

ALABAMA DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION
FINANCE AND SUPPORT SERVICES
ADMINISTRATIVE CODE

CHAPTER 580-4-28
PURCHASING

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580-4-28-.01 Statutory Authority.

Purchasing will be conducted in the Division of Finance in accordance with Code of Ala. 1975, § 41-16-50

Author: Division of Mental Retardation, DMH/MR.

Statutory Authority: Code of Ala. 1975, § 41-16-50.

History:

580-4-28-.02 Methods Of Purchasing.

Purchase requisitions for the Department of Mental Health and Mental Retardation are classified and defined as follows:

(1) Regular Requisition: All requisitions to be handled in a normal manner other than the exceptions covered in (a) and (b) listed below.

(2) Emergency Purchase Order:

(a) An emergency purchase is a purchase required by a sudden emergency affecting public health, safety, or convenience so declared by the agency Director.

(b) In case of emergency so declared in writing by the Director of the agency involved setting forth the nature of the danger to the public health or safety, purchase orders may be let by the central purchasing office to the extent necessary to meet the emergency without public advertisement. Such action and the reason therefore shall immediately be made public by the

Department of Mental Health and Mental Retardation's
Central Purchasing Office.

(3) Local Delivery Order: Local Delivery Orders are issued against the Contingency Fund for a purchase made by the Business Manager of the Agency. Items of equipment or items to be purchased from Capital Outlay Funds may not be purchased with a Local Delivery Order. Equipment is defined as those items which cost \$100.00 or more and are expected to last more than one (1) year.

(4) Confirmation Purchase Order: Confirmation Purchase orders are issued by Central Purchasing for commodities or services needed immediately for the operation of the Agency.

Confirmation Purchase Orders may not exceed \$4,999.99.

Author: Bureau of Finance

Statutory Authority: Code of Ala. 1975, § 41-16-50.

History: Original rule filed September 30, 1982. **Amended:** Filed October 30, 1992; Effective: January 18, 1993.

580-4-28-.03

Procedures For Purchasing.

(1) Regular Requisition: Regular requisitions are created for request To Purchase Forms initiated by the Agency Warehouse or other Organizations as a need arises. Request To Purchase Forms should be completed in accordance with procedures for completing Request to Purchase Form in the DMH/MR Purchasing Policies and Procedures Manual.

(a) A separate requisition must be completed for each class code. For Confirmation and Emergency requisitions where the vendor is already determined, mixed classes are permissible.

(b) After the Request To Purchase Form has been completed and signed, it is forwarded to the Agency Business Office for approval and to be checked for correct accounting codes and budget availability. After the Request To Purchase Form has been approved, an Agency requisition number will be assigned by the Business Office for the purpose of tracking the status of the requisition. The agency requisition number is required before it can be entered into the purchasing system.

(c) After the Request To Purchase Form has been completed, signed, and a requisition number assigned, it is forwarded to the designated area of the agency (usually the warehouse) to be entered into the MHSNAP Purchasing System. The requisition will be entered in accordance with instructions for keying requisitions in the DMH/MR Manual for Purchasing Policies and Procedures.

(2) Emergency Purchase Order: In case of emergency, the Agency Director or his/her authorized representative shall call Central Purchasing to explain the nature of the emergency and necessary action needed. Upon verbal approval by Central Purchasing, the

necessary items or services will be ordered by Central Purchasing or by the requesting Agency if deemed desirable. Central Purchasing will assign a purchase order number to the requesting Agency.

(a) In case of extreme emergency where it is not possible to obtain prior approval for Central Purchasing, the agency may proceed in obtaining the needed item or services to handle the emergency and contact Central Purchasing at the earliest possible time to obtain a purchase order number and explain the emergency.

(b) After the agency has obtained the emergency purchase order number, a Request To Purchase Form must be prepared in accordance with procedures for completing Request To Purchase Form in the DMH/MR Manual for Purchasing Policies and Procedures and a letter prepared for the Agency Director's signature declaring and explaining the nature of the emergency.

(c) After the Request To Purchase Form is completed and a requisition number is assigned by the Business Office, it shall be batched with that day's requisitions and forwarded to Central Purchasing with the Requisition Transmittal Form. (See DMH/MR Manual for Purchasing Policies and Procedures)

(3) Local Delivery Order: The Business Manager of the Agency may issue a Contingency Fund Purchase Order, upon request of the organization and approval of the Agency Director to enable the purchase of items from local sources. See Department Contingency Fund Policies and Procedures for authorized acquisitions, purchases, and payments.

(a) Purchases of \$250.00 or Less: Agencies may acquire/purchase up to \$250.00 for goods and services without prior approval from Central Purchasing with Local Delivery Orders.

(b) Local Delivery Orders of \$250.00 to \$1000.00 require approval from Central Purchasing. The Business Manager will call Central Purchasing and request telephone authorization to spend from \$250.00 to \$1000.00 and give vendor number, vendor name, vendor city, quantity, unit, description, unit price, and justification. If approved, Central Purchasing will issue the Agency an authorization number and initiate the Telephone Authorization To Purchase Form (See DMH/MR Manual for Purchasing Policies and Procedures) and mail to the Agency. This form will be used to execute payment to the vendor for reimbursement of Contingency funds for goods or services, non-equipment, and non-contract items not supported by a purchase order. The Agency will then complete Agency approvals, Material Receipt Summary and Affidavit portions of the form. The Agency will make two copies of the form for distribution. The original form with original signatures, not stamped or

initialed, and notarized affidavit shall be forwarded to Central Accounts Payable when material receipt Summary is completed. (Original Material Receipt is not required by Central Accounts Payable when Material Receipt Summary is completed). The first copy is to be sent to Central Purchasing for their records and the second copy is to be retained by the agency for their records.

(c) The invoice unit price and total amount must not exceed the amounts authorized on the Telephone Authorization To Purchase Form. Payment will not be authorized if the unit price or total authorized amount differ from the amount issued by Central Purchasing. If differences are valid, this form with a written explanation, is to be returned to Central Purchasing for additional approval. This additional approval must be obtained prior to Agency submitting to Central Accounts Payable for payments or reimbursement of Contingency Fund.

(4) Confirmation Purchase Order: Confirmation Purchase Order numbers are obtained by calling Central purchasing and explaining the need for the immediate purchase. Only personnel previously authorized in writing by the Agency Director to Chief of Purchasing may receive Confirmation Purchase Orders. If the request is approved by Central Purchasing, the requesting Agency must supply the vendor name, vendor number, accounting codes to be charged, commodity number, unit price and description to Central Purchasing. Central Purchasing will key the information into the purchasing system and after the purchase order number is generated by the system, Central Purchasing will notify the requesting Agency of the purchase order number.

(a) After the Agency has received the purchase order number, the Agency must prepare a Request To Purchase form (see DMH/MR Manual for Purchasing Policies and Procedures) and assign a requisition number to the form. The requisition must be batched and sent to Central Purchasing with that day's Requisition Transmittal form (see DMH/MR Manual for Purchasing Policies and Procedures).

(b) Confirmation Purchases must not exceed \$4,999.99. In certain instances Central Purchasing may require a letter of justification by the Agency Director.

Author: Bureau of Finance

Statutory Authority: Code of Ala. 1975, § 41-16-50.

History: Original rule filed September 30, 1982. **Revised:** Filed October 30, 1992. Effective: January 18, 1993.

580-4-28-.04 Reserved.

Author:

Statutory Authority:

History: