



State of North Carolina
 Department of Public Safety
 POLICIES & PROCEDURES

PURCHASING AND LOGISTICS MANUAL

Division: ADMINISTRATION

Chapter: PURCHASING AND LOGISTICS

Policy: PURCHASING AND LOGISTICS MANUAL

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I. INTRODUCTION

A. N C STATUTORY AUTHORITY, ADMINISTRATIVE CODE AND POLICY

This Manual is intended to provide you with the basic laws, rules, policies and procedures that must be followed in carrying out the responsibilities of a Purchaser in the Department of Public Safety. It applies to the acquisition of all equipment, materials, supplies, printing, and services, through outright purchase, rental, lease, lease-purchase, or installment purchase. In accordance with N.C. General Statutes and the delegations of [ITS](#) and [P&C](#) the Secretary of the Department of Public Safety is responsible for administering the department's program for the acquisition of goods and services. The administration of this program has been delegated by the Secretary to DPS's Director of Purchasing and Logistics. The department's internal delegated authority is given here in this manual.

This manual is not all-encompassing of the laws, rules and policies on procurement. In addition to this manual, both ITS and P&C provide on their websites additional resources needed by a Purchaser to insure compliance with all purchasing requirements in conducting their day to day purchasing activities. (Note: P&C also provides an Agency Purchasing Manual to aid the Purchaser in the interpretation of rules and statutes.)

All non-IT requirements must be purchased in accordance with [Article 3 and 3C of Chapter 143](#) of the General Statutes and the rules ([1NCAC Chapter 5](#)) adopted by the Division of Purchase and Contract (P&C) of the Department of Administration.

All IT requirements must be purchased in accordance with [Article 3D of Chapter 147](#) of the General Statutes and the rules [09 NCAC 06A .0101](#) adopted by the Office of Information Technology Services (ITS).

If the Department contracts for the purchase or lease of any commodities or services contrary to statutes, or North Carolina Administrative Code (NCAC), such contract shall be void and of no effect. It is the responsibility of all Departmental personnel involved in the procurement process to ensure that contracts are established in accordance with all applicable laws, rules, policies and procedures. Departmental personnel involved in the purchasing process will be held accountable for unauthorized purchases and improper purchasing practices.



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B. COMPETITION

The Department's purchasing program is built on the principle of fair and open competition. The Department's Purchasing Section is responsible for all aspects of purchasing commodities and services for the Department, either directly or indirectly.

Competition is the cornerstone around which public contracting is built. In its best form, it is a mirror of a free and open economy. Where it is required, but not sought or obtained, the reason must be valid and must be documented. All purchasing personnel must maintain an awareness of the need for and value of competition.

The ability to foster competition is a skill required of all purchasing personnel. Fostering competition is an attitude more than a procedure or mechanism. It is reflected in the way specifications are written, in searching for new sources of supply, in efforts to make procurement documents user friendly, and in everyday courteousness shown to prospective suppliers and contractors. Seeking fair and open competition is critical to conserving our monetary resources.

As a DPS Purchaser, you are entrusted by the taxpayers of this State to contract for goods and services in an efficient and effective manner. To accomplish this we must work jointly to promote and protect the basic fundamentals that our purchasing program is built, which are fair and open competition.

C. INTEGRITY

Fairness and impartiality in all phases of the process by requestors and purchasing personnel is an essential ingredient in public procurement. Dealings with vendors and peers must be open, honest, and objective.

Like all service functions, procurement's justification is the quality of the service it renders. The process cannot be both effective and self-serving; the two are incompatible. In the case of public procurement, utmost fairness is required in expending public funds. No matter how strongly a requestor may prefer a particular product over others, equivalent products must be given every reasonable consideration. We must commit and adhere to fair and open competition.

Integrity is a principal stock in trade for the public procurement professional. Integrity is manifested by fairness, openness, and impartiality and can be tarnished by even the slightest appearance of impropriety. Once this occurs, it is very difficult to regain.



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D. ETHICS

Ethics and ethical practices are a major concern in the realm of public procurement. While laws and rules mesh to provide a mechanism for public procurement, only people can make it work. In procurement, as in all fields, there are values of pride and worth, there are standards and ideals, and there are specifics of conduct and performance. Impediments to the process must be detected early and safeguards provided at all levels. This applies both to Departmental personnel and the vendor community.

It becomes imperative, therefore, that all Departmental personnel be entirely cognizant of the necessity for ethical behavior. It takes only the slightest hint of impropriety to cast doubt on behavior. Sometimes, it may be even more of a perception than an actual event.

[North Carolina General Statute 14-234](#) states, in part “No public officer or employee may solicit or receive any gift, reward, or promise of reward in exchange for recommending, influencing, or attempting to influence the award of a contract by the public agency he or she serves.”

In addition, [North Carolina General Statute 133-32](#) and [Executive Order 24](#) prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. Employees within the Department of Public Safety shall strictly abide by these General Statutes and Executive Order.

E. OBJECTIVES

This Purchasing and Logistics Manual is to provide guidance and uniform procedures for the efficient and cost-effective purchase of goods and services for the Department of Public Safety. Additionally, this document is intended to:

- Support the use of the [NC E-Procurement@Your Service](#) web-based purchasing system for all appropriate purchases of goods and services for the Department.
- To ensure reliable accountability and protection of funds, and ensure an adequate audit trail of all transactions is maintained.
- Promote the use of North Carolina companies and [Historically Underutilized Businesses \(HUB\)](#) when making procurements for the Department and promote opportunities for all citizens without regard to race, gender, or handicap.



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- Promote the purchase and use of products with recycled materials and those that are reusable, refillable, repairable, more durable, and less toxic, to the extent that the procurement or use is practicable and cost-effective.
- Promote fair and open competition.

F. RESPONSIBILITY

All needs generated by the Section that DPS Purchasing will receive will be submitted via the E-Procurement system. Although the Section may have authority to make some purchases locally, you may see some small purchases come to DPS Purchasing for handling. DPS Purchasing will handle the requirement, regardless of how small it is as a service to the Section.

All Purchasers shall be responsible for handling each and every requirement in accordance with all laws, rules, policy and this manual. If there is ever a question as to the appropriate procedure to follow, you should contact your supervisor prior to proceeding with any action. In addition, each Purchaser:

- Shall safeguard against conflicts of interest, or the appearance of a conflict of interest.
- Shall monitor purchases to guard against splitting orders in an attempt to avoid competition requirements. This includes monthly and quarterly (scheduled buying) purchases.
- Shall monitor procurement activity to determine if an Agency Specific Term Contract is more appropriate. DPS Purchasing will work to develop the specifications for the term contract.
- Shall immediately report to their supervisor if it is determined that vendors are inflating prices of commodities or services as a result of a non-competitive process, or where collusion might be suspected.
- Shall conduct him/herself in a professional manner at all times and maintain an effective businesslike relationship with DPS users, coworkers, vendors, and others that you may have contact with in the course of carrying out your assigned duties.



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II. GLOSSARY

A. DEFINITIONS

In addition to the definitions given by ITS and P&C, the following definitions are provided:

AGENCY SPECIFIC TERM CONTRACT: A Term Contract just for DPS.

APPROVER: An employee who is approving goods to meet the operational, medical and/or educational needs of the Section.

APPROVING SUPERVISOR : The Approving Supervisor is responsible for authorizing purchases made by the cardholder. The supervisor's signature must be reflected on original copies of receipts and the cardholder's monthly statement.

CARDHOLDER: Each cardholder must be a full-time permanent state employee who has been authorized to make purchases in accordance with the established Policies and Procedures of our agency.

CONSULTANT CONTRACTS: Work or task performed by State employees or independent contractors possessing specialized knowledge, experience, expertise and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services. This includes, but is not limited to, the organization, planning, directing, control, evaluation and operation of a program, agency, or department.

CONSTRUCTION CONTRACTS: Every agency shall review the items being included in a construction/renovation project and remove from the scope of the construction procurement any items that they consider are non-related to the actual construction/renovation of the building. Items that are considered commodities, or just furnishings, to complete the project for use by the agency, shall be handled by P&C in accordance with the normal purchasing rules.



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Items that are usually removed from construction./renovation projects include carpet, office panel systems, foodservice equipment, and furniture. If an agency determines that one of these items, or any item that is normally handled as a commodity purchase, is best suited for inclusion in the construction/renovation project, their justification shall be documented in writing for public record

CONTRACTUAL SERVICE: When an independent contractor performs services requiring specialized knowledge, experience, expertise or similar capabilities for the Department. The services may include (by way of illustration, not limitation) services such as, maintenance of buildings or equipment, auditing, film production, employee training and food service, provided that the service is not primarily for review, analysis or advice in formulating or implementing improvements in programs or services (in which case rules relating to Consultant Contracts shall be applicable).

DELEGATIONS:

- General Delegation: The authority granted by P&C or ITS to the Department to handle purchases of \$25,000 or less.
- Special Delegation: The authority granted by P&C or ITS to the Department to handle a specific or special purchase, when the purchase price is over \$25,000. (Examples include, but not limited to, medical services, food, non-construction related repairs, etc).

DIRECT EMPLOYMENT CONTRACT: Where services are needed and provided by individuals by direct employment contracts with the Department. May include contractual employees and may be referred to at times as personal service(s) contracts.

E-QUOTE: Electronic method for quoting.

OPEN MARKET BIDS: Generally, a one-time purchase of a commodity or service not covered by a term contract.

PAYER: The Payer is an accounts payable person responsible for creating the invoice and submitting payment through NCAS to the bank. This person has the **final responsibility** to verify the accuracy of the bill.



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PROCUREMENT CARD ADMINSTRATOR: The person responsible for all Procurement Card program details, including all cardholder inquiries. This person will act as a liaison between the Bank, DPS Controller's Office, the State Controller's Office, vendors and other entities internal and external involved with this program.

PUBLIC FUNDS: All public funds irrespective of source, whether special, federal, local, gifts, bequests, receipts, fees, or State appropriated, used for the purchase, rental, lease, installment purchase and lease/purchase of commodities, printing and services shall be handled under the provisions this manual. Exception to this requirement may be determined in the Grantor's or Donor's terms and conditions included in the grant or donation.

PURCHASE LIMIT: Dollar limits per transaction and per month limitations are assigned to each cardholder. The limitations may vary.

REQUISTIONER: An employee who is requesting goods to meet the operational, medical and/or educational needs of the Section.

REAL PROPERTY: Any property that is attached directly to land, as well as the land itself. Real property not only includes buildings and other structures, but also rights and interests. Real property can be either rental or residential.

RECONCILER: The Reconciler is the authorized person at each location with the security to reconcile all transactions in the NCAS Procurement Card Module. The reconciler is responsible for ensuring that policies and procedures are followed and any violations are reported to management.

RESPONSIBLE BIDDER: An offeror who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability to assure good faith performance.

RESPONSIVE BIDDER: An offeror who has submitted an offer which conforms in all material respects to the solicitation document.

SECTION HEAD AND/OR DESIGNEE: The person responsible for submitting requests for the enrollment, maintenance and cancellation of cards within the Department from each location.



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STATEWIDE TERM CONTRACT: A Term Contract for all agencies handled by P&C or ITS. If designated as a convenience type contract, it is not mandatory to use.

TERM CONTRACT: A contract generally intended to cover all normal requirements for a commodity or service for a specified period of time based only on estimated quantities or needed services.

VENDORS: Vendors reflect companies from which a cardholder has purchased goods to meet the operational, educational or medical needs of the Section under the procurement provisions of this policy.

WATCHER: An Approver who can watch requisitions in the E-Procurement system. This option is available to supervisors who delegate their approver function to a designee.

B. ABBREVIATIONS AND INTERCHANGEABLE TERMS

Department (Department of Public Safety)

DPS (Department of Public Safety)

DPS Purchasing (DPS Departmental Purchasing and Logistics)

HUB (Historically Underutilized Business)

IFB (Invitation for Bids)

IPS (Interactive Purchasing System)

ITS (Office of Information Technology Services)

MOA (Memorandum of Agreement)

MCC (Merchant Category Code)

MOMS (Medical Operations Management System)

NCAS (North Carolina Accounting System)

P&C (Purchase & Contract Division, Department of Administration)



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OPUS (Offender Population Unified System)

OSC (Office of State Controller)

RFQ (Request for Quotes)

RFP (Request for Proposals)

Secretary (Secretary of the Department of Public Safety)

SPO (State Purchasing Officer)

III. DELEGATIONS AND EXEMPTIONS

A. GENERAL DELEGATION

The Department's general delegation from P&C and ITS for purchases of \$25,000 or less, that are not covered by Statewide Term contracts. The rules require advertisement, when using the competitive bidding procedure, for purchases of \$10,000 or more.

B. SPECIAL DELEGATIONS

P&C and ITS may authorize, by special delegation, the Department to purchase specific commodities, printing, or contractual services without limitation as to the expenditure. Such delegation is normally confined, but not limited to, items and quantities or services which by their nature or circumstance (i.e., perishable, transportation costs, market volatility, local conditions or local availability), would result in their handling serving no practical purpose.

Some special delegations apply to all agencies and some are DPS specific. All delegations shall be in writing and made a matter of record.

Although approval may be given by ITS or P&C to handle a requirement as a special delegation, normal procurement policies and procedures are to be followed, and the internal Purchase Order/Contract Award Authority under [Section XII](#) shall apply.



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Repairs (Non-Construction): Purchasing authority for repairs handled by private sector personnel, regardless of cost, is delegated to the using agency.

Where materials are being purchased for a repair and using agency personnel will perform the needed repair, the purchase of the materials must be handled in accordance with normal purchasing procedures outlined in this manual.

NOTE: Where any structural changes are to be made in or to an agency owned building, the proposed project should be handled in accordance with construction statutes and rules applicable to each agency. Typically, those contracts will be handled through the State Construction Office, not P&C. ([See G.S. 143-129](#) concerning building repairs and renovation).

C. DOCUMENTATION FOR SPECIAL DELEGATION

By special delegation, the SPO may authorize an agency to purchase specific commodities, printing, or contractual services without limitation as to the expenditure. Such delegation is normally confined, but not limited, to items and quantities, or services which by their nature or circumstance, such as perishability, transportation costs, local conditions or local availability, would serve no practical purpose to be handled by P&C.

Some special delegations apply to all agencies and some are agency specific. All delegations shall be in writing and retained as a matter of record. Unless otherwise specified by the SPO, special delegations are subject to all of the following conditions:

- (a) All commodities and contractual services covered by term contracts must be purchased in accordance with the instructions of each term contract.
- (b) Competition must be solicited, where available. If competition is not available, the reason(s) must be documented in the procurement file.
- (c) Agencies are required to issue their own solicitation documents. This shall also apply to a waiver (See Section IX. paragraph A, Waiver of Competition).



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- (d) The solicitation document shall include North Carolina General Terms and Conditions and any other consistent contract language issued by the SPO, unless prior approval from the SPO is granted to substitute modified language.
- (e) All transactions shall be documented.
- (f) Awarding of contracts under a special delegation shall be the responsibility of the agency's Executive Officer (agency head). However the SPO may require that offers received under such delegations be sent to P&C for determination of the successful contractor.
- (g) Any controversial matter arising from a special delegation must be brought to the attention of the SPO. All protests on awards greater than \$25,000 must be handled by the SPO.
- (h) Specific delegations may be subject to additional conditions as determined by the SPO. These conditions shall be submitted to the agency in writing.
- (i) P&C shall periodically review all approved special delegations to ascertain the availability of these items or services and their continued suitability for delegation

D. EXEMPTIONS

It is not mandatory for the items and services listed below to be purchased through P&C; however, the Department still requires that normal procurement policies and procedures be followed:

- A waiver is justified and documented
- A direct employment contract
- Physician or hospital services
- Public utility services (gas, water and electricity)



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- Perishable (fresh/frozen) articles such as meats, fruit, vegetables, fish, poultry and eggs.
- Copyrighted published material produced by others, such as newspapers, magazines, pamphlets, manuscripts, books, maps, charts, globes, film, filmstrips, packaged copyrighted software products, and recordings (including tapes).
- Fresh Fruit & Vegetables—A notice is posted on IPS advising bidders to contact DPS Purchasing if they are interested in receiving individual faxed bids as needs arise.
- Propriety medical equipment and/or supplies for Central Prison Healthcare Complex and NC Correctional Institute for Women Healthcare Center.
- Proprietary Drugs and Medications
- Contracts for construction of and structural changes to public buildings

Soliciting competition for bakery products and dairy products shall be handled by the Agency in accordance with standard procurement guidelines, regardless of the dollar value of the proposed contract, but the contract will be awarded through P&C if over the Agency's delegation.

Purchase Order/Contract Award Authority under Section XII applies to exemptions.

IV. PURCHASING PRIORITIES

A. CORRECTION ENTERPRISES AND DPS WAREHOUSES

In accordance with [North Carolina General Statute 148-134](#) all departments, institutions and agencies of this State shall give preference to Department of Correction products.

Any item or service that is available from Correction Enterprises should be ordered from them or justification must be provided to DPS Purchasing and Logistics.



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If Correction Enterprises cannot honor the order within the delivery time needed, then the requirement is to be handled following the purchasing procedures specified in this manual.

Correction Enterprises is required by law to keep the price of such articles or commodities substantially in accordance with that paid by governmental agencies for similar articles and commodities of equivalent quality.

All purchases being made from the Department's warehouses shall be processed on a usage order form and should not come to DPS Purchasing and Logistics for handling. Any that are received shall be returned to the Section.

B. TERM CONTRACTS

All items or services covered by a term contract, both Statewide and Agency Specific, must be ordered from the contractors listed for the specific term contract. Exceptions to this requirement are: 1) a convenience type contract; 2) item is available from a DPS warehouse; or 3) item or service is available from Correction Enterprises. Statewide term contracts are handled by P&C or ITS, whichever is applicable. P&C and ITS also handle DPS Agency Specific Term Contracts that exceed DPS's general delegation. DPS Purchasing handles Agency Specific Term Contracts for DPS that are under its delegation.

C. NORTH CAROLINA PRODUCTS

Where quality and availability allow, specifications are to be based on products grown or manufactured in North Carolina. This special interest in North Carolina products is intended to encourage and promote their use, but is not exercised to the exclusion of other products or to prevent fair and open competition (see Reciprocal Preference under Section XIII).

D. EXECUTIVE ORDER No. 50

In an effort to utilize the buying power of the State to encourage North Carolina companies to do business with the State, stimulate economic development, and create jobs in North Carolina, [Executive Order No. 50](#), Enhanced Purchasing Opportunities for North Carolina Businesses, was issued by the Governor with an effective date of March 1, 2010.



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It applies to the purchase of Non-IT goods only. The provisions and policies to implement this order were issued by P&C and are found in the standard solicitation templates that are to be used by Purchasers. The reporting requirements are given on P&C's web page.

E. HISTORICALLY UNDERUTILIZED BUSINESSES (HUB)

The Office for Historically Underutilized Businesses (located in the Department of Administration), generally known as the [HUB Office](#) is committed to advocating for minority, women and disabled-owned businesses in their efforts to conduct business with the State of North Carolina.

To qualify as a HUB, a business must be owned and controlled by one or more citizens or lawful permanent residents of the United States who are members of one or more of the following groups: (1) Black, (2) Hispanic, (3) Asian American, (4) American Indian, (5) Female, (6) Disabled, (7) Disadvantaged.

HUB Office staff are available to assist firms with becoming certified as historically underutilized businesses. In addition, the HUB Office provides outreach, training and networking opportunities for new and established HUB firms. Their website provides access to their programs and core services, HUB vendor/firm database, upcoming bids with various state agencies and public entities, HUB Annual Reports, HUBSCO Construction Reporting System, the latest news and calendar information for training and conference sessions.

Purchasers are to promote the use of Historically Underutilized Businesses (HUB), as well as North Carolina companies, when making procurements for the Department. Purchasers should use a reasonable number of locally known (to the Section) HUB designated companies, where available, when making purchases under the advertising requirement. It is an excellent opportunity to promote the use of local North Carolina and HUB companies.

F. NONPROFIT WORK CENTERS FOR THE BLIND AND THE SEVERELY DISABLED

DPS Purchasing may purchase goods and services, that not IT related, directly from a nonprofit work center for the blind and severely disabled as long as:



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- The purchase of goods does not exceed \$25,000 (no limit on services).
- The goods or services are not available from Correction Enterprises or a DPS Warehouse.
- The goods or services are not available under a term contract.
- The goods or services must be of suitable price and quality, as determined by DPS Purchasing.

Competition is not required when making a purchase from a nonprofit work center for the blind and severely disabled. Nonprofit work centers for the blind and severely disabled may still submit offers for contracts handled competitively.

Purchase Order/Contract Award Authority under [Section XII](#) applies.

V. PURCHASING RESPONSIBILITIES

A. RESPONSIBILITIES

As with all procurement responsibilities, Purchasing Officers, Purchasing Agents, Approvers and Requisitioners are expected to make purchases using good judgment, and acting in accordance with all rules, policies, codes, North Carolina General Statutes, and procedures that govern public purchasing practices. Purchasing Officers, Agents, Approvers and Requisitioners will be held accountable for unauthorized purchases and improper purchasing practices.

Goods and Services priced above \$2,500 should be entered as a requisition into E-Procurement unless policy specifically allows for an exception.

In order to maintain an effective workflow, Sections are encouraged to minimize the number of approvers in the approval chain. Therefore the role of a watcher was established to allow additional oversight by Department Manager.

In an effort to use best value procurement methods, please do not enter any requisition less than \$200 into the E-Procurement system.



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Requester should use alternate method of payment (P-Card or Direct Pay) to purchase these items. After training and a compliance review, this minimum amount may be increased. An exception to this rule will be small dollar requisitions involving items: inventory goods and raw materials at any Correction Enterprise plants (Buying Entity: 19EI).

B. VERIFICATION AND CONFIRMATION OF QUOTES

The Section shall be required to obtain at least one quote for items requisitioned through E-Procurement that are not on a term contract. This will ensure that Purchasing Officers and Agents are clear as to exactly what is to be purchased, which will aid in expediting the process.

C. BUYING ENTITIES

When submitting requisitions through E-Procurement the buying entities shall be entered as follows:

- 19EG – used for non-inventory goods
- 19EI – used for inventory goods
- 19ES – used for services
- 19EE – used for purchases from Correction Enterprises

D. PAYMENT BASIS

There are three different circumstances or methods under which an invoice may be paid:

i. Receipt Based

Most purchases for goods are processed for payment using the Receipt Basis. Under this method, the Purchase Order stipulates shipment of goods, at a specific quantity and price to the Section requesting them. The invoice however is sent directly to the General Accounting Section for payment.

- Payment cannot be made by the General Accounting Section until the Section formally 'Receives' the goods into E-Procurement.



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- The Section must base their receipt on the actual quantity received and not on the amount ordered or invoiced.
- The General Accounting Section will pay based on the amount actually 'Received' on the E-Procurement system, and will resolve discrepancies between the invoiced amount and the amount received with the Section, Purchasing and Logistics and/or vendor as necessary.

ii. P.O. Based

Also commonly referred to as an 'Open' or 'Blanket' Purchase Order, the P.O. Based method is used primarily for the purchase of services, especially medical services where the cost cannot be readily, or completely determined in advance.

- The invoice will be provided to the Section by General Accounting, if requested.
- Payment will not be made by the General Accounting Section until the Section formally 'Receives' the goods or service into E-Procurement with invoice number and another pertinent information relating to the purchase in the comments.
- The Section must base their receipt on the actual quantity received and not on the amount ordered or invoiced.
- The General Accounting Section will pay based on the amount actually 'Received' on the **E-Procurement** system, and will resolve discrepancies between the invoiced amount and the amount received with the Section, Purchasing and Logistics and/or vendor as necessary.

iii. Signature Based

As indicated, this method is based on proper receipt of an authorized signature before payment is permitted.



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While this is not the preferred method of payment, in some cases where the industry standard for delivery that allow a + or -percentage of the amount ordered for the commodities being purchased (bulk fuel, chemicals, etc.), it is generally more efficient for the “end user” to receive the invoice for matching with receipt documentation. adjustments may be made to purchase orders to accurately account for the receipt of the item.

Once quantities received match the invoice and the purchase order has been adjusted for charges over or under the amount previously approved, then the matching information will be scanned and forwarded to the General Accounting Section for payment.

VI. TRANSPORTATION CHARGES

All quotes/bids shall be FOB Destination only. The cost of Transportation shall be included in the cost of all goods purchased. If a Vendor will not include the cost of Transportation in their quotes/bids; the Purchase Orders shall reflect FOB code: 003. Freight charges shall no longer be broken out as a separate line on Purchase Orders.

VII. PURCHASING COMPETITION THRESHOLDS

(See Section XI for Medical Supplies and Services, and Pharmaceuticals)

A. OPEN MARKET PURCHASES

i. Small Purchases

A small purchase is defined as the purchase of commodities or services not covered by a term contract, or not available from Correction Enterprises or a DPS Warehouse, involving an expenditure of public funds of five thousand dollars (\$5,000) or less.

NOTE: For commodities/service purchases over \$2,500 but no greater than \$5,000, although competition is not required, the Purchaser must use good judgment and prudence when handling this type order, and distribute the Department’s contracts among available vendors that offer quality products and services at fair market value. This is an excellent opportunity to promote the use of local HUB and North Carolina companies.



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If competition is obtained verbally, the Purchaser must identify in the E-Procurement order, the companies from which offers were solicited, the company representative's name, and the price offered. If offers are received in writing, the offers are to be scanned into the E-Procurement order. Beware of written offers that contain unacceptable conflicting terms and conditions. Discuss with your supervisor if this occurs.

Requisitions or orders shall not be split in order to circumvent competition requirements. Purchasers should also monitor the frequency of orders for the same commodities or services to determine if an Agency Specific Term contract would be more beneficial to the Department.

ii. Purchases over \$5,000, but no greater than \$10,000

The purchase of commodities or services involving an expenditure of public funds exceeding five thousand dollars (\$5,000), but no greater than ten thousand (\$10,000) via E-Quote, IFB, RFP, or RFQ by DPS Purchasing Agent, unless it is:

- Covered by a term contract
- Available from Correction Enterprises or a DPS Warehouse
- Qualifies as a waiver

When E-Quoting, the Purchaser is required to solicit a minimum of three (3) vendors.

iii. Purchases over \$10,000, but no greater than \$25,000

For the purchase of commodities or services involving an expenditure of public funds exceeding ten thousand dollars (\$10,000), the competitive bidding procedure must be used and the solicitation must be advertised on the State's Interactive Purchasing System (IPS), unless it is 1) covered by a term contract, 2) available from Correction Enterprises or a DPS Warehouse, or 3) qualifies as a waiver.



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Purchasers shall:

- Use the appropriate solicitation document template from the standard DPS Purchasing templates (for IT, use templates from ITS's web site) to insure the most up-to-date language is used.
- Develop and include open and fair specifications/scope of work, delivery requirements, quantities, and award criteria.
- Submit the final solicitation document to the Information Processing Technician for it to be advertised on IPS.
- Conduct an impartial evaluation of all offers received.
- Make an award of contract in the best interest of the Department and one that can withstand a protest, and within three (3) working days from the award of the contract, submit the file to the Information Processing Technician so an award notice can be electronically transmitted directly to IPS. The award notice shall be posted for at least 30 consecutive calendar days. This award notice shall identify the contract and award information.

A purchase order is to be issued via E-Procurement once the contract is awarded.

iv. Purchases over \$25,000

For the purchase of commodities or services involving an expenditure of public funds exceeding twenty-five thousand dollars (\$25,000), the competitive procedure must be followed and the request forwarded to P&C or ITS.

(Note: The following does not necessarily apply to special delegations, exemptions, across-the-counter resale, waivers, or emergency and pressing need purchases.)



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1. Commodities:

Purchaser shall:

- Prepare a solicitation document and send it to P&C or ITS, as applicable, and include all relevant information (specifications, scope of work, delivery requirements, quantities, award criteria, Federally Funded Certifications, etc.) with the requisition.
- P&C or ITS normally allows DPS Purchasing the opportunity to review the offers received by them and submit a recommendation for award back to their office for them to award the contract (differences in recommendations are usually worked out through negotiations between ITS or P&C and DPS).
- A purchase order is to be issued via E-Procurement once a contract has been awarded.

2. Services:

Purchaser shall:

- Prepare a Request for Proposals (RFP) or Invitation for Bid (IFB) using the appropriate DPS Purchasing templates (for IT, use templates from ITS's web site) to insure the most up-to-date language is used.
- Develop and include open and fair specifications/scope of work, delivery requirements, quantities, and award criteria. **(At this point, if it is IT related, the requirement must be sent to ITS. They may handle the requirement or return it for handing by DPS Purchasing).**
- Submit the final solicitation document to the Information Processing Technician to be advertised on IPS.
- Conduct an impartial evaluation of all offers received.



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- Send the offers received and your recommendation to P&C or ITS, as applicable, along with your evaluation and justification for your recommendation. ITS or P&C, whichever is applicable, have final decision as to who will get the award, but DPS must officially award the contract. Differences in recommendations are usually worked out through negotiations between ITS or P&C and DPS.
- Make an award of contract in the best interest of the Department and one that can withstand a protest, and within three working days from the award of the contract, submit the file to the Information Processing Technician so an award notice can be electronically transmitted directly to IPS. The award notice shall be posted for at least 30 consecutive calendar days. This award notice shall identify the contract and award information.

A purchase order is to be issued via E-Procurement once a contract has been awarded ([See Section XIII](#)).

B. TERM CONTRACTS

i. Agency Specific

1. Agency specific term contracts for DPS Sections are to be handled in accordance with the above thresholds.
2. When exercising an extension or renewal option in a contract, regardless of value, if it was awarded by either ITS or P&C, they must approve any extension or renewal.
3. Once a contract award is made ([See Section XI](#)), a purchase order is to be issued via E-Procurement, as a blanket order or for specific quantities over a period of time.
4. Complete data sheet and submit to the Information Processing Technician for entry into MOMS.



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ii. Statewide Term Contracts

1. All Statewide Term contracts are handled by ITS or P&C.
2. E-Procurement purchase orders that will be placed against a statewide term contract that exceed the abnormal quantity amount identified for that contract must have prior approval from ITS or P&C.
3. If it is a convenience type contract (not mandatory), the Purchaser is responsible for determining if it is more advantageous to buy from the convenience contract or seek competition (see Thresholds).
4. E-Procurement purchase orders that will be placed against a statewide term contract that does not have an abnormal quantity amount and contract participation is mandatory, must be issued to the contractor listed.

VIII. DIRECT PROCESSING

A. GENERAL

The Office of State Controller and the State Treasurer's Cash Management Policy require the timely payment of all purchase invoices. Therefore, this policy stipulates a requirement for all invoices to be received in the General Accounting Section no later than seven (7) days from the date invoice is received.

When use of the P-Card is not authorized, the Direct Processing Method of Payment Form (CNTR 005) should be used. The Direct Processing Method of Payment Form (CNTR 005) should not be used for goods stocked in the Department's Central Warehouse or purchasing good from Correction Enterprises.

B. DIRECT PAYMENT AND SMALL PURCHASE

A direct payment small purchase is defined within the Department as the purchase of commodities or services not covered by a term contract, or not available from Correction Enterprises or a DPS Warehouse, involving an expenditure of public funds of up to five thousand dollars (\$5,000) or less.



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Sections may use the Direct Processing Method of Payment Form (CNTR 005) to make small purchases when the total amount is \$1,000 or less without seeking competition. For goods and services priced above \$1,000, and up to the \$2,500 limit, a ***fair and open solicitation of offers from more than one source*** is required. Due to limited sources available, this does not apply to books.

C. PAYMENT EXCEPTIONS

Fresh fruit and produce may be purchased in sufficient quantity to provide for the needs of the Section even if its cost exceeds the \$2,500 limitation.

- Medical payments may exceed the \$2,500 limitation.
- Commercial repair work for Department of Public Safety owned vehicles may exceed the \$2,500 limits.
- State and Federal Surplus Property purchases may exceed the \$2,500 limit.

D. NON-E-PROCUREMENT PURCHASES

Non E-Procurement purchases are specifically permitted using the direct processing methods of payment. These purchases are in addition to small purchases described above, and are not subject to the \$2,500 limitation. Listed below are items that may be paid using the Direct Processing Method of Payment Form (CNTR 005), as a Direct Invoice:

- Employee property loss and damage claims
- Pre-approved room rentals and meals
- Charges for in-state local confinement of inmates
- License Tags fees
- Membership Fees
- Insurance costs



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- Costs associated with Engineering Construction and Service Contracts
- Postage costs not already processed through the Inmate Banking System
- Charges associated with the use of State Owned Plane, Commercial Airline Tickets and Travel Agency Invoices
- Copier and fax maintenance renewals
- Purchase of State and Federal Surplus Property
- Registration fees
- Subscription fees (Magazines, Newspapers)
- Clothing purchases for inmates working at the Governor's Mansion
- Tuition and Registration fees. (Staff Training)
- Cable TV charges
- Communication costs (Sprint, Southern Bell, etc.)
- Utilities Repair invoices

IX. WAIVER AND EMERGENCY PURCHASES

A. WAIVER OF COMPETITION

There are times when there will be a need to waive the competitive bidding procedure. In all cases where the value of the purchase is over \$10,000, prior approval by the Director of Purchasing and Logistics or designee is required. These situations in which a waiver is possible are listed below:

1. Where competition is not available
2. Where a needed product or service is available from only one source of supply
3. Where emergency action is indicated



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4. Where competition has been solicited but no satisfactory offers received
5. Where standardization or compatibility is the overriding consideration
6. Where a donation predicates the source of supply
7. Where personal or particular professional services are required
8. Where a particular medical product or service, or prosthetic appliance is needed
9. Where a product or service is needed for a person with disabilities and there are overriding considerations for its use
10. Where additional products or services are needed to complete an ongoing job or task
11. Where products are bought for 'across-the-counter' resale
12. Where a particular product or service is desired for educational, training, experimental, developmental or research work
13. Where equipment is already installed, connected and in service, and it is determined advantageous to purchase it
14. Where items are subject to rapid price fluctuation or immediate acceptance
15. Where there is evidence of resale price maintenance or other control of prices, lawful or unlawful, or collusion on the part of companies that thwarts normal competitive procedures
16. Where the amount of the purchase is too small to justify soliciting competition or where a purchase is being made and a price is available from a previous contract
17. Where the requirement is for an authorized cooperative project with another governmental unit(s) or a charitable Nonprofit organization(s)
18. Where a used item(s) is available on short notice and subject to prior sale.

The DPS Purchaser shall try to seek competition under the State's terms and conditions. This may be accomplished via eQuote or RFQs. If competition is not available or time does not permit solicitation, a justification shall be documented on the required approval form and forwarded for approval by the Director of Purchasing and Logistics or designee. In cases where the vendor disagrees with the State's Terms and Conditions, it should be brought to the attention of the Director of Purchasing and Logistics for resolution. Once the purchase is approved (including P&C or ITS if required), a purchase order is issued via E-Procurement.

NOTE: All request for waivers are forwarded to P&C or ITS for final approval when the purchase exceeds \$10,000.



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B. EMERGENCIES AND PRESSING NEEDS

There are times when an emergency or pressing need will arise. In non-declared emergencies where the value of the purchase is over \$5,000, prior approval by the Director of Purchasing and Logistics or designee is required. In declared emergencies, the Section or Unit may purchase equipment, materials, and supplies necessary to alleviate the immediate emergency.

For purchases during declared emergencies where prior approval was not obtained, the Section or Unit shall report those purchases to the Director of Purchasing and Logistics.

- **Emergency** is defined as a situation which endangers lives, property or the continuation of a vital program, which can be rectified only by immediate purchases or rental of equipment, supplies, materials or services. All emergencies over \$10,000 must be approved by the Director of Purchasing & Logistics. Emergencies are forwarded to State P&C after award as a matter of record.
- **Pressing Need** arises from unforeseen circumstances including, but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work which will likely result in an emergency situation if immediately not rectified. All pressing needs over \$25,000 must be approved by the Director of Purchasing & Logistics and forwarded to P&C.

C. SECTION RULES

1. *The Section must determine if the required purchase fits the criteria of an Emergency or Pressing Need:*
 - A Section may desire the goods or services on an expedited basis, but if an Emergency or Pressing Need does not exist the Section must initiate a normal requisition through E-Procurement.
 - Poor planning and/or scheduling **does not** constitute an emergency.



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- Abuse of emergency policies and procedures may result in disciplinary action and will be considered as **“Unacceptable Personal Conduct”** not requiring a previous written warning.
 - Emergency and Pressing Need purchases shall be made only in a quantity sufficient to alleviate the emergency.
 - Quantities of the same item in excess of the amount necessary to alleviate the emergency shall be ordered through the normal requisitioning process through E-Procurement.
2. *Emergency procedures during business hours (Monday–Friday 7:00 a.m. to 5:00 p.m.):*
- The Section shall immediately contact DPS Purchasing for assistance, **prior to initiating a requisition.**
 - DPS Purchasing will direct efforts at alleviating the emergency condition.
 - In most instances, the Section will be asked to initiate a requisition through E-Procurement. Vendor contact information and/or quotes should be faxed to DPS Purchasing.
3. *Emergency procedures After Business Hours:*
- After normal business hours, the Section shall pursue whatever course necessary to eliminate the Emergency or Pressing Need, including purchases utilizing the Procurement card and Direct Processing Method of Payment Form (CNTR 005).
 - The Section head shall provide complete documentation of the circumstances surrounding the Emergency or Pressing Need.
 - He or she shall provide a detailed list of purchases made to eliminate the Emergency or Pressing Need.



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X. SOLICITATION/CONTRACT TYPES

(See [Section XI](#) for Medical Supplies and Services, and Pharmaceuticals and [Section XII](#) Purchase Order/Contract Award Authority)

A. VERBAL

Verbal quotes (offers) may be used for purchases of \$2,500 or less for commodities and services. It may also be used for getting prices from Correction Enterprises. Verbal quotes must be documented and entered into E-Procurement comments Section (company, salesperson's name, expiration date of quote, and price quoted).

B. WRITTEN

Hard-copy quotes (offers) are required for purchases over \$2,500, but no greater than \$5,000 for commodities and services. Written quotes shall be scanned and attached to the corresponding purchase order by Processing Assistant or Purchaser or Agent of Record.

C. REQUEST FOR QUOTES (RFQ)

Typically used for small open market purchases. It may be used for purchases between \$5,000 and \$10,000 (services or commodities). Request for Quotes may also be used for waivers, and emergency and pressing needs, regardless of dollar amount.

When issuing a RFQ, the Purchaser will assign a quote number to the solicitation. This number should be the requisition number. If more than one requisition, use just one requisition number.

D. EQUOTES

Typically used for small open market purchases. It may be used for purchases up to \$10,000 (services or commodities). E-Quotes may also be used for waivers, and emergency and pressing needs, regardless of dollar amount.



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E. INVITATION FOR BIDS (IFB)

IFB must be used for competitive commodity purchases over \$10,000 posted on IPS. When the solicitation is completed and given to the Information Processing Technician, the solicitation will be assigned an IFB number.

F. REQUEST FOR PROPOSALS (RFP)

RFP must be used for contractual service purchases over \$10,000, however, due to its format and language, this solicitation document is suited for all (contractual and consultant) service contracts, regardless of dollar amount. A service contract shall not be for more than three (3) years including extensions and renewals, without the prior approval of P&C or ITS, whichever is applicable. The RFP may be used as a one-step or two-step request for proposals. When the solicitation is completed and given to the Information Processing Technician, the solicitation will be assigned a RFP number.

NOTE: Purchasers are responsible for using the approved correct current templates which include contract terms and conditions.

The templates described above are defined to be used with non-IT goods and services. Templates for ITS must be accessed from their website. P&C and ITS both have different templates and contract terms and conditions.

G. REQUEST FOR INFORMATION (RFI)

The RFI may be used when the purpose of the solicitation is to request commodity or service information from potential vendors. The information requested is usually for the purpose of research and development of a Request for Proposal or Invitation for Bids for the services or commodities that are needed. No pricing is requested; no standard template is provided due to the variations of requests made. The intent, however, should be to advertise the RFI, so that the consistency of the basic format of the IFB or RFP is followed.

H. MEMORANDUM OF AGREEMENT

This type of contract should only be used in situations that involve agreements between DPS and another governmental entity. Exceptions should be approved by the Director of Purchasing and Logistics or designee.



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A specific template has been developed and must be used for this application. Under this type of an agreement, competition is normally not pursued. It may also be referred to as a Memorandum of Understanding (MOU).

I. PERSONAL SERVICE CONTRACTS

Personal Service Contracts are for “professional” or “medical” personnel whose expertise is needed on a short term basis. All Personal Service Contracts are now handled by Temporary Solutions. Please call (919) 715-2632 for Personal Services Contracts.

J. INDEPENDENT CONTRACTS

Independent Contractors are for “professional” or “medical” personnel whose expertise is needed on a short term basis. Such services may include, but are not necessarily limited to, Doctors, Nurses, Trainers, Engineers and Lawyers. Independent Contractors are generally working with companies or corporations.

Each person providing service as an Independent Contractor will be required to complete a W-9 and will receive a 1099 at the end of the year. Generally, Tax ID numbers are used when contracting with Independent Contractors. Independent Contractors will be limited to three years at which time a new contract will have to be initiated. Competition should be sought when ever practicable. The following procedure should be followed when requesting Independent Contractors.

- Requestor will enter a requisition into E-Procurement.
- Requisition will follow normal approval flow.
- Requisition, contract scope of work, deliverables, and payment terms will be reviewed and approved by a DPS Purchasing Agent.
- Contracts will be returned to the requisitioner to be executed by the person providing the personal service.
- Once an Independent Contractors Contract has been properly executed, the signed agreement should be returned to the Purchasing Agent for final processing.



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- Requisitioners will be responsible for notifying the Purchasing Agent 30 days in advance of the intent to exercise a renewal option.
- All independent contractors are paid through General Accounting.

K. CONSULTANT CONTRACTS

All consultant services shall be approved by both the Secretary and the Governor's Office prior to handling by DPS Purchasing. (See [Section XII](#) Purchase Order/Contract Award Authority) The Request for Proposals template must be used for Consultant Contracts.

L. NON-IT (P&C)

DPS Purchasing will submit to P&C written justification for the need, including other information required by rule. Once approval is received from P&C, then the solicitation or negotiations, whichever is applicable, can begin, regardless of dollar amount.

M. IT CONTRACTS

When buying IT goods and services, you must use a best value procurement process that has as fundamental objective of reducing the total cost of ownership. The particular procurement methods used are selected so as to result in the best buy for the state in terms of the function to be performed. Competitive best value procurement allows for the use of alternate competitive purchasing techniques when selecting supply sources. Best value procurements are used to assist in determining the life-cycle cost of ownership.

N. IT PROJECT PORTFOLIO MANAGEMENT TOOL

Any IT procurement that exceeds \$100,000 must follow the PPM (Project Portfolio Management) tool review and approval process through contract award as outlined [in NC G.S. 147-33.87](#).



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Methods of Source Selection:

Competitive source selection may be conducted in accordance with the following best value methods:

1. The following steps describe the process for application of the best value procurement methodology—
 - (a) Appropriate best value bidding method is determined by purchasing authority.
 - (b) Solicitation document is developed and advertised in accordance with other rules of this Chapter.
 - (c) Scheduled conferences or site visits are held in accordance with solicitation requirements.
 - (d) Offers are received and a public bid opening is conducted. For solicitations that allow for negotiation after receipt of offers, only the names of responding bidders are revealed. Price information shall be made public after evaluation and award.
 - (e) An evaluation committee evaluates offers in accordance with the stated evaluation factors. For solicitations that include a best value ranking process, scoring and ranking may be determined by using any consistent rating methodology, including adjectival, numerical, or ordinal rankings. Relative strengths, deficiencies, weaknesses, and risks supporting the evaluation shall be documented in the contract file. Evaluation factors may include but are not limited to quality factors; delivery and implementation schedule; maximum facilitation of data exchange and systems integration; warranties, guarantees, and return policies; vendor financial stability; consistency of the proposed solution with the state's strategic program direction; effectiveness of business solution and approach; industry and program experience; prior record of vendor performance; vendor expertise with similar projects; proven development methodologies and tools; and innovative use of technologies.



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- (f) Clarifications, communications to establish a competitive range, or negotiations may be conducted with bidders after receipt of offers in accordance with instructions and procedures set forth in the solicitation document and as appropriate to the method of source selection chosen. In those cases where negotiation is permitted by procedures set forth in the solicitation document, bidders may be allowed to submit best and final offers subsequent to negotiated changes in the initial offer or previous offer.
- (g) The evaluation committee shall determine a final ranking of all offers under consideration using only the criteria set forth in the solicitation document. All bidders shall be ranked from most advantageous to least advantageous to the state.
- (h) Award must be made to the responsive and responsible bidder whose offer is determined in writing to be the most advantageous to the state, using all evaluation factors set forth in the solicitation. If the lowest price technically acceptable method is used, award must be made to the responding and responsible bidder with the lowest price.
- (i) The following types of solicitations may be used:
 - (1) One-step Invitation for Bids (IFB) or Request for Proposals (RFP) B Technical and price response is submitted at the same time.
 - a) If the lowest priced technically acceptable method of source selection is used, only clarifications are allowed.
 - b) If the trade off or ranking method of source selection is used, communications to establish competitive ranges or negotiations may be used.
 - (2) Two step IFB or RFP B Technical responses (step one) and price responses (step two) to solicitation are submitted separately.



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- a) If the lowest priced technically acceptable method is used, technical responses (step one) are evaluated for acceptability only. Only clarifications with bidders are allowed. Price offers are opened (step two) for only those bidders who submitted technically acceptable responses. Selection is made by low price analysis.
- b) If the trade off or ranking method of source selection is used, technical responses (step one) are submitted, after which clarifications, communications to establish a competitive range, and negotiations with bidders may be allowed as specified in the solicitation document.

Price responses (step two) are requested only from bidders placed in the competitive range after the technical evaluation and discussion phase has concluded. Subsequent negotiations may be conducted with bidders after receipt of price responses. Final price adjustments or best and final offers may be allowed.

2. A trade off method of source selection may be utilized when it is in the best interest of the state to consider award to other than the lowest priced offer or other than the highest technically qualified offer. For a solicitation using a trade off source selection method, the following shall apply:
 - (a) All evaluation factors that will affect the contract award decision and their relative importance shall be clearly stated in the solicitation.
 - (b) Price must be considered as an evaluation factor in the selection process. The solicitation shall state the importance or numerical weight of all evaluation factors including price.
 - (c) Offers are ranked using the evaluation factors and their relative importance or weight as defined in the solicitation document. The relative overall ranking of any offer may be adjusted up or down when considered with, or traded-off against, other non-price factors.



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For example, an offer with the lowest price when compared to other offers would normally receive the best ranking in the price evaluation category. However, if other non-price evaluation factors received low rankings, the overall ranking of the offer would be reduced.

- (d) Clarifications are permitted. If specified in the solicitation, communications and negotiations may be permitted after receipt of offer.
3. The lowest price technically acceptable source selection method may be used when best value is expected to result from selection of the technically acceptable offer with the lowest evaluated price. When using the lowest price technically acceptable method, the following shall apply:
 - (a) The evaluation factors that establish the requirements of acceptability shall be set forth in the solicitation. Solicitations shall specify that award will be made on the basis of the lowest evaluated price of those proposals that meet or exceed the acceptability requirements for non-price factors.
 - (b) Trade offs between price and non-price factors are not permitted.
 - (c) Proposals are evaluated for acceptability but are not ranked using the non-price factors.
 - (d) Only clarifications are permitted.
 4. Other competitive best value source selection methodologies may be used if they are determined to be advantageous to the state and are approved for use by the CIO or his designee.



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XI. MEDICAL SUPPLIES AND SERVICES, AND PHARMACEUTICALS

A. MEDICAL SUPPLIES AND EQUIPMENT

Medical supplies are handled in the same manner as any other commodity. This also applies to medical equipment. Where specialized medical equipment is being purchased, consideration may be granted to the medical professional's preferences utilizing the equipment.

B. MEDICAL SERVICES

Medical services (not consultant in nature) are handled in the same manner as any other service, with the exception of:

- Hospitals and physician groups under negotiated contracts. These contracts are negotiated by DPS Purchasing and are handled under a special delegation granted by P&C. They do not require any further approval from P&C.
- Contracts for doctors and nurses should be handled under personal service contracts ([Section X](#)). These are also handled in accordance with the special delegation granted by P&C and do not require any further approval from P&C.

Where competition exists, competitive solicitations should be issued when most advantageous to the Department.

NOTE: Payments made by the Medical Claims Management Section through MOMs shall not be entered into the E-Procurement system.



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C. PHARMACEUTICALS

Most pharmaceuticals are purchased under the statewide term contract that P&C establishes through participation in the Minnesota Multistate Contracting Alliance for Pharmacy. If a needed pharmaceutical is not considered covered by this contract, then normal purchasing procedures should be used.

However, when medications are needed immediately, Facilities are allowed to buy the needed pharmaceuticals for an inmate or juvenile locally as a small purchase, until the needed item is obtained through the DPS Pharmacy or through the normal purchasing process.

D. MENTAL HEALTH

NCDPS Health Services is responsible for the provision of comprehensive mental health services to both male and female inmates who are incarcerated statewide. These services reflect all levels of mental health care found in the community and incorporate the same community standards of care. The range of these services includes outpatient care, acute inpatient care, residential care, and specialized treatment services. Inpatient services are provided at Central Prison Healthcare Complex and the North Carolina Correctional Facility for Women.

The inpatient mission at these two facilities is to stabilize the acute onset of mental illness using a multidisciplinary treatment model within a highly structured and protective environment. In order to facilitate the outpatient mission at the remaining 64 units across the state, the NCDPS Mental Health Section strategically places diverse mental health staff at geographic locations where services are most needed. Often, these mental health professionals provide care on an area basis to ensure patients receive optimal service regardless of their unit of assignment.



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XII. PURCHASE ORDER/CONTRACT AWARD AUTHORITY

A. CONSULTANT SERVICES

i. Non IT (P&C)

Once a recommendation for award by DPS Purchasing is prepared, it must have the approval of DPS Secretary's Office prior to submittal to P&C. P&C will submit the package to the Governor's Office for approval. If approved, then an award may be made, but only by the Director of Purchasing and Logistics. The contract must be executed by the Secretary or his designee (must be approved by the Governor).

Approval by the Governor's office is not required for:

- Contracts for attorneys employed by the Department pursuant to the provisions of [G.S.147-17](#) or [G.S. 114-2.3](#), whichever is applicable.
- Contracts for physicians providing direct medical care for the clientele of the Department.
- Contracts to provide services without compensation to the provider of the services or to his employing agency.

ii. IT Related (ITS)

Once a recommendation for award by DPS Purchasing is prepared, it must have the approval of DPS Secretary's Office prior to any award being made. If handled by ITS, ITS will make the award of contract. If handled by DPS Purchasing, an award of contract can only be made by the Director of Purchasing and Logistics or designee.



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B. AWARD OF CONTRACTS

Care shall be exercised in the preparation, evaluation, and award of contracts. The preparation of the solicitation and specifications, and the evaluation and award, must be conducted in a fair and accurate manner. Unduly restrictive specifications, favoritism or mistakes can be very costly to the Department in time and money. Price is not the only consideration when determining the award of contracts. In addition to price, service, quality, and general reputation of the vendor may be used in determining awards. Life-cycle cost of ownership may be considered as well. All criteria to be used in the evaluation of offers shall be identified in the solicitation and then those identified must be used during the evaluation and in making or recommending the award. The Section should be included in the evaluation. The lowest responsive and responsible offer should be the determining factor.

C. MONITORING OF CONTRACTS

In compliance with [NC Senate Bill 1213](#) (Session Law 2010-194) which reads any contract which results from the award of this Invitation for Bid shall include contract monitoring as a regular process of evaluating post award Vendor contract performance based on measurable deliverables and verifying Vendor compliance with the terms and conditions in the contracts, Purchasing and Logistics has established the Contract Monitoring Checklist which is to be completed by the end user upon request of the assigned Contract Administrator. The Purchaser is to submit the form to the end users to be completed and returned to the Administrator identified and placed in the bid file.

D. LEGAL REVIEW

In order to ensure that contracts for supplies, materials, printing, equipment and contractual services are in proper legal form, contains all clauses required by law, are legally enforceable, and accomplish the intended purpose of the proposed contract, legislation has authorized the Attorney General or designee to review all proposed contracts. All solicitations between \$1,000,000 and \$5,000,000 shall be reviewed by a staff attorney prior to the posting of bid documents. For \$5,000,000 and above, the Attorney General's office shall review the solicitation document prior to the posting of bids.



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XIII. MISCELLANEOUS

A. ACCEPTANCE TIME EXTENSIONS ON OFFERS

When utilizing an IFB or RFP, no contract should be awarded if the acceptance time has expired. A request to extend the acceptance time may be sent to the lowest responsive and responsible bidder. Such extension of acceptance time shall be confirmed in writing by the vendor.

B. GENERAL SERVICES ADMINISTRATION PROGRAM

The [General Services Administration](#) (GSA) Cooperative Purchasing Program authorized by statute allows state and local governments to purchase a variety of products and services under specific GSA Schedule contracts to save time, money, and meet everyday needs.

The Cooperative Purchasing Program gives state and local government agencies authorization to use GSA Schedules for counter-drug, homeland security, or emergency response activities. Therefore, all purchases using GSA Schedules must be for the response activities listed above. No GSA Schedules shall be used for enterprise projects. Although GSA Schedules 70 and 84 may be used by state and local governments, prior written approval must be requested via email, which shall be sent to the Director of Purchasing and Logistics or designee. Request shall include a description of the requirement, the estimated amount of the purchase, justification for the purchase, and any additional documentation deemed necessary for review.

If you use GSA Schedules as your procurement method you must follow the Schedule ordering procedures in Federal Acquisition Regulation (FAR) 8.4 to ensure that you are receiving the best value from GSA Schedule contractors. Use of these procedures is not mandated by GSA. Request for Quotes should be sent to as many schedule contractors as practicable to reasonably ensure that competition has been sought from a minimum of three contractors. When fewer than three quotes are received, the agent of record shall prepare written documentation to explain efforts made to obtain competition.



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You must also follow the ordering procedures required in this manual to meet competition requirements. Terms and conditions for local laws requirement cannot conflict with the terms and conditions of the GSA Schedule contract.

Except for the National Guard all Sections must follow the approval procedures listed above. All Purchases made using GSA Schedules must be reported to the Director of Purchasing and Logistics or designee. Payments for state and local government purchases on GSA Advantage are limited to credit card payments using a state or local government issued credit card.

NOTE: During declared emergencies prior approval is not required.

C. ACCESS TO VENDOR RECORDS

Effective June 1, 2008, a new cover sheet was implemented for the RFQ, IFB and the RFP templates that provide for the bidder to put their Federal Identification or Social Security number on the cover sheet only. Once award is made, the cover sheet with this information shall be shredded.

For existing files where this information is already part of the file, the following procedure shall be followed when the public file is requested for viewing:

- Redacting Documents
 1. Make one (1) copy of the original document.
 2. Redact the protected information on the copy by using a black marker.
 3. Detach the redacted page from the copy and re-copy the page redacted (this should be done because the ink on the copy may still be visible even when blacked-out using a marker).
 4. Attach the copy of the redacted page to the copy of the original.
 5. **If bidder desires to keep Executive Order No. 50 answers to questions 2. A, B, and C confidential by indicating yes. Detach this protected information before public viewing of bid file.**



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6. Original(s) should to be returned to the original file after the public viewing is complete. The public should not be permitted in the file storage areas.

The most common information that may have to be redacted in a procurement file is:

- social security numbers
- federal taxpayer identification numbers
- all financial documents

D. ACROSS THE COUNTER RESALE

Items being purchased for resale do not have to go to P&C or ITS, regardless of dollar volume since there will be no expenditure of public funds. However, in an effort to promote open and fair competition, DPS may use competitive purchasing procedures in handling these type contracts.

Purchase Order/Contract Award Authority under [Section XII](#) applies.

E. BIDS/PROPOSALS OPENED INADVERTENTLY

Bids or proposals that are opened inadvertently (by mistake) are to be resealed, the bid number ,the reason for opening, the initials of the person who opened and the initials of their supervisor are to be recorded on the envelope, The envelope will then be filed in the appropriate folder.

If package contains multiple sealed proposals with different bid numbers, the shipping label on the original package is photocopied and a copy is taped on each sealed proposal. The bid number; ,the reason for opening; the initials of the person who opened and the initials of their supervisor are to be recorded on the proposal. The original and copies of the shipping label will be kept for a period of thirty (30) days

If package contains multiple unsealed proposals with different bid numbers. the unsealed proposals are sealed and placed into individual envelopes; the shipping label on the original package is photocopied with a copy is taped on each sealed proposal.



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The bid number ,the reason for opening, the initials of the person who opened and the initials of their supervisor are to be recorded on the proposal . The original and copies of the shipping label will be kept for a period of thirty (30) days.

F. CANCELLATION OF ADVERTISED SOLICITATION PRIOR TO OPENING

- The solicitation file is to be obtained from the unopened bid files by the Information Processing Technician that pulled the file, that the solicitation has been canceled and no out card is required.
- Complete bid cancellation form for Asst. Directors of Purchasing and Logistics signature for final approval.
- Complete addendum and give to Information Processing Technician for it to be posted on IPS stating that the solicitation has been canceled. A hard copy to be retained in file.

G. CANCELLATION OF ADVERTISED SOLICITATION AFTER OPENING

- The solicitation file is to be obtained from the bid files by the Purchasing Agent that pulled the file, that the solicitation has been canceled.
- All individual bid documents are re-sealed and labeled as a cancelled bid. Purchasing Agent should date and sign the bid cancellation form.
- Complete bid cancellation form for Asst. Directors of Purchasing and Logistics signature for final approval. Bids are retain in the archived bid files.

H. CHANGE ORDERS

There are times when there will be a need for the modification of Purchase Orders. Change Orders are initiated for purposes of, but not necessarily limited to, adjusting quantities, price changes, cancellations, or other related changes. The requestor must complete the NC DPS 867 Purchase Order Change Form with required signatures and submit to the purchasing agent of record.



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Note: Purchase Orders closed to receiving and invoicing are no longer eligible for a change.

Once the changes are made, the purchasing agent of record will determine if the authorized changes should be sent to a supplier. All revised Purchase Orders issued to suppliers will read in the title "CONFIRMING ORDER DO NOT DUPLICATE SHIPMENT."

Acceptable changes include:

Note: It is not necessary to reduce purchase orders to match what is received and invoiced. The end-user must close the order to receiving in E-Procurement before it can be closed to invoicing. Exceptions to the rule are Central Engineering purchase orders and some inventory purchase orders.

1. Quantity

- Increasing the Original Quantity: change the quantity to increase the original order to agree with the amount actually received in the following circumstances:
 - a. When a purchase order is issued for an annual contract where usage is estimated (i.e. bread, milk, fuel, etc.).
 - b. When a purchase order is for items that are delivered by "load," the quantity will likely vary (i.e. sand, gravel, concrete, etc.).
 - c. When a purchase order quantity needs to be revised due to the way the vendor packages the items ordered (i.e. an order is placed for one box of 250 items, but the vendor packages one box with 300 items). **Inventory items CANNOT be increased.**

2. Dollar amount (services only).

3. Adding line(s) to a Purchase Order when receiving status is open (**does not apply to inventory items**).



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4. Adding or deleting a multi-year indicator (show in Line Number and Comments Sections).
 5. To change from Receipt Basis to PO Basis and vice versa (show in Line Number and Comments Section).
- I. CONFIDENTIALITY:
- i. Vendors

To promote maximum competition and to protect the public competitive procedure from being used to obtain information that would normally not be available otherwise, DPS Purchasing may maintain the confidentiality of trade secrets, as determined by North Carolina law, and like information as the Director of Purchasing and Logistics may determine necessary to ensure the integrity of the public purchasing process.

Trade secrets that the bidder does not wish disclosed shall be identified on each page in boldface at the top and bottom as "**CONFIDENTIAL**". Cost information shall not be deemed confidential. Information that has been deemed confidential in nature shall be removed from the file by Purchaser, placed in an envelope with the file number written on the outside along with the award date and place in the bid file. Prior to inspection by the public, the Purchasing Agent shall remove all seal confidential information from the bid file. In addition, the Purchasing Agent shall inspect, prior to release of bid file, any sensitive information to include but not be limited to federal identification numbers, social security numbers, and/or any information which may jeopardize public safety.

- ii. Procurement Process

After the bid posting process, all information and documentation (verbal and written) relative to development of a contractual document for a proposed procurement shall be deemed confidential in nature, except as deemed appropriate by the Purchasing Agent. Such material shall remain confidential until successful completion of the procurement process.

During the period of evaluation and prior to award, only the information provided in the tabulation is public record.



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Only persons in DPS (and/or P&C or ITS if they are involved) who are responsible for handling the offers and accompanying information, and others determined necessary by DPS, shall possess offers, including any accompanying information submitted with the offers for the purpose of evaluation and award of contract. Any communication with a bidder that may be necessary for purpose of clarification of its offer shall be conducted by DPS Purchasing and P&C or ITS. Bidder participation in the evaluation process shall not be permitted except as deemed necessary by the Director of Purchasing and Logistics to effectively conclude the award process.

After award of the contract or when the need for the item or service is canceled, all information contain in the bid file shall be available to any interested party with the exception of sealed confidential information.

J. Confirming Purchase Order

In order to respond to emergency situations and natural disasters for Homeland Security, confirming purchase orders may be issued by Purchasing.

Confirming purchase orders should not be transmitted to supplier; however, if purchase order is transmitted to supplier the purchase order should be marked "confirming order do not duplicate" to advise the vendor of the previous placement.

K. E-PROCUREMENT

NC E-Procurement provides an innovative, cost-saving, and efficient method of purchasing. NC E-Procurement allows government entities to aggregate their purchases to obtain better prices from suppliers. Additionally, NC E-Procurement allows greater visibility into statewide procurement information, allowing the State to negotiate better term contract savings.

NC E-Procurement provides suppliers with increased access to markets without additional supplier marketing efforts, a single point of access for North Carolina government organizations, a faster and more efficient method for quoting (eQuote), and increased order accuracy through receipt of electronic orders with a consistent purchase order format. Overall, NC E-Procurement can help realize processing, marketing, and administrative cost savings.



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L. FEDERAL CERTIFICATIONS

If a contract is valued at over \$25,000 and there are Federal Funds involved, then one or more of the Federal Certifications may be required. They are located in the Forms Section on the DPS Purchasing website.

Federal grants often contain specific requirements when procuring goods or services. To remain in compliance, Purchasing Agents should include all such requirements in the solicitation documents.

M. FILES: CONTRACT/SOLICITATION/PURCHASE ORDER/MOA

- Unopened Solicitations

When mail is received, envelopes identified as a bid or proposal shall be date and time stamped in by the authorized administrative staff. Only authorized staff has access to the unopened bid and proposal files.

The date and time stamp shall not be accessible by anyone other than those authorized to date and time stamp the bids and proposals. The bids and proposals shall then be filed in their appropriate folder. The folders shall be kept in a file cabinet that is locked when unattended by authorized personnel. Only DPS Purchasing personnel shall be allowed to ask for a file to be pulled. When a folder is needed by a DPS Purchasing staff employee prior to the opening date and time, then an out card is to be filled out unless the solicitation is being canceled. When a solicitation is canceled all bids are to remain unopened and placed in a "canceled bid folder". If the bid is not canceled, the file shall be returned by the authorized personnel for re-filing prior to the opening time of that solicitation.

N. MAINTENANCE AND RETENTION: SOLICITATIONS/CONTRACT FILES

Upon award of contract all files need to be reviewed by Purchaser to insure that each contains the following hard copy documents, as applicable:

- Requisition
- Required approval to proceed with acquisition



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- Original offers if in writing, or written documentation of verbal offers received (confidential data meeting State requirements is to be removed and filed in accordance with policy on Confidentiality)
- Selection justification or reason for cancellation
 - Worksheets/evaluations
 - Distribution list, if used
 - Written justification for waiver or emergency purchase
 - Tabulation of offers received
 - Copy of purchase order(s)
 - Related correspondence
 - Reason(s) for receiving only one offer in response to a solicitation
 - P&C or ITS contract certification
 - Negotiated contracts
 - Verification that debarment status was checked
 - Did Reciprocal Preference apply, and if so, how
 - Reasons for not accepting technical proposals
 - Approval from applicable Purchase Order/Contract Award Authority;
 - Executive Order 50 documentation (goods only)

After award of contract all material in the file, except appropriately marked confidential information, becomes public record. All purchasing records shall be maintained for a period of five years after the expiration date of the contract. Each file shall be identified individually so it can be readily located and referenced.

If assigned an IFB or RFP number, the closed file shall be filed in the appropriate bid or proposal file area. If the file went to P&C or ITS for their approval or handling, then the file is to be filed in the appropriate file area that contains files identified by the P&C or ITS file number.

Personal Service, Hospital and Physician Group contracts or MOAs are to be filed in the appropriate file area.

If any file needs to be pulled or kept out of its normal filing area, then the Purchaser shall complete an out card for the file.



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All other contract files shall be filed in the Purchaser's office and retained by the Purchaser for the appropriate retention period.

O. E-PROCUREMENT PURCHASE ORDERS

E-Procurement purchase orders from term contracts shall have the ITS/P&C/DPS contract number shown under comments. If an abnormal quantity is ordered, then the written approval form P&C or ITS shall be scanned in as an attachment. All other E-Procurement purchase orders shall comply with the following:

- For goods purchased between \$2,500-\$5,000, documentation of the competition (vendor quotes) received shall be scanned in as attachments.
- For purchases greater than \$5,000, but no more than \$10,000 an eQuote, RFQ, IFB, or RFP will be used to seek competition.
- If over \$10,000 for goods or services, but no more than \$25,000, documentation shall consist of the solicitation number of the RFQ, IFB, or RFP. If emergency/pressing need or a waiver, the approval form signed by the Director of Purchasing and Logistics shall be scanned in as an attachment.
- If over \$25,000 (and not a special delegation) competition will be sought using an RFQ, IFB, or RFP and forwarded to P&C or ITS for further handling. A solicitation number from DPS, P&C, or ITS will be assigned to the solicitation document. If forwarded to P&C/ITS for handling, the solicitation will be presented to the Board of Awards for final approval (for goods only). Services are not required to be approved by the Board.

P. INVOICE WORK QUEUE (IWQ)

When accounting receives an invoice that does not match up with the E-Procurement order, they will send an IWQ in NCAS/OPUS for the Purchaser to resolve the discrepancy. The Purchaser must act promptly. If the problem is the vendor's error and it persists beyond a reasonable period of time, then assistance should be sought from P&C or ITS to resolve the issue.



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Q. PROTESTS

When a bidder wants to protest a contract awarded by the Department of Public Safety over \$10,000 but less than \$25,000 resulting from the award of a solicitation, they must submit a written request to the issuing Agent of Record, 4227 Mail Service Center, Raleigh, NC 27699-4227.

This request must be received in the Department of Public Safety within thirty (30) consecutive calendar days from the date of the contract award. The Assistant Director of Purchasing and Logistics Commodities/Services will respond to protest letter within ten (10) consecutive calendar days from the date of the protest letter.

Protest letters must contain specific reasons and any supporting documentation for why they have a concern with the award. If the letter does not contain this information, or if the Director of Purchasing and Logistics determines that a meeting would serve no purpose, then the Director may, within ten (10) consecutive calendar days from the date of receipt of the letter, respond in writing to the vendor and refuse the protest meeting request. A copy of the Director's letter shall be forwarded to the executive officer.

If the protest meeting is granted, the Director of Purchasing and Logistics shall attempt to schedule the meeting within thirty (30) consecutive calendar days after receipt of the letter, or as soon as possible thereafter. Within ten (10) consecutive calendar days from the date of the protest meeting, the Director of Purchasing and Logistics shall respond to the vendor in writing with the decision. A copy of the Director's letter shall be forwarded to the executive officer. All protests will be handled pursuant to the North Carolina Administrative Code, Title 1.

If the basis for a protest is on a challenge to the qualification of a North Carolina resident bidder awarded a contract pursuant to Executive Order #50 (price-matching preference), the Assistant Director of Purchasing and Logistics may request the North Carolina resident bidder to produce documentation substantiating the North Carolina resident bidder's qualification for the subject preference.



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The Assistant Director of Purchasing and Logistics should request the supporting documentation within ten (10) consecutive days. The Director of Purchasing and Logistics will make the decision on whether to deny or grant a protest meeting and the protest meeting should be scheduled after the anticipated receipt of the documents from the North Carolina resident bidder. The North Carolina resident bidder is required to produce to the State the requested documentation within five (5) business days of the State's request and failure to produce the documents by the end of that time period may result in the cancellation of the contract.

Also note that any tax, financial, accounting or banking documents the North Carolina resident bidder submits to the State in connection with the resolution of a protest shall not be disclosed to the protester pursuant to G.S. §§ 132-1.1 and 105-259(b) and the State shall preserve the confidentiality of such documents.

R. PUBLIC OPENING

1. IT Related

DPS Purchasing shall publicly open advertised sealed procurements (under the delegation) using the lowest price technically acceptable source selection method at the time, date, and place identified in the solicitation document. At the time of opening, the names of the bidders and price shall become public record.

Under a two-step process bidders submit their technical proposal in a sealed envelope separate from their price proposal. Price proposals remain in a sealed envelope until completion of the evaluation of technical proposals. Only those bidders' price proposals that DPS Purchasing (and/or ITS if they are involved) determines to have acceptable technical proposals will be opened. The price proposal shall be publicly opened and the bidder(s) with acceptable technical proposal(s) notified of the time and place for the opening. After opening, the price proposal(s) shall become public record. At least two DPS working days shall be given prior to the opening. There shall be at least two DPS employees present at the opening. Best and final offers may be permitted.

2. P&C RELATED



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Advertised procurements shall be publicly opened at the time, date, and place identified in the procurement document. At the time of opening, the names of the companies, the manufacturer(s) and catalog number(s) of the item(s) they have offered and the prices, deliveries and payment terms they have submitted shall be tabulated and this tabulation shall become public record, except as provided below.

Under a two-step process, bidders submit their technical proposal in a sealed envelope separate from their price proposal. Technical proposals are opened and evaluated for compliance with specifications and/or deliverables contained in the RFP. Price proposals remain in a sealed envelope until completion of the evaluation of technical proposals. Only those bidders' price proposals that DPS Purchasing (and/or P&C if they are involved) determines to have acceptable technical proposals will be opened.

The price proposal shall then be publicly opened giving the bidder(s) who qualify, a two day notification of the time and place for the opening of the price proposals. There shall be at least two DPS employees present at the opening. Best and final offers may be permitted. For technical proposals that are deemed to be non-qualified the corresponding price proposal shall remain unopened.

S. QUALITY ACCEPTANCE INSPECTION LIST

Refer to [P&C's Quality Acceptance Inspections List](#) to see if the commodity you are buying will require a P&C Quality Acceptance Representative inspection. This inspection is required prior to payment being authorized.

Purchasers shall include the statement calling for Quality Acceptance Inspection in the Invitation for Bids or Request for Quotations, and furnish a copy of the IFB or RFQ to the P&C Auxiliary Program Section. Also, the Purchasing Agent shall furnish the P&C Auxiliary Program Section with a copy of the purchase order when issued.



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T. RECIPROCAL PREFERENCE

Reciprocal preference applies to non-IT or service contracts valued over \$25,000. Purchasers need to be aware of this law and rule ([G.S. 143-59; 1NCAC 5B .1522](#)) and how to apply it. A list of states that have in-state preference laws is available on P&C's web site. Be sure you check the State from which a proposed contractor is located to see if that State has an in-state preference. If they do, and there is a bidder from North Carolina and the contract is valued at over \$25,000, then a further review of the proposed award needs to be conducted to insure compliance with this law and rule.

U. SPECIFICATIONS

The preparation of suitable specifications is a constant and difficult problem. A specification is a clear, concise and accurate statement of the technical requirements to be satisfied by a product, a material or a process.

Sometimes when a new requirement arises, a great deal of specification development has to be done by the user and/or Purchaser. Detailed specifications may include but not be limited to engineered drawings, technical or chemical makeup descriptions. Samples may be required for compliance testing.

Pilot models (an exact replica based on specifications) may be required prior to award of contract and must be approved at manufacturing facility prior to additional units being produced.

P&C and ITS have developed some Standard Specifications that must be used on certain commodities.

There are several types of specifications:

1. **Performance** - where function and use of the product needed are the basic definitions.
2. **Design** - where particular dimensions and physical requirements of the product and their arrangement are the basic definitions.



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3. **Qualified Products List** - where actual products have been tested or examined and qualified prior to seeking prices.
4. **Brand Specific** - where the bidding is limited to a single product and only that product will meet an intended need.
5. **Brand Name or Equivalent** - where one or more products have the characteristics of the item desired.

Generally speaking, performance type specifications are desirable. They tend to be less restrictive, to encourage design and production ingenuity on the part of the manufacturer and to play a value analysis role in relating cost to function.

A specification can be construed as restrictive; that is, it both includes and eliminates by setting limits on what is acceptable, but it cannot be unduly restrictive. Usually more than one make, brand or model is satisfactory for a need.

Therefore, in seeking competition on products which are designed and marketed by the sellers, the Purchaser must determine a level of suitability which establishes minimums and maximums. Too much detail, just as not enough detail, in specifications can impair competition and result in incorrect conclusions.

The particular product or service ultimately acquired and the supplier of it are a result of purchasing decisions made through the evaluation of competitive proposals and of compliance with specifications.

V. TERMS AND CONDITIONS

The Purchaser must be sure to use the appropriate (P&C or ITS), and current, set of Contract Terms and Conditions.

If a bidder submits conflicting terms and conditions, their bid may be deemed “non-responsive”. In most cases the states standard terms and conditions and agency special conditions are non negotiable. The State is not obligated to and will not evaluate or consider additional terms and conditions submitted with a bidder/vendor response. This applies to any language appearing in or attached to the document as part of the bidder’s/vendor’s response.



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W. TOLERANCE

E-Procurement currently provides an **8%** tolerance for raw materials and bulk inventory items. Raw materials and bulk inventory are defined as products specific to user's specifications (color, size, weight, etc.). The materials are sold by the pound, square foot, yard, gallon, etc. Industry standards provide that a run or batch may be within **plus/minus 8%** of the manufacturer's order so as to cover any spoilage or production errors.

NOTE: If the excess amounts are above 8% and cannot be returned, justification shall be required from the Section and forwarded to the Controller's Office for Direct payment processing.

X. VENDOR COMPLAINTS

The appropriate (P&C or ITS) [Vendor Complaint Form](#) should be completed by the Assistant Director(s) of Purchasing and Logistics Services and Goods, or their designee, when a problem has been detected with the product or service being purchased. Copies of the Vendor Complaint Form should be forwarded to the Agent's immediate supervisor for further handling. A copy of the form is retained in the bid file and the cover letter to P&C or ITS is attached and forwarded to P&C or ITS for action. (check box).

When the associated purchase is **within DPS delegation**, the vendor is contacted by Assistant Director(s) of Purchasing and Logistics Services and Goods, or their designee, and advised via "Notification of Complaint" letter. The vendor is given an opportunity to submit a corrective action plan to resolve the issue. Failure to do so will result in a formal complaint to P&C within 10 business days. Each Purchasing Agent is responsible for noting the date and time the vendor's response is received.

Once the corrective action plan is received from the vendor, a copy is forwarded to P&C or ITS as a matter of record (check box). The Purchasing Agent is to inform the user of the plan and shall monitor accordingly.

If the problem persists, a 'Notification of Complaint' letter may be sent to the vendor via Certified Mail by P&C or ITS. A copy of the letter is to be retained in the bid file and a copy forwarded to P&C or ITS as a matter of record (check box).



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Form letters to the vendor and P&C or ITS are provided on the purchasing website.

Information regarding vendor performance is very important as we evaluate and award future contracts. This information is used to determine whether or not a vendor is performing responsibly. Unresolved vendor complaints are considered to be a part of a vendor's general reputation and may be used to deny an award of contract.

Y. FUNDING

i. Conditional Grants, etc., in Public Purchasing

Where a grant, donation, or special discount is predicated upon making a purchase from the grantor, the proposed transaction shall be explained in writing and shall have prior approval of the SPO. Prior to approval, the SPO shall consider the conditions placed on the grant, donation, or special discount, and how they will affect the agency and the State, the cost of agreeing to such conditions, and the market conditions. When a donation from a private source is predicated upon making the purchase or lease from a specific source, the purchase or lease may be made without prior approval of the SPO or Secretary. This only applies if the donation from the private source covers 100% of the purchase price.

ii. Funds from Different Sources

All expenditures of public funds, irrespective of the source, whether special, federal, local, gifts, bequests, receipts, fees, etc., or State appropriated, used for the purchase, rental, lease, lease-purchase, and installment purchase of equipment, materials, supplies and services are to be handled under the provisions of Article 3 of Chapter 143 of the General Statutes and in accordance with this purchasing Manual.

Z. State Emergencies Declared by the Governor

The Department of Public Safety is the state agency that directs and coordinates the state's response to major emergencies and natural disasters, and serves as the state's Office of Homeland Security.



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As authorized by General Statute 166-A these kinds of emergencies will be handled differently than normal day to day operations under General Statute 143. In North Carolina, a statewide declaration of a State of Emergency triggers price gouging laws, so it is important for retailers to know when declaration has been made.

During an emergency the Purchasing and Logistics staff become essential personnel before, during and after state emergencies and may be contacted day or night depending on the type and magnitude of the emergency. The following information should help staff make decisions to satisfy the immediate needs of the State of North Carolina.

Keep in mind that although strict compliance with the Procurement Code may be waived by the governor, public procurement agents should be prudent spenders of the taxpayer's money. Purchases made for such emergencies should be documented using WebEOC and the Emergency Management emergency purchase Order worksheet.

Purchasing Priorities during Emergencies

- Emergency Management Disaster Contracts – Located at <http://www.ncdps.gov/CCPS%20Contracts/EM%20Disaster%20Contracts/>
- Statewide Term Contracts – Located at <http://www.doa.state.nc.us/PandC/keyword.aspx>
- Agency Specific Term Contracts
- Open Market

P-Card Usage during Emergencies

P-Card purchases during declared emergencies shall be approved by the Director of Purchasing and Logistics or designee. The Procurement Card Administrator will not need to seek authorization from P&C to temporarily increase card limits; however, purchases will be reported after the emergency.



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XIV. LOGISTICS

A. REAL PROPERTY

Pursuant to [G.S. 146-22, 146-27 and 143-341](#), the Department of Administration is responsible for acquiring and disposing of real property by lease for all State Universities, agencies, and all Boards and Commissions. The State Property Office, through the Leasing Section, administers the acquisition and disposition of real property by lease process. It is the responsibility of the DPS Real Property Manager to coordinate all lease requests with the State Property Office. Any requests for leased space must be submitted to the Real Property Manager through the division chain of command. The specific information required depends on the class of lease (see CLASS OF LEASES).

Normal day-to-day maintenance and repair issues can be handled by local staff. Local staff shall keep detailed records of all maintenance requests and responses. If the property owner does not respond to requests or if the local office does not feel that the needs have been met then local staff shall contact the Real Property Manager.

Local staff shall keep the real property manager informed of any service issues so that the official Department file is complete. Staff shall not address letters to the property owner. All written correspondence to the property owner must be generated by the Real Property Manager.

All fire, wind, flood, or other property damage must be reported by local staff to the property owner, Real Property Manager, and DPS Safety Division. The Real Property Manager is responsible for notifying the Department of Insurance and discussing the problem with the landlord. The Real Property Manager will follow-up with the property owner regarding owner responsibilities.

Safety Report Violations- Staff should report any safety violations to the Real Property Manager who will discuss safety report violations with the property owner.

B. CLASSES OF LEASES

Special Note: FOR ALL CLASSES OF LEASE, Pursuant to the Council of State resolution of September 1, 1981, as affirmed by the Council of State resolution of November 7, 1984, no permanent improvements shall be made on leased property without the prior approval of the Department of Administration, State Property Office.



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C. LEASE CATEGORIES AND REQUIREMENTS

- **Category 1** Leases greater than \$25,000 annual rent or lease term exceeds three years, including renewals. Must be advertised in local paper and bids submitted from prospective property owners. Council of State approval must be obtained. Advertisement, negotiation and lease execution is handled by the State Property Office.
- **Category 2** Leases greater than \$5,000 but no more than \$25,000 annual rent and term not to exceed 3 years, including renewals. Request must be approved by the State Property Office. Lease is executed by the Department of Administration.
- **Category 3** Leases with \$5,000 or less annual rent. Term of lease must not exceed 3 years, including renewals. These leases can be executed by DPS Director of Purchasing and Logistics or designee. However, State Property reviews these leases for compliance with State policy.

D. LEASE REQUEST PROCEDURES

Each division shall initiate a lease request by submitting a memo through the appropriate division chain of command to DPS Purchasing and Logistics. At the same time, a requisition shall be submitted through E-Procurement. The requisition comments shall include the needs of the Section and utilization of space.

An **organizational chart** shall be attached to the memo. The positions should be highlighted on the organizational chart that will be located in the space being requested

Requests for leases over \$25,000 should be submitted 9 months in advance of the lease commencement date. Requests for leases under \$25,000 should be submitted 6 months in advance of the lease commencement date. The memo shall include the following information:



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- Space needs of the Section.
- Utilization or purpose of space including the number and type of positions—do not include positions for which space is provided by the county under General Statute requirement
- Length of time the lease will be needed, i.e. requested lease term
- Commencement date of lease
- Desired renewal options, if lease will exceed \$25,000 annually
- Special requirements for the requester (this includes any special space, location, or security requirements)
- A local contact for the agency
- Recommendation/Justification (renewal or new lease)
- Current owner name and address
- Maintenance issues

If the lease is **under \$25,000**, the requester shall state if he/she is aware of any vacant space that would meet the office needs or if he/she wants to remain at the present location. Local DPS staff shall make no commitments or discussions of price with the landlord.

DPS Real Property Manager will handle negotiations of price, term and conditions of lease. The DPS Real Property Manager is responsible for ensuring that all maintenance, fire & life safety and security issues are addressed with the property owner. Any unresolved issues at the time of lease recommendation to the State Property Office shall be noted in recommendation letter and may become condition of lease.

For Lease Categories 2 and 3, if requesting to remain at the existing location, a Leased Property Fire and Life Safety Checklist shall be attached to the memo.

All other forms will be handled by Real Property Manager.



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E. LEASE – DISPOSITION

The Department of Administration may lease or rent the vacant and un-appropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, at such times, upon such consideration, in such portions, and upon such terms as it may deem proper. Every lease or rental of such lands by the Department shall be approved by the State Property Office.

F. ACQUISITION BY DEED

Every acquisition of land on behalf of the State or any State agency, whether by purchase or condemnation, shall be made by the State Property Office, reported to the Joint Legislative Committee for Governmental Operations and approved by the Governor and Council of State.

DPS shall submit a completed (PO-1 form) to the State Property Office to initiate the property purchase process. If, after investigation, the State Property Office determines that it is in the best interest of the State that land be acquired, the State Property Office shall proceed to negotiate with the owners of the desired land for its purchase. The State Property Office will order all appraisals, surveys, environmental assessments and other reviews.

If a settlement can be reached with the property owner, the State Property Office will report to the Joint Legislative Committee for Governmental Operations and seek Council of State approval. If approved, the Attorney General's office will handle the property transfer. All conveyances of purchased real property shall be made to "the State of North Carolina," and no such conveyance shall be made to a particular agency, or to the State for the use or benefit of a particular agency.

If negotiations for the purchase of the land are unsuccessful, or if the State cannot obtain a good and sufficient title thereto by purchase from the owners, then the State Property Office may request permission of the Governor and Council of State to exercise the right of eminent domain and acquire any such land by condemnation.



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G. MOBILE ELECTRONIC COMMUNICATION

DPS recognizes that certain job functions require that an employee be accessible when remotely assigned, away from assigned work location, or during times outside scheduled working hours. For this reason, the Division will provide mobile electronic communication devices to select employees for whom access to a mobile electronic communication device is a critical requirement for job performance.

While the need for mobile electronic communication devices exists, the Division must also remain attuned to the costs associated with providing that technology and the General Assembly's mandate that the device provided and the plan selected must be the minimum required to meet the identified requirement. All employees who request mobile electronic communication devices must confirm that they are aware of and understand these requirements.

All justifications shall require approval by the Secretary or designee. Each Section shall be responsible for obtaining approval from the Secretary or designee. Justifications shall be obtained by memorandum annually and shall list position(s) and/or person(s) for which approval is requested as well as justification of critical requirement for job performance and type of device. Any request for new/additional devices during the year, will also require approval by the Secretary or designee.

H. CELL PHONES, SMART PHONES AND AIR CARDS

Each Section as indicated above shall be responsible for obtaining blanket and or specific approval from the Secretary or designee for cell phones, smart phones and air cards and submit annually to DPS Purchasing and Logistics. The approval shall be submitted to DPS Purchasing and Logistics each year by September 1. Any request for new/additional devices during the year, will also require approval by the Secretary or designee. Tablets shall be approved by MIS and forwarded to DPS Purchasing and Logistics for procurement.

I. PAGERS

Each Section shall be responsible for maintaining the written justification for pagers. They shall be responsible for renewing annually by September 1, the blanket and or specific authorization for these devices by obtaining the Secretary or designee's signature.



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Any request for new/additional devices during the year, will also require approval by the Secretary or designee.

Section are required to maintain justifications, approvals and databases shall make them available upon request for submission to Office of State Budget and Management, Office of Information Technology Services or other agencies as required by legislation or requested by DPS Management. These requests will generally come through the Department's legislative liaison.

J. REPORTING REQUIREMENTS

Beginning October 1, 2011, DPS shall report annually to the Chairs of the House of Representative Committee on Appropriation and the House of Representatives Subcommittee on General Government, the Chairs of the Senate Committee on Appropriations and the Senate Appropriations Committee on General Government and Information Technology, the Joint Legislative Oversight Committee on Information technology, the Fiscal Research Division, and the Office of State Budget and Management on the following:

1. Any changes to agency policies on the use of mobile devices
2. The number and types of new devices issued since the last report
3. The total number of mobile devices issued by the agency
4. The total cost of mobile devices issued by the agency
5. The number of each type of mobile device issued, with the total cost for each type

Information required for reporting requirements shall be submitted to the Department's Legislative Liaison who will submit all required reports.



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K. CELLULAR PHONE AND AIR CARD PURCHASING PROCESS (INCLUDES SMART PHONES)

i. Request

Information Technology Services has entered into State contracts with several cellular phone providers in order to secure cellular coverage over the entire State. DPS employees who need a cellular/smart phone or air card to properly discharge their duties must secure one through the State contract for cellular phones.

Every DPS division that requires cellular telephone assignments should conform to and/or comply with the terms of the State contract.

All requests for cellular phones, including smart phones and air cards shall be submitted to DPS Purchasing and Logistics:

**DPS Purchasing and Logistics
3030 Hammond Business Place
Raleigh, NC 27603**

Requests for cellular/smart phones and air cards shall be submitted on the DPS Cellular Phone Service Request Form. It will be the responsibility of the Section/Section Head or designee to establish internal procedures for assigning personnel to complete this form and for choosing a calling plan.

The requested calling plan is designated on the DPS Cellular Phone Service Request Form. Any requested accessories shall also be designated on the DPS Cellular Phone Service Request Form for proper approval.

NOTE: Accessories available include battery chargers, batteries, and belt clips. Custom calling features included in the State service contract include call forwarding, call waiting, call diversion, three-way calling, and voice mail. Airtime will be charged for all custom calling features, except for time listening to voice mail messages from a cellular phone unit. However, calling from the outside to retrieve cellular phone messages does comprise airtime.



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The DPS Cellular Phone Service Request Form shall be signed by the Section head or designee, sent through the division's chain of command for proper approval, and then forwarded to DPS Purchasing and Logistics for final approval.

The request must be for a position for which there is a blanket authorization or an individual with a justification approval signed by the Secretary or designee.

If the calling plan is changed or denied by DPS Purchasing and Logistics, P&L staff shall contact the requesting party to notify them of the change.

ii. Receiving

When a new cellular/smart phone or air card is received at a location, the contact person is responsible to make sure that all of the accessories and services requested on the DPS Cellular Phone Service Request are operable. The contact person shall confirm that the calling plan requested by the Section/Section or designee is the same calling plan they have actually received.

When cellular/smart phones or air cards are received from the vendor, Section shall notify DPS Purchasing and Logistics immediately and provide Section staff with the user name and the cell phone number.

iii. Returns/Surplus

All replaced or cancelled mobile device equipment must be sent in to Purchasing & Logistics within 14 days of being activated or cancelled. This is to ensure proper processing of mobile electronic devices to our Surplus department.

The following guidelines are to be followed with this procedure:

- SMART PHONES/MIFI/TABLETS/BASIC PHONES SEPERATED
- HOLSTER/CASE SEPERATED FROM PHONES
- MOUNTS (IF ANY) SEPERATED FROM PHONES
- CHARGERS SEPERATED BY CAR/WALL (IF RETURNED) ROLLED UP INDIVIDUALLY WITH RUBBER BAND TO SECURE FOR COUNTING PURPOSES
- ITS HAS APPROVED TO KEEP OLD CHARGERS TO USE AS A BACK UP TO REDUCE COSTS



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L. CELLULAR PHONE USAGE

Regardless of a calling plan's features that provide free calls during specific times of the day or week or unlimited mobile-to-mobile calls, employees should be reminded that agency-provided cellular equipment is intended for business use only. State Policy states that; "no personal calls should be made on mobile telephones except in case of emergency as determined by the department." The call and use records of DPS-issued cellular equipment may and will be reviewed by managers at any time.

Employees who are issued cellular equipment by DPS must acknowledge that they have read, understand and agree to the terms of this policy. Employees are also required to be familiar with and comply with the provisions of [N.C. Gen. Stat. 20-137.4A](#) prohibiting the use of cellular telephones to text or e-mail while operating a motor vehicle.

Failure to adhere to the provisions of [N.C. Gen. Stat. 20-137.4A](#) will result in termination of the employees' authorization to possess and use DPS-issued cellular equipment and may subject the employees to penalties and disciplinary actions up to and including dismissal. DPS recognizes that in certain urgent situations employees may deem it necessary to use a cellular phone to place a call while operating a motor vehicle. However, given the dangers of driving while using a cellular phone, the department strongly discourages this practice and encourages drivers to use cell phones only while safely parked. The department also encourages the use of hands-free devices for limited conversations.

Employees shall whenever possible utilize a landline phone to avoid incurrence of cellular usage charges or the unnecessary use of pooled minutes. This policy enforces all cellular equipment and services contractual terms and conditions

M. CELLULAR/SMART PHONE AND AIR CARD REPAIR/MALFUNCTION

Each employee shall be responsible for equipment assigned, including its use and protection. Read the owner's manual thoroughly. Warranty does not include abuse or water damage.



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If a **cellular phone, smart phone or air card** is damaged the following steps shall be taken:

1. All repairs/malfunctions of cellular phones, smart phones or air cards shall be reported to Purchasing and Logistics by using the DPS Cellular Phone Service Request form. A detailed description of the problem must be documented in the space provided on the form or on an attached sheet.
2. The Section Head or designee shall indicate on the DPS Cellular Phone Service Request form whether or not he/she believes the employee is liable for the cost of the repairs, including specific reasons for their assessment. The DPS Cellular Phone Service Request form shall then be forwarded through the division's chain of command to confirm or refute the assessment of employee liability before it goes to Purchasing and Logistics for final approval.
3. The Director of Purchasing and Logistics or designee shall approve the request and sign the DPS Cellular Phone Service Request form before the request for repairs shall be processed.
4. Purchasing and Logistics shall be responsible for contacting the vendor to create a work order for the repair. After the request has gone through the chain of command within the division and it has been determined that the employee is liable for the repairs, the employee shall make out a check or money order payable to the NC Department of Public Safety and attach a copy of the memorandum and forward it to the DPS Controller's Office.

N. LOST/STOLEN CELLULAR/SMART PHONES AND AIR CARDS

Each employee shall be responsible for equipment assigned, including its use and protection. Protection coverage will not be provided by the Department of Public Safety for lost cellular phones, smart phones or air cards.

If a cellular phone, smart phone or air card is **lost or stolen** the following steps shall be taken:



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- Lost or stolen cellular phones, smart phone or air card shall be reported immediately to Purchasing & Logistics on the DPS Cellular Phone Service Request form, describing the circumstances of the loss or theft in the “Justification” Section of the form or on an attachment to the form.

The DPS Cellular Phone Service Request form must be signed by the Section Head and approved through the division’s chain of command. After DPS Cellular Phone Service Request form has been approved through the division’s chain of command, it shall then be forwarded to Purchasing and Logistics.

The DPS Cellular Phone Service Request form shall also be signed and approved by the Department’s Director of Purchasing and Logistics or designee.

Once the DPS Cellular Phone Service Request form has been approved, Departmental Purchasing & Services shall then report the loss or theft to the vendor to have the service suspended so that phone or air card cannot be used. If the phone or air card is later found, they will remove the suspension.

If the employee is found liable for the lost or stolen cellular phone, smart phone or air card, the employee shall be charge only for the cost of purchasing the new equipment (payable to the NC Department of Public Safety). The employee will attach payment and a copy of the justification memorandum and forward it to the DPS Controller’s Office for processing.

O. CANCELLATIONS OF CELLULAR PHONES

If it is determined that a cellular phone, smart phone or air card is no longer necessary for a given position, the Section head or designee shall prepare a DPS Cellular Phone Service Request form to communicate the request to cancel service and shall send the request to Purchasing and Logistics.

Purchasing and Logistics shall then contact the vendor to cancel the service. Facilities/Sections that use cellular phone plans shall return all cellular phones, smart phones or air cards to Purchasing and Logistics when a plan is cancelled. Purchasing and Logistics shall either return the cell phones or air cards to the vendor if required by contract or surplus the cell phones or air cards according to Departmental Policy.



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P. OVERVIEW OF THE PROCUREMENT CARD SYSTEM

The complete P-Card Policy and Procedure is found online at:

<https://www2.ncdps.gov/Index2.cfm?a=000002,003301,002561>

i. **Project Goals**

The Procurement Card Program is designed to simplify and expedite the process of small purchases within the Department of Public Safety (DPS), providing users to acquire materials necessary to complete their tasks instantaneously. The project goals of the System are to merge small purchase acquisitions on line with the North Carolina Accounting System (NCAS) and enhance management's review of small purchases. A reconciliation process is designed to comply with the audit process.

ii. **Benefits**

- * Increased control of expenditures through complete and timely reporting
- * Visa card is widely accepted
- * The number of small dollar purchase orders will be reduced, allowing purchasing staff to concentrate on higher dollar and more complex procurements
- * The number of invoices received will decrease and one payment will be made monthly
- * The delivery process for items can be expedited due to the quick ordering process
- * The agency will qualify for discounts because payments can be more timely



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iii. Procurement Card Process Flow

1. Credit Card User makes a Purchase
2. Charge Initiated with Vendor
3. Charge goes to the Bank
4. Bank sends charge to OSC Procurement Card Module
5. Cardholder gives original receipt to Reconciler
6. Reconciler verifies the purchase and correct company/account/center and reconciles in NCAS
7. End of Month, one invoice is created from Bank and sent to Accounts Payable
8. Accounts Payable sends check to Bank

Q. Use of the Card

All purchases will be charged to a specific company, account, and center that are valid within the North Carolina Accounting System (NCAS). This policy provides the guidelines under which you may utilize your Card. Please read it carefully. Your signature on the Employee Agreement Form indicates that you understand the intent of the Program and agree to adhere to the guidelines.

A small purchase for the P-Card is defined by the department as being \$2,500.00 or less. The Program is **NOT** intended to avoid or bypass appropriate procurement or payment procedures. Rather, the Program complements the existing process.

****NOTE:** No other credit card shall be used for purchases of goods for the Department without the expressed, written authorization by the Department of Public Safety Controller or designee.

R. P-Card Spending Limits

Purchase spending limitations per day, per transaction and the total monthly limitations are assigned to each cardholder. These limitations may vary per the Facility/Section request, but cannot exceed the standard limits without authorization from the Director of Purchasing and Logistics or designee.



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To request an increase in spending limits a P-Card Maintenance form must be completed. P-Card delegation is **not to exceed \$2500 per single transaction** which is set by DOA State Purchase and Contract.

- * The standard single transaction limit (STL) is \$500
- * The standard daily transaction limit (DTL) is \$500
- * The standard monthly credit limit (CL) is \$2500

S. Roles and Responsibilities

i. **P-Cardholder Responsibilities**

The procurement card received by the cardholder has his/her name embossed and shall only be used by the cardholder. **No other person is authorized to use the card.** The cardholder may make transactions on behalf of others in their division/facility, but the cardholder is responsible for all use of his/her card.

The cardholder is required to:

- * Be a permanent State Employee (Federal and contractual employees are not permitted to be issued a P-Card)
- * Adhere to departmental Procurement Card Procedures for reconciliation
- * Keep a copy of their transaction records of purchases
- * Sign the original receipt and forward to supervisor/manager for signature
- * Review the monthly statement to ensure that all charges represent authorized purchases or received goods and that any credits or adjustments have been made. The statement should be compared with the transaction records. Upon completion of the review, send the signed monthly statement to the supervisor/manager for signature of approval
- * Coordinate returns with the vendors

NOTE: In that a P-Card is a Department account, all requests for service from the bank must be made by the Procurement Support Section.



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Under no circumstances shall a Cardholder, Manager or Reconciler try to conduct business or resolve a dispute directly with the Bank of contract.

ii. P-Cardholder's Manager Responsibilities

The card is an efficient tool a manager can offer his or her employees. However, the card is not for all types of purchases and the manager must understand the Card process and must be willing to take responsibility for ensuring the employee is using the card within Department guidelines.

The cardholder's manager is required to:

- * Determine who in the agency should have Cards, and establish the per-transaction dollar limits and monthly limits
- * Initiate appropriate action should misuse of Card become apparent. This can also be initiated by the Departmental Card Administrator
- * Review and sign employees' original signed receipt before forwarding to reconciler.
- * Review and verify monthly cardholder statements with receipts and approve by signature on individual statements received from cardholders
- * Submit signed bank statements to reconcilers to retain with monthly transactions.
- * Notify their P-Card Administrator of any changes the cardholders' account, (additions, cancellations, blocks, limit changes, etc.)
- * Collect P-Cards of any terminating or transferring employees and complete the Procurement Card Maintenance Form to close out the account. Form and card will be forwarded to the Division/Facility/Section P-Card Administrator for signature

iii. Division/Facility/Section P-Card Administrator Responsibilities

The Division/Facility/Section P-Card Administrator is responsible for forwarding approved requests for enrollment, maintenance, and cancellation to the Department P-Card Administrator, Auxiliary Support, Purchasing and Logistics. The individual is also responsible for ensuring each employee receives the proper training, adheres to procedures, and follows guidelines necessary for the use of the card.



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The Division/Facility P-Card Administrator shall know where to obtain all P-Card documentation for receipts and provide updated cardholder information in the event of an internal/external audit request.

This individual also has the authority to terminate a card in the event of misuse and will initiate appropriate action should misuse of card become apparent.

iv. Department P-Card Administrator Responsibilities

This individual, located in DPS Purchasing & Logistics, is responsible for the overall Procurement Card Program for NCDPS. The position will act as a liaison between the bank and the using agency. The Policies and Procedures are developed at this level and are to be implemented in all divisions/facilities/sections. The individual works directly with the Division/Facility Card Administrator for the initial set up and maintenance of the account. P-Cards are sent directly to the Department Card Administrator and entered in the NCAS P-Card Module before being forwarded to the using Division/Facility/Section. This individual also maintains files of all cardholder information.

v. P-Card Reconciler Responsibilities

Every cardholder must have a reconciler. The reconciler is responsible for reconciling all transactions in the NCAS P-Card Module with proper documentation. Transactions should only be approved with authorized signatures approved by division/facility/section management and accompanied by a detailed transaction receipt or the Transaction Reconciliation form. The reconciler is responsible for ensuring that statements have all detailed transaction receipts with supporting documentation attached before filing in an accessible location. All purchasing documents have a retention period of **five years**. **Reconcilers should receive an updated list of all cardholders and their supervisors from their division/facility P-Card Administrator.**

T. Purchasing & Logistics Auxiliary Support Compliance Reviews

It is recommended the DPS Purchasing Department perform monthly reviews on ten percent of the transactions to ensure the compliance with State Contract Items, Internal Purchasing Procedures, etc. If findings are present, written justification to the Department P-Card Administrator will be required from the cardholder, copying their P-Card Administrator.



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***NOTE: Central Engineering has certain exceptions to this policy due to large volume of work and funding sources.**

U. Misuse or Abuse of the Card

Misuse or abuse of the Card will reduce the effectiveness of the program. Vital statistical and managerial reporting relies on the appropriate use of the Card as stipulated in this guide.

If a cardholder is making unauthorized purchases for which the Card is not intended--such as entertainment or any other item on the "unauthorized list" on page 13--he/she may be liable for the total dollar amount of such unauthorized purchases plus administrative fees charged by the bank in connection with the misuse. The cardholder may be subject to one of the following actions depending on the severity and repetitiveness of the violation:

- a. Cardholder will be advised to stop using the Card outside of policy. Cardholder and Cardholder Manager will be notified of the infraction by the Departmental Card Administrator. The Cardholder will also be advised of possible Card cancellation if further violations occur.
- b. Card cancellation for a term of six months. The Cardholder and Cardholder's Manager will be notified of the violation and the cancellation of the Card. Reinstatement of the Card will be granted after the six (6) month term only upon approval of the Departmental Card Administrator.
- c. Permanent cancellation of the Card. Removal of the Cardholder's buying authority and appropriate disciplinary action up to and including termination.

In summary, if FRAUD by the cardholder is detected, the following steps will be taken:

- * Immediate cancellation of the Card
- * Removal of Cardholder's buying authority.
- * Possible termination of employment



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V. Authorized/Unauthorized Purchases

Essentially you should continue to make the same type of purchases with the procurement card as you currently make. **You should continue to follow all Purchasing rules and regulations.**

The following are examples of **authorized** purchases that can be made with the card:

- * Office supplies
- * Cleaning supplies
- * Business travel accommodations to include lodging and airfare (only on authorized cards)
- * Food for conferences, seminars, workshops and training sessions (follow DPS Admin Policy & current State Budget Manual) – Refer back to page 10 of P-Card Procedures
- * Approved training event and registrations
- * Facilities maintenance repair operation supplies, small equipment items and other miscellaneous repair parts that are justified for a business need
- * Auto fleet maintenance repair operation supplies (not motor fleet vehicles)
- * Small services, not to exceed a one-time transaction limit of \$500 that are required to restore operation(s) in the event of an emergency, the resolution of a pressing safety issue, or a justified business need**



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* State Term Contract items. The following website: <http://www.pandc.nc.gov/keywordListing.aspx> can perform a keyword searches for State Term Contract items. It will provide information on awarded vendors, minimum contract ordering amounts, etc. **Remember:** Term contracts constantly change, so if there are any questions contact your DPS Purchasing office for guidance.

** **Emergencies within DPS's delegation will continue to be approved on a case by case basis and require justification with approval from the Director of Purchasing or designee.**

The following are examples of **unauthorized** purchases that should **NOT** be made with the card:

- * **Purchases from any State Agency including Correction Enterprises**
- * Personal purchases
- * Identification purposes
- * Individual meals including employee travel subsistence
- * Entertainment (ex. amusement parks, theater tickets, package stores, etc.)
- * Motor Fleet Vehicles – services, gas, etc.
- * Items set-up under an existing Blanket Purchase Order
- * Computers/Printers/Copiers/Software
- * Personal vehicles gas and use
- * Telephone (cellular and land based) or other monthly services
- * Purchases that require a Fixed Asset number (Inventoried and capitalized)
- * Printing (All printing services must go to Corrections Enterprises)
- * Contractual services including yearly Maintenance Agreements
- * Gift Cards
- * Service Clubs, Award Ceremonies, etc.
- * Wholesale Clubs (Sam's Club, Costco, etc.) that require memberships
- * Gas/Fuel

** **General Rule of Thumb: Before making a purchase, please remember to be in compliance with this policy and do not use your P-Card for anything that you don't want reported in the news media.**



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W. EXECUTIVE ORDER NO. 24

REGARDING GIFTS TO STATE EMPLOYEES

WHEREAS, those in State government who do the work of the public must continuously ensure that their actions reflect the ethical standards that are essential to maintaining the public's trust; and

WHEREAS, N.C. Gen. Stat. 133-32 makes it unlawful for a State employee to willfully receive or accept any gift or favor from a contractor, subcontractor, or supplier of the State agency if the State employee is involved in (1) preparing plans, specifications, or estimates for public contracts; (2) awarding or administering public contracts; or (3) inspecting or supervising construction; and

WHEREAS, N.C. Gen. Stat. 133-32 applies to a limited group of State employees; and

WHEREAS, no State employee should be permitted to accept gifts or favors from contractors working or seeking to work with the employee's agency; and

WHEREAS, as State employees continue to work to provide excellent service to the State, it is imperative that they understand the legal restrictions to accepting gifts and favors and the consequences for such actions.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

1. North Carolina General Statute 133-32 shall apply to all employees in the Cabinet agencies and the Office of the Governor.
2. Within the next 30 days, the secretary of each executive branch agency shall do the following:
 - a. Review this Executive Order with the employees in their respective agency and inform all employees that violation of this Order may subject the employees to disciplinary action.



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- b. Review N.C. Gen. Stat. 133-32 with all employees in their respective agency and inform all employees that violation of N.C. Gen. Stat. 133-32 is a Class 1 misdemeanor and may subject the employees to disciplinary action.
- c. Review with all employees in their respective agency any additional policies or rules that the agency may have regarding the acceptance of gifts, meals, or favors by employees in the agency.
- d. Distribute this Executive Order, N.C. Gen. Stat. 133-32, and any relevant agency policies to all employees in the agency and require employees to certify, in writing, that they have received a copy of and are responsible for complying with this Executive Order, N.C. Gen. Stat. 133-32, and any internal policies.
- e. As a part of new employee orientation for their respective agency and in conjunction with the Office of State Personnel, establish a process to provide a copy of all documents specified in Section 2d above to new employees and require new employees to certify, in writing, that they have received a copy of and are responsible for complying with the provisions of this Executive Order, N.C. Gen. Stat. 133-32, and any internal policies.
- f. Provide a report to the Governor's Ethics Officer concerning compliance with the directives of this Executive Order and any recommendations for changes to policies or state law regarding acceptance of gifts by State employees.
3. The Office of State Personnel shall assist the secretaries of the executive agencies to ensure that the documents specified in Section 2d above are provided to employees through the new employee orientation process and that new employees certify that they have received a copy of such documents as provided in Section 2e above.
4. The State Ethics Commission shall discuss this Executive Order and N.C. Gen. Stat. 133-32 in their training for State employees who are covered by the Ethics Act.



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5. The Department of Administration shall include a provision regarding this Executive Order and N.C. Gen. Stat. 133-32 in all new RFPs, the North Carolina General Contract Terms and Conditions, and all other contracts under the authority of the Department of Administration, the Department of Transportation, the Office of Information Technology Services, and all other cabinet agencies to inform contractors of the requirements of this Order and the statute. The department shall also notify current contractors regarding the provisions of this Order and N.C. Gen. Stat. 133-32.

6. The Board of Governors of the University of North Carolina System, the State Board of Community Colleges, and each head of the Council of State agencies are encouraged and invited to participate in this Executive Order.

This Executive Order shall be effective immediately and shall remain in effect until rescinded. This Executive Order shall supplement, but shall not supersede, existing agency policies regarding the acceptance of gifts and favors by agency employees.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this first day of October in the year of our Lord two thousand and nine, and of the Independence of the United States of America the two hundred and thirty-fourth



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X. EXECUTIVE ORDER NO. 50

ENHANCED PURCHASING OPPORTUNITIES FOR NORTH CAROLINA BUSINESSES

WHEREAS, North Carolina is currently experiencing an unprecedented rate of unemployment; and **WHEREAS**, North Carolina citizens continue to manufacture and produce some of the world's best and most economical products; and

WHEREAS, pursuant to N.C. Gen. Stat. § 143-59, the General Assembly has empowered the Secretary of Administration and appropriate state agencies to give preference as far as may be practicable to North Carolina products provided there is no sacrifice or loss in price or quality; and

WHEREAS, with the exception of furniture, the State of North Carolina does not currently employ any strategic efforts to purchase goods or equipment from North Carolina companies; and

WHEREAS, leveraging the buying power of the State of North Carolina could provide an immediate economic benefit to North Carolina citizens and companies during these difficult economic times and should be regarded as a business objective that is advantageous to the State in its procurement efforts.

NOW, THEREFORE, by authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

1. I hereby instruct the Secretary of Administration to examine the State's procurement laws and policies and identify and implement lawful and appropriate policies to use the buying power of the State of North Carolina to encourage North Carolina companies to do the following: (a) do business with the State of North Carolina; (b) stimulate economic development; and (c) most importantly, create jobs in North Carolina.



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2. I particularly direct the Secretary of Administration, through the authority given to him by the General Assembly pursuant to N.C. Gen. Stat. § 143-59, to develop a price-matching preference for North Carolina resident bidders on contracts for the purchase of goods so that qualified North Carolina companies whose price is within five percent (5%) or \$10,000.00 of the lowest bid, whichever is less, may be awarded contracts with the State of North Carolina.

3. The Secretary of Administration shall take all appropriate steps to implement the terms of this Executive Order, consistent with the terms of N.C. Gen. Stat. § 143-59, and apply them to invitations for bids from the State of North Carolina by no later than March 1, 2010.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this seventeenth day of February in the year of our Lord two thousand and ten, and of the Independence of the United States of America the two hundred and thirty-fourth.



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XV: DIRECTORY of CHANGES

1. January 12, 2015:
(1) [Page #16](#), Section III, Delegations and Exemptions, Sub-Section D. Exemptions, – Added verbiage concerning Propriety Medical Equipment /Supplies
2. August 12, 2015:
(1) [Page #21](#), Section V. Purchasing Responsibilities, Sub-Section A. Responsibilities, - Added verbiage concerning an exception to small dollar purchases involving buying entity 19EI – inventory goods and raw materials
3. September 4, 2015:
(1) [Page #10](#), Section II, Glossary, A. Definitions, - added verbiage on Construction Contracts; [Page #14](#), Section III, Delegations and Exemptions, B, Special Delegations, - added additional verbiage to the 'NOTE'; [Page #17](#), Section III, Delegations and Exemptions, C, Exemptions, - added an exemption relating to construction contracts
4. December 15, 2015:
(1) [Page #14](#), Section III, Delegations and Exemptions – added the verbiage, bullet pt. Proprietary Drugs and Medications, under C. Exemptions, [Page #17](#)
5. March 17, 2016:
(1) [Page # 15](#) Section III. Delegations And Exemptions – added paragraph C. Documentation for Special Delegation, and paragraph D. is now Exemptions, [Page #16](#).
(2) [Page #75](#) Section XIV. LOGISTICS, paragraphs P thru T subsections have been completely removed and new verbiage added to reflect the new/revised DPS P-Card policy has now been added: P. Overview of the Procurement Card System, Q. Use of the Card, R. P-Card Spending Limits, S. Roles and Responsibilities, T. Purchasing & Logistics Auxiliary Support Compliance Reviews, U. Misuse or Abuse of the Card, V. Authorized/Unauthorized Purchases.



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(3) [Page # 23](#) Section VII. Purchasing Competition Thresholds, general cosmetic sentence changes in sub-section A. Open Market Purchases, B. Term Contracts; however, to include the removal of: sub-sections C. Procurement Card Thresholds, D. Procurement Methods: P-Cards and Direct Pay

(4) [Page # 31](#) Section IX. Waiver and Emergency Purchases, B. Emergencies and Pressing Needs, added a Note under #3 –Emergency procedures after Business Hours, addressing approvals concerning emergency and pressing needs over \$25,000.

(5) [Page # 44](#) Section XII. Purchase Order/Contract Award Authority, removed subsection A. Goods and Contractual Services, then subsection A. is now Consultant Services, subsection B. is now Award of Contracts, subsection C. is now Monitoring of Contracts, and subsection D. is now Legal Review.

(6) [Page # 50](#) Section XIII. Miscellaneous, subsection H. Change Orders, modified verbiage to address Purchase Order Change Form process.

6. April 29, 2016:

(1) [Page # 16](#) Section III. Delegations and Exemptions, under D. Exemptions, modified and added more verbiage , deleted bullet –A personal service contract.

(2) [Page # 31](#) Section IX. Waiver and Emergency Purchases, under A. Waiver of Competition, added verbiage concerning situations by which a waiver is possible, bullets 1-18. Under B. Emergencies and Pressing Needs, added verbiage to bullets Emergency and Pressing Need, Under C. Section Rules, deleted Note at bottom, under #3 – Emergency procedures after business hours.

(3) [Page # 34](#) Section X. Solicitation/Contract Types, under I. Personal Service Contracts, deleted verbiage /bullets and shorten overall paragraph.

(4) [Page # 46](#) Section XIII. Miscellaneous, under H. Change Orders, deleted #2 bullet- Pricing errors (due to E-Procurement catalogs not being updated)

7. August 17, 2016:

(1) [Page # 23](#) Section VI. Transportation Charges, modified existing paragraph to reflect FOB 003 and guideline that freight should not be broken out on a separate line.

(2) [Page # 70](#) Section XIV. Logistics, under K. Cellular Phone and Air Card Purchasing Process, added sub-paragraph iii. Returns/Surplus, [Page # 71](#).



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8. September 8, 2016:
(1) [Page # 23](#) Section VI. Transportation Charges, modified existing language to bring further clarity to paragraph.
9. October 12, 2016:
(1) [Page #34](#) Section X. Solicitation/Contract Types, C. Request For Quotes (RFQ), modified/corrected existing language