


Notable Changes and Improvements in Bulletin 3.5 – July 1, 2016

✓	Reduced minimum posting of RFP to 5 business days from 10 days;
✓	Implementation of 2-page short-form contract/terms & conditions in effort to streamline contracting for eligible services under \$25k – recognizes the reduced risk for general contracts; No changes or amendments allowed.
✓	Clarification between AGO Certification (vs. intent of classification system) and Federal A-B-C test for Independent Contractors;
✓	AGO certification required at \$25k and greater (no longer required for \$10,000.00 - \$24,999.99);
✓	New definition for “Contract for Service” – aligns with federal definition;
	<ul style="list-style-type: none"> ○ Redefined “Personal Service” to align with federal definition; <ul style="list-style-type: none"> ▪ Clear requirement to pay contractor through VTHR if deemed “Personal Service” for failing federal A.B.C test; ○ New definition for “Non-Personal Service” aligns with federal definition (vis à vis “Independent Contractor”)
✓	New threshold for “Contract for Service” and “Privatization” set at \$25k or greater;
✓	New graphic flow chart for Contract Determination (IRS A.B.C. test) and Privatization;
✓	New threshold for “Marketing” contracts at \$25k;
✓	Reduced number of Amendments requiring AGO and Secretary of Administration approval
	<ul style="list-style-type: none"> ○ Elimination of 3rd or more Amendments requiring approval (based on higher thresholds now); ○ No approval required for amendments that extend duration only (no changes to scope, price or other terms); ○ No approval required for amendments that increase the maximum amount in conjunction with extension of contract duration (no changes to scope or other terms), but only if such extension and increase are options specified under the terms of the original agreement (and, for sole source contracts, only if the maximum amount remains under \$100K); ○ Otherwise, approval required for all sole source amendments, and new single threshold for approval for amendments to competitively sourced contracts (25% cumulative price increase);
✓	Reduction in standard auto insurance coverage limit to \$500k, except for life safety, transport of persons, hazardous material, Data Use and Sharing, and construction – again – recognition of reduced risk and nominal claims experience;
	<ul style="list-style-type: none"> ○ Elimination of auto insurance requirement for all drop ship service;
✓	Inclusion of formal change order process for Construction and IT implementation contracts (only);
✓	Revisions to Attachment C:
	<ul style="list-style-type: none"> ○ Separation of and clarification to “Independence and Defense”, and “Indemnity” clauses which reflects current practice and simplifies AGO review; ○ Inclusion of statutory provisions such as False Claims Act, Whistleblower Protection and Public Records Information; ○ Clarification and language added for Workers’ Comp Insurance;
✓	New direction on order of document in “contract package” for e-signature system(s);
	<ul style="list-style-type: none"> ○ Suggested naming conventions for e-signature system(s)
✓	Contracting Aids:

○ Separate IT Guideline – supplemental guidance document focused on IT procurement and contracting and carries the authority of 3.5;
○ Reorganized flow of document in the order of the process;
○ Better explanation and expansion of types of contract for service
○ Expanded explanation of when an MOU/MOA may be used and when it may not;
○ Addition to Form AA-14 and VISION - new data elements to allow better reporting of contract types and procurement process until new e-Procurement module is in place;
○ Contract File checklist (helps avoid audit findings);
○ Addition of  “KeyNote” boxes throughout Bulletin (referred to as “Kessler KeyNote” by the 3.5 Team);
○ Contracting Waiver Plan template – allows for Approval or Denial by Secretary of Admin by individual waiver item; No need for back and forth revisions;
○ Guidance documents for developing well written Attachments A and B;
○ More guidance for simplified bid usage;
○ Expanded Definitions from 13 in prior version to 49 – all “common terms” defined;
○ Added an Acronym directory;
○ Guidance/Policy on providing public endorsements;
○ Guidance/Policy on Public Records;

✓ July 2016 Bulletin 3.5 Road Show Training scheduled;
✓ Planning to hold twice a year Bulletin 3.5 training program at CAPS;
✓ Updated 3.5 Quick Reference Guide;
✓ Updated contract and RFP templates are online at: http://bgs.vermont.gov/purchasing/forms

✗ Harder to do sole sources; Secretary of Admin approval required at \$10k;
✗ Ban on MOUs except between SOV units, municipalities and political subdivision (such as regional planning commissions); and between SOV and Feds;