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ADMINISTRATIVE DIRECTIVE

SUBJECT: Procurement/Purchasing/Disposition and Contracting Guidelines

NUMBER: 18-02

SUPERSEDES: 11-64

APPLICABILITY: Staff

REFERENCE: AR 118 -Procurement and
Disposition Activities

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APPROVED: Original signed by Wendy Kelley

EFFECTIVEDATE: 01/25/2018

I. POLICY:

To comply with all applicable state and federal laws, guidelines and procedures governing procurement and disposition of commodities and services.

II. EXPLANATION:

This directive reflects guidelines established by the Board of Corrections for approvals required in procurement and disposition of commodities and services for the Department of Correction.

III. DEFINITIONS:

- Board - the Board of Corrections.
- Procurement - purchasing, buying, renting, leasing, contracting, or otherwise obtaining any commodities or services.
- Disposition - disposal, sale, or transfer of surplus commodities.

- Emergency Procurements - acquisition of commodities or services of which, if not immediately initiated, will endanger human life or health, state and federal property, or the functional capability of a state and federal agency.
- Sole Source Procurements - acquisition of commodities or services which, by virtue of specifications, are available only from a single source.

IV. PROCEDURE:

A. Procurement of Commodities and Services

1. Procedures for procurement and disposition of commodities and services shall be governed by applicable state and federal laws and procedures of agencies vested with authority to administer same. Such authority, as may be applicable, shall be included in the Administrative Services Division Procedures Manual and made available to all employees involved in procurement and disposition processes.
2. Procurements within approved operating budgets for various divisions/units which are not subject to other authorizations may be authorized by respective Chief Deputy/Deputy/Assistant Directors.
3. Inmate Welfare Fund merchandise for resale may be procured by the Warden. Other procurements from the Inmate Welfare Fund require the following approvals:
 - a. Procurements of \$1,000 or less require prior approval of the applicable Warden and the Deputy Director of Administrative Services.
 - b. Procurements of more than \$1,000 but less than \$10,000 require further approval of the applicable Chief Deputy/Deputy/Assistant Director and the Director.
 - c. Procurements of \$10,000 or more require further approval of the Board.
4. Procurements from the Paws in Prison Fund shall be limited to operational support of the program and require the following approvals:
 - a. Procurements of \$1,000 or less require prior approval of the Chief Deputy/Deputy/Assistant/Director in charge of the Paws in Prison program.

- b. Procurements of more than \$1,000 but less than \$10,000 require further approval of the Director.
 - c. Procurements of \$10,000 or more require further approval of the Board.
5. Emergency procurements require approval of the Director.
 6. Sole source purchase of equipment exceeding \$50,000 requires approval of the Board. **Exception:** In the event that there is a farm equipment item available for purchase at auction, advanced approval for sole source procurement must be obtained from the Office of State Procurement and the Board of Corrections Farm Liaison **prior** to submitting a bid. If the bid is successful, details of the purchase will be provided in the following monthly report to the Board.
 7. Procurement of capital equipment items from all fund sources requires approval of the Director. However, the Director may delegate approval authority to the applicable Chief Deputy/Deputy/Assistant Directors for procurement of specific capital equipment items and/or specific dollar amounts as specified in administrative directive(s), internal policy and/or procedure.
 8. Procurement of commodities and services required for authorized construction/renovation projects shall be approved by the Assistant Director of Construction.
 9. Procurement of goods utilizing Non-Revenue Tax Receipts which are derived from the coinless inmate telephone system are to be held in a special fund administered and expended by the Director of the Department of Correction within guidelines established by the Board of Corrections disbursement in support of department operations or debt service.

B. Disposition of Commodities

Disposition of commodities and natural resources shall be governed by applicable state and federal laws, guidelines and procedures. Accordingly:

1. Sales of industry produced commodities and services and farm produced commodities are governed by applicable state and federal laws, guidelines, and procedures.
2. Sale, and/or disposition of buildings, land and sales exceeding \$50,000 require approval of the Director and the Board. Demolition of any

building requires the Director and Board approvals regardless of the building's value.

C. Leases

Leases of offices, storage space, land for agricultural operations, and buildings to house inmates shall be governed by applicable state and federal laws, procedures and guidelines. In addition, the following approvals are required:

1. Leases of office, storage space and equipment require approval of the Director.
2. Leases of land for agricultural operations or buildings to house inmates require approval of the Director and the Board.
3. Lease purchases exceeding \$50,000 require approval of the Director and the Board.

D. Procurement of Land, Buildings, Construction and/or Renovation Projects

Procurement of land, buildings, construction and/or renovation projects shall be governed by applicable state and federal laws, guidelines, and procedures. In addition, the following approvals are required:

1. Procurement of land, buildings, construction and/or renovation under \$50,000 requires approval of the Director.
2. Procurement of land, buildings, construction and/or renovation projects \$50,000 and greater requires approval of the Board.

E. Contracts

Contracts for commodities or services shall be governed by applicable state and federal law, guidelines, and procedures. In addition, the following approvals are required:

1. Professional and/or Consultant Services. Contracts for Professional and/or Consultant Services require approval of the Director. Contracts for \$50,000 or greater, inclusive of amendments, further require approval of the Board.
2. Architectural and/or Engineering Services. Contracts for architectural and/or engineering services for new construction require Board selection

and approval of contractor. Selection and approval may be based on Board participation on an interview committee or on recommendation of the Director. Amendments that increase or decrease the percentage of the total contract amount to be paid the contractor require approval of the Board.

3. Medical Services. Contracts for medical services require Board selection and approval of contractor. Amendments that affect the scope of services, the per inmate per day contract rate exceeding the contract bid rate previously approved, the method of calculation of compensation, and other adjustments to fees to be paid require approval of the Board.
4. Legal Services. Contracts for legal services for representation of the departments require Board approval of the contractor. Amendments affecting the scope of services or fees to be paid require approval of the Board.
5. Private Facility Operation Services. Contracts for operation of prison facilities require Board selection and approval of contractor. Amendments that affect the scope of services, the per inmate per day contract rate exceeding the contract bid rate previously approved, the method of calculation of compensation and other adjustments to fees to be paid require approval of the Board.
6. Multiple Award Contracts
 - The Office of State Procurement may enter into Multiple Award Contracts to facilitate the Farm operations if advantageous to the State.

F. In-House Review- All contracts for medical, legal, and operation of private facilities require review by the Department's Staff Attorney prior to consideration of the Board.

G. Emergency Board Approval

Should an emergency situation necessitate immediate procurement of commodities or services that require approval of the Board as outlined herein, the Director will contact the Board Assistant to request a special meeting by telephone for Board consideration and approval.

H. Reports

The Department shall provide a monthly report to the Board listing new or renewed contracts of \$10,000 or more.

V. **STANDARDS:**

American Correctional Association (ACA), ACA Standards for Adult Correctional Institutions.
ACA 12-27-128

APPROVED BY THE BOARD OF CORRECTIONS:

| January 19, 2018

Date