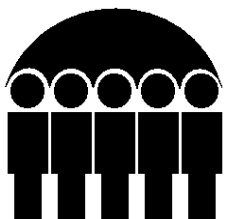


Revised June 20, 2008

Management Manual
Title 23
Chapter K

PROCUREMENT



Iowa
Department
of
Human Services

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Overview

The Department of Human Services shall, whenever possible, follow competitive acquisition procedures in the procurement of goods and services, whether carried out under authority assigned by statute or delegated by Department of Administrative Services' rules at 11 Iowa Administrative Code 105.6(8A).

See Title 23-F, [SERVICE CONTRACTS](#), for information about procuring professional services, which include consultant services such as engineering or architectural design and construction project planning and accomplishment.

All other items of an expendable or nonexpendable nature and certain services for general use by state agencies shall be purchased through the Department of Administrative Services, General Services Enterprise (DAS-GSE), unless specifically exempted as provided in 11 Iowa Administrative Code 105.6(8A).

Legal Basis

Iowa Code Chapter 8A authorizes DAS-GSE to purchase goods and services on behalf of state agencies.

Iowa Code section 23A.3 relates to local purchases of goods and services.

Iowa Code Chapter 72 relates to public contracts.

Iowa Code section 73.16 authorizes direct purchases from certified targeted small businesses.

Iowa Code section 218.52 requires reasonable opportunity for competitive purchase of supplies by DHS facilities and allows preference to local dealers and Iowa producers when it can be done without loss to the state.

Iowa Code section 721.11 relates to official misconduct in the award of public contracts.

Iowa Code section 904.807 relates to purchases from Iowa Prison Industries.

DAS-GSE rules on procurement are found at 11 Iowa Administrative Code, Chapters 105 through 107.

Definitions

“DAS-GSE” means the General Services Enterprise in the Iowa Department of Administrative Services.

“Emergency need” includes but is not limited to, a condition:

- ◆ That threatens public health, welfare or safety; or
- ◆ In which there is a need to protect the health, welfare or safety of persons occupying or visiting a public improvement or property located adjacent to the public improvement; or
- ◆ In which the department or agency must act to preserve critical services or programs; or
- ◆ In which the need is a result of events or circumstances not reasonably foreseeable.

“Equipment,” as it appears in this chapter, means an item costing \$5,000 or more with an anticipated life of one year or more. Software is excluded.

“Informal bid” means a competitive selection process to obtain bids from vendors for the goods to be purchased. Bids may be obtained by telephone, e-mail, or other means of communication.

“Liaison,” as it appears in this chapter, means the person who provides support to DHS personnel when there is a need to negotiate a purchase. This position will provide assistance in policy interpretation, locating a vendor, obtaining price quotes, and assistance in submitting invoices for payment.

“Sole source,” as it appears in this chapter, means there is only one person or firm that can fulfill the procurement requirement or no other person or firm is available with an equivalent service or supply.

Prohibited Practices

Conflict of Interest

Iowa Code section 721.11 requires that employees who are directly or indirectly interested in any contract to furnish anything of value to the state or any of its subdivisions, or members of such an employee's household, shall not have a personal financial interest in any transaction of the Department.

Goods and services shall not be purchased from state employees or members of their households except through open, public, and competitive bidding. Any questions of potential conflict of interest must be referred to the director of the Department of Human Services. The appearance of impropriety is to be avoided in all procurement operations.

Gifts and Gratuities

Employees of the Department of Human Services shall not accept any gift, gratuity, favor, or advantage from any vendor.

Advertising giveaways of trivial value are not included in this prohibition, but money, discounts, special credit arrangements, travel or entertainment expenses, gifts at seasonal or special occasions (Christmas or birthdays), tickets to sporting or entertainment events, and any other favors of monetary value are prohibited.

It is not necessary for an attempt to be made to influence an official action. Persistent attempts by a vendor to provide gifts and gratuities after this policy is explained shall be reported to the chief purchasing officer in DAS-GSE.

Improper Sales Tactics

DHS offices that receive telephone calls from companies offering "special deals" for office supplies, equipment or other goods or services shall follow these procedures:

1. Advise the caller "We buy all products through Central Purchasing. Contact them to for bid opportunities."
2. If unwanted items are shipped without an authorized purchase order, do not accept or pay for them.

3. Prepare a letter with all details of the conversation or unauthorized deliver, and send to:

Consumer Protection Division
Attorney General's Office
Hoover State Office Building
Des Moines, Iowa 50319

4. Send a copy of the letter to the Chief Purchasing Agent, DAS-GSE. Service areas and regional offices shall also send a copy of the letter to the Bureau of Purchasing, Payments, and Receipts.

Methods of Procurement

The DAS-GSE Procurement Services Division provides purchasing support to Iowa agencies. Human Services facilities are authorized to deal directly with the Procurement Services Division by following the procedures outlined in this chapter.

Human Services local offices, child support and case management offices, and central office staff shall request purchasing support from the Bureau of Purchasing, Payments, and Receipts.

Direct Purchases

Upon request, agencies may be permitted to purchase directly from a vendor if the DAS-GSE Procurement Services Division determines the direct purchase is in the best interest of the State. Requests should be in writing to the DAS-GSE procurement services administrator. Explain the particular need, the estimated cost and the degree of urgency of the need.

DAS-GSE may grant an agency permanent authorization to purchase certain commodities for a stipulated period, if in the procurement services administrator's opinion the needs of the requesting agency will be best served. Any agency denied the opportunity to purchase directly may appeal the decision to the State Executive Council.

Targeted Small Business Procurement

Authority is granted to purchase from a targeted small business without competition for a purchase up to \$10,000.00.

The Department of Inspections and Appeals must certify the vendor as a targeted small business. Confirm that the vendor is certified as a targeted small business by checking the current listing of targeted small businesses available at: <https://dia.iowa.gov/tsb>. You may contact the targeted small business directly.

The DHS unit receiving goods purchased from a targeted small business shall:

1. Review and approve the invoices.
2. Forward approved invoices to the Bureau of Purchasing, Payments, and Receipts for payment. EXCEPTION: DHS facilities process their invoices for payment.

Purchases From Iowa Prison Industries

Agencies shall purchase products available from Iowa Prison Industries (IPI) from IPI unless the agency obtains a written waiver in accordance with Iowa Code section 904.808. See <http://www.iaprisonind.com> for the Iowa Prison Industries catalog.

Purchases of standard office modular components and other furniture items shall be made in accordance with 11 Iowa Administrative Code 100.6(6).

The DHS unit receiving the goods purchased shall:

1. Review and approve the Iowa Prison Industries invoices.
2. Forward approved invoices to the Bureau of Purchasing, Payments, and Receipts for payment. EXCEPTION: DHS facilities process their invoices for payment.

Payment will be processed on an *Internal Exchange Transfer* document.

Contract Purchases

The purpose of contract purchasing is to provide a means of obtaining needed commodities in an economical and prompt manner and at the same time control agency inventories. The DAS-GSE Procurement Services Division uses the following types of contracts for purchasing.

- ◆ **Master Agreement:** The DAS-GSE Procurement Services Division may enter into a master agreement to purchase commodities or equipment items that are in general use by all agencies, such as:
 - Computers
 - Copiers
 - Fax machines
 - Office supplies
 - Light bulbs
 - Hand tools

Contracts of this nature are normally entered into for a period of three years or less. You can obtain a list of contracts that are on file in the DAS-GSE Procurement Services Division by contacting the purchasing agent in the Bureau of Purchasing, Payments, and Receipts.

- ◆ **Individual Contract:** The DAS-GSE Procurement Services Division may enter into an individual contract to purchase specific commodities that are primarily used by one agency and that are not commonly needed by another agency.

An individual agency may request the DAS-GSE to enter into this type of contract purchasing to expedite delivery of commodities that fall into this category. These contracts may include such items as:

- Uniforms
- Janitorial services
- Shelving
- Survey equipment and supplies

Competitive Bidding

The Department of Human Services shall follow all bid procedures outlined in 11 IAC 105. An item may be exempt from purchase by the competitive bidding procedure when the DAS-GSE procurement services administrator determines the best interests of the state will be served due to an immediate or emergency need for the item.

- ◆ **Informal Competition:** The DAS-GSE may use informal competition for the purchase of any good or service or group of goods or services of general use costing less than \$50,000.
- ◆ **Formal Competition:** The DAS-GSE shall use formal competition for the procurement of any good or service or group of goods or services of general use costing \$50,000.00 or more.
- ◆ **Construction Procurement:** Formal competition shall be used for selection of a vendor for construction, erection, demolition, alteration, or repair of a public improvement when the cost of the work exceeds \$25,000.

Sole-Source Contracts

Sole-source purchases may be used when:

- ◆ Only one vendor qualifies or is eligible to provide the goods;
- ◆ The procurement is of such a specialized nature or related to a specific geographic location that only a single source could most satisfactorily provide the good, by virtue of:
 - Experience,
 - Expertise,
 - Proximity, or
 - Ownership of intellectual property rights; or
- ◆ Applicable law requires, provides for, or permits the use of sole-source procurement; or
- ◆ The federal government or other provider of funds for the goods being purchased (other than the state of Iowa) has imposed clear and specific restrictions on the use of the funds in a way that restricts the procurement to only one vendor; or

- ◆ The procurement is an information technology device and:
 - It is systems software or an upgrade, or
 - It would prevent voidance or termination of a warranty, or
 - It would prevent default under a contract or other obligation, or
 - Compatibility is the overriding consideration.

To request approval for a sole source procurement:

1. Complete the *Report of Sole Source Procurement*, noting the vendor's name on the form. Directions to complete the form are available in the *Quick Guide to Services Contracting* and at [Hoovr3s2/fiscpub/](#) Contract Documents.
2. Submit the completed form electronically to the Bureau of Purchased Services.
 - ◆ For procurements with the potential value of \$50,000 or more, submit the form six months before the anticipated procurement date. Six months allows sufficient time for the request for proposal process, should the request not meet the sole-source criteria.
 - ◆ For procurements with a value of less than \$50,000, submit the form at least six weeks before the effective date to allow sufficient time for the competition process.
3. The form will be processed. If purchasing from a sole source is deemed appropriate, the Department director will sign the form.
4. Negotiate the procurement if the sole source request is approved.
5. Attach the approved *Report of Sole Source Procurement* to the invoice when it is processed for payment.

General Procurement Procedures

The purchasing agent in the Bureau of Purchasing, Payments, and Receipts is the DHS liaison for the purchase of general goods. Randy Van Gundy acts as the liaison for the purchase of information technology devices and services.

Form 470-3522, *Approval for Purchase*, must be completed for:

- ◆ All purchases of goods except office supplies (see [Office Supplies](#)).
- ◆ All purchases of computer equipment, services, or software over \$500.00. (Requests for purchases of \$500 or less should be submitted to the Division of Data Management in writing or by e-mail.)

This form is available as a template in Outlook.

Purchases Under \$5,000

DAS-GSE grants authority to departments for the purchase of non-master agreement goods up to \$5,000 per transaction. Purchases greater than \$5,000 shall not be split to fall under this policy.

Obtain three or more informal quotes for all purchases for transactions of \$1,000.00 or more unless the item is purchased from Iowa Prison Industries or a targeted small business vendor. Quotes shall be documented in writing and shall include the following information:

- ◆ Name of company providing the price quote
- ◆ Make and model number of the product
- ◆ Price of the item
- ◆ Date of quote
- ◆ Name of company contact
- ◆ Name of state employee obtaining the quote
- ◆ Statement of justification for bid accepted

Use the *General Accounting Expenditure* (GAX) form accompanied by a vendor invoice and copies of informal quotes to process such transactions.

This procedure also may be used for:

- ◆ Immediate or emergency needs costing less than \$5,000;
- ◆ Items on individual or statewide contract when the required quantity is less than the minimum order quantity in the contract.

Purchases of \$5,000 or More

Forward requests for purchases of **goods of general use** for more than \$5,000 to the purchasing agent in the Bureau of Purchasing, Payments, and Receipts.

Exceptions:

- ◆ Facilities handle their own purchases for goods of general use.
- ◆ Authority is granted to purchase goods of general use from a targeted small business without competition for a purchase up to \$10,000. (See Targeted Small Business Procurement for procedures.)

Forward all requests for purchase of **information technology** devices and services to the Division of Data Management for approval using form 470-3522, *Approval for Purchase*.

Emergency Purchases

An emergency procurement is an acquisition of goods resulting from a sudden or unforeseen situation that requires immediate action. Emergency procurements should not be used as a solution for hardships caused by neglect, poor planning, or lack of organization by the department.

To complete the process for an emergency procurement:

1. Complete the *Report of Emergency Procurement* as soon as the need for emergency procurement is identified. Include the vendor's name on the form. The form is available at <http://das.gse.iowa.gov/solesource.pdf>. Directions to complete the form are available in the *Quick Guide to Services Contracting*.
2. Submit the completed *Report of Emergency Procurement* to the Bureau of Purchased Services electronically.

3. The Bureau of Purchased Services will review the report and notify the requester via telephone or e-mail. The report may be:
 - ◆ Approved and sent on to the director or to the director's designee;
 - ◆ Disapproved as it did not meet criteria; or
 - ◆ Neither approved nor denied, since a revision is requested. An explanation of what is needed will be provided.
4. When the report indicates the emergency procurement is appropriate, the director or designee will sign the report of emergency procurement. Upon final approval and signature, the *Report of Emergency Procurement* will be returned to the Bureau of Purchased Services, and then forwarded to the requester.
5. Negotiate the purchase. The signed form must be attached to the invoice when payment is processed.

Procurement Procedures for Specific Items

Special Justification Requirements

Requisitions for the following categories of items require special justifications before the DAS-GSE Division of Procurement Services will process them:

- ◆ **Telecommunication systems:** Any purchase of telecommunications equipment and services must be made through the Department of Administrative Services or the Telecommunications and Technology Commission, as required by Iowa Code chapter 8D and the Commission's rules found at 751 Iowa Administrative Code Chapter 5.
- ◆ **Information technology devices and services:** All requests for information technology devices and services must be processed as required in Iowa Code sections 8A.202 and 8A.206 and 11 Iowa Administrative Code 105.10. The administrator of the DHS Division of Data Management or the administrator's designee must approve all requests.
- ◆ **Equipment paid for with federal funds:** Federal regulations may require federal approval of large equipment purchases that will be paid in part with federal funds. Refer to the applicable Code of Federal Regulations for approval requirements and procedures.

Public Law 94-580, Section 6002, requires that maximum use be made of reclaimed materials in products purchased with federal funds when the purchase price exceeds \$10,000 or where the quantity of items purchased in the preceding year was \$10,000. It also requires that vendors certify the percentage of recovered material that was used in the item purchased.

Further, specifications must not exclude the recovered materials or require virgin materials and they shall require reclaimed materials to the maximum extent without jeopardizing the end use of the item. Requisitions to purchase items such as these shall prominently identify that federal funds are to be used.

- ◆ **Items costing in excess of \$50,000:** Any item or a group of items estimated to cost in excess of \$50,000 require approval by the director of DAS-GSE or the director's designee. At the director's discretion, additional justification may be requested before approval.
- ◆ **Motor vehicles:** All motor vehicle requirements must be previously approved and specifications approved by the Fleet and Mail Division of DAS-GSE. Requests from field operations and central office for motor vehicles shall be routed to the storekeeper in the Bureau of Purchasing, Payments, and Receipts for processing. Facilities shall work directly with the DAS-GSE fleet administrator for all assignments and replacements of their vehicles.
- ◆ **Printing and reproduction equipment:** Any form of printing or reproduction equipment, including offset presses, letter presses, office copiers, or any type of duplicating or bindery equipment, must be previously approved and specifications written by the Information Technology Services Division of the Department of Administrative Services.
- ◆ **Renovations and construction:** Renovations and construction within the capitol complex shall be authorized and specifications approved by the DAS-GSE Division of Architectural and Engineering Services.

Construction estimated to cost in excess of \$25,000 at facilities under the jurisdiction of the Department of Human Services shall be reviewed and approved by the DHS Division of Fiscal Management after authorization by the appropriate division administrator.
- ◆ **Architectural and engineering services:** Purchases of architectural and engineering services require additional authorization as prescribed in Iowa Code sections 8A.302, 8A.311, 8A.321, 218.58, and 904.315.
- ◆ **Legal counsel:** Procurement of legal counsel requires authorization as prescribed in Iowa Code section 13.7.

Office Supplies

DHS central office and field offices can order office supplies and similar items from the Bureau of Purchasing, Payments, and Receipts by using form 470-0047, *Requisition*. The form is available as a template in Outlook.

Submit orders by e-mail to "DHS, Supply." Supplies will be shipped to the appropriate address and shipping charges charged back to the receiver.

Offices are requested to order supplies only once each month except for emergency needs. The schedule for placing supply orders is:

- ◆ Ordered by work day closest to 7th calendar day; filled by work day closest to 14th calendar day
 - Results-Based Accountability Division
 - Bureau of Refugee Services
 - Case management
 - Service area offices
- ◆ Ordered by work day closest to 14th calendar day; filled by work day closest to 21st calendar day
 - Data Management Division
 - Director's office
 - Bureau of Policy Analysis and Appeals
 - Legal services (Attorney General)
- ◆ Ordered by work day closest to 21st calendar day; filled by work day closest to 28th calendar day
 - Child support offices
 - Financial, Health, and Work Supports Division
 - Field Office Support Division
 - **All** orders for copier paper, toner, and cartridges
- ◆ Ordered by work day closest to 28th calendar day; filled by work day closest to 7th calendar day
 - Child and Family Services Division
 - Fiscal Management Division
 - Iowa Medicaid Enterprise
 - Mental Health and Disability Services Division

When it is necessary to return items ordered, complete form 470-0047, *Merchandise Return*, and submit it to the Bureau of Purchasing, Payments, and Receipts. This form is available as a template in Outlook.

Forms

Local offices should order forms from Iowa Prison Industries in Anamosa using form 470-0044, *Form Order Requisition*. Forms that are not available from Iowa Prison Industries may be available as a template on Outlook or eForms or may be printed or photocopied from the sample in the manual.

If a form cannot be found in any of these locations, staff may contact the Department's forms manager.

Manual Material

The Bureau of Purchasing, Payments, and Receipts distribute updates to the Employees' Manual. You may order additional manual material or adjust your distribution by sending an e-mail message to "DHS Supply."

- ◆ All local offices should route their orders to their service area manager or regional administrator.
- ◆ The service area manager or regional administrator will forward orders to the Bureau of Purchasing, Payments, and Receipts.
- ◆ Central Office orders should be sent directly to the Bureau of Purchasing, Payments, and Receipts.

All orders should be in line with guidelines set in Chapter 1-B, of the ***Employees Manual***.

Publications From the U.S. Government Printing Office

Publications available from the U.S. Government Printing Office may be ordered by central office, local and regional offices by sending a request to the Bureau of Purchasing, Payments, and Receipts. DHS facilities shall place orders directly with the U.S. Government Printing Office.

Memberships

Requests for new memberships or renewals of existing memberships shall be sent to the Division of Fiscal Management. All requests must be accompanied by justification for the membership. Justification shall include:

- ◆ Benefits to the Department,
- ◆ Publications and journals included in the membership,
- ◆ Area of the Department covered by the membership,
- ◆ All membership costs,
- ◆ For a membership renewal, any cost increase over the previous year,
- ◆ The reason for any significant increase in cost, and
- ◆ Any other pertinent information.

The Division of Fiscal Management shall:

1. Send the membership request to the Iowa Executive Council for consideration and approval.
2. Notify the requesting office if additional information or a personal appearance is required; and
3. Notify the requesting office of approval or denial by the Iowa Executive Council.

Trading in Equipment

Whenever possible, Department offices and facilities shall trade in unusable equipment on the purchase of new equipment.

When the equipment to be traded in on an item is a capital asset, notify the personnel designated for the service area, regional office, or central office to delete the item from the asset inventory.

Receiving Goods

Each service area, regional office, and facility shall designate persons responsible for receiving goods. The Bureau of Purchasing, Payments, and Receipts shall be responsible for receiving goods for central office.

Receiving personnel shall perform the following duties upon receipt of goods:

- ◆ [Inspecting](#)
- ◆ [Counting](#)
- ◆ [Protecting](#)
- ◆ [Communicating](#)
- ◆ [Claims](#)

Inspecting

It is mandatory, to inspect all containers or packages for external damage before and during unloading.

1. Inspect the labels to be certain that the goods are being delivered to the proper location.
2. Inspect the outstanding order file to be certain that the goods were actually on order.
3. Inspect the item for apparent compliance with the specifications or make and model listed on the purchase order.
4. Note any unusual “rattles” or signs of leakage.
5. If external damage is noted, open the package immediately. With the driver, make a joint inventory and examine the contents.

Endorse a full, detailed result of the examination on the carrier’s delivery receipt and the agency copy. The driver should sign the agency copy of the document. Be sure the date received is entered on the delivery receipt.

6. Within three days, inspect the contents for concealed damage.

NOTE: Courts have generally ruled that a consignee may not open the containers and examine the merchandise before giving a receipt to the carrier, unless the containers indicate the probability of damage.

The agency has the right to a reasonable inspection if there appears to be damage. Do not allow the driver to pressure the receiving personnel into neglecting this important responsibility. Once the merchandise has been signed for, the carrier's liability has technically ended unless concealed damage is found within a reasonable time (usually within 10 days).

Counting

The count shall be verified before payment.

1. Count the cartons, containers, and items as they are being unloaded.
2. If there is a discrepancy, make a full notation on the carrier and agency copies of the freight bill before signing. Require the driver to verify the exception statement on the freight bill.
3. Within three days of receipt, unpack all merchandise and count the items to be certain that everything that was supposed to be shipped was included.

When a large shipment is received, extract samples from the shipment within three days and verify the count of samples. If shortages occur frequently within the samples, the shipment should be segregated and action taken to require the vendor to complete the order.

Industrial usage frequently allows a maximum of 10 percent overage for a vendor to ship and close orders that are a maximum of 10 percent short.

Protecting

1. Move the goods to the proper location from the receiving point as quickly as possible.
2. Protect the goods from the elements and improper storage and handling procedures.

3. Identify goods with labels or property tags to insure against pilferage or misplacing.
4. Update inventory records immediately.

Communicating

1. Notify business office and using personnel immediately after receiving goods.
2. Process receiving documents to the business office immediately.
3. Call the attention of the business office to any damages, discrepancies in count, or failure to deliver to specifications.
4. Prepare a DAS-GSE *Customer Complaint Report* when appropriate and process it through the business office to DAS-GSE Division of Procurement Services.

Claims

A refusal to accept goods is not justified solely by damage during transportation. Whenever possible, goods should be accepted, necessary steps should be taken to minimize damage, and a claim filed with the carrier. However, if the damage is such that the entire value of the goods is destroyed, the goods may be refused and the carrier held responsible for their value.

1. While awaiting the carrier's investigation of the claims, the goods should be left in the original container and moved only if absolutely necessary.
2. Use a standard claim form, if available. Complete the claim form in full supported by the original bill of lading, evidence of the freight charges and the original invoice.
3. Request an inspection and confirm the request in writing. Photographs may be desirable to support the claim. In concealed damage claims, the burden of proof shifts to the claimant. When concealed damage is discovered, leave the damaged item in the container, and immediately notify the carrier in writing requesting an inspection.

4. Keep copies of everything for Department records.
5. File claims immediately. Claims must be filed within nine months of delivery or, in the case of loss, within nine months of a reasonable time for delivery.

Carriers must acknowledge receipt of a cargo claim within 30 days. Within 120 days of receipt, the carrier must pay, decline, or make a firm compromise settlement.

When shipments are made F.O.B. Destination, the seller must be notified of the necessity for a claim and provided with all the documentation and evidence to support the claim.

Assistance with claims may be requested from the:

Compliance Section
Transportation Regulation Board
Des Moines, Iowa 50319
(515) 281-5892/6595

Vendor Noncompliance

Failure to take prompt action to notify the vendor or DAS-GSE Division of Procurement Services of the vendor's failure to comply with the terms of the contract or order has the effect of creating a "constructive" change to the terms. In other words, by inaction the Department is giving approval to the vendor's behavior.

Failure by vendors to deliver on time, in the proper quantities, or according to specifications are serious discrepancies that must be dealt with in a prompt, uniform, and fair manner. It shall be the responsibility of receiving personnel to anticipate deliveries of goods and notify the business office when goods are not received as expected.

1. The business office shall notify receiving personnel of goods on order and their anticipated date of receipt.
2. When goods are not received on time, in the proper quantities, or according to specifications, the business office shall contact the vendor and ask that the noncompliant situation be remedied.

3. If, after the initial contact, the vendor is still noncompliant, a DAS-GSE Customer Complaint Report shall be completed detailing all of the circumstances and forwarded to the DAS-GSE Division of Procurement Services.
4. The Division of Procurement Services will then provide the vendor with a written notice to "cure" the situation. If, after this notice, the vendor fails to comply with the terms of the contract or order, the Division of Procurement Services will cancel the agreement, order from another source, and take steps to recover the difference in price from the noncompliant vendor.

Surplus Property

Department of Human Services offices and facilities shall utilize state or federal surplus property whenever the use of a surplus item both is cost-effective and serves the purpose of the Department.

The property acquired is on an "as is," "where is" basis, without warranty of any kind. All restrictions and conditions imposed by Iowa Prison Industries shall apply.

To Obtain Surplus Property

Each institution and Central Office shall submit an eligibility application to Iowa Prison Industries along with a list of persons authorized to sign for surplus property. This list shall be reviewed annually and updated as necessary. Materials Management may require an annual participation charge.

Surplus items housed at Federal Surplus, 2323 Dean Avenue in Des Moines, may be viewed by appointment only Tuesday through Friday between 8:00 a.m. and 2:00 p.m. Contact General Services Central Supply for an appointment.

To reserve a surplus item:

1. Tag it at the time you view it with the Department name, office name, and the name and phone number of person requesting it.

2. Prepare a letter requesting the transfer of the surplus item:
 - ◆ Include the tag number of the item and a description of the item requested
 - ◆ State whether the item is to be picked up by Department personnel or shipped to the new location.
 - ◆ For surplus items that would normally require special purchase justification, include the required justification.
3. Submit the request as follows:
 - ◆ Central Office, service area offices, and regional offices shall send the letter to the Bureau of Purchasing, Payments, and Receipts.
 - ◆ Facilities shall send the letter to the Director of the Division of Materials Management.

Process costs for surplus property on a GAX document.

To Obtain Surplus Vehicles

Surplus state vehicles are obtained in the same manner as other surplus with the following exceptions:

- ◆ Requestor shall make arrangements with the State Vehicle Dispatcher to have the vehicle inspected.
- ◆ Prepare a letter of justification for the additional vehicle and send the letter to the Bureau of Purchasing, Payments, and Receipts.

If approved, the Bureau of Purchasing, Payments, and Receipts will:

- ◆ Prepare a request for approval to the State Fleet Vehicle Dispatcher.
- ◆ Notify requesting office of approval or disapproval.

To Send Property to Surplus

To send items to surplus, refer to Chapter 24-H, [CAPITAL ASSETS](#), and 24-H [APPENDIX](#).



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
KEVIN W. CONCANNON, DIRECTOR

June 20, 2008

GENERAL LETTER NO. 23-K-3

ISSUED BY: Bureau of Purchasing, Payments, and Receipts,
Division of Fiscal Management

SUBJECT: Management Manual, Title 23, Chapter K, **PROCUREMENT**, Title page,
revised; Contents (page 1), revised; and pages 1 through 21, revised.

Summary

This chapter is revised to reflect current policies and procedures.

Effective Date

Immediately

Material Superseded

Remove the following pages from Management Manual, Title 23, Chapter K, and destroy them:

<u>Page</u>	<u>Date</u>
Title page	June 29, 1984
Contents (pages 1 and 2)	June 29, 1984
1-12	June 29, 1984
13	October 29, 1984
14-28	June 29, 1984

Additional Information

Refer questions about this general letter to your service area manager, facility superintendent, or regional collections administrator.