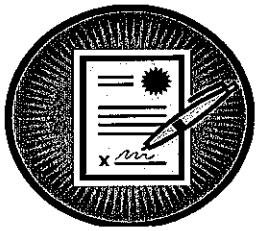
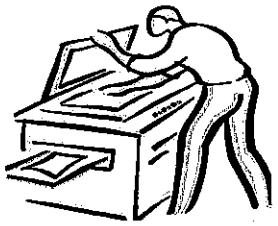
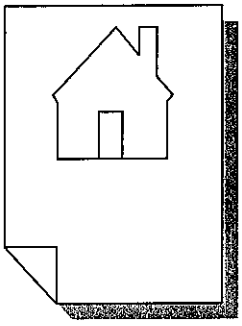
PROCUREMENT USER'S MANUAL

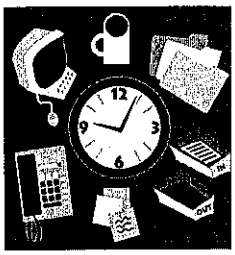
(A DIVISION OF FINANCE AND ADMINISTRATION)

2011









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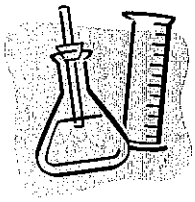

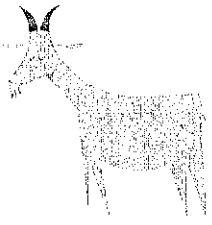

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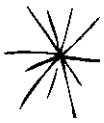


PROCUREMENT USER'S MANUAL

2011

THE STAFF

FLOW CHART FOR PROCUREMENT

FOREWORD

DIRECTOR'S MESSAGE

NIGP CODE OF ETHICS

THE PROCUREMENT CYCLE

TOPICAL INFORMATION IN MANUAL (W/FORM

THE STAFF

A. Kay Turner, DIRECTOR OF PROCUREMENT
AND BUSINESS AFFAIRS
Certified Professional Public Buyer (C.P.P.B.)

Eddie Rayford, Purchasing Specialist (C.P.P.B.)

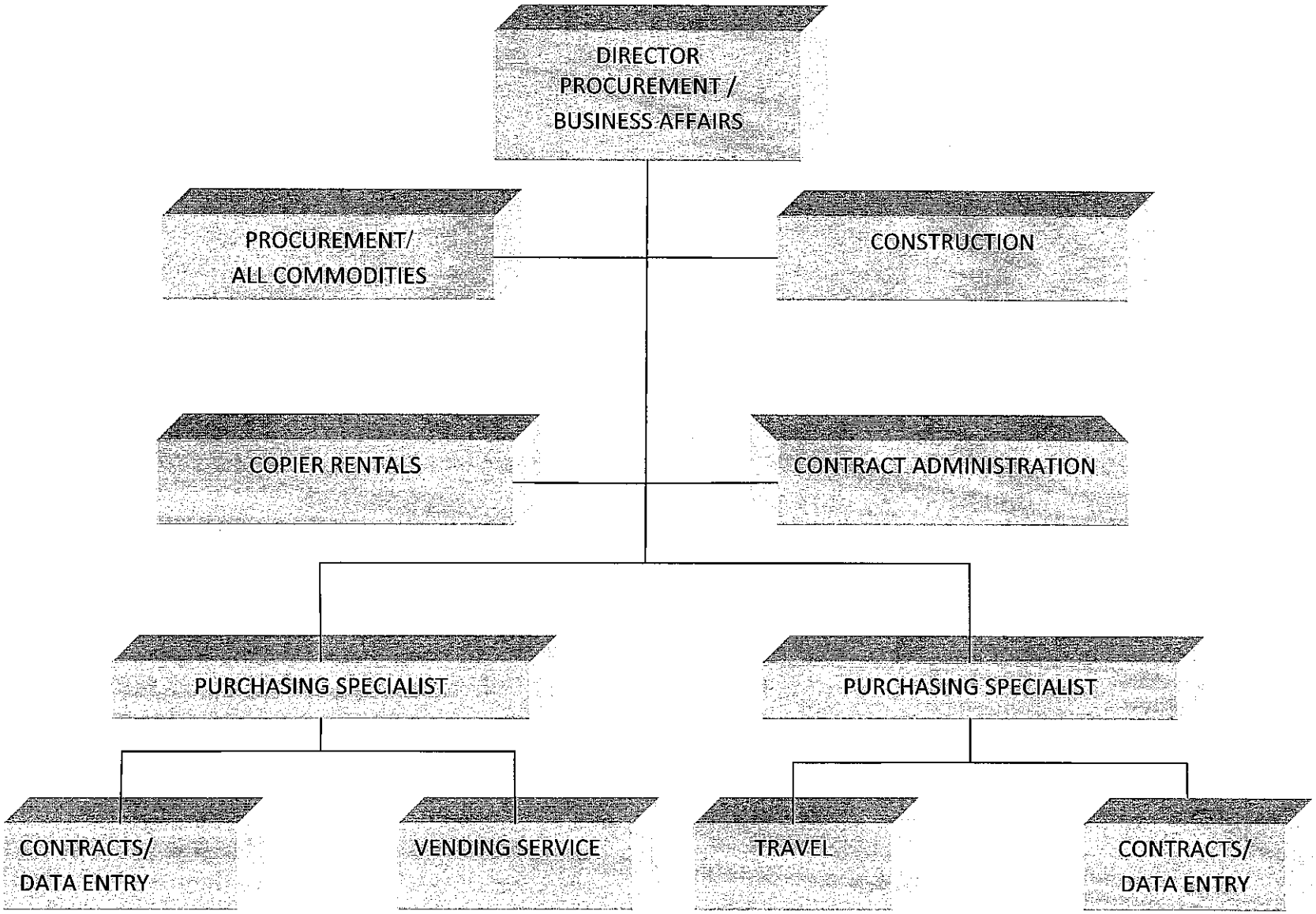
Dannie Iverson, Purchasing Specialist

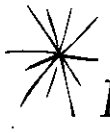
Location: #231- ADMINISTRATION BUILDING

PHONE EXTENSIONS

8735,8736,8738

FLOW CHART


DIRECTOR
PROCUREMENT /
BUSINESS AFFAIRS
PROCUREMENT/
ALL COMMODITIES
CONSTRUCTION
COPIER RENTALS
CONTRACT ADMINISTRATION
PURCHASING SPECIALIST
PURCHASING SPECIALIST
CONTRACTS/
DATA ENTRY
VENDING SERVICE
TRAVEL
CONTRACTS/
DATA ENTRY



FOREWORD

This manual has been prepared with you the end user in mind. Hopefully, it will prove to be a simplified guide in piloting you through the maze of doing business with the Procurement component of Finance and Administration. Further, that it will give direction with the use of other forms and ancillary information which emanates from other components in the Finance Unit.

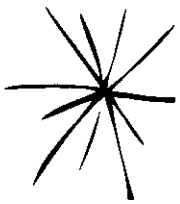
For ease in use, this manual has been prepared with alphabetical topical entries on subjects pertaining to Procurement, with concomitant forms as applicable.

***Our Vision** – is to become one of the most efficient procurement units in state government, in the UA System and the State in general, thus engendering confidence in all our customers as a worthy custodian and trustee of tax payer funds.*

***Our Objective** – is not only to buy goods and services with consideration to quality, delivery time and price but also to obtain the benefits of quantity buying as well as the reduction of expensive emergency buying. All is done ultimately with "cost reduction" as a principal objective.*

This unit conducts its' business within the purview of State regulations, campus policy, ethical standards and as good custodians of tax payer funds. ***All funds, all purchase orders issued are subject to state laws and regulations. All business transactions are for "official business of the institution".***

While there are many, many rules and regulations which are applicable to Procurement, the main rule to remember is " without an approved purchase order in hand you cannot fiscally obligate the University". To do otherwise may leave you personally liable for the expense.



NIGP CODE OF ETHICS

(National Institute of Governmental Purchasing)

(Ethics for Procurement Professionals)

1. Seek or accepts a position as head or employee only when fully in accord with the professional principals applicable thereto and when confident of possessing the qualifications to serve under those principal to the advantage of the employing organization.

2. Believes in the dignity and worth of the services rendered by the organization and the social responsibilities assumed as a trusted public servant.

3. Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.

4. Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationship is dishonest and not tolerable.

5. Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.

THE PROCUREMENT CYCLE

"Cradle to Grave"

Need is...

Recognized, perceived or indicated by the department

Requisition is developed

Signatures of approval are obtained

Requisition enters Procurement...

Here...

Review is made for accuracy and completeness

The best method of source selection is determined and executed

Contract is established (the purchase order) and submitted to vendor for delivery or merchandise or performance of service

Procurement assists with contract administration when necessary

.....after useful life... (if an end product)....

Surplus, salvage or scrap is either re-allocated or disposed of by Property Control

****

THE DIRECTOR'S MESSAGE

Since 2006...

"**Change**" the mantra from the 2008 election of the first Afro-American president. Barack Obama. Change, both radical and in the inevitability of the work- a- day world – change happens-

Amidst the fiscal challenges of these tumultuous changing times in which we live – (economic meltdowns: bailouts, fiscal responsibility, fiscal irresponsibility, integrity, mis-trust, punzi' schemes, foreclosures, greed, avarice, stimulus funds, shortages, more w/ less, belt tightening, bankruptcy) these are but trickling universal convulsions that will impact the business model for future generations. Notwithstanding, higher and higher cost of feeding the "technology vortex" which drives the activity of the business world.

While this has been a bone in the throat of those who were not direct contributors to some of these ills, in our obtuseness we must not think to be occluded as these conditions have import to us all. We must not be knavish but a part of the solution that will turn the tide.

To obviate the inevitability of this bleak economic forecast...

- We can incorporate outcome related activity that will lead to more positive change in our individual shops
- Be sensitive to change in other areas- don't forget it –embrace it.
- Voice opinions- be an asset to the Agency and in time it may yield personal and professional benefit to you. While the ball is in your hand throw it!

I have come to realize that this profound human undertaking of directing the Procurement unit can be nearly sacred. Yes, we are our brothers' keeper and yes, charged by the tax payers with an inviolable trust to be stewards of their resources and conservators of the

More...

vital fiscal and business interest of this agency.

As we continue with our pursuit to be good stewards of tax payer funds we will not be daunted although the umbilical cord of good economic times has been radically severed. yet "hope springs eternal" .

There has been a shifting of the accent. doubly punctuated.. We now have our first female and first Afro-American Vice Chancellor for Finance. Mrs. Pauline Thomas. Having been aptly mentored by her predecessor Mrs. Barbara Goswick. Mrs. Thomas is steering the "flag ship" through very fierce headwinds of financial upheaval but we are hopefully optimistic that she will navigate us through.

We must continue to walk soberly the business tight-rope . Even though we are sometimes "off" balance. we are "on" purpose in our commitment to serve this great University.

In the words and spirit of the Haitians and Chileans people who recently experienced devastating earthquakes that have wrecked havoc on the economy and the landscape "we shall rebuild". We also will rebuild the economy and continue to restore trust where it matters most – <u>our public.</u>

Kay Turner, Director
Procurement/Business Affairs

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PROCUREMENT MANUAL
2011
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XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Applicable *forms* are herein include for affected entries above and may be e-mailed upon request or downloaded from the Procurement web page

ADVERTISING/BROADCASTING/MARKETING

Advertisement – The placement of Official Business ads in periodicals, via television, internet, on billboards or other media locations is exempt- meaning no bids are required.

Broadcasting – Selling or pitching the University in a series or in prolonged spots beyond normal advertisement time is a biddable service if over $5,000 usually a "show".

Marketing – The use of the "services" of an outside agency to develop, market, and plan all the creative strategies and services when over $5,000 requires bidding.

The state prohibits any of the above from being of a "congratulatory nature" to organizations or individuals.

BIDDERS' APPLICATION (w/form)

This form should be on file prior to purchase order issue. This form also identifies the vendor classification information and is the means by which vendors are added for future receipt of bids. This form can be secured by calling Procurement (8736) or accessed via the UAPB web site.

BLANKET ORDERS – May be termed, open, standing orders, or IDIQ contracts. It is the intent here that a purchase order be given to the vendor from which the vendor would bill as the merchandise or service is received by the University.

Escrow accounts – in which a check is given to the vendor in advance of the merchandise or service is prohibited.

To accommodate repetitive ordering needs for similar types of commodities we recommend the establishment of an IDIQ term contract (indefinite items indefinite quantities) in which blanket orders may be used.

Examples of IDIQ contracts are:

Janitorial supplies, Print shop papers, Document Binding, Lab testing service, Non-perishable food items, Building materials, etc.

CANCELLATION OF PURCHASE ORDERS

Purchase orders create a binding contractual obligation on the University. Cancellation is therefore often limited to cases of default by the vendor, or by mutual agreement of the contracting parties. When an ordering department wants an order cancelled, they should contact the Procurement Department

CAMPUS DINING SERVICE PROVIDER: THOMPSON'S HOSPITALITY

Exclusivity

- Thompson's Hospitality is our current food service provider for the campus. They have exclusivity, meaning all foods served on campus whether purchased, donated or

provided by groups should come from Thompson's Hospitality. In order not to impose on our contractual relationship with Thompson's Hospitality, employees are discouraged from bringing in foods with the intent to **serve.**

Additionally, if there is an intent to pay or be reimbursed via Purchase order the food must have come from Thompson's Hospitality whether the event was on or off campus if Thompson's could have serviced that event regardless of the size, or time of the event.

Official Function Approval

- No University unit is budgeted for the expense of food services unless in conjunction with overnight travel. There are however those instances where catering is permitted but if the expectation is to use **"state monies" – in compliance with Board Policy 260.1, the purchase requisition must include an "official function" letter of authorization (attached) from the Chancellor's Office. Once approved the authorization is without expiration. However, it is confined to the events so specified, therein.** This letter is not necessary for other funding sources (grants) to establish the purchase order.

Official Guest Meals

- Meals for official guest (non-state employees) of the University are allowable expenditures. A list of names of individuals for whom meals were purchased and an explanation of the nature of the function should be on or attached to the requisition. **Meals for University employees may not be included unless there was an overnight stay. Charges for alcoholic beverages and gratuities (tips) are not allowable expenses.**

CHANGES TO PURCHASE ORDERS

Before an order can be changed in anyway: (price, quantity, or actual exchange of items) prior approval must be received from Procurement by calling (8735). Order changes and misrepresentation of the facts on a purchase requisition or order without prior approval from Procurement is prohibited.

CHRISTMAS PARAPHERNALIA

The purchase of Christmas Cards and other paraphernalia by State Agencies is prohibited; this includes ground & building decorations.

ACA of 1987 at 19-4-522 entitled Maintenance and General Operation states in part: "This classification shall cover items of expenses necessary for the proper and efficient operation of the State Agency, authority, board, commission, department or institution of higher education.

The department of Finance and Administration has held that the purchase of Christmas "paraphernalia", etc. are not necessary or a proper expenditure for the operation of State government.

CONFERENCES, WORKSHOPS AND SEMINARS

This writing addresses how **speakers** (presenters, lecturer, or facilitators) are to be paid) when providing this services for a workshop, seminar or other meeting that is initiated by the campus, whether on or off-campus.

The first consideration is the *bundling* of the costing elements. Those elements to be bundled are, the cost for the speaker plus any fee that will be paid to the speaker or his company such as registration, additional materials, books, etc.

Procurement Option are:

1. If the bundled cost is **$5,000 or less** and there is **no intent to have such events on a recurring basis (annually).** The cost can be paid by purchase order with no bidding required.
2. The speaker **is a Sole Source. He/she is unique above his peers.** Ex: An author, an inventor, The President, a famous singing group. They have something that is unique just to themselves or their company, no bidding is required. **Can be paid via the purchase order.**
3. **Competitive Bidding-** When the **bundled cast exceeds $5,000** and the speaker is presenting on a topic where there are **clearly other competitors;** Ex: Fred Pryor Seminar, Team Building Workshops, Diversity Trainings, Customer Service, etc. the services **must be acquired through the competitive bid process.**

We recommend the Request for Proposal Method which is a 4-6 week process as this allows us to evaluate more than just lowest cost and we will award on the basis of the highest number of points received by each proposal respondent.

The following other expenses for the Conference, Workshop or Seminar speaker can be treated separately and are not required to be considered in the $5,000 limit; such as travel expenses, meeting rooms and food.

The speaker must not be a state employee or an immediate family member of a state employee.

CONFIRMATION PURCHASES

Confirmation purchases are made before a written purchase order issued by Procurement is received by the vendor. **This is the exception – not the rule.**

CONSTRUCTION (See Public Works)

CONTRACTING AUTHORITY (Other)

Contracts binding the University of Arkansas at Pine Bluff which are in addition too or are required to be attached to the purchase order must first meet with review by the Contract Administrator (8735) then with signature approval by the Vice Chancellor for Finance or the Chancellor and the 2nd party.

Once all signatures are in place and the purchase order established the contract can be executed. Only the authorized persons so named can bind the University in such contracts.

All contracts are to be forwarded first to the Contracts Office (Procurement) for review and consideration. Many contracts contain provisions, which are not in the best interest of the University and clauses to which the University cannot be legally bound. Individuals not specifically authorized to do so are not to sign maintenance agreements, leases, licensing agreements, or other contracts for the University.

CONTRACTING WITH STATE EMPLOYEES

Sec. 19-11-704 of the Arkansas State Procurement law prohibits state employees (s) from contracting with a state employee's immediate family member. That applies not only to UAPB but other state agencies as well.

We may contract with another state agency with an approved memorandum of agreement. However, in that case the payment must be made to the agency, not an individual. It is advisable to check with Payroll or Personnel prior to the service if considering concurrent employment for such an affected individual. Requisitions where the payee is an individual may be required to complete the Conflict of Interest form attached, annually.

OFFICIAL FUNCTION LETTER
UNIVERSITY OF ARKANSAS AT PINE BLUFF
PINE BLUFF, ARKANSAS 71601

DATE:

Dr. L. A. Davis, Jr.
Chancellor of
University of Arkansas at Pine Bluff

RE: Request for Official Function Approval

The _____ department is hosting the following event(s).

List event:_____

Certainly, all activities associated with the function of this area is considered essential to the vitality of the program and therefore, make it an "Official Function of the University".

However, we understand that we are not exempt from ensuring that proposed expenditures are accounted for and properly budgeted. Rather it is meant to authorize the use of state controlled funds, when properly budgeted, for expenditures inherent with hosting guest of this university at official functions.

Your approval of this letter will also be sent to the UAPB Office of Procurement to assure that Board Policy 260.1 regarding "Official Functions" is adhered to for all expenses relative to this event.

Thank you for your approval

Sincerely,

_____
BUDGET OFFICER'S NAME AND TITLE

Approval:

_____/_____
Dr. L.A. Davis, JR Date

(NOTE: This form can be e-mailed)

UNIVERSITY OF ARKANSAS AT PINE BLUFF
PROCUREMENT OFFICE

NOTE: THESE FORMS ARE REQUIRED TO BE UPDATED ANNUALLY

CONFLICT OF INTEREST STATEMENT:

(Must be read and signed by the person named as the payee or vendor on the requisition) **Ref: Sec. 19-11-715 of the Arkansas Code Annotated of 1987: which reads?**

I swear under penalty of perjury that I am not an employee of any Arkansas State Agency this includes **UAPB which is a State Agency** nor am I the immediate family member of a State employee as defined under the Arkansas State Procurement Law. (Immediate family member is defined as mother, father, sister, brother, spouse, children or grandparents).

Print Payee/Company Name Signature Payee/Owner Date

(For another to sign for this person/company is fraudulent)

Are you currently employed? Yes ____ NO ____

COPIER RENTALS

The Office of State Procurement has established a copier rental contract available for use to all state agencies with the following stipulations:

- Rental – **non ownership by agency**
- No **maintenance payment, no supply cost other than paper and staples**
- The contract has many, many options with associated cost based on **performance requirements, speed, features, copy volume, etc.**
- **Rental are for three (3) years only**
- Currently, we have one type of machine – **digital copiers only**
- Copiers may be **new or used;** always in good working condition (vendor's choice) (most are new)
- Service calls should be no more **than 4-5 a year,** more than this requires documentation and a request for replacement
- At installation, requester must make sure they have a new **dedicated surge protector just for this machine.** Replacement will be at no cost to the requester if it is proven that the machine is defective and malfunctioning or has reached its useful life
- Replacement cost may be assessed to the requester if
    - The usage is exceeding the original volume limit and provider recommends an upgraded machine
    - Requests for an upgraded machine before the end of three year period (necessitates a new purchase requisition)
- **Penalty will be imposed for canceling in the midst of the three (3) year contract period**

Annually, Procurement will **automatically renew the rental agreement unless requester calls 2 months prior to the end of the contract period. Requester is responsible for notifying Procurement if cancellation is desired. Point of Contact: Kay Turner (8735).**

COPIER OVERAGES - For those months when you exceed your monthly plan (rental or purchase) cost **by overages,** you will be billed separately by the company. Accounts Payable will send to you a bill from the company indicating your overage cost for the month in question. You must then do a separate purchase requisition just for this overage amount and process through the system for payment. **This will not be taken from your established rental purchase order.**

COPIER PURCHASES

The State contract offers a wide selection of copiers from multiple vendors for purchase. Purchase meaning ownership by the agency as opposed to rental (no ownership). With a purchase the maintenance starts after 90 days with the rental, all costs are inclusive (machine, maintenance and toner) the paper and staples are separate charges.

DOOR PRIZES

It is a prohibition of State law to **give away state property and/or to give gifts to state employees for personal use when the same was purchased with State or Federal monies.**

- Whenever promotional items are given it should be publicly stated that these items are for "general office" use while at UAPB.
- In the case of non-expendable supplies/equipment (computers, electronic organizers, desk accessories, etc.) – the workshop/seminar coordinator must make sure that the items have been tagged by Property Control prior to issue and a concomitant listing of the recipient's name and department locations should follow.

ELECTRONIC SUBMISSION OF BIDS

While we are not yet poised to receive electronic formal bids (over $25,000), we can send bids electronically with the following information attached to your requisition for bid: contact person's name; phone number and e-mail address.

EMERGENCY PURCHASES

"Emergency procurement" means the acquisition of commodities or services which, if not immediately initiated, will endanger human life or health, state property, or the functional capability of a state agency.

Accompanying the purchase requisition shall be a written justification as to the critical emergency which has been approved by the Agency Head or his designee (The Vice Chancellor for Finance or Vice Chancellor for Student Affairs) and three (3) hard copies or faxed quotes from vendors contacted to bid (necessary where the cost exceeds $5,000) (a different requirements for printing and items on state contract). Vendors contacted must be those who customarily handle the service or supply.

ENCUMBRANCE REPORTS

Encumbering Funds to Give Appearance of Being spent (Prohibited)

- From time to time we get requests to encumber funds (x dollars to a named vendor) to give the appearance of being spent to help assure that the funds will be available in the time of actual need. Such a request is illegal and we cannot assist. Specifically, a Purchase Order is a legal Accounting document which authorizes an actual transaction where the vendor, service/or commodity and cost is specified. All subject to audit review.

- The process currently in place to assist with budget accountability is the monthly Budget Expense Summary from Accounting. We can always run an Encumbrance report based on actual transactions which lets you know what has not yet been paid but is still outstanding.

- Encumbrance reports are an easy way to keep track of the status of your orders. It lets you know if it is paid or yet opened. These reports are an ideal way to not only edit your account spending but to free up funds for more spending.

- Whenever there is a need for an encumbrance report please contact Eddie Rayford, Purchasing Specialist (8736) or Dannie Iverson, Purchasing Specialist (8738).

EQUAL OPPORTUNITY POLICY

Effective October 1, 2005 in accordance with Act 2157 of 2005 – EQUAL OPPORTUNITY POLICY, each contract which exceeds $25,000 must be accompanied with the payee's Equal Opportunity Policy.

If the services or commodity is a bid situation through the Office of Procurement or a Professional Service, we will request the same of the vendor. If it is a Sole source the requesting department will need to secure that policy.

Vendors who do not have an established EOP policy will not be prohibited from receiving a contract award, but are required to submit a written statement to that effect.

EQUIPMENT: DEFINED/REQUIREMENTS

The Office of State Accounting has determined that **equipment** is defined as those purchases which have a cost of $2,500.00 or more, a life of two (2) years or more and a separate identity of their own. Ex: the car not the motor.

While $2,500.00 is the threshold for the equipment classification this in no way precludes that the Agency Head is not responsible and accountable for those items with a lesser cost such as a typewriter at $450.00, a computer at $1,800 or sets of items like tools or dishes.

To assure accountability for these lesser items, this agency has classed them as **non-capitalized equipment** and the Property Control Section of Finance maintains a separate accountability system just for these. Contact Sheri Dejarnette, Property Control (8371) for more details and inventory reports.

ETHICAL STANDARDS: Employees

Ref: Arkansas State Procurement Manuel Sec: 19-11-705 Ethics

Conflict of Interest

The "conflict of interest: law speaks expressly on the "appearance of impropriety: that we should not contract with immediate family members or those to whom the combined income will enhance you or any immediate family member; (mother, father, sister, brother, children, spouse, and grandparents).

19-11-706 Employee Disclosure Requirements

a) **DISCLOSURE OF BENEFIT RECEIVED FROM CONTRACT** Any employee who has or obtains any benefit from any state contract with a business in which the employee has a financial interest shall report such benefit to the Director of the Department of Finance and Administration. However, this section shall not apply to a contract with a business where the employee's interest in the business has been placed in a disclosed blind trust.

b) **FAILURE TO DISCLOSE BENEFIT RECEIVED** Any employee who knows or should have known of such benefit and fails to report the benefit to the director is in breach of the ethical standards of this section.

19-11-707 Gratuities/Kickbacks It is a breach of ethical standards for any person to offer to give, or agree to give an employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer or employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application request for ruling, determination, claim or controversy, or other particular matter pertaining to any contract or subcontract and any solicitation or proposal therefore.

Kickbacks. It is a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated there with, as an inducement of the award

of a subcontract order. **It is the intent of the law to prevent a person in a public trust from profiting from that position.**

PROHIBITION AGAINST CONTINGENT FEES

It shall be a breach of ethical stands for a person to be retained, or to retain a person to solicit or secure a state contract upon an agreement or understanding for a commission percentage, brokerage, or contingent fee, except for a retention of bonafide employees or bonafide established commercial selling agencies maintained by the contract for the purpose of securing business.

19-11-709 Restriction on Employment of Present and Former Employees

a) **CONTEMPORANEOUS EMPLOYMENT PROHIBITED** It shall be a breach of ethical standards for any employee who is involved in procurement to become or be, while such an employee, the employee of any party contracting with the state agency by which the employee is employed.

b) **RESTRICTIONS OF FORMER EMPLOYEES IN A MATTERS CONNECTED WITH THEIR FORMER DUTIES**

1) **PERMANENT DISQUALIFICATION OF FORMER EMPLOYEE PERSONALLY INVOLVED IN A PARTICULAR MATTER** It shall be a breach of ethical standards for any former employee knowingly to act as a principal or as an agent for anyone other than the state in connection with any:

A. Judicial or other proceeding, application, request for a ruling, or other determination;
B. Contract;
C. Claim; or
D. Change or controversy

in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee, where the state is a party or has a direct and substantial interest.

2) **ONE-YEAR REPRESENTATION RESTRICTION REGARDING MATTERS FOR WHICH A FORMER EMPLOYEE WAS OFFICIALLY RESPONSIBLE** it shall be a breach of ethical standards for any former employee, within one (1) year after cessation of the former employee's official responsibility in connection with any:

A. Judicial or other proceeding, application, request for a ruling, or other determination:
B. Contracts;
C. Claim; or
D. Charge or controversy

Knowingly to act as a principal or as an agent for anyone other than the state in matters which were within the former employee's official responsibility, where the state is a part or has a direct or substantial interest.

1) **WHEN PARTNER IS A STATE EMPLOYEE** It shall be a breach of ethical standards for a person who is a partner of an employee knowingly to act as a principal or as an agent for anyone other than the state in connection with any:

A. Judicial or other proceeding, application, request for a ruling, or other determination;
B. Contract;
C. Claim; or
D. Charge or controversy

In which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee, where the state is a party or has a direct and substantial interest.

2) **WHEN A PARTNER IS A FORMER STATE EMPLOYEE** It shall be a breach of ethical standards for a partner of a former employee knowingly to act as a principal or as an agent for anyone other than the state where such former employee is barred under subsection (b) this section.

d) 1) **SELLING TO STATE AFTER TERMINATION OF EMPLOYMENT IS PROHIBITED** It shall be breach of ethical standards for any former employee, unless the former employee's last annual salary did not exceed ten thousand five hundred dollars ($10,500), to engage in selling or attempting to sell commodities or services to the state for one (1) year following the date employment ceased.

2) The term "sell," as used in this subsection, means signing a bid, proposal, or contract; negotiating a contract; contacting any employee for the purpose of obtaining, negotiating, or discussing changes in specification, price, cost allowances, or other terms of a contract; settling disputes concerning performance of a contract; or any other liaison activity with a view toward the

ultimate consummation of a sale although the actual contract therefore is subsequently negotiated by another person.

e) 1) This section is not intended to preclude a former employee from accepting employment with private industry solely because his employer is a contractor with this state.

2) This section is not intended to preclude an employee, a former employee or a partner of an employee or former employee from filing an action as a taxpayer for alleged violations of this subchapter.

19-11-710 Use of Confidential Information

It shall be a breach of ethical standards for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain or for the actual or anticipated personal gain of any other person.

19-11-711 Public Access to Procurement Information

Procurement information shall be public record to the extent provided in the Freedom of Information Act 25-19-101 et seq., except as otherwise provided in this subchapter and the Arkansas Procurement Law, 19-11-201 et seq.

19-11-712 Civil and Administrative Remedies Against Employees Who Breach Ethical Standards

a) EXISTING REMEDIES NOT IMPAIRED. Civil and administrative remedies against employees, which are in existence on July 1, 1979, shall not be impaired.

b) SUPPLEMENTAL REMEDIES. In addition to existing remedies for breach of the ethical standards of this subchapter, or regulations promulgated thereunder, the Director of the Department of Finance and Administration may impose any one (1) or more of the following:

1. Oral or written warnings or reprimands;
2. Forfeiture of pay without suspension,
3. Suspension with or without pay for specified periods of time; and
4. Termination of employment

c) RIGHT TO RECOVER FROM EMPLOYEE VALUE RECEIVED IN BREACH OF ETHICAL STANDARDS. The value of anything received by an employee in breach of the ethical standards of this subchapter, or regulation promulgated thereunder, shall be recoverable

by the state as provided in 19-11-714, which refers to recovery of value transferred or received in breach of ethical standards.

d) DUE PROCESS. Notice and an opportunity for a hearing shall be provided prior to imposition of any of the remedies set forth in subsection (b) of this section.

19-11-715 Advisory Opinion

Prior to contracting with an employee of a state agency or any immediate family member of the same, we will need to have on file an Advisory Opinion from the State Director of Finance and Administration as further explained below:

a) ADVISORY OPINIONS: On written request of employees or contractors and in consultation with the Attorney General, the director may render written advisory opinions regarding the appropriateness of the course of conduct to be followed in proposed transactions. Such requests and advisory opinions may be duly published in the manner in which regulations of this state are published. Compliance with the requirements of a duly promulgated advisory opinion of the director shall be deemed to constitute compliance with the ethical standards of this subchapter.

b) WAIVER. On written request of an employee, the director may grant an employee a written waiver from the application of 19-11-705, which refers to employee conflict of interest, and grant permission to proceed with the transaction to such extent and upon such terms and conditions as may be specified. Such waiver and permission may be granted when the interests of the state so require or when the ethical conflict is insubstantial or remote.

EXEMPT ACCOUNTS (formally: "Private Funds")

New Spending Guidelines for Accounts with Fund Numbers 590, 119, 190, 910

In the past, those account numbers with fund prefixes beginning with 590, 119, 190 and 910 were recognized by this office as "private" with no compliance to state law or other campus policy. Goods or services were simply purchased as requested with little to no inquires. Effective immediately, UAPB has deemed that all accounts beginning with 590, 119, 190, 910 will be governed by all State procurement Laws and campus policy which may be applicable. I would advise that you make inquires early and start the acquisition process in time to satisfy your need.

FOUNDATION FUND TRANSACTIONS

Re: PURCHASE ORDERS TO THE FOUNDATION

Regarding payments or deposits into the UAPB foundation Fund:

We cannot use state or federal monies (restricted funds subject to state regulations) to make a deposit into a Foundation Account (an account which is not subject to state or federal regulations).

Such would be:

- Educational Access
- Career Day
- Registrations of any time
- Purchases of any kind
- Reimbursements of any kind

GIFTS AND REMUNERATIONS

State law prohibits the giving of mementos, gifts or other such items to **"state employees," (or former employees** (those whose separation date is less than twelve (12) calendar months) if there is an expectation that the cost of the same will be paid with state or federal funds. Such items include but are not limited to: **gifts, plaques, medallions, certificates, monetary remunerations, flowers, etc.**

Further, the requisitions for such items must be accompanied with the following:

- **A listing of the names of each recipient**
- **The names must be the same in number as the quantity requested on the requisitions**
- **A statement that all recipients are "non state employees." This statement is to be signed by the budget officer for the account to be expensed.**

Note also, we are **unable to process requisitions that are not specific for intended "current use." (No excess stocking of such items).**

GRANT AND DISCLOSURE REQUIREMENTS: Governor's Executive Order – 98-04 w/form

A. NO CONTRACT FOR COMMODITIES OR SERVICES GREATER THAN $25,000 AND NO DISCRETIONARY GRANT GREATER THAN $25,000 SHALL BE AWARDED, EXTENDED, AMENDED, OR RENEWED BY ANY AGENCY TO ANY CONTRACTOR WHO HAS NOT DISCLOSED AS REQUIRED IN THIS BID WITH THE EXCEPTION OF CONTRACTS IN SECTION 3 D (EMERGENCIES) FOR GOODS AND SERVICES FOR WHICH DISCLOSURE MAY BE OBTAINED AFTER PURCHASE.

B. Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a

material breach of the terms of this contract. Any contractor, who violates any rule, regulation, or policy, shall be subject to all legal remedies available to the agency.

All purchase requisitions must include a "contract grant and disclosure form" if over $25,000 except those listed below as **exempt:**

a) Contracts with another governmental entity such as a state agency, public educational institution, federal government entity, or body of a local government.
b) Commodities procured from non-profit workshops authorized by Ark. Code Ann. 19-11-501 seq.
c) Farm products procured in accordance with Ark. Code Ann. 19-11-203(14)(H)
d) Procurement of postage.
e) Payment of taxes.
f) Contracts with utilities defined, recognized, and regulated by the Arkansas Public Service Commission as a monopoly offering.
g) Medical items used for the treatment and diagnosis of patients, if procured through a group purchasing entity serving other public health institutions when substantial savings are available.
h) Purchase orders issued by agencies against Office of State Procurement contracts.
i) Expenditures not involving public funds (exempt funds)
j) Published books, annuals, maps, periodicals, films, technical pamphlets and copy righted educational aids for use in libraries and for other informational or instructional purposes in instances in which other applicable law does not provide a restrictive means for the acquisitions of them.
k) Services of visiting speakers, lectures, and performing artists.
l) Works of art for museum and public display.

IDIQ CONTRACTS (see Blanket Orders)

ILLEGAL IMMIGRANTS CERTIFICATION

Regarding Act 157-Prohibition against Contracting with Illegal Immigrants
State agencies are prohibited against contracting with illegal immigrants. "Contractor" means a person having a public contract with a state agency for **professional services, technical and general services, or any category of construction in which the total dollar value of the contract is twenty-five thousand dollars ($25,000) or greater.**

INSURANCE FOR STUDENTS

Be advised that we cannot arbitrarily enter into an agreement with an insurance company to cover summer student programs, athletes, international students or other without prior approval of the policy by the University's representative at the System's Office Mr. Graham Gillis (501-686-2941) or Mr. Bill Byrd, Broker for Rebsaman Insurance – (501-661-4960).

Please make these contacts early to assure coverage at the time of need. To expedite the process, I would advise that you have them fax or e-mail a statement to you that your policy provides adequate coverage with a copy of the same attached to your purchase requisition.

INTERDEPARTMENTAL CHARGES

Most interdepartmental transactions are processed by a transfer of funds between departments; no purchase order is required. We will no longer be able to process through requisition for purchase order issue any interdepartmental charges. Interdepartmental charges are charges where one department is charging another department a fee for registration, commodities or other services, whether the event is on or off the campus.

Examples of past interdepartmental charges are:

- Rural Life Conference Registrations
- Deposits into the UAPB Foundation Account
- Educational Access Registrations
- Motor Pool Vehicle usage
- Duplicating Services

All future charges will be handled via charge back though Mrs. Pryor in Accounting. Recommend you get with her soon to assure the appropriate format for submission.

JOB ORDER CONTRACTING (JOC)

IN A NUTSHELL

JOC (*job order contracting)* is a means of identifying a contractor to perform public works projects through a **selection process** to do a specified type of job.

- Bidders are guaranteed no work nor a specified number of projects per year.

- **LICENSES:**
  Each bidder must be licensed the day he submits his bid in order to do projects over $20,000.

  COST- The **rates you bid must include** the following: **Labor (for both State and Federal Wage Determinations) travel and insurance.** Once you are contacted about a job then you will add ***material*** *cost and* ***performance bond*** *cost if the latter is applicable.*

- May be awarded to one or more contractors or may award to "all" qualified bidders.

- **JOC ESTIMATE SHEETS**
  As projects are due, the Plant Director must have a best estimate in mind to compare with the quoted price (based on RS Means, or Rates bid) from the Contractor. He may also opt to have two (2) contractors quote a price for comparison purposes. The Plant Director is responsible for knowing that this is a good and reasonable price for the project.

  Once the Contractor and the Plant Director are in agreement with the cost, the Contractor will be asked to complete the JOB Order Estimate sheet, sign and submit to the Plant Director.

  The Estimate Sheet will be forwarded to Procurement. Procurement will contact the contractor for other documents relative to this project.

- JOC is an excellent way to "fast track" projects in that the formal bid process is eliminated with the Contractor doing his own cost estimating.

- The selected Contractor(s) may serve for four (4) years without a further selection process as long as his **cost rate** remains firm for the entire period**.**

- Once the Contractor and the Agency are in agreement the **Contractor may start work once in receipt of the Purchase Order. The Contractor is not advised to start any projects without this document.**

LEAD TIME SCHEDULE

The **Lead time schedule** shows the number of days required to process an order prior to purchase order issue.

This schedule is under the assumption that the requisition has already been **entered on-line and all signatures are secured** prior to receipt by Procurement, if not add two (2) days to the numbers listed below.

CLASSIFICATION	NUMBER OF DAYS
Small orders - $5,000	1
Quotation bid ($5,000<$25,000)	10
Formal Bid ($>$25,000)	15
Sole Source	1-5
Construction Projects ($<$20,000)	3-5 weeks
Construction Projects ($>$20,000<$250,000)	6-8 weeks
Capital Construction ($>$500,000)	6-8 weeks
Request for Proposals	6-8 weeks
Travel (ticket)	Immediately
Emergencies	Immediately

MINORITY BUSINESSES

Excerpts from a letter from the Director of State Procurement dated October, 1983 states that the Governor has set forth an executive proclamation which sets a goal for "all state departments, agencies, colleges and universities, boards and commissions to procure or contract for at least 10% of all goods and services from Minority businesses. It is to this end that we welcome and encourage the use of Minority business enterprises to sell to the University. However, no preferential consideration may be granted as exceptions to the laws which govern how a firm should do business in the state of Arkansas with other state agencies.

"Minority business defined" Pursuant to Ark., Code Ann. §22-9-203, (Sec: 3 – Defined as Black Americans, Hispanic Americans, American Indians, Asian, and Pacific Islanders

MOVING EXPENSES

R6-19-4-904 Recruitment and Relocation Expense (Justification required)
The Administrative head of a State organization or his/her authorized representative may approve relocation expenses of existing State employees. Further, ACA 19-4-522 (e) allows State –supported colleges and universities to utilize maintenance and operation appropriations for the payment of moving expenses of employees, including new hires. When it becomes essential that an agency permanently transfer a State employee from one location to another within the boundaries of the State of Arkansas or, in the case of State-supported colleges, and universities, hire a new employee regardless of their location, reasonable payment for movement of household effects shall be made in accordance with the procedures prescribed herein.

The transfer and reimbursement of costs incurred by the individual must be directed and approved in writing by the administrative head of the board, commission, department, institution or agency. Full identification of the individual, the position transferred from and to and reasons the transfer is necessary must be contained in the directive.

The payment for relocation must be solely for the convenience of the State in order to satisfactorily perform its function(s).

Under no circumstance will moving expenses be paid for newly hired employees except for State-supported colleges and universities. All other new employees are responsible for any moving expenses they incur while relocating in the area of a new job.

The term household effects as used herein does not apply to the movement of recreational vehicles, boats and other items not normally used in the home. Packing, crating, loading and unloading of household effects, as necessary, in addition to actual transportation expenses in accordance with Internal Revenue Service regulations are acceptable as part of the moving expense and may be paid.

Reimbursement of costs for employee moving expense will be allowed only when the distance from the employee's place of residence, old duty station and new duty station meet the guidelines of the internal Revenue Service the effect at the time of the relocation for allowable moving expense.

OFFICE SUPPLY PURCHASES

The first source for office supply needs is the UAPB Central Stores. Contact Sheri Dejarnette (8371) for ordering assistance.

CENTRAL STORE REQUISITIONS

The attached all campus memo states that effective immediately, all requisitions to the Central Stores for office supplies must have **funds check approval prior to purchase order issue (see attachment)**.

- **Funds Check for Central Store Requisitions**
  To better manage cost and to assure fiscal stability, effective immediately all supply orders to the Central Stores shall be funds checked by the Central Stores prior to purchase order issue.

- **Where funds are inadequate for the purchase, these will be returned by the Central Stores.**

- **Be advised that the UAPB Bookstore (Follette College Store) is not a state contractor or state agency. Reimbursement may not be made if office or other type supplies are purchased from this source or other outlets other then the UAPB Central Stores.**

OFFICIAL FUNCTION APPROVAL (see Campus Dining Services)

ON-LINE REQUISTION ENTRY- A convenient and advantageous feature for the end user, SPECIFICALLY:

- **Eliminates double typing – No need to type the requisition on line then type a second hard copy to circulate through the system for signatures. Once prepared it will print to your laser printer.**

- **Tracking- This method generates a "requisition number" which assists in tracking the status at all times (status such as the po#, payment status, etc.)**

On Line Requisition Entry Policy

Purchase Requisition Entry – This form is used when there is a need to procure goods or services. Electronic access is available to each requester. It's important that you learn how to use this form electronically. To maintain the integrity of the database, it is essential for every user on the system to understand the importance of the data that exists on Colleague and how to correctly enter and maintain. The requisition will be created with only partial information, and later completed by the Procurement Office Staff to create a Purchase Order.

Training can be provided for on-line requisition entry by calling 8738.

Call Procurement to have the requisition form e-mailed to you along with the training book. Now that you have the form, let us produce the document.

How To Complete The Form – This form is used when there is a need to procure goods or services, Electronic access is available via UAPB website. Attached is a copy of the currently used form which contains a red comment flag at each requirement for ease in completion.

INSTRUCTIONS: HOW TO COMPLETE THE PURCHASE REQUISITION FORM

DATE Today's date

VENDOR Enter the complete name and address of the contractor, vendor, or to whomever the request is directed

- **Tax ID or Soc. Sec. #** - Required for all individuals and all non-incorporated businesses (IRS Requirement)
- **Ethnicity** – Required for all individuals listed as vendors except UAPB employees.

NOT FOR DEPARTMENTAL USE For use by the Finance Division and Procurement only.

DELIVERY INFORMATION Building name and room number