

STATE OF MISSISSIPPI DEPARTMENT OF EDUCATION	TOPIC: PURCHASING
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## GENERAL

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

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

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

In Mississippi there are three agencies that regulate purchasing:

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

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

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

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

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

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

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

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

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

- Purchases up to \$50,000 will require at least two (2) quotes
- Purchases \$50,000 or greater but less than \$75,000 will require at least three (3) quotes
- Purchases \$75,000 or greater must be a publicly advertised for a reverse auction and shall be submitted to the OPTFM for approval prior to making the purchase.

REQUEST FOR AUTHORITY TO PURCHASE

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

1. Emergency Purchases when total amount of purchase exceeds \$5,000
2. Single Source Purchase when total amount of purchase exceeds \$5,000
3. Purchases or rentals in excess of \$75,000 for commodities not covered by a state or agency contract
4. Acquisition of equipment by lease-purchase
5. Purchase or rental of items covered on competitive bid state contracts from other than the contract vendor. Exception: similar items under \$1,000

PURCHASING

To ensure compliance with state law, the Department has mandated all purchases shall be made by requisition or shopping cart with approval from the Office of Procurement Purchasing Division.

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Any deviation from this policy may result in a violation of Department and state purchasing laws. Any employee associated with violating such procedures, policies, or laws with improper and fraudulent purchases shall be responsible for those payments owed to the State as well as be held accountable for any other penalties deemed appropriate by law.

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

- submit all requests for commodities, and furniture through Shopping Cart
- submit all requests for equipment related items on a Request for Services and Goods Form (requisition)
- review State contract list for all Shopping Cart orders
- review ITS CP-1 agreements
- code expenditures to appropriate cost centers
- receive and check delivered goods
- utilize the accounting stamp for receipt of goods
- report any delivery issue with orders to the Office of Procurement
- monitor expenditures
- de-obligate funds when services are complete

#### REQUEST TO PURCHASE

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

A contract or an agreement is required for any payment of personal, professional, and technology related services through the use of a Request for Services or Goods Form (requisition) submitted to the Office of Procurement for purchase order processing. The program shall submit a Shopping Cart request no later than 15 days after receipt of the executed contract.

The preferred method to request all other purchases will be through the use of the Mississippi Accountability System for Government Information and Collaboration (MAGIC) Shopping Cart. Whether it be for supplies, workshop materials, equipment, books, periodicals, etc., the program office must make the request through the individual designated to submit purchase order requests.

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

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

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

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

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

- number of quotes based on thresholds
- office and program charged
- supporting documents to align with amount of request
- quantity, unit, product numbers, description, unit price and totals align
- accurate budget codes (cost/fund center, fund, budget year, internal order number, and program number)

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- accurate vendor information
- shipping and handling
- State Contract bid item prices

Vendor bids are required on all items to be purchased between \$.01 and \$75,000. Email quotes from authorized representatives are acceptable and must include an email signature that identifies the authorized signee's employment title. Email quotes will be reviewed for authentication.

Purchase order requests less than \$50,000 will require at least two (2) competitive quotes and \$50,000 to \$75,000 will require at least three (3) competitive quotes from vendors for item(s) to be purchased. Shopping Carts or requisitions will be scrutinized to make certain invoice splitting does not occur to circumvent requirements to provide a competitive bid.

All purchases over \$75,000 must be advertised once a week for two (2) consecutive weeks in the local newspaper, on the Departments webpage, with the Mississippi Development Authority's (MDA) Mississippi Procurement Technical Assistance Program (MPTAP) or Mississippi Transparency (MS Transparency). Offices are responsible for contacting the Office of Procurement and visiting the Procurement website for assistance with the development of an Invitation for Bid or Reverse Auction specification for a bid. The Office of Procurement and OPTFM must approve the specifications prior to advertisement in the newspaper and MPTAP or MS Transparency.

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

PROCUREMENT OF COMMODITIES, EQUIPMENT, FURNITURE, PRINTING, CONSTRUCTION, REPAIR, FLEET AND PERSONAL AND REAL PROPERTY:

For contracts in excess of \$75,000 for commodities, equipment, furniture, printing, construction, repair, fleet and personal and real property shall be submitted to the Office of Purchasing, Travel, Fleet Management (OPTFM) for review at least thirty (30) calendar days prior to advertisement. The review will determine if bid shall be conducted utilizing the reverse auction method for procurement.

Reverse auctions shall be the primary method for receiving bids during the bidding process. Generally speaking, reverse auctions are not recommended for highly customized specifications where only a small number of suppliers will be able to respond. Commodities that are clearly

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defined by industry standards (e.g., “off the shelf” items), with very many suppliers, where the supplier relationship is transactional and costs to switch among suppliers are negligible are good candidates for reverse auctions. By comparison, a procurement for a patented or highly technical and complex good that has a single or few suppliers may not be a suitable candidate for reverse auctions.

If a reverse auction is not in the best interest of the state, then that determination shall be approved by the Public Procurement Review Board. The Department shall submit a detailed explanation of why a reverse auction would not be in the best interest of the state and present the alternative process to be approved by the Public Procurement Review Board. If the Public Procurement Review Board authorizes the Department to solicit bids with a method other than reverse auction, then the Department may designate the other methods by which the bids will be received, including, but not limited to, bids sealed in an envelope, bids received electronically in a secure system, or bids received by any other method that promotes open competition and has been approved by OPTFM.

COMPETITIVE BID

Section 31-7-13, Mississippi Code of 1972, Annotated, specifies the competitive bid process. Purchases not covered by a competitively bid state contract or a negotiated state contract, the Department’s procedures requires at least two (2) competitive written quotes for purchases up to \$50,000 and at least three (3) competitive quotes for any purchase \$50,000 to \$75,000.

Publishing or posting an advertisement for a bid is not required for purchases under \$75,000. Purchases in excess of \$75,000 must be properly advertised in accordance with state statute.

REVERSE AUCTIONS

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

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INVITATION FOR BID (IFB)

Invitation for Bids means all documents, whether attached or incorporated by reference, utilized for soliciting competitive bids. Bids shall be defined as an offer submitted by a prospective contractor in response to an Invitation for Bids.

When a determination is made that an IFB procurement is best suited for a particular service a reverse auction is the preferred method of procurement.

When a determination is made that an IFB procurement is best suited for a particular service and has been exempt from a reverse auction. An IFB shall be issued in accordance with PPRB regulations process as specified in the Procurement Manual. The IFB template can be found on the Procurement website.

The IFB shall include the following:

- Instructions and information to bidders concerning the bid submission requirements, including the time and date set for receipt of bids, the address of the office to which bids are to be delivered, the maximum time for bid acceptance by the State, reverse auctions instructions and any other special information;
- Purchase description, delivery or performance schedule, and such inspection and acceptance requirements as are not included in the purchase description; and, contract terms and conditions, including warranty and bonding or other security requirements, as applicable.

The IFB shall be reviewed and approved by the Director of Procurement, Compliance Officer and OPTFM prior to distribution to potential vendors. The bid shall be assigned a Bid File Number by the awarding office, which shall consist of the word BID, fiscal year, organizational code with an office identifier (if necessary), sequential number of bid, and/or a Mississippi Accountability System for Government Information and Collaboration (MAGIC) number as assigned by the Procurement Office.

ADVERTISEMENT

When the anticipated expenditure is more than \$75,000, public notice of the IFB shall be publicized on the following:

- a newspaper published in the county or municipality in which the agency is located,



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- Mississippi Procurement Technical Assistance Program on the same day,
- Mississippi Contract/Procurement Opportunity Search portal, and
- MDE website.

Advertisement of Invitation of Bids in the newspaper shall be published once each week for two consecutive weeks with the second notice being published on or after the seventh (7<sup>th</sup>) calendar day after publication of the first notice. For publication on the Department’s webpage and the Mississippi Contract/Procurement Opportunity Search Portal, the advertising time shall be concurrent with the newspaper publication and shall run for at least fourteen (14) consecutive days. The date set for the bid opening must not be less than fourteen (14) working days after the second notice appears in the newspaper, unless it is determined due to the complex requirements of the procurement that a longer vendor response time is necessary. The date set for bid opening shall be included in the advertisement.

*Note: There shall be fourteen (14) business days between the date the last notice appeared and the date that bids are opened. The due date shall not include weekends or holidays. Also, The due date shall not include a Saturday, Sunday, Monday, legal holiday, or day following a state (or legal) holiday.*

The following is a suggested guide for the legal advertisement:

*The {name of the entity} will accept sealed bids until {time of bid opening}, {day of the week}, {month}, {date}, {year} for the purpose of purchasing the following: {name of service to be procured}, {bid file number}, Detailed specifications may be obtained by contacting {name of contact person} at {telephone number} or at {physical mailing address}.*

The Procurement Office will contact the newspaper, submit to the Mississippi Procurement Technical Assistance Program on the same day, post the IFB to the Department website under the Public Notice section and will have the IFB removed after the bid deadline.

PRE-BID CONFERENCE

Pre-bid conferences may be conducted to explain the procurement requirements. The conference date and time shall be announced in the bid to all prospective bidders. The conference should be held long enough after the IFB has been issued to allow bidders to become familiar with it but sufficiently before bid opening to allow consideration of the conference results in preparing bids. Nothing stated at the pre-bid conference shall change the IFB unless a change is made by written amendment as provided in the PPRB regulations. A summary of the conference shall be supplied to all prospective bidders known to have received an IFB. If a transcript is made, it shall be of public record.

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RECEIPT OF BIDS

Any bid received in the Office of Procurement or submitted electronically after the time and date set for receipt of bids is late. Any withdrawal or modification of a bid received after the time and due date set for opening of bids at the place designated for opening is late. No late bid, late modification, or late withdrawal will be considered unless receipt would have been timely but for the inaction of Department personnel. A Register of Bids shall be prepared which shall include the name of each bidder, the number of modifications received, if any, and a description sufficient to identify the type of bid. Bids shall be unconditionally accepted without alteration or correction, except as authorized in the PPRB regulations.

Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes shall be permitted in accordance with the PPRB regulations.

OPENING AND RECORDING

Bids and modifications shall be opened publicly, in the presence of two or more individuals, at the time, date, and place designated in the Invitation for Bids. The name of each bidder, the bid price, and such other information as is deemed appropriate by the Agency Procurement Officer, shall be read aloud or otherwise made available. Such information also may be recorded at the time of bid opening; that is, the bids may be tabulated, or a bid abstract made. The names of required witnesses shall also be recorded at the opening. The opened bids shall be available for inspection by participants except to the extent the bidder designates trade secrets or other proprietary data to be confidential. Material so designated shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the nonconfidential portion of the bid. Prices and makes and models or catalog numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary. Bids shall be available for inspection at any time subsequent to the awarding of the contract affected by those bids.

REVERSE AUCTION PROCEDURES

When a determination is made that an IFB procurement is best suited for a particular service and a reverse auction is required, the Department shall comply with IFB and Reverse Auction procedures.

The reverse auction should occur only after the Office of Procurement has had sufficient time to prequalify the suppliers. Such anticipated time shall be included in the Invitation for Bids Packet.

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### THE PREQUALIFICATION PROCESS

Once a supplier's product is determined to be responsive, the supplier may participate in the reverse auction.

### INSTRUCTIONS ON ACCESSING THE AUCTION

Suppliers should be given detailed MAGIC instructions on how to access the reverse auction event, including how to gain access to the system utilized and what technical requirements may be involved. However, no supplier may be prohibited from participating in person by paper through surrogate bidding.

### AWARD

The contract shall be awarded with reasonable promptness by written notice to the lowest responsible bidder whose bids meets the requirements and criteria set forth in the IFB. Negotiations shall be done in accordance with PPRB rules and regulations. Written notice of award shall be sent to the successful bidder by the awarding office. Notice of award shall be made available to the public.

When it is considered impractical to initially prepare a definitive purchase description to support an award based on price, a multi-step sealed bid may be issued requesting the submission of unpriced offers. Another IFB would follow, which would be limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation. Multi-step bidding shall be performed in accordance with PPRB rules and regulations.

### PROCUREMENT OF PERSONAL AND PROFESSIONAL SERVICES

For contracts in excess of \$75, 000 for personal or professional services that will not be procured as an Invitation for Bid, a Petition for Relief from Bidding as a Procurement Method shall be submitted to OPSCR for review and approval. The Petition for Relief from Bidding as a Procurement Method Form and a draft copy of the Request for Bids shall be submitted to OPSCR for review at least thirty (30) calendar days prior to the PPRB meeting. Please review PPRB's meeting and contract submission deadline dates at Department of Finance and Administration's website. The PPRB shall approve a Petition for Relief from Bidding to move the procurement forward to the advertisement of a solicitation. Therefore, the awarding office should present any contract in excess of \$75,000 to the Office of Procurement in sufficient time to be reviewed.

It is the responsibility of the awarding office to meet the time frames necessary for Petition for Relief from Bidding to secure the appropriate approvals by the State Board of Education prior to a

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submission of a contract to PPRB for placement on their board agenda. Timelines for submission of contracts in order to meet deadlines for the SBE Board and PPRB meetings can be found on the Procurement website.

The bid process is the same for professional and personal services contracts, with the exception of a reverse auction.

STATE PURCHASING CONTRACTS

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

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

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

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

DEPARTMENT CONTRACTS FOR SERVICES

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

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### TECHNOLOGY/EQUIPMENT PURCHASES

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

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

- Technology Purchase Request Form
- MDE Request for Quote Form
- Quotes, if applicable
- Signed technology agreement, if applicable
- CP-1, if applicable
- Requisition
- Program Technology Plan and
- Any other supporting documentation.

### INFORMATION AND TECHNOLOGY SERVICES (CP-1)

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

### PURCHASE ORDER

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

#### *The Request for Goods and Service*

- Requesting office verifies budget availability for major category, based on quotes, catalog, or internet pricing.

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- Requesting office shall verify catalog or internet pricing and shipping costs.
- Requesting office shall complete and submit the Shopping Cart to the Office of Procurement for further processing.
- Requesting office shall upload supporting documentation for the purchase to the Notes and Attachment Section of the shopping cart.

#### *Approval/Denial of Request*

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

The Office of Procurement will process all requests promptly. Lead times will require at least ten (10) working days for review and approval. As purchase orders are processed and issued, vendors work to fill the orders.

#### RETURN OF GOODS ORDERED

Program Office shall contact the vendor to obtain information on return of goods ordered for any orders that have issues/discrepancies. The program office will complete the Return of Goods form, if there is a an adjustment to decrease the price and/or quantity of the approved purchase order. The completed form, along with a copy of the purchase order should be submitted to Purchasing for processing via [purchasingrequests@mdek12.org](mailto:purchasingrequests@mdek12.org).

Program Offices will notify Central Receiving and Accounts Payable, regarding the resolution of the return of goods. It is the responsibility of the program office to package the item for return and take the packaged item(s) to Central Receiving for return pick-up.

#### IRS FORM W-9

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

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### STATE SALES TAX EXEMPTION

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

### ENCUMBRANCE OF FUNDS

The encumbrance of funds is the actual portion of a budget that is set aside to pay for goods or services ordered and not yet received or services performed that have not been paid. The encumbrance of funds ensures that budgets are not exceeded. The encumbrances also track purchase commitments to be fulfilled. Encumbrances from current appropriations must be made by June 30<sup>th</sup> of the current fiscal year.

### FISCAL YEAR-END PURCHASING DEADLINES

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

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

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

Pre-set deadlines that are met by requesting offices ensure funds for goods and services are encumbered by June 30<sup>th</sup>. Meeting the deadlines for June 30<sup>th</sup> allows for timely order placement, receipt of goods, invoice, and payment to vendors by August 15<sup>th</sup>.

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

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

- Transaction listed in Section 31-7-13(m), Mississippi Code of 1972, Annotated

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- Purchases from the OPTFM state competitive bid and negotiated contracts
- Service contracts provided by businesses or persons which do not include the acquisition of a commodity or equipment (e.g., personal or professional services contracts and ITS)
- Transportation of items (freight charges) – This exemption shall not apply to the travel contracts established by the Office of Purchasing, Travel and Fleet Management.
- Postage
- Workers Compensation Insurance and Personnel Bond required by law
- Utilities
- Commodities purchased for resale
- Food and lodging reimbursable on a travel voucher
- Maintenance contracts except those under the purview of the Department of Information Technology Services
- Library books and other reference materials purchased by or for libraries
- State-adopted textbooks
- Transfer, sale or exchange of property between state agencies
- Purchases from state-operated industries, i.e., Mississippi Industries for the Blind or Mississippi Prison Industries
- Purchases for original artwork and artifacts by museums for public display
- Purchases of original artwork (paintings, statues, sculptures, etc.) for public display
- Perishable food for school lunch programs
- Subscriptions – This exemption shall not apply to those subscriptions under the purview of the Department of Information and Technology Services

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

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

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

SOLE SOURCE

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



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

1. where the compatibility of equipment, accessories, or replacement parts is the paramount consideration (and manufacturer is sole supplier)
2. where a sole supplier's item is needed for trial use of testing
3. where a sole supplier's item is to be required when no other item will serve the need of the user entity

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

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

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Once the procedures listed above have been followed, and an item has been certified as a single source item, the item may be purchased without complying with provisions for competitive bidding. Authority must be granted by the OPTFM prior to acquisition of the item by using the electronic P-1 process. The program office must provide a letter from the Superintendent and DFA’s Sole Source Determination Form and quote as attachments to a P-1 request outlining the results of the procedures that were detailed above.

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

EMERGENCY

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

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

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

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

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

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Emergency purchases necessary for disaster recovery must be well documented. During a state of emergency declared by the Governor of the State of Mississippi, purchasing statutes and policies and procedures are waived. However, all purchases must be documented with receipts.

(1) Emergencies threatening health and safety or property

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

The justification must include the following:

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

EQUIPMENT REPAIRS

Equipment shall be defined as any purchase made for a truck, automobile, tractor, appliance or any other equipment as defined by MDE, requiring routine maintenance for upkeep.

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

STATE PROCUREMENT CARD PROGRAM

The MDE has adopted the State Procurement Card Program. Guidelines have been established

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

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

PROCUREMENT OF MEALS, REFRESHMENTS, AND SPACE FOR BUSINESS MEETINGS

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

Offices may provide meals for meetings where it is determined:

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

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

Prudent judgment should be utilized in the selection of the refreshment items. The total combined daily cost of meals, refreshments, including service fees, shall not exceed a daily maximum meal allowance of \$75 per person per day.

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

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

<u>Contract Cost</u>	<u>Required Support</u>
\$0 to \$5,000	One (1) written quote
Over \$5,000-\$50,000	Two (2) written quotes
\$50,000.01+ - \$75,000	Three (3) written quotes
\$75,000.01	Public Bid

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

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

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

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

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

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

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

RENTAL, LEASE, LEASE-PURCHASE

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

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

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

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

RENTAL COPIERS

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

MASTER LEASE-PURCHASE OF EQUIPMENT

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

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CONFERENCE PLANNING AND PURCHASES

Clothing for Conference Registrants

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

Donated Clothing

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

Conference Specialty Items

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

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

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

Door Prizes and Gifts

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

Speaker Gifts

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

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

Gift Cards

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

Membership Dues

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

Awards

The purchase of an award, or certificate which has no value, is allowable to document attendance or the benefits of training for teachers, administrators, or school superintendents.

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

Purchase of Plaques

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

Framing of Certificates, Pictures, And Posters

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



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Attachment A

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

Introduction

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

Training

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

Purchasing Authority

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

Cardholder Spending Limits

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

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

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

#### Procurement Responsibilities

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

#### Program Coordinator:

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

#### Cardholder:

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

#### Cardholder's Chief and Bureau Director:

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

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

### Conditions for Use

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

### State Procurement Card Log/Record of Card Purchases

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

### Food for Business Meetings

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

### Missing Documentation

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

### Federal Employer Identification Number (Tax ID Number)

The Mississippi Department of Education's federal tax identification number can be provided by

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the Accounting Director upon request.

Sales Taxes

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

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

Customer Account Numbers or Tax-Exempt Numbers

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

Credit Card Activity

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

Prohibited Use of the State Procurement Card

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

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

The State Procurement Card cannot be used to procure items that are prohibited purchases

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under state law, DFA regulations, MDE Policies and Procedures or State Board Policies.

### Back Orders

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

### Record Keeping/Monthly Log

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

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

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

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

### Payment

After review and approval, the Program Coordinator will forward the reconciled statements to Accounts Payable or payment. The procurement card statement along with proper documentation should be attached to the MAGIC payment document and forwarded to the

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Bureau of Financial Control with 10 working days of the agency receiving the statement.

Disputes and Returns

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

Merchandise Returns

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

Credits/Refunds

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

Lost or Stolen Credit Cards

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

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

Cardholder Employment/Position Changes

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

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

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Revoked State Procurement Cards

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

Budget and Expenditures

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