed via the following Internet link:

<http://www.legislature.idaho.gov/idstat/Title67/T67CH57SECT67-5710B.htm>

The PBFAC policies are found at:

http://adm.idaho.gov/pubworks/pdf/PBFAC_Policies_Chapter_7.pdf

SAMPLE

REQUEST FOR SERVICE CONTRACT DELEGATION

(DATE)

Administrator
Division of Public Works
PO Box 83720
Boise, Idaho 83720-0072

Subject: Request for Delegation of a Service Contract for (Type of Work)

Dear Administrator:

(Name of Agency) would like to request delegated authority to bid and enter into a (Type of Work) Service Contract for (Name of Facility).

(Insert reference to a former, or expired, contract.)

(Insert total expected yearly expenditure and source of funds. And enter expected number of annual extensions, not to exceed two annual extensions.)

Attached is a Delegated Service Contract Worksheet for this project. We would ask that you expedite this request so that we may begin the process of developing specifications for bidding.

Please contact me at (Phone Number) if you have any questions.

Sincerely,

(Agency Signature Authority)
(Title)

Enclosure

DELEGATED SERVICE CONTRACT SET-UP SHEET

AGENCY:	
AGENCY CONTACT:	
PROJECT NAME:	
ESTIMATED EXPENDITURE:	

SCOPE OF WORK:

SPECIAL INFORMATION, COMMENTS:

Note: All Public Works laws and procedures will be followed in the administration of this public works project.

SIGNATURE: _____

FOR DPW USE ONLY

DPW PROJECT NO.: _____ D	DATE APPROVED:
PROJECT TITLE:	
FUNDS AUTHORIZED:	
CODING:	