

PURCHASING TRAINING

July 2019



VISION

To create a world-class educational system that gives students the knowledge and skills to be successful in college and the workforce, and to flourish as parents and citizens

MISSION

To provide leadership through the development of policy and accountability systems so that all students are prepared to compete in the global community

MISSISSIPPI STATE BOARD OF EDUCATION
STRATEGIC PLAN GOALS

1

All
Students
Proficient
and Showing
Growth in All
Assessed
Areas



2

Every
Student
Graduates
from High
School and
is Ready for
College and
Career



3

Every
Child Has
Access
to a High-
Quality Early
Childhood
Program



4

Every
School Has
Effective
Teachers and
Leaders



5

Every
Community
Effectively
Uses a
World-Class
Data System
to Improve
Student
Outcomes



6

Every
School and
District is
Rated "C" or
Higher



THE OFFICE OF PROCUREMENT

To ensure compliance with State Law, the Department has mandated:

- ✓ ***All Purchasing requests shall be approved and processed by the Office of Procurement.***
- ✓ **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.**

IMPORTANT...



The OFFICE OF PURCHASING TRAVEL AND FLEET MANAGEMENT (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:**

IMPORTANT...



- ✓ small purchases less than \$5,000, may be made without a competitive quotes or bids, BUT will require ONE vendor quote;
- ✓ purchases \$5,000 or greater but less than \$50,000 will require two quotes; and
- ✓ 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.

In order to process a quote acceptably, you must:

- ✓ Check your budget
- ✓ Complete a quote form
- ✓ Include specifications that will be emailed or mailed
- ✓ No phone calls
- ✓ Specifications must be identical
- ✓ Request number of quotes based on established threshold.
- ✓ Submit requisition awarding the lowest quote.

REPAIRS

- ✓ **Outside equipment repairs.** Repairs to equipment are permissible, when such repairs are made by repair facilities in the private sector; 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.
- ✓ **In-house equipment repairs.** Purchases of parts for repairs to equipment are permissible, when such repairs are made by personnel of the agency; however, entire assemblies, such as engines or transmissions, *shall not be included in this exemption when the entire assembly is being replaced instead of being repaired*.

FOOD AND SPACE FOR BUSINESS MEETINGS

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

Offices may provide a meal for meetings where it is determined:

- ✓ The meeting is reasonably related 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 a meal.
- ✓ The meal will encompass a normal meal and business will be conducted or the determination is made that it's more efficient provide a meal onsite than leave the premises.

ALL emergency purchases (no matter of cost) are reviewed and approved in **MAGIC** by the Office of Purchasing, Travel and Fleet Management (OPTFM).



STATE CONTRACTS

OPTFM has the authority to establish contracts for commodities for the State. 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.

STATE CONTRACTS

- ✓ 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.

TYPES OF STATE CONTRACTS

- ✓ **Competitive contracts** are established on the basis of written specifications and sealed competitive bids with a contract being awarded to the vendor that has submitted the lowest bid that meets the specifications.
- ✓ **Negotiated contracts** are entered into when a commodity is used by multiple state agencies and a standard specification fails to meet the needs of a majority of the state agencies.

TYPES OF STATE CONTRACTS

- ✓ **The Statewide Agency Contracts** are established on the basis of competitive bids or negotiation by a specific agency. These agency contracts are approved by the Office of Purchasing and Travel for use by all state agencies and governing authorities to purchase specific products from the vendor.
- ✓ **Cooperative Contracts** are procurement conducted by, or on behalf of, more than one Public Procurement Unit, or by a Public Procurement Unit with an External Procurement Activity.

OTSS recommends:

- ✓ Program offices shall send an email to mdenet@mdek12.org with the subject line “**Technology purchase approval request**”.
- ✓ Program office shall attach the blue and white technology purchase request form (signed by your Office Bureau Director) to mdenet@mdek12.org.
- ✓ The form can be downloaded from the OTSS web page.
- ✓ OTSS shall contact two or more Express Product Lists (EPLs) sellers as program’s assess needs.

OFFICE OF TECHNOLOGY AND STRATEGIC SERVICES – Cont.

- ✓ If the purchase is greater than \$50,000, the agency is required to obtain written quotations from a minimum of two EPL sellers.
- ✓ Quotes must be identical for specifications and quantities purchased.
- ✓ After review, OTSS will return the technology purchase request form and quote to the program office with OTSS approval signatures and then the purchase can be made following MDE policies and procedures.
- ✓ If the purchase is not approved, OTSS will return the technology purchase request form to the program office marked “Disapproved”.
 - The program office cannot purchase the items if disapproved.



EXPRESS PRODUCT LISTS

- ✓ EPLs are multi-vendor awards that meet Mississippi requirements for legal purchases.
- ✓ The use of EPLs is governed under Rule 206.2: 011-030 Procurement Instruments: Express Products Lists (EPLs) as stated in the ITS Procurement Handbook.
- ✓ EPL Interactives are searchable forms of the Express Products Lists.

**PLEASE REMEMBER!!!
EPL CONTRACT NUMBERS MUST BE ON
THE VENDOR QUOTE SUBMITTED AND
YOUR REQUISITION!**



TECHNOLOGY REQUEST

Non-EPL Items

- ✓ Items ordered in conjunction with your EPL purchase that are not shown as line items on the EPL and are not part of a substitution within the EPL guidelines must be purchased using alternative procurement methods.
- ✓ For example, if non-EPL software is ordered with your desktop, or you upgraded the memory beyond the EPL line items, you may not use the EPL as your authority during an audit for these items.
- ✓ Your authority for purchasing these items would need to be based on other public purchasing mechanisms, with accompanying documentation for your audit trail.
- ✓ Non-EPL items should not be listed on the same purchase order as EPL items.

TECHNOLOGY PURCHASING PROCESS

Program offices wishing to make a technology purchase shall submit the following to the Office of Procurement:

- ✓ Request for Goods and Services Form
- ✓ Technology Request (Blue) Form (Approved by OISS)
- ✓ Quotes (provided by requesting office or OTSS)
- ✓ Products \$5,000 or less- 1 quote
- ✓ Products \$5,000.01 - \$50,000- 2 quotes
- ✓ Products \$50,000.01 or more – will require request for bid/ITS approval
- ✓ Technology Plan, if applicable.
- ✓ For quotes **which do not have a signed agreement**, the program office will submit the above documentation to Procurement inbox for **Purchasing** to generate a purchase order.

TECHNOLOGY PURCHASING PROCESS

- ✓ For quotes that include a **signed technology agreement**, the program office will submit the above documentation to the Office of Procurement with a *Technology Justification Form* found on the Procurement Contract's webpage under Independent Contract Checklist and Forms.
- ✓ Submit the technology packet to the Procurement inbox for **Contracts**.
- ✓ For timely processing, please pay close attention to the appropriate Procurement **inbox** submissions.

Program offices are responsible for requesting a purchase order for an ITS Acquisition Approval (CP-1) PRIOR to services beginning. Please contact OTSS immediately for guidance.

EQUIPMENT AS DEFINED BY THE STATE AUDITOR'S OFFICE

All agencies and universities are required to maintain a complete and current inventory list of each property item (Section 29-9-21) which costs \$1000 or more unless the items purchased fall within the groups listed below. These items will be reported as equipment, regardless of their purchase value.

- ✓ Weapons**
- ✓ Cameras and camera equipment (greater than or equal to \$250)**
- ✓ Two-way radio equipment**
- ✓ Televisions (greater than or equal to \$250)**
- ✓ Lawn maintenance equipment**

EQUIPMENT AS DEFINED BY THE STATE AUDITOR'S OFFICE

Cont.

- ✓ **Cellular telephones**
- ✓ **Computer and computer equipment (greater than or equal to \$250)**
- ✓ **Chain saws**
- ✓ **Air compressors**
- ✓ **Welding machines**
- ✓ **Generators**
- ✓ **Motorized vehicles**

WHO IS RESPONSIBLE FOR ALL OF THIS?



THE OFFICE OF PROCUREMENT

- ✓ Each program office and the Superintendent of special schools shall designate one individual to be responsible for office purchase requests.
- ✓ The designee will be responsible for receiving employee requests for purchases and at year end, to de-obligate funds for all open office purchase orders (PO).
- ✓ Any change to a PO must be submitted on the Purchase Order Change Form.
 - PO increases must be approved by the Office of Procurement PRIOR to modifying orders.
 - Vendors are prohibited from modifying orders without PRIOR approval from the Office of Procurement.

PURCHASING REQUIREMENTS

Requesting Office is responsible for the following:

- ✓ Review State contract bid list for all orders.
- ✓ Review ITS CP-1 agreements and submit to the Office of Procurement prior to services.
- ✓ Receive and check delivered goods.
- ✓ Utilize the accounting stamp on invoices to acknowledge the receipt of goods.
- ✓ Any deviation from delivered order must be reported to the Office of Procurement.
- ✓ De-obligate funds for all open PO's.

PURCHASING PROCESS

Requesting Office is responsible and shall:

- ✓ Verify budget availability for major category, based on quotes, catalog, or internet pricing,
- ✓ Verify catalog or internet pricing and shipping costs,
- ✓ Receive an emailed copy of the approved purchase order,
- ✓ Approve invoice for payment, attach PO and submit to Accounting, and
- ✓ Review T-Code ME2N in MAGIC to ensure payments were made.

Questions & Closing Thoughts

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