By: Senator(s) Harkins

To: Accountability, Efficiency, Transparency

SENATE BILL NO. 2399

- AN ACT TO AMEND SECTIONS 27-104-7 AND 31-7-13, MISSISSIPPI CODE OF 1972, TO EXEMPT THE DEPARTMENT OF FINANCE AND
- 3 ADMINISTRATION FROM CERTAIN BID PROCUREMENT REQUIREMENTS FOR
- 4 PURCHASES OF CERTAIN PROFESSIONAL SERVICES AT THE STATE CAPITOL
- 5 BUILDING AND GROUNDS OR SITES THAT ARE DUALLY DESIGNATED AS A
- 6 NATIONAL HISTORIC LANDMARK AND A MISSISSIPPI LANDMARK; AND FOR
- 7 RELATED PURPOSES.
- 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
- 9 **SECTION 1.** Section 27-104-7, Mississippi Code of 1972, is
- 10 amended as follows:
- 11 27-104-7. (1) (a) There is created the Public Procurement
- 12 Review Board, which shall be reconstituted on January 1, 2018, and
- 13 shall be composed of the following members:
- (i) Three (3) individuals appointed by the
- 15 Governor with the advice and consent of the Senate;
- 16 (ii) Two (2) individuals appointed by the
- 17 Lieutenant Governor with the advice and consent of the Senate; and
- 18 (iii) The Executive Director of the Department of
- 19 Finance and Administration, serving as an ex officio and nonvoting
- 20 member.

21 (b)	The	initial	terms	of	each	appointee	shall	be	as
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- 22 follows:
- (i) One (1) member appointed by the Governor to
- 24 serve for a term ending on June 30, 2019;
- 25 (ii) One (1) member appointed by the Governor to
- 26 serve for a term ending on June 30, 2020;
- 27 (iii) One (1) member appointed by the Governor to
- 28 serve for a term ending on June 30, 2021;
- 29 (iv) One (1) member appointed by the Lieutenant
- 30 Governor to serve for a term ending on June 30, 2019; and
- 31 (v) One (1) member appointed by the Lieutenant
- 32 Governor to serve for a term ending on June 30, 2020.
- 33 After the expiration of the initial terms, all appointed
- 34 members' terms shall be for a period of four (4) years from the
- 35 expiration date of the previous term, and until such time as the
- 36 member's successor is duly appointed and qualified.
- 37 (c) When appointing members to the Public Procurement
- 38 Review Board, the Governor and Lieutenant Governor shall take into
- 39 consideration persons who possess at least five (5) years of
- 40 management experience in general business, health care or finance
- 41 for an organization, corporation or other public or private
- 42 entity. Any person, or any employee or owner of a company, who
- 43 receives any grants, procurements or contracts that are subject to
- 44 approval under this section shall not be appointed to the Public
- 45 Procurement Review Board. Any person, or any employee or owner of

- 46 a company, who is a principal of the source providing a personal
- 47 or professional service shall not be appointed to the Public
- 48 Procurement Review Board if the principal owns or controls a
- 49 greater than five percent (5%) interest or has an ownership value
- of One Million Dollars (\$1,000,000.00) in the source's business,
- 51 whichever is smaller. No member shall be an officer or employee
- 52 of the State of Mississippi while serving as a voting member on
- 53 the Public Procurement Review Board.
- 54 (d) Members of the Public Procurement Review Board
- shall be entitled to per diem as authorized by Section 25-3-69 and
- 56 travel reimbursement as authorized by Section 25-3-41.
- 57 (e) The members of the Public Procurement Review Board
- 58 shall elect a chair from among the membership, and he or she shall
- 59 preside over the meetings of the board. The board shall annually
- 60 elect a vice chair, who shall serve in the absence of the chair.
- 61 No business shall be transacted, including adoption of rules of
- 62 procedure, without the presence of a quorum of the board. Three
- 63 (3) members shall be a quorum. No action shall be valid unless
- 64 approved by a majority of the members present and voting, entered
- 65 upon the minutes of the board and signed by the chair. Necessary
- 66 clerical and administrative support for the board shall be
- 67 provided by the Department of Finance and Administration. Minutes
- 68 shall be kept of the proceedings of each meeting, copies of which
- 69 shall be filed on a monthly basis with the chairs of the
- 70 Accountability, Efficiency and Transparency Committees of the

71	Senate	and	House	of	Representatives	and	the	chairs	of	th

- 72 Appropriations Committees of the Senate and House of
- 73 Representatives.
- 74 (2) The Public Procurement Review Board shall have the
- 75 following powers and responsibilities:
- 76 (a) Approve all purchasing regulations governing the
- 77 purchase or lease by any agency, as defined in Section 31-7-1, of
- 78 commodities and equipment, except computer equipment acquired
- 79 pursuant to Sections 25-53-1 through 25-53-29;
- 80 (b) Adopt regulations governing the approval of
- 81 contracts let for the construction and maintenance of state
- 82 buildings and other state facilities as well as related contracts
- 83 for architectural and engineering services.
- The provisions of this paragraph (b) shall not apply to such
- 85 contracts involving buildings and other facilities of state
- 86 institutions of higher learning which are self-administered as
- 87 provided under this paragraph (b) or Section 37-101-15(m);
- 88 (c) Adopt regulations governing any lease or rental
- 89 agreement by any state agency or department, including any state
- 90 agency financed entirely by federal funds, for space outside the
- 91 buildings under the jurisdiction of the Department of Finance and
- 92 Administration. These regulations shall require each agency
- 93 requesting to lease such space to provide the following
- 94 information that shall be published by the Department of Finance
- 95 and Administration on its website: the agency to lease the space;

96 the terms of the lease; the approximate square feet to be leased; 97 the use for the space; a description of a suitable space; the general location desired for the leased space; the contact 98 99 information for a person from the agency; the deadline date for 100 the agency to have received a lease proposal; any other specific 101 terms or conditions of the agency; and any other information 102 deemed appropriate by the Division of Real Property Management of 103 the Department of Finance and Administration or the Public 104 Procurement Review Board. The information shall be provided 105 sufficiently in advance of the time the space is needed to allow 106 the Division of Real Property Management of the Department of 107 Finance and Administration to review and preapprove the lease 108 before the time for advertisement begins; 109 Adopt, in its discretion, regulations to set aside 110 at least five percent (5%) of anticipated annual expenditures for 111 the purchase of commodities from minority businesses; however, all 112 such set-aside purchases shall comply with all purchasing regulations promulgated by the department and shall be subject to 113 114 all bid requirements. Set-aside purchases for which competitive 115 bids are required shall be made from the lowest and best minority 116 business bidder; however, if no minority bid is available or if 117 the minority bid is more than two percent (2%) higher than the lowest bid, then bids shall be accepted and awarded to the lowest 118 119 and best bidder. However, the provisions in this paragraph shall not be construed to prohibit the rejection of a bid when only one 120

121	(1)	bid	is	received.	Such	re	jection	shall	be	placed	in	the

- 122 minutes. For the purposes of this paragraph, the term "minority
- 123 business" means a business which is owned by a person who is a
- 124 citizen or lawful permanent resident of the United States and who
- 125 is:
- 126 (i) Black: having origins in any of the black
- 127 racial groups of Africa;
- 128 (ii) Hispanic: of Mexican, Puerto Rican, Cuban,
- 129 Central or South American, or other Spanish or Portuguese culture
- 130 or origin regardless of race;
- 131 (iii) Asian-American: having origins in any of
- 132 the original people of the Far East, Southeast Asia, the Indian
- 133 subcontinent, or the Pacific Islands;
- 134 (iv) American Indian or Alaskan Native: having
- 135 origins in any of the original people of North America; or
- 136 (v) Female;
- 137 (e) In consultation with and approval by the Chairs of
- 138 the Senate and House Public Property Committees, approve leases,
- 139 for a term not to exceed eighteen (18) months, entered into by
- 140 state agencies for the purpose of providing parking arrangements
- 141 for state employees who work in the Woolfolk Building, the Carroll
- 142 Gartin Justice Building or the Walter Sillers Office Building;
- (f) (i) Except as otherwise provided in subparagraph
- 144 (ii) of this paragraph, promulgate rules and regulations governing
- 145 the solicitation and selection of contractual services personnel,

146	including	personal	and	professional	services	contracts	for	any
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- 147 form of consulting, policy analysis, public relations, marketing,
- 148 public affairs, legislative advocacy services or any other
- 149 contract that the board deems appropriate for oversight, with the
- 150 exception of:
- 151 1. Any personal service contracts entered
- 152 into by any agency that employs only nonstate service employees as
- 153 defined in Section 25-9-107(c);
- 154 2. Any personal service contracts entered
- 155 into for computer or information technology-related services
- 156 governed by the Mississippi Department of Information Technology
- 157 Services;
- 158 3. Any personal service contracts entered
- 159 into by the individual state institutions of higher learning;
- 4. Any personal service contracts entered
- 161 into by the Mississippi Department of Transportation;
- 162 5. Any personal service contracts entered
- 163 into by the Department of Human Services through June 30, 2019,
- 164 which the Executive Director of the Department of Human Services
- 165 determines would be useful in establishing and operating the
- 166 Department of Child Protection Services;
- 167 6. Any personal service contracts entered
- 168 into by the Department of Child Protection Services through June
- 169 30, 2019;

170	7. Any contracts for entertainers and/or
171	performers at the Mississippi State Fairgrounds entered into by
172	the Mississippi Fair Commission;
173	8. Any contracts entered into by the
174	Department of Finance and Administration when procuring aircraft
175	maintenance, parts, equipment and/or services;
176	9. Any contract entered into by the
177	Department of Public Safety for service on specialized equipment
178	and/or software required for the operation of such specialized
179	equipment for use by the Office of Forensics Laboratories;
180	10. Any personal or professional service
181	contract entered into by the Mississippi Department of Health or
182	the Department of Revenue solely in connection with their
183	respective responsibilities under the Mississippi Medical Cannabis
184	Act from February 2, 2022, through June 30, 2026;
185	11. Any contract for attorney, accountant,
186	actuary auditor, architect, engineer, anatomical pathologist, or
187	utility rate expert services;
188	12. Any personal service contracts approved
189	by the Executive Director of the Department of Finance and
190	Administration and entered into by the Coordinator of Mental
191	Health Accessibility through June 30, 2022;
192	13. Any personal or professional services
193	contract entered into by the State Department of Health in
194	carrying out its responsibilities under the ARPA Rural Water

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L96	2026; * * *
L97	14. * * * Any personal or professional
L98	services contract entered into by the Mississippi Department of
L99	Environmental Quality in carrying out its responsibilities under
200	the Mississippi Municipality and County Water Infrastructure Grant
201	Program Act of 2022, through June 30, 2026 * * *; and
202	15. Any personal or professional services
203	contract entered into by the Department of Finance and
204	Administration for architectural, engineering, operation or
205	maintenance services at the State Capitol Building and grounds or
206	any other historical buildings or sites under the general
207	supervision and care of the department that are dually designated
208	as both a National Historic Landmark and a Mississippi Landmark.
209	Any such rules and regulations shall provide for maintaining
210	continuous internal audit covering the activities of such agency
211	affecting its revenue and expenditures as required under Section
212	7-7-3(6)(d). Any rules and regulation changes related to personal
213	and professional services contracts that the Public Procurement
214	Review Board may propose shall be submitted to the Chairs of the
215	Accountability, Efficiency and Transparency Committees of the
216	Senate and House of Representatives and the Chairs of the
217	Appropriation Committees of the Senate and House of
218	Representatives at least fifteen (15) days before the board votes
219	on the proposed changes, and those rules and regulation changes,

221	Mississippi Administrative Procedures Act.
222	(ii) From and after July 1, 2024, the Public
223	Procurement Review Board shall promulgate rules and regulations
224	that require the Department of Finance and Administration to
225	conduct personal and professional services solicitations as
226	provided in subparagraph (i) of this paragraph for those services
227	in excess of Seventy-five Thousand Dollars (\$75,000.00) for the
228	Department of Marine Resources, the Department of Wildlife,
229	Fisheries and Parks, the Mississippi Emergency Management Agency
230	and the Mississippi Development Authority, with assistance to be
231	provided from these entities. Any powers that have been conferred
232	upon agencies in order to comply with the provisions of this
233	section for personal and professional services solicitations shall
234	be conferred upon the Department of Finance and Administration to
235	conduct personal and professional services solicitations for the
236	Department of Marine Resources, the Department of Wildlife,
237	Fisheries and Parks, the Mississippi Emergency Management Agency

and the Mississippi Development Authority for those services in

submissions that are required to be made by other agencies to the

excess of Seventy-five Thousand Dollars (\$75,000.00). The

Public Procurement Review Board for the Department of Marine

Resources, the Department of Wildlife, Fisheries and Parks, the

Department of Finance and Administration shall make any

if adopted, shall be promulgated in accordance with the

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- 244 Mississippi Emergency Management Agency and the Mississippi
- 245 Development Authority.
- The provisions of this subparagraph (ii) shall stand repealed
- 247 on June 30, 2027;
- 248 (g) Approve all personal and professional services
- 249 contracts involving the expenditures of funds in excess of
- 250 Seventy-five Thousand Dollars (\$75,000.00), except as provided in
- 251 paragraph (f) of this subsection (2) and in subsection (8);
- 252 (h) Develop mandatory standards with respect to
- 253 contractual services personnel that require invitations for public
- 254 bid, requests for proposals, record keeping and financial
- 255 responsibility of contractors. The Public Procurement Review
- 256 Board shall, unless exempted under this paragraph (h) or under
- 257 paragraph (i) or (o) of this subsection (2), require the agency
- 258 involved to submit the procurement to a competitive procurement
- 259 process, and may reserve the right to reject any or all resulting
- 260 procurements;
- 261 (i) Prescribe certain circumstances by which agency
- 262 heads may enter into contracts for personal and professional
- 263 services without receiving prior approval from the Public
- 264 Procurement Review Board. The Public Procurement Review Board may
- 265 establish a preapproved list of providers of various personal and
- 266 professional services for set prices with which state agencies may
- 267 contract without bidding or prior approval from the board;

268	(i) Agency requirements may be fulfilled by
269	procuring services performed incident to the state's own programs
270	The agency head shall determine in writing whether the price
271	represents a fair market value for the services. When the
272	procurements are made from other governmental entities, the
273	private sector need not be solicited; however, these contracts
274	shall still be submitted for approval to the Public Procurement
275	Review Board.

- (ii) Contracts between two (2) state agencies,
 both under Public Procurement Review Board purview, shall not
 require Public Procurement Review Board approval. However, the
 contracts shall still be entered into the enterprise resource
 planning system;
- (j) Provide standards for the issuance of requests for proposals, the evaluation of proposals received, consideration of costs and quality of services proposed, contract negotiations, the administrative monitoring of contract performance by the agency and successful steps in terminating a contract;
- 286 (k) Present recommendations for governmental
 287 privatization and to evaluate privatization proposals submitted by
 288 any state agency;
- (1) Authorize personal and professional service

 290 contracts to be effective for more than one (1) year provided a

 291 funding condition is included in any such multiple year contract,

 292 except the State Board of Education, which shall have the

293	authority	to	enter	into	contractual	agreements	for	student

- 294 assessment for a period up to ten (10) years. The State Board of
- 295 Education shall procure these services in accordance with the
- 296 Public Procurement Review Board procurement regulations;
- 297 (m) Request the State Auditor to conduct a performance
- 298 audit on any personal or professional service contract;
- 299 (n) Prepare an annual report to the Legislature
- 300 concerning the issuance of personal and professional services
- 301 contracts during the previous year, collecting any necessary
- 302 information from state agencies in making such report;
- 303 (o) Develop and implement the following standards and
- 304 procedures for the approval of any sole source contract for
- 305 personal and professional services regardless of the value of the
- 306 procurement:
- 307 (i) For the purposes of this paragraph (o), the
- 308 term "sole source" means only one (1) source is available that can
- 309 provide the required personal or professional service.
- 310 (ii) An agency that has been issued a binding,
- 311 valid court order mandating that a particular source or provider
- 312 must be used for the required service must include a copy of the
- 313 applicable court order in all future sole source contract reviews
- 314 for the particular personal or professional service referenced in
- 315 the court order.
- 316 (iii) Any agency alleging to have a sole source
- 317 for any personal or professional service, other than those

318	exempted	under	paragraph	(f)	of	this	subsection	(2)	and	subsection
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- 319 (8), shall publish on the procurement portal website established
- by Sections 25-53-151 and 27-104-165, for at least fourteen (14) 320
- 321 days, the terms of the proposed contract for those services. In
- 322 addition, the publication shall include, but is not limited to,
- 323 the following information:
- 324 1. The personal or professional service
- 325 offered in the contract;
- 326 2. An explanation of why the personal or
- 327 professional service is the only one that can meet the needs of
- 328 the agency;
- 329 3. An explanation of why the source is the
- 330 only person or entity that can provide the required personal or
- professional service; 331
- 332 An explanation of why the amount to be
- 333 expended for the personal or professional service is reasonable;
- 334 and
- 335 5. The efforts that the agency went through
- 336 to obtain the best possible price for the personal or professional
- 337 service.
- 338 (iv) If any person or entity objects and proposes
- 339 that the personal or professional service published under
- 340 subparagraph (iii) of this paragraph (o) is not a sole source
- service and can be provided by another person or entity, then the 341

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objecting person or entity shall notify the Public Procurement 342

343	Review Board and the agency that published the proposed sole
344	source contract with a detailed explanation of why the personal or
345	professional service is not a sole source service.

- (v) 1. If the agency determines after review that
 the personal or professional service in the proposed sole source
 contract can be provided by another person or entity, then the
 agency must withdraw the sole source contract publication from the
 procurement portal website and submit the procurement of the
 personal or professional service to an advertised competitive bid
 or selection process.
- 2. If the agency determines after review that
 there is only one (1) source for the required personal or
 professional service, then the agency may appeal to the Public
 Procurement Review Board. The agency has the burden of proving
 that the personal or professional service is only provided by one
 that the personal or professional service is only provided by one
 - 3. If the Public Procurement Review Board has any reasonable doubt as to whether the personal or professional service can only be provided by one (1) source, then the agency must submit the procurement of the personal or professional service to an advertised competitive bid or selection process. No action taken by the Public Procurement Review Board in this appeal process shall be valid unless approved by a majority of the members of the Public Procurement Review Board present and voting.

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367	(vi) The Public Procurement Review Board shall
368	prepare and submit a quarterly report to the House of
369	Representatives and Senate Accountability, Efficiency and
370	Transparency Committees that details the sole source contracts
371	presented to the Public Procurement Review Board and the reasons
372	that the Public Procurement Review Board approved or rejected each
373	contract. These quarterly reports shall also include the
374	documentation and memoranda required in subsection (4) of this
375	section. An agency that submitted a sole source contract shall be
376	prepared to explain the sole source contract to each committee by
377	December 15 of each year upon request by the committee;

- 378 (p) Assess any fines and administrative penalties 379 provided for in Sections 31-7-401 through 31-7-423.
 - (3) All submissions shall be made sufficiently in advance of each monthly meeting of the Public Procurement Review Board as prescribed by the Public Procurement Review Board. If the Public Procurement Review Board rejects any contract submitted for review or approval, the Public Procurement Review Board shall clearly set out the reasons for its action, including, but not limited to, the policy that the agency has violated in its submitted contract and any corrective actions that the agency may take to amend the contract to comply with the rules and regulations of the Public Procurement Review Board.
- 390 (4) All sole source contracts for personal and professional 391 services awarded by state agencies, other than those exempted

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392	under Section 27-104-7(2)(f) and (8), whether approved by an
393	agency head or the Public Procurement Review Board, shall contain
394	in the procurement file a written determination for the approval,
395	using a request form furnished by the Public Procurement Review
396	Board. The written determination shall document the basis for the
397	determination, including any market analysis conducted in order to
398	ensure that the service required was practicably available from
399	only one (1) source. A memorandum shall accompany the request
100	form and address the following four (4) points:

- Explanation of why this service is the only service 401 (a) that can meet the needs of the purchasing agency; 402
- 403 Explanation of why this vendor is the only (b) 404 practicably available source from which to obtain this service;
- 405 Explanation of why the price is considered 406 reasonable; and
- 407 Description of the efforts that were made to 408 conduct a noncompetitive negotiation to get the best possible 409 price for the taxpayers.
 - (5) In conjunction with the State Personnel Board, the Public Procurement Review Board shall develop and promulgate rules and regulations to define the allowable legal relationship between contract employees and the contracting departments, agencies and institutions of state government under the jurisdiction of the State Personnel Board, in compliance with the applicable rules and regulations of the federal Internal Revenue Service (IRS) for

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- 417 federal employment tax purposes. Under these regulations, the 418 usual common law rules are applicable to determine and require 419 that such worker is an independent contractor and not an employee, 420 requiring evidence of lawful behavioral control, lawful financial 421 control and lawful relationship of the parties. Any state 422 department, agency or institution shall only be authorized to 423 contract for personnel services in compliance with those 424 regulations.
- 425 (6) No member of the Public Procurement Review Board shall
 426 use his or her official authority or influence to coerce, by
 427 threat of discharge from employment, or otherwise, the purchase of
 428 commodities, the contracting for personal or professional
 429 services, or the contracting for public construction under this
 430 chapter.
- 431 (7) Notwithstanding any other laws or rules to the contrary,
 432 the provisions of subsection (2) of this section shall not be
 433 applicable to the Mississippi State Port Authority at Gulfport.
 - (8) Nothing in this section shall impair or limit the authority of the Board of Trustees of the Public Employees'
 Retirement System to enter into any personal or professional services contracts directly related to their constitutional obligation to manage the trust funds, including, but not limited to, actuarial, custodial banks, cash management, investment consultant and investment management contracts. Nothing in this section shall impair or limit the authority of the State Treasurer

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- 443 involving the management of trust funds, including, but not
- 444 limited to, actuarial, custodial banks, cash management,
- 445 investment consultant and investment management contracts.
- 446 (9) Through December 31, 2024, the provisions of this
- 447 section related to rental agreements or leasing of real property
- 448 for the purpose of conducting agency business shall not apply to
- 449 the Office of Workforce Development created in Section 37-153-7.
- 450 **SECTION 2.** Section 31-7-13, Mississippi Code of 1972, is
- 451 amended as follows:
- 452 31-7-13. All agencies and governing authorities shall
- 453 purchase their commodities and printing; contract for garbage
- 454 collection or disposal; contract for solid waste collection or
- 455 disposal; contract for sewage collection or disposal; contract for
- 456 public construction; and contract for rentals as herein provided.
- 457 (a) Bidding procedure for purchases not over \$5,000.00.
- 458 Purchases which do not involve an expenditure of more than Five
- 459 Thousand Dollars (\$5,000.00), exclusive of freight or shipping
- 460 charges, may be made without advertising or otherwise requesting
- 461 competitive bids. However, nothing contained in this paragraph
- 462 (a) shall be construed to prohibit any agency or governing
- 463 authority from establishing procedures which require competitive
- 464 bids on purchases of Five Thousand Dollars (\$5,000.00) or less.
- 465 (b) Bidding procedure for purchases over \$5,000.00 but
- 466 **not over \$75,000.00.** Purchases which involve an expenditure of

467	more than Five Thousand Dollars (\$5,000.00) but not more than
468	Seventy-five Thousand Dollars (\$75,000.00), exclusive of freight
469	and shipping charges, may be made from the lowest and best bidder
470	without publishing or posting advertisement for bids, provided at
471	least two (2) competitive written bids have been obtained. Any
472	state agency or community or junior college purchasing commodities
473	or procuring construction pursuant to this paragraph (b) may
474	authorize its purchasing agent, or his designee, to accept the
475	lowest competitive written bid under Seventy-five Thousand Dollars
476	(\$75,000.00). Any governing authority purchasing commodities
477	pursuant to this paragraph (b) may authorize its purchasing agent,
478	or his designee, with regard to governing authorities other than
479	counties, or its purchase clerk, or his designee, with regard to
480	counties, to accept the lowest and best competitive written bid.
481	Such authorization shall be made in writing by the governing
482	authority and shall be maintained on file in the primary office of
483	the agency and recorded in the official minutes of the governing
484	authority, as appropriate. The purchasing agent or the purchase
485	clerk, or his designee, as the case may be, and not the governing
486	authority, shall be liable for any penalties and/or damages as may
487	be imposed by law for any act or omission of the purchasing agent
488	or purchase clerk, or his designee, constituting a violation of
489	law in accepting any bid without approval by the governing
490	authority. The term "competitive written bid" shall mean a bid
491	submitted on a bid form furnished by the buying agency or

492 governing authority and signed by authorized personnel representing the vendor, or a bid submitted on a vendor's 493 494 letterhead or identifiable bid form and signed by authorized 495 personnel representing the vendor. "Competitive" shall mean that 496 the bids are developed based upon comparable identification of the 497 needs and are developed independently and without knowledge of 498 other bids or prospective bids. Any bid item for construction in 499 excess of Five Thousand Dollars (\$5,000.00) shall be broken down 500 by components to provide detail of component description and These details shall be submitted with the written bids 501 pricing. 502 and become part of the bid evaluation criteria. Bids may be 503 submitted by facsimile, electronic mail or other generally 504 accepted method of information distribution. Bids submitted by 505 electronic transmission shall not require the signature of the 506 vendor's representative unless required by agencies or governing 507 authorities.

(c) Bidding procedure for purchases over \$75,000.00.

(i) Publication requirement.

1. Purchases which involve an expenditure of more than Seventy-five Thousand Dollars (\$75,000.00), exclusive of freight and shipping charges, may be made from the lowest and best bidder after advertising for competitive bids once each week for two (2) consecutive weeks in a regular newspaper published in the county or municipality in which such agency or governing authority is located. However, all American Recovery and Reinvestment Act

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517 projects in excess of Twenty-five Thousand Dollars (\$25,000.00) 518 shall be bid. All references to American Recovery and Reinvestment Act projects in this section shall not apply to 519 520 programs identified in Division B of the American Recovery and 521 Reinvestment Act. 522 2. Reverse auctions shall be the primary 523 method for receiving bids during the bidding process. If a 524 purchasing entity determines that a reverse auction is not in the 525 best interest of the state, then that determination must be 526 approved by the Public Procurement Review Board. The purchasing 527 entity shall submit a detailed explanation of why a reverse 528 auction would not be in the best interest of the state and present 529 an alternative process to be approved by the Public Procurement 530 Review Board. If the Public Procurement Review Board authorizes 531 the purchasing entity to solicit bids with a method other than 532 reverse auction, then the purchasing entity may designate the 533 other methods by which the bids will be received, including, but 534 not limited to, bids sealed in an envelope, bids received 535 electronically in a secure system, or bids received by any other 536 method that promotes open competition and has been approved by the 537 Office of Purchasing and Travel. However, reverse auction shall 538 not be used for any public contract for design, construction, 539 improvement, repair or remodeling of any public facilities, 540 including the purchase of materials, supplies, equipment or goods

for same and including buildings, roads and bridges. The Public

543 alternative process. The provisions of this item 2 shall not apply to the individual state institutions of higher learning. 544 The provisions of this item 2 requiring reverse auction as the 545 546 primary method of receiving bids shall not apply to term contract 547 purchases as provided in paragraph (n) of this section; however, a purchasing entity may, in its discretion, utilize reverse auction 548 549 for such purchases. The provisions of this item 2 shall not apply 550 to individual public schools, including public charter schools and public school districts, only when purchasing copyrighted 551 552 educational supplemental materials and software as a service 553 product. For such purchases, a local school board may authorize a 554 purchasing entity in its jurisdiction to use a Request for 555 Qualifications which promotes open competition and meets the 556 requirements of the Office of Purchasing and Travel. 557 The date as published for the bid opening 558 shall not be less than seven (7) working days after the last 559 published notice; however, if the purchase involves a construction 560 project in which the estimated cost is in excess of Seventy-five Thousand Dollars (\$75,000.00), such bids shall not be opened in 561 562 less than fifteen (15) working days after the last notice is 563 published and the notice for the purchase of such construction 564 shall be published once each week for two (2) consecutive weeks. However, all American Recovery and Reinvestment Act projects in 565 excess of Twenty-five Thousand Dollars (\$25,000.00) shall be bid. 566

Procurement Review Board must approve any contract entered into by

567	For any projects in excess of Twenty-five Thousand Dollars
568	(\$25,000.00) under the American Recovery and Reinvestment Act,
569	publication shall be made one (1) time and the bid opening for
570	construction projects shall not be less than ten (10) working days
571	after the date of the published notice. The notice of intention
572	to let contracts or purchase equipment shall state the time and
573	place at which bids shall be received, list the contracts to be
574	made or types of equipment or supplies to be purchased, and, if
575	all plans and/or specifications are not published, refer to the
576	plans and/or specifications on file. If there is no newspaper
577	published in the county or municipality, then such notice shall be
578	given by posting same at the courthouse, or for municipalities at
579	the city hall, and at two (2) other public places in the county or
580	municipality, and also by publication once each week for two (2)
581	consecutive weeks in some newspaper having a general circulation
582	in the county or municipality in the above-provided manner. On
583	the same date that the notice is submitted to the newspaper for
584	publication, the agency or governing authority involved shall mail
585	written notice to, or provide electronic notification to the main
586	office of the Mississippi Procurement Technical Assistance Program
587	under the Mississippi Development Authority that contains the same
588	information as that in the published notice. Submissions received
589	by the Mississippi Procurement Technical Assistance Program for
590	projects funded by the American Recovery and Reinvestment Act
591	shall be displayed on a separate and unique Internet web page

592	accessible to the public and maintained by the Mississippi
593	Development Authority for the Mississippi Procurement Technical
594	Assistance Program. Those American Recovery and Reinvestment Act
595	related submissions shall be publicly posted within twenty-four
596	(24) hours of receipt by the Mississippi Development Authority and
597	the bid opening shall not occur until the submission has been
598	posted for ten (10) consecutive days. The Department of Finance
599	and Administration shall maintain information regarding contracts
600	and other expenditures from the American Recovery and Reinvestment
601	Act, on a unique Internet web page accessible to the public. The
602	Department of Finance and Administration shall promulgate rules
603	regarding format, content and deadlines, unless otherwise
604	specified by law, of the posting of award notices, contract
605	execution and subsequent amendments, links to the contract
606	documents, expenditures against the awarded contracts and general
607	expenditures of funds from the American Recovery and Reinvestment
608	Act. Within one (1) working day of the contract award, the agency
609	or governing authority shall post to the designated web page
610	maintained by the Department of Finance and Administration, notice
611	of the award, including the award recipient, the contract amount,
612	and a brief summary of the contract in accordance with rules
613	promulgated by the department. Within one (1) working day of the
614	contract execution, the agency or governing authority shall post
615	to the designated web page maintained by the Department of Finance
616	and Administration a summary of the executed contract and make a

617	copy of the appropriately redacted contract documents available
618	for linking to the designated web page in accordance with the
619	rules promulgated by the department. The information provided by
620	the agency or governing authority shall be posted to the web page
621	for the duration of the American Recovery and Reinvestment Act
622	funding or until the project is completed, whichever is longer.
623	(ii) Bidding process amendment procedure. If all
624	plans and/or specifications are published in the notification,
625	then the plans and/or specifications may not be amended. If all
626	plans and/or specifications are not published in the notification,
627	then amendments to the plans/specifications, bid opening date, bid
628	opening time and place may be made, provided that the agency or
629	governing authority maintains a list of all prospective bidders
630	who are known to have received a copy of the bid documents and all
631	such prospective bidders are sent copies of all amendments. This
632	notification of amendments may be made via mail, facsimile,
633	electronic mail or other generally accepted method of information
634	distribution. No addendum to bid specifications may be issued
635	within two (2) working days of the time established for the
636	receipt of bids unless such addendum also amends the bid opening
637	to a date not less than five (5) working days after the date of
638	the addendum.
639	(iii) Filing requirement. In all cases involving

governing authorities, before the notice shall be published or

posted, the plans or specifications for the construction or

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equipment being sought shall be filed with the clerk of the board of the governing authority. In addition to these requirements, a bid file shall be established which shall indicate those vendors to whom such solicitations and specifications were issued, and such file shall also contain such information as is pertinent to the bid.

(iv) Specification restrictions.

Specifications pertinent to such bidding shall be written so as not to exclude comparable equipment of domestic manufacture. However, if valid justification is presented, the Department of Finance and Administration or the board of a governing authority may approve a request for specific equipment necessary to perform a specific job. Further, such justification, when placed on the minutes of the board of a governing authority, may serve as authority for that governing authority to write specifications to require a specific item of equipment needed to perform a specific job. In addition to these requirements, from and after July 1, 1990, vendors of relocatable classrooms and the specifications for the purchase of such relocatable classrooms published by local school boards shall meet all pertinent regulations of the State Board of Education, including prior approval of such bid by the State Department of Education.

2. Specifications for construction projects may include an allowance for commodities, equipment, furniture,

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construction materials or systems in which prospective bidders are instructed to include in their bids specified amounts for such items so long as the allowance items are acquired by the vendor in a commercially reasonable manner and approved by the agency/governing authority. Such acquisitions shall not be made to circumvent the public purchasing laws.

Electronic bids. Agencies and governing (V) authorities shall provide a secure electronic interactive system for the submittal of bids requiring competitive bidding that shall be an additional bidding option for those bidders who choose to submit their bids electronically. The Department of Finance and Administration shall provide, by regulation, the standards that agencies must follow when receiving electronic bids. Agencies and governing authorities shall make the appropriate provisions necessary to accept electronic bids from those bidders who choose to submit their bids electronically for all purchases requiring competitive bidding under this section. Any special condition or requirement for the electronic bid submission shall be specified in the advertisement for bids required by this section. Agencies or governing authorities that are currently without available high speed Internet access shall be exempt from the requirement of this subparagraph (v) until such time that high speed Internet access becomes available. Any county having a population of less than twenty thousand (20,000) shall be exempt from the provisions of this subparagraph (v). Any municipality having a population of

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less than ten thousand (10,000) shall be exempt from the 692 693 provisions of this subparagraph (v). The provisions of this 694 subparagraph (v) shall not require any bidder to submit bids 695 electronically. When construction bids are submitted 696 electronically, the requirement for including a certificate of 697 responsibility, or a statement that the bid enclosed does not 698 exceed Fifty Thousand Dollars (\$50,000.00), on the exterior of the 699 bid envelope as indicated in Section 31-3-21(1) and (2) shall be 700 deemed in compliance with by including same as an attachment with 701 the electronic bid submittal.

(d) Lowest and best bid decision procedure.

703 (i) **Decision procedure.** Purchases may be made 704 from the lowest and best bidder. In determining the lowest and 705 best bid, freight and shipping charges shall be included. Life-cycle costing, total cost bids, warranties, guaranteed 706 707 buy-back provisions and other relevant provisions may be included 708 in the best bid calculation. All best bid procedures for state 709 agencies must be in compliance with regulations established by the 710 Department of Finance and Administration. If any governing 711 authority accepts a bid other than the lowest bid actually 712 submitted, it shall place on its minutes detailed calculations and 713 narrative summary showing that the accepted bid was determined to 714 be the lowest and best bid, including the dollar amount of the 715 accepted bid and the dollar amount of the lowest bid. No agency

717	included in the specifications.
718	(ii) Decision procedure for Certified Purchasing
719	Offices. In addition to the decision procedure set forth in
720	subparagraph (i) of this paragraph (d), Certified Purchasing
721	Offices may also use the following procedure: Purchases may be
722	made from the bidder offering the best value. In determining the
723	best value bid, freight and shipping charges shall be included.
724	Life-cycle costing, total cost bids, warranties, guaranteed
725	buy-back provisions, documented previous experience, training
726	costs and other relevant provisions, including, but not limited
727	to, a bidder having a local office and inventory located within
728	the jurisdiction of the governing authority, may be included in
729	the best value calculation. This provision shall authorize
730	Certified Purchasing Offices to utilize a Request For Proposals
731	(RFP) process when purchasing commodities. All best value
732	procedures for state agencies must be in compliance with
733	regulations established by the Department of Finance and
734	Administration. No agency or governing authority shall accept a
735	bid based on items or criteria not included in the specifications
736	(iii) Decision procedure for Mississippi
737	Landmarks. In addition to the decision procedure set forth in
738	subparagraph (i) of this paragraph (d), where purchase involves
739	renovation, restoration, or both, of the State Capitol Building of
740	any other historical building designated for at least five (5)

or governing authority shall accept a bid based on items not

741	years as a Mississippi Landmark by the Board of Trustees of the
742	Department of Archives and History under the authority of Sections
743	39-7-7 and 39-7-11, the agency or governing authority may use the
744	following procedure: Purchases may be made from the lowest and
745	best prequalified bidder. Prequalification of bidders shall be
746	determined not less than fifteen (15) working days before the
747	first published notice of bid opening. Prequalification criteria
748	shall be limited to bidder's knowledge and experience in
749	historical restoration, preservation and renovation. In
750	determining the lowest and best bid, freight and shipping charges
751	shall be included. Life-cycle costing, total cost bids,
752	warranties, guaranteed buy-back provisions and other relevant
753	provisions may be included in the best bid calculation. All best
754	bid and prequalification procedures for state agencies must be in
755	compliance with regulations established by the Department of
756	Finance and Administration. If any governing authority accepts a
757	bid other than the lowest bid actually submitted, it shall place
758	on its minutes detailed calculations and narrative summary showing
759	that the accepted bid was determined to be the lowest and best
760	bid, including the dollar amount of the accepted bid and the
761	dollar amount of the lowest bid. No agency or governing authority
762	shall accept a bid based on items not included in the
763	specifications.

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If the lowest and best bid is not more than ten percent (10%)

(iv) Construction project negotiations authority.

767	renovation project, then the agency or governing authority shall
768	be permitted to negotiate with the lowest bidder in order to enter
769	into a contract for an amount not to exceed the funds allocated.
770	(e) Lease-purchase authorization. For the purposes of
771	this section, the term "equipment" shall mean equipment, furniture
772	and, if applicable, associated software and other applicable
773	direct costs associated with the acquisition. Any lease-purchase
774	of equipment which an agency is not required to lease-purchase
775	under the master lease-purchase program pursuant to Section
776	31-7-10 and any lease-purchase of equipment which a governing
777	authority elects to lease-purchase may be acquired by a
778	lease-purchase agreement under this paragraph (e). Lease-purchase
779	financing may also be obtained from the vendor or from a
780	third-party source after having solicited and obtained at least
781	two (2) written competitive bids, as defined in paragraph (b) of
782	this section, for such financing without advertising for such
783	bids. Solicitation for the bids for financing may occur before or
784	after acceptance of bids for the purchase of such equipment or,
785	where no such bids for purchase are required, at any time before
786	the purchase thereof. No such lease-purchase agreement shall be
787	for an annual rate of interest which is greater than the overall
788	maximum interest rate to maturity on general obligation
789	indebtedness permitted under Section 75-17-101, and the term of
790	such lease-purchase agreement shall not exceed the useful life of

766 above the amount of funds allocated for a public construction or

791	equipment covered thereby as determined according to the upper
792	limit of the asset depreciation range (ADR) guidelines for the
793	Class Life Asset Depreciation Range System established by the
794	Internal Revenue Service pursuant to the United States Internal
795	Revenue Code and regulations thereunder as in effect on December
796	31, 1980, or comparable depreciation guidelines with respect to
797	any equipment not covered by ADR guidelines. Any lease-purchase
798	agreement entered into pursuant to this paragraph (e) may contain
799	any of the terms and conditions which a master lease-purchase
800	agreement may contain under the provisions of Section 31-7-10(5),
801	and shall contain an annual allocation dependency clause
802	substantially similar to that set forth in Section 31-7-10(8).
803	Each agency or governing authority entering into a lease-purchase
804	transaction pursuant to this paragraph (e) shall maintain with
805	respect to each such lease-purchase transaction the same
806	information as required to be maintained by the Department of
807	Finance and Administration pursuant to Section 31-7-10(13).
808	However, nothing contained in this section shall be construed to
809	permit agencies to acquire items of equipment with a total
810	acquisition cost in the aggregate of less than Ten Thousand
811	Dollars (\$10,000.00) by a single lease-purchase transaction. All
812	equipment, and the purchase thereof by any lessor, acquired by
813	lease-purchase under this paragraph and all lease-purchase
814	payments with respect thereto shall be exempt from all Mississippi
815	sales, use and ad valorem taxes. Interest paid on any

lease-purchase agreement under this section shall be exempt from 817 State of Mississippi income taxation.

- 818 Alternate bid authorization. When necessary to (f) 819 ensure ready availability of commodities for public works and the 820 timely completion of public projects, no more than two (2) 821 alternate bids may be accepted by a governing authority for 822 commodities. No purchases may be made through use of such 823 alternate bids procedure unless the lowest and best bidder cannot 824 deliver the commodities contained in his bid. In that event, 825 purchases of such commodities may be made from one (1) of the 826 bidders whose bid was accepted as an alternate.
 - event a determination is made by an agency or governing authority after a construction contract is let that changes or modifications to the original contract are necessary or would better serve the purpose of the agency or the governing authority, such agency or governing authority may, in its discretion, order such changes pertaining to the construction that are necessary under the circumstances without the necessity of further public bids; provided that such change shall be made in a commercially reasonable manner and shall not be made to circumvent the public purchasing statutes. In addition to any other authorized person, the architect or engineer hired by an agency or governing authority with respect to any public construction contract shall have the authority, when granted by an agency or governing

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authority, to authorize changes or modifications to the original contract without the necessity of prior approval of the agency or governing authority when any such change or modification is less than one percent (1%) of the total contract amount. The agency or governing authority may limit the number, manner or frequency of such emergency changes or modifications.

847 Petroleum purchase alternative. In addition to (h) 848 other methods of purchasing authorized in this chapter, when any 849 agency or governing authority shall have a need for gas, diesel 850 fuel, oils and/or other petroleum products in excess of the amount 851 set forth in paragraph (a) of this section, such agency or 852 governing authority may purchase the commodity after having 853 solicited and obtained at least two (2) competitive written bids, 854 as defined in paragraph (b) of this section. If two (2) 855 competitive written bids are not obtained, the entity shall comply 856 with the procedures set forth in paragraph (c) of this section. 857 In the event any agency or governing authority shall have 858 advertised for bids for the purchase of gas, diesel fuel, oils and 859 other petroleum products and coal and no acceptable bids can be 860 obtained, such agency or governing authority is authorized and 861 directed to enter into any negotiations necessary to secure the 862 lowest and best contract available for the purchase of such 863 commodities.

(i) Road construction petroleum products price adjustment clause authorization. Any agency or governing

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866 authority authorized to enter into contracts for the construction, 867 maintenance, surfacing or repair of highways, roads or streets, 868 may include in its bid proposal and contract documents a price 869 adjustment clause with relation to the cost to the contractor, 870 including taxes, based upon an industry-wide cost index, of 871 petroleum products including asphalt used in the performance or 872 execution of the contract or in the production or manufacture of 873 materials for use in such performance. Such industry-wide index 874 shall be established and published monthly by the Mississippi 875 Department of Transportation with a copy thereof to be mailed, 876 upon request, to the clerks of the governing authority of each 877 municipality and the clerks of each board of supervisors 878 throughout the state. The price adjustment clause shall be based 879 on the cost of such petroleum products only and shall not include 880 any additional profit or overhead as part of the adjustment. The 881 bid proposals or document contract shall contain the basis and 882 methods of adjusting unit prices for the change in the cost of 883 such petroleum products.

(j) State agency emergency purchase procedure. If the governing board or the executive head, or his designees, of any agency of the state shall determine that an emergency exists in regard to the purchase of any commodities or repair contracts, so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interests of the state, then the head of such agency, or his designees, shall file with the

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891	Department of Finance and Administration (i) a statement
892	explaining the conditions and circumstances of the emergency,
893	which shall include a detailed description of the events leading
894	up to the situation and the negative impact to the entity if the
895	purchase is made following the statutory requirements set forth in
896	paragraph (a), (b) or (c) of this section, and (ii) a certified
897	copy of the appropriate minutes of the board of such agency
898	requesting the emergency purchase, if applicable. Upon receipt of
899	the statement and applicable board certification, the State Fiscal
900	Officer, or his designees, may, in writing, authorize the purchase
901	or repair without having to comply with competitive bidding
902	requirements.

If the governing board or the executive head, or his designees, of any agency determines that an emergency exists in regard to the purchase of any commodities or repair contracts, so that the delay incident to giving opportunity for competitive bidding would threaten the health or safety of any person, or the preservation or protection of property, then the provisions in this section for competitive bidding shall not apply, and any officer or agent of the agency having general or specific authority for making the purchase or repair contract shall approve the bill presented for payment, and he shall certify in writing from whom the purchase was made, or with whom the repair contract was made.

Total purchases made under this paragraph (j) shall only be for the purpose of meeting needs created by the emergency situation. Following the emergency purchase, documentation of the purchase, including a description of the commodity purchased, the purchase price thereof and the nature of the emergency shall be filed with the Department of Finance and Administration. contract awarded pursuant to this paragraph (j) shall not exceed a term of one (1) year.

Purchases under the grant program established under Section 37-68-7 in response to COVID-19 and the directive that school districts create a distance learning plan and fulfill technology needs expeditiously shall be deemed an emergency purchase for purposes of this paragraph (j).

928 (k) Governing authority emergency purchase procedure.

If the governing authority, or the governing authority acting through its designee, shall determine that an emergency exists in regard to the purchase of any commodities or repair contracts, so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interest of the governing authority, then the provisions herein for competitive bidding shall not apply and any officer or agent of such governing authority having general or special authority therefor in making such purchase or repair shall approve the bill presented therefor, and he shall certify in writing thereon from whom such purchase was made, or with whom such a repair contract was made. At the

940	board meeting next following the emergency purchase or repair
941	contract, documentation of the purchase or repair contract,
942	including a description of the commodity purchased, the price
943	thereof and the nature of the emergency shall be presented to the
944	board and shall be placed on the minutes of the board of such
945	governing authority. Purchases under the grant program
946	established under Section 37-68-7 in response to COVID-19 and the
947	directive that school districts create a distance learning plan
948	and fulfill technology needs expeditiously shall be deemed an
949	emergency purchase for purposes of this paragraph (k).

- (1) Hospital purchase, lease-purchase and lease authorization.
- 952 (i) The commissioners or board of trustees of any 953 public hospital may contract with such lowest and best bidder for 954 the purchase or lease-purchase of any commodity under a contract 955 of purchase or lease-purchase agreement whose obligatory payment 956 terms do not exceed five (5) years.
- 957 (ii) In addition to the authority granted in 958 subparagraph (i) of this paragraph (l), the commissioners or board 959 of trustees is authorized to enter into contracts for the lease of 960 equipment or services, or both, which it considers necessary for the proper care of patients if, in its opinion, it is not 961 962 financially feasible to purchase the necessary equipment or 963 services. Any such contract for the lease of equipment or services executed by the commissioners or board shall not exceed a 964

965	maximum of five (5) years' duration and shall include a
966	cancellation clause based on unavailability of funds. If such
967	cancellation clause is exercised, there shall be no further
968	liability on the part of the lessee. Any such contract for the
969	lease of equipment or services executed on behalf of the
970	commissioners or board that complies with the provisions of this
971	subparagraph (ii) shall be excepted from the bid requirements set
972	forth in this section.

- 973 (m) **Exceptions from bidding requirements.** Excepted 974 from bid requirements are:
- 975 (i) Purchasing agreements approved by department.
 976 Purchasing agreements, contracts and maximum price regulations
 977 executed or approved by the Department of Finance and
 978 Administration.
- 979 (ii) Outside equipment repairs. Repairs to 980 equipment, when such repairs are made by repair facilities in the 981 private sector; however, engines, transmissions, rear axles and/or 982 other such components shall not be included in this exemption when 983 replaced as a complete unit instead of being repaired and the need 984 for such total component replacement is known before disassembly 985 of the component; however, invoices identifying the equipment, 986 specific repairs made, parts identified by number and name, 987 supplies used in such repairs, and the number of hours of labor 988 and costs therefor shall be required for the payment for such repairs. 989

990	(iii) In-house equipment repairs. Purchases of
991	parts for repairs to equipment, when such repairs are made by
992	personnel of the agency or governing authority; however, entire
993	assemblies, such as engines or transmissions, shall not be
994	included in this exemption when the entire assembly is being
995	replaced instead of being repaired.

- 996 (iv) **Raw gravel or dirt**. Raw unprocessed deposits 997 of gravel or fill dirt which are to be removed and transported by 998 the purchaser.
- 999 (∇) Governmental equipment auctions. Motor 1000 vehicles or other equipment purchased from a federal agency or 1001 authority, another governing authority or state agency of the 1002 State of Mississippi, or any governing authority or state agency 1003 of another state at a public auction held for the purpose of disposing of such vehicles or other equipment. Any purchase by a 1004 1005 governing authority under the exemption authorized by this 1006 subparagraph (v) shall require advance authorization spread upon the minutes of the governing authority to include the listing of 1007 1008 the item or items authorized to be purchased and the maximum bid 1009 authorized to be paid for each item or items.
- 1010 (vi) Intergovernmental sales and transfers.

 1011 Purchases, sales, transfers or trades by governing authorities or

 1012 state agencies when such purchases, sales, transfers or trades are

 1013 made by a private treaty agreement or through means of

 1014 negotiation, from any federal agency or authority, another

L016	or any state agency or governing authority of another state.
L017	Nothing in this section shall permit such purchases through public
L018	auction except as provided for in subparagraph (v) of this
L019	paragraph (m). It is the intent of this section to allow
L020	governmental entities to dispose of and/or purchase commodities
L021	from other governmental entities at a price that is agreed to by
L022	both parties. This shall allow for purchases and/or sales at
L023	prices which may be determined to be below the market value if the
L024	selling entity determines that the sale at below market value is
L025	in the best interest of the taxpayers of the state. Governing
L026	authorities shall place the terms of the agreement and any
L027	justification on the minutes, and state agencies shall obtain
L028	approval from the Department of Finance and Administration, prior
L029	to releasing or taking possession of the commodities.
L030	(vii) Perishable supplies or food. Perishable
L031	supplies or food purchased for use in connection with hospitals,
L032	the school lunch programs, homemaking programs and for the feeding
L033	of county or municipal prisoners.
L034	(viii) Single-source items. Noncompetitive items
L035	available from one (1) source only. In connection with the
L036	purchase of noncompetitive items only available from one (1)
L037	source, a certification of the conditions and circumstances

requiring the purchase shall be filed by the agency with the

Department of Finance and Administration and by the governing

governing authority or state agency of the State of Mississippi,

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1040	authority with the board of the governing authority. Upon receipt
1041	of that certification the Department of Finance and Administration
1042	or the board of the governing authority, as the case may be, may,
1043	in writing, authorize the purchase, which authority shall be noted
1044	on the minutes of the body at the next regular meeting thereafter.
1045	In those situations, a governing authority is not required to
1046	obtain the approval of the Department of Finance and
1047	Administration. Following the purchase, the executive head of the
1048	state agency, or his designees, shall file with the Department of
1049	Finance and Administration, documentation of the purchase,
1050	including a description of the commodity purchased, the purchase
1051	price thereof and the source from whom it was purchased.
1052	(ix) Waste disposal facility construction
1053	contracts. Construction of incinerators and other facilities for
1054	disposal of solid wastes in which products either generated
1055	therein, such as steam, or recovered therefrom, such as materials
1056	for recycling, are to be sold or otherwise disposed of; however,
1057	in constructing such facilities, a governing authority or agency
1058	shall publicly issue requests for proposals, advertised for in the
1059	same manner as provided herein for seeking bids for public
1060	construction projects, concerning the design, construction,
1061	ownership, operation and/or maintenance of such facilities,
1062	wherein such requests for proposals when issued shall contain
1063	terms and conditions relating to price, financial responsibility,
1064	technology, environmental compatibility, legal responsibilities

1065	and such other matters as are determined by the governing
1066	authority or agency to be appropriate for inclusion; and after
1067	responses to the request for proposals have been duly received,
1068	the governing authority or agency may select the most qualified
1069	proposal or proposals on the basis of price, technology and other
1070	relevant factors and from such proposals, but not limited to the
1071	terms thereof, negotiate and enter contracts with one or more of
1072	the persons or firms submitting proposals.

- 1073 (x) Hospital group purchase contracts. Supplies,
 1074 commodities and equipment purchased by hospitals through group
 1075 purchase programs pursuant to Section 31-7-38.
- 1076 (xi) Information technology products. Purchases

 1077 of information technology products made by governing authorities

 1078 under the provisions of purchase schedules, or contracts executed

 1079 or approved by the Mississippi Department of Information

 1080 Technology Services and designated for use by governing

 1081 authorities.
- 1082 (xii) Energy efficiency services and equipment.

 1083 Energy efficiency services and equipment acquired by school

 1084 districts, community and junior colleges, institutions of higher

 1085 learning and state agencies or other applicable governmental

 1086 entities on a shared-savings, lease or lease-purchase basis

 1087 pursuant to Section 31-7-14.
- 1088 (xiii) Municipal electrical utility system fuel.

 1089 Purchases of coal and/or natural gas by municipally owned electric

1090	power generating systems that have the capacity to use both coal
1091	and natural gas for the generation of electric power.
1092	(xiv) Library books and other reference materials.
1093	Purchases by libraries or for libraries of books and periodicals;
1094	processed film, videocassette tapes, filmstrips and slides;
1095	recorded audiotapes, cassettes and diskettes; and any such items
1096	as would be used for teaching, research or other information
1097	distribution; however, equipment such as projectors, recorders,
1098	audio or video equipment, and monitor televisions are not exempt
1099	under this subparagraph.
1100	(xv) Unmarked vehicles. Purchases of unmarked
1101	vehicles when such purchases are made in accordance with
1102	purchasing regulations adopted by the Department of Finance and
1103	Administration pursuant to Section 31-7-9(2).
1104	(xvi) Election ballots. Purchases of ballots
1105	printed pursuant to Section 23-15-351.
1106	(xvii) Multichannel interactive video systems.
1107	From and after July 1, 1990, contracts by Mississippi Authority
1108	for Educational Television with any private educational
1109	institution or private nonprofit organization whose purposes are
1110	educational in regard to the construction, purchase, lease or
1111	lease-purchase of facilities and equipment and the employment of
1112	personnel for providing multichannel interactive video systems

(ITSF) in the school districts of this state.

1114	(XV111) Purchases of prison industry products by
1115	the Department of Corrections, regional correctional facilities or
1116	privately owned prisons. Purchases made by the Mississippi
1117	Department of Corrections, regional correctional facilities or
1118	privately owned prisons involving any item that is manufactured,
1119	processed, grown or produced from the state's prison industries.
1120	(xix) Undercover operations equipment. Purchases
1121	of surveillance equipment or any other high-tech equipment to be
1122	used by law enforcement agents in undercover operations, provided
1123	that any such purchase shall be in compliance with regulations
1124	established by the Department of Finance and Administration.
1125	(xx) Junior college books for rent. Purchases by
1126	community or junior colleges of textbooks which are obtained for
1127	the purpose of renting such books to students as part of a book
1128	service system.
1129	(xxi) Certain school district purchases.
1130	Purchases of commodities made by school districts from vendors
1131	with which any levying authority of the school district, as
1132	defined in Section 37-57-1, has contracted through competitive
1133	bidding procedures for purchases of the same commodities.
1134	(xxii) Garbage, solid waste and sewage contracts.
1135	Contracts for garbage collection or disposal, contracts for solid
1136	waste collection or disposal and contracts for sewage collection
1137	or disposal.

1138	(xxiii) Municipal water tank maintenance
1139	contracts. Professional maintenance program contracts for the
1140	repair or maintenance of municipal water tanks, which provide
1141	professional services needed to maintain municipal water storage
1142	tanks for a fixed annual fee for a duration of two (2) or more
1143	years.
1144	(xxiv) Purchases of Mississippi Industries for the
1145	Blind products or services. Purchases made by state agencies or
1146	governing authorities involving any item that is manufactured,
1147	processed or produced by, or any services provided by, the
1148	Mississippi Industries for the Blind.
1149	(xxy) Purchases of state-adopted textbooks.
1150	Purchases of state-adopted textbooks by public school districts.
1151	(xxvi) Certain purchases under the Mississippi
1152	Major Economic Impact Act. Contracts entered into pursuant to the
1153	provisions of Section $57-75-9(2)$, (3) and (4) .
1154	(xxvii) Used heavy or specialized machinery or
1155	equipment for installation of soil and water conservation
1156	<pre>practices purchased at auction. Used heavy or specialized</pre>
1157	machinery or equipment used for the installation and
1158	implementation of soil and water conservation practices or
1159	measures purchased subject to the restrictions provided in
1160	Sections 69-27-331 through 69-27-341. Any purchase by the State
1161	Soil and Water Conservation Commission under the exemption
1162	authorized by this subparagraph shall require advance

L164	the listing of the item or items authorized to be purchased and
L165	the maximum bid authorized to be paid for each item or items.
L166	(xxviii) Hospital lease of equipment or services.
L167	Leases by hospitals of equipment or services if the leases are in
L168	compliance with paragraph (1)(ii).
L169	(xxix) Purchases made pursuant to qualified
L170	cooperative purchasing agreements. Purchases made by certified
L171	purchasing offices of state agencies or governing authorities
L172	under cooperative purchasing agreements previously approved by the
L173	Office of Purchasing and Travel and established by or for any
L174	municipality, county, parish or state government or the federal
L175	government, provided that the notification to potential
L176	contractors includes a clause that sets forth the availability of
L177	the cooperative purchasing agreement to other governmental
L178	entities. Such purchases shall only be made if the use of the
L179	cooperative purchasing agreements is determined to be in the best
L180	interest of the governmental entity.
L181	(xxx) School yearbooks. Purchases of school
L182	yearbooks by state agencies or governing authorities; however,
L183	state agencies and governing authorities shall use for these
L184	purchases the RFP process as set forth in the Mississippi
1185	Procurement Manual adopted by the Office of Purchasing and Travel

authorization spread upon the minutes of the commission to include

1187	certain other contracts. Contracts entered into under the
1188	provisions of Section 31-7-13.1, 37-101-44 or 65-1-85.
1189	(xxxii) Toll roads and bridge construction
1190	<pre>projects. Contracts entered into under the provisions of Section</pre>
1191	65-43-1 or 65-43-3.
1192	(xxxiii) Certain purchases under Section 57-1-221.
1193	Contracts entered into pursuant to the provisions of Section
1194	57-1-221.
1195	(xxxiv) Certain transfers made pursuant to the
1196	<pre>provisions of Section 57-105-1(7). Transfers of public property</pre>
1197	or facilities under Section 57-105-1(7) and construction related
1198	to such public property or facilities.
1199	(XXXV) Certain purchases or transfers entered into
1200	with local electrical power associations. Contracts or agreements
1201	entered into under the provisions of Section 55-3-33.
1202	(xxxvi) Certain purchases by an academic medical
1203	center or health sciences school. Purchases by an academic
1204	medical center or health sciences school, as defined in Section
1205	37-115-50, of commodities that are used for clinical purposes and
1206	1. intended for use in the diagnosis of disease or other
1207	conditions or in the cure, mitigation, treatment or prevention of
1208	disease, and 2. medical devices, biological, drugs and
1209	radiation-emitting devices as defined by the United States Food

(xxxi) Design-build method of contracting and

and Drug Administration.

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1211	(XXXV11) Certain purchases made under the Alyce G.
1212	Clarke Mississippi Lottery Law. Contracts made by the Mississippi
1213	Lottery Corporation pursuant to the Alyce G. Clarke Mississippi
1214	Lottery Law.
1215	(xxxviii) Certain purchases made by the Department
1216	of Health and the Department of Revenue. Purchases made by the
1217	Department of Health and the Department of Revenue solely for the
1218	purpose of fulfilling their respective responsibilities under the
1219	Mississippi Medical Cannabis Act. This subparagraph shall stand
1220	repealed on June 30, 2026.
1221	(XXXIX) Certain purchases at landmark buildings.
1222	Purchases made by the Department of Finance and Administration for
1223	the renovation, repair, restoration or improvements to the State
1224	Capitol Building and grounds or any other historical buildings or
1225	sites under the general supervision and care of the department
1226	that are dually designated as both a National Historic Landmark
1227	and a Mississippi Landmark.
1228	(n) Term contract authorization. All contracts for the
1229	<pre>purchase of:</pre>
1230	(i) All contracts for the purchase of commodities,
1231	equipment and public construction (including, but not limited to,
1232	repair and maintenance), may be let for periods of not more than
1233	sixty (60) months in advance, subject to applicable statutory
1234	provisions prohibiting the letting of contracts during specified
1235	periods near the end of terms of office. Term contracts for a

1236	period exceeding twenty-four (24) months shall also be subject to
1237	ratification or cancellation by governing authority boards taking
1238	office subsequent to the governing authority board entering the
1239	contract.

1240 Bid proposals and contracts may include price (ii) 1241 adjustment clauses with relation to the cost to the contractor based upon a nationally published industry-wide or nationally 1242 1243 published and recognized cost index. The cost index used in a 1244 price adjustment clause shall be determined by the Department of 1245 Finance and Administration for the state agencies and by the 1246 governing board for governing authorities. The bid proposal and contract documents utilizing a price adjustment clause shall 1247 1248 contain the basis and method of adjusting unit prices for the change in the cost of such commodities, equipment and public 1249 1250 construction.

penalty. No contract or purchase as herein authorized shall be made for the purpose of circumventing the provisions of this section requiring competitive bids, nor shall it be lawful for any person or concern to submit individual invoices for amounts within those authorized for a contract or purchase where the actual value of the contract or commodity purchased exceeds the authorized amount and the invoices therefor are split so as to appear to be authorized as purchases for which competitive bids are not required. Submission of such invoices shall constitute a

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1261	misdemeanor punishable by a fine of not less than Five Hundred
1262	Dollars (\$500.00) nor more than One Thousand Dollars (\$1,000.00),
1263	or by imprisonment for thirty (30) days in the county jail, or
1264	both such fine and imprisonment. In addition, the claim or claims
1265	submitted shall be forfeited.

- purchase procedure. When in response to a proper advertisement therefor, no bid firm as to price is submitted to an electric utility for power transformers, distribution transformers, power breakers, reclosers or other articles containing a petroleum product, the electric utility may accept the lowest and best bid therefor although the price is not firm.
- 1273 Fuel management system bidding procedure. 1274 governing authority or agency of the state shall, before 1275 contracting for the services and products of a fuel management or 1276 fuel access system, enter into negotiations with not fewer than 1277 two (2) sellers of fuel management or fuel access systems for 1278 competitive written bids to provide the services and products for 1279 the systems. In the event that the governing authority or agency 1280 cannot locate two (2) sellers of such systems or cannot obtain 1281 bids from two (2) sellers of such systems, it shall show proof 1282 that it made a diligent, good-faith effort to locate and negotiate 1283 with two (2) sellers of such systems. Such proof shall include, 1284 but not be limited to, publications of a request for proposals and 1285 letters soliciting negotiations and bids. For purposes of this

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1286 paragraph (q), a fuel management or fuel access system is an 1287 automated system of acquiring fuel for vehicles as well as management reports detailing fuel use by vehicles and drivers, and 1288 1289 the term "competitive written bid" shall have the meaning as 1290 defined in paragraph (b) of this section. Governing authorities 1291 and agencies shall be exempt from this process when contracting 1292 for the services and products of fuel management or fuel access 1293 systems under the terms of a state contract established by the 1294 Office of Purchasing and Travel.

(r)Solid waste contract proposal procedure. entering into any contract for garbage collection or disposal, contract for solid waste collection or disposal or contract for sewage collection or disposal, which involves an expenditure of more than Seventy-five Thousand Dollars (\$75,000.00), a governing authority or agency shall issue publicly a request for proposals concerning the specifications for such services which shall be advertised for in the same manner as provided in this section for seeking bids for purchases which involve an expenditure of more than the amount provided in paragraph (c) of this section. request for proposals when issued shall contain terms and conditions relating to price, financial responsibility, technology, legal responsibilities and other relevant factors as are determined by the governing authority or agency to be appropriate for inclusion; all factors determined relevant by the governing authority or agency or required by this paragraph (r)

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1311 shall be duly included in the advertisement to elicit proposals. 1312 After responses to the request for proposals have been duly received, the governing authority or agency shall select the most 1313 1314 qualified proposal or proposals on the basis of price, technology 1315 and other relevant factors and from such proposals, but not 1316 limited to the terms thereof, negotiate and enter into contracts with one or more of the persons or firms submitting proposals. If 1317 1318 the governing authority or agency deems none of the proposals to 1319 be qualified or otherwise acceptable, the request for proposals 1320 process may be reinitiated. Notwithstanding any other provisions 1321 of this paragraph, where a county with at least thirty-five thousand (35,000) nor more than forty thousand (40,000) 1322 1323 population, according to the 1990 federal decennial census, owns or operates a solid waste landfill, the governing authorities of 1324 1325 any other county or municipality may contract with the governing 1326 authorities of the county owning or operating the landfill, 1327 pursuant to a resolution duly adopted and spread upon the minutes of each governing authority involved, for garbage or solid waste 1328 1329 collection or disposal services through contract negotiations.

any provision of this section to the contrary, any agency or governing authority, by order placed on its minutes, may, in its discretion, set aside not more than twenty percent (20%) of its anticipated annual expenditures for the purchase of commodities from minority businesses; however, all such set-aside purchases

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1336	shall comply with all purchasing regulations promulgated by the
1337	Department of Finance and Administration and shall be subject to
1338	bid requirements under this section. Set-aside purchases for
1339	which competitive bids are required shall be made from the lowest
1340	and best minority business bidder. For the purposes of this
1341	paragraph, the term "minority business" means a business which is
1342	owned by a majority of persons who are United States citizens or
1343	permanent resident aliens (as defined by the Immigration and
1344	Naturalization Service) of the United States, and who are Asian,
1345	Black, Hispanic or Native American, according to the following
1346	definitions:

- 1347 (i) "Asian" means persons having origins in any of
 1348 the original people of the Far East, Southeast Asia, the Indian
 1349 subcontinent, or the Pacific Islands.
- 1350 (ii) "Black" means persons having origins in any 1351 black racial group of Africa.
- 1352 (iii) "Hispanic" means persons of Spanish or
 1353 Portuguese culture with origins in Mexico, South or Central
 1354 America, or the Caribbean Islands, regardless of race.
- 1355 (iv) "Native American" means persons having
 1356 origins in any of the original people of North America, including
 1357 American Indians, Eskimos and Aleuts.
- 1358 (t) Construction punch list restriction. The
 1359 architect, engineer or other representative designated by the
 1360 agency or governing authority that is contracting for public

1361	construction or renovation may prepare and submit to the
1362	contractor only one (1) preliminary punch list of items that do
1363	not meet the contract requirements at the time of substantial
1364	completion and one (1) final list immediately before final
1365	completion and final payment.

- institutions of higher learning. Contracts for privately financed construction of auxiliary facilities on the campus of a state institution of higher learning may be awarded by the Board of Trustees of State Institutions of Higher Learning to the lowest and best bidder, where sealed bids are solicited, or to the offeror whose proposal is determined to represent the best value to the citizens of the State of Mississippi, where requests for proposals are solicited.
- 1375 Insurability of bidders for public construction or 1376 other public contracts. In any solicitation for bids to perform 1377 public construction or other public contracts to which this 1378 section applies, including, but not limited to, contracts for 1379 repair and maintenance, for which the contract will require 1380 insurance coverage in an amount of not less than One Million 1381 Dollars (\$1,000,000.00), bidders shall be permitted to either 1382 submit proof of current insurance coverage in the specified amount 1383 or demonstrate ability to obtain the required coverage amount of 1384 insurance if the contract is awarded to the bidder. Proof of

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1385	insurance	coverage	shall	be	submitted	within	five	(5)	business

- 1386 days from bid acceptance.
- 1387 (w) Purchase authorization clarification. Nothing in
- 1388 this section shall be construed as authorizing any purchase not
- 1389 authorized by law.
- 1390 (x) Mississippi Regional Pre-Need Disaster Clean Up
- 1391 Act. (i) The Department of Finance and Administration shall
- 1392 enter into nine (9) contracts for the pre-need purchase of labor,
- 1393 services, work, materials, equipment, supplies or other personal
- 1394 property for disaster-related solid waste collection, disposal or
- 1395 monitoring. One (1) contract shall be entered into for each of
- 1396 the nine (9) Mississippi Emergency Management Association
- 1397 districts:
- 1398 1. Coahoma, DeSoto, Grenada, Panola, Quitman,
- 1399 Tallahatchie, Tate, Tunica and Yalobusha Counties;
- 1400 2. Alcorn, Benton, Itawamba, Lafayette, Lee,
- 1401 Marshall, Pontotoc, Prentiss, Tippah, Tishomingo and Union
- 1402 Counties;
- 1403 3. Attala, Bolivar, Carroll, Holmes,
- 1404 Humphreys, Leflore, Montgomery, Sunflower and Washington Counties;
- 1405 4. Calhoun, Chickasaw, Choctaw, Clay,
- 1406 Lowndes, Monroe, Noxubee, Oktibbeha, Webster and Winston Counties;
- 1407 5. Claiborne, Copiah, Hinds, Issaguena,
- 1408 Madison, Rankin, Sharkey, Simpson, Warren and Yazoo Counties;

1409	6. Clarke, Jasper, Kemper, Lauderdale, Leake,
1410	Neshoba, Newton, Scott, and Smith Counties and the Mississippi
1411	Band of Choctaw Indians;
1412	7. Adams, Amite, Franklin, Jefferson,
1413	Lawrence, Lincoln, Pike, Walthall and Wilkinson Counties;
1414	8. Covington, Forrest, Greene, Jefferson
1415	Davis, Jones, Lamar, Marion, Perry and Wayne Counties; and
1416	9. George, Hancock, Harrison, Jackson, Pearl
1417	River and Stone Counties.
1418	Any such contract shall set forth the manner of awarding such
1419	a contract, the method of payment, and any other matter deemed
1420	necessary to carry out the purposes of the agreement. Such
1421	contract may be entered into only for a term of one (1) year, with
1422	an option for an additional one-year extension after the
1423	conclusion of the first year of the contract, and only after
1424	having solicited bids or proposals, as appropriate, which shall be
1425	publicly advertised by posting on a web page maintained by the
1426	Department of Finance and Administration through submission of
1427	such advertisement to the Mississippi Procurement Technical
1428	Assistance Program under the Mississippi Development Authority.
1429	The bid opening shall not occur until after the submission has
1430	been posted for at least ten (10) consecutive days. The state's
1431	share of expenditures for solid waste collection, disposal or
1432	monitoring under any contract shall be appropriated and paid in
1433	the manner set forth in the contract and in the same manner as for

1434	other solid waste collection, disposal, or monitoring expenses of
1435	the state. Any contract entered into under this paragraph shall
1436	not be subject to the provisions of Section 17-13-11.
1437	(ii) Any board of supervisors of any county or any
1438	governing authority of any municipality may opt in to the benefits
1439	and services provided under the appropriate and relevant contract
1440	established in subparagraph (i) of this paragraph at the time of a
1441	disaster event in that county or municipality. At the time of opt
1442	in, the county or municipality shall assume responsibility for
1443	payment in full to the contractor for the disaster-related solid
1444	waste collection, disposal or monitoring services provided.
1445	Nothing in this subparagraph (ii) shall be construed as requiring
1446	a county or municipality to opt in to any such contract
1447	established in subparagraph (i) of this paragraph.

SECTION 3. This act shall take effect and be in force from

and after July 1, 2024.

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