

	State of Alaska Department of Corrections Policies and Procedures		Index #: 302.15	Page 1 of 8	
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	Chapter:	Fiscal Management			
Subject:	Procurement				

I. Authority

In accordance with AS 44.28.030, AS 33.30.030 and 7 AAC 50.155, the Department of Corrections shall develop and adopt policies and procedures that are consistent with laws for the guidance, government and administration of correctional facilities, programs and field services.

II. References:

2 AAC 12.010-990
Alaska Administrative Manual
81 AAM 000-700
82 AAM 000-350

III. Purpose

- A. To standardize the Department's procurement practices, and to establish procedures in accordance with State of Alaska procurement regulations and the procurement authority delegated to the Department of Corrections by the;
 - 1. Department of Administration; and
 - 2. The Department of Transportation and Public Facilities.
- B. Establish the use of the *Departmental Procurement Procedural Manual*.

IV. Application

To all employees.

V. Definitions

As used in this policy, the following definitions shall apply:

- A. The Department of Administrations (DOA) Delegation of Purchasing Authority (memorandums with various dates)
The document that delegates procurement authority to the Department of Corrections (DOC) under regulations established by the Department of Administration (DOA).
- B. The Department of Transportation and Public Facilities (DOT&PF) Delegation of Construction Authority (memorandums with various dates)
The document that delegates construction procurement authority to the DOC under regulations established by the DOT&PF.

VI. Policy

Purchases will be made only by those Departmental employees to whom procurement authority has been delegated in accordance with policy 302.14, Delegation of Purchasing Authority, and when the following conditions have been met:

- A. The item(s) or service(s) being procured is/are essential for effective operations; and;
 - B. Funds have been allocated or otherwise reserved to pay for the item(s) or services being procured.
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VII. Procedures

A. Purchase Requisition

1. A Purchase Requisition (PR), State form # 02-099, must be submitted to the department Procurement Manager (PM) or approved designee for processing and is to be used to request/procure the following;
 - a. Non-professional services, construction that is not using CIP funding, commodities, or equipment item(s) not on contract award for which the total cost is in excess of \$10,000.00. Item(s) not on contract award for which the total cost is in excess of the requesting employees individual delegation of authority. This requirement may be waived by the Departmental Procurement Manager in certain situations when the purchase does not exceed \$25,000.00. It may not be waived for purchases between \$25,000.00 and \$50,000.00.
 - b. Rental or lease of equipment, and/or the purchase of non-professional services or commodities, when the annual cost of such transaction exceeds \$10,000.00.
 - c. Office space and real estate leasing, and/or acquisition of any State owned or leased space or real estate, regardless of cost.
 - d. Renovation, remodeling, repair or modification of any State leased space or real estate, regardless of cost.
 - e. The lease and/or purchase of telephone systems, radios, and other misc. telecommunications equipment or services regardless of cost. This includes telephone system maintenance agreements regardless of cost.
 - f. A request to purchase a vehicle or any other rolling stock, regardless of cost.
 - g. Upon request by the DOA, Division of General Services (DGS), for periodic consolidated purchase of certain items as a cost saving mechanism.

Note: If the annual cost of a commodity or non-professional service is expected to exceed \$10,000.00, or if the estimated cost for a group of like commodities for a special project or an individual office/facility is expected to exceed \$10,000.00, the procurement must be placed on a PR for submission to the PM or approved designee. This includes those instances where if a bid were circulated and award was made by line item to several vendors whose separate awards did not exceed \$10,000.00, but collectively they did exceed \$10,000.00. Instructions for completing a PR and distribution may be found in the *Departmental Procurement Procedural Manual*.

2. Instructions for completing a PR and distribution may be found in Section 9 of the *Departmental Procurement Procedural Manual*.

B. Delivery Order

1. Delivery Order (D.O.), State form #02-602, which can be found on the DGS website <http://doa.alaska.gov/dgs/dupserv/dgsforms/html>, must be used to procure the following:
 - a. When a purchase for non-professional services or commodities exceeds \$5,000.00.
 - b. When a Division Director has set a lower limit in writing for their respective division, and the intended purchase exceeds that limit.
 - c. When a department official has set a temporary lower limit in writing, and the intended purchase exceeds that limit, (For example: a year end spending freeze of \$500.00, and the purchase exceeds that amount.).
 - d. When a Contract Award states specifically that the use of a Delivery Order (DO) is required, regardless of cost.
 - e. The purchase of all accountable State property. This includes all class "A" and "B" sensitive equipment.
 - f. For all equipment maintenance agreements that exceed \$5,000.00 per year. DOs are not to be used for telephone maintenance agreements unless directed to do so by the DOA, Enterprise Technology Services (ETS).
 - g. The use of a DO form may be waived by the Procurement Specialist in some instances. Approval is required prior to a commitment with a vendor. If approval to waive the use of a DO is not obtained prior to the commitment with a vendor, only the Procurement Manager, JCO Procurement Supervisor or ACO Procurement Supervisor can approve.
 - h. Please review Section 7.2 of the department Procurement Procedural Manual for a list of exceptions where the use of a DO is not mandated.
 - i. After the fact Delivery Orders are highly discouraged. A DO becomes a binding contractual document through an offer by the State and acceptance by the vendor. Therefore, it is very important to use the form to procure goods or services.
2. Instructions for completing and distribution of a DO may be found in Section 8 of the *Departmental Procurement Procedural Manual*.

C. Request for Quotation

1. Request for Quotation (RFQ), DGS form #02-110, which can be found on the DGS website <http://doa.alaska.gov/dgs/dupserv/dgsforms.html>, must be utilized in the following circumstances;
 - a. An RFQ MAY be utilized when a purchase of non-professional services or commodities exceeds \$10,000.00, but is less than \$50,000.00. Note: This level of purchase will be performed and awarded by those DOC employees that have been delegated purchasing authority by the PM to perform procurements at this level.
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- b. An RFQ MUST be utilized when a purchase of non-professional services or commodities exceeds \$50,000.00, but is less than \$100,000.00. Note: This level of purchase will be performed and awarded by the JCO and ACO procurement sections that have been delegated purchasing authority by the PM to perform procurements at this level.
 - c. Note: The use of an RFQ form is not required for non-professional services or commodities purchases between \$10,000.00 and \$50,000.00, but it is highly recommended. This level of procurement will be performed by the JCO and ACO procurement sections that have been delegated purchasing authority by the PM to perform procurements at this level.
 2. The instructions for completing an RFQ can be found in Section 12 of the *Departmental Procurement Procedural Manual*.
- D. Negotiated Bid Abstract
 1. Negotiated Bid Abstract (NBA), Department form #02-089, which can be found on the DGS website <http://doa.alaska.gov/dgs.dupserv/dgsforms.html>, must be utilized in the following circumstances;
 - a. When a purchase for commodities or non-professional services not available on contract award exceeds \$10,000.00 but is less than \$100,000.00.
 2. Instructions for completing an NBA can be found in Section 12 of the *Departmental Procurement Procedural Manual*.
- E. Request For Alternate Procurement
 1. Request for Alternate Procurement (RAP) State form #02-100, which can be found on the DGS website <http://doa.alaska.gov/dgs/dupserv/dgsforms.html>, must be utilized in the following circumstances;
 - a. When it has been determined that no other vendor exists that can perform the requested professional or non-professional service.
 - b. When it has been determined that no other vendor can provide the requested equipment or commodity.
 - c. When there is a documented need to limit competition among the vendor community for specific reasons.
 - d. When it is necessary to amend a contract beyond the administrative limitations.
 - e. For all emergency procurements where it is necessary to limit competition when immediate action is necessary to protect public health, welfare, or safety, or to protect public or private property.
 - f. All RAPs must be forwarded to the PM for processing.
 - g. Approval of RAPs that do not exceed \$100,000.00 may be performed by the Commissioner of Corrections or designee. Requests for Alternate Procurement that exceed \$100,000.00 must be forwarded to Department of Administration, General Services, for their approval.

2. Instructions for completing a RAP may be found in Section 11 of the *Departmental Procurement Procedural Manual*.

F. Invoices

1. Vendor supplied invoices are handled in accordance with the total dollar amount of the purchase as follows;
 - a. Invoices under \$5,000.00 must be date stamped on the day they are received. After coding and approval of payment, the approved original invoice is to be sent to the Juneau Accounting Section for processing. Originator shall retain a copy for their records.
 - b. An invoice for purchases that exceed \$5,000.00 must be date stamped on the day they are received. Match the invoice with the yellow final receiving copy of the Delivery Order, making sure prices and quantities correctly correspond with invoice. The original invoice is to be sent along with the yellow final receiving copy of the DO (if the order is complete) to the JCO Finance Section for processing. Originator shall retain a copy for their records. If the order is not complete a receiving copy of the DO shall be marked as "partial" and submitted with the original invoice to JCO Finance.
2. More detailed instructions for processing invoices may be found in Section 7 of the *Departmental Procurement Procedural Manual*.

G. Field Warrants

1. A Field Warrant (FW) State form #/3/FLDWRRNT.PM5/1, may be used to purchase goods or non-professional services when it is not practical to issue a Delivery Order to have the vendor provide an invoice to pay from.
2. Occasionally vendors require prepayment and the use of a FW is the only alternative. The maximum dollar amount for a transaction of this type is \$999.99, and issuing multiple FWs is strictly prohibited.

Note: If it is necessary to use a FW to pay for an accountable property item, it is still necessary to use a DO form. When submitting the yellow receiving copy of the DO to Juneau it should be noted on it that a FW was issued to prepay the purchase and no other payment is necessary, etc. The use of a FW in this instance is still limited to \$999.99 and approvals must be obtained before a commitment is made with the vendor.

H. Purchasing Violations and Unauthorized Expenditures

1. Failure to comply with the procurement guidelines contained in this policy, as well as the procedures detailed in the *Department Procurement Procedural Manual*, will result in a purchasing violation, and may be cause for disciplinary action or personal liability for the transaction made. Purchasing violations include, but are not limited to the following;
 - a. Obligor funds which exceed the delegated Departmental purchasing authority.
 - b. Fragmenting purchases by issuing multiple purchasing documents (e.g., DOs, invoices, FWs, etc.) to circumvent the dollar amount limitations.
 - c. Obligor funds or performing a state procurement when no purchasing authority has been delegated to that individual, or
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where the amount obligated exceeds the amount that has been delegated.

2. Purchase of unauthorized items. The following list includes examples that are generally not authorized. An agency head may specifically authorize listed items when the mission of the agency, or the business requirements for individual job duties justify such an expenditure. Prior written approval by the Commissioner, Deputy Commissioner, or the Division Director is required prior to purchasing these items. The approvals must be made a part of the procurement record.
 - a. Printing of a personal nature, such as; personal letterhead, stationary, holiday cards or personal photographs (Photo galleries maintained as state property are generally authorized), business cards more elaborate than the State standard, etc.
 - b. Non-functional or non-essential office fixtures and equipment, such as; personalized items, occasional furniture, wall pictures or frames for same, pen and pencil desk sets, etc. (Microwave ovens, refrigerators and other reasonable kitchen equipment for offices and break rooms may be purchased with approval by the appropriate agency head.) Determinations on furnishings such as carpeting, draperies, and planters must be made by the DGS (leased facilities) or DOT&PF (State-owned facilities), depending on who manages the building. State expenditures for purchase of these items without prior approval is prohibited.
 - c. Coffee, doughnuts, cakes, breads, etc. coffee makers, cups, silverware, service trays, etc. for employee benefits are purchasing violations unless reviewed on a case by case basis by the appropriate agency head and deemed necessary (in writing) for such state functions as training, conferences, board meetings, or other gatherings, and not to exceed a reasonable amount.
 - d. Dues for personal membership in professional and technical associations and organizations when state agency membership is available. The department may pay for memberships for an individual if; 1) the department requires it in the performance of their job, and 2) it will benefit the department in some manner. Approval is required by the appropriate Division Director. The department will not pay for an employee's individual membership if it is a requirement to be considered for hire. Purchase of items similar in nature or content to those listed in (a) through (d) above that cannot be justified as essential in the administration or conduct of a State office or program.
 - e. Expenditures on employee recognition and service awards are authorized only in accordance with guidelines developed by the Division of Personnel. See AAM 100.090.

Note: Section (2) shall not be construed as limiting or disallowing the purchase of items listed above or similar items when such items are necessary or an integral part of the Departmental function, such as the rehabilitation or feeding of prisoners. Prior Division Director, Deputy Commissioner, or Commissioner approval is required for such purchases. Proper and adequate control in the

handling of public funds is the responsibility of all state administrators. To a great extent, the success and adequacy of stewardship in state government is measured by the integrity and propriety of acts of state administrators. All department heads and administrators are required to join in the intent and purpose of this section, and guidance should be sought from the PM when questionable situations arise.

- f. Commitment of the Department to procure the following items without prior authorization is also considered a purchasing violation:
- (1) Telephone or telecommunications equipment (cell phones, Blackberrys, PDA's, satellite phones, security radios, etc.) or services regardless of cost;
 - (2) Purchase of any new or used vehicle, trailer, or other "rolling stock", etc.
 - (3) All computer equipment and software regardless of cost;
 - (4) New forms, or printing' of departmental publications, regardless of cost.
 - (5) Accountable property that exceeds \$5,000.00, as well as any other sensitive controlled property regardless of cost.
 - (6) Capital funded items or services.
 - (7) Medical section funded items or services.
 - (8) Items or services to be funded by another component without first obtaining the permission of that component manager.
 - (9) Registration for a training session without funding approval and supervisory approval.
 - (10) The purchase or lease of copiers or postage equipment.
- g. Purchase of items which violate existing mandatory contracts as contained in the Contract Award Manual, or contract awards generated at the Department's request.
- h. Two or more different contracts utilized or referenced on the same invoice or Delivery Order.
- i. Performing a procurement function when it has not been delegated. (An example is soliciting quotes for items or services that are expected to exceed your purchasing delegation and awarding a bid based on the results of that process. For instance, if your delegated purchasing authority is \$5,000.00 and the lowest bid is \$5,400.00, it would be a procurement violation to award the contract. A solution would be to send the paperwork to ACOPS/JCOPS for a countersignature and then award the contract.)
- j. Not providing a proper State or Departmental procurement form when it is required. (An example would be failure to use a Delivery Order form for the purchase of accountable property.)
- k. The individual with purchasing authority will be notified in writing of any purchasing violations and asked to take corrective action. If
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similar violations occur after the written notice, purchasing authority may be revoked.

VIII. Implementation

This policy and procedure is effective as of the date signed by the Commissioner. Each Manager shall incorporate the contents of this document into local policy and procedure within 14 days. All local policies and procedures must conform to the contents of this document and any deviation from the contents of this document must be approved in writing by the Commissioner or designee.

August 19, 2015

Date

Signature on File

Ronald F. Taylor, Commissioner
Department of Corrections