

## *OSE Tip of the Day* Small Professional Services Contract

February 17, 2020

Two weeks ago I provided a Tip of the Day concerning Small Purchases. That type of small purchase was related to Construction under \$100,000. We have another type of small purchase that is related to Design Services in Chapter 4.3 of the Manual. Don't be confused, just because it's listed as "Small Professional Services Contract" does not mean it's meant only for short professionals. It's the Contract that is small, not the professional.

The small contract for professional services is a great tool for limited services and especially useful for promoting small and minority businesses. Characteristics are:

- 1) The Agency may select a firm to negotiate without having to advertise for services, receive resumes, interview, etc.
- 2) If negotiations are unsuccessful with a chosen firm, an Agency must conclude unsuccessful negotiations in writing prior to negotiating with another firm.
- 3) The contract cannot exceed \$50,000. The amount includes all basic services, additional services, and all amendments to those services; but, does not include reimbursable expenses.
- 4) The total value of fees paid to a single firm may not exceed \$150,000 (small contracts and small IDQ's), excluding reimbursables, awarded by an Agency in a 24 month period.
- 5) The contract will consist of the firms' proposal letter and Terms and Conditions (SE-240) or Incidental Services Contract (SE-235).

The agreement is executed by both parties and submitted to OSE for information via the SE-230.