NEBRASKA
Administrative Services
Dave Heineman, Governor

Carlos Castillo, Jr.
Director

DATE: June 27, 2013

TO: All Agencies, Boards, and Commissions

FROM: Bo Botelho, Administrator
Administrative Services - Materiel Division

SUBJECT: Unrestricted Open Market Purchase Authority FY 2013-2014

State Statute §81-161.03 RRS authorizes Administrative Services (AS) Materiel Division to grant agencies unrestricted open market purchase authority for the purchase or lease of goods for non-contract purchases for under $10,000. There are exceptions to this authorization. See Attachment I. Agency representatives with Payroll and Financial Center PT30 and PT31 security levels are required to attend and successfully complete the Payroll and Financial Center Procurement Certification program. If your agency has employees needing to complete the certification program, please contact Brian Svik at Brian.Svik@nebraska.gov or 402-471-1467 to schedule time for training.

Prior to making any direct purchases, agencies are to verify whether a contract is available for the product needed by checking the Payroll and Financial Center or via the AS Materiel Division, State Purchasing Bureau website at http://www.das.state.ne.us/materiel/purchasing. If a contract is available, the purchasing agency must proceed with generating a purchase order from the contract in the Payroll and Financial Center. Purchase orders are to be completed **prior** to placing the order with the vendor. Purchase orders clearly state the product(s) the vendor is to provide, the quantity and the product price(s). The purchase order protects the State with terms and conditions for the purchase. Purchase orders must have an authorized signature prior to sending order to the vendor in order for the purchase order to be valid.

If a contract is not available, and the purchase amount is between $2,000 and $9,999.99, agencies are strongly encouraged to solicit 3 informal bids from qualified vendors who can provide the product(s). Purchase orders are required for all direct purchases $2,000 and over. These must be entered in the Payroll and Financial Center. Documentation including vendor names and bid prices must be attached to the purchase order(s) in the Payroll and Financial Center. See Work Instructions on how to attach documents in the Payroll and Financial Center at: http://www.das.state.ne.us/nis/training_manuals/index.html.

Agencies are responsible for insuring that vendors support a Drug-Free Work Place Environment. The Invitations to Bid and Request for Proposals which are processed through the AS Materiel Division, State Purchasing Bureau, include a statement which addresses the vendors' Drug-Free Work Place policies. In order to eliminate the need for a "Drug-Free Vendors" list, it is recommended a similar statement be included in purchases processed through your agency, example:

"By signing this Invitation to Bid, the bidder agrees to the "Standard Conditions and Terms of Bid Solicitation and Offer" and is committed to provide a drug-free work place environment."

The above statement is included on the agency Invitation to Bid form(s) in the Payroll and Financial Center.

All State agencies, boards, and commissions have authority to purchase directly from Cornhusker State Industries, Department of Correctional Services (CSI) for any amount. There are no restrictions on the dollar amount of the purchase. **Any item available from CSI, but not purchased from CSI, must be processed through the AS Materiel Division, State Purchasing Bureau.** Document type (OW), in the Payroll and Financial Center, shall be used for these purchases. CSI catalog is available on-line at: https://www.nebraska.gov/apps-csi/

Agencies have unlimited purchase authority for **COPYRIGHTED** publications and these purchases are not required to be processed through the State Purchasing Bureau. Document type (ZO), in the Payroll and Financial Center, for these purchases.

FIXED ASSETS

All purchases of fixed assets using object account numbers between 580300 and 586999 are to be made by generating purchase orders in the Payroll and Financial Center

Any and all trade-ins must be submitted to State Surplus Property for approval by the AS Materiel Division Administrator **prior** to the trade-in of any equipment. N**o exceptions!**

IT EQUIPMENT

With a dollar amount under $500, Agencies are allowed direct entry of an (OP) purchase order, p-Card, or direct pay when purchasing Non-Contract IT items, on the Pre-Approved items list. When completing a One Time Purchase of a Non-Contract item over $500, the Agency must use an (OP) generated from an (ON) for Commodities. For items on contract and pre-approved, agencies are to generate an (OG) purchase order from (OC) commodity contract. For items on contract but not on the pre-approved list, agencies are to generate an (O6) purchase order from (OC) contract.

SERVICE CONTRACTS

Per State Statute §73-503 **All** service contracts, regardless of dollar amount, must be entered into the Payroll and Financial Center. **No exceptions!** When entering a service contract, State Statute §73-503(4) requires the agency to identify a physical location of where a copy of the bid documents and service contract are located. This information is to be entered in the Additional Properties, Document Location field. On service procurement(s) $50,000 and over and on contract, purchase orders must be generated from the contract using (O9) purchase order document type. Purchase orders must have an authorized signature prior to sending order to the vendor in order for the purchase order to be valid. If there isn't a contract, and the purchase order is $25,000 or greater but less than $50,000, a one-time purchase order must be generated utilizing the (Z8) document type in the Payroll and Financial Center.

Purchase orders are to be completed and signed by an agency authorized agent prior to placing the order with the vendor. Purchase orders clearly state the service to be provided, quantity and the price(s). The purchase order protects the State with terms and conditions for the purchase. The process would be:

- View the work instructions on how to create a Direct Entry Purchase Order Z8
- View the work instructions on how to generate a Purchase Order Z8 from a Service Contract
- View the work instructions on how to voucher a Z8 document type

Agency staff is encouraged to read the Agency Procurement Manual for Services and Agency Procurement manual for Goods/Commodities. These manuals include detailed information on

processes. These manuals are on the AS Materiel Division website at: http://www.das.state.ne.us/materiel/purchasing/infogovt.htm. Agencies should visit the website often to keep up-to-date on current policies and processes.

If you have any questions or concerns, please contact me at 402-471-2401.

Thank you.

Attachment

cc: Carlos Castillo, Jr., Director of Administrative Services
Brenda Pape, State Procurement Manager
State Purchasing Bureau Buyers

ATTACHMENT I
RESTRICTED ITEMS

ITEMS RESTRICTED FROM DIRECT PURCHASE AUTHORIZATION ARE LISTED BELOW. Normal Statutory authorization or additional direct purchase authority **cannot** be used for these items. These items **cannot** be purchased by any agency for any dollar amount without prior written approval of AS Materiel Division, State Purchasing or in the case of telecommunication equipment – Office of the Chief Information Officer (OCIO), for Motor Vehicles – Transportation Services Bureau (TSB).

1. **Office Supply Items** – Agencies must purchase office supply items from the statewide contract with Office Depot or through Office Supply Bureau. Please check the website at: http://www.das.state.ne.us/materiel/osb/osb.htm or contact Office Supply Bureau at 402-471-2412 for process instructions. On-Line ordering is required. Agencies are required to complete their own on-line orders. Please contact Kristi Kling at 402-471-6500 or Kristi.Kling@nebraska.gov for assistance in setting up access for on-line ordering.

2. **Printing Services (formerly Print Shop/Copy Services)** – All printing requests must be processed through the AS Materiel Division, Printing Services. Printing Services will determine how the request will be processed to ensure request is completed in the most cost effective manner that meets the needs of the agency. Please contact Printing Services at 402-471-2826 for assistance.

   Printing Services is responsible for the purchasing and placement of leased or purchased agency copiers. Please call (402) 471-2901 for assistance.

3. **Telecommunication Equipment** – The Office of the CIO, Division of Communications is responsible for the acquisition, coordination and consolidation of all telecommunications equipment and services to include:

   - Telephone equipment, and services;
   - Data communications equipment, and services to include switches, routers, and hubs;
   - Radio equipment;
   - Fax machines – requests for fax machines should be sent to OCIO. If the request is, $10,000 or more it will be forwarded by AS Communications to AS Materiel Division, State Purchasing for processing.

   All Telecommunications requests for equipment and services must be submitted via the Payroll and Financial Center on the (OT) document type.

4. **Mail Equipment, Postage Meters, Postage, and Scales, etc.** – must be processed through AS Materiel Division, Mail Center with the exception of Department of Corrections for canteens for Inmates. Please contact (402) 471-2293 for assistance.

5. **Micrographic Equipment** – Requests for this type of equipment must be submitted to State Purchasing. These must be processed on the (OW) document type.

6. **Motor Vehicles** – All purchases, including contract purchases or trade of passenger vehicles, except those indicated in State Statute §81-1-11, requires the approval of the

AS Transportation Services Bureau and AS Materiel Division, State Purchasing Bureau. These purchases must be processed on the (OU) document type in the Payroll and Financial Center.

7. **Weapons/Guns** – All weapons/guns must be processed through AS Materiel Division, State Purchasing Bureau. These must be processed on the (OW) document type in the Payroll and Financial Center.

8. **Contract Items** – Items for which contracts have been established by the AS Materiel Division, State Purchasing Bureau, **cannot** be purchased from other sources without written approval from State Purchasing. Once approval is obtained, the purchasing agency must proceed with generating a purchase order in the Payroll and Financial Center. Purchase orders are to be completed prior to placing the order with the vendor. Purchase orders clearly state the product(s) the vendor is to provide, the quantity and the product price(s). The purchase order protects the State with terms and conditions for the purchase. Purchase orders must have an authorized signature prior to sending order to the vendor in order for the purchase order to be valid.

9. **Information System Items** – As defined in State Statute §81-1117 (1), the Office of the CIO must approve the acquisition of any information management item. This includes computer equipment, peripheral devices, software, maintenance and professional services for any IT project. The Nebraska Information Technology Commission has adopted a policy that enables the Office of the CIO to maintain a list of preapproved items for purchase by agencies. A copy of this policy, the criteria used in conducting reviews of information management purchases and the list of preapproved items are available at http://www.nitc.state.ne.us/standards/1-204.html.

   For purchases not on the list of preapproved items, agencies must enter an (ON) document type (for purchases not on contract) or an (O6) document type (for purchases on contract). Purchases using these document types automatically routed to the Office of the CIO for review and approval. Agencies must provide sufficient information that allows the reviewer to determine what is being purchased, the purpose, total cost, and a contact for additional information. This information can be provided as either a text note or an attachment to the header in the Payroll and Financial Center. See Work Instructions at http://www.das.state.ne.us/nis/training_manuals/index.html.

   Requests for routine purchases, such as PCs, laptops, printers and small dollar items are typically acted upon within one workday.

10. **All items based on GSA like Pricing $10,000 and over** must be processed through and approved by the AS Materiel Division, State Purchasing Bureau as per State Statute §81-153 (7). Agencies must provide a copy of the GSA contract along with the requisition. State Purchasing will make the final determination on whether GSA like pricing is in the best interest of the State. Agencies are required to attach a copy of the GSA contract to their purchase requisition in the Payroll and Financial Center as header attachment.

11. **Furniture Purchases** – If the agency is ordering furniture other than through CSI, the ordering agency must submit a requisition to State Purchasing for processing. These orders must be processed using the (OW) document type in the Payroll and Financial Center. **No exceptions!**