

Certification and Procurement Guidelines

# **STATE PURCHASING AND CONTRACTING**

South Carolina National Guard  
Office of the Adjutant General  
Columbia, SC 29201-4752  
1 March 2012

**UNCLASSIFIED**

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HEADQUARTERS  
Joint Forces-South Carolina  
South Carolina Army National Guard  
Columbia, SC  
1 March 2012

\*NGSC Regulation 37-4

Effective: 1 March 2012

## Certification and Procurement Guidelines State Purchasing and Contracting

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BY ORDER OF THE GOVERNOR:



ROBERT E. LIVINSTON  
*Major General, SCARNG*  
*The Adjutant General*

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**History.** This regulation has been created to reflect proper procurement procedures for the South Carolina Office of the Adjutant General and its subordinate units.

**Summary.** This publication prescribes policy to address the policies and procedures of the Purchasing Department of The Office of the Adjutant General in accordance with the South Carolina Procurement Code and Regulations.

**Applicability.** This regulation applies to all services and information technology procured through The Office of the Adjutant General Purchasing Department.

**Supplementation.** Supplementation of the regulation is prohibited as it is in accordance with the South Carolina Procurement Code and Regulations.

**Suggested Improvements.** Users are invited to send comments and suggested improvements to: NGSC Attn: NGSC-DSO-DP  
1 National Guard Road,  
Columbia, South Carolina 29201

**Distribution.** Distribution of this publication is available in electronic media and is intended for all offices of the South Carolina Office of the Adjutant General and its subordinate units

STATE OF SOUTH CAROLINA MILITARY DEPARTMENT  
Office of the Adjutant General  
Columbia, South Carolina 29201

ADJUTANT GENERAL  
REGULATION 37-4

STATE PURCHASING AND CONTRACTING

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\* This regulation supersedes AGR 37-4 dated prior to 1 March 2012.

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## **CHAPTER 1**

### **GENERAL**

**1-1. PURPOSE.** The purpose of this regulation is to prescribe uniform policy governing the management and disbursement of funds allocated to the South Carolina Military Department (SCMD) to:

- a. Purchase all goods, services and information technology required in support of the Military Department;
- b. Secure such commodities and services at the lowest possible cost while establishing and maintaining a reputation of fairness, integrity, and quality;
- c. Provide standards for the operation of the procurement system with clearly defined rules and behavior on the part of all individuals engaged in the procurement, and;
- d. Stress integrity as the basic principle in the execution of public funds.

**1-2. OBJECTIVE.** The objective of this regulation is to provide guidance for supervisors, program managers/directors and procurement personnel of the SCMD in accordance with the South Carolina Consolidated Procurement Code. This local guidance is supplementary to and does not supersede any higher regulatory authority.

**1-3. REFERENCES.** See **Appendix E**.

**1-4. APPLICABILITY.** The provisions of this regulation are applicable to all personnel involved in the procurement of goods, services and information technology for the South Carolina Military Department, using State funds through the Office of the Adjutant General, Purchasing Department, Cooperative Agreement funds executed through the USPFO for direct purchases or, In-kind assistance to be processed in accordance with applicable Federal and USPFO regulations.

**1-5. ETHICAL STANDARDS.** Ethical standards for those individuals who are authorized to manage/obligate State funds are to:

- a. Give first consideration to the objectives and policies of the South Carolina Military Department;
- b. Obtain maximum value for each dollar expended;
- c. Refuse offers of personal gifts or gratuities;

- d. Demand honesty in conduct of official agency functions;
- e. Grant all competitive bidders equal consideration;
- f. Cooperate with peers and promote a spirit of unity among vendors; and
- g. Ensure no conflict exists between private interest and official responsibilities.

**1-6. DRUG FREE WORKPLACE ACT.** South Carolina Code of Laws, Title 44, Chapter 107, requires compliance with the Drug Free Workplace Act. Vendors must certify to the agency on all contracts of \$50,000 or more, that they will comply with the act and provide a Drug Free Workplace for their employees.

**1-7. PUBLIC ACCESS TO PROCUREMENT INFORMATION.** Procurement information shall be a public record to the extent required by the Freedom of Information Act. The one exception to the above is that any commercial or financial information obtained in response to a solicitation which is privileged and confidential need not be disclosed. Examples are: customer lists, design recommendations, design concepts and biographical data on employees. In addition, any portions of documents submitted in response to a solicitation which are exempt from public disclosure must be so marked by the person submitting the documents. If not identified, the information may be disclosed to the public. Also, technical evaluations and recommendations are exempted so long as the contract award does not incorporate the evaluative documents. Documents containing other proprietary information, e.g., SSN, account number, etc. are not releasable. Any other information may be made available to the public.

**1-8. STATE/FEDERAL RESPONSIBILITIES.** The State (Office of the Adjutant General) will assist Federal Program Managers to ensure that their procurement actions are in compliance with the provisions of NGR 5-1/ANGI 63-101 and any changes thereto. The Federal Program Manager, acting as an authorized agent of the United State Property and Fiscal Officer, will ensure that all requests made of the State in the execution of Federal awards programs, are authorized and funded prior to approval.

**CHAPTER 2**  
**AUTHORITIES, TASKS AND DUTIES**

**2-1. PROCUREMENT AUTHORITY.** The South Carolina Military Department, through the Procurement Department, Office of the Adjutant General, is authorized, in accordance with the South Carolina Consolidated Procurement Code and Regulations to engage in procurement actions within the agency's certification limits for "Supplies and Services," "Information Technology", "Consultant/Contractual Services," "Construction Services" and "Construction Contract Change Orders" in support of State and Federal programs.

**2-2. PROGRAM MANAGERS.** Individuals nominated by the Adjutant General and appointed by the United States Property and Fiscal Officer, or the Governor (EMD) are charged with the fiscal responsibility for the proper planning, preparation, execution and management of funds to ensure that an over obligation of funds does not occur. These personnel are also tasked to ensure that all supplies or services requested using the State or Federal Procurement Systems are authorized expenditures in accordance with regulatory guidance pertaining to the funds source and obligation authority thereof. The Cooperative Agreement Coordinator will maintain copies of the appointment letter.

**2-3. DEPARTMENT OF PROCUREMENT (TAG-DSO-DP)**

a. The Procurement Department, under the authority of the Adjutant General of South Carolina is responsible for the procurement of "Supplies and Services" to include IT requirements in accordance with the State of South Carolina Consolidated Procurement Code and Regulations. State Contracting Officers appointed by the agency head are the only individuals authorized to obligate the State of South Carolina. Another individual may be delegated this authority in the absence of the contracting officer. No other employee is authorized to sign contracts, agreements or any other document obligating the state.

b. The Director of Procurement and Procurement Agents, are responsible for:

(1) Receiving, reviewing and processing purchase requisitions for goods and services required in support of the South Carolina Military Department. Reviews include , but are not limited to the evaluation of quotations and sufficiency of Emergency and Sole Source Justifications;

(2) Determining price as fair and reasonable;

(3) Maintaining the database operation and submission of specialized reports, i.e., Minority Vendor, Sole Source and Emergency Procurements, S. C. Vendor Preference, etc.;

(4) Assisting requesters in obtaining quotations for procurement actions when the requester cannot obtain the minimum number required for competition. The Procurement Department will process all requisitions that require advertisement in the South Carolina Business Opportunities periodical (\$10,000 to \$50,000). All requirements exceeding agency certification will be forwarded to MMO/ITMO for execution, and

(5) Administration of the State Purchasing Card System.



## CHAPTER 3

### AGENCY CERTIFICATIONS AND PROCUREMENT GUIDELINES

**3-1. AGENCY CERTIFICATION.** The Office of the Adjutant General holds a certification to purchase in the five categories, of Supplies and Services, Information Technology, Consultant/Contractual Services, Construction Services and Construction Contracts Change Orders each with a \$50,000.00 dollar limitations.

**3-2. PROCUREMENT GUIDELINES FOR SMALL PURCHASES.** Portions of the following are extracted from the South Carolina Consolidated Procurement Code:

a. **SMALL, DISADVANTAGED AND MINORITY OWNED VENDORS.** It is the responsibility of all personnel requesting materials or services to promote business with small, disadvantaged and minority owned vendors. Procurements not requiring quotes should be rotated among multiple vendors who offer the same type services.

(1) A “Minority Person” means a United States citizen who is economically and socially disadvantaged.

(2) “Socially disadvantaged individuals” are those individuals who have been subject to racial or ethnic prejudice or cultural bias because of their identification as members of a certain group, without regard to their individual qualities.

(3) “Economically disadvantaged individuals” are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to lack of capital and credit opportunities as compared to others who are not socially disadvantaged.

(4) “Socially and economically disadvantaged small business” means any small independent business concern which is at least fifty-one percent owned by one or more socially or economically disadvantaged citizens.

b. **LEVELS OF COMPETITION AND PRICE REASONABLENESS.** An approved purchase order is required for all purchases except for goods and/or services purchased using the State procurement card. All requisitions will be processed through the designated authorizing and approval official (s) for review. Any procurement action occurring prior to receiving an approved purchase order is considered an unauthorized procurement unless the purchase is made via the state procurement card. All unauthorized procurement will require ratification by The Adjutant General prior to payment being made to the vendor.

(1) PURCHASES LESS THAN \$2,500.00. Small purchases not exceeding \$2,500.00 may be accomplished without securing competitive quotations if the prices are considered to be reasonable and the vendor chosen is considered responsive and responsible and regularly provides the supplies or services required. Requests for small purchases may be submitted manually via a standard requisition form (Appendix C-1), framework requisition form (Appendix C-2) or electronically via the SRM shopping cart system. See appendix B for instructions.

(2) PURCHASES FROM \$2,500 TO \$10,000.00. The requester will solicit written quotations from a minimum of three qualified sources of the required supplies or services. Complete, detailed, written specifications, free of discrepancies or ambiguities, will be provided to all prospective offerors to ensure that all interested firms have an equal and competitive opportunity to submit an offer. The quotations on the offerors letterhead as well as the specifications provided to the offerors will be attached to the requisition, if a manual request is prepared; if an electronic requisition is entered into the system the quotations on the offerors letterhead as well as the specifications provided to the offerors should be attached to the shopping cart. All manual requisitions must be submitted via a standard requisition form (Appendix C-1) or a framework requisition form (Appendix C-2). The award will be made to the lowest responsive and responsible offeror.

(3) PURCHASES OVER \$10,000.00 to \$50,000.00. These procurements will be executed exclusively by the TAG-DSO-DP. Requesters shall submit a purchase request with complete, detailed, written specifications, free of discrepancies or ambiguities. Requisitions may be submitted manually via a standard requisition form (Appendix C-1), a framework requisition form (Appendix C-2) or electronically via the SRM shopping cart system. See Appendix B for instructions. Specifications and any other documents deemed necessary to accomplish the procurement must be submitted as a Word document or an Excel document. The procurement shall be advertised at least once in the South Carolina Business Opportunities publication. Solicitations will be published online at [www.procurement.sc.gov](http://www.procurement.sc.gov) to ensure that all interested firms have an equal and competitive opportunity to submit an offer. All offerors must submit quotations or proposals online via the SRM system. Award will be made to the lowest responsive and responsible offeror, or when a request for proposal is used, the highest-ranking proposal submitted. The agency buyer is the only individual authorized to discuss or provide any information regarding the procurement to offerors.

(4) PURCHASES OVER \$50,000.00 OR AGENCY CERTIFICATION. Requirements that exceed agency certification will be processed by MMO or ITMO as applicable. Requesters shall submit a purchase request with complete, detailed, written specifications, free of discrepancies or ambiguities to the Procurement Department. Requisitions may be submitted manually via a standard requisition form (Appendix C-1) or electronically via the SRM shopping cart system to ensure the MMO Purchasing Manager has sufficient information to obtain the correct supplies or services at a reasonable price. Specifications and any other documents deemed necessary to accomplish the procurement must be submitted as a Word document or an Excel document.

c. **PROTEST RIGHTS.** The provision of Section 11-35-4210 of the South Carolina Consolidated Procurement Code shall not apply to contracts awarded under the procedures set forth in this section except for requirements awarded under paragraph 3-2.b. (4) above.

d. **TERM CONTRACTS.**

e. **MULTI-TERM CONTRACTS. GENERAL.** A contract for supplies or services shall not be entered into for any period of more than one year unless one or more of the following determinations can be made:

- (1) It is in the best interest of the State to obtain uninterrupted services extending over one year;
- (2) Where the performance of the services involves high start-up costs, or;
- (3) When a change over of service contracts involves high phase-in and phase out costs during a transition period.

(2) **CONDITIONS FOR USE.** The maximum time for any multi-term contract is five (5) years. A multi-term contract may be used only when determined in writing via form MMO # 106 (Appendix C-5) (by the Procurement Officer that the situation(s) cited in paragraph above exists. Additional guidance is provided in Section 11-35-2030 of the South Carolina Consolidated Procurement Code.

(3) **PROCUREMENT FROM STATE TERM CONTRACTS.** Supplies and services must be obtained from businesses that have been awarded state contracts by the Materials Management Office regardless of the agency's certification limit. State term contracts may be found on the Material Management Office, or for information technology, on the Information Technology Management Office web sites. It is mandatory that the agency purchase any items that have been awarded a state term contract from businesses that have been awarded state contracts by MMO or ITMO unless otherwise indicated in the contract. However, if a requester finds equal products at a price at least 10% less than the state term contract price, the items may be purchased off contract, after offering the contract vendor the option to meet the lower price. If the contract vendor accepts the lower price, the requester must purchase from the contract. The current contract number must be included on the requisition.

(4) **AGENCY TERM CONTRACTS.** Agency term contracts may be established when a requirement for recurring supplies and services is identified and the State will receive a benefit of lowered costs by entering into such a contract. If applicable, the contract may be awarded for one year with a maximum of four one-year renewal options. If the requirement exceeds the agency certification, a shopping cart must be submitted to MMO or ITMO for solicitation and award. See 3-2.b.(4) above.

e. **LEASES OF REAL PROPERTY.** All leasing of real property shall be processed through the Facilities Management Office and State Building and Property Services.

f. **STATE PURCHASE CARD PROCUREMENTS.** See Chapter 7 and appendix D for guidance.

### **3-3. BLANKET PURCHASE AGREEMENT.**

a. **GENERAL.** A Blanket Purchase Agreement (BPA) is a simplified method of filling repetitive needs for small quantities of supplies, services or information technology by establishing “charge accounts” with qualified vendors. BPA’s are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase orders.

b. **ALTERNATE SOURCE.** To the extent practical, BPA’s should be placed concurrently with more than one vendor supplying the same type items or services. If the estimated amount of the BPA’s are expected to exceed \$10,000.00 combined (whether one vendor or more than one is to be used), the requirement must be advertised. All competitive sources shall be given an equal opportunity to provide the supplies, services of information technology.

c. **TERMS AND CONDITIONS.** Vendors will be provided a copy of the “Blanket Purchase Order Terms and Conditions”. This document is information for the vendor that outlines price, shipping/receiving, invoicing data and the conditions for payment. Vendors will be required to sign a Vendor Agreement Form (Appendix C-3) form prior to use of the BPA.

d. **FISCAL LIMITATIONS.** A BPA is regulated by five fiscal constraints:

(1) The total amount of the BPA may not exceed the agency certification;

(2) The total amount of all purchases may not exceed the dollar amount of the BPA;

(3) The total dollar amount of an individual call placed against the BPA cannot exceed \$2,500.00 (could be less depending upon the dollar amount of the BPA’s.) A BPA is not a method to split purchases or to eliminate competition;

(4) BPA’s utilizing state funds expire at the close of business on the last day of the State fiscal year. No materials may be ordered or received after the last day of the fiscal year, and;

(5) BPA’s utilizing federal funds expire at the close of business on the last day of the Federal fiscal year. No materials may be ordered after the last day of the fiscal year.

e. **AUTHORIZED CALLERS.** A list of authorized callers, dollar limitation per call and period of the BPA must be provided on the requisition submitted .

f. **BPA CALL REGISTER.** Each authorized caller will maintain a Monthly Consolidated BPA Call Register. A sample call register may be found at appendix C-4. The form may be modified to accommodate local requirements, however, it must contain, as a minimum, the information provided in the sample. Each BPA purchase will be issued a call number. The caller will record the call number on all receipts, invoices, shipping/delivery documents, etc.

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g. **COMPETITION UNDER BLANKET PURCHASE AGREEMENT.** Calls against BPA’s shall be placed only after prices are obtained. When more that one BPA has been established for the same or similar items, calls shall be equitably distributed. In those cases where an insufficient number of BPA’s are in effect for supplies, services or information  
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technology to assure adequate competition, the individual placing the order shall solicit quotations from other sources.

h. **CALLS AGAINST BLANKET PURCHASE AGREEMENTS.** Calls against BPA's will generally be made orally.

i. **SEMI-ANNUAL REVIEW.** A semi-annual review of blanket purchase agreement files will be conducted by TAG-DSO-DP.

j. **RECEIPT AND ACCEPTANCE OF SUPPLIES OR SERVICES.** Acceptance of supplies, services or information technology shall be indicated by signature and date on the purchase order of the authorized representative for the applicable activity after verification and notation of any exceptions, if the requirement was submitted manually. If the requirement was submitted via the SRM system the requester must perform a goods receipt in the SRM system.

**3-4. SOLE SOURCE PROCUREMENTS.** A sole source purchase requisition may be submitted only when there is no other supplier for the supply or service. The requisition must be accompanied by a completed MMO Form 102 (Appendix C-6), which must be approved by The Adjutant General or a designated individual in the DSO. The Procurement Officer cannot approve sole source procurements. Justification that procurement be restricted to one potential contractor shall be detailed, explaining why no other will be suitable or acceptable to meet the need. The justification must contain sufficient factual grounds and reasoning to provide an informed, objective explanation for the decision. In cases of reasonable doubt as to the procurement meeting sole source requirements, competition must be sought. **THE DRUG FREE WORKPLACE CERTIFICATION MUST BE OBTAINED FOR SOLE SOURCE PROCUREMENTS OF \$50,000 OR GREATER.** The following are examples of circumstances which could result in a sole source procurement:

- (1) Where compatibility of equipment or replacement parts is the foremost consideration;
- (2) Where a supplier's item is needed for trial use or testing, and;
- (3) Where the item is one of a kind.

**3-5. EMERGENCY PROCUREMENTS.** A purchase order may be issued as an emergency only when there exists an immediate threat to public health, welfare, or safety under emergency conditions. An emergency condition is a situation, which may arise as a result of floods, epidemics, riots, equipment failure, fire loss, or such other reason as may be proclaimed by the

Adjutant General or a designee. This condition must create an immediate and serious need for supplies, services, information technology or construction that cannot be satisfied through normal procurement methods and would seriously threaten: (1) the operation of State government; (2) the preservation or protection of property; or (3) the health or safety of any person. Emergency procurements are limited to those supplies, services, and information technology or construction items necessary to meet the emergency. In all emergency procurements, an attempt to obtain as much competition as is practicable under the circumstances is required. A MMO Form 103 (Appendix C-7) and a manual framework requisition (Appendix C-2) must immediately be prepared and forwarded to TAG-DSO-DP for approval by the Adjutant General or a designated DSO official. The MMO Form 103 must include justification for the basis for an emergency procurement and for the selection of the particular contractor. The justification must contain sufficient factual grounds and reasoning to provide an informed objective explanation for the decision. **THE DRUG FREE WORKPLACE CERTIFICATION MUST BE OBTAINED FOR EMERGENCY PROCUREMENTS OF \$50,000 AND GREATER.**

**Proper planning is essential in the acquisition process and will, in most cases, eliminate emergency procurements. Failure to properly plan does not create or authorize an emergency situation.**

**3-6. INFORMATION TECHNOLOGY PROCUREMENTS.** All IT procurements must be approved by the TAG-IM and/or TAG-DSO or his designated representative. Procurement procedures remain as indicated in paragraph 3.2.b. above. If submitting a manual requisition, the requestor should indicate on the standard requisition form (Appendix C-2) that IT approval is required. If submitting request via SRM system the requester must add the IT director as an approver.

**3-7. PROCUREMENTS BETWEEN STATE AGENCIES.** Procurement actions between state agencies are authorized when supported by a completed MMO Form 136 (Justification for Contract between State Agencies) (Appendix C-8). The requester should complete lines A-F and the "Value of Contract" portion of the form prior to submission to TAG-DSO-DP. Special emphasis should be placed on lines "C" and "D" to clearly and completely justify how and why the contract will be beneficial to the State of South Carolina. The requester should also include a copy on the contract/MOA to be executed if approved in word format. The justification must be forwarded to MMO for review and approval. No further action is authorized until the request is approved by MMO. Once approved by MMO, a funds reservation will be issued to obligate funds as we are not allowed to issue purchase order to other state agencies. Payment will be made via IDT (inter departmental transfer).

**3-8. EXEMPTIONS FROM SOUTH CAROLINA CONSOLIDATED PROCUREMENT CODE.** Various procurement transactions are exempt from the Procurement Code. Care must be taken to ensure that the material or service requested is equal in intent to the exemption granted by the Budget and Control Board. A list of the approved exemptions may be found on the MMO website, (audit and certification). When citing an exemption, the exemption name and date must be entered on the requisition.

**3-9. MEMORANDUM OF AGREEMENT/UNDERSTANDING.** These agreements are tantamount to contracts and should be treated as such. Contracting Officers appointed by The Adjutant General are the only individuals authorized to approve these agreements for the agency. Prior to an agreement being signed, it will be staffed in accordance with the TAG policy on MOU's/MOA's and will be processed through the TAG-DSO-DP. See Appendix F for instructions.



## THE PURCHASING REQUISITION

**4-1. STATE PURCHASING REQUISITION FORM.** The procurement of supplies, services, and information technology may be initiated electronically through SRM, by form DP -2 (Appendix C-1) or by DP-3 (Appendix C-2). Form DP-2 should only be used by individuals that do not have SRM access. Form DP-3, which will NOT encumber funds, should be used in cases of emergency or other special circumstances. Responsibilities for completion of the requisition are as follows:

**a. Requesting Individual:**

(1) Manual Requisition.

(a) Preparation of the form DP-2 (Appendix C-2) for all transactions processed under the authority of the South Carolina Consolidated Procurement Code.

(b) Ensuring that all pertinent sections of the requisition are accurate, legible and complete.

(c) Ensuring a detailed item description is included and any quotes and/or specifications are attached.

(d) Entering the building number or facility designation and project/work order number in the text of the requisition or vehicle identification and license tag number if request is for vehicle repair.

(e) Ensuring that the proper approving official has signed and dated the requisition form.

(2) Automated Requisition.

Follow checklist provided at appendix B for requisition input.

**b. Authorizing Official:** (Appointed by letter)

(1) Verifying that the requested materials/services are authorized under the laws and regulations pertaining to the source of funding and regulatory guidance.

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(2) Ensuring that funds are available and properly identified to support the request.

(3) Ensuring the request is in compliance with all terms, conditions and standards of agency, cooperative agreement or grant regulations as applicable.

(4) Signing the authorization block of the requisition.

(5) Verifying that all information required to issue a purchase order is entered, i.e., signatures, clear statement of requirement, correct accounting information, shipping/delivery data, contract number, etc.

(6) Ensuring that the information and procedures required by paragraphs 4-1. a. & b. above are included in the requisition.

**c. Department of Procurement (DP):**

(1) Reviewing and verifying prices of requested supplies/services, or information technology. If requisition is \$2,500.00 or less, DP will determine if the price is fair and reasonable. If the requisition exceeds \$2,500.00, quotations and specifications will be reviewed to ensure compliance with the Procurement Code. Award will be made to the lowest responsive and responsible offeror.

(2) Determining if the supplies/services requested are on state contract. Advertising requirement if the total cost is estimated to exceed \$10,000.00 and is within agency certification.

(3) Processing requests that exceed agency certification or those requiring additional authorization to the appropriate division in the MMO/ITMO. Issuing, approving and distributing the purchase order.

**d. Blank Purchasing Requisition Forms.** These forms may be obtained from the Department of Procurement; they are also available electronically on the “G” drive on the state network

**4-2. VENDOR REGISTRATION.** Vendors to whom a purchase order is to be issued must be entered into a database of businesses registered with the State of South Carolina. This database is maintained by the Comptroller General’s Office. It is preferred that the vendor go online ([www.mmo.sc.gov](http://www.mmo.sc.gov)) and register. However, if the vendor is unable to do so a completed Internal Revenue Service Form W-9 (Appendix C-16) must be submitted to the procurement department. The procurement department will register the vendor.

**CHAPTER 5**

## THE PURCHASE ORDER

**5-1. OFFICE OF THE ADJUTANT GENERAL PURCHASE ORDER.** A purchase order is an offer by the State, with specified terms and conditions, to buy supplies or services. The offeror (vendor) accepts the offer (purchase order) and agrees to its terms and conditions by either written acceptance or performance.

a. **Purchase Order Distribution.** Purchase orders are issued, approved and distributed by the TAG-DSO-DP. Purchase orders will be distributed to the requester. The requester is then responsible for submitting the purchase order to the vendor.

b. **Partial Payments.** Partial payments are authorized in such instances as making monthly payments on a BPA, copier lease or paying for a partial shipment of supplies while awaiting delivery of the remainder. The requestor will complete a goods receipt in the SRM system for the actual goods or services received if the request was submitted via the SRM system. If the request was made via a form DP-2 or DP-3, the requestor will submit a copy of the purchase order indicating which items were received and annotating the phrase “ok to pay”.

**5-2. AMENDMENTS TO PURCHASE ORDERS.** An amendment to a purchase order shall be required for changes to a purchase order. Request for an amendment to a purchase order must be submitted via form DP-1 (Appendix C-9). The requester will complete the justification portion of the document, sign and forward it to the program manager for authorization. The Program Manager will sign the authorization portion and forward to TAG-DSO-DP for action. Additional items or services will not be added to the purchase order without review and prior approval of the Procurement Department. Additional services or supplies are not authorized until the amended purchase order has been processed.

**5-3. INVOICES.** As a minimum, the invoice should reflect the vendor’s name and address, purchase order number, the description, price and quantity of the materials/services delivered. All invoices will be submitted to the procurement department for processing. Once the procurement department has verified the items listed on the invoice and confirmed that a goods receipt has been performed in the SRM system; the invoice will be forwarded to accounts payable for processing.

**5-4. DIRECT PAYMENTS.** Expenditures of funds that do not require a purchase order or contract are considered direct payments. These payments are made on behalf of the Program Manager by Budget and Finance for regulated utilities ONLY.

**5-5. UNAUTHORIZED COMMITMENTS.** Any action that obligates the State of South Carolina, the Office of the Adjutant General, that is not in accordance with the South Carolina Consolidated Procurement Code is an “unauthorized commitment.”

(1) “Unauthorized Commitment” means an act obligating the State in a contract by any person without the requisite authority to do so by an appointment or delegation under the Procurement Code.

(2) “Ratification” means the act of affirming an unauthorized commitment by an official who has the authority to do so. A procurement officer is prohibited from ratifying such acts.

**b. RATIFICATION.** Any action that is considered to be an “unauthorized commitment” should be considered for ratification.

(1) Authority to ratify such acts when the value of the procurement is within the agency certification limit (\$50,000) is delegated to the Adjutant General of South Carolina . The proposed ratification must be reviewed and recommended by the appointed contracting officer.

(2) Authority to ratify unauthorized commitments in excess of the agency certification limit rests with the MMO/ITMO Chief Procurement Officers, as applicable. The request to ratify must be reviewed by the appointed contracting officer and recommended by the Adjutant General.

**c. IMMEDIATE REQUIREMENT.** If a situation arises whereby an immediate requirement is identified and does not meet the definition of an “Emergency”, and is not the result of inadequate acquisition planning, a requestor may complete a form DP-3 (Appendix C-2), requesting a Framework purchase order. Once a signed form DP-3 is submitted to the procurement department a framework purchase order will be created. It is important to remember that a frame work purchase order does NOT encumber funds in the accounting system.

**CHAPTER 6**  
**CONTRACTOR QUALIFICATIONS**

**6-1. RESPONSIBLE PROSPECTIVE CONTRACTORS.**

(a) **SCOPE OF SECTION.** This section prescribes policies, standards, and procedures for determining the responsibility of prospective contractors.

(b) **APPLICABILITY.** This section applies to all proposed contracts with any prospective contractor except contracts with other State agencies, U. S. Government agencies, or local governments.

(c) **POLICY.** Purchases shall be made from, and contracts shall be awarded to responsible contractors only. A prospective contractor must affirmatively demonstrate its responsibility. When the Contracting Officer questions the responsibility of a prospective contractor, a pre-award survey shall be conducted and documented. The survey shall include a review of "List of Parties Excluded from Federal Procurement and Nonprocurement Programs", in addition to other requirements. Additional factors to be considered are whether a prospective contractor has:

- (1) Available the appropriate financial , material, equipment, facility and personnel resources and expertise, or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;
- (2) A satisfactory record of past performance;
- (3) A satisfactory record of integrity;
- (4) Qualified legally to contract with the State; and
- (5) Supplied all necessary information in connection with the inquiry concerning responsibility

**6-2. DEBARMENT AND SUSPENSION.**

**a. AUTHORITY.** The appropriate Chief Procurement Officer shall have the authority to debar or suspend a firm from consideration for award of contracts.

**b. CAUSES FOR DEBARMENT OR SUSPENSION.** The causes for debarment or suspension include, but are not limited to, the following:

(1) conviction of a criminal offense relating to obtaining or attempting to obtain a contract or in the performance of a contract;

(2) conviction of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business or professional integrity;

(3) conviction under antitrust laws relating to submission of bids or proposals;

(4) violation of contract provisions regarded as so serious as to justify debarment;

(5) deliberate failure to perform in accordance with specifications or within contract time limits;

(6) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts;

(7) violation of an order of the Procurement Review Panel; and

(8) any other cause determined to be so serious as to affect responsibility as a state contractor, including debarment by another governmental entity.

## STATE PURCHASING CARD

### **7-1. GUIDANCE. See Office of the Adjutant General Purchasing Card Program Cardholder Manual at Appendix D for guidance.**

a. The State Purchasing Card is the preferred procurement method and should be used for all supplies purchases less than \$2,500.00 from State non-blocked merchants.

b. If a cardholder experiences a problem with a denied purchase at the point of sale and the merchant or the cardholder cannot resolve the situation with Bank of America, the card holder must then complete a requisition for a purchase order. Once the purchase order has been issued the cardholder may complete the transaction.

## **CHAPTER 8**

### **TRAVEL CARD**

**8.1 APPLICATION PROCEDURES.** Agency employees required to travel on behalf of the agency may apply for a travel card. Travel cards are issued from Bank of America. If approved by the supervisor, employees must complete an application and sign a statement acknowledging their responsibility for payment and intended use of the card. These completed forms should be submitted to the procurement department for processing.

**8.2 GUIDANCE.** The travel card is considered an individual liability card; meaning that the employee is responsible for payment to Bank of America. The travel card should be used only for previously authorized, official travel on behalf of the agency. Use of the card and payment habits will be monitored by the procurement department. Any unauthorized use or late payments will be reported to the card holder's supervisor. Habitual offenders of unauthorized use or late payments will have their card revoked.



## CHAPTER 9

### MISCELLANEOUS REQUIREMENTS

**9-1. REGISTRATION, AIRLINE TICKET, ETC.** No expenses will be incurred prior to an individual obtaining approval for travel and/or training via an OTAG travel request. Expenses include hotel registrations, conference registrations, airline tickets, etc.

**9-2. CONFERENCE SITES.** The first priority for a location to conduct conferences, meetings, etc. is a state facility. If a state facility is not adequate or available, the requestor must determine, in writing, that this is the case and justifies use of a commercial site. The South Carolina Consolidated Procurement Code, Exception #92, dated 12/13/88, waives competition for conferences. The exemption number and date must be placed on the requisition. In addition, MMO Form 138 (Appendix C-10) must be completed and attached to the requisition.

**9-3. SURPLUS MATERIALS/EQUIPMENT.** Excess or surplus items from Surplus Property may be obtained by use of a South Carolina Surplus Property Transaction card. Contact the procurement department for further information.

**9-4. VEHICLES.** The Statewide Vehicle Contract must be used for acquiring vehicles unless the type of vehicle required is not listed. A list of the contracts and contract vehicles may be viewed on the MMO website. The requestor must submit a requisition and a letter from the Program Manager stating the reasons the vehicle is necessary to the procurement department. Once approved a copy of the PO will be returned to the requester, however, the PO will be forwarded to the contractor on your behalf through the State Fleet Manager.

**9-5 PRINTING SERVICES.** All requirements for printing services must be processed IAW the South Carolina Government Printing Services Manual which is available on the MMO website.

**9-6. PERMITS AND LICENSES.** Activities of the Military Department of South Carolina which are required to obtain new or renew current operating permits or licenses shall include the following information in the description section of the requisition:

- a. State or Federal Statute or Law that requires the permit or license;
- b. Period covered;
- c. Location; and,
- d. Purpose.

### 9-7. FISCAL YEAR CONSTRAINTS

a. **STATE.** The State fiscal year ends on 30 June. The obligating authority of State funds and State purchase order expires at 2400 hours on 30 June. All items obligating state funds must be received by 2400 hours on 30 June.

(1) **REQUISITIONS.** Routine requests for goods and services may be entered into the SRM system up to the cutoff date as established by the Director of Procurement. Emergency requests may be submitted (with justification) to the Procurement Department after the cutoff date for goods and services considered essential. Each request will be evaluated on an individual basis.

(2) **PURCHASE ORDERS.** Goods and services may be ordered up to 30 June if the requirement will be delivered prior to 2400 hours on that date. Invoices received prior to the cutoff date will be processed using old fiscal year funding. Goods or services delivered after 30 June, or invoiced after the cutoff date, must be paid from the new State fiscal year funding. A memorandum will be issued annually indicating the cutoff dates for both requests and invoices. There are **NO EXCEPTIONS** for either situation.

b. **FEDERAL/STATE COOPERATIVE AGREEMENTS** The Federal fiscal year for cooperative agreement funds ends on 30 September, however, purchase orders must be completed in accordance with the State fiscal year closeout procedures as listed in paragraph (2) above.

**NOTE -** A PO cannot be amended after the close of the obligation period of a FY to increase the scope of work using old year funds.

(1) **REQUISITIONS.** Requests for goods and services may be entered into the State accounting system up to the 30<sup>th</sup> of September each year. It is the responsibility of the requestor to notify the procurement department of request that must be processed prior to 30 September, as purchase orders processed after 30 September **DO NOT** obligate funds for the prior year.

(2) **PURCHASE ORDERS.** Purchase orders for goods or services deemed as non-severable (assuming a substantial start) may remain open utilizing old year funds for 90 days after the close of the Federal fiscal year. For a purchase order to remain open using old year funds after the initial 90 day period the Program Manager must request in writing and receive an extension from the USPFO for SC. For any service deemed a severable contract or a Blanket Purchase Order (BPA), the PO authority and obligation ends on 30 September.

**Examples of a Severable Contract** include: septic tank pumping, fire extinguisher inspections and services, HVAC services, janitorial services, food service services, etc.

**Example of a Non-severable Contract for service:** design services or planning for a facility; if the contract/PO were cancelled, prior expenses or efforts will provide no usable information and a new contract/PO would cost the government additional funds to complete the job.

**Example of a Non-Severable Contract for repair** include: a contract/PO to replace the roof of a facility. Canceling a PO due to the close of a Fiscal Year would leave the facility unusable and would incur additional cost to complete the job.

**c. FEDERAL/STATE COOPERATIVE AGREEMENTS**

The information contained in paragraph b. above is applicable to these agreements with one exception. The “Program Year” for these agreements varies from the Federal Fiscal Year. The program year is identified specifically in each cooperative agreement.

**CHAPTER 10**  
**PURCHASING AND CONTRACTING REPORTS**

**10-1. QUARTERLY REPORTS.** The following reports are prepared quarterly by the TAG-DSO-DP:

a. **EMERGENCY PROCUREMENTS:**

This report is a consolidation of all procurements which are emergency in nature and the situation dictates immediate action.

b. **SOLE SOURCE PROCURMENTS:**

This report is a consolidation of all procurements which were acquired from a vendor determined to be a sole source supplier.

c. **MINORITY VENDOR PROCUREMENTS:**

This report is a consolidation of all procurements from certified minority vendors.

d. **VENDOR PREFERENCE PROCUREMENTS:**

This report is a consolidation of all procurements from South Carolina vendors who request a preference when competing against out-of-state firms.

BY ORDER OF THE GOVERNOR:

ROBERT E. LIVINGSTON, JR.  
Major General, SCARNG  
The Adjutant General

## APPENDIX A

### GLOSSARY

The definition of terms used in the South Carolina Consolidated Procurement Code are as follows:

- a. **“Information Technology (IT)”** means data processing, telecommunications and office systems technologies and services:
  - (1) **“Data Processing”** means the automated collection, storage, manipulation and retrieval of data including: central processing units for micro, mini and mainframe computers; related peripheral equipment such as terminals, document scanners, word processors, intelligent copiers, off-line memory storage and printing systems, data transmission equipment; and related software such as operating systems, library and maintenance routines and applications programs.
  - (2) **“Telecommunications”** means voice, data, message and video transmissions, and includes the transmission and switching facilities of public telecommunications systems, as well as operating and network software.
  - (3) **“Office systems technology”** means office equipment such as typewriters, duplicating and photocopy machines, paper forms and records; microfilm and microfiche equipment and printing equipment and services.
  - (4) **“Services”** means the providing of consultant assistance for any aspect of information technology, systems, and networks.
- b. **“Board”** means State Budget and Control Board.
- c. **“Business”** means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other legal entity.
- d. **“Change order”** means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract.
- e. **“Chief procurement officer”** means (a) the management officer for information technology, (b) the state engineer for areas of construction, architectural and engineering, construction management, and land surveying services, and (c) the materials management officer for all other procurements.

- f. **“Construction”** means the process of building, altering, repairing, remodeling, improving or demolishing any public structure or building or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property.
- g. **“Consultant/Contractual Services”** An individual, partnership, corporation or any other legally established organization performing consulting services for or providing consulting advice to the State of South Carolina, or any governmental body thereof, over whom the State or governmental body has the right of control as to the result to be accomplished but not as to the details and means by which that result is to be accomplished. Services which fall within this definition shall be procured in accordance with the SC Consolidated Procurement Code and Regulations.
- h. **“Contract”** means all types of state agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, information technology or construction.
- i. **“Contract modification,”** means a written order signed by the procurement officer, directing the contractor to make changes, which the change clause of the contract authorizes the procurement officer to order without the consent of the contractor.
- j. **“Contractor”** means any person having a contract with a governmental body.
- k. **“Cost effectiveness”** means the ability of a particular product or service to efficiently provide goods or services to the State. In determining the cost effectiveness of a particular product or service, the appropriate chief procurement officer shall list the relevant factors in the bid notice or solicitation and use only those listed relevant factors in determining the award.
- l. **“Data”** means recorded information, regardless of form or characteristics.
- m. **“Days”** means calendar days. In computing any period of time prescribed by this code or the ensuing regulations, or by any order of the Procurement Review Panel, the day of the event from which the designated period of time begins to run is not included. If the final day of the designated period falls on a Saturday, Sunday, or a legal holiday for the state or federal government, then the period shall run to the end of the next business day.
- n. **“Debarment”** means the disqualification of a person to receive invitations for bids, or requests for proposals, or the award of a contract by the State, for a specified period of time commensurate with the seriousness of the offense or the failure or inadequacy of performance.
- o. **“Designee”** means a duly authorized representative of a person with formal responsibilities under the code.
- p. **“Employee”** means an individual drawing a salary from a governmental body, whether elected or not, and any non-salaried individual performing personal services for any governmental body.

- q. **“Governmental body”** means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive or judicial branches of this State. Governmental body excludes the General Assembly or its respective branches or its committees. Legislative Council, the Office of Legislative Printing and Information Technology resources, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts or any entity created by act of the General Assembly for the purpose of erecting monuments or memorials or commissioning art that is being procured exclusively by private funds.
- r. **“Grant”** means the furnishing by the State or the United States government of assistance, whether financial or otherwise, to any person to support a program authorized by law. It does not include an award the primary purpose of which is to procure specified end products, whether in the form of supplies, services, information technology or construction. A contract resulting from such an award shall not be deemed a grant but a procurement contract.
- s. **“Information Technology Management Officer”** means the person holding the position as the head of the Information Technology Office of the State.
- t. **“Invitation for Bids”** means a written or published solicitation issued by an authorized procurement officer for bids to contract for the procurement or disposal of stated supplies, services or construction, which will ordinarily result in the award of the contract to the responsible bidder making the lowest responsive bid.
- u. **“Materials Management Officer”** means the person holding the position as the head of the materials management office of the State.
- v. **“Office”** means a non-mobile place for the regular transaction of business or performance of a particular service and staffed by at least one employee on a routine basis.
- w. **“Political Subdivision”** means all counties, municipalities, school districts, public service or special purpose districts.
- x. **“Procurement”** means buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, information technology or construction. It also includes all functions that pertain to the obtaining of any supply, service or construction, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.
- y. **“Procurement officer”** means any person duly authorized by the governmental body, in accordance with procedures prescribed by regulation, to enter into, administer contracts, and make written determinations and findings with respect thereto. The term also includes an authorized representative of the governmental body within the scope of his authority.

- z. **“Purchasing agency,”** means any governmental body other than the chief procurement officers authorized by this code or by way of delegation from the chief procurement officers to enter into contracts.
- aa. **“Real Property”** means any land, all things growing on or attached thereto, and all improvements made thereto-including buildings and structures located thereon.
- bb. **“Request for Proposals (RFP)”** means a written or published solicitation issued by an authorized procurement officer for proposals to provide supplies, services, information technology, or construction, which ordinarily result in the award of the contract to the responsible bidder making the proposal determined to be most advantageous to the State. The award of the contract must be made based on evaluation factors, which must be stated in the RFP.
- cc. **“Services”** means the furnishing of labor, time, or effort by a contractor not required to deliver a specific end product, other than reports which are merely incidental to required performance. This term includes consultant services other than architectural, engineering, land surveying, construction management, and related services. This term does not include employment agreements or services as defined in Section 11-35-310(1)(d), of the South Carolina Procurement Code.
- dd. **“Subcontractor”** means any person having a contract to perform work or render service to a prime contractor as part of the prime contractor’s agreement with a governmental body.
- ee. **“Supplies”** means all personal property including but not limited to equipment, materials, printing, and insurance.
- ff. **“State”** means state government.
- gg. **“State Engineer”** means the person holding the position as head of the State Engineer’s Office.
- hh. **“Suspension”** means the disqualification of a person to receive invitations for bids, requests for proposals, or the award of a contract by the State, for a temporary period pending the completion of an investigation and any legal proceedings that may ensue because a person is suspected upon probable cause of engaging in criminal, fraudulent, or seriously improper conduct or failure or inadequacy of performance which may lead to debarment.



- ii. **“Term Contract”** means contracts established by the chief procurement officer for specific supplies, services, or information technology for a specified time and for which it is mandatory that all governmental bodies procure their requirements during its term. As provided in the solicitation, if a public procurement unit is offered the same supplies, services, or information technology at a price that is at least ten percent less than the term contract price, it may purchase from the vendor offering the lower price after first offering the vendor holding the term contract the option to meet the lower price. The solicitation used to establish the term contract must specify contract terms applicable to a purchase from the vendor offering the lower price. If the vendor holding the term contract meets the lower price, then the governmental body shall purchase from the contract vendor. All decisions to purchase from the vendor offering the lower price must be documented by the procurement officer in sufficient detail to satisfy the requirements of an external audit. A term contract may be a multi-term contract as provided in Section 11-35-2030 of the South Carolina Procurement Code.
  
- jj. **“Using Agency,”** means any governmental body of the State, which utilizes any supplies, services, information technology, or construction purchased under this code.
  
- kk. **“Designated Board Office” and “Designated Board Officer”** means the office or officer designated in accordance with Section 11-35-540(5) of the South Carolina Consolidated Procurement Code.

**APPENDIX B**  
**Requisition Input/Shopping Cart**

**I. Entering shopping carts:**

1. Click on the SRM icon
2. Enter user name and password
3. Shop – Always check item using the contract tab first – NIGP/Contract
  - \* Decide if item is on state contract, if it is not then use the NIGP search tab. (if item is on state contract please refer to section 2) The tab should turn red.
4. In the first blank type in requested item and \* this will bring up all like items (Exp. Jackets\*) and click submit search
  - \* A list of all similar items will appear, check the box that best describes the requested item, then at the bottom click “punch out to SRM.” There are 3 messages that will usually appear and will be answered as all the information is entered.
5. Choose a required date, usually about 2 weeks so that will give time for processing
6. Choose quantity, choose price per item, do not include tax or shipping
7. Click on the magnifier to complete request
8. “Basic data” gives a quick look at item requested, order quantity, price and required date
9. Click on “cost assignment”
10. Enter cost your cost center information, G/L (object code) is already entered based on the item requested but can be changed if not correct. Next add business area E240. Click on the magnifier to continue entering information.

11. Enter order number, fund number and functional area (this usually has to be entered twice, system flaw that requires entering in again) and grant(if applicable)
12. Click on “Documents and Attachments”
13. Vendor text: describe item in detail, model number, parts number, color and what the item will be replacing if necessary. All information will appear on the PO.
  - \* Internal Note: use this area to add any notes. This will not appear on the PO, this is just for the approver’s information. If the item(s) is a sole source or an emergency, please type the words SOLE SOURCE or EMERGENCY on the very first line . Also be sure justification is attached.
14. Description/path: click on browse to upload any bids, quotes, or anything pertaining to the requested item. Click on the add button to attach. Attachments should be Word, Excel, or PDF.
15. Click on the ship to address/performance location
  - \* All the information can be changed to add current information
16. Click on “Source of supply/service agents” (if using a state contract this info is already included) This is where the vendor number is added.
18. Click on “continue”, in step 3 “complete and order”. In the notes for approval any information can be added here. Click order to send the request to the first approval you can also print a copy of the shopping cart. If request needs additional information click “hold” and the system will not process it will just keep it in a holding status.
18. In the blank “Name of Shopping cart” you can name the shopping cart, usually the vendor name and or project name. Click “save” and your shopping cart is complete. Now you have the option to print your shopping cart.

## **II Using a state contract instructions for shopping carts**

If the item is on state contract type description (exp. Paper towels\*) and submit search. In using the paper towels for example, 4 different responses are given. Click on the “+” beside the contract number and this will give a brief description of each. By clicking on the Contract number this will also give a description and access to the MMO buyer, vendor contact person and phone number, as well as access to the solicitation, award and ordering instruction. The ordering instructions are important to read and it will indicate how many items must be purchased, and also which location if MMO has the state divided into regions.

When you have decided on the vendor, click on the contract number, then check the box located next to the item requested, in this case “paper towels” and then at the bottom of the screen on the right hand side click on “Return to Search Screen” to take you back to the contract page and now click on “Punch out to SRM” In some cases, the system does not work correctly when selecting a state term contract. When you click on the “Source of supply/service agents” section the contract number should be listed in the contract field. If not please type the contract number in the Vendor text field under “Documents and Attachments”

Now you can continue ordering as in previous instructions in page 1 step 5. The difference is at the bottom under “Source of Supply” the vendor and contract number is already chosen.

### **III Setting up shopping carts as a blanket PO**

In setting up a blanket PO the quantity and price should be flipped in order to allow the requester to confirm specific amounts, not to exceed the total price of the purchase order. Be sure to include authorized caller information. Also, please type BLANKET PO in the internal notes field under documents and attachments.

### **IV. Shopping cart with more than one item:**

This is necessary when ordering several items, such as “jackets”, “pants”, “shirts” and “caps” this gives a clear description of what type of clothing is being ordered, and a clear record of what has been received. Also, in case everything is not delivered at one time, partial shipments can be confirmed and paid.

Follow steps on page 1. When all information has been entered at the bottom of the screen 4 options are given, “refresh” “check” “back” “continue”

Click on “continue”

Now you are back at the beginning and under step 1, “select goods/service”, and click and now you are at the “NIGP/Contract search” now you can continue with instructions on page 1. You must enter the appropriate information for item description, funding delivery address and vendor number for each line item

## **V. Adding additional funding lines to shopping cart**

Many shopping carts have both state and federal funding. Usually the breakout is 25% state funds and 75% federal funds and this must be on the shopping carts. When entering the cost assignment for the shopping cart information and the account assignment overview is set at percentage, this is a drop down box and other options are available to choose from. Under the white boxes there are 4 choices click on the “cost distribution” button. And now 3 additional entry lines are active. Now you can change the “percentage” from 100 to whatever you need, click on the magnifier glass to continue with the detail information. From the drop down box you can Chose quantity, which must equal the amount requested in the beginning. Also you can choose by value of the PO, again, it must be equal to the amount listed in the beginning.

## **VI. Check Status of Shopping Cart.**

After a shopping cart has been entered, you can check to see where it is in the system, or who has approved or who needs to approve it, and the PO number as well as the confirmation number and invoice information. From the SRM menu click “check status” find the shopping cart you are looking for, click on the magnifier. At the bottom on the left side is a “change” button click on it. Now you are able to change the shopping cart to add additional items, quantity, price, date or text. Click on the magnifier, now you are able to change the account assignment, scan and add anything to it. Under the “approval” click and it will let you know who needs to approve and it gives the time and date of those who already have approved the cart. If any changes are made, remember to click “continue” at the bottom left and then the “save” button.

If you want to see all the shopping carts you entered, at the top, under “timeframe” drop down box, chose one of the options, and under the “status” drop down box, choose one of those choices, usually “all” and the “start” button. Depending on the time frame, this will give you a list of all shopping carts from approved and waiting to be approved. If your shopping cart has not been approved, you may click on the trash can beside the requested item and click.

## **VII Confirmation of Received Items**

After your shopping cart has been approved, a PO issued, and items have been received; now a goods confirmation must be done so the PO can be paid. After selecting the shopping cart to be confirmed on the right side is a picture of a small piece of paper. Confirmation name, is active and you can enter the vendor name, next under reference document enter the invoice number, at the quantity blank enter how many on the right side is “last delivery” if so click that and then the magnifier and then back at the left hand side of the form “confirmation” click and then a confirmation number is given.

## **VIII Purchasing Assets**

If the item you are purchasing will be an asset ;instead of entering the funding information as described above select “asset unknown” from the drop down instead of the cost center. However, we still need the funding information ...this should be typed in the Internal Note section.

## APPENDIX C

### FORMS

|             |  |
|-------------|--|
| C-1.....    | STANDARD REQUISITION                         |
| C-2.....    | FRAMEWORK REQUISITION                        |
| C-3.....    | VENDOR AGREEMENT FORM                        |
| C-4.....    | BLANKET PURCHASE AGREEMENT LOG               |
| C-5.....    | MMO FORM 106 MULTI-TERM CONTRACT             |
| C-6.....    | MMO FORM 102 SOLE SOURCE                     |
| C-7.....    | MMO FORM 103 EMERGENCY                       |
| C-8.....    | MMO FORM 136 CONTRACT BETWEEN STATE AGENCIES |
| C-9.....    | AMENDMENT OF PURCHASE ORDER                  |
| C-10-A..... | CONFERENCE SITE SELECTION                    |
| C-10-B..... | CONFERENCE SITE SELECTION GUIDELINES         |
| C-11.....   | FUNDS RESERVATION REQUEST                    |
| C-12.....   | TRAVEL CARD APPLICATION PAGE 1               |
| C-13.....   | TRAVEL CARD APPLICATION PAGE 2               |
| C-14.....   | TRAVEL CARD STATEMENT                        |
| C-15.....   | STATE P CARD PURCHASE LOG                    |
| C-16.....   | IRS FORM W 9                                 |



**APPENDIX D**

**Office of the Adjutant General**

**PURCHASING CARD PROGRAM**

**CARDHOLDER MANUAL**

**1 October 2011**

**D-1**

## Introduction

The Bank of America Purchasing Card Program is designed to help better manage low-dollar purchases and brings many benefits to you, the Agency and our vendors.

The success of the Purchasing Card Program and its continuing use depends on your participation and cooperation. Please be sure to read and follow the program guidelines as specified within this manual.

### What is the Purchasing Card?

The Purchasing Card is a Visa credit card issued by Bank of America. It is a fast, flexible new purchasing tool which offers an alternative to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying for small dollar items with a total value of \$2,500 or less, for the purchase of supplies, materials, equipment or services. The card is to be used only for official use.

The Visa Purchasing Card will enable you to purchase non-restricted commodities, by telephone or in person, directly from the vendors.

The Visa Purchasing Card will be issued in the employee's name. This is the only individual authorized to use the card.

### The Purchasing Card program brings many benefits to...

**Cardholders** - You will be able to obtain supplies directly from your vendors without using a purchase order. This streamlines the purchasing process and can help improve turnaround time on receipt of your order. It significantly reduces the workload and processing costs related to the purchase and payment of supplies.

**The Agency** - The Purchasing Card program provides a cost-efficient, alternative method for purchasing low-dollar supplies. Built-in card features make the program easy to control and manage and reduces processing costs at all levels by reducing the number of requisitions, purchase orders, invoices and checks. The Purchasing Card enables all departments to focus on higher value added activities.

**Vendors** - The Purchasing Card will be welcomed by vendors who accept VISA. When they accept the card for business purchases, vendors need not send invoices to the Agency they will receive payment directly from Bank of America within 48 hours.

## **PURCHASING CARD PROGRAM OVERVIEW**

- Purchasing Cards will be issued to full-time employees only.
- The employee's name must be embossed on the card.
- Purchasing Cards will not be transferable between individuals.
- Each cardholder will be assigned to a Liaison.
- A Liaison may be an auditor for more than one department.
- The Liaison works at the direction of the Purchasing Card Administrator.
- Employee's Department Head or a designee must approve the request for a card for the cardholder.
- Employee must attend a training session before a Purchasing Card is issued.
- Employee must sign a Cardholder Agreement in the presence of the Purchasing Card Administrator.
- Cardholders make purchases (using established guidelines) and receive a monthly cardholder statement from Bank of America. A signed copy of the monthly statement must be submitted to the procurement department monthly.
- Cardholder matches receipts to monthly statements and forwards to Liaison for review. The Cardholder or the Liaison will retain the receipts, as directed by the Liaison. A copy of each receipt must be submitted to the procurement department monthly for audit review.
- Bank of America sends consolidated invoice to the Agency at the end of monthly billing cycle which is the 27<sup>th</sup> of each month.
- An ACH payment is made to Bank of America within 25 days after the end of the billing cycle.

## PARTIES INVOLVED

**Card Issuer-** Bank of American's services include issuing Visa Purchasing Cards to Agency employees, providing electronic transaction authorizations, and billing the Agency for all purchases made on the cards.

**Agency** - Arranges with the card issuer, Bank of America, to have Purchasing Cards issued to approved employees and agrees to accept liability for the employees' use of the cards.

**Department Head** – Agency official who must approve employee's request for a Purchasing Card and designate accounting codes for purchases on the Purchasing Card.

**Liaison** - An employee designated to be responsible for reviewing transactions of individual Cardholders to make sure the transactions are legitimate business expenses and are classified appropriately.

**Purchasing Card Administrator** - The central Administrator located in the Agency's Purchasing Department who coordinates the Purchasing Card program for the Agency and acts as the Agency's intermediary in correspondence with the card issuer.

**Cardholder** - An employee of the agency who is approved by his/her Department Head to use the Purchasing Card to execute purchase transactions on behalf of the Agency.

**Vendor** - The merchant from whom a Cardholder is making a purchase.

### Cardholder Eligibility

Criteria to receive a Purchasing Card are as follows:

- Applicant must be a fulltime employee of the Agency.
- Applicant's request for a Purchasing Card must be approved by his/her Department Head.
- Applicant must be assigned a Liaison.
- Employee must attend a training session before he/she may be issued a Purchasing Card.
- Each individual Cardholder must sign a Cardholder Agreement in the presence of the Purchasing Card Administrator.

## CARDHOLDER RESPONSIBILITIES

The Cardholder must use the Purchasing Card for legitimate business purposes only. The Purchasing Card may not be used for travel, registration fees, entertainment, cash and other categories as included in the Listing of Blocked Vendors ([www.mmo.sc.gov](http://www.mmo.sc.gov)). Misuse of the card will subject Cardholder to disciplinary action in accordance with Agency's Policies and Procedures relating to disciplinary action and termination for cause. The Cardholder must:

- Ensure the Purchasing Card is used for legitimate business purposes only.
- Maintain the Purchasing Card in a secure location at all times.
- Not allow other individuals to use their Purchasing Card.
- Adhere to the purchase limits and restrictions of the Purchasing Card and ensure the total transaction amount of any single transaction does not exceed \$2,500. Artificially splitting purchases is not allowed.
- Obtain and reconcile all sales slips, register receipts, and/or Purchasing Card slips to Bank of America's Cardholder statement and provide same to Liaison for reconciliation, approval and funding of transactions. **All receipts must be dated, clear and legible, list unit price and describe the item purchased.**
- Attempt to resolve disputes or billing errors directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved by faxing Bank of America the required Dispute Form.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder statement.
- Not accept cash in lieu of a credit to the Purchasing Card account.
- Identifying and notifying the Liaison of transactions which require the submission of use tax to the Department of Revenue.
- Immediately report a lost or stolen card to Bank of America at 1-888-449-2273 (24 hours a day, 365 days a year).
- Immediately notify Liaison of a lost or stolen Purchasing Card at the first opportunity during normal business hours.
- Return the Purchasing Card to Liaison upon terminating employment with the Agency or transferring Departments within the Agency.
- Report erroneous declines to the Liaison during normal business hours.
- Maintain a purchase log (Appendix C-15). This log, along with the individual's credit card statement must be submitted monthly to the Liaison and the program manager for review and signature, with copies of all receipts attached. A hard copy of the signed log with copies of receipts and the individuals signed credit card statement must be submitted to the procurement department by the 10<sup>th</sup> day of each month. In addition, a copy of the purchase log must be emailed to accounts payable (email address is in the upper right hand corner of the log) as an excel file by the 10<sup>th</sup> day of each month. If no purchases were made during the billing cycle, then no log is required.

## LIAISON RESPONSIBILITIES

Responsibilities include:

- Reviewing vendor receipts attached to the individuals statement and purchase log.
- Ensuring all that a hard copy of the signed purchase log with copies of receipts and the individuals signed credit card statement is submitted to the procurement department by the 10<sup>th</sup> day of each month. Also, ensuring that a copy of the purchase log is emailed to accounts payable (email address is in the upper right hand corner of the log) as an excel file by the 10<sup>th</sup> day of each.
- Retaining all Cardholder invoices and receipts for audit by internal and external auditors or may require cardholder to store these documents. Ensuring that a copy of all receipts is submitted monthly with a signed Bank of America Cardholder statement and a monthly purchase log indicating the appropriate funding stream.
- Identifying transactions which require the submission of use tax to the South Carolina Department of Revenue and annotating on the purchase log “no tax charged”.
- Attempting to resolve any disputes with vendor and/or Bank of America not resolved by Cardholder.
- Notifying Purchasing Card Administrator in 3 to 5 days of any unresolved disputes, noting the reason for dispute.
- Notifying Purchasing Card Administrator of lost or stolen cards.
- Requesting Purchasing Card Administrator to cancel a Cardholder’s card (e.g. terminated employees, transferring departments, loss of purchasing card privileges) as approved by Department Head.
- Collecting canceled cards from Cardholders and forwarding to Purchasing Card Administrator.
- Notifying the Purchasing Card Administrator of Cardholder request(s) to have Bank of America set up a vendor to accept Visa.
- Assisting Cardholders with erroneous declines.

## **PURCHASING CARD ADMINISTRATOR RESPONSIBILITIES**

The Purchasing Office will assign a Purchasing Card Administrator to be responsible for the over-all Purchasing Card program. Responsibilities include:

- Agency liaison with Bank of America.
- Utilizing Software from Bank of America.
- Reviewing Department approved applications for completeness of required information.
- Submitting completed application to Bank of America and receiving Purchasing Card from Bank of America.
- Training Liaisons before releasing Purchasing Cards.
- Training Cardholder before releasing Purchasing Card.
- Having Cardholder sign Cardholder Agreement, signifying agreement with the terms of the Purchasing Card program.
- Handling disputed charges/discrepancies not resolved by Cardholder or Liaison.
- Securing revoked Purchasing Cards and submitting information to Bank of America.
- Receiving and reviewing Bank of America bill.
- Preparing bill for payment and submitting to Accounting for ACH payment.
- Reviewing usage of Purchasing Card data for appropriateness.
- Ensuring that lost, stolen or terminated/transferred employees cards have been blocked by Bank of America.
- Forwarding vendor set up requests to Bank of America.
- Assisting the Liaison/Cardholder with erroneous declines and emergency transactions.

### **Requirements for Receiving a Purchasing Card**

Before receiving a Purchasing Card, you are required to sign the Agency Purchasing Card Cardholder Agreement. By signing this agreement, you indicate that you understand the intent of the program, and will comply with all guidelines of this Manual as well as Agency Policies and Procedures relating to the expenditure of Agency funds.

### **Cardholder Termination**

The Purchasing Card Administrator is required to close an account if a Cardholder: (a) moves to a new job in which a Purchasing Card is not required, (c) terminates employment or (d) for any of the following reasons which will also subject Cardholder to disciplinary action in accordance with Agency Policies and Procedures relating to disciplinary action and termination for cause:

- The Purchasing Card is used for personal or unauthorized purposes.
- The Purchasing Card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to the Agency.
- The Cardholder allows the card to be used by another individual.
- The Cardholder splits a purchase to circumvent the limitations of the Purchasing Card.
- The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Purchasing Card.
- The Cardholder fails to provide Liaison with required receipts.
- The Cardholder fails to provide Liaison with required transmittal letter indicating funding stream.
- The Cardholder fails to provide, when requested, information about any specific purchase.
- The Cardholder does not adhere to all of the Purchasing Card policies and procedures.

A request for closing a Cardholder account will be submitted to Bank of America by the Purchasing Card Administrator. *If a plastic card exists for the Purchasing Card account being closed, you should return it to your Liaison immediately.*

### **Purchasing Card Set Up, Maintenance and Closure**

All contact with Bank of America for card set up, maintenance and closure (except for reporting lost or stolen cards or erroneous declines) will be handled by the Purchasing Card Administrator who is located in the Purchasing Department.



## Purchasing Card Use

The card works just like your personal credit card, except all charges are paid in full by the Agency. It is to be used only for the purchase of small dollar items. Agency spending parameters for each Purchasing Card issued are set at \$2,500 per transaction and a predetermined maximum amount per month per card. The Agency will adjust limits as determined by demonstrated need. The State requires that certain types of vendors be blocked from Purchasing Card use. Among these are travel expenses, registration fees, entertainment, and cash transactions. Transactions will be blocked at the point-of-sale for vendors in which the State has determined should be block from purchases. A list of these vendors may be found at [www.mmo.sc.gov](http://www.mmo.sc.gov).

## Security and Storage

Cardholders should always treat the Agency Purchasing Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded. The only person entitled to use the card is the person whose name appears on the face of the card. **The cardholder may not lend his/her card to another person for any reason.**

The Liaison assigned to each Purchasing Card will maintain the Cardholder's vendor receipts/packing slips/charge slips, unless the Liaison directs the Cardholder to maintain them. All other documentation concerning the Purchasing Card program will be maintained by the Purchasing Card Administrator located in the Agency Purchasing Department. This documentation includes, but is not limited to, applications, Cardholder Agreements, agency billing statements, reconciliation of accounting statements, software programs, and copies of purchase logs and correspondence with Bank of America.

## Cardholder Liability

The Purchasing Card is a corporate charge card and will not affect your personal credit. It is your responsibility to ensure that the card is used within stated guidelines of this Manual. **Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and disciplinary action in accordance with Agency Policies and Procedures relating to disciplinary action and termination for cause. A cardholder who makes unauthorized purchases with the card may be liable for the total dollar amount of the unauthorized purchases(s).**

## Lost or Stolen Purchasing Cards

Report any lost or stolen Purchasing Card immediately to Bank of America toll-free at 1-888-449-2273. Bank of America representatives are available to assist you 24 hours a day, 365 days a year. Be sure to notify your Liaison about the lost or stolen card at the first opportunity during normal business hours.

## Spending Control

The Purchasing Card is to be used only for the purchase of supplies. Agency parameter for each Purchasing Card issued is set at \$2,500.00 per transaction with a maximum of \$5,000 per month per card. The Agency, through the Purchasing Department, will adjust limits as determined by demonstrated needs.

### **Credit Card Purchase Log**

Cardholders must submit documentation to the Liaison each month listing all charges incurred for that month indicating the appropriate accounting information. The Liaison must review this information, report any split purchases, verify tax information, verify accounting information, reconcile the receipts to the statement, obtain the signature of the Federal Program Manager (federal funds), the EMD Finance Administrator (EMD funds) or the Agency CFO (all other state funds), correct any errors and submit the monthly purchase log signed by the liaison and the federal program manager or federal budget analyst, a copy of the signed BOA statement with copies of the receipts to the procurement department by the 10<sup>th</sup> day of each month. Failure to submit the required information will result in suspension of the cardholder's credit card until ALL documentation has been received. An electronic copy of this log saved as an excel file must be emailed to accounts payable by the 10<sup>th</sup> day of each month, as well. The email address is located in the upper right hand corner of the log. (Appendix C-15)

### **Completing a Purchasing Card Transaction**

Follow these general guidelines when using your card or account number to make a purchase:

- Determine if the intended supply purchase is within spending and vendor guidelines.
- For face to face transactions provide the vendor with your Purchasing Card plastic or for telephone orders give the vendor your account number and expiration date.
- Obtain a copy of the invoice, sales receipt and/or packing slips and reconcile to the Bank of America Cardholder statement.
- Provide Cardholder statement and monthly purchase log with attached receipts to Liaison.

### **Erroneous Declines**

There may be certain situations when a vendor receives a decline message when processing your Purchasing Card transaction. If you do not know the reason for the decline, contact Bank of America at 1-888-449-2273 for an explanation. If the decline was in error, the Cardholder should immediately contact the Purchasing Card Administrator for assistance. If purchase is being made outside of normal business hours, the employee must find an alternate payment method or terminate the purchase and contact the Purchasing Card Administrator during normal hours.

### **Emergency Transactions**

Emergency transactions over \$2,500 may not be handled with the Purchasing Card. For any transaction which does not meet the spending controls assigned to the card, the Cardholder must contact the Purchasing Office for assistance. These transactions are only allowed when the Governor has issued an executive order of an emergency situation. **NO EXCEPTIONS.**

### **Credits**

The vendor should issue a credit to your card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. *Under no circumstances should you accept cash in lieu of a credit to the Purchasing Card account.* You must retain a copy of the credit invoice/receipt.

### **Unresolved Disputes & Billing Errors**

You should always attempt to resolve any disputes or billing errors directly with the vendor. In most cases, the vendor will issue a credit to the card account. If an agreement cannot be reached with the vendor, you should contact Bank of America at 1-888-449-2273. Bank of America may request you to mail or fax to 1-888-678-6046 a signed Dispute Form to document the reason for the dispute.

Nearly all issues can be resolved using this process. If you are unable to obtain an acceptable resolution, the Cardholder must contact the Liaison for assistance. The total amount billed by Bank of America will be charged to the individual accounts and credits for disputed transactions will be posted to the individual accounts when credit appears on the Bank of America billing.

### **Sales and Use Tax**

*Purchases From Vendors Located In South Carolina* - The vendor is responsible for collecting retail sales tax at the point of sale. The amount of sales tax should be indicated on the receipt provided by the vendor.

*Purchases From Vendors Located Outside South Carolina* - If sales tax is paid in another state, a use tax credit is allowed for the Organization, therefore, no South Carolina tax is due. The individual receipt provided by the vendor should indicate whether any out-of-state sales tax has been collected at the point of sale.

Should no tax be charged or the amount of tax charged be less than the amount required by the State of South Carolina, the Liaison will indicate no tax charged on the purchase log in order for the proper amount to be submitted to the SC Department of Revenue.

### **Vendor Participation**

If a vendor frequently used by Agency employees, does not accept the Visa card, the Agency will assist in recruiting the vendor to take the necessary steps to begin acceptance of the card.

**Audit Assistance**

Your Liaison, the Purchasing Card Administrator, and/or an Agency internal auditor will perform audits of your compliance with the guidelines of the Purchasing Card program, Agency policies and procedures relating to the expenditure of Agency funds as well as Cardholder statements and other required documentation, to include purchase logs.

Habitual offenders violating Agency policies will have their credit cards revoked.

**Customer Service**

Bank of America Customer Service is available 24 hours a day, 365 days a year at 1-888-449-2273 for:

- Reporting a lost or stolen card
- Disputes or billing errors
- Account information

For all other questions or issues, please contact the Liaison.

**Vendor Blocking**

Transactions will be blocked at the point-of-sale level for the types of vendors included on the listing of blocked vendors request by the State.

## **APPENDIX E REFERENCES**

- a. The South Carolina Consolidated Procurement Code and Regulation.
- b. Part II, Office of Management and Budget Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments).
- c. Office of Management and Budget Circular A-102 (Grants and Cooperative Agreements with State and Local Governments).
- d. Part II Office of Management and Budget Circular A-133 (Audits of State and Local Governments and Non-Profit Organizations).
- e. AGR 500-1, Military Support to Civil Authorities.
- f. NGR 5-1/ ANGI 63-101, Grants and Cooperative Agreements.
- g. Policies and Procedures of the State Comptroller General.
- h. South Carolina Code of Laws.
- i. AR 25-55, Department of the Army, Freedom of Information Act Program.
- j. MMO Form 106, Determination Prior to Use of a Multi-Term Contract.
- k. MMO Form 102, Justification for Sole Source Procurement.
- l. MMO Form 103, Justification for Emergency Procurement.
- m. MMO Form 136, Justification for Contracts Between State Agencies.
- n. MMO Form 138, Justification for In-State Conference Site Selection.
- o. DMVM Form 6-77, Request for Purchase, Dispose, Retain State Owned Vehicle.
- p. Code of Federal Regulations, Title 32, Part 33, Uniform Administrative Requirements and Cooperative Agreements to State and Local Governments.

All MMO forms may be downloaded from the MMO Website:

**<http://www.mmo.sc.gov>**

## APPENDIX F

### GUIDANCE FOR THE PREPARATION OF A MEMORANDUM OF UNDERSTANDING / MEMORANDUM OF AGREEMENT

This information is provided to assist Program Managers in the acceptable preparation of a MOU/MOA using state or federal funding through the State's procurement system.

1. A Memorandum of Understanding (MOU) is a written agreement that states a willingness of the signatories and their functional units to cooperate in an endeavor of mutual benefit.

- a. All MOUs will be reviewed by the Program Manager for the section requesting the service, and the applicable legal counsel (Federal or State) and the Procurement Manager.
- b. Signatories to a MOU shall be the TAG's Program Manager, the applicable legal counsel, the TAG's Procurement Manager and persons having authority to obligate the other party to the MOU and their legal counsel, if required.

2. A Memorandum Of Agreement (MOA) is a method to establish the transferring of assistance, to perform work and/or the transfer of funding for services rendered, from an OTAG program to another program or outside governmental entity (State, County or Municipal). MOAs utilizing Federal Cooperative Agreement funding and citing a Federal Agency as the provider (hereinafter designated the contractor) must be processed through the USPFO Purchasing and Contracting Division.

- a. MOAs will be reviewed by the Program Manager for the section requesting the service, the applicable accounting staff which is involved in compliance or progress payments, the Procurement Manager, the TAG-JAG if the funds source is Federal and the TAG-DSO-JAG if the funds source is State.
- b. Prior to the obligation of funding using a MOA with another state agency, a completed Materials Management Form 136 and the MOA will be submitted to the MMO for approval. This form is to be completed by the Program Manager and forwarded to the TAG-DSO Department of Procurement for processing. There must be a substantial savings to this agency by working with another governmental agency in lieu of competing the requirement among civilian contractors for the MMO to authorize the contract. The MOA must remain unsigned by the contractor until the MMO Form 136 is approved.
- c. The MOA will contain, as a minimum:
  - (i). Name of individual (hereinafter designated as the administrator) and program requesting the MOA.
  - (ii). Name of individual and applicable state or local agency accepting the MOA.
  - (iii). All functional units that will be allowed to participate in the MOA.
  - (iv). Intent of the MOA.
  - (v). Progress reports/schedules, partial payments and applicable dates or percentage thresholds.

- (vi). Ownership and publishing rights – material and intellectual.
- (vii). Closeout and/or early termination procedures.

(viii). A statement that the MOA alone does not obligate funding, and that only a purchase order referencing an annex to the MOA obligates the TAG to a financial commitment.

d. Projects will be added to a MOA as an annex, lettered A-Z. The annex will be supported independent to the rest of the MOA, via an Office of the Adjutant General purchase order serving as a contract between parties and as a procurement vessel. The PO will contain, as a minimum, the following documentation pertaining to the MOA:

- (i). Start date of the specific PO.
- (ii). Costs (if any) and their unit of measurement.
- (iii). Latest delivery date of the specific PO.
- (iv). The name of the Project Manager (TAG employee).

e. Reporting.

(i). The contractor performing services for a OTAG program is required to complete a quarterly statement briefly describing the services completed to date and the goals for the next quarter. These goals may differ from those originally established in the annex due to weather, problems with deliverable items or changes in methodology and must be approved, in writing, by the OTAG Program Manager.

(ii). At the completion of the program the contractor will provide the OTAG Program Manager documentation that will be used to complete the task assigned in the applicable Purchase Order.

f. Payments.

(i). The contractor performing the services as established in the MOA will create an invoice for services only when a measurable unit of work is performed and documented. An invoice will be forwarded for review and certification to the applicable Program Manager to ensure that it contains:

- (a). An identifier to the applicable MOA.
- (b). Agreed upon services and rates.
- (c). Deliverables, in the form of visible work performed/ documents/ computer programs or documented hours/expenses performed in direct support of the end goal of the MOA.

(ii). An invoice, when approved by the MOA Program Manager, will be forwarded to the OTAG Budget and Finance Division for payment.

### 3. Compliance.

All references and commitments cited in a MOU/MOA must be in compliance with all rules and regulations pertaining to the obligation and disbursement of the funding source of the OTAG program cited. State references will be used when the transfer of state funding, labor or property is to be used / transferred. Federal references will be reviewed or used when transferring federally derived funding, labor or property to a contractor. These stipulations will be the responsibility of the Program Manager wishing to enter into a MOU/MOA.