



*Division of Financial and  
Administrative Services*

# **PROCUREMENT POLICY**

## Section 3.1 PURCHASING

### Introduction

Under existing Missouri statutes, the Division of Purchasing and Materials Management (DPMM) in the Office of Administration 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 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 totaling less than \$3000 not on state contract, require no bid or 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 negotiation 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 Office of Administration, Forms Management Unit. Reprints of previously approved forms will not require approval.

Printing: All printing requirements must be reviewed by the DESE Publications and Printing Section and the Office of Administration, State Printing Center. If the requirement cannot be produced by the State Printing center, an approval number will be issued.

Insurance: All procurements using object code 2185 (Insurance and Surety Bond Premiums) require approval from the Office of Administration, 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 Office of Administration, 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 Procurement

As defined in Section 34.044 RSMo, a 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.

State agencies must submit a Non-Pre-Encumbering Requisition (NR) to the OA-DPMM for processing single feasible source procurements valued at \$5,000 or more. The requisition must include an explanation on the Note Pad Text as to how the procurement meets the legal definition of a single feasible source.

### Procedures for Purchases and Payments

When items are requested to be purchased by the Procurement Section, a Department Purchase Requisition (DPR) needs to be prepared by the section with the description of the item, number of items needed, estimate of the total amount, recommended vendor and accounting information to be charged. The DPR is to be prepared in triplicate, signed by the section director or school administrator and approved by the Associate/Assistant Commissioner for that Division. After signature and approval, the original is sent to the Procurement Section for processing. The remaining copies are to be retained by the section director, or school administrator, and Associate/Assistant Commissioner. 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. On purchases totaling less than \$3,000 any vendor may be used.
- b. On purchases totaling \$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.
- c. On 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.
- d. On 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 less than \$3,000, the contract is to be sent through the Procurement Section and then to the Associate/Assistant Commissioner for final approval and signature. If a contract is awarded to a vendor for \$3,000 or greater, the contract is to be sent to the Procurement Section and the Associate/Assistant Commissioner for review before being sent to the Commissioner for final approval and signature.

The indirect cost rate to be used on contracts is the current DESE negotiated rate with the federal government. The restricted rate is to be used when funding the contract with a restricted federal program (has supplement not supplant language). The unrestricted rate is to be used when funding the contract with an unrestricted federal program. When funding a contract with state funds, the restricted indirect costs 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 have to 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 (3-96), is to be completed, signed by the employee and the Associate/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.