

STATE OF MISSISSIPPI DEPARTMENT OF EDUCATION	TOPIC: PURCHASING
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GENERAL

The Mississippi Department of Education's (Department) Purchasing Procedures set forth herein apply to the procurement, management, and control of all purchases for services, commodities, goods, equipment, furniture, lease, construction, fleet and personal and real property. These procedures shall apply to all expenditures of public funds irrespective of their source. Violation of these regulations shall carry such penalties as may be applicable under State law. In event of conflict, the guidelines of the State shall prevail. The program office should be aware of all applicable regulations and rules governing the procurement of services, commodities, goods, equipment, furniture, lease, constructions, fleet, and personal and real property, as well as ensuring that these procedures are followed in the procurement process.

The Office of Procurement shall be governed by the applicable rules and regulations promulgated for purchasing by the Department of Finance and Administration's (DFA) Public Purchasing Review Board (PPRB). The Office of Purchasing, Travel and Fleet Management (OPTFM) shall supervise purchasing processes to ensure stringent controls are implemented as internal controls for the procurement of goods and services within the offices of the Department.

Purchases of equipment, supplies, materials, or services of whatever kind or nature for any department, officer, institution, or other agency of the state, the cost of which is to be paid from funds in the State Treasury on State Fiscal Officer disbursement warrants, may be made only by written purchase orders duly signed by the official authorized to do so, on forms prescribed by the State Fiscal Officer. Purchases of such equipment, supplies, materials, or services, as specified herein, made without the issuance of such purchase orders shall not be deemed to be obligations of the state unless the State Fiscal Officer, by general rule or special order, permits certain purchases to be made without same.

In Mississippi there are three agencies that regulate purchasing:

- Information Technology Services (ITS) governs the acquisition or disposition of any computer and telecommunications equipment, word processing equipment, software or services.
- Section 7-7-3, Miss. Code Ann. (1972), authorizes DFA to prescribe and approve all accounting systems and systems for keeping other essential financial records. Whereas, the PPRB approves contracts over the specified thresholds for services, commodities, goods, equipment furniture, lease, construction, fleet and personal and real property.
- The Attorney General's Office approves contracts for outside legal counsel.

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GENERAL (Continued)

The OPTFM and the Bureau of Buildings, Ground and Real Property (BOB) at the Department of Finance and Administration (DFA) is responsible for supervising the purchases, lease-purchases, leases, and rentals of any commodities or equipment made or entered into by the Department and shall have approval authority over all sales or transfers of personal property owned by the Department. The DFA also supervise construction and maintenance of state buildings and facilities.

Regulations shall be promulgated by the OPTFM with the approval of the PPRB in Section 31-7-9, Mississippi Code of 1972 and shall have approval authority over the established contracts on any commodity being purchased by state agencies. The contracts may be established by competitive bids or by negotiation. The OPTFM also maintains agency and cooperative contracts. The OPTFM requires agencies to purchase from State bid contracts and shall grant exemptions from that requirement if it is determined to be in the best interest of the agency and would be an economically feasible transaction. The OPTFM Agencies must follow purchasing procedures set forth in Section 31-7-13, Mississippi Code of 1972, Annotated.

Commodities, goods, equipment, furniture, lease, construction and renovation purchases fall under the purview of the PPRB and require that the following items be brought before the Board for approval:

- Any request for any purchase authority (to include multiple purchases or a “not to exceed” amount) award or awards (when an award is the result of one competitive procurement) which exceeds \$500,000
- Any lease purchases
- Any construction contract which exceeds \$5,000,000 Section 27-104-7, Mississippi Code of 1972, Annotated
- Proposed equipment acquisitions schedules for Master Lease Purchase Programs Section 31-7-10, Mississippi Code of 1972, Annotated
- Policies and procedures which relate to the purchasing of commodities, goods, merchandise, furniture, equipment, automotive equipment of every kind, and other personal property purchased by the agencies of the state, but not commodities purchased for resale or raw materials converted into products for resale as provided by Sections 31-7-1(e), and 31-7-9, Mississippi Code of 1972, Annotated
- Rules and regulations regarding the sale or disposal of property Section 29-9-9, Mississippi Code of 1972, Annotated

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The Department will collaborate with the BOB and OPTFM to ensure State compliance with implementation and purchasing.

BOB Procedures Manual provides detailed information for all aspects of BOB procurements. The manual is written with the intent to be a thorough representation of procedures relative to purchasing by all state agencies.

The OPTFM has published a Mississippi Procurement Manual which provides detailed information for all aspects of procurement. The manual is written with the intent to be a thorough representation of procedures relative to purchasing by all state agencies.

The manual prescribes procedures for competitive bidding, single-source, and emergency procurements. Three types of purchases are authorized:

- Small purchases less than \$5,000, may be made without a competitive quote or bid, will require one quote.
- Purchases \$5,000 or greater but less than \$50,000 will require two quotes.
- Purchases \$50,000 or greater must be a publicly advertised, reversed auctioned, and shall be submitted to the OPTFM for approval prior to making the purchase.

REQUEST FOR AUTHORITY TO PURCHASE

The Office of Procurement must request a P-1 electronic process through the Mississippi Accountability System for Government Information and Collaboration (MAGIC) from DFA to review and approve when requesting authority to purchase commodities under the following conditions:

1. Emergency Purchases when total amount of purchase exceeds \$5,000
2. Single Source Purchase when total amount of purchase exceeds \$5,000
3. Purchases or rentals in excess of \$50,000 for commodities not covered by a state or agency contract
4. Acquisition of equipment by lease-purchase
5. Purchase or rental of items covered on competitive bid state contracts from other than the contract vendor. Exception: similar items under \$1,000
6. Any agency construction contract which exceeds \$50,000

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PURCHASING

To ensure compliance with state law, the Department has mandated all purchases shall be made by requisition or shopping cart with approval from the Office of Procurement Purchasing Division. Any deviation from this policy may result in a violation of state purchasing laws. Any employee associated with violating such laws with improper and fraudulent purchases shall be responsible for those payments owed to the State as well as be held accountable for any other penalties deemed appropriate by law.

Each program office and the Superintendent of special schools have been requested to authorize and identify a requisitioner to be responsible for office purchase requests. The requisitioner will be responsible but not limited to:

- submit all requests for commodities and furniture through Shopping Cart
- submit all requests for technology and equipment related items on a Request for Services and Goods Form (requisition)
- review State contract bid list for all shopping cart/requisition orders
- review ITS CP-1 agreements
- code expenditures to appropriate cost centers
- receive and check delivered goods
- utilize the accounting stamp for receipt of goods
- report any deviation from a delivered order to the Office of Procurement
- monitor expenditures
- de-obligate funds for all open POs at year-end

REQUEST TO PURCHASE

Employees other than the authorized purchasing agents or DFA State Procurement Card Program (SPCP) credit card holders, who make unauthorized purchases in the name of the MDE (by phone, on-site orders with merchants/retailers, or via the internet) are considered to have made unauthorized purchases and are personally liable for the purchases.

A contract or an agreement is required for any payment of personal, professional, and technology related services through the use of a Request for Services or Goods Form (requisition) submitted to the Office of Procurement for purchase order processing. The preferred method to request all other purchases will be through the use of the Mississippi Accountability System for Government Information and Collaboration (MAGIC) Shopping Cart. Whether it be for supplies, workshop materials, equipment, books, periodicals, etc., the program office must make the request through the individual designated to submit purchase order requests.

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REQUEST TO PURCHASE (Continued)

Purchases for equipment, supplies, products and materials shall be accordance with DFA's competitive, negotiated, Statewide Agency or cooperative contracts. Procedures for purchases involving State contracts are detailed in the Mississippi Procurement Manual or DFA's website. (Procedures for purchases involving computer or data processing services are detailed in the MDE Employee Policies and Procedures Manual, Section 19 – Computer Services). If supplies are for a specific program or different locations, this information should be uploaded to the Notes and Attachment Section of the shopping cart or attached to the requisition for contracts and/or agreements. In addition, the item, quantity, and a brief description must be provided.

Each office shall establish internal controls to request purchases that meet the needs of the office prior to receiving the goods and services. The requisitioner will submit a request to purchase to the Office of Procurement for processing.

The requisitioner should group similar types of commodities, etc. together. For example, if two separate employees request one box of file folders, the office requisitioner should add the request together and note that two boxes of legal, manila, three-cut folders are being requested for the office.

The requisitioner must compare requested goods on the State contract bid prior to submitting a Shopping Cart to the Office of Procurement for processing. The Shopping Cart must be complete and shall have accurate information. Upon completing the Shopping Cart, the requisitioner shall be responsible for ensuring that the program has funds available and forward the Shopping Cart to their assigned approver to route to the SRM Manager to submit to the Office of Procurement for processing. The requisitioner and SRM Manager must be two separate employees. The SRM Manager, will route the Shopping Cart with all attached supporting documents, e.g. the contract/agreement or written quote, to the Office of Procurement for processing.

The Office of Procurement will process the Shopping Cart request for goods after review to ensure compliance with all applicable state purchasing laws. Program office requisitioner responsible for purchasing processes will verify, enter data and upload in MAGIC the following:

- number of quotes based on thresholds
- office and program charged
- supporting documents to align with amount of request
- quantity, unit, product numbers, description, unit price and totals align

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REQUEST TO PURCHASE (Continued)

- accurate budget codes (cost/fund center, fund, budget year, internal order number, and program number)
- accurate vendor information
- shipping and handling
- State Contract bid item prices

Vendor signed bids are required on all items to be purchased between \$5,000 and \$50,000. Email quotes from authorized representatives are acceptable and must include an email signature that identifies the authorized signee's employment title. Email quotes will be reviewed for authentication.

Purchase order requests less than \$5,000 will only require the one quote from the vendor for the item(s) to be purchased. Shopping Carts or requisitions will be scrutinized to make certain invoice splitting does not occur to circumvent requirements to provide a competitive bid.

All purchases over \$50,000 must be advertised once a week for two (2) consecutive weeks in the local newspaper, with the Mississippi Development Authority's (MDA) Mississippi Procurement Technical Assistance Program (MPTAP) or Mississippi Transparency (MS Transparency). Offices are responsible for contacting the Office of Procurement and visiting the Procurement [webpage](#) for assistance with the development of an Invitation for Bid or Reverse Auction specification for a bid. The Office of Procurement and OPTFM must approve the specifications prior to advertisement in the newspaper and MPTAP or MS Transparency.

The agency is required to purchase from the state awarded contract vendors unless written approval is obtained from the OPTFM prior to obtaining quotes or soliciting bids regardless of the cost.

COMPETITIVE BID

Section 31-7-13, Mississippi Code of 1972, Annotated, specifies the competitive bid process. Purchases not covered by a competitively bid state contract or a negotiated state contract, where cost is not more than \$5,000, may be made under policies established by the Executive Leadership Team and State Superintendent. When the cost of an item is more than \$5,000, but not more than \$50,000, the buying agency must obtain two (2) competitive, written quotes.

Publishing or posting an advertisement for a bid is not required for purchases under \$50,000. Purchases in excess of \$50,000 must be properly advertised in accordance with state statute.

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REVERSE AUCTIONS

Reverse auctions shall be the primary method for receiving bids during the bidding process. Generally speaking, reverse auctions are not recommended for highly customized specifications where only a small number of suppliers will be able to respond. Commodities that are clearly defined by industry standards (e.g., “off the shelf” items), with many suppliers, are good candidates for reverse auctions. By comparison, a procurement for a patented or highly technical and complex good that has a single or few suppliers may not be a good candidate for reverse auctions. If it is determined a reverse auction is not advantageous or feasible to the State, an exception must be granted by the PPRB prior to the solicitation.

STATE PURCHASING CONTRACTS

The OPTFM has the authority to establish contracts for commodities. The need for contracts is determined based on the demand and volume of a commodity.

Contracts may be established by competitive bidding or by negotiation. The State’s binding contractual agreement for competitive bid contracts, also called state contracts, requires that agencies must purchase from the competitive state contracts. Agencies may not purchase an item covered by a state contract from other than the contract vendor. The OPTFM may grant exemption from the requirements if deemed that exemption is in the best interest of the agency.

Negotiated contracts serve to establish a maximum price that can be paid for an item covered under contract. However, agencies may negotiate the purchase price downward. Agencies may purchase items covered by a negotiated contract from other than the contract vendor, provided that the price paid does not exceed the negotiated contract price. Agencies must follow purchasing procedures set forth in.

Items which are on State contract shall be ordered from the state vendor. A purchase order will be generated for all purchases and a copy of the purchase order will be transmitted to each office and vendor. If the purchase is made through multiple vendors, more than one purchase order will be returned to the office. The purchase order will be sent to the Office of Accounting’s Accounts Payable Division (Accounts Payable).

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DEPARTMENT CONTRACTS FOR SERVICES

The Department must ensure contracts for services are procured by obtaining adequate and reasonable competition, with the exception of sole-source and emergency procurement prior to submitting a request for a purchase order. Purchases can be made following the MDE policies and procedures for contractual services.

TECHNOLOGY/EQUIPMENT PURCHASES

The program office designee is responsible for contacting Office of Technology and Strategic Services (OTSS) for approval of all technology related items. Technology related purchases must have the prior written approval from OTSS regardless of the funding source. Purchases should be made in accordance with MDE policies and procedures for technology and equipment purchases.

The program office must submit the following documents to the Office of Procurement for processing all technology agreement purchases.

- Contract Justification Form;
- Signed technology agreement;
- Quotes, if applicable;
- Agency plan (if agency has exceeded \$250,000 in technology products);
- OTSS technology blue and white form; and
- Any other supporting documentation.

INFORMATION AND TECHNOLOGY SERVICES (CP-1)

The program office designee is responsible for collaborating with OTSS to provide the Office of Procurement documentation of any Information and Technology Services (ITS) purchase as soon as an agreement is signed for services. Upon receipt of the CP-1, the program office designee must complete and affix the CP-1 contract number on a requisition, attach a copy of the CP-1, and submit the documents to the Office of Procurement for purchase order processing.

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PURCHASE ORDER

The purchasing process begins after a need for a program office has been identified. The general steps necessary to complete the Purchase Order (PO) process are listed below.

The Request for Goods and Service

- Requesting office verifies budget availability for major category, based on quotes, catalog, or internet pricing.
- Requesting office shall verify catalog or internet pricing and shipping costs.
- Requesting office shall complete and submit the Shopping Cart to the Office of Procurement for further processing.
- Requesting office shall upload supporting documentation for the purchase to the Notes and Attachment Section of the shopping cart.

Approval/Denial of Request

- Purchasing will review the Shopping Cart for compliance
- Purchasing will reject all non-compliant requests to the program office.
- Purchasing will log each request for contracts into the Purchase Order Request Log .
- Purchasing will reconcile contract documentation and upload into the MAGIC portal system.
- Purchasing will review or input required information to generate and assign a PO number.
- Purchasing will submit the purchase order for approval to the Procurement Director.
- Purchasing will email the requesting office, Accounts Payable (AP) and vendor a copy of the approved purchase order.

The Office of Procurement will process all requests promptly. Lead times will require at least ten (10) working days for review and approval. As purchase orders are processed and issued, vendors work to fill the orders. For items which require advertising, allow at least fifteen (15) working days from the time a purchase order is prepared for all orders to be filled. Allow five (5) to seven (7) working days for delivery of state contract items and up to fourteen (14) working days for non-state contract items. Furniture orders may take up to five (5) weeks or longer.

Receipt of Goods and Payment

- Vendor fills the order based on directives in the bid specification and ships order.

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PURCHASE ORDER (Continued)

- Central Receiving/Mail Room staff delivers the order.
- Requesting office verifies order and notifies Purchasing Office immediately of any discrepancies.
- Purchases made without a valid and approved purchase order is not an obligation of the State.

Invoices Sent Directly to Program Office

- Upon receipt of an invoice, program offices must stamp the invoice with the PO stamp (if applicable), attach a copy of the purchase order (if applicable) or submit a requisition for non-PO payments with an approved signature for payment.
- Requesting office submits approved invoice to Accounting for payment upon receipt of an invoice.
- The Office of Accounting will process the invoice packet in MAGIC to route to DFA if threshold is met or for automatic approval if threshold is not met.

Invoices Sent by Vendor Directly to the Office of Accounting

- Vendors should submit invoices to the Office of Accounting as directed via mail on the approved purchase order sent to vendors or directly to accountspayable@mdek12.org.
- Once invoices are received, the Office of Accounting places the date and time stamp and the PO stamp (if applicable) on the invoices and submits an Information Request Slip along with the stamped invoice to the appropriate program office for processing.
- Upon receipt of the Information Request Slip from Accounting, the program office must complete the accounting stamp if a PO is applicable in its entirety or submit a requisition and email the invoice packet (Information Request Slip, requisition—if applicable, invoice, and a copy of the purchase order—if applicable to accountspayable@mdek12.org within seven (7) business days.
- The Office of Accounting will process the invoice packet in MAGIC to route to DFA if threshold is met or for automatic approval if threshold is not met.

MULTIPLE DELIVERIES

Small dollar orders for different requesting offices will be combined to eliminate shipping cost. State contract orders totaling less than \$25 will be charged shipping based on the weight and distance of the shipment. However, individual orders will be delivered to the appropriate staff as identified on the purchase order. Each office is required to sign the purchase order to

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denote that goods were received.

RECEIPT OF GOODS

The receipt of goods process for the Office typically begins in the Mail Room where vendors are encouraged to deliver goods. This will ensure that Mail Room staff actively participate in the delivery of goods to offices. However, there are times when it is necessary for a vendor to deliver items directly to the program office and that practice is acceptable, as long as the offices retain supporting documentation of the delivery date.

The Mail Room staff will deliver goods to the office that ordered the goods and will require the recipient to sign and date the packing slip or other delivery transmittal to document receipt of the goods. The office designee should compare the delivered items to the purchase order at the time of delivery. If there is a problem with the order, office staff should notify the Purchasing staff in the Office of Procurement so the vendor can be contacted and the order corrected.

Deliveries for all off-site offices including the Special State Schools will be made to the specific location that requested the goods using the procedures that are in place for each location. Management at each site is responsible for developing internal receiving procedures that align with the state law and department policies and procedures.

RETURN OF GOODS ORDERED

The return of goods ordered due to damages, error filling order, inferior quality, etc., shall be coordinated with the purchasing agent. The requesting office will complete the Return of Goods form and submit it to Purchasing through hand mail or email.

Purchasing will contact the vendor to resolve the return of goods, and will notify Central Receiving, Accounts Payable, and the requesting office regarding the resolution of the return of goods. It is the responsibility of the requesting office to package the item for return and take the packaged item(s) to Central Receiving for vendor pick-up.

PAYMENT FOR PURCHASES

In accordance with Section 31-7-305 Mississippi Code of 1972, Annotated, in the event the invoice is received by the program office for payment, the office designee is responsible for documenting on the invoice the following information:

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- date invoice received,
- receipt date, inspection and approval of goods,
- the condition of goods,
- utilize accounting stamp,
- signing the invoice to approve payment, and
- attach a copy of the purchase order.

The invoice should include the information listed above and signed by an when it is submitted to the Office of Accounting for payment.

The Office of Accounting will not pay an invoice without a properly approved requisition, purchase order, and signed invoice. Supplies, commodities, services, etc. which are not ordered or properly procured by the Office of Procurement will not be paid.

When requesting payment for services or goods that have been obligated by a purchase order, the designee must utilize the Accounting stamp, sign, date, and include the purchase order number on the invoice(s). This signed invoice should then be submitted to Accounts Payable for payment.

IRS FORM W-9

Vendors or contractors must complete the IRS Form W-9 listing their taxpayer identification number, certification, and signature as required for federal reporting each fiscal year. A completed Form W-9 is required to issue a purchase order or make payment to a merchant.

STATE SALES TAX EXEMPTION

Section 27-65-105 (a), Mississippi Code of 1972, Annotated, authorizes the Department as exempt from state sales tax for the direct purchase and payment for goods to the agency. See Accounting's website for a copy of the sales tax exemption letter. This letter may be printed and submitted to a merchant as needed. The State of Mississippi does not issue a sales tax certificate.

ENCUMBRANCE OF FUNDS

The encumbrance of funds is the actual portion of a budget that is set aside to pay for goods or services ordered and not yet received or services performed that have not been paid. The encumbrance of funds ensures that budgets are not exceeded. The encumbrances also track

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purchase commitments to be fulfilled. Encumbrances from current appropriations must be made by June 30th of the current fiscal year.

FISCAL YEAR-END PURCHASING DEADLINES

Section 7-7-23, Mississippi Code of 1972, Annotated, requires that purchase orders encumbering funds for purchases and expenditures from funds appropriated for any fiscal year be executed by June 30th of the fiscal year.

Deadlines are established by Purchasing for requests to purchase goods to ensure compliance with policies and procedures and to allow purchasing staff ample time to process all requests.

These deadlines are necessary since some purchases are more detailed and require either DFA involvement or approval.

Pre-set deadlines that are met by requesting offices ensure funds for goods and services are encumbered by June 30th. Meeting these deadlines allow for timely order placement, receipt of goods, and invoice and payment to vendors by August 15th from current budget year funds.

Exemptions from the Competitive Procurement Process - Not Requiring DFA/OPTFM Approval

Unless ordered by regulation of the Public Procurement Review Board, the listed items do not constitute purchases of commodities or equipment and *are exempt from the competitive process*.

- Transaction listed in Section 31-7-13(m), Mississippi Code of 1972, Annotated
- Purchases from the OPTFM state competitive bid and negotiated contracts
- Service contracts provided by businesses or persons which do not include the acquisition of a commodity or equipment (e.g. personal or professional services contracts and ITS)
- Transportation of items (freight charges) – This exemption shall not apply to the travel contracts established by the Office of Purchasing, Travel and Fleet Management.
- Postage
- Workers Compensation Insurance and Personnel Bond required by law
- Utilities
- Commodities purchased for resale
- Food and lodging reimbursable on a travel voucher
- Maintenance contracts except those under the purview of the Department of Information Technology Services

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- Library books and other reference materials purchased by or for libraries
- State-adopted textbooks
- Transfer, sale or exchange of property between state agencies
- Purchases from state-operated industries, i.e., Mississippi Industries for the Blind or Mississippi Prison Industries
- Purchases for original artwork and artifacts by museums for public display
- Purchases of original artwork (paintings, statues, sculptures, etc.) for public display
- Perishable food for school lunch programs
- Subscriptions – This exemption shall not apply to those subscriptions under the purview of the Department of Information and Technology Services

Exemptions from the Competitive Procurement Process - Requiring DFA/OPTFM Approval

Unless ordered by regulation of the Public Procurement Review Board, the following items *are exempt from the competitive bid process; however, the purchases require DFA/OPTFM approval.*

- Sole source purchases, non-competitive items available from one source only
- Emergency purchases
- Items purchased for research

SOLE SOURCE

Any item certified as single-source (sole-source) less than \$5,000 may be purchased without competitive bidding. For sole-source in excess of \$5,000 approval authority is required by the OPTFM prior to acquisition and full certification is included in a Special Circumstances Approval Form (Form SC-1). Additionally, an explanation as to why no other item would be acceptable is required, along with a letter from the vendor stating that they are the sole manufacturer of the product. State agencies must obtain approval for sole-source purchases from the OPTFM.

The following are circumstances which could necessitate sole-source procurement:

1. where the compatibility of equipment, accessories, or replacement parts is the paramount consideration (and manufacturer is sole supplier)
2. where a sole supplier's item is needed for trial use of testing

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3. where a sole supplier's item is to be required when no other item will serve the need of the user entity

Any agency seeking sole-source procurement authority for commodities shall advertise in the same manner provided in Section 31-7-13(c), Mississippi Code of 1972, Annotated. Such advertisement shall direct vendors to the procurement portal website established by Sections 25-53-151 and 27-104-165, where the agency shall publish for a minimum of fourteen (14) days the terms of the proposed sole-source procurement. The portal publication shall include, but is not limited to, the following information:

1. A description of the commodity that the agency is seeking to procure
2. An explanation of why the commodity is the only one that can meet the needs of the
3. agency
4. An explanation of why the source is the only person or entity that can provide the
 - a. required commodity
5. An explanation of why the amount to be expended for the commodity is reasonable
6. The efforts that the agency went through to obtain the best possible price for the
 - a. commodity
7. If any person or entity opposes or objects and proposes that the commodity is not sole-source and can be provided by another person or entity. The following steps must be taken:
 - a) The person must provide a detailed explanation of why the commodity is not a Sole-source procurement.
 - b) If the Procurement Director determines after review that the commodity in the proposed sole-source request can be provided by another person or entity, the agency must withdraw and submit the procurement of the commodity to an advertised competitive bid or selection process.
 - c) If the agency determines after the review that there is only one (1) source for the required commodity, the agency may appeal to the Public Procurement Review Board (PPRB). The agency has the burden of proving that the commodity is only provided by one (1) source.
 - d) If the PPRB has any reasonable doubt as to whether the commodity can only be provided by one (1) source, the agency must submit the procurement of the commodity to an advertised competitive bid or selection process.

Once the procedures listed above have been followed, and an item has been certified as a single source item, the item may be purchased without complying with provisions for competitive bidding. Authority must be granted by the OPTFM prior to acquisition of the item by using the electronic P-1 process. The program office must provide a letter from the Superintendent and

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DFA's Sole Source Form 002 as an attachment to a P-1 request outlining the results of the procedures that were detailed above.

Following the approved purchase, the Superintendent or Procurement Director shall file with the DFA, documentation of the purchase, including a description of the commodity purchased, price thereof and the source from whom it was purchased when submitting the applicable payment request.

EMERGENCY

Emergency procurement is limited only to those supplies, services, or repair items needed to meet the emergency. Sections 31-7-13 (j) and (k), Mississippi Code of 1972, Annotated, defines an emergency purchase and exempts purchases made during emergencies, for which the EMERGENCY (Continued)

delay resulting from competitive bidding would be detrimental to the interests of the State. A program office must obtain written approval from the Superintendent of Education or Chief Officer prior to making an emergency purchase. A written determination of the basis of the emergency shall include the reasons for selection of the particular contractor to be maintained in the emergency file. The agency shall notify and seek approval from OPTFM by using the electronic P-1 process.

State agencies are required to report an emergency purchase to OPTFM as soon as possible following the purchase. The state agency's written approval is submitted to OPTFM in order to track and document that an emergency condition occurred and a purchase was approved without the normal process or competition. The OPTFM will issue a Request for Authorization to Purchase form (P-1) upon approval.

The agencies under Information Technology Services (ITS) purview shall report purchases of information technology (IT) equipment and services made as an emergency as soon as possible following the purchase, using the ITS Emergency Procurement Form. ITS will issue an Acquisition Approval form (CP-1).

Purchases made through the emergency process do not require a bid or quotes; however, contacting merchants, referencing a bidder lists, state contracts, ITS Express Products Lists, other users, and the Thomas Register for product information is recommended in order to secure the best price.

Emergency purchases necessary for disaster recovery must be well documented. During a state of emergency declared by the Governor of the State of Mississippi, purchasing statutes and

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policies and procedures are waived. However, all purchases must be documented with receipts.

(1) Emergencies threatening health and safety or property

If such emergency threatens the health or safety of any person, or the preservation or protection of property, then the provisions of competitive bidding shall not apply and the Procurement Director shall approve the bill presented for payment and provide justification and certification in writing detailing from whom the purchase was made or with whom the repair contract was made to the OPTFM using the electronic P-1 process.

The justification must include the following:

- Does it fall under the definition of an emergency set forth in Sections 31-7-1(f), Mississippi Code of 1972, Annotated?
- What happened to cause the emergency?
- What would be the negative consequences of following normal purchasing processes?
- Does it threaten the health or safety of any person, or the preservation or protection of property?
- The total purchases made shall only be for the purpose of meeting the needs created by the emergency situation.

EQUIPMENT REPAIRS

Equipment shall be defined as any purchase made for a truck, automobile, tractor, appliance or any other equipment as defined by MDE, requiring routine maintenance for upkeep. Prior to any purchase for equipment and/or maintenance a quote must be obtained and submitted to the Office of Procurement for review.

Repairs to outside and inside equipment, are exempt from competitive bidding when such repairs are made by the installation facility; however, engines, transmissions, rear axles and/or other such components shall not be included in this exemption when replaced as a complete unit instead of being repaired and the need for such total component replacement is known before disassembly of the component. Invoices identifying the equipment, specific repairs made, parts identified by number and name, supplies used in such repairs, and the number of hours of labor and costs therefore shall be required for the payment for such repairs.

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STATE PROCUREMENT CARD PROGRAM

The MDE has adopted the State Procurement Card Program. Guidelines have been established to inform individual cardholders, the cardholder's supervisors and state agencies of the program requirements. In addition to the DFA Guidelines, the department has developed internal guidelines to strengthen internal controls and ensure compliance with state rules and regulations and the MDE Employee Policies and Procedures. See the MDE State Procurement Card Program Guidelines (Attachment A).

Cardholders and their supervisors receive training on the program requirements and should be knowledgeable of both DFA and the Department policies. Failure to comply with the established Guidelines when using the procurement card could result in cancelation of the card.

PROCUREMENT OF MEALS, REFRESHMENTS, AND SPACE FOR BUSINESS MEETINGS

The purchase of meals, refreshments, and/or space for business meetings requires the prior approval of the Bureau Director or above of the requesting office and the Director of Procurement.

Offices may provide meals for meetings where it is determined:

- The meeting is reasonably related and incident to the goals or functions of the Department.
- The majority of the attendees are not Department employees.
- The meeting will last a reasonable amount of time before and after the meal.
- The meal itself will encompass a normal mealtime hour and business will be conducted during the mealtime, or the determination is made that it is more efficient to provide food on-site rather than leave the premises.

Refreshments such as coffee, soft drinks, cookies, and fruit may be provided during meetings where it is determined that the meeting is reasonably related and incident to the goals or functions of the Department. The meeting should be scheduled for a minimum of three (3) hours that does not include a normal mealtime.

Prudent judgment should be utilized in the selection of the refreshment items. The per participant cost for refreshments, including service fees, shall not exceed \$6 per day for one (1) refreshment break or \$10 per day for two (2) refreshment breaks.

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The Request to Purchase Food and/or Space for Business Meetings form should be completed and forwarded to Procurement and should include:

- A copy of the meeting agenda.
- A listing or description of expected participants, including notation of the entity they represent.
- A copy of the vendor contract signed by the requesting office Bureau Director or above.
- A copy of the quotes received, based upon the thresholds established. The lowest bid gets the award.

<u>Contract Cost</u>	<u>Required Support</u>
\$1 to \$5,000	One (1) written quote
Over \$5,000	Two (2) written quotes
Over \$50,000	Three (3) written quotes

Adequate justification to ascertain that the meeting and feeding of participants is necessary to meet the goals and functions of the Department.

If a meal is served, notation on whether business will be conducted during the meal or a written determination that it is more efficient to provide food on-site rather than leave the premises.

For all meals, prudent judgment must be utilized on the menu selection and on the cost of the meal to ensure that the daily maximum meal allowance for state employees is not exceeded. The total combined daily cost of meals, refreshments, and associated fees (service fees, gratuities, catering, etc.) cannot exceed the daily maximum meal allowance applicable to the location where the meeting is held.

The Office of Procurement will review each request for reasonableness and to ensure it is adequately justified. If necessary, additional information may be requested from the office submitting the Request to Purchase Food and/or Space for Business Meetings form. Upon approval by the Director of Procurement, one copy of the Request to Purchase Food and/or Space for Business Meetings form will be returned to the requesting office, one copy will be forwarded to the Accounting Office, and one copy will be retained in Procurement.

During a business meeting that includes a meal, a sign in sheet/list of the attendees must be completed. The list should indicate the entity each participant represents and contain the location, time, date, and purpose of the meeting. The list should not include social security numbers.

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No expenditure for alcoholic beverages will be allowed for any business meeting.

All invoices should be sent directly to Accounting. Accounting will match the invoice with the Request to Purchase Food and/or Space for Business Meetings form and send a copy of the invoice to the requesting office for approval. The requesting office should authorize payment by signing the invoice, completing and attaching a requisition along with the sign in sheet/list of attendees for the meeting, and returning the documents to Accounting.

RENTAL, LEASE, LEASE-PURCHASE

Rental of items that are not covered by any state contract must be approved by the OPTFM prior to issuance of a purchase order. The Department may submit an electronic P-1 along with required documents to ascertain OPTFM approval.

To determine if advertising is required, the Department should multiply the rental payment by the number of payments to determine if the purchase will exceed a total cost of \$50,000 for the term of the rental.

It shall be unlawful to enter into any single lease-purchase transaction for any item having an acquisition cost of less than \$10, 000.

The OPTFM must provide written authorization to agencies for any rental, lease or lease-purchase unless it is under the jurisdiction of ITS.

RENTAL COPIERS

All copier needs for the Department must be requested through the Office of Procurement. The Director of Procurement shall coordinate and approve all copier requests and contracts for the Department.

MASTER LEASE-PURCHASE OF EQUIPMENT

The Master Lease Program, pursuant to Section 31-7-10, Mississippi Code of 1972, Annotated, enables agencies to acquire equipment by lease purchase. The Master Lease Program is administered through DFA and a designated financial advisor. The Master Lease Program provides agencies with competitive interest rates and low financing costs. For information about the Master Lease Program, see the OPTFM website.

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ESTABLISHING BUSINESS ACCOUNTS

The Office of Procurement is responsible for establishing business accounts for the agency. Employees of the agency's requesting offices or special schools are not authorized to set up business accounts.

Notify Purchasing when business accounts are required in order to conduct business for the agency. Purchasing will complete the application process and authorize the accounts upon the approval of the Director of Procurement.

CONFERENCE PLANNING AND PURCHASES

Direct Billing

Those who prefer direct billing for conferences must obtain and submit the hotel direct billing application to the Director of Accounting for processing. The conference hotels may have an Authorized Signature Form, which is completed by the requesting office and the Accounting Director. The requesting office should identify what services are needed for a specific date. This form may carry a different title, depending on hotel procedures and accountability. The intent of the form is to establish an agency contact and confirm the individual and office responsible for the hotel services provided. A copy of the completed Authorized Signature Form shall be submitted to the Director of Accounting to finalize the completion of the application.

Clothing for Conference Registrants

The purchase of T-shirts is allowable for conference registrants only. The purchase shall be based on the number of registrants. Prohibited clothing items (which include but not limited to, Polo shirts, pants, short pants, and caps) are not allowable. Clothing is not allowable for Department employees and contract workers unless uniformity of employees attire is required.

Donated Clothing

When the Department is sponsoring a conference, employees should not accept clothing donations from vendors, specifically designed for Department. The acceptance of gifts bearing vendor's name could give the appearance of a conflict of interest and collusion.

Conference Specialty Items

The purchase of specialty items such as tote bags, pens, writing pads, pencils, pens, mouse pads, key chains, etc. is allowable; however, specialty items shall be based on the number of registered participants.

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The requesting office shall use conservative estimates when the conference participant counts are not final and orders must be placed in order to receive a timely delivery based on the conference dates.

A conservative estimate is allowed for on-site registrants. However, it is recommended that the requesting office list on the conference registration forms that T-shirts and totes will only be provided for pre-registered conference participants.

Door Prizes and Gifts

Department employees who solicit door prizes should be aware that donors may require that the agency provide them with a Gift Acknowledge form for tax purposes. Should a donor provide a door prize to the agency with a value of \$250 or more, the requesting office shall submit written information to Purchasing. The written information should include the donor's name, business name, address, date of donation, taxpayer identification number, the name and quantity of what was donated, and the value. Purchasing will complete the Gift Acknowledgement form for the donor.

Speaker Gifts

Speaker gifts are allowed. However, Section 66 and Section 96 of the Mississippi Constitution prohibit gifts to state employees where there is no obligation. Speakers who are compensated for services should not be provided a gift paid for with taxpayer dollars.

The choice of a speaker's gift, who is not being compensated for services should not be too elaborate or cause the public to question how funds are spent. The speaker's gift should be of good quality. However, the speaker's gift shall be moderately priced and reasonable.

Gift Cards

The purchase of gift cards, which will be given as awards to attendees other than employees during conferences, cannot exceed \$25 per gift card. A justification to purchase gift cards is required and approval must be granted by the Bureau Director and Procurement Director.

Membership Dues

The Department will only pay dues for entity/agency memberships. An entity/agency membership is a membership which belongs to the Department and not the individual. The entity membership is transferable from one employee to another. The membership remains with the agency should an employee terminate employment.

Awards

The purchase of an award, or certificate which has no value, is allowable to document

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attendance or the benefits of training for teachers, administrators, or school superintendents.

Presentation requiring an award considered to have value, other than a certificate documenting attendance, is not allowable unless authorized through regulations, statutes, or grant awards.

Purchase of Plaques

Plaques are not allowed for state employees, teachers, or school district administrators. The purchase of plaques is not allowed unless established policies by the Board for awarding of plaques are a requirement. When requesting the purchase of a plaque, attach a copy of the Board minutes and requirements to the requisition.

Framing of Certificates, Pictures, And Posters

Framing of certificates, pictures, and posters is allowed for bona fide needs of the agency. All agency framed certificates, pictures and posters should remain with the agency should an employee terminate employment. The Department recommends certificate holders when issuing certificates, pictures, or posters to non-state employees during award recognition ceremonies. The framing of personal certificates awarded to employees is not allowed.

Motor Vehicle Procurement

OPTFM contracts for automobiles and trucks up to a specified weight are to be competitively bid. The required provisions and terms of contracts are outlined in the Procurement Manual. A procedure is also provided for procurement of vehicles not under state contract, which requires the agency to submit a request by letter for the approval and authority to advertise with detailed specifications to OPTFM. If the vehicle is under state contract, the procedure requires the agency to submit Form P-1 forms to the OPTFM for approval. Upon receipt of approval of the P-1 and the Vehicle Request form (VR-1), the Department may issue a purchase order to the awarded vendor. For additional questions related to vehicle purchases, contact Accounting.

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Attachment A

Office of Chief of Operations State Procurement Card Program Guidelines- Office of Procurement

Introduction

The Department has adopted the DFA State Procurement Card Program Guidelines to inform individual cardholders, the cardholder's supervisor and state agencies of the program requirements. In addition to the DFA Guidelines, the MDE has developed internal guidelines to strengthen internal controls and ensure compliance with state rules and regulations and MDE Employee Policies and Procedures. Cardholders and their supervisors should be knowledgeable of DFA and MDE employee policies and procedures and must adhere to all of them. Failure to comply with the established Guidelines when using the procurement card could result in the cancellation of the card.

Training

Cardholders will be trained by the Office of Procurement on the DFA and MDE Guidelines and related rules and regulations prior to receiving the card. The DFA and MDE Guidelines are posted on the MDE Office of Procurement web page for reference by program participants.

Purchasing Authority

The procurement card is to be used for allowable purchases that are bona fide needs of the Mississippi Department of Education. Personal purchases charged to the card are prohibited.

Cardholder Spending Limits

Each cardholder is authorized a maximum dollar amount for each daily purchase, single purchase, and a total for all purchases made within a given billing cycle (30-day limit). Each time a cardholder makes a purchase using the procurement card, the limits are verified. The vendor's authorization to approve the purchase will be declined should the amount exceed the established limits.

- Single Transaction Limit- not to exceed \$5,000 with a point of sale terminal
- Single Transaction Limit- not to exceed \$50 without a point of sale terminal
- Daily Spending Limit- not to exceed six (6) purchases per day. The six (6) purchases shall not exceed \$5,000 for each transaction

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- Monthly Spending Limit- not to exceed \$10,000, if applicable

Procurement Responsibilities

The Program Coordinator and Cardholder responsibilities are defined in detail in the DFA State Procurement Card Guidelines. The MDE has denoted additional responsibilities:

Program Coordinator:

- Assist the cardholder and the cardholder's Chief and/or Bureau Director with procurement card functions.
- Review and approve the monthly statements, document discrepancies, communication such with the cardholder and the cardholders' Chief and Bureau Director to ensure timely resolution of the discrepancies denoted.
- Sign and date the monthly statements to indicate the Program Coordinator's review and approval of such.
- Provide training for the cardholders and the cardholders' Chief and/or Bureau Director.
- Ensure Cardholder Agreement Forms are properly approved and on file in the Procurement Office.
- Inform the Director of Procurement and the Chief of Operations of cardholder violations, the resolution status and any offenses that may result in the cardholder being withdrawn from the program.

Cardholder:

- Purchase all goods and services in accordance with DFA State Procurement Card Guidelines.
- Sign and date the State Procurement Card Log certifying that the goods and services listed were purchased in accordance with Miss. Code Ann. § 31-7-13 and that all goods and services were received and receipts are attached.
- Forward reconciled approved logs and required supporting documentation to the Program Coordinator for review. This should be done within three (3) days of receiving the statement.
- Resolve discrepancies denoted by the Program Coordinator in a timely manner.

Cardholder's Chief and Bureau Director:

- Notify the Program Coordinator of changes in the status of cardholders so the appropriate revisions in paperwork can be made (terminations, transfers to other offices, etc.).
- Complete the Procurement Card Purchase Setup Form to request that a new card be issued.
- Ensure cardholder compliance by reviewing and approving supporting documents.

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Cardholder (Continued):

- Sign and date the State Procurement Card Log certifying that the goods and services listed were purchased in accordance with Miss. Code Ann. § 31-1-13 and that all goods and services were received and receipts are attached.

Conditions for Use

Even though the State Procurement Card Program does not require the cardholder to get quotes or seek competition, it is good business practice to seek competition and the lowest price within the parameters of quality, quantity and delivery.

State Procurement Card Log/Record of Card Purchases

Cardholders must maintain a log of their purchases. A new log sheet must be established at the beginning of each month or billing cycle. Cardholders are required to record a summary of each item purchased on the log sheet at the time and date of purchase. Before a log is submitted to the Program Coordinator for review and approval, the cardholder and the cardholder's Chief and/or Bureau Director must certify that the goods and services listed were purchased in accordance with Mississippi Code Section 31-7-13 and that all goods and services were received and supporting receipts are attached. All supporting documents should be submitted to the Program Coordinator with three (3) days of receipt of the statement.

Food for Business Meetings

Food purchases for business meetings must be pre-approved by the Office of Procurement in accordance with Section 16.0 of the MDE Employee Policy and Procedures Manual. The approved supporting documents (Request to Purchase Food and Space for Business Meetings Form) must accompany the monthly log submitted to the Program Coordinator for review.

Missing Documentation

Should a cardholder not have the supporting documentation (receipts, invoices, etc.) to attach to the credit card statement, the cardholder is required to provide a Missing Document Affidavit form. The affidavit will list the description of the item, date of purchase, merchant's name and the reason for the missing documentation. The affidavit must be notarized and signed by the cardholders' Chief. The Missing Document Affidavit form should not be used as a standard practice but in very unusual circumstances.

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Federal Employer Identification Number (Tax ID Number)

The Mississippi Department of Education’s federal tax identification number can be provided by the Accounting Director upon request.

Sales Taxes

In accordance with Miss. Code Ann. §27-65-105(a) the Mississippi Department of Education is exempt from paying state sales tax. The sales tax exemption letter from the Mississippi Tax Commission is posted on the Accounting website.

The cardholder should review the invoices and cash register receipts and ensure that the vendor does not charge sales tax. Should taxes be charged in error, it is the responsibility of the cardholder to have the sales tax charge removed or credited.

Customer Account Numbers or Tax-Exempt Numbers

Some merchants require the use of an account number set up by the merchant, assigned to the agency to be used to denote a government account. The Program Coordinator can provide these account numbers to cardholders upon request.

Credit Card Activity

A Statement of Account will be generated if adjustments for previously billed transactions are processed during that cycle. If a cardholder does not have any purchasing activity for a particular billing cycle, a Statement of Account will not be generated for the cardholder.

Prohibited Use of the State Procurement Card

Refer to the DFA State Procurement Card Guidelines for a list of prohibited purchases. In addition, the MDE has set forth more stringent procurement card usage guidelines as follows:

- Computers and computer related accessories, including software, can only be purchased by the authorized cardholder in the Office of Technology and Strategic Services or by the Program Coordinator in the Office of Procurement.
- Items considered to be Fixed Assets and reported as Property under the State Auditor Office guidelines are prohibited purchases using the State Procurement Card.
- Purchases of plaques are prohibited.

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Prohibited Use of the State Procurement Card (Continued)

The State Procurement Card cannot be used to procure items that are prohibited purchases under state law, DFA regulations, MDE Policies and Procedures or State Board Policies.

Back Orders

The back order of any purchase using the card is prohibited. Goods purchased using the State Procurement Card must be immediately available.

Record Keeping/Monthly Log

After a purchase is made, the cardholder should log it on the State Procurement Card Log and attach the receipt and invoice for documentation of the purchase. The Cardholder is responsible for verifying receipts to make sure that taxes are not charged. The documentation will be used to verify purchases on the statement, the quantity, and that a complete description is listed correctly. If a telephone order is placed, make sure the shipping documentation is maintained. At the end of the monthly billing cycle, the cardholder will receive a statement for the previous month's transactions that must be reconciled, approved by the cardholder and the cardholders' Chief and/or Bureau Director and submitted to the Program Coordinator. Office staff should date stamp the monthly statement upon receipt to document compliance with required submission timelines.

If purchased items or credits are not listed on the monthly statement, the Cardholder shall retain the appropriate transaction documentation until the next monthly statement. If the purchase or credit does not appear on the statement within sixty (60) days after the date of purchase, the Cardholder, Bureau Director and/or Chief shall notify the Program Coordinator.

Both the cardholder and the Bureau Director and/or Chief must sign and date the State Procurement Card Log certifying receipt of the goods and services and forward the log and supporting documents to the Office of Procurement to reconcile.

The Program Coordinator will verify that the reconciled purchasing logs and cardholder statements agree with the master statements and that purchases were made in accordance with purchasing laws. Discrepancies denoted by the Program Coordinator during review of the monthly statements will be documented via an Exceptions Report which will be sent to the cardholder, Bureau Director and/or Chief for timely resolution.

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Payment

After review and approval, the Program Coordinator will forward the reconciled statements to Accounts Payable or payment. The procurement card statement along with proper documentation should be attached to the MAGIC payment document and forwarded to the Bureau of Financial Control with 10 working days of the agency receiving the statement.

Disputes and Returns

It is the responsibility of the cardholder to handle disputes. In most cases disputes can be resolved directly between the cardholder and the vendor. If the cardholder disputes a charge or has an unresolved issue, complete a Purchasing Card Dispute Form and include it with the monthly statement reconciliation.

Merchandise Returns

If an item is not satisfactory, received in damaged condition and/or defective, duplicate order, etc., the cardholder should contact the vendor explaining the problem and inquire about return policies. If an item has been returned and a credit voucher received, the cardholder shall verify that the credit is reflected on the monthly statement.

Credits/Refunds

Refunds to the cardholders account must be applied via a credit to the account. Cardholders are prohibited from accepting refunds or credits in the form of cash or a gift card.

Lost or Stolen Credit Cards

If the card is lost or stolen, it is the cardholders' responsibility to immediately notify the bank. Contact the bank at 1-800-821-5184 (open 24 hours). In addition, the cardholder's Bureau Director and/or Chief and the Program Coordinator should be notified of the loss or theft.

A new card will be issued to the cardholder upon completion of the required lost/stolen card procedure. A card that is subsequently found after being reported lost shall be destroyed.

Cardholder Employment/Position Changes

Should a cardholder transfer from one internal office to another; the cardholder must submit written approval of the Bureau Director and/or Chief to continue usage of the card in his/her new position. If written authorization is not received immediately upon transfer, the card will be revoked.

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Cardholder Employment/Position Changes (Continued)

Cardholder supervisors should collect the State Procurement Card from cardholders that terminate employment as part of the exit interview process and submit it to the Program Coordinator for card cancellation.

Revoked State Procurement Cards

Should a cardholder's Bureau Director and/or Chief or Program Coordinator recommend revoking a card, the cardholder must surrender the State Procurement Card immediately for cancellation.

Budget and Expenditures

The State Procurement Card program places the responsibility of ensuring the availability of funds in the hands of the cardholder. The credit card replaces the traditional purchasing process. This includes setting aside budget through the encumbrance of funds and issuance of a purchase order. Please note that purchases made using the State Procurement Card do not reduce the budget until payment is made.