MISCELLANEOUS PURCHASING PROCEDURES

Policy Statement

Miscellaneous policies are necessary to address purchasing issues and to comply with state requirements for bids and contracts.

Reason for Policy/Purpose

This policy is required for the effective communication of university policies regarding miscellaneous purchasing procedures.

Who Needs to Know This Policy

All members of The University of Southern Mississippi community.

Website Address for this Policy

www.usm.edu/institutional-policies/policy-adma-pur-015

Definitions

Policy/Procedures

PURCHASE ORDER PROCEDURES

The purchase order at The University of Southern Mississippi is a consecutively computer-numbered form used as the contract for goods and services. The purchase order form is designed to give each person, department, or vendor all the information they need about the contract. Purchase orders are issued by the Purchasing Department against properly approved and
recorded requisitions originated by the departments. Departments should promptly check their copy of the purchase order against the requisition submitted. Any error or discrepancies should be reported immediately to the Purchasing Department.

CHANGE ORDERS: Changes in an issued purchase order must be authorized by the Purchasing Department. In such instances the Purchasing Department will issue a change order (purchase order alteration). It is handled in the same way as the original purchase order it replaces or changes.

CORRESPONDENCE WITH VENDORS: It is university practice that all contracts or correspondence pertaining to negotiations affecting purchases or prospective purchases, that involve prices, terms, conditions, and delivery shall be carried on by the Purchasing Department. Further, all correspondence pertaining to a purchase order that has been placed and that involves prices, terms, conditions, delivery, quantity, substitutions, complaints, or anything whatsoever involving the commitments shall be carried on by the Purchasing Department. Direct correspondence by a faculty or staff member is accepted practice on all other subject matters, such as availability of specified requirements, technical information, instructional information, request for literature, etc.

MS STATE BID AND QUOTE REQUIREMENTS

31-7-13. All agencies and governing authorities shall purchase their commodities and printing; contract for fire insurance, automobile insurance, casualty insurance (other than workers' compensation) and liability insurance; contract for garbage collection or disposal; contract for solid waste collection or disposal; contract for sewage collection or disposal; and contract for public construction as herein provided. Purchases which do not involve an expenditure of more than five thousand dollars ($5000.00), exclusive of freight or shipping charges, may be made without advertising or otherwise requesting competitive bids. Provided, however, that nothing contained in this paragraph shall be construed to prohibit any agency or governing authority from establishing procedures which require competitive bids on purchases of five thousand dollars ($5000.00) or less.

A. Purchases which involve an expenditure of more than five thousand dollars ($5000.00) but not more than fifty thousand Dollars ($50,000.00), exclusive of freight and shipping charges, may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two (2) competitive written bids have been obtained. The term "competitive written bid" shall mean a bid submitted on a bid form furnished by the buying agency or governing authority and signed by authorized personnel representing the vendor, or a bid submitted on a vendor's letterhead or identifiable bid form and signed by authorized personnel representing the vendor.

B. Purchases which involve an expenditure of more than fifty thousand dollars ($50,000.00), exclusive of freight and shipping charges, may be made from the lowest and best bidder after advertising for competitive sealed bids once each week for two (2) consecutive weeks in a regular newspaper published in the county or municipality in which such agency or governing authority is located. The date as published for the bid opening shall not be less than seven (7) working days after the last published notice; however, if the
purchase involves a construction project in which the estimated cost is in excess of fifty thousand dollars ($50,000.00), such bids shall not be opened in less than fifteen (15) working days after the last notice is published and the notice for the purchase of such construction shall be published once each week for two (2) consecutive weeks. The notice of intention to let contracts or purchase equipment shall state the time and place at which bids shall be received, list the contracts to be made or type of equipment or supplies to be purchased, and, if all plans and/or specifications are not published, refer to the plans and/or specifications on file. Specifications pertinent to such bidding shall be written so as not to exclude comparable equipment of domestic manufacture.

C. Purchases may be made from the lowest and best bidder. In determining the lowest and best bid, freight and shipping charges shall be included. No agency or governing authority shall accept a bid based on items not included in the specifications.

D. No contract or purchase as herein authorized shall be made for the purpose of circumventing the provisions of this section requiring competitive bids, nor shall it be lawful for any person or concern to submit individual invoices for amounts within those authorized for a contract or purchase where the actual value of the contract or commodity purchased exceeds the authorized amount and the invoices therefore are split so as to appear to be authorized as purchases for which competitive bids are not required. Submission of such invoices shall constitute a misdemeanor punishable by a fine of not less than five hundred dollars ($500.00) nor more than one thousand dollars ($1,000.00), or by imprisonment for thirty (30) days in the county jail, or both such fine and imprisonment. In addition, the claim or claims submitted shall be forfeited.

E. For the purposes of this section, the term "purchase" shall mean the total amount of money encumbered by a single purchase order.

MS STATE CONTRACT INFORMATION

The State of Mississippi through the Office of Purchasing and Travel has many items that are on state contracts. There are three (3) types of state contracts: (1) negotiated contracts, (2) competitive bid contracts, and (3) agency contracts.

1. Negotiated contracts – Proposals are accepted from vendors for this type of contracts. These proposals are evaluated with a contract being awarded to all vendors when prices are competitive.

2. Competitive bid contracts – These contracts are established on the basis of written specifications and sealed competitive bids with a contract being awarded to the vendor that has submitted the lowest bid that meets the specifications. All state agencies are required to purchase from the awarded vendor.

3. Agency contracts – The agency contracts are established on the basis of competitive bids or negotiation by a specific agency. The agency contract must be approved by the office prior to any purchases being made. The availability of agency contracts to various agencies is dependent upon the terms of the agreement and a determination by the office that the prices should be available to other agencies.
The Director of Procurement and Contract Services is responsible for the review of this policy every four years (or whenever circumstances require immediate review).

### Forms/Instructions

N/A

### Appendices

N/A

### Related Information

N/A

### History

11/01/11: Formatted for Institutional Policies website.
02/20/13: Formatted for template. Minor editing throughout.
**Amendments:** Month, Day, Year – summary of changes
Authorization

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ADMA-PUR-000-015

As the Responsible Officer, I have reviewed this policy and believe it represents the current policy.

Responsible Officer

Date

4 MAR 2013