

Chapter #III

Internal Procedures

3.101.0 Purchase Requisition Procedures

Purchase requisitions represent the initial step in the purchasing process. They are submitted to the accounting section of the Business and Finance by the various Campus Departments, officials and must be approved by the following:

Requisition Flow Chart

Paper Requisition	Online Requisitions	
1. Requestor	10	Requestor
2. Department Head user Department	20	Grant Compliance (T-3 Funds Only)
3. Grant Compliance (T-3 Funds Only)	30.	Budget Accountant
4. Area Vice President	40	Chief Accountant
5. Budget Accountant	50.	Purchasing
6. Chief Accountant	60.	Department Head
7. Vice President for Business and Finance	70.	Area Vice President
8. University President	80.	Vice President for Business and Finance
9. Purchasing	90.	President

Requisitions Approval levels

- Requisitions **\$0.01 to \$1,000** requires Department Head and Accountants Signatures
- Requisitions **\$1,000 to \$10,000** requires Area Vice President Signature added
- Requisitions **\$10,000 to \$20,000** requires VP for Business and Finance Signature added
- Requisitions **\$20,000** and above requires The President Signature added

Requested information must be written/typed making sure that it is legible, quantities must be exact, and descriptions clean and concise, property describing what is being requested are accurate with what total estimated cost. Also, ordering departments/officers should determine whether the item requested are on the State Contract List. Those that are on the list must be ordered from the appropriate vendor at the stated price. Those items not on the State Contract List can be ordered from other vendors who have the best price; however, the cost of these items cannot exceed the \$5,000.00 threshold as set by the State of Mississippi.

When approved, purchase requisitions are passed on to the Purchasing Department for purchase order processing. Those not approved are returned to the requesting department/office.

3.101.1 Paper Requisition and Distribution

The Paper Requisition that is generated by the requesting Department is a three part form that must have the appropriate signatures for the various approval levels: No Requisition can be processed without the proper approval level signatures, should this occur the Requisition must be returned to the requesting Department to complete the process

3.101.1.1 STARTING THE QUESTIONING PROCESS PROCEDURES:

In the processing of paper work it is incredible that delays will occur in the movement of paper and cause processing delays. The Purchasing Department will honor and process Contracts and Requisitions, just as long as it have at least three of the required signatures that are need and the initial process was started within the month the contract/services was due up to the 15th of the following month. However, it is advisable that all requisitioning/contractual agreements and/or other forms of process request be submitted within a timely manner to avoid any delay in processing requests.

3.101.2 Electronic Requisitions and Distribution

The Electronic Requisitions are generated on line by the requesting Department and are sent through an electronic signature process once the requisition has been approved by the final approval level the purchasing department will print out a paper copy of the electronic requisition and divide the in the following manner.

- The White Copy – The Purchasing Office (File Copy)
- The Canary Copy – Attaches to the Requisition (Accounts Payable Copy)
- The Pink Copy – Department Copy (Requesting Department Copy)

3.101.3 Online Requisitions

Online Requisitions, Review the online training manual located at Purchasing website: mvsu.edu/purchasing click on Banner Online Training

3.101.4 Completion of Online Requisitions

Please refer to the online requisition training manual on how to start and complete an online requisition. Requisition started in the last week of June must be completed by June 30th if not it must be deleted. June 30th is the end of the fiscal year therefore; no requisition with a fiscal ending period can be attached to P.O. with a fiscal beginning period.

3.102.0 Quotes/Bids

Quotes/Bids are required for requested items with costs ranging from {\$5,000.00 to \$50,000.00 Federal ARRA and \$75,000.00 State} Each ordering Department/Office must obtain two (2) written quotes from two (2) different vendors of equal or comparable equipment product and/or

services. For items where the estimated amount exceeds \$50,000.00 Federal ARRA, \$75,000.00 State, the requesting department/office must gather the product specification(s) and other required information and forward them to the Procurement Office to request that a formal bid be done by the Purchasing Department. See OMB Circular A-110 for Regular Federal purchases

3.102.1 Online Requisitions using Quotes/Bids

For Online Requisitions quotes/bids a minimum of two (2) written quotes/bids for commodities and equipment over \$5,000.00 must be obtained by the requesting department, followed by the online requisition being completed and forward to the approval process and the number of the forwarded Requisition must be placed on the copies of the quotes/bids and delivered to the purchasing department. Should the Purchasing department not receive the quote or bids by the time the requisition reach the purchasing office, the requisition will be denied and the requesting department will have to resubmit the requisition.

3.103.0 Purchase Order Form

Purchase Orders are processed only after approved purchase requisitions have been received in the

The Purchase Order is a document that consists of a six (6) parts form, which is distributed in the following manner

- (1) The Vendor - The Green and White Copy (**Mail to Vendor**)
Copy 2 and 3 along w/Canary copy goes to Accounts Payables
- (2) The Vendor - The Pink transmittal of payment copy accomplish by check
- (3) The Accounting Office - The Canary Copy
 - (a) Along with the canary copy of the requisition are attached and given to the account payable department.
- (4) The Procurement Office - The Goldenrod Copy (**File Copy**)

GENERATED BY THE RECEIVING DEPARTMENT

- (5) The Receiving Copy - The Red Copy
- (6) The Warehouse Copy - The White Copy

3.104.0 Requests for Authority to Dispose of Personal Property Form Revised-1990

An Inventory Deletion Form must be completed on any inventory item. The completed

document is first sent to the Office of Purchasing, Travel and Fleet Management along with all applicable documents. If approved by the Office of Purchasing, Travel and Fleet Management, all three (3) copies are then forwarded to the Division of Property Control of the Office of the State Auditor for approval. If the Property Control Officer grants approval, one (1) copy is retained on file with the Division of Property Control, and the two (2) remaining copies are returned to the Office of Purchasing, Travel and Fleet Management. One (1) copy is retained on file with the Office of Purchasing, Travel and Fleet Management, and one (1) copy returned to the originating agency. An approved Inventory Deletion Form must be in the possession of the agency disposing of the property before said property can be released to the successful bidder, except as provided for in

Section 8.101.01.3, Personal property may be transferred from one state agency to another state agency, including transfers to the Office of Surplus Property. Approval from the Office of Purchasing, Travel and Fleet Management is not required for sale or transfer of property, excluding vehicles, between state agencies. The agencies must still submit the completed Inventory Deletion Form to the Division of Property Control and must obtain their approval prior to disposing of the property.

3.104.1 Internal Disposal Procedures

All equipment of and/or outdate supplies should be turn over to the Central Warehouse for proper disposal. Each department must sign of on an Inventory Transfer Sheet, transferring the equipment from their department to the warehouse.

3.104.2 Disposal of Weapons

Disposal of weapons that are outdated or confiscated can only be done through a license dealer in the state of Mississippi. A P-1 form must be submitted to the Office of Purchasing and Travel for approval prior to dispose of Fire Arms.

3.105.0 Property Salvage Report Form.

This form is used to dispose of inventory property that, for whatever the reason, has fully depreciated and has no resale value. Such items must have been declared salvage or junk by the agency salvage committee before it qualifies to be deleted on the Form 961. Upon completion, the form is forwarded to the State Office Division of Property Control.

3.105.1 Printed Material

In addition to having two (2) quotes for regular equipment and or supplies, the printing of brochures, pamphlets, booklets and programs, if the cost is expected to exceed \$5,000.00 quotes must be obtained on **VIRGIN** and **RECYCLE PAPERS** if by any means possible. Should the **RECYCLE PAPER** exceed the cost of the **VIRGIN PAPER** by no more than ten (10%) it is mandated by state statute that

the **RECYCLE PAPER** be used.

3.105.2 Printing Overruns

Printers in there process of printing brochures, pamphlets or other programs, in there set-up process generate additional copies to set there printers for tone and accuracy. These processes have the tendency to create over or under print of these items. It has been accepted industry standard that these overruns usually runs from 5 to 15% over the requested number being order. However, it is the University position that these costs should not be more than 10% and payment made for the additional cost at the current quoted priced **ONLY IF** the additional quantity can be used. If the overruns exceeds the 10% threshold the vendor should be contacted and asked for explanations and a determination should be made at that time to reject or accept the quantity of overruns

3.106.0 Requests for Authority to Purchase, Form P-1

This is a three-part form printed on carbonless paper in three colors: white, green and yellow. The P-1 is used when requesting authority to purchase commodities under the following conditions:

- (1) Emergency Purchases when total amounts of purchase exceeds \$5,000.00
- (2) Single Source Purchase when total amounts of purchase exceeds \$5,000.00 **federal regulation requires any amount over \$5,000.00 to have two quotes**
- (3) Purchases more than \$50,000.00 and \$75,000.00 Federal and State for commodities not covered by a state or agency contract.
- (4) Rentals in excess of 50,000.00 states, for commodities not covered by a state or agency contract.
- (5) Acquisition of equipment by lease-purchase. (Universities are exempt from this requirement. However, each is required to utilize procedure's outline the Institutions of Higher Learning's for all lease-purchase arrangements.)
- (6) Purchase or rental of items covered on state contracts from other than the contract vendor (exception: similar items under \$100.00 see section on Rental and Leases).
- (7) Any construction contract, which is not handled by the Bureau of Building that exceeds \$100,000.00.

Approval for making purchase of the aforementioned types must be granted by the State Office of Purchasing and Travel. Each request must be accompanied with the appropriate documentation. If approval is granted, the Office of Purchasing and Travel will assign an identification number that is recorded on the forms. Two copies are returned to the University. The remaining copy is retained on file with the Office of

Purchasing and Travel. Upon receipt of the approved copies, the Purchasing Office authorization will be granted.

P-1's for rental, lease-purchase, and/or agency contracts are processed differently than other P-1's. Rather than returning the white and green copies to the University, only the green copy is returned to the University. The white copy is forwarded to the Bureau of Financial Control where it is kept on file for the duration of the agreement. The University must then reference the PI number on each purchase order pertaining to the agreement.

3.106.01 Returning Shipment

Orders that come into Central Receiving that does not have an official University Purchase Order will be returned to the sender. Under no circumstances will an order be forwarded to a different address other than the originating shipping address.

3.106.2: Central Receiving

I. Purpose

- A. To outline Procedures and responsibilities for the receipt and storage of materials and supplies, and processing of damage and other contractual claims arising from purchasing transactions.

II. Policy

- A. The Central Receiving Department is responsible for the receipt and distribution of all materials ordered for delivery through central receiving.
- B. After receiving and inspecting purchased materials, the Central Receiving Department will transport such items to the appropriate delivery point and obtain appropriate signatures on the corresponding receiving documents, or the department may opt to come and pick up there orders directly from Central Receiving. These documents will be used by Accounts Payable departments in processing payments and finalizing orders. No further approval from the requisitioning departments will be necessary in the invoice payment process.
- C. Should a Department decide to pick up there Purchase Order from the Purchasing Department and go directly to the vendor for pic-up that order must be check in at Central Receiving to be verified by the warehouse manager.
- D. The Central Receiving Department will inspect all shipments for obvious damage, irregularities, or other discrepancies. However, the requisitioning department is ultimately responsible for the acceptance of the merchandise, and should take the following steps upon discovery of any damages, irregularities, nonconformity with specifications, or other discrepancies:

1. Notification of damage should be given immediately to Procurement in writing, including the following information:
 - a. Vendor name and purchase order number.
 - b. Date received.
 - c. Item or items damaged or affected by discrepancies, irregularities, or nonconformity with specifications, together with a detailed description thereof.
 - d. Condition of parcel upon receipt.
 - e. Location of parcel.
 2. Failure of the university to report damaged shipments to the carrier within fifteen (15) days after taking delivery may forfeit the right of the university to file such damage claims. Departments must therefore report any damaged shipment to Procurement within ten (10) days after receipt of the shipment, so as to allow time for the preparation and filing of a claim.
 3. All damaged materials should be preserved in the condition in which received and must be kept in the original shipping containers until instructions for disposal are received from Procurement. Compliance with this requirement is extremely important because, in most instances, an inspection report is required before a claim can be filed. This inspection report is prepared by the carrier and covers the packaging and shipping materials as well as the damaged merchandise.
- E. It is the responsibility of the Receiving Department to arrange the filing of all claims for damaged materials, as well as to initiate requests for replacement shipments.
- F. The return of any supplies or materials to the vendor, whether due to damage, mis-shipment, or other reasons, should be arranged through Procurement to assure that appropriate credit is received.
1. The Central Receiving Department has limited facilities available for the packing and shipping of outgoing materials. Questions concerning the handling of such outgoing shipments should be directed to the Receiving Department.
 2. When arrangements have been made with Ordering Department to return items to a vendor, the items may be delivered to Stores and Receiving for this purpose, or a pickup requested. The purchase order reference number must be prominently displayed on all such items being processed for return.

Notice to Suppliers – Fraudulent Purchase Order Activity via Email or Other Means

Mississippi Valley State University Purchasing Department wants to alert departments and suppliers about emails scammers. This ordering scam involves requests for quotations, establishment of credit or submission of a purchase order, which purports to originate from the University but is in fact fraudulent.

While the University cannot prevent this illegal activity, we will actively work with Local, State and Federal law Enforcement Agencies to investigate any and all fraudulent email contacts and to address fraudulent purchase orders issued in the University's name as we become aware of them

Although there will always be investigations ongoing into this criminal enterprise, we will share with you some common traits or themes of some fraudulent emails which may help reduce the risk to your company or department from becoming a financial victim of this scam.

1. The email message is poorly written, with misspellings and awkward sentence structure
2. The sender's email address or website link are not the same as the University's standard email address domain which is @mvsu.edu
3. The delivery zip code listed in the email is something other than the University's regular zip codes of 39841-1400.
4. The message or counterfeit purchase order requests shipment/delivery of products to a non-University address. Take a moment to check the address on Google maps or similar site. The University does not request delivery to apartments, business complexes or residential addresses.
5. The quote requests large quantities of highly resalable items such as electronics, hard drives, memory, toner cartridges, medical or scientific items, etc.

Examples of fraudulent email address domains that have been used are:

6. @purchasingmvsu-edu.com
7. @universityofmvsu.net

The message may include an attachment that is designed to mimic an official request for quote or purchase order. It may include an authentic logo or University watermark copied from our website or contain some other graphic designed to look legitimate. It may even include a signature that looks legitimate representing one of our management team or buyers.

If you are not familiar with the documents being provided and/or content of a University purchase order or suspect fraud in any way, please contact us immediately before responding to the email or filling the order.

You may contact the Purchasing Department by phone or email, Monday through Friday, 8:00 am to 5:00 pm.

MVSU's Purchasing Department values our partnership with you and appreciate the very important role you play in providing goods and services to University faculty, students and staff. Please know that we will assist in any and all investigations to the fullest extent of the Law as we are able of these illegal activities.

Carla T. Williams, C.M.P.A
Director/ Purchasing Department
P: 662-254-3320 | ctwilliams@mvsu.edu

3.107.0 Special Circumstances Approval Form. Form SC-1, 7/93.

This form is no longer in paper format must be completed in the State MAGIC SYSTEM

This form must be completed and submitted in duplicate along with a Form P-1 when requesting authority to purchase under any of the following special circumstances.

- (1) Emergency purchase.
- (2) Sole-Source purchase.
- (3) Purchase for research.
- (4) Exemption from state contracts.

**THE PAPER FORM OF THE
SC-1 NO LONGER REQUIRED**

Adequate support data and justification are required when special circumstance forms are submitted.

3.108.0 RESTOCKING FEE AND CHARGES THAT VENDORS APPLY'S:

A charge that the vendor applies when the entity is requesting to return items. The question being, "Is their authority under existing law for vendors to charge and the entity to pay such a fee? If payment of such fees is authorized, should such a fee be considered a part of the purchasing process; i.e., requiring the issuance of a purchase order?" According to an Attorney General's opinion dated March 15, 1995, there is no authority within the provision of the public purchase law, codified in Section 31-7-1, et. seq. of the Mississippi Code of 1972, for an entity to pay the "restocking fee" that is described. Whether the vendor accepts the return of such items would be at the discretion of the vendor.

3.108.1 Copier Demos

A company often allows departments to test or demo equipment for a period of time, each department must make sure proper paper process has been completed prior to receiving and demo or test equipment. Should the department will decide to keep the equipment a Purchase Order will be sent to the vendor at that point

3.108.2 Emergency Services

To prevent unauthorized purchases all departments that operates vehicles or specialty equipment should have a standing Purchase Order with a minimum dollar amount for any type of service repair that might occur over the course of the year.

3.109.0 PURCHASE CHANGE ORDERS:

3.109.1 Changes Amounts before Purchase Orders are Issued

Should there be conditions that arise where an amount needs to be changed on a requisition, the requesting, Department must use the following procedures:

- a. Pick up the requisition from the Purchasing Office
- b. Take the requisition back to the Budget Accountant and have necessary changes made.
- c. Return corrected requisition to the Purchasing Office
- d. If changes are to be made, the vendor scratches through old one and write in the new one.

Under no conditions can items in the description column be altered in these change orders without totally re-doing another requisition (*i.e. changing from computer equip. to carpentry equipment*)

3.109.2 Changes Amounts after Purchase Order has been Issued and mailed.

After a purchase order has been issued, and mailed to the vendors and changes need to be made the requesting department/office must:

- a. Download a copy of the Purchase Order Change Order Form (POCOF-1) from the Purchasing Office website completed, with the proper signatures and return to the purchasing office.
- b. The form must state the original amount of the Purchase Order and the amending amount.

1. **In case of a vendor the original vendor cannot be changed**
2. In case of quantity the original plus any change then the new quantity
3. In case a product or model # changes or no longer available and the cost exceeds fifty dollars (\$50.00). New Requisition is required.
4. In case a product or model # changes or no longer available and the cost **does not** exceeds fifty dollars (\$50.00) document the circumstances and give the accountants and payable a copy of the memo with stated cost.
5. Only changes that will be allowed to the description are those that clearly reflect industry standards {ie. Shipping Charges, and set-up and die casting fees that coincide with monogram printing.}
6. No changes are allowed on PO's 30 days old or alter the descriptions that Alter's the object code
7. **PO's descriptions that are dates specific maybe changed under certain emergency conditions {ie. Inclement weather or natural disasters'}**

- c. Chief Fiscal Officers must sign along with the Budget Accountant
- d. Grant coordinator must sign in the event there is a change to dollar amounts in the fund 30 accounts
- e. This form should be forward to the Purchasing Office
- f. The Purchase Order must state that this is an amended order and show what amendments they were made.
- g. The Purchasing Office will send an amended purchase order to the company.

3.109.3 ITEMS OMITTED FROM PURCHASE ORDER

Omissions from Purchase Orders for previously requisitioned items are corrected in the Purchasing Office by comparing the previously approved requisition, items and amount with the actual items and amounts listed on the Purchased within five days. Each buying entity is charged a flat fee for which is added to the selling price of the vehicle.

3.110.00 CROSS BUDGET YEAR PURCHASES:

After the books for any particular year have been closed no purchase requisition or purchase order can be processed and changed against budget allocation^s for that particular fiscal year. Processed purchase requisition and purchase orders are charge against approved current year budget allocations until the end of the fiscal year.

3.110.01 PAYMENTS

§ 31-7-305. Recordkeeping and notice requirements; time for mailing check in payment of invoice; time for payment in event of dispute; interest penalties.

1. All public bodies of the state, including those which issue checks and those which file requisitions for payment with the State Fiscal Management Board, shall keep a record of the date of receipt of the invoice, dates of receipt, inspection and approval of the goods or services, date of issuing the check or date of filing the requisition for payment, as the case may be, and date of mailing or otherwise delivering the warrant or check in payment thereof. In the event that the State Fiscal Management Board mails or otherwise delivers the warrant directly to the claimant, pursuant to Section 7-7-35, Mississippi Code of 1972, the State Fiscal Management Board shall notify the public body of the date thereof. The provisions of this section are supplemental to the requirements of Sections 19-13-29, 21-39-7, 21-39-13 and 37-5-93, Mississippi Code of 1972.
2. All public bodies that are authorized to issue checks in payment of goods and services and are not required to issue requisitions for payment to the State Fiscal Management Board shall mail or otherwise deliver such checks no later than forty-five (45) days after receipt of the invoice and receipt, inspection and approval of the goods or services; however, in the event of a bona fide dispute, the public body shall pay only the amount not disputed.
3. If a warrant or check, as the case may be, in payment of an invoice is not mailed or otherwise delivered within forty-five (45) days after receipt of the invoice and receipt, inspection and approval of the goods and services, the public body shall be liable to the vendor, in addition to the amount of the invoice, for interest at a rate of one and one-half percent (1-½ %) per month or portion thereof on the unpaid balance from the expiration of such forty-five-day period until such time as the warrant or check is mailed or otherwise delivered to the vendor. The provisions of this subsection (3) shall apply only to undisputed amounts for which payment has been authorized. In the case of an error on the part of the vendor, the forty-five-day period shall begin to run upon receipt of a corrected invoice by the public body and upon compliance with the other provisions of this section. The various public bodies shall be responsible for initiating the penalty payments required by this subsection and shall use this subsection as authority to make such payments. Also, at the time of initiating such penalty payment, the public body shall specify in writing an explanation of the delay and shall attach such explanation to the requisition for

payment of the penalty or to the file copy of the check issued by the public body, as the case may be.

(4)

(a) In the event of a bona fide dispute as to an invoice, or any portion thereof, the dispute shall be settled within thirty (30) days after interest penalties could begin to be assessed, if it were not for the dispute.

(b) If a warrant or check, as the case may be, in payment of an invoice, subject to a prior dispute, is not mailed or otherwise delivered within thirty (30) days after settlement of the dispute, the public body shall be liable to the vendor, in addition to the amount of the invoice, for interest at a rate of one and one-half percent (1-½ %) per month or portion thereof on the unpaid balance from the expiration of said thirty-day period until such time as the warrant or check is mailed or otherwise delivered to the vendor. At the time of initiating such penalty payment, the public body shall specify in writing an explanation of the delay and shall attach such explanation to the requisition for payment of the penalty or to the file copy of the check issued by the public body, as the case may be. The interest penalty prescribed in this paragraph shall be in lieu of the penalty provided in subsection (3).

3.110.02 PAYMENT FOR LATE ARRIVAL GOODS

Occasionally non-contracted goods shall arrive late or there is a slight cost increase due to the condition of the economy or something that is beyond the vendor's control, the University position is that it will pay the additional increase provided that the cost is no more than 10% of the item (s), provided however, that the Department can bare the additional expense. Also, the University will allow transportation and die casting fees to be added to an invoice for payment even if it has been omitted from the Purchase Order. In most cases these costs are not readily known until afterwards.

3.111.00 BUYING EQUIPMENT AT AUCTIONS:

Mississippi Valley State University may purchase motor vehicles and other equipment from a public auction held by an agency or governing authority without following normal bid procedures (Mississippi Code 31-7-13 (m) (v)). Each auction held may have their own procedures that any agency or governing authority must follow in order to participate.

The State surplus auction held at Mid-South Auto Auction each month is open to all state agencies and governing authorities. The auction company will accept purchase orders from an entity, but payment must be made for the equipment within five days.

Each buying entity is charged a flat fee for which is added to the selling price of the vehicle.

3.112.00 BUREAU OF SURPLUS PROPERTY:

Section 31-9-9 of the Mississippi Code allows the University to purchase from the Office of Surplus Property without any need to comply with the normal bidding requirements. Surplus Property has supplies and equipment which are in good condition and could benefit the University. Items generally in stock are heavy equipment, computers, office furniture, refrigerators, freezers, hardware and tools, educational equipment, and vehicles.

3.113.00 AMENDMENT PROCEDURE:

Senate Bill 2900 states that no addendum may be issued within **48 working hours** of the time of the bid opening unless such addendums' also amends the bid opening to a date not less than five working days after the date of the addendum. For example, if an addendum is needed during the last 6 working days prior to the bid opening date, then you may also need to make sure that you amend the bid opening date. The intent of this change is to assure the potential bidders that they have at least five working days to make required changes and adjustments to their bid.

3.114.0 TERM CONTRACTS AND PRICE ADJUSTMENT CAPABILITY:

3.114.1 SENATE BILL 2900

Senate Bill 200 now allowed longer term contracts and also allowed for bid proposals and contracts to include price adjustment clauses based upon a nationally published industry wide or nationally published and recognized cost indexes. To assist in the use of this new capability, we offer below a few examples of clauses that you may want to consider.

Please remember that this tool which can be used to improve the efficiency of the procurement process. You must carefully consider the proper use of this tool. Please do not attempt to use a "one size fit all" solution. Some commodities do not have fluctuating prices and therefore would not require an adjustment clause. Some commodities have prices that fluctuate on a regular basis and may require adjustments on a quarterly basis.

3.114.2 Bureau of Purchasing and Travel suggested that,

Prior to issuing any solicitation which includes a price adjustment clause, the agency should submit a draft copy to several potential bidders and request input and suggestions. “Prices shall be firm for the first year of the contract. Upon the anniversary date of the contract, the contractor may apply for an adjustment in contract price based upon changes in the producers’ price Index from the start of initial contract for Code 42,

Transportation and Warehouse services as published by the U.S. Dept. of Labor, Bureau of Labor Statistics. The Contractor shall provide the Office a copy of the latest Producers Price Index and other applicable documents necessary to support a requested increase in prices. An increase will not take effect until formal approval is received from the Office. Decreases will be effective immediately upon notice by the Contractor.”

3.114.3 The contract prices may be subject to increase or decrease

During the contract period in accordance with changes which may be made by the manufacturer in their established, nationally distributed prices list or published catalog. Catalog or price lists may indicate increases or decreases in pricing, but the percentage discount originally accepted for award shall not be decreased during the contract period.”

3.114.4 “On each anniversary date of the contract,

The Contractor will be granted an increase or decrease in his/her bid dependent upon fluctuations

Travel (Series ID: pcu 7514#211) as published by the U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C. 20212. The Index is also available through the Internet at the Bureau of Labor Statistics web site at <http://stats.bls.gov/ppihome.htm>. Under the Data heading click “Selective access,” “under Producer Price Index heading click” Producer Price Index Revision-current series.” Under Choose Industry Scroll down to 7514 Passenger car rental, click (highlight) that industry, click next form. Under Choose Product for Passenger Car Rental scroll down to #211 Business Travel, click (highlight) that category, click next form. Under the view list of your selected series ids(s) now, click (highlight) the appropriate years, click Retrieve Data.

3.114.5 PROFESSIONAL SERVICE CONTRACTS

Please see the Policies and Procedures Manual for Professional Services Contracts

3.115.00 UNDERCOVER EQUIPMENT FOR POLICE DEPARTMENT

In the past, the law has allowed the purchase of surveillance equipment or any other high-tech equipment for use by narcotics agents in undercover operation without compliance with the bidding procedure, provided that the purchase must be in compliance with regulations established by D.F.A. The new law takes into consideration that more than just narcotics agents are working undercover. The new law allows such purchases for law enforcement agents in undercover operations. Please note that these purchases still require compliance with the procedures established by D.F.A. You can view these procedures on page 10-5 of the procurement Manual which can be viewed at:

http://www.mmrs.state.ms.us/Purchasing/ecom_manual.pdf

3.116.0 INSURANCE

Previously the beginning of Section 31-7-13 included Insurance as an item that fell under the purchasing laws. Later, in 31-7-13(m), Insurance was exempted from the bidding requirements. In an attempt to remove any misunderstanding, “insurance” was removed from the entire Section 31-7-13, therefore, the purchase of Insurance does not require compliance with the public purchasing laws unless there is agency specific legislation which requires competition.

3.116.1 VENDORS INSURANCE REQUIREMENT

All vendors are required to have a minimum of \$1,000,000.00 dollars of liability Insurance coverage to perform any type of services or work on the University Campus. Proof of Insurance coverage must be given to the Purchasing Department before any work is scheduled or performed.

3.117.00 SPECIFICATION RESTRICTIONS

The statement which indicated that professional engineers or architects have the authority to write specifications for a specific item has been removed. The law is now very clear that, for state agencies, the Department of Finance and Administration may approve a request for specific equipment necessary to perform a specific job, and, for governing authorities, the board of the governing authority may approve a request for specific equipment necessary to perform a specific job.

Section 31-7-13 (b) was changed to allow for quotes to be made by “facsimile, electronic mail, or other generally

accepted method of information distribution. Bids submitted by electronic transmission shall not require the signature of the vendor's representative unless required by agencies or governing authorities." This allows entities to receive quotes (between \$5,000.00 and \$50,000.00 ARRA, \$75,000.00 Federal and State respectfully) via e-mail, with no requirement for a signature. If an agency or governing authority wants to require signatures, they still may do so.

3.118.0 NOTIFICATION OF NON RECEIVED SUPPLIES OR EQUIPMENT

It is the responsibility of the requesting department to contact the warehouse and purchasing office if supplies or equipment has not been delivered within a reasonable time span.(meaning)supplies should be receive within one to two weeks.

Freight line equipment should be received within 6-8 weeks (depending on the size) Measuring time start from the date of processing of the requisition onward. It is the department responsibility to call and say that they have not received the items.

3.118.1 DEPARTMENT VERIFICATION OF SERVICES

Purchase Orders will only be paid when the requesting department has approved the Purchase Order for payment, this will be done by Department Head signing the Receiving Report and the Vendor Invoice. Therefore, it is the responsibility of each Department to verify if a vendor has performed a particular service and that, that service has been rendered to their satisfaction before signing the receiving report for payment.

3.118.2 Cut-off-Time for P & T-Cards

All state operated Purchase and Travel Card that is used by each Department will be automatically turned off during the period of May 15, to July 1 of each fiscal year. Expenditures for this time period must be turned in no later than the eight day of Month of June.

3.119.0 INFORMATION TECHNOLOGY SERVICE

The Information Technology Service (ITS) is established to monitor and oversee the purchase of computer and telecommunication equipment of state agencies, universities, and junior colleges. All computer and

telecommunication equipment costing up to \$250,000 can be purchased from ITS Express Products List (bids and quotes are not required when items are purchased from the ITS Express Product List). For all telecommunication equipment and all computers costing more than \$250,000, a CP28, Request Form for state agencies, universities, and junior colleges (See Exhibit 41) submitted to the ITS (these items must be formally bided). This form indicates the fiscal year of purchase, the state fund number which identifies the fund to be used in the purchase, the method of acquisition (federal or state) and a list of items requested for purchase, including quantity, description, and estimated cost. The Bid Sheet (See Exhibit 38), if required, should be attached to the CP28. The request form should be signed by the President and then forwarded to ITS.

Computer and telecommunication equipment costing less than \$50,000 may be purchased directly by the University from the ITS approved vendor list, provided the vendor and equipment are collected from an EPL listing. However, a form CP-1 must be approved and received from the ITS.

The following is a list of forms, including their purposes, that are currently being used by ITS:

1. Planning Request Form for State Agencies,

Rule 207.7: 013-080 Procurement Types: EPL Planned Purchase

The EPL Planned Purchase Procedure allows an agency to make purchases that exceed the cost limit of an [Express Products List \(EPL\)](#). As the coordinator of the information technology planning effort for state government agencies, ITS works with agencies during the planning process to determine procurements that can be appropriately made using EPLs. The EPL planned purchases procedure is limited to:

8. Projects in the agency's current technology plan
9. Equipment or software appearing on a current EPL

An agency using the EPL Planned Purchase Procedure is given authorization, up to a specified dollar amount, to make the identified procurements from the EPLs without further ITS involvement. The approval is issued in the form of a letter from the ITS Executive Director and a CP-1 Acquisition Approval Document. The purchasing agency should retain the approval letter in its purchasing documentation.

Since agencies often make their purchases under the EPL Planned Purchase approval over the course of the fiscal year and to multiple vendors, ITS also sends a Planned Purchases Tracking Form with the approval letter and CP-1. This form should be used to record the date, purchase order number, and dollar amount of

each expenditure made under the EPL Planned Purchases approval. This form serves as a tracking tool for the agency, and the agency is required to retain the completed form in its purchasing documentation for audit purposes.

The purchasing agency should also document that an effort was made to obtain a lower price than the published EPL price, since the volume purchased under an EPL Planned Purchase approval is higher than the typical EPL amount. Each EPL has instructions relevant to negotiating volume discounts with vendors. EPL Planned Purchase requests must be accompanied by a minimum of two vendor quotes for purchases up to \$1,000,000 and three quotes for purchases over \$1,000,000. Additional instructions for submitting EPL Planned Purchase requests are contained on the [EPL Planned Purchase procurement form](#). EPL Planned Purchases with a [lifecycle cost](#) above the Director Approval thresholds defined in [Section 018- 030](#) require [ITS Board](#) approval.

During review of your agency's IT plan, it may be determined that a project might benefit from a Planned Purchase Procurement. If so, an IT Planning Coordinator will contact your agency. To initiate an EPL Planned Purchase prior to being contacted, call Debra Brown, IT Planning Coordinator, at 601-432-8128; contact the ITS Procurement Help Desk at 601-432-8166; or submit a [Planned Purchase Procurement Request](#) to ITS Procurement. Additional information and contact information for [agency planning](#) is located on the [ITS website](#).

Although the Planned Purchase Procedure was primarily established for state agencies who submit technology plans to ITS annually, IHLs, community colleges, local governments, K-12 schools, and other government entities who have shown due diligence in technology planning and who want to use the ITS EPLs above the default spending thresholds may be eligible for planned purchases. These public entities may submit a request for a planned purchase to ITS along with a copy of their current technology plan in the format required by their regulatory agent. The request should also include detailed information regarding the items to be purchased and the EPL quotations received. ITS will review the plan information and the specific procurement details to see if a planned purchase is appropriate.

Refer to [009-001 ITS Procurement Process Flows](#) for additional information, specifically the flow labeled [Planned Purchases](#).

Source: 25-53-25 (2)

2. Emergency Purchase

Rule 207.6: 013-060 Procurement Types: Emergency Purchases

Mississippi Public Purchasing Law, in Section 31-7-13 (j) of [Mississippi Code](#), outlines the emergency purchase procedure. The need to purchase technology products or services under the emergency purchase procedure as outlined in this code section is a decision made by the agency or public university's board or executive director/president, or

that person's designee, when the emergency threatens the health or safety of any person, or the preservation or protection of property. All other situations meeting the definition of an Emergency in 31-7-1 (f) of Mississippi Code require prior approval from ITS. The agency head or public university president must first determine that an emergency exists such that "the delay incident to giving opportunity for competitive bidding would be detrimental to the interests of the state." Once that determination is made, the executive director/president or designee may request approval to make the purchase without following the competitive bid requirements.

The definition of "emergency" as it applies to purchasing is located in Section 31-7-1 (f) of [Mississippi Code](#), as follows:

(f) "Emergency" shall mean any circumstances caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection or caused by any inherent defect due to defective construction, or when the immediate preservation of order or of public health is necessary by reason of unforeseen emergency, or when the immediate restoration of a condition of usefulness of any public building, equipment, road or bridge appears advisable, or in the case of a public utility when there is a failure of any machine or other thing used and useful in the generation, production or distribution of electricity, water or natural gas, or in the transportation or treatment of sewage; or when the delay incident to obtaining competitive bids could cause adverse impact upon the governing authorities or agency, its employees or its citizens; or in the case of a public airport, when the delay incident to publishing an advertisement for competitive bids would endanger public safety in a specific (not general) manner, result in or perpetuate a specific breach of airport security, or prevent the airport from providing specific air transportation services.

Note that the definition applies only to events that could not reasonably have been anticipated. Failure to plan or to act in a timely and proactive manner to replace or upgrade equipment or other products does not fall within the statutory definition of "emergency." The purchases made under the emergency purchase procedure must be solely for the purpose of meeting the needs created by the emergency situation.

The law requires that the agency or public university file documentation requesting approval to make the emergency purchase with the appropriate oversight agency. In accordance with the referenced statutes, ITS has developed an Emergency Purchase Request Form for requesting approval for **any technology products or services** purchases to be made under the emergency purchase statute by state agencies or public universities under ITS purview. A copy of the [emergency purchase request form](#) is available in PDF and Word formats on the [ITS website](#). Customers may also submit emergency purchase request documentation via ITS' [online procurement request system](#).

Note that [Mississippi Code](#) Section 31-7-13 (j) also requires that any agency head

or public university president responsible to a board or commission document any emergency purchase in the minutes of the meeting prior to the emergency purchase request being made to ITS. A copy of these minutes should be provided to ITS with the emergency purchase request.

Submission of the completed form, along with the necessary documentation by the agency head or public university president or designee, gives ITS the necessary information to review the emergency purchase request. If approved, ITS issues a CP-1 Acquisition Approval Document to facilitate payment processing. For state agencies, these approvals are uploaded into MAGIC.

Refer to [009-001 ITS Procurement Process Flows](#) for additional information, specifically the flow labeled [Emergency Purchases](#).
Source: 31-7-1 (f); 31-7-13 (j) (k)

3. Exemption Request Form

Rule 207.3: 013-040 Procurement Types: Exemption

The Exemption procedure allows agencies and institutions to request exemption from ITS to handle specific information technology procurement projects that, by law, require solicitation of bids or proposals, without the involvement of ITS. The exemption procedure is designed for projects involving traditional information technology equipment, software, or services which the agency/institution has the in-house resources and expertise to procure without ITS involvement. **The exemption should be approved by ITS before an advertisement is issued for the procurement.** A request for exemption should be submitted on an Exemption Request form. A copy of the [exemption request form](#) is available in PDF and Word formats on the [ITS website](#). Customers may also submit exemption requests via ITS' [online procurement request system](#).

All exemption requests must be signed by the Executive Director of the agency or the CIO of the institution of higher learning, or that person's designee. The name and title of the agency head, institution CIO, or designee should be entered on the line to the bottom left of the request form and the form should be signed and dated on the bottom right.

ITS staff reviews the information submitted on the [exemption request form](#) concerning the acquisition, including the procurement approach that will be used and the estimated total [lifecycle cost](#). The exemption request will be approved by the ITS Executive Director, or will be presented to the ITS Board for approval if the total lifecycle cost exceeds the Director Approval threshold.

A CP-1 Acquisition Approval Document is issued for the amount of the exemption, based on the agency's estimate of the total lifecycle cost. Agencies that issue purchase orders through DFA should be aware that this CP-1 is uploaded by ITS into MAGIC to authorize processing payment for an exempted procurement. This

approval is not vendor specific, as it is issued prior to the procurement process. When exempting a procurement, ITS will specify the maximum amount exempted on the CP-1 Acquisition Approval Document. **The agency/institution must submit a request for approval of the additional dollar amount if the procurement results in a cost greater than the estimated total used in the original exemption.**

When approval is received, the agency/institution may proceed with the procurement without further involvement from ITS, as outlined under "Agency/Public University Responsibilities" below.

An exemption cannot be used in conjunction with a sole source acquisition. Sole source acquisitions should be submitted to ITS on a [Sole Source Certification Request form](#).

The requirement of soliciting bids or proposals for services that can be competitively provided is NOT waived by an ITS exemption. All applicable statutes for competitive procurements must still be followed by the purchasing entity.

An exemption should also be requested if an agency desires to issue a Request for Information (RFI) without ITS involvement. Note that an RFI is for information gathering purposes only and cannot be used as a procurement award for the purchase of IT hardware, software or services.

Agency/Public University Responsibilities

For exempted acquisitions, the purchasing agency/institution is responsible for making the purchase within the dollar amount authorized by ITS on the CP-1 Acquisition Approval Document and for following all applicable statutory requirements throughout the procurement process, including but not limited to those outlined in Title 25, Chapter 53 of [Mississippi Code](#). These requirements include:

- (1) [development of competitive and open specifications](#);
- (2) issuing an advertisement to solicit bids or proposals according to Section 25-53-5 (o) of the [Mississippi Code](#);
- (3) conducting a thorough and equitable [evaluation](#) of all proposals received;
- (4) responding in a timely manner to all [public records](#) and [post-procurement review requests](#); and
- (5) negotiating and signing a contract, if applicable, within the scope and intent of the specifications. ITS does not participate in any of these steps for exempted procurements.

In the negotiation of contracts for the products and services being obtained, agencies and public universities should be aware that, per a 1993 Attorney General Opinion, state agencies do not have the authority to allow a vendor to limit its liability.

Pursuant to Section 25-53-21(e) of the 1972 [Mississippi Code](#) Annotated, as amended, the Executive Director of ITS may negotiate a limitation on the liability to the State of prospective contractors provided such limitation affords the State reasonable protection. This authority to negotiate a limitation of liability applies **ONLY** to contracts negotiated by ITS for execution by the ITS Executive Director and does **not** apply to contracts negotiated for exempted procurements.

If a vendor protest results from the exempted procurement, however, the rules and guidelines of the [ITS Protest Procedure and Policy](#) apply, with the ITS Executive Director receiving and responding to the protest.

Refer to [009-001 ITS Procurement Process Flows](#) for additional information, specifically the flow labeled [Exemption Approvals](#).
Source: 25-53-25 (2)

4. Sole Source Request Form

Rule 207.2: 013-030 Procurement Types: Sole Source

ITS enabling legislation requires that information technology equipment and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of vendor proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity.

Mississippi Public Purchasing Law (Section 31-7-13) specifies that noncompetitive items available only from one source may be exempted from bid requirements (sole-sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing law or regulations, when applicable. In certain limited situations, with appropriate written documentation and proper approval, information technology acquisitions may be sole-sourced.

A Sole Source Certification Request is an agency's or public university's statement, with accompanying documentation, that there is no competition in the marketplace for the requested product or service. Single source acquisitions awarded without competition are exceptions that can only be certified after thorough marketplace research. ITS applies a strict interpretation of the single source definition and is a strong advocate for conducting a competitive process unless the reasons for not competing are **overwhelming and incontrovertible**.

ITS Sole Source Procedure

The ITS Sole Source procedure is designed to allow agencies and public universities to submit

requests to ITS instead of to DFA when approval of sole source information technology acquisitions is required per Section 31-7-13 of the [Mississippi Code](#). The ITS Sole Source Procurement Request Form, in conjunction with the Sole Source Certification signed by the agency head or public university CIO, has been designed to collect the necessary justification and certification for an information technology sole source acquisition. A Sole Source Certification Request Form should be completed for all information technology sole source acquisition requests other than those delegated to the agency or institution (See [Section 015-010: State Agencies](#), and [Section 015-020: IHLs](#) for specific dollar limits for the delegation of Sole Source approval to Agencies and Institutions of Higher Learning, as applicable).

Submit the Sole Source Certification Request to ITS rather than to DFA. It is not necessary to submit duplicate paperwork to the DFA Office of Purchasing, Travel, and Fleet Management (OPTFM) for approval of sole source acquisitions. A copy of the [Sole Source Certification Request Form](#) is available in PDF or Word format on the [ITS website](#). Customers may also submit sole source requests via ITS' [online procurement request system](#). All sole source certifications must be signed by the Executive Director of the agency or the CIO of the public university, or that person's designee. Designees must be identified by the agency or public university through formal written correspondence to the ITS Executive Director.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS will conduct a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement will be issued, giving interested parties, like other vendors, an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.

A CP-1 Acquisition Approval Document issued by ITS for the amount of the sole source acquisition. Agencies that issue purchase orders through DFA should note that this CP-1 is uploaded by ITS into MAGIC to authorize payment of the sole source purchase.

Sole Source Criteria and Required Documentation

Sole source acquisitions must meet certain criteria. Per Public Purchasing Law, the following criteria must be met for a procurement to be authorized as sole source:

10. The product or services being purchased must perform a function for which no other product or source of services exists,
11. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
12. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services.

The purchasing agency or public university is responsible for documenting its business needs in the sole source request, as well as the ways in which the requested product or services meets those needs. In addition, the purchaser should document why other products or services cannot substantially meet the documented needs. If similar products or services exist in the marketplace, the business case for the unique functionality or characteristics of the sole-sourced item must be compelling for the procurement to be sole-sourced under state statute.

The purchasing agency/public university should obtain and submit to ITS a written proposal

from the sole source provider. This proposal should clearly document the exact product and services to be provided, timeframes for delivery or service provision, and all associated pricing information, including retail price, discount structure, volume-related tiered pricing structures, ongoing support costs, and price escalation caps. If the purchasing agency/public university prefers, the ITS staff assigned to the sole source request can work with the vendor to obtain this information.

In addition to the above documentation from the purchaser, certification from the manufacturer should accompany the Sole Source Certification Request. This documentation supplements the sole source justification but does not replace the purchaser's documentation of business need. The manufacturer must certify, on company letterhead, the unique features of the product or service within the marketplace and must also certify that the product or service is available only through the manufacturer or from a single specified distributor or reseller.

Additionally, acquisitions of IT services must include the following information to be authorized as sole source:

1. An explanation about why the amount to be expended is reasonable, and
2. An explanation regarding the efforts by the purchaser to obtain the best possible price.

Per Mississippi Code annotated Section 25-9-120 (3), purchasers requesting sole source approval of services must provide an explanation of why the amount to be expended for the service is reasonable, and an explanation of the efforts to obtain the best possible price for the service. Section 25-9 directs the efforts of the Personal Services Contract Review Board and by policy and procedure, ITS follows similar documentation requirements.

The following factors do **NOT** constitute valid criteria for sole source designations:

- Quality of the product or services: The competitive process has been established to determine the lowest and best offering.
- Price of the product or services: The competitive process has been established to determine the lowest and best offering.
- Product that performs in a unique way but does not provide unique functionality: A unique algorithm or patented search process is not a sole

source unless there is significant **functionality** that is only available through the requested product.

- Project timetable or other scheduling constraints: The emergency purchase statute was established for situations meeting the statutory definition of "emergency," in which the delay incident to following a competitive process would be detrimental to the interests of the state. See [013-060 Emergency Purchases](#). In some situations in which the need is immediate but an emergency purchase cannot be justified, ITS can assist the purchasing entity in acquiring a temporary or interim solution until a competition can be conducted.
- Incumbent products or service providers: An award from a competitive process for the acquisition of products or services does not constitute a permanent purchasing mechanism. All products and services are re-evaluated from time to time to determine when a full competition and potential replacement are warranted. For service providers, this competition may include a reasonable learning curve for time required by non-incumbents to become acclimated to the particular customer, product, and/or environment.
- Sole source designation by other states: Mississippi's sole source requirements are more stringent than those in many other states.

Remember: The law says single source, not best source. Competition is used to determine best source.

Benefits of Soliciting Proposals

It is always acceptable, and usually preferable, to solicit bids or proposals for an acquisition even if the product or services requested are believed to be unique in the marketplace. The benefits of soliciting proposals for a sole source item include:

- The purchaser develops a written statement of requirements against which to evaluate the sole source offering
1. The vendor submits a written statement of commitments and pricing for both initial and ongoing costs, against which the purchaser can evaluate vendor and product performance, and which can be incorporated into a negotiated contract
 2. The solicitation of written proposals increases the potential of reduced price offerings and/or written guarantees against excessive price escalation for a set contract period

Agency/Public University Responsibility

The purchasing agency/public university is responsible for providing all necessary documentation and justification required to support a sole source acquisition, as described above. If adequate documentation is not provided with the request, ITS

staff will work with the requestor's staff to obtain sufficient information to certify the sole source. Note that ITS must charge an hourly rate for the time required to obtain this additional documentation.

The purchasing agency/public university is responsible for making the sole source procurement within the amount and from the vendor specified on the CP-1 Acquisition Approval Document.

Delegation of Sole Source Certification

State Agencies: For state agencies, approval of all technology purchases with a lifecycle cost of \$5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over \$5,000 but not over \$50,000 (not over \$25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must approve all sole source acquisitions of information technology with a lifecycle cost greater than \$5,000.

IHLs: Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to \$250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs using the sole source procedures outlined in this Handbook. For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source, as outlined in this chapter. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented in writing by the institution and the vendor prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source certification above \$5,000. The ITS sole source procedure requires that sole sources be advertised in a newspaper of statewide circulation for 2 consecutive weeks prior to award. Additionally, Registers of Objectors and Notifications of Award must be posted, and a post-purchase comparison of the award to the purchase documents must be conducted by the IHL CIO. All sole source documentation should be retained in the public university's procurement file. Sole source requests above \$250,000 lifecycle cost require ITS approval. For purposes of periodic recertification of sole sources, the delegated limit of \$250,000 is for each certification period, as opposed to a cumulative total.

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS. ITS cannot exempt a sole source request--the ITS Exemption Request and ITS Sole Source Request are mutually exclusive.

Refer to 009-001 ITS Procurement Process Flows for additional information, specifically the flow labeled Sole Source Certifications.

Source: 25-53-5 (p); 31-7-13; 25-9-120

Request for Revised or Extended Approval of CP-1 Form

It is necessary to request revised ITS approval and obtain a replacement CP-1 in the following instances:

- **Expired Purchase CP-1** that you still need to use. Attach a letter from the vendor stating that equipment can still be delivered at (or below) the pricing on the CP-1. Try to issue purchase orders promptly upon receipt of a CP-1 to avoid the problem of expired CP-1s. Vendors submit pricing that they will honor for only a limited amount of time. Also, equipment may not be available after long periods of time. If the vendor can no longer deliver the equipment at or below the price approved on the original CP-1, it may be appropriate to handle your revision request as a new procurement.
- **Expired Ongoing CP-1** for hardware or software maintenance, software licensing fees, etc. The CP-1 from which you make ongoing payments has expired but you still need the coverage. In this instance, ITS will confer with the agency or institution and reference the terms of the original proposal solicitation and contract to assess whether it is appropriate to extend the current contract with the existing vendor or to initiate a new procurement.
- **Vendor Change.** Whether for a purchase CP-1 or for an ongoing CP-1, you need to acquire revised ITS approval to change vendors. A change of vendors will typically require that ITS handle the request as a new procurement unless it is a name or address change only.
- **Price Increase.** It is necessary to seek revised ITS approval for price increases over the lifecycle amount authorized on the CP-1. See [Terms: Lifecycle Cost](#) and [Procurement Process: CP-1 Approval Documents and MAGIC](#) for an explanation of the lifecycle amount authorized on the CP-1.
- **Major Configuration Change.** It is necessary to acquire revised ITS approval for major configuration changes. It is not necessary to acquire revised ITS approval for price decreases or minor configuration changes.

1. CP-1 Acquisition Approved Form

When ITS receives a request, per an of-28 form, they send a CP-1 form to the University. Appendix E of ITS manual.

2. CP-3 Memorandum -

This form is used when there is a change in the

President, Computer Services contact person,
Telecommunication contact person, or the
Purchasing Agent. (See Exhibit 46)

3.120.00 Adding New Vendors

Before a vendor can be added to the system three things has to take place, (1) all New vendor's must complete the vendor application form located on the purchasing web-page (mvsu.edu/purchasing/) click on vendor information and click vendor information form, complete and sent to the requesting department for their signature. The requesting department will bring form to the Purchasing Department to be added to the system. (2) The vendor must also attach a completed copy of their Federal W-9 or International WEB-8 form with vendor application form. (3) MVSU Purchasing Department must complete a back ground check on all new vendors with the Federal Government System to see if the company has been Debarred from the Federal Government, if the search yield a NO EXCLUSION or NO INFORMATION then the company will be added to the system, however, if the search yield an EXCLUSION then the department will notified that the vendor cannot be added to the system because they have been debarred from during business with the Federal Government.

3.121.00 Debarment Form

All bidders that submit a bid on a project, if selected must complete the debarment form located on our web-site and submit to the Purchasing Department after they have been notified that they are the apparent low bidder.

3.122.00 Gifts and Gift Card Purchases

Gifts

Section 66 and Section 96 of the Mississippi Constitution prohibit gifts to state employees where there is no obligation. However, gifts are allowed for speakers only if the speaker is not compensated. The gift should not be purchased with taxpayer dollars. The gift should be of good quality but reasonably priced.

Gift Cards

Gift Cards cannot be purchased with state funds and given to employees as gifts or rewards. Gift cards can be purchased and given as awards to individuals other than employees during conferences or other functions. The maximum amount for each gift card cannot exceed \$50 and prior approval from the Purchasing Agent is needed before purchasing gift cards.

Once approval has been granted to purchase gift cards, the Office of Business and Finance will be notified. The department must supply the Office of Business and Finance with the names, the social security numbers, and the addresses of the individual given gift cards for reporting purposes. Multiple cards cannot be issued to the same individual for the same event. Accounts Payable will report any taxable income to the IRS and issue Form 1099 to individuals receiving a total of \$600 in gift cards during a calendar year. If the stated information is not provided to the Office of Business and Finance, the full amount for the gift card purchases will be reported as taxable income to the purchaser.

Gift cards should be kept in a secure location at all times. In addition, the person who purchases the gift cards should not issue the cards to the recipients.

3.123.00 Membership Dues

The university will only pay dues for agency memberships. An agency membership is a membership which belongs to the university or specific department rather than an individual. The membership will remain with the university or department even if an individual becomes separated from the university.

3.124.00 Emergency Procurements (DFA)

Notwithstanding any other provisions of this regulation, the Chief Procurement Officer, the head of a purchasing agency, or a designee of either officer may make or authorize others to make emergency procurements under emergency conditions as defined in Section 31-7-1(f), Mississippi Code of 1972, Annotated; provided, that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. Such purchases shall be made in compliance with Section 31-7-13(j), Mississippi Code of 1972, Annotated. Agencies shall notify or seek approval from, where required, the Office of Purchasing, Travel and Fleet Management by using the electronic P-1 process.

(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 any officer or agent of the agency having general or specific authority for making the purchase or repair contract 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 Office of Purchasing, Travel and Fleet Management

using the electronic P-1 process.

The justification should be written in sufficient detail so that a person not familiar with the situation could be expected to understand the need to forego the normal purchasing procedure. As per Section 31-7-13(j), Mississippi Code of 1972, Annotated, the certification for an emergency purchase must be submitted on letterhead and signed by the executive head or his/her designee(s) of the requesting agency. Agencies shall address the following when preparing the justification:

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

Following the emergency purchase, documentation of the purchase, including a description of the commodity purchased the purchase price thereof and the nature of the emergency shall be filed with the Department of Finance and Administration when submitting the applicable payment request as more particularly prescribed in the DFA MAAPP Manual. In the case of Institutions of Higher Learning, this can be done by adding an attachment to the university's P1 request.

(2) Emergencies Requiring Approval Prior to Purchase

If the governing board or the executive head, or his designees, of any agency of the state shall determine that an emergency exists in regard to the purchase of any commodities or repair contracts, so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interests of the state, then the head of such agency, or his designees, shall seek approval of the Office of Purchasing, Travel and Fleet Management using the electronic P-1 process.

The justification should be written in sufficient detail so that a person not familiar with the situation could be expected to understand the need to forego the normal purchasing procedure. As per Section 31-7-13(j), Mississippi Code of 1972, Annotated, the certification for an emergency purchase must be submitted on letterhead and signed by the executive head or his/her designee(s) of the requesting agency. Agencies shall address the following when preparing the justification:

- (a) Does it fall under the definition of an emergency set forth in Sections 31-7-1(f), Mississippi Code of 1972, Annotated?
- (b) What happened to cause the emergency?
- (c) What would be the negative consequences of following normal purchasing procedures?
- (d) The total purchases made shall only be for the purpose of meeting the needs created by the emergency situation.

Upon receipt of the justification and any applicable board certification, the State Fiscal Officer or his designees, may authorize the purchase or repair without having to comply with competitive bidding requirements.

Following the emergency purchase, documentation of the purchase, including a description of the commodity purchased the purchase price thereof and the nature of the emergency shall be filed with the Department of Finance and Administration when submitting the applicable payment request as more particularly prescribed in the DFA

MAAPP Manual. In the case of Institutions of Higher Learning, this can be done by adding an attachment to the university's P1 request.

3.124.1 Application

The provisions of this regulation apply to every procurement made under emergency conditions that will not permit other source selection methods to be used.

3.124.2 Definition of Emergency Conditions

The term "emergency" shall mean any circumstances caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, or caused by any inherent defect due to defective construction, or when the immediate preservation of order or public health is necessary by reason of unforeseen emergency, or when the restoration of a condition of usefulness of any public building, equipment, road or bridge appears advisable, or in the case of a public utility when there is a failure of any machine or other thing used and useful in the generation, production or distribution of electricity, water or natural gas or in the transportation or treatment of sewage; or when the delay incident to obtaining competitive bids could cause adverse impact upon the governing authorities or agency, its employees or its citizens. See Section 31-7-1(f), Mississippi Code of 1972, Annotated.

3.124.3 Scope of Emergency Procurement

Emergency procurement shall be limited in scope to those supplies, services, or construction items necessary to meet the emergency and limited in term to the time necessary to meet the emergency; however in no event shall any emergency contract exceed a term of one (1) year.

3.124.4 Authority to Make Emergency Procurements

Any state agency may make emergency procurements when an emergency condition arises and the need cannot be met through normal procurement methods, provided approval by the executive head of the agency shall be obtained prior to the procurement and provided 3.110 is followed. Governing authorities shall comply with Section 31-7-13(k), Mississippi Code of 1972, Annotated.

3.124.5 Source Selection Methods

3.124.5.1 General

The procedure used shall be selected to assure that the required commodities are procured in time to meet the emergency. Given this constraint, such competition as is practicable shall be obtained.

3.124.5.2 After Unsuccessful Competitive Sealed Bidding

Competitive, sealed bidding is unsuccessful when bids received

pursuant to an Invitation for Bids are unreasonable, non-competitive, or the low bid exceeds available funds as certified by the appropriate fiscal officer, and time or other circumstances will not permit the delay required to re-solicit competitive sealed bids. If emergency conditions exist after an unsuccessful attempt to use competitive sealed bidding, an emergency procurement may be made.

3.125.00 Debriefings

Debriefings

In accordance with Chapter 3, Section 3.107.18 of the Manual, the Agency Procurement Officer is authorized to provide debriefings that furnish the basis of the source selection decision and contract award. Debriefings may only be conducted when utilizing the competitive sealed proposal process as authorized in Chapter 3, Section 3.107.

1. At the written request of any offeror who has submitted a proposal, debriefings may be given orally, in writing, or by any other method acceptable to the Agency Procurement Officer. Such debriefings may be given at any time on or after the eighth (8th) day after the agency has awarded the contract. In no case may an offeror request a debriefing more than thirty (30) days after the agency has awarded the contract.
2. An offeror's written request for a debriefing should include a list of any questions an offeror may have in order to assist the Agency Procurement Officer or agency staff in preparing for the debriefing.
3. A post-award debriefing may include:
 - The agency's evaluation of significant weaknesses or deficiencies in the proposal, if applicable;
 - The overall evaluated cost or price (including unit prices) and technical rating, if applicable, of the successful offeror and the debriefed offeror;
 - The overall ranking of all proposals, when any such ranking was developed during the source selection;
 - A summary of the rationale for award;
 - Reasonable responses to relevant questions about whether source selection procedures contained in the Request for Proposals and applicable law were followed.
4. Post-award debriefings should not include point-by-point comparisons of the debriefed proposal with those of other offerors.
5. Any debriefing should not reveal any information prohibited from disclosure by law, or exempt from release under the Mississippi Public Records Act of 1983, including trade secrets, or privileged or confidential commercial or manufacturing information. Agencies should consult their Public Information

Officer or agency legal representative for guidance in complying with the Act prior to conducting debriefings.

6. Debriefings are non-adversarial business meetings. Accordingly, offerors may bring legal representation to any oral debriefing, although it is not necessary. If, however, any offeror has legal representation present during an oral debriefing, the agency must also have its legal representative in attendance. Questioning of agency staff by offerors' legal representative(s) is not permitted.
 - a. A summary of any debriefing should be included in the contract file.

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