

CLIENT PURCHASES

The purpose of this policy is to establish guidelines that adhere to federal regulations and State of North Dakota Administrative Code related to the procurement of goods and services. The policy has five sections:

- I. General Requirements for All Purchases**
- II. Client Purchases That Do Not Require Bids**
- III. All Other Client Purchases**
- IV. Alternate Procurement (Sole Source) Purchases**
- V. Flow Chart**

When reimbursing a client for a purchase - as opposed to paying a vendor - it must be treated the same as any other purchase outlined in this policy. Clients must provide receipts for reimbursed expenses.

For assessments or evaluations in which AT is necessary: aids, devices and equipment should be secured through the ND Assistive lending library, rented, or leased, whenever possible.

I. General Requirements for All Purchases

All purchases for Vocational Rehabilitation (VR) clients must be reasonable and necessary. All non-diagnostic and evaluation purchases, needed to mitigate the disability and/or assist with achieving the employment goal, must be outlined in the client's Individualized Plan for Employment (IPE). When making those client purchases, certain guidelines must be followed.

1. Non-assessment goods or services must be on a current, signed IPE and must be within the service dates on that plan.
2. The State of North Dakota is tax exempt; therefore, as an agency of the State, VR does not pay state and local sales tax. The only exceptions would be for hotel, gas, and utilities. An exception is also granted for cell phone purchases where the store's policy specifically requires taxes and the Emergency 911 Fee found on cell phone bills or contracts. It is permissible to pay for hotel tax when creating an authorization with the hotel as a vendor or reimbursing the client directly. It is not permissible to pay for hotel tax when using a PCard.

VR issues an authorization to a vendor providing the service and upon receipt of a bill, processes payment to the vendor. VR may reimburse a client, less any taxes, for purchase of service from a vendor that refuses to accept VR's authorization. If the client does not have the funds for the purchase in advance, VR can use a PCard. Prior to making a purchase with the PCard, ask if there will be a

processing fee. Do not use the PCard if there is a processing fee associated with the purchase.

3. VR does not purchase money orders or gift cards, except in extreme circumstances and with approval from the regional administrator.

II. Client Purchases That Do Not Require Bids

Bids are not required for client purchases listed below:

1. Tuition for all training courses including vocational training, college and university courses, massage schools, mechanics courses, welding courses, electrician courses, etc.
2. All required items for training courses including books, tools, or other items if the item is purchased in the school's bookstore, or if the school is requiring a specific vendor or vendors to ensure uniformity among the students.

A copy of the syllabus or documentation from the school or instructor requiring the specific vendor or vendors must be in the client's file.

3. Child Care.
4. Personal Assistants including service animals.
5. Rent or Maintenance as described below.

Maintenance for additional costs, such as expenses for food, shelter, and clothing, incurred while participating in an assessment for determining eligibility and VR needs or while receiving services under an IPE. Maintenance is provided when relocation is necessitated by the IPE, is feasible, and results in increased costs to the consumer.

6. Supported/Customized Employment and Extended Services.
7. On-the-Job Training.
8. Medical services including, but not limited to, medical treatment, prescriptions and psychiatric, psychological, functional capacity evaluations, and chemical dependency evaluations.

Medicaid rates must be paid for all Medicaid covered services unless there is a specific exception such as hearing aids.

9. Prescription Aids and Devices described below:

Prescription aids and devices are any prosthetic/orthotic device prescribed by a licensed professional to meet the specific needs of the individual. Examples of prosthetic/orthotic devices can include but are not limited to, hearing aids and other types of sound amplification, artificial limbs, corrective lenses, braces, and wheelchairs.

10. Purchases made from a vendor who is on State contract:

Purchasing from a vendor who is on State contract is optional, not required. When considering such a purchase, always verify and document that the vendor is currently on contract.

11. Hearing aids are purchased using the payment schedule developed by VR.

12. Used items. Even though bids are not required for used items, it is a good practice to get the bids when possible. Used items should only be purchased in rare circumstances and include a limited warranty.

III. All Other Client Purchases

This section includes all client purchases not listed as exempt in Section I.

A. Purchases Under \$10,000 (Requires Level 1 Procurement Training)

Purchases under \$10,000 do not require bids. Counselors must do due diligence to obtain the best price possible for all purchases.

B. Purchases \$10,000 and over Require Bids (Requires Level 2 or Higher Procurement Training)

Purchases \$10,000 and over require a minimum of three written bids. If three bids or proposals are not received, provide a written justification (e.g., “contacted three vendors, only two responded”). Complete the Informal Bid - Telephone Quote SFN 2706 form. This form can be found on the nd.gov eforms.

The act of writing the specification can be completed by anyone with knowledge of what the requirements are regardless of the level of procurement training the individual has. After the specification is written, the bidding process must be completed by an individual who has been completed Level 2 Procurement Training at a minimum. This includes any and all communication with potential vendors regardless if it is written or verbal.

The day and time of the bid closing must be documented on the form. In addition, when requesting a bid all vendors, including those contacted by phone, must be notified of the day and time of the bid closing.

The completed form must be in the individual’s file but does not need to be submitted to any other entity.

When the bids have been received and a decision made regarding which vendor to purchase from, the Regional Administrator (RA) will authorize for the purchase in the same way as other purchases are authorized.

Example 1: If ordering a chair and the lowest bid does not meet the specifications such as arms on the chair, adjustable height or lumbar support, this bid is not a valid bid and cannot be considered, however, the documentation must be maintained in the file.

Example 2: If a RA receives three bids and one or more of the bids are from a vendor in another city, RA can consider the cost of shipping and handling, or if sending the client to pick up the item or other related expenses when determining which item is the least expensive.

Example 3: If a bid comes in higher than the others but offers faster delivery, support services or other benefits to the client, RA could justify purchasing the higher priced item.

Example 4: If a RA receives three bids on an item and all three bids meet the minimum specifications for quality, service, and delivery time, the purchase should be made from the vendor who submitted the lowest bid. However, if the individual chooses to make the purchase from one of the higher priced vendors, the individual would need to pay the difference between the lowest bid and the price submitted by the vendor they chose.

For all purchases over \$50,000, contact the state office.

IV. Alternate Procurement Request for Items Costing \$10,000 and Over

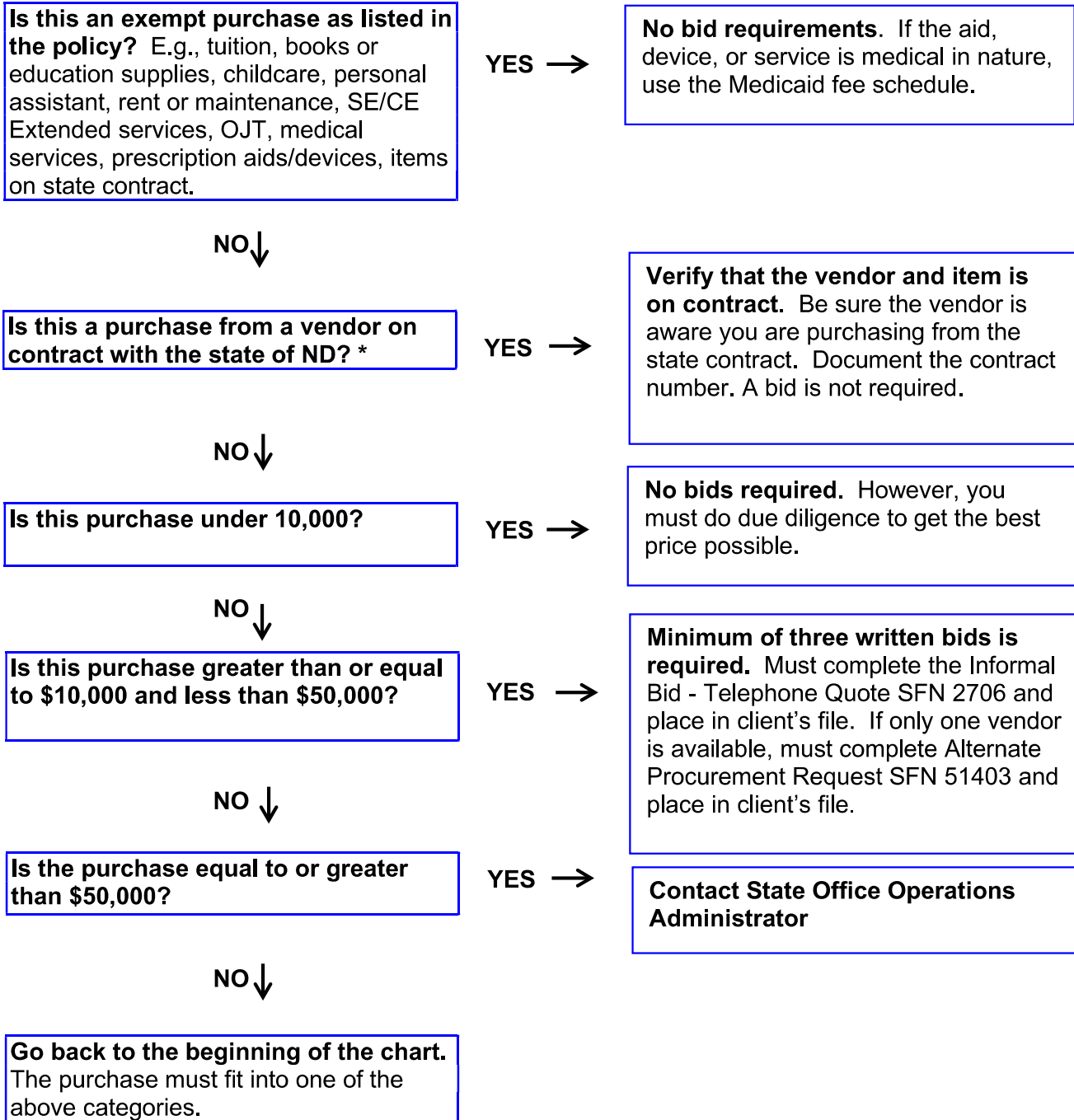
If the item being purchased is only available from one vendor, the RA must complete an Alternate Procurement Request (formerly known as *Request for Approval of a Sole Source Purchase, SFN 51403*). This form does not have to be submitted to anyone but must be kept in the individual's file. The RA would then authorize the purchase the same as all other individual purchases.

This form is to be used only when there is only one vendor available to provide an item, such as specific software that is only available from the manufacturer and is not sold in retail stores. It is not to be used to avoid the bid process.

V. Flow Chart

A flow chart depicting this purchasing policy is found on the next page.

VOCATIONAL REHABILITATION PROCUREMENT PROCEDURES



*Although VR is not required to make client purchases from vendors on state contracts, you may do so if it meets client needs and informed choice. If so, go to the ND home page (www.nd.gov), select 'Agency by Alphabet', scroll down, and select 'Procurement Office', then 'State Contracts'.

Authority: OMB ND State Procurement Manual / NDAC § 4-12-01-02 / NDCC § 54-44.4-01

Summary of Changes from Prior Procedure

Below is a brief summary of changes, please review the procedure above for complete details on these changes.

- Language regarding the use of PCards for client purchases was added with restrictions on paying for processing fees and when paying taxes is allowable.