



**THE UNIVERSITY *of*
MISSISSIPPI**

PROCUREMENT MANUAL

JANUARY 2025

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1) Background

- a) The purchasing function promotes the objectives of the University of Mississippi (UM or the university) by providing administrators, faculty, and staff members necessary supplies, equipment and services. This function is carried out by the Office of Procurement Services (164 Jeanette Phillips Drive, telephone 662-915-7448) and is centralized under the Office of the Vice Chancellor for Administration and Finance. The management of this department is the responsibility of the director of procurement services who is accountable to the university controller.
- b) The objective of the Office of Procurement Services (Procurement Services) is to obtain supplies, equipment, and services efficiently and effectively – that is, in the right quality and quantity, at the right price, from the right source, and in a timely and organized manner which will provide for essential accountability of university expenditures.
- c) Completion of the purchasing process involves the joint efforts of the Office of Procurement Services, user departments, and vendors (sellers). However, the Office of Procurement Services has the final authority to conduct and conclude agreements concerning prices and conditions of sale. Institutional commitments are made by the Office of Procurement Services in accordance with requisitioning and ordering procedures. This department also provides a control function by acting as the legal agent of all departments within the university in dealing with every firm, which supplies or aspires to supply materials, equipment, and services.

2) Official Policy Statement

- a) Procurement Services has the sole authority to order supplies, materials, and equipment, and to obligate the university for contractual services. Without definite and particular permission of Procurement Services, no university department may order directly by letter, telephone, or in any other manner. The university will assume no obligations except on previously issued and duly authorized purchase orders, a signed contract, or goods and services procured utilizing the procurement card program.
- b) Procurement Services will conduct all activities in accordance with the following code of ethics:
 - i) give first consideration to the objectives and policies of the institution.
 - ii) strive to obtain the maximum value for each dollar of expenditure.
 - iii) decline personal gifts, gratuities or any other gift of value unless accepted on behalf of the University of Mississippi.
 - iv) grant all competitive offers equal consideration insofar as the established policies of the institution permit and regard each transaction on its own merits.
 - v) conduct business with potential and current suppliers in an atmosphere of mutual confidence and integrity, void of intentional misrepresentation.
 - vi) demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
 - vii) use only by consent, original ideas and designs devised by one vendor for competitive purchasing purposes.
 - viii) be willing to submit any major controversies to arbitration or other third-party review, insofar as the established policies of the institution permit.
 - ix) accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
 - x) cooperate with trade and industrial association and governmental and private agencies engaged in the promotion and development of sound business methods.
 - xi) foster fair, ethical and legal trade practices.
 - xii) counsel and cooperate with members of NAEP, NIGP, NASPO and MAGPPA, and promote a spirit of unity among them.

3) Public Procurement Requirements

- a) Public procurement requirements in the State of Mississippi are based upon the laws of the state as well as the policies and procedures established by several state agencies. In addition, UM procurement requirements are dictated by the State of Mississippi Institutions of Higher Learning (IHL) policy and UM policy. While there are many laws and policies that impact the procedures, the basic public purchasing law for commodities, supplies, construction, and printing is set forth in Section 31-7-1 to 31-7-13 of the Mississippi Code.
- b) In addition to the law, most purchases must follow the policies and procedures set forth by the Mississippi Department of Finance and Administration's Office of Purchasing, Travel and Fleet Management.
[Mississippi Purchasing Manual](#)
- c) If an item is on a competitive bid state contract, (see [Mississippi Competitive Contracts](#)) the item must be purchased from the contract vendor. Exceptions to this include:
 - If the purchase is less than \$100.
 - If the product will not meet the need of the department. In this case, a justification must be submitted (prior to the purchase) to request approval to purchase from another source.
- d) If an item is on a negotiated state contract (see [Mississippi Negotiated Contracts](#)) the item should be purchased from one of the contract vendors. Departments are urged to negotiate with the vendor to obtain prices lower than the state contract. If the products on the negotiated contracts will not meet the need of the department, the department should follow the statutory bidding process described in Section (e).
- e) Purchasing a Negotiated contract item from a vendor not listed on the contract: For orders not more than \$5,000, a department may purchase the contract item from any vendor provided they receive pricing that is equal to, or lower than the state contract. For orders over \$5,000 to \$75,000, a department will be required to obtain at least two signed quotes and purchase from the low quote, provided the low quote must be at or below the state contract price.
- f) If an item is not on any state contract, the following thresholds shall apply:
 - i) \$0 to \$5,000 – no competition required. Departments should consider seeking a second or third price to ensure obtaining the right product at a good price.
 - ii) \$5,000.01 to \$75,000 – two quotes are required. The quotes must either be signed by an authorized representative of the quoting company or must be accompanied by an email that clearly indicates the name and contact information for the individual submitting the quote.
 - (1) Quotes must be for equal quality products.
 - (2) Quotes should include any shipping charges.
 - (3) Quotes should include any other applicable charges (installation, training, etc.)
 - iii) \$75,000.01 and up – Procurement Services will work with the department to develop specifications, terms and conditions, and a request for bid document. Procurement Services will advertise the solicitation and receive formal bids.
- g) Services do not fall under these bid thresholds except for Information Technology (IT) services which do require the same thresholds as commodity purchases.

4) Functions of the Office of Procurement Services

- a) The functions of the Office of Procurement Services are to:
- i) prepare, with the cooperation of the academic and administrative user departments, the quality and quantity specifications for items and services to be purchased and establish delivery schedules.
 - ii) provide user departments/units/schools or divisions with current information on new products and services, alternative materials, and costs, if aware.
 - iii) encourage competition among vendors through competitive bidding and contract buying.
 - iv) ensure that purchase orders contain all necessary conditions, such as guarantees, warranties, governmental regulations, shipping instructions, F.O.B. points, and credit terms and discounts allowed.
 - v) develop records as needed to determine requirements of the institution for supplies, equipment, and services.
 - vi) maintain adequate records and files of requisitions, purchase orders, vendors, state contracts, product information, and prices.
 - vii) arrange for the disposal of surplus equipment.
 - viii) encourage the use of standard specifications for items performing the same functions in the various divisions of the institution.
 - ix) verify the specifications approved by the university's Department of Facilities Planning for the academic and administrative and renovation projects; verify that the requests for furniture and equipment purchased with University funds conform to the purchasing regulations for the State of Mississippi.
 - x) purchase license plates for all academic and administrative departmental vehicles.
 - xi) research the sources of supply, study the adequacy of specifications, analyze commodities in relation to specifications, analyze substitute materials, and forecast market trends.

5) Requisitions

The purchasing cycle involves determining requirements by the user department/unit/school or division; communicating requirements to the Office of Procurement Services; processing the orders, conducting competitive bidding and contract buying, and selecting sources of supplies; issuing purchase orders; and receiving materials. Departmental funds are encumbered when the requisition is entered.

a) Determining Requirements

- i) The user department/unit/school or division determines its needs and initiates the purchasing requisition (PR) by completing the requisition form (SAP). Assistance will be provided by the Office of Procurement Services when needed to ensure that one's needs are being met and the "right" item purchased. The Office of Procurement Services is responsible for weighing all the factors involved in a purchase by bringing together the experience and judgment of all who are concerned. This will help ensure achieving the basic objective of obtaining the right quality and quantity, at the right price, from the right source, and at the right time.
- ii) It should be noted that purchases of less than \$5,000 can most often be made more efficiently and economically by utilizing the UM approved procurement card.

b) Communicating Requirements

- i) Information about requirements of a user department/unit/school or division is communicated to the Office of Procurement Services by issuance of a purchase requisition on which the requirements are clearly stated.
- ii) Once the requisition is submitted to the Office of Procurement Services, it is distributed to the

proper purchasing personnel and then one of the following happens:

- (1) processed and a purchase order number assigned.
- (2) quotations are reviewed. If adequate quotes are not provided by the department procurement services will request additional quotations (\$5,000.01 through \$75,000.)
- (3) advertised and sealed bids are received on the items requested (\$75,000.01 and over.)
- (4) reviewed for state contract prices, terms, and discounts to ensure compliance with the state contract regulations.

6) Processing the Orders, Conducting Competitive Bidding, Contract Buying, and Selecting Sources of Supplies

a) Orders less than \$5,000:

- i) Processed with one quote or price verification
- ii) Note: Purchases for items listed in Mississippi Department of Finance and Administration Procurement Manual Section 3.101.02 are exempt from competitive bid laws

Note: Orders less than \$5,000.00 should be purchased on a Procurement Card if possible.

b) Emergency Purchases

- i) Emergency orders for not more than \$5,000.00 that do not require price quotations or bids are processed immediately. The purchasing assistant will place the emergency order by e-mail to the vendor.
- ii) Emergency orders for greater than \$5,000.00 must be accompanied by a justification letter from the department and once approved by the Director of Procurement Services, the purchasing assistant will process the order immediately and send to the vendor.

c) Requisitions Requiring Quotes (\$5,000.01 to \$75,000)

- i) If a requisition is received for item(s) totaling \$5,000.01 to \$75,000, the department must submit at least two signed quotes. If a quote is unsigned, it must be accompanied by an email that clearly indicates the name and contact information for the individual submitting the quote. Quotes should be emailed to purchase@olemiss.edu with the requisition number as the subject of the email.

d) Requisitions Requiring Bids/Proposals (\$75,000.01 and over)

- i) If a requisition is received for item(s) totaling \$75,000.01 or more, an advertisement is placed in the news media once a week for two consecutive weeks with sealed bids being opened not less than eight (8) working days (sixteen (16) working days for construction bids) following the second advertisement.
- ii) Requisitions for IT services totaling \$75,000.01 or more requires advertising a Request for Proposals (RFP). The RFP must be advertised two consecutive weeks and opened no less than the thirty-one (31) days following the initial advertisement.
- iii) Requisitions for not-IT services are only required to go through the Request for Proposals process if the total contract is \$2,000,000 or greater. It is recommended that departments consider the RFP process for all service contracts in order to be good stewards of public monies.
- iv) Once bids/proposals are received, the procurement specialist sends the bids and bid tabulation to the requisitioning department for review and recommendation of award.
 - (1) For bids, if the department does not accept the low bid, the department must write a letter justifying why they are not taking the low bid. If the procurement specialist determines the justification appears valid, the request is sent to the Mississippi Department of

Finance and Administration's Office of Purchasing, Travel and Fleet Management for final review and approval or denial.

- (2) For proposals, the evaluation committee will recommend award based on the scoring of the RFP per the scoring rubric published in the RFP. Any contracts resulting from the RFP will be routed through the Office of Contract Management process for signature.

e) Requisitions for State Contract Items

- i) Requisitions received by the procurement assistant are checked against the applicable state contract(s) for current prices, terms, F.O.B., and quantity discounts.

f) Requisition for Sole Source:

- i) Requisitions received by Procurement Services should be marked in SAP as sole source or IT sole source on the purchasing requisition. The appropriate form will be emailed to the requisitioner for completion by the subject matter expert in the department and to be uploaded into SAP. Once Procurement Services reviews the sole source request for completeness, an advertisement is placed in the news media once a week for two consecutive weeks. If no objections are received within eight calendar days following the second advertisement, procurement will then complete the sole source certification process.

g) Prepayments

- i) If your desired purchase includes a prepayment, a prepayment justification will need to be completed and submitted to Procurement Services. Prepayments under \$5,000 will be approved by the Director of Procurement Services or their designee. Prepayments in an amount over \$5,000 must be approved by the IHL Commissioner or Board, as set out in IHL Policy 707.03. Please note that AppleCare purchases under \$5,000 do not require completion of the prepayment justification paragraph.

h) Paying with Federal Funds

- i) When using any federal funds, the department must ensure compliance with the United States Office of Management and Budget (OMB) guidance at 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

7) Issuing Purchase Orders

Once a purchase requisition has been approved by the procurement assistant, the purchase order is created. The original is sent to the vendor by the Office of Procurement Services. Procurement Services prints one copy, which is filed with the appropriate documents.

8) Receiving Materials

Ordered materials are received by the university's Department of Central Receiving (Central Receiving). Oversight of Central Receiving is performed by a manager who reports to the Assistant Director of Procurement Services. The Assistant Director is responsible for both the receiving of materials and property control functions.

Purchases are delivered to the appropriate department by Central Receiving personnel. Large or heavy pieces of equipment may be delivered by the university's Facilities Management Trucking Services when requested by the department or Central Receiving. Deliveries are made daily. Central Receiving personnel do not open and check the contents of all packages, but they do place asset tags on items that require them.

An employee in the department/unit/school or division who is accountable for purchasing is to immediately inspect the shipment upon receipt and report any deficiencies in quantity or quality. The department is responsible for insuring a goods receipt is posted for all goods and services (whether received through Central Receiving or directly with the department) prior to submitting an invoice.

a) *Partial Shipment*

For partial shipments on university orders, the department will need to insure a goods receipt has been processed and an invoice sent to accounts payables for only the goods received.

b) *Damaged Shipment*

Central Receiving personnel are responsible for checking cartons for damage when they are received. If a carton is torn and the receiving clerk suspects there may be concealed damage, this information is noted on the freight bill and the freight line representative is asked to sign the bill acknowledging that the carton is damaged. The requisitioning department will be notified via email and pictures taken of the damaged carton. If a department receives a damaged shipment, the carton must be retained, and Central Receiving must be notified within 48 hours of delivery. Central Receiving will pick up the damaged shipment and will assist the department with filing a damage report with the freight line. On shipments that are F.O.B. University of Mississippi (i.e., destination), the vendor is responsible for the goods until they are received at the University of Mississippi in good condition. In the event the shipment is damaged, the vendor should file the claim and promptly replace the damaged items. On shipments that are F.O.B. shipping point, the buyer (i.e., UM) is responsible for the shipments and must file the freight claim.

9) Invoices

- a) Invoices for purchases are received from vendors by the Office of Procurement Services. The department should verify receipt and acceptance of the product or service prior to requesting goods receipt. After issuance of a goods receipt, the accounts payables assistant enters the invoice into SAP so payment can be processed.
- b) If an original invoice is sent by a vendor to a department, the invoice should be reviewed for sufficiency, and it should immediately be forwarded to the Accounts Payables within the Office of Procurement Services (payables@olemiss.edu).
- c) Establishing Date for Payment of Invoices
 - i) Section 31-7-305, Laws of the State of Mississippi, requires that suppliers be paid within forty-five (45) days of receipt of goods in good condition or receipt of invoice, whichever is later. Disputed invoices may have a longer period if the reasons are documented, but amounts not in dispute must be paid on time. An interest penalty of one and one-half percent (1.5%) per month is required to be added on all invoices, which are not paid within the forty-five (45) day period. Any penalty for late payments will be charged to the department responsible for delay.
 - ii) It is necessary to establish a date to begin counting the 45-day period. The date used as the beginning of the 45-day period is the day the goods receipt is entered into SAP by the Office of Procurement Services. If the goods are damaged, the invoice is priced incorrectly, or there are other problems or concerns, the department should contact the Office of Procurement Services immediately for assistance in properly handling and documenting the problems. As soon as the issues are resolved, the department should request the goods receipt.

10) Corresponding with Vendors

If there is a need to contact a vendor pertaining to an order, for example, an unusually long delay before delivery, the department should contact the vendor directly. All letters or calls to vendors

regarding purchase orders and deliveries should be made by the department. In addition, all changes and substitutions must be approved by the department and communicated to the purchasing assistants assigned to that department.

11) Maintenance Agreements

Maintenance agreements that require signatures are to be submitted to the Office of Contract Management after the approval of purchasing through the Contract Routing and Approval Form.

12) State Sales and Federal Excise Taxes

State sales taxes and federal excise taxes are not paid on purchases. The [tax exemption letter](#) for the University is available on the Office of Procurement Services website.

13) License Plates

Upon receipt of a vehicle, invoice, and Title Application for the purchase of a vehicle, the Property Department within Procurement Services processes the paperwork for the purchase of license plates for all departmental vehicles.

14) Computers and Telecommunications Equipment

The Mississippi Department of Information Technology Services (ITS) has given the university an exemption on the purchase of IT equipment and services of \$250,000.00 and less. Purchases below this level do not require ITS approval but must comply with state purchasing laws and University policy. The purchase of computer equipment with 100% federal funds for any dollar amount are exempt from ITS approval but must comply with state purchasing laws.

All telecommunication equipment and services must have a project exemption (CP-1) from ITS. For additional information, contact the Office of Procurement Services.

15) Postage and Postal Supplies/Services

All postage and postal supplies/services should use the University permit and be coordinated through Campus Mail.

16) Renting or Leasing of Equipment

All rental or lease agreements requiring a signature must be approved the Office of Contract Management.

17) Procurement Card

Purchases made using the procurement card must follow the guidelines set forth in the [Procurement Card Users Guide](#).

18) Contract Guidelines

All contracts, agreements, memorandum of understanding or any other obligations or commitments to which the university will be held shall be entered into only after full compliance with these guidelines. Sponsored program contracts shall not fall under these guidelines.

The Chancellor has been empowered by the Board of Trustees for the Institutions of Higher Learning to execute contracts on behalf of UM. The Chancellor may further delegate limited contractual authority to institutional officials. No employee of the University of Mississippi may sign a contract on behalf of the University unless that employee has been delegated contractual authority by the Chancellor.

A “contract” is an agreement between UM and one or more parties, creating obligations that are enforceable or otherwise recognizable at law. Contracts include documents that revise or affect a contract already in place, including, but not limited to contract amendments, addenda, change orders,

and contract termination notices. Examples of contracts include, but are not limited to, standard contracts, memorandums of understanding (MOUs), purchase agreements/orders, maintenance/service agreements, leases, licenses, easements, revenue generating agreements, and software license agreements. UM contracts must be in writing to be valid and enforceable. Contracts should follow the contract routing process from the Office of Contract Management.

19) IHL Approval

IHL Board approval is required for all contracts or purchases of more than \$2,000,000. Contracts should follow the contract routing process from the Office of Contract Management. Note that the lead-time on obtaining IHL approval is usually about two months or more, so departments are urged to start early.

20) EFORM 13

a) Contracting Services of Individuals, Sole Proprietors, and Nonresident Aliens

- i) In order to avoid issues in meeting agreed upon payment terms, we strongly recommend that all required paperwork and forms be obtained at the time the contract is being negotiated.
- ii) Fees paid for services to individuals require that an Eform 13 must be completed prior to the individuals' performance of said services.
- iii) For more information on Form 13s and what is required, please see the [Form 13 Instructions](#) on the Accounts Payables page of the Office of Procurement Services website.

Location, Address, Phone and Hours of Operation

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P.O. Box 1848
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