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IDAHO DEPARTMENT OF PARKS AND RECREATION
POLICY AND PROCEDURES MANUAL

PROCEDURE TITLE: Purchasing and Payments

APPROVAL: _____ Director

FISCAL Policy Owner

1. INTRODUCTION

1.1 Purpose

The purpose of this policy and procedure is to acquaint IDPR employees with the basic statutes, rules, and processes that govern public purchasing, and payment for goods and services. Understanding these processes will help you to appreciate your responsibilities as a public employee, increase cooperation between IDPR field locations and programs and the Fiscal Section, and to build stronger relationships between the vendor community and IDPR.

2. UNDERSTANDING PUBLIC PURCHASING

2.1 Definition of Public Purchasing

The purchasing or procurement of goods or services that meet the needs of the agency/program, at the best price, from the most responsive and responsible vendor. Purchasing (commodities) and procurement (services) encompass the entire process for obtaining goods and services, including all activities from planning, preparation and processing of a requisition, through source selection, solicitation, evaluation, award and contract formation, to receipt and acceptance of delivery, payment, and property disposition.

Please note that all references to purchasing, procurement, rules, and contracts relate to activities administered by the State of Idaho Division of Purchasing, through the IDPR Purchasing Section, and generally do not refer to projects administered through the IDPR Development Bureau. The Development Bureau works under similar rules and statutes, as administered through the State Department of Administration, Division of Public Works. The Development Bureau has different purchasing authority, rules for selecting vendors, etc, although there is some overlap and cooperation between the Purchasing Section and the Development Bureau.

2.2 Purchasing Rules

The State Division of Purchasing has created rules based on State statutes to govern the purchase or procurement of property and services. The purchasing rules will be discussed in more details later in this policy set. All purchases shall be made in accordance with IDAPA 38.05.01, Rules of the Division of Purchasing.

2.3 State Statutes

The Idaho Statutes that govern purchasing activity are found in *Idaho Code*, *Title 67 State Government and State Affairs, Chapter 57, Department of Administration,* specifically *67-5717 (11), 67-5732, 67-2356(1).* These may be accessed via the Internet through the Idaho Purchasing Homepage (http://www2.state.id.us/adm/purchasing/default.htm) or in hard copy published in *Idaho Code, Volume 11.*

3. **DEFINITIONS**

3.1 Capital Outlay

Capital Outlay, a budgetary term, is not to be confused with Capitalization, an accounting term. Capitalized assets are normally purchased from the capital outlay budget, but not all purchases from the capital outlay budget are necessarily capitalized on the accounting records.

3.2 Fixed Assets

Tangible assets, acquired by the state through purchase, donation, gift, transfer, capital lease, or self construction, with a life expectancy of more than two years, including that portion of capital projects classified as construction in progress. Not included are depletable resources, such as minerals or timber. See IDPR policies and procedures on Inventory.

Inventoriable fixed assets are all fixed assets of the state with a unit cost of at least $1000, or considered to be particularly vulnerable to loss.

3.3 Contract

A contract is a written agreement for the acquisition of property or services that defines the relationship and duties and obligations of the parties to it. Most commonly the term is used to describe term contracts, definite or indefinite quantity/indefinite delivery contracts, or other acquisition agreements whose subject matter involves multiple payments and deliveries. Contracts include a description of the items or services solicited, terms and conditions, amendments, the vendor's signed bid or proposal and the signed document by the purchasing official indicating acceptance.

3.4 Real Property

Land and Buildings

3.5 Quotations

For items costing over $1,500 and under $25,000 (see Section 4.2), quotations are solicited from a minimum of three (3) vendors having a significant Idaho economic presence as defined in Idaho Code.

Note: For IDPR purposes, bids done by IDPR for dollar amounts between $1,500 and $25,000 fall under state purchasing rules for "small purchases" and are referred to as "quotes" or "quotations", rather than "bids".

3.6 Vendor

An individual, business, or other entity from which goods or services are acquired.

3.7 Major Program/Park

A unit within IDPR that has an allocated budget. Frequently referred to as a cost center.

3.8 Delegated Purchasing Authority

Authority granted to a state agency by the administrator of the state division of purchasing. See Section 4.2.

3.9 Signature Authority

Signature authority is granted to approve purchases within pre-established dollar ranges by position and type of expenditure (See Signature Authority). Each park or major program is responsible to keep signature authority information for their area of responsibility up to date and on file in the headquarters fiscal section.

Authority to approve purchases is granted to employees by position and bureau under the following assumptions:

- The goods or service to be purchased have been approved in the agency's annual budget
- for the fiscal year in which the expenditure will occur;
- The funds have been allocated in the applicable expenditure sub object code and
- manager's cost center through STARS; and
- There is sufficient cash in the fund.

Expenditures not approved in the budget, require the prior approval and signature of the Director or applicable Administrator.

All purchases must be in compliance with the IDPR purchasing policies and procedures and the

rules of the State Division of Purchasing (IDAPA 30.05.01).

Leases:

- Capital Leases (lease-purchase). All leases relating to the purchase or sale of property must be approved by the Director or applicable Administrator.
- Operating Leases (lease-rental). Non-cancelable leases with terms in excess of one year must be approved by the Director or applicable Administrator.
- Operating Leases (lease-rental). Cancelable leases with terms less than one year, rental less than $5,000 per year, and included in the current fiscal year operating budget must be approved by the cost center manager.
- Contracts or memorandums of understanding for real or personal property, and services, not previously approved or included in the current fiscal year budget require the approval of the director.

4. PURCHASING PROCEDURES AND INSTRUCTIONS

4.1 The Acquisition Process

The acquisition process includes all activities from planning, preparation and processing of a requisition, solicitation, evaluation, award and contract formation, to receipt and acceptance of delivery, payment, inventory tracking and property disposition. Regardless of whether the product or service required is processed by the agency under delegated authority or sent to the

Division of Purchasing for processing, the workflow is essentially the same. Let's examine a few things that need to be considered when making any purchase:

- Identify the need and product or service that will best fulfill that need. Keeping in mind cost containment, what is the product or service that best fulfills the job requirements?
- Development of specifications that describe the characteristics of a product or service being sought. Consideration should be given to suitability and to overall cost effectiveness in addition to acceptability and initial price. Specifications, by their nature, set limits and thereby eliminate or restrict items that are outside the boundaries drawn. Specifications should be written to encourage, not discourage competition consistent with seeking overall economy for the purpose intended. The goal is to invite maximum reasonable competition. There are several different types of specifications:

  - Standard - developed for repeated use
  - Non-standard - developed for one time use
  - Custom-made or custom-built
  - Ready-made or off-the-shelf
  - Brand name or equal
  - Detailed design-type
  - Functional or Performance-type
  - Qualified-product list or approved brands

Please consult with IDPR's Purchasing Section when developing specifications for a purchase.

- Bidding or seeking price quotations from a number of possible suppliers as per the rules established by the Division of Purchasing and IDPR.
- Reviewing the bids or quotations to determine overall economy for the intended use of the product or scope of the services. The award should always go to the lowest responsive bidder who meets the specifications of the product or services you requested.
- Purchasing or contracting for the product or service in accordance with the rules of the Division of Purchasing and IDPR.
- Receiving the product or service and verifying that it meets the requirements of the purchase order or contract.
- Processing the invoice through appropriate channels in a timely manner. Refer to Section 7.0.
- Adding the item to the inventory system if necessary. Idaho Code 67-5746 requires that all agencies maintain an inventory of all personal property that an agency owns or is responsible for. IDPR uses the FAS inventory system through the State Controllers Office. When payments are processed through STARS, items that need to be added to the FAS inventory automatically come up on a FAS Hold File screen to notify IDPR Purchasing Section that an item may need to be placed on the inventory.
- Disposal of item at the end of its usable lifespan or after it has been declared surplus property. Detailed instructions for surplus property disposal are published by the State Board of Examiners, and are addressed in other IDPR policies and procedures. Contact the IDPR Purchasing Section for more information.
- Keeping good records that detail all of the above considerations as required by Idaho Code and IDPR. Public purchasing requires that most records be made available for public inspection upon request; so good detailed record keeping is essential.

4.2 Delegated Authority

Idaho Code 67-5717 charges the Administrator of the Division of Purchasing with the responsibility to purchase all state property and enter into contracts, leases, and rentals. The Administrator has the authority to delegate responsibility to others effective 7-01-01. For minor property costing less than $5, 000, all agencies have been granted authority to purchase such property without competitive solicitations, in accordance with good business practices and in the best interests of the state. For purchase of property and services exceeding $5,000, the Administrator has granted limited delegated purchasing authority in various amounts, not to exceed $50,000, to various agencies who demonstrate a need for such purchases and a competence for accomplishing the purchase according to state statutes and published purchasing rules and regulations. IDPR has been granted delegated authority of $25,000.
For IDPR purchases over $1,500, we will continue to require signed purchase requisitions, at least three quotations, and involvement of the senior buyer. Administrators, region managers, have authority to allow purchases up to $5,000 without bidding quotations.

4.3 Types of Purchasing

Acquisition of property and procurement of services is divided into three major types:

1. Small Purchases and Delegated Authority
2. Single Acquisitions (larger purchases)
3. State Contracts

Purchasing as follows:

4.4 IDPR Purchasing Policies and Procedures

4.4.1 Small Purchases of Property or Services

Less Than $1,500 For purchases expected to cost less than $1,500, and not available on statewide contracts, no competitive bidding is required. IDPR programs may purchase such property as they see fit, in accordance with good business practice and in the best interests of the state.

IDPR instructions for purchases less than $1500, not on state contract:

1. Ensure that the purchase is within the applicable park or major program's budget by object code.
2. Goods or services may be purchased from any vendor.
3. Purchase may be made by charging the purchase and obtaining an invoice, or by using an agency P-card. IDPR is encouraging the use of P-cards for such purchases.
4. IDPR staff may request the IPDR purchasing section to make the purchase by submitting a purchase requisition (Form 25-1) and specifications; however that is not required for a purchase less than $1500.
5. Purchase requisition, invoice, etc. forwarded to Purchasing or Accounts Payable for ultimate payment must be signed by the authorized signator for the park or major program. The document must also show the STARS codes, i.e. pca, sub-object, grant # ,project #, etc as applicable.

Less Than $25,000 Purchases over $1,500 and under $25,000 and not available on statewide contracts, require a minimum of three (3) competitive solicitations from vendors with a significant Idaho economic presence as defined by Idaho Code. Note: Certain exceptions exist. Contact IDPR Purchasing Section for information.

IDPR instructions for purchases more than $1500, less than $25,000, not on state contract:

1. Ensure that the purchase is within the applicable park or major program's budget by object code.
2. Purchase requisitions (Form 25-1) with complete specifications for the goods or services to be purchased must be sent to the IDPR Purchasing Section. The requisition must show approval by established signature authority, and must show

the accounting codes to which the goods or services will be charged (STARS codes, i.e. pca, sub-object, grant #, project #, etc as applicable).
3. At least three quotations from vendors with a significant Idaho economic presence must be obtained (See section 5).
4. Normally, quotations are obtained by the Senior Buyer. However, the Senior Buyer may, upon request, authorize field personnel to obtain written or telephone quotations. Permission must be obtained from the Senior Buyer **prior** to getting quotations.
5. Such purchases will be encumbered when the total cost is determined.
6. Since purchase approval is on the purchase requisition, invoices for payment against the encumbrance do not have to be signed by established signature authority.

4.4.2 Larger Purchases of Property or Services (67-5718)

More Than $25,000

Purchases over $25,000 require competitive bid solicitations. These are formal bids and are handled by the State Division of Purchasing. An IPDR purchase requisition, with detailed specifications, and authorizing signatures must be forwarded to IDPR Purchasing Section for such a purchase.

IDPR instructions for purchases more than $25,000, not on state contract, and for leases less than 1 year in length.

1. Ensure that the purchase is within the applicable park or major program's budget by object code.
2. Submit a purchase requisition (Form 25-1) with complete specifications for the goods or services to be purchased, to the IDPR purchasing section. The requisition must show approval by established signature authority, and must show the accounting codes to which the goods or services will be charged (STARS codes, i.e. pca, sub-object, grant #, project #, etc, as applicable).
3. IDPR will complete a state purchasing requisition (Form DA-1), along with complete specifications, and will forward the purchase request to the state division of purchasing, who will obtain bids, and who will issue the purchase order or contract.
4. Such purchases will be encumbered when the total cost is determined.
5. Since purchase approval is on the purchase requisition, invoices for payment against the encumbrance do not have to be signed by established signature authority.

4.4.3 Professional and Consultant Services

Less Than $50,000

Services of professionals or consultants, as defined in the Division of Purchasing Rules, costing less than $50,000 and not exceeding one (1) year may be acquired by agencies without competitive bidding in accordance with good business practice and in the best interests of the state.

IDPR instructions for professional and Consultant Services costing less than $50,000:

1. If the services of a professional or consultant are expected to cost more than $1,500, a purchase requisition (Form 25-1) and signed agreement of service being purchased, approved by established signature authority, and with the proper accounting codes, is to be submitted to the IDPR purchasing section, for the purpose of encumbering the funds.
2. For payments to professionals or consultants for services, the authorized signator for the park or major program must sign the invoice or other payment document, signifying that the services have been satisfactorily received.

More Than $50,000

Services of professionals or consultants exceeding $50,000 and/or exceeding one (1) year are handled by the State Division of Purchasing.

IDPR instructions for purchases of the services of professionals or consultants, expected to cost more than $50,000, and/or exceeding one year in duration:

1. Ensure that the purchase is within the applicable park or major program's budget by object code.
2. Submit a purchase requisition (Form 25-1) with complete specifications for the services to be purchased, to the IDPR purchasing section. The requisition must show approval by established signature authority, and must show the accounting codes to which the goods or services will be charged (STARS codes, i.e. pca, sub-object, grant #, project #, etc, as applicable).
3. IDPR will complete a state purchasing requisition (Form DA-1), along with complete specifications, and will forward the purchase request to the state division of purchasing, who will obtain bids or proposals, and who will issue the purchase order or contract.
4. Such purchases will be encumbered upon determination of cost.

4.4.4 **IDPR instructions for purchases of repair services less than $5,000:**

1. Obtain permission from supervisor to have repairs made.
2. Ensure that the purchase is within the applicable park or major program's budget by object code. In the event of an emergency where time is of the essence, approval may be obtained after the fact.
3. A purchase requisition (Form 25-1) may be submitted, in which case the purchase

will be encumbered, or if you already have the invoice in hand, the approvals and coding may be affixed to the invoice, and the invoice processed for payment.
4. Emergency repairs may be paid for with a P-card, if the cost of repairs is less than the card limit.

4.4.5 Information Technology (I T)

Less Than $50,000 Services

Information Technology services less than $50,000 acquired through a service contract not to exceed one (1) year may be acquired as the agency sees fit. Service contracts in excess of $50,000 are subject to competitive bidding.

NOTE: Keep in mind that all IT purchases require approval from IDPR's Information Technology Manager, in accordance with IDPR's Information Technology Policies and Procedures, and the guidelines of the State Information Technology Resource Management Council (ITRMC). Large projects require the approval of ITRMC.

The State Division of Purchasing has an Information Technology Purchasing Officer on staff to assist agencies with information technology issues and purchases. He may be contacted through
.

4.4.6 Statewide and Single Agency Contracts

Purchases from contracts do not require any further bidding and do not have a dollar limitation unless specially mentioned in the contract. The bidding was already done during the contract formulation. Contracts may be statewide for all agencies, or restricted to an identified agency(s).
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Many contracts contain a public agency clause that allows for cities, counties, and political subdivisions of the state (school districts, highway districts, etc.) to access the contracts.

4.4.7 Leases and Time Purchase Contracts
Leases are subject to the same competitive solicitation requirements for small or large purchases listed above. Leases for periods exceeding one (1) year specifically require the approval of the Division of Purchasing. Note: Leases of building space, such as for offices or shops, are done through the Division of Public Works. Contact IDPR Purchasing Section for further information.

Time purchases or installment payments generally require the approval of the Division of Purchasing and the Division of Financial Management.

4.4.8 Emergency Purchases

The Division of Purchasing, after determining that an emergency exists, may authorize the purchase of property or services by any reasonable means, with any available specification,

without regard to the provisions of State Purchasing rules. Please contact IDPR Purchasing Section for further information.

4.4.9 Exceptions to Delegated Authority

Requests for lease or purchase of telephone systems, facsimile machines, photocopiers, and vehicles are processed by the Division of Purchasing.

4.4.10 Other Exceptions to Bidding
Purchases from sole sources, the federal government, other government entities, rehabilitation agencies, Correctional Industries, emergency purchases, purchases less than the bid limits described above, statewide or single agency contracts, or certain exempt purchases are exempt from bidding procedures. In most instances the Division of Purchasing reserves the authority to determine if an item or service meets the qualifications to be considered as exempt from bidding. Contact IDPR's Purchasing Section for further information.

The complete *Division of Purchasing Rules* may be viewed or printed from the Idaho Purchasing Homepage Internet website: (http://www2.state.id.us/adm/purchasing/) or a hard copy may be obtained by contacting IDPR's Purchasing Section.

4.4.11 Contracts, Price Agreements, Leases

A contract is a written agreement for the acquisition of property or services that defines the relationship and duties and obligations of the parties to it. Most commonly the term is used to describe term contracts, definite or indefinite quantity/indefinite delivery contracts, or other acquisition agreements whose subject matter involves multiple payments and deliveries. Contracts include a description of the item or service solicited, terms and conditions, amendments, the vendor's signed bid or proposal and the signed document by the purchasing official indicating acceptance. Generally, IDPR must send contract requests for more than one year's time, or more than $50,000 total cost, to State Purchasing for processing.

The Division of Purchasing creates statewide contracts, local agency contracts, lease contracts and price agreements. Agencies with delegated purchasing authority may create their own contracts within limited conditions and dollar thresholds.

4.4.12 Statewide Contracts

Statewide or Open Contracts are for items or services that are used by the majority of state agencies. They include such items as paper and plastics (hand towels, toilet tissue, plastic trash can liners, car batteries, office supplies, envelopes, business cards, tires, paint, photocopiers, vehicles and information technology (computers, telephones). A complete listing of statewide contracts is available on the Idaho Purchasing Homepage Internet website. For details on a specific contract, contact IDPR's Purchasing Section.

State Purchasing determine the following commodities or services that are placed on statewide Contracts. The four major considerations are:

- Is it a product or service used by all or many state agencies?
- Is the product or service universally available and biddable?
- Will the combining of usage from all agencies on a contract result in a savings to the state?
- Is there a method available for delivery or distribution?

Most statewide contracts are mandatory use, meaning that they must be used by agencies purchasing the specific product or service. Idaho Code 67-5726 Prohibitions says, in part: "No officer or employee shall fail to utilize an open contract without justifiable cause for such action." Some statewide contracts are optional use and others have conditions such as delivery areas and minimum quantities that enable the agency to decline participation in the contract when necessary. Most statewide contracts also have a public agency clause that allows cities and political subdivisions of the state (school districts, counties, highway districts, etc.) to access the contract.

4.4.13 Single Agency Contracts

These types of contracts are generally for the exclusive use of an individual agency, although they may also have a public agency clause. A few examples are road salt for the Department of Transportation, inmate clothing for the Department of Corrections and dairy products for the Department of Health and Welfare state hospitals. Contracts that exceed the agency's delegated purchasing authority or exceeding one (1) year are processed by the Division of Purchasing.

4.4.14 Price Agreements

A price agreement is another method of contracting with a vendor for products or services authorized by the Division of Purchasing. Price agreements are non-exclusive (not mandatory use) written agreements between a vendor and an individual agency or group of agencies specifying a product or list of products or services offered at an agreed upon price or discount. They are not competitively bid. Such agreements are appropriate when:

- The dollar amount of items or transactions is relatively small;
- The property may not be conducive to standard competitive bidding procedures;
- There exists a need to establish multiple agreements with vendors supplying property that is similar in nature or function, but is represented by different manufacturers and/or needed in multiple locations; and
- Non-exclusive agreements for periods not exceeding two years are deemed necessary to establish consistent general business terms such as price, use of catalogs, delivery terms, credit terms, etc.

Examples of price agreements are equipment replacement parts for the Department of

Transportation, aircraft rental for the Department of Fish and Game, and personal clothing and small household items for Department of Health and Welfare state hospital clients. The Division of Purchasing also establishes price agreements for use by all agencies such as auto rentals and court reporters.

4.4.15 Leases

A lease is a contract for the use of property under which title to the property does not pass to the state agency and the time period is one year or more. Individual agencies may enter into leases provided that the lease cost is less than $50,000 total and for one year or less. All leases exceeding one year or costing more than $50,000 total are required to be processed by the Division of Purchasing. The Division of Purchasing has lease contracts for photocopiers, facsimile machines and vehicles.

4.4.16 Concessions, acquisition of concession services

Division of Purchasing Rules state: If there is no expenditure of state funds, the acquisition of concession services, including, but not limited to, exclusive-rights contracts, franchises, vending services, options, pouring contracts, service agreements, advertising agreements, broadcast rights to sporting events or other similar types of goods, may be conducted by each purchasing activity as it determines to be in its best interest. While there is no statutory requirement for competitive bidding for concession services or the applicability of purchasing statutes to the award of contracts for concession services, the purchasing activity is encouraged to utilize a competitive process if determined to be in its best interest.

4.4.17 Trade-ins

Idaho code allows sale, trade-in, or exchange of state personal property by exchanging the same in part payment for new property. Specifically IC 67-5722, reads in part, as follows:
Exchange of property will be permitted only when it is determined by the administrator of the division of purchasing that all other methods of disposal of the property sought to be exchanged will yield a lesser monetary return to the state. Property to be traded in part payment for new property is not surplus property, and not subject to Board of Examiners guidelines. The state property disposal request is to be used for trade-in of state property, and is sent to the administrator of the division of purchasing, along with written verification of the agency's determination that trade-in of the property will bring the most monetary gain to the department. A trade-in option can only be used in a bidding situation. Trade-ins cannot be applied to purchases from an existing state contract, or to a purchase less than $5,000 that do not require bids or quotations. Contact the to initiate a trade-in of goods.

4.4.18 Other

The Division of Purchasing may enter into contracts for installment payments or time purchases. Contact IDPR's Purchasing Section for information on these types of contracts.

5. RESPONSIBILITIES, PROHIBITIONS

5.1 Integrity, Ethics, Vendor Relationships

All state employees are involved in business transacted by government in one form or another. Especially so are those professional purchasers and other agency personnel who purchase items and services. Taxpayers, state agencies, bidders, contractors and others involved in the conduct of state business have a stake in the integrity and ethical performance of state employees. The State of Idaho has extensive statutes and purchasing rules referenced in this publication. These are safeguards put in place to preserve that integrity by helping to avoid improper actions, or the appearance of improper actions by government personnel and by suppliers. The following are a few of the safeguards and prohibitions that protect you as a taxpayer and a government employee:

- Public Information Availability - complete purchasing records and published rules and procedures, with public access (I.C. 9-338, I.C. 67-5725)
- Conflict of Interest prohibition regarding the holding of contracts or selling to the state property or supplies by state employees (I.C. 67-5726)
- Prohibition regarding the influencing or conspiring to influence public purchasing decisions and contract awards (I.C. 67-5726). Attempts at influence may include kickbacks and bribes, peddling or payment of a fee, back-door selling, hard-sell tactics, fraternization, or offering gifts to avoid following published procedures or gain advantages
- Circumventing Purchasing Authorization Prohibition that prohibits efforts by using agencies to obtain products or services by avoiding the competitive process such as splitting purchases, creating false emergency situations and non-use of statewide contracts (I.C. 67-5726, I.C. 67-5717)
- Audits - periodic and systematic review of purchasing procedures for compliance with state statues, policies and rules that govern the purchasing process

Each state employee, classified and non-classified, has a personal responsibility to conduct government business in an ethical manner and assure the integrity of the state purchasing and procurement processes.

5.2 Code of Ethics

Responsibility to your employer

- Follow the lawful instructions or laws of the employer.
- Understand the authority granted by the employer.
- Avoid activities that would compromise or give the perception of compromising the best interests of the employer.
- Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition.
- As agents for the employer, obtain the maximum benefit for funds spent.

Conflict of Interest

- Avoid any private or professional activity that would create a conflict between your personal interest and the interests of your employer.

Perception

I. Avoid the appearance of unethical or compromising practices in relationships, actions and communications.

II. Avoid noticeable displays of affection that may give an impression of impropriety.

III. Avoid holding business meetings with suppliers outside the office. When such meetings do occur, the meeting location should be carefully chosen so as not to be perceived as inappropriate by other persons in the business community or by your peers.

Gratuities

- Never solicit or accept money, loans, credits or prejudicial discounts, gifts,entertainment, favors or services from your present or potential suppliers, which might influence or appear to influence purchasing decisions.

5.3 Vendor Relationships

Developing and maintaining good relationships with our suppliers is important. Whenever a vendor (or agency) fails to meet the requirements of a contract or purchase order the problem needs to be discussed and resolved to everyone's satisfaction. This will help prevent future problems and maintain good working relations. Most minor problems can be worked out with a simple call or visit, but if not, please bring the matter to the attention of IDPR's Purchasing Section for assistance in resolving disputes.

- Maintain and practice, to the highest degree possible, business ethics, professional courtesy, and competence in all transactions.
- Preclude from showing favoritism or being influenced by suppliers through the acceptance of gifts, gratuities, loans or favors.
- Adhere to and protect the supplier's business and legal rights to confidentiality for trade secrets, and other proprietary information.

5.4 Splitting Invoices or Purchases

Idaho Code, section 59-1026, reads as follows: It is a violation of this section for any public officer or officers of the State, any political subdivision, or a city in this state to split or separate purchases or work projects for the purpose of evading any laws of the State which require competitive bidding for such purposes or work projects when the amount of the anticipated purchase or work project exceeds a specific dollar amount. Any public officer or officers violating this section shall be liable for civil penalties not to exceed five hundred dollars ($500) for each offense.

5.5 Processing Invoices

The internal procedures that government goes through to process payments to vendors can be quite confusing and time consuming. Although technology is constantly showing us better and faster ways to do business, with such things as e-mail, fax, Internet access, and electronic fund transfers, the human element still comes into play. It is our individual responsibility as government employees to do whatever we can to process vendor payments in a timely manner. Idaho Code 67-5735 states, in part, that "within ten (10) days after the property is acquired the acquiring agency shall complete all processing....to permit the contractor to be reimbursed. Within ten (10) days of receipt of the document....the State Controller shall cause a warrant to be issued..." See Section (7), IDPR purchase requisition and payment process.

6. STATE AND FEDERAL TAXES

6.1 All state agencies are exempt from Idaho state sales tax on all but cash purchases. Vendors who request proof of sales tax exempt status may be given an executed copy of Idaho State Tax Commission form ST-101. The vendor is to keep this form on file. Idaho sales tax added to invoices by vendors will be deducted when payment is processed.

6.2 When goods or services are accepted by State of Idaho employees in another state, we are subject to the sales tax laws of that state.

6.3 State agencies are exempt from federal taxes on telephone, telegraph, freight, gasoline, oil, new tires, and tubes. Gasoline purchased by IDPR for resale to the public is subject to federal excise tax.

6.4 State agencies do pay the following taxes:

1. Excise taxes on recapped tires, airline tickets, and city/county franchise taxes.
2. Certain property taxes and assessments.
3. Idaho state road tax on gasoline.
4. Other state's sales tax (see Section 6.2).
5. Transfer and environmental fees on purchases of bulk petroleum products.

7. PROCESSING PURCHASE REQUISITIONS AND PAYMENT DOCUMENTS

7.1 Encumbering: All purchase orders issued by the Department of Administration, Division of Purchasing, and by IDPR, acting as agent for State Purchasing, shall be encumbered. Encumbrances are reductions against appropriations (spending authority) in anticipation of an object-coded expenditure (Idaho Code 67-3521).

1. Encumbrance numbers will be assigned to each purchase requisition by the senior buyer using a standard numbering methodology. As purchase requisitions are entered into STARS, the STARS encumbrance number will be written on the purchase requisition for record keeping purposes.

2. A copy of the purchase requisition, with the appropriate encumbrance information, pca, expenditure sub-object, and other pertinent information will be returned to the original requisitioner for his/her records. This information will be used to complete the invoice for processing after the goods or services have been accepted.

7.2 Acknowledge receipt of merchandise

1. The IDPR employee who receives merchandise ordered can acknowledge receipt and authorize payment by signing the invoice or bill of lading. If the invoice is sent to headquarters by the vendor for merchandise received at a park or region office, IDPR purchasing or accounting staff can verify receipt via phone or email. The date and name of the individual who verified receipt must be documented in the STARS batch file.
2. For payments to professionals or consultants for services, the authorized signator for the park or major program must sign the invoice or other payment document, signifying that the services have been satisfactorily received.

7.3. Once the acquisition process has been completed, the product or service received and accepted, the invoice should be coded with:

1. The encumbrance number, if applicable.
2. The appropriate program cost account (PCA).
3. The expenditure sub-object code.
4. Grant number, if applicable.
5. Project number, if applicable.

7.4 Sign the invoice and process for payment.

7.5 For reimbursement of "out of pocket" expenses, complete IDPR Miscellaneous Operating Expense Reimbursement form, attach the sales receipts, obtain Cost Center Manager signature if required, and forward to the Accounting Unit for processing.

8. PURCHASING CARDS

8.1 P-Cards. As of this writing, the state has a contract with Wells Fargo Bank for Purchasing Cards, known as "P-Cards." "P-Cards" are VISA cards that can be used by assigned state employees to make certain purchases. See IDPR's P-card policies and procedures for details on obtaining and use of P-Cards.

8.2 Fuel Cards. As of this writing, the state has a statewide contract to use a fleet fueling card, called Wright Express. Each motor pool vehicle has a fuel card assigned to the vehicle. Each employee must have a Wright Express pin number in order to use a fuel card, except that some parks have a pin number used by all the park seasonals to purchase fuel. The fuel card deducts federal excise tax from fuel purchases. The fuel cards also have the ability to track vehicle fuel efficiency and mileage. Other methods of paying for

fuel purchases can be used if there is no station in the area where you need to purchase fuel that accepts the fuel cards. The P-card can be used, or you can pay for fuel with your own funds, and get reimbursed on your travel expense form. Contact the PCard administrator for fuel card information and/or to obtain cards and pin numbers.

8.3 Other Purchasing Cards Vendor specific purchasing cards such as Home Depot, Office Depot, Office Max, and Staples have been phased out. There may be specific instances where a vendor's purchasing card must be used by the agency. An example is Costco, that will not accept MasterCard but has its own purchasing card. Contact the Senior Buyer to set up special purchasing card accounts.

8.4 All purchasing cards are a method of paying vendors for purchases. All purchasing statutes and rules must be adhered to when making purchases with purchasing cards.

9. **EXCEPTIONS:**

9.1 Bidding or quotations not required:

1. Items on state contracts may be purchased without bidding. The bidding procedure has already been done at the time the contract was awarded.
2. Purchases from other government agencies; federal government, state agencies, counties, cities, etc.
3. Purchases from Idaho Correctional Industries.
4. Employee moving expenses. See State Moving Policy.
5. Mass-produced movie films and videotapes have been declared a sole-source item. Prior purchase approval is required from the Senior Buyer if such purchase is expected to cost more than $1500.

10. **REPORTING:**

10.1 The shall furnish monthly purchasing reports to the Division of Purchasing in a form as directed by the Division of Purchasing.