October 5, 2009

MANAGEMENT DIRECTIVE # 3(a)

TO:	Senior Management Team for Recovery
FROM:	Dempsey Benton, Director Office of Economic Recovery and Investment

SUBJECT: Contract Provisions for the Procurement of Goods, Services Construction Projects Including Design Services and Internal Procurement Directives

Title VI, IDEA Funds

Whereas Title VI and IDEA funds under the American Recovery and Reinvestment Act ("ARRA") are primarily designated for individual recipients, and based upon feedback and OERI's review of the process for utilizing these funds, the use of these Title VI and IDEA ARRA funds are exempted from the existing obligations in OERI Management Directive #3. However, if these funds are used for the purposes of purchasing normally competitive goods and services, including but not limited to computers and classroom supplies, the use of these funds would be subject to OERI Management Directive #3.

Existing Design Services Contracts

Where there are presently existing contracts for design services predating the February 17, 2009 signing of the ARRA, these design services contracts are exempted from the existing obligations in OERI Management Directive #3. Upon review by OERI, the provisions of Management Directive #3 will not retroactively apply to the already existing contracts, however, this exemption relates only to contracts for design services. There is an expectation that competition will be sought for construction activities resulting from preexisting design service contracts. ARRA guidelines do not allow amending existing construction contracts to cover new plans, therefore competition must be sought.