

## Section 3.1 **PURCHASING**

### Introduction

Under existing Missouri statutes, the Office of Administration-Division of Purchasing and Materials Management (OA-DPMM) is charged with the responsibility for the purchase of all supplies, materials, equipment, contractual services and any and all articles or things, except utility services regulated under Chapter 393 RSMo for the State. The OA-DPMM also has the authority to prepare the rules and regulations and prescribe the procedures that will be followed by all state agencies in procuring the goods and services that they use. It is under these rules and regulations that this Department procures all needed supplies and services.

### Method of Purchase by Procurement Section

Local Purchase Authority may be used when:

1. Purchases of \$3000 or less not on state contract require no bid or the OA-DPMM approval. Good fiscal management should be used when making such purchases. If the price of an item appears to be high, request a price from another vendor.
2. Obtain three or more competitive bids:
  - a. A single Local Purchase Order with a total value of less than \$25,000.
  - b. A Local Purchase Contract with a total value of less than \$25,000 for an initial contract period not-to-exceed 12 months. The department may choose renewal options not to exceed 12 months per option in the contract. The total value of each option must be less than \$25,000 for the renewal period.

Local Purchase Authority shall not be used if:

1. Supplies are available on current department, statewide, or blanket contracts; unless specifically allowed by the contract terms.
2. Vehicles are requested.
3. Supplies for which the award of a single Local Purchase Order has a total value of \$25,000 or more.
4. Supplies for which a series of periodic Local Purchase Orders will have an aggregate value of \$25,000 or more within the same fiscal year.
5. Supplies for which the award of a Local Purchase Contract has a total value of \$25,000 or more within the contract period not to exceed 12 months.
6. Procurements will utilize lease/purchase financing or lease with purchase option.
7. Procurements will utilize a competitive process as defined in Sections 34.040 and 34.042 RSMo.

### Purchases Requiring Special Approvals

Certain commodities and services, as indicated below, require review and approval prior to procurement. An approval number must be obtained before processing under the Local Procurement Authority.

Forms: All new or revised forms must be approved by the DESE Data Manager and the OA, Forms Management Unit. Reprints of previously approved forms will not require approval.

Printing: All printing requirements must be reviewed by the DESE Communications organization the OA, State Printing Center. If the requirement cannot be produced by the State Printing center, a waiver number will be issued.

Insurance: All procurements using object code 2185 (Insurance and Surety Bond Premiums) require approval from the OA, Risk Management.

Missouri Vocational Enterprises (MVE): All equipment, supplies, and services provided by MVE must be obtained from MVE unless MVE certifies that such items are not currently available and will provide a waiver.

Vehicles: All vehicle purchases must be obtained through the OA, State Fleet Management. Send requests for vehicles to the Budget Section for approval through OA, State Fleet Management.

Copiers: Copiers available from a statewide contract do not require pre-approval.

### Annual Wage Orders

All bids for construction, maintenance, and repair must comply with the requirements for Annual Wage Orders as stipulated in Chapter 290 RSMo. A copy of the Annual Wage Order must be attached to the solicitation document. Annual Wage Orders may be obtained from the Department of Labor and Industrial Relations, Division of Labor Standards. Pursuant to 107.170 RSMo, all public works with a cost estimated to exceed \$25,000 require a payment bond.

### Single Feasible Source (SFS) Procurement

As defined in Section 34.044 RSMo, single feasible source procurement exists when:

- Supplies are proprietary and only available from the manufacturer or a single distributor;
- Based on past procurement experience, it is determined that only one distributor services the region in which the supplies are needed; or,
- Supplies are available at a discount from a single distributor for a limited period of time.

A Department Purchase Requisition (DPR) must be submitted for SFS purchases valued at \$5,000 or more with the description of the item/service, estimate of total dollar amount, sole source vendor, accounting information, supporting documentation of how the procurement meets the legal definition of an SFS, and a letter from the vendor detailing how they are the sole source for the item/service. The

Approved DPR is submitted to the procurement section for processing. The procurement section will submit the request to OA-DPMM.

### Procedures for Purchases and Payments

When items are requested to be purchased, a DPR is prepared by the section with the description of the item/service, number of items needed, estimate of the total amount, recommended vendor and accounting information to be charged. The DPR is to be signed by the section director or school administrator and approved by the Assistant Commissioner for that Office. After signature and approval, the original is sent to the procurement section for processing. A copy of the DPR is to be retained by the section. The procurement section upon receipt of the request will determine the method of procurement allowable under existing regulations and acquire the item or service as follows:

- a. For purchases of \$3,000 or less any vendor may be used.
- b. For purchases greater than \$3,000 but less than \$25,000, a bid record sheet must be attached which includes the vendor name, contacted individual quoting the price, telephone number, delivery time, freight, and cost of the item. The bid record sheet should show at least three (3) different vendor bids or vendors contacted. Personnel conducting bids must have a valid (annual) Evaluator Training certificate on file with the Procurement Manager. If the purchase is a service that totals \$5,000 or more, E-Verify documentation will be needed unless the vendor is an individual with no employees, or if the purchase falls under an exempt object code.
- c. For purchases totaling \$25,000 or more complete detailed specifications must be attached to the DPR. This applies to the purchase of any type of goods or service. The procurement section will, if needed, assist the sections in preparing specifications. An illustration of the item should be attached whenever possible. A list of recommended vendors and contact information may be attached. Whether the purchase is through an OA contract or a special department delegation, personnel evaluating OA bids or conducting department bids must have a valid (annual) Evaluator Training certificate on file with the Procurement Manager.
- d. For purchases off of state-wide contracts or any department contract, the contract number and item number should be listed on the DPR. When items purchased are on contracts, the contract will be used.

If a contract is awarded to a vendor for an amount of \$3,000 or less, the contract should be approved by the procurement section and then signed by the Assistant Commissioner/Deputy. If a contract is awarded to a vendor for greater than \$3,000, the contract is to be sent to the procurement section and the Assistant Commissioner/Deputy for review before being sent to the Commissioner for final approval and signature.

The indirect cost rate to be used on contracts funded with federal funds is the final negotiated 2015 unrestricted rate. When funding a contract with state funds, the restricted indirect cost rate is to be used.

When items have been purchased and an invoice is available, the following procedures should be followed:

- Prepare a DPR with the description of the item, vendor and accounting information to be charged.

- Attach the invoice with an approving signature indicating the goods or services have been received.
- Contact the procurement section before the purchase to obtain a purchase order number and if the items to be purchased are on a statewide contract or from another state agency, a justification will should be attached.

When employees are being reimbursed for expenses not on the expense account, the following procedures should be followed:

- A Department Invoice, Form MO 500-2025, is to be completed, signed by the employee and the Assistant Commissioner. The Department Invoice should show the description of the expense, the total reimbursable amount and the accounting information to be charged.
- A vendor invoice of the expense must be attached. This invoice must indicate the expense has been paid.

### Federal Funds

If federal funds will be used to purchase the product/service, the Department must verify against the System for Award Management (SAM) [<https://www.sam.gov>] provided by the General Services Administration (GSA) that the potential awardee is not on the list of individuals, entities, and contractors excluded from Federal procurement and sales programs, non-procurement programs and financial and non-financial benefits. If the potential awardee is found on the list, an award cannot be made to the potential awardee. Documentation of the search results may include a screen print(s) of the applicable SAM search results screen.

### Conflict of Interest

No employee, officer, or agent must participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.