




STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

DEPARTMENT OF FINANCE AND ADMINISTRATION
LAURA D. JACKSON
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Governing Authorities

FROM: Laura D. Jackson, Executive Director 

DATE: September 8, 2017

RE: Reverse Auctions

On July 13, 2017, the Mississippi Department of Finance and Administration (DFA) sent out a Memorandum regarding the effects of new legislation on **governing authorities**, as defined by Miss. Code. Ann. Section 31-7-1(b). We discussed the changes to procurement going into effect January 1, 2018 as a result of House Bills 1106 and 1109. As it relates to governing authorities, those changes are largely the requirement that governing authorities provide a secure **electronic interactive system** for receiving bids as an option to bidders for solicitations over \$50,000.00. Additionally, we discussed House Bill 1109's mandate that **reverse auctions** be the primary method of bidding when procuring commodities.

With regard to reverse auctions, we explained in our previously issued Memorandum our intention to recommend that the Public Procurement Review Board (PPRB) delegate approval authority for exemptions to performing reverse auctions and approval of any subsequent contract awards back to the applicable board of the governing authority. After consultation with the Attorney General's Office, we have come to the conclusion that the language of revised Section 31-7-13(c)(i)(2) does not support such a delegation. Accordingly, we will proceed with promulgating rules and regulations regarding the exemption requesting and contract approval processes through the PPRB.

As a reminder, in order to assist governing authorities in complying with these new requirements, DFA, in partnership with the Mississippi Department of Information Technology Services (ITS), will be issuing a solicitation for the provision of both electronic bidding and reverse auction services. We envision that a **multi-award contract** will result as a part of this process. These contracts are meant to serve as a quick reference for governing authorities to enable the selection of a **responsible vendor**. The contracts **will not be mandatory**, and governing authorities will still be free to contract with whomever they wish. Currently, we are finalizing the Request for Proposals and plan to issue it in the coming days. The contracts will be in place **by January 1, 2018**, when the laws go into effect.

Please regularly check the PPRB webpage on the DFA website for updates on the DFA/ITS procurement, and rules, regulations, and procedures regarding reverse auctions. Again, please assist us by **sharing this memorandum** with all of your representative members. As always, please feel free to contact us if we may be of any assistance. Inquiries may be directed to the Director of Purchasing, Travel and Fleet Management Ross Campbell - Ross.Campbell@dfa.ms.gov or 601-359-3409 - or Deputy Executive Director Aubrey Leigh Goodwin - AubreyLeigh.Goodwin@dfa.ms.gov or 601-359-6603.