

**PUBLIC PROCUREMENT REVIEW BOARD**

**SPECIAL MEETING**

**FRIDAY, SEPTEMBER 25, 2015**

A special meeting of the Public Procurement Review Board (PPRB) was held at 9:30 a.m. in the 13<sup>th</sup> floor Conference Room of the Woolfolk State Office Building located in Jackson, Mississippi.

**PRESENT**

Mr. Freddie M. "Flip" Phillips, Vice Chairman

Mr. Charles R. Snowden, Member

**OTHERS**

Mr. Bennie Nutt, Deputy Executive Director, DFA

Ms. Monica Ritchie, Director of the Office of Purchasing, Travel and Fleet Management, DFA

Ms. Aubrey Leigh Goodwin, Special Assistant Attorney General, DFA

Ms. Melody Coulson, PPRB Recorder, DFA

**ABSENT**

Mr. Kevin J. Upchurch, Chairman

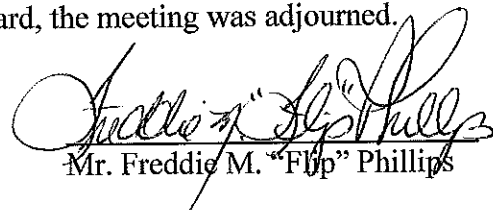
The Vice Chairman called the meeting to order.

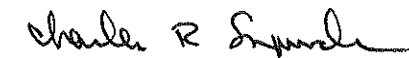
**OFFICE OF PURCHASING, TRAVEL, AND FLEET MANAGEMENT (OPTFM)**

Ms. Ritchie presented proposed revisions to Chapter 8: Disposal of Personal Property and Chapter 10: Special Procedures from the Mississippi Procurement Manual for PPRB approval.

Mr. Snowden made a motion to approve the revised regulations. Mr. Phillips seconded and the motion carried.

There being no further business to bring before the Board, the meeting was adjourned.

  
Mr. Freddie M. "Flip" Phillips

  
Mr. Charles R. Snowden



**STATE OF MISSISSIPPI**  
GOVERNOR PHIL BRYANT

**DEPARTMENT OF FINANCE AND ADMINISTRATION**

KEVIN J. UPCHURCH  
EXECUTIVE DIRECTOR

# **NOTICE**

A Special Meeting of the

## **PUBLIC PROCUREMENT REVIEW BOARD**

will be held Friday, September 25, 2015, 9:30 a.m. in the  
13th floor Conference Room  
Woolfolk State Office Building

Agenda: Request for Approval of Regulations in the OPT Manual and Miscellaneous

**AGENDA**

**PUBLIC PROCUREMENT REVIEW BOARD**  
**Special Meeting**  
**9:30 a.m.**

**FRIDAY, SEPTEMBER 25, 2015**

**I. OFFICE OF PURCHASING, TRAVEL AND FLEET MANAGEMENT**

Ms. Monica Ritchie, Director of the Office of Purchasing, Travel and Fleet Management, will present the following:

- Request for Approval of Regulations in Manual

**II. NEXT MEETING DATE**

Regular Meeting, Wednesday, October 07, 2015

Chapter 8

Disposal of Personal Property

8.101 Procedures for Selling, Transferring, or Trading Personal Property are promulgated in accordance with Section 29-9-9.

8.101.01.1 Disposal of Personal Property

Items with an estimated value of not more than \$1,000 may be salvaged, sold, traded, or transferred to other governmental entities.

Items with an estimated value of greater than \$1,000 and not more than \$5,000 can be traded, transferred or sold. When trading or selling items with a value of greater than \$1,000 and not more than \$5,000 a minimum of two written quotes must be obtained.

Items with an estimated value greater than \$5,000 can be transferred, traded or sold. An item or group of items of personal property with a total estimated value of greater than \$5000 may only be sold or traded after complying with the requirements set forth below for sealed bids as set forth in Subsection 8.101.01.2 or by auction as set forth in Subsection 8.101.03, Auction.

~~\_\_\_\_\_ Sale of personal property may be accomplished by public auction, sealed bid, or private treaty negotiated sale.~~

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8.101.01.2 Personal property which becomes surplus to the needs of an agency or becomes obsolete or inoperable and still has a residual value may be traded as a part of the transaction to acquire new equipment.

This method of disposal may not be used when acquiring any vehicle covered by a state contract. The request for pricing based on a trade-in must be made a part of the specification for the equipment being purchased. The specification shall contain all pertinent information about the item being traded (i.e., make, model, year model, mileage or hours, where it may be seen, etc.). Surplus property may also be traded as a part of an acquisition of items covered by a state contract. All trades must be submitted on an Inventory Deletion Form and approved prior to releasing any equipment. The Inventory Deletion Form may not serve as a purchase request. The Inventory Deletion Form is to be considered as an inventory deletion form only. If an item is to be disposed of by trade-in, the Inventory Deletion Form shall be completed to include all information applicable to the trade-in. However, the agency must at the same time submit electronically the P-1 for approval to purchase the item to which the trade-in applies. Approval of both documents must be obtained prior to the issuance of a purchase order.

Commentary

\_\_\_\_\_ It should be noted that, when trading in a commodity and applying the revenue towards a reduction in the purchase price the agency must evaluate the value of the commodity being traded as well as the value of the item being procured to determine the proper methods of soliciting bids. If the estimated value of the item or items being traded is greater than \$1000 but not more than \$5000, two written quotes are required. If the estimated value of the "trade-in" commodity exceeds \$5000, then the transaction shall be advertised. It should be noted that, when trading in a commodity and applying the revenue

~~towards a reduction in the purchase price the agency must evaluate the value of the commodity being traded as well as the value of the item being procured to determine the proper methods of soliciting bids. If the estimated value of the "trade-in" commodity exceeds, \$50,000, then the transaction shall be advertised. See Subsection 8.101.01.4, An item or group of items of personal property may be sold to another state agency or governing authority by private treaty sale as set forth in Subsection 8.101.04.1, Private treaty sale is generally intended to refer to a sale based on the buyer's acceptance of a price set by the seller, of the Mississippi Procurement Manual.~~

If the estimated value of the commodity to be purchased exceeds, \$50,000, then the transaction shall be advertised. See Section 31-7-13, Mississippi Code of 1972, Annotated. If the estimated value of the commodity to be purchased exceeds, \$5,000, then the transaction shall be entered into after obtaining at least two competitive bids. See Section 31-7-13, Mississippi Code of 1972, Annotated. An example of what is not proper and not allowed would be: an agency wishes to trade in commodities having a value, more than \$50,000; in return they would purchase commodities with a value of \$51,000 for a total cost of \$1,000. The agency would indicate that since the cost is only \$1,000, they should not be required to obtain bids. This is not a correct interpretation. The agency is using \$50,000 of state resources and acquiring an item with a value of \$51,000, therefore, this transaction would require advertising and sealed bids.

Another example would be:

If the estimated value of the commodity to be purchased is less than \$50,000, but the trade in value is over \$5,000 then the transaction shall be advertised. An example of what is not proper and not allowed would be: an agency wishes to trade in commodities having a value of more than \$5,000; in return they would purchase commodities with a value of \$40,000 for a total cost of \$45,000. The agency would indicate that since the cost is only \$45,000, they should not be required to obtain bids. This is not a correct interpretation. The agency has a trade in valued over \$5,000 so therefore, this transaction would require advertising and sealed bids.

~~8.101.01.4 — An item or group of items of personal property may be sold to another state agency or governing authority by private treaty sale as set forth in Subsection 8.101.04.1, Private treaty sale is generally intended to refer to a sale based on the buyer's acceptance of a price set by the seller.~~

~~An item or group of items of personal property with a total estimated value of not more than \$1,000 may be sold by private treaty negotiated sale to any private entity as set forth in Subsection 8.101.04.1, Private treaty sale is generally intended to refer to a sale based on the buyer's acceptance of a price set by the seller. An item or group of items of personal property with a total estimated value of not more than \$5000 may be sold to the highest bidder after first obtaining at least two written quotes. An item or group of items of personal property with a total estimated value of greater than \$5000 may only be sold after complying with the requirements set forth below for sealed bids or auction as set forth in Subsection 8.101.02.1, Sealed Bid, or Subsection 8.101.03, Auction.~~

**8.101.02** **Sale of Personal Property** may be accomplished by public auction, sealed bid, or private treaty negotiated sale.

**8.101.04** **Private Treaty**

**8.101.04.1** **Private treaty sale is generally intended to refer to a sale based on the buyer's acceptance of a price set by the seller.**

Private treaty sale is generally intended to refer to a sale based on the buyer's acceptance of a price set by the seller. Such a method of sale applicable to state-owned property can only be used if the buyer is another state agency or is a governing authority (both entities must meet the requirements as set forth in the definitions of each in Section 31-7-1, Mississippi Code of 1972, Annotated); or if the agency determines the value of the state-owned property is less than, \$1,000, a private treaty sale may be negotiated with a private entity. Agencies interested in entering into private treaty sales with governing authorities or private entities shall submit an Inventory Deletion Form to the Office of Purchasing, Travel and Fleet Management for review. See Subsection 8.101.04.4. An item or group of items of personal property may be sold to another state agency or governing authority by private treaty sale as set forth in Subsection 8.101.04.4. Such a method of sale applicable to state-owned property can only be used if the buyer is another state agency or is a governing authority (both entities must meet the requirements as set forth in the definitions of each in Section 31-7-1, Mississippi Code of 1972, Annotated); or if the agency determines the value of the state-owned property is less than, \$1,000, a private treaty sale may be negotiated with a private entity. Agencies interested in entering into private treaty sales with governing authorities or private entities shall submit an Inventory Deletion Form to the Office of Purchasing, Travel and Fleet Management for review. Private treaty sale is generally intended to refer to a sale based on the buyer's acceptance of a price set by the seller, of the Mississippi Procurement Manual.

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**Chapter 10****Special Procedures****10.103.04 Procedures****10.104.01.1 Purchase**

There are a number of copiers on contract with a net cost of \$50,000 and below. State agencies may purchase from any of the vendors listed in these contracts Copiers with a net cost which exceeds \$3050,000 and copiers not covered by state contracts may be purchased in compliance with statutory bidding requirements set forth in Section 31-7-13, Mississippi Code of 1972, Annotated. Governing authorities may purchase from any vendor offering the contract item at or below the contract price.