

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
ECONOMIC DEVELOPMENT CORPORATION**

**REGULATIONS GOVERNING THE
PROCUREMENT OF GOODS AND SERVICES**

Date of Public Notice: January 25, 2002

Date of Public Hearing: February 25, 2002

Effective Date: May 2, 2002

I. INTRODUCTION

The purpose of these regulations is to outline a specific procedure for the procurement of maintenance, repair, overhead supplies and services. This procedure applies to the Quonset/Davisville Division of the Rhode Island Economic Development Corporation (RIEDC).

II. DEFINITIONS

The meaning of terms used in these regulations shall be consistent with their general usage unless specifically defined by Rhode Island law or RIEDC regulation. As used in these rules, except as otherwise required by the context:

- a. "AGM" means Assistant General Manager to the General Manager.
- b. "DGM" means Deputy General Manager to the General Manager.
- c. "Central Receiving" is an area where goods will be received from vendor (or delivery agent) and held until the proper audit trail of paperwork is complete. This area is currently located in Building 111.
- d. "Competitive low bid" is an award basis used when all criteria have been met to comply with R.I.G.L. §37-2-1 *et seq.*
- e. "Cost Code" means a thirteen-digit number assigned by Fiscal Management to insure proper assignment of department and budgetary line items for the fiscal year.
- f. "Emergency/Urgent Need" is an infrequently used award basis, covering a variety of situations other than single/sole source, competitive bids, or MPA/MSA. If this award basis is used, a brief explanation justifying this course of action is required.
- g. "MPA" means Master Pricing Agreement. An MPA is established with a qualified vendor for a period of one (1) year, to establish best pricing in order to eliminate the need for quoting frequently used items purchased on a repetitive basis. RIEDC may "piggyback" on State MPA's or establish its own MPA.
- h. "MSA" means Master Service Agreement. An MSA is identical to an MPA, but deals with services rather than products.
- i. "MSDS" means Material Safety Data Sheet. The MSDS accompanies material that requires special handling due to hazardous classification, flammability etc.
- j. "Originator" means any authorized employee of the Quonset/Davisville Division.
- k. "Qualified Purchase Order" means a purchase order this is issued and received in accord with the Purchasing & Receiving Procedure.
- l. "Single source" is an award basis that is used when competitive pricing may or may not be available, but it is not used for a justified reason, such as "purchased from an exclusively authorized distributor of the Original Equipment Manufacturer". When this award basis is used, a brief explanation is required.

- m. “Sole source” is an award basis that means that no competitive pricing was available, *i.e.*, a proprietary item, or an item covered by a patent. If this award basis is used, an explanatory statement is also required.

III. PROCEDURES FOR REQUISITION OF MATERIALS AND SERVICES

a. Originator

The originator will fill out the appropriate sections of a “purchase requisition” (see attached form) which includes cost code, whether an MSDS is required, deliver to, item number, asset number (when applicable), description, unit, quantity, originator, department and date, “required by” date, estimated coordinator.

b. Purchasing Coordinator

The Purchasing Coordinator will determine and indicate on the purchase requisition if the procurement is covered by an MPA, MSA or another justification for proceeding without obtaining three bids.

- If the procurement is \$250.00 or less, three bids are not necessary; however, these small sales should not be monopolized by any one vendor.
- For procurements between \$250.00 and \$2,500.00, three telephone bids must be obtained. Written quotes are advisable when dealing with contracts and service agreements.
- If the procurement is between \$2,500.00 and \$5,000.00, three bids must be obtained in writing.
- If the procurement is over \$5,000 requests for quotations (bids) must be solicited in the newspaper, except for situations described below. All Requests for Proposals, Quotes and Contract Bidding exceeding \$5,000.00 must be entered into the on-line Rhode Island Vendor Information Program for public solicitation.

The Purchasing Coordinator will also indicate vendor, method of shipment, pricing, vendor delivery date and terms on the purchase requisition, and will forward the purchase requisition to the AGM for approval.

c. Assistant General Manager or Deputy General Manager

The AGM or DGM will review and approve the purchase requisition with respect to the need and urgency of the project and budgetary considerations. The AGM or DGM will determine if the procurement is Engineering-related. If so, the purchase requisition will be sent to the Technical Services Department for approval. If such approval is not required, the purchase requisition will be returned to the Purchasing Coordinator for processing.

d. Technical Services Department

If Engineering approval is required, an engineer must concur with the technical specifications by signing in the appropriate space on the purchase requisition and forwarding the purchase requisition to the Purchasing Coordinator for processing.

IV. APPROVAL OF REQUISITIONED MATERIALS AND SERVICES

a. Assistant General Manager or Deputy General Manager

The AGM or DGM will review purchase requisitions up to \$1000.00 and indicate approval by signing the appropriate block. The AGM or DGM may delegate this responsibility to a member of the senior staff. (Note: Delegated authority cannot be further delegated.) The AGM or DGM will then forward the purchase requisition to the Purchasing Coordinator for processing.

b. General Manager

The General Manager will review purchase requisitions over \$1000.00 and indicate approval by signing on the appropriate block. The General Manager may delegate this responsibility to the DGM. (Note: Delegated authority cannot be further delegated.) The General Manager or DGM will then forward the purchase requisition to the Purchasing Coordinator for processing.

c. Deputy Director

The Deputy Director will review purchase requisitions over \$2500.00 and indicate approval by signing the appropriate block. The Deputy Director may delegate this responsibility to the Director of Finance/Budget. (Note: Delegated authority cannot be further delegated.) The Deputy Director or Director of Finance will then forward the purchase requisition to the Purchasing Coordinator for processing.

d. Executive Director

The Executive Director will review purchase requisitions over \$10,000.00 and indicate approval by signing the appropriate block. The Executive Director may delegate this responsibility to the Deputy Director. (Note: Delegated authority cannot be further delegated.) The Executive Director or Deputy Director will then forward the purchase requisition to the Purchasing Coordinator for processing.

e. Purchasing Coordinator

The Purchasing Coordinator will forward the yellow copy of the purchase requisition to Accounts Payable to await the Receiver's confirmation of arrival of goods or services, and will then match the receiver's approved copy with the invoice for payment.

The Purchasing Coordinator may now process and sign the purchase order after reviewing it for accuracy against the requisition.

f. Facility Controller

The Facility Controller will sign the purchase order after reviewing for accuracy and Account/financial accountability.

g. Disbursement

The Purchasing Coordinator will disburse purchase orders as required once approvals have been obtained. The vendor copy of the purchase order will be mailed to the vendor, as the standard notification to the vendor that the RIEDC has awarded a purchase order. In isolated instances, where material is needed on an urgent basis, the procurement will be awarded by telephone by the Purchasing Coordinator. In this case the Purchasing Coordinator will stamp the vendor copy of the purchase order "CONFIRMATION ONLY – DO NOT DUPLICATE" and send the vendor a copy.

The originator will then get a copy to confirm that goods or services that have been ordered. Next, a copy will be given to the receiver to make sure all received items coincide with the description and quantity ordered. Finally, a copy will be retained in the RIEDC files for auditing purposes, and held for a period of five (5) years.

The foregoing rules and regulations, after due notice and an opportunity for hearing, are hereby adopted and filed with the Secretary of State this 2nd day of April, 2002, to become effective thirty (20) days after filing, in accordance with the provisions of R.I.G.L. 1956 (1988 Reenactment) §42-35-2(a)(2), §42-35-3, and R.I.G.L. 1956 (1984 Reenactment) §42-64-7(16).

Date

Tom Schumpert, Executive Director

Approved by RIEDC Board 3/25/02