

KANSAS DEPARTMENT OF CORRECTIONS

	INTERNAL MANAGEMENT POLICY AND PROCEDURE	SECTION NUMBER 04-116D	PAGE NUMBER 1 of 4						
	SUBJECT: FISCAL: Purchasing								
Approved By:  Secretary of Corrections	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Original Date Issued:</td> <td style="text-align: right;">12-30-14</td> </tr> <tr> <td>Replaces Version Issued:</td> <td style="text-align: right;">N/A</td> </tr> <tr> <td>CURRENT VERSION EFFECTIVE:</td> <td style="text-align: right;">12-30-14</td> </tr> </table>			Original Date Issued:	12-30-14	Replaces Version Issued:	N/A	CURRENT VERSION EFFECTIVE:	12-30-14
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APPLICABILITY:	_ ADULT Operations Only	_ JUVENILE Operations Only	<input checked="" type="checkbox"/> DEPARTMENT-WIDE
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POLICY STATEMENT

The Kansas Department of Corrections (KDOC) shall abide by all purchasing statutes and regulations as well as the policies of the Department of Administration in order to ensure that purchases and competitive bidding for goods, supplies, equipment, and services are made in a systematic, responsible, and economical manner. Only those items that are essential to the efficient and effective operation of the agency shall be purchased.

DEFINITIONS

Delegated Authority: Authority to purchase goods or services without seeking competitive bids so long as the total cost of good or service is less than \$5,000.

Director of Purchases: The official appointed by the Secretary of Administration who is responsible for the oversight and coordination of procurement activities throughout the state.

Fiscal Officer: The Central Office staff person designated by the Secretary of Corrections with the responsibility to coordinate the Department's budget and fiscal policies.

Prior Authorization: Authorization granted by the Director of Purchases to acquire goods or services that exceed the agency's delegated authority.

SMART: Statewide Management and Reporting Tool.

PROCEDURES

I. Purchases

- A. KDOC has the delegated authority to make purchases under \$5,000 from vendors who are not on state contract.
 1. When making purchases under the delegated authority limits, KDOC shall:
 - a. Seek competition in bidding whenever possible and maintain records of the bids;
 - (1) Such bids may be obtained in writing, facsimile, email, or through Internet searches.
 - b. Not intentionally split purchases or invoices to avoid established limitations;

- c. Not fix specifications to exclude responsible bidders; and
 - d. Purchase from the lowest responsible bidder meeting specifications.
- B. KDOC shall purchase goods and services from state contracts whenever possible.
- C. When goods and services are purchased outside of a state contract and the cost of those goods and services are under \$5,000, at least three (3) bids shall be solicited to ensure the agency receives optimal pricing.
 - 1. When bids are solicited, bid information shall be maintained with the purchase order in the purchase order file. Bids shall be by email, facsimile, or sealed bid.
 - 2. Documentation shall be maintained as to why goods or services were purchased outside a state contract.
 - 3. Bid solicitation is not required when prohibited by time constraints or when purchasing from another governmental entity.
 - 4. Prior approval from the Department of Administration is not required.
- D. When the estimated cost of a good or service exceeds \$5,000, competitive bidding through the Department of Administration is required.
 - 1. The staff member who intends to seek bids for goods or services shall develop the specifications of the goods or services desired in consultation with the Fiscal Officer. Bids may be obtained through either a Request for Proposals or an Invitation to Bid.
 - A. A Request for Proposal is utilized when it is not advantageous to set forth all the actual, detailed requirements at the time of solicitation and responses are subject to negotiation.
 - (1) A Procurement Negotiation Committee must be established to review proposals, negotiate with bidders, and select a vendor.
 - (2) Price must be a factor in the award but not the sole factor.
 - (3) Negotiated procurements shall follow the process outlined in IMPP 01-105.
 - b. An Invitation to Bid is utilized when the terms, conditions, and specifications are not subject to negotiation.
 - 2. Exceptions to competitive bid requirements may be granted by the Department of Administration:
 - a. When competitive pricing is available through a consortium or cooperative purchasing agreement entered into by the Director of Purchases;
 - b. When the desired good or service is compatible with existing services, supplies, materials, or equipment and use of a comparable good or service will negatively impact agency operations.
 - c. When specific computer software or maintenance is available only from the developer;
 - d. When the purchase is in response to an emergency;
 - e. When another governmental entity is providing the goods or services.

- f. When only one (1) vendor can provide the goods or services;
 - g. When the services of a consultant, certified public accountant, or attorney providing a legal opinion, as set forth in K.S.A. 75-37,130 through 75-37,135;
 - h. When a state use catalog vendor cannot meet delivery requirements or provide the desired good or service;
 - i. When competitive bidding is expressly exempted by statute;
 - j. When used equipment has become available and is subject to immediate sale; or
 - k. When the Director of Purchases and the Secretary of Corrections determine that not seeking competitive bids is in the best interest of the State.
- 3. Any procurement that will not be competitively bid and whose total cost will exceed \$100,000 must be posted on-line for at least seven (7) business days by the Director of Purchases before the prior authorization request is approved.
 - 4. Requests for an exemption from competitive bidding requirements shall be documented on a Department of Administration Prior Authorization Request Form (Attachment A) and attached to the SMART requisition.
- E. The Fiscal Officer shall:
- 1. Ensure all competitive bid requirements are met.
 - 2. Maintain supporting documentation for purchases of goods and services that are not on a state contract.

II. Requisitions

- A. Requests for the purchase of supplies, equipment, and services shall be submitted in SMART.
- 1. The requisition shall include:
 - a. A general but complete and accurate description of the item or service requested;
 - b. Quantity desired;
 - c. Estimated cost (quote);
 - d. Name of vendor; and
 - e. The Department of Administration Prior Authorization Form, if necessary.
 - (1) The requestor shall consult with the Fiscal Division prior to submitting a requisition to determine the appropriate procurement method.
 - (2) It shall be the Fiscal Officer's responsibility to ensure that the correct procurement method is used.
 - 2. After entering the request into SMART, the requisition shall be routed along with the quotes(s) and any supporting documentation to the designated approver within his/her division, who will approve or deny the requisition. If approved, the approver shall route the quote(s) and any other supporting documentation to the appropriate Fiscal Division staff.
 - 3. The Fiscal Division shall verify:
 - a. That funding is available;

- b. The funding information is correct;
 - c. The names of the buyer and vendor are correct;
 - d. All supporting documentation has been submitted;
 - e. In the case of federal grants, the request is an allowable expenditure under the terms of the grant, and sufficient grant funding is available; and
 - f. If the item or service can be purchased from state contract, if a prior authorization is required, or if it should be competitively bid.
3. The Fiscal Division staff approving the requisition shall issue a purchase order and attach a copy of the purchase order to the quote(s), Prior Authorization Request Form (if applicable), and any other supporting documentation provided.

III. Correctional Facilities

- A. Correctional facilities shall establish facility orders regarding the purchasing of goods and services in accordance with Department of Administration policies.
 1. The Fiscal Officer shall be responsible for coordinating with the correctional facilities on system wide purchases.

IV. Kansas Correctional Industries

- A. Kansas Correctional Industries shall develop its own internal operating procedures in accordance with Department of Administration policies.

NOTE: The policy and procedures set forth herein are intended to establish directives and guidelines for staff and offenders and those entities that are contractually bound to adhere to them. They are not intended to establish State created liberty interests for employees or offenders, or an independent duty owed by the Department of Corrections to employees, offenders, or third parties. Similarly, those references to the standards of various accrediting entities as may be contained within this document are included solely to manifest the commonality of purpose and direction as shared by the content of the document and the content of the referenced standards. Any such references within this document neither imply accredited status by a Departmental facility or organizational unit, nor indicate compliance with the standards so cited. The policy and procedures contained within this document are intended to be compliant with all applicable statutes and/or regulatory requirements of the Federal Government and the state of Kansas. This policy and procedure is not intended to establish or create new constitutional rights or to enlarge or expand upon existing constitutional rights or duties.

REPORTS REQUIRED

None.

REFERENCES

K.S.A 75-3739; 75-37,130 through 75-37,135
Department of Administration Policy and Procedure Manual Filing #10,206
Division of Purchases Memorandum 108

ATTACHMENTS

Attachment	Title of Attachment	Page Total
A	Prior Authorization Request Form	2 pages

PRIOR AUTHORIZATION REQUEST FORM

INSTRUCTIONS: Prepare this form and related documents, scan and attach to a SMART Purchase Requisition as a LINE ITEM comment.

Prior Authorization is requested in the Amount of: \$

If this is the first PA Request for a project, enter the TOTAL amount of the proposed project above.

If you are renewing or amending a previously approved PA-based transaction, please use the originally approved PA Form and complete the Revised PA information on Page 2.

Will Multiple Payments Be Made? Yes____ No____

Will the total exceed \$25,000? Yes____ No____

(If the answer to BOTH of the above questions is "Yes", a SMART Contract will be required.)

Prior Auth. Code: **Type SMART PA Code here**
SMART Vendor ID: **Type SMART Vendor ID here**
Vendor: **Type SMART Vendor Name here**
Type Vendor Address here
Type Vendor City / State / Zip here

Has the vendor ever been an employee of the State of Kansas? Yes____ No____

If yes, please explain the nature of the employment and period of service.

Type info here; please be complete but concise; attach additional information as needed

Kansas Procurement statutes establish the competitive bid process; therefore Central Procurement expects that an agency requesting approval of a non-competitive transaction will conduct and document its research to ensure that no competition exists. Failure to include specific and current research information with this form will result in rejection of the Request.

1. Is there a **proposed** contract agreement? Yes____ No____

If so, please submit a copy with this PA Request for review of terms and conditions.

Was the **proposed** contract prepared by the: Agency____ Vendor____ Other____

2. Detailed Description of Material or Service

Please provide a complete and detailed description of the proposed procurement, including the written deliverables and payment schedule upon which potential vendors were asked to provide feedback, if not included in the proposed contract mentioned above.

3. Proposed Term of Contract (if applicable): **xx/xx/xxxx to xx/xx/xxxx**

4. Describe the research completed to ensure that no competition exists, including a list of vendors who are unable to provide the goods or services, and representative names and contact information to allow for independent verification.

Type info here; please be complete but concise; attach additional information as needed

5. Has the agency contracted with the vendor at any time during the past twelve months?

Yes____ No____

If yes, please explain the nature of the service and the amount of the purchase / contract, and the period of time covered by any contract, including original start date for the agreement. Failure to include specific information will result in rejection of the Request.

Type info here; attach additional information as needed.

Please attach any supporting documentation (sales quotation, sales proposal, draft contract) as Line Item Comments to the SMART Purchase Requisition.

AGENCY USE ONLY

Agency Name: _____ Agency Number: _____
Contact Person: _____ Telephone: _____
Email Address: _____ Date: _____

REVISED PRIOR AUTHORIZATION

IF YOU NEED TO REVISE A PREVIOUSLY SUBMITTED PRIOR AUTHORIZATION, PLEASE INCLUDE THE ORIGINAL AMOUNT, THE AMOUNT OF ANY AND ALL SUBSEQUENT REVISIONS, AND THE NEW REVISED TOTAL. THIS FORM SHOULD COMPLETELY SUMMARIZE THE ORIGINS AND CHANGES ASSOCIATED WITH THE CONTRACT AND/OR PROJECT **YOU WILL ALSO NEED TO PROVIDE AN EXPLANATION FOR THE NEED TO REVISE THE PRIOR AUTHORIZATION.**

Revised PA Requests must be submitted to Procurement & Contracts outside of SMART.

Other details for this specific revision:

No Increase in Cost, Change in Term of Contract:

SMART Purchase Requisition Number(s): _____

SMART Purchase Order Number(s): _____

SMART Contract Number(s): _____

Historical Summary of Contract

Description of Action (Examples shown below)

Original PA Amount: \$ _____

(i.e.: Original Contract)

Revision #1: \$ _____

(i.e.: Amendment #1 – Description of Scope of Work Change)

Revision #2: \$ _____

(i.e.: Renewal for xx/xx/xx to xx/xx/xx)

Revised Total \$ _____

Procurement and Contracts Approval: _____ **Date:** _____