

PURCHASING Chapter 1500

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PURCHASING 1500

GENERAL

1502.0

The State Purchasing Act (NRS §333) provides a comprehensive central purchasing program for State agencies. The Purchasing Division is responsible for obtaining materials, supplies, services and equipment at the best value to the taxpayer; to supply the agency as quickly as possible and to afford vendors competitive opportunity. The Purchasing Division is also responsible for the distribution of excess property and for maintaining a Statewide fixed asset inventory.

The Purchasing Division's operating expenses are funded by an assessment fee set forth in NRS §333.450 and by services charges assessed for disposal of state excess property described in SAM 1538..

The following sections of SAM are intended to supplement the requirements set forth in NRS §333, NRS 334 and NAC §333.

RESPONSIBILITY

1504.0

The Purchasing Administrator is responsible for all functions relating to purchasing or contracting for supplies, materials, and equipment and for the procurement of services estimated to be \$100,000 or more. These include advertisement, solicitation, awarding of purchase contracts, and the disposition of unneeded personal property.

STANDARDIZATION

1506.0

The Purchasing Division by law is responsible for establishing and maintaining product and equipment standards. Policies have been developed to accomplish this and insure equity to State agencies and optimum value to the taxpayers.

The established standards for office furniture precludes the purchase of solid wood furniture except wood furniture fabricated by Prison Industries, such as, but not limited to, bookcases, tables, storage cabinets, etc., unless authorized by the Purchasing Administrator or his designee.

FORMS FOR PLACING ORDERS

1508.0

A State agency shall request materials, supplies or equipment by an approved requisition. The following is a description of standard forms utilized by the Division:

1. Items stocked in the warehouse are to be ordered on warehouse purchase order forms. All orders shall be typed or printed and signed by authorized personnel.
2. Asphalt products purchased from the Statewide contracts shall be on an "Asphalt Purchase Requisition." (APR)
3. Petroleum products purchased from the Statewide contracts shall be on a "Petroleum Products Requisition." (PPR)
4. Agencies that process funds through the Integrated Financial System (IFS) shall use an on-line Purchase Requisition for all items being ordered through the Purchasing Division. Agencies that do not process funds through IFS (i.e., most boards and commissions .) may use their own purchase order form to place orders directly with Purchasing Division contracted vendors. Such agencies are responsible to pay vendors directly for goods and services after they are received.

All the above-mentioned forms are available from the Purchasing Division upon request.

APPROVALS

1511.0

The following products require prior approval from other State agencies before the Purchasing Division can place orders.

1. New or used passenger vehicles, light trucks and vans require Budget Division approval.
2. All computers, LAN's, WAN's, mid-ranges, mainframes, software and peripherals over \$1,000 per purchase require pre-approval from the Department of Information Technology (NRS §242.151 to .181). Prepare a requisition and forward it to the Department of Information Technology for approval before submission Purchasing.
3. All microfilm and imaging equipment requires the approval of the Micrographics Division of the Department of Cultural Affairs.
 - A. Obtain Micrographics Division approval (SAM 2052.4).
 - B. Indicate approval on requisition and submit to the Purchasing Division.
4. Purchase of telephone systems and related equipment:

All requests for new telephone equipment by State agencies must be reviewed and approved by the Telecommunications Division of the Department of Information Technology before submission to the Purchasing Division. The procurement of telephone equipment over \$1,000 per purchase and not on open term contract is subject to the comprehensive selection requirements of State law. Agencies should plan far enough in advance to allow for this procedure.
5. Occasionally agencies have a need to evaluate a piece of equipment before it is purchased. These "try and buy" acquisitions must be approved in writing by the Budget Division and the Purchasing Division prior to the evaluation period.
6. The Budget Division must approve all equipment purchases.

METHODS OF DEFINING ITEMS NEEDED

1512.0

Detailed descriptions for items requested will expedite the purchasing process. Agencies should plan their requirements to allow the Purchasing Division reasonable time to prepare specifications, to conduct competitive solicitations, make an award, and allow lead-time for delivery.

Agencies should use one of the following methods to describe needed items:

1. Commodity descriptions: Commodity descriptions are detailed descriptions of the items to be purchased. These should include whatever information is necessary to obtain the desired quality; type, color, size, shape or special characteristic necessary to perform the work intended or produce the desired results. Whenever possible in preparing requisitions, the manufacturer's name, model number and catalog number should be supplied. If available, attach a copy of the manufacturer's printed brochure. If the Purchasing Division has made prior purchases of the commodity, reference to the Department's previous purchase order will expedite the purchase.
2. Brand or trade names: Brand or trade names can be used as standards for an item desired. In such cases, either the named product or its equal in all significant features and performance characteristics may be accepted as meeting the standards of the purchase.

Agencies must avoid the use of standards that would unnecessarily restrict and diminish competition. Generally a product should not be named when it is the only one of its kind and is not available on an "or equal" basis from more than one manufacturer or one source of supply. An exception is when the product described is the only one meeting the requirements of the using agency. In such cases, the purchase requisition must be accompanied by a written justification for limitation to one manufacturer or supplier. The Purchasing Division retains the authority to determine the applicability of a "no substitute" request. In cases of disagreements concerning the "no substitute" request, the using agency's opinion will be given every reasonable consideration. However, the Purchasing Administrator is responsible for State purchases and any restrictive tendency on the part of requisitioning agencies will be carefully examined.
3. Commodity purchasing in conjunction with the procurement of services may take additional time to complete the RFP process. In accordance with NRS 333.165, a contract for goods and services whose estimated value is \$100,000 or more is considered a contract for services and subject to the provisions of SAM 0338 and Board of Examiners' approval; a contract for goods and services whose estimated value is less than \$100,000, the goods must be procured in a manner approved by the Purchasing Division and the services are subject to the provisions of SAM 0338. Agencies are responsible to identify and separate the costs of the goods and services.

REQUISITION AND PURCHASE ORDER PROCEDURE

1514.0

Requisition and purchase order procedures vary depending on the agency's relationship with the Integrated Financial System (IFS). The procedures are segregated as follows:

On-Line: An agency is considered "On-Line" if they have the ability, within , **IFS** to enter purchasing documents and modify personal property inventory records at their location, and then electronically transmit documents through appropriate authorization to State Purchasing.

Off-Line: Most boards and commissions are off-line agencies. An agency is considered "Off-Line" if it does not use the IFS to enter purchasing documents and modify personal property inventory records. **Off-line** agencies are required to comply with all provisions of NRS 333, however they should submit purchase orders directly to contracted vendors and pay them directly for goods after they are received. Off-line agencies purchasing items not on contract are required to submit written purchase requests to the Purchasing Division to administer the procurement process, which may include authorizing direct purchase of items. Upon completion of the process the off-line agency must submit a purchase order directly to the vendor and pay them directly for goods after they are received.

1. On-line agencies enter requisitions directly into the IFS. Backup data, specifications, etc., must be forwarded to the Purchasing Division **within 5 working days of directly entering the requisition** under separate cover with the requisition number clearly indicated on the document. Requisitions for which no backup data is received within 5 working days will be canceled and returned to the agency.
2. Invitations to bid, requests for quotations, requests for proposals or other procurement documents are prepared by the Purchasing Division and distributed to prospective vendors.
3. Responses are opened at specified time, read, tabulated, evaluated for compliance with the procurement request, a successful respondent selected, and a contract awarded. The procurement is generally awarded to the lowest responsible respondent.
4. Purchasing will notify the agencies of price increases when the awarded amount exceeds \$100.00 and generate an Encumbrance Maintenance (EM) document. Purchasing will sign the (EM) document and will fax a copy to the agency for approval. The department approving authority should then sign the Encumbrance Maintenance document and fax it back to the Purchasing Division. The Purchasing Division will modify the requisition and process the purchase order.
5. A purchase order is prepared and copies are sent to appropriate vendor and agency.
6. Within 5 working days of receipt of goods, on-line agencies, must confirm the receipt of goods electronically through the IFS. Off-Line agencies will remit payment directly to the Vendor. Note: THIS IS A MANDATORY REQUIREMENT. (NRS §333.460) Prompt payment is a significant factor in the pricing vendors provide the State of Nevada. Delays in processing receipt of goods documents result in higher prices to the State of Nevada on subsequent purchases. Failure to comply with this requirement may be cause for the Purchasing Administrator to discontinue service.

DIRECT PURCHASE UTILIZING STATE CONTRACTS

1516.0

The Purchasing Division enters into contracts for commodities and services of common usage by State agencies. Notification of items so contracted will be made to all agencies in the form of announcements. Announcements and contract information can be viewed on the Purchasing Division's website at <http://purchasing.state.nv.us>.

BIDS OR QUOTATIONS OBTAINED BY AGENCIES

1518.0

Submission of quotations obtained by requisitioning agencies, while helpful, does not relieve the Purchasing Division from the responsibility of price confirmation or bidding. Whenever the agency obtains quotations from vendors directly, the agency must inform the vendor that such quotations are being obtained for budgetary purposes and that the actual contract will be made by the Purchasing Division.

Quotations received by agencies must be attached to the respective requisition submitted to the Purchasing Division to ensure the vendors contacted are given an opportunity to bid.

RECEIPT AND INSPECTION OF MERCHANDISE

1520.0

All merchandise received must be inspected **within 5 working days** by assigned agency personnel to determine if the vendor has delivered items in accordance with terms of the purchase order and contract, and in accordance with specifications. The following is a guide for receiving merchandise.

1. What to do at time of delivery:
 - Confirm that products being delivered have been ordered and that the delivery is correctly being made to the agency.
 - Verify count. Make certain the item quantities are as listed on the delivery receipt. Note any overage or shortage on the delivery receipt and have the driver sign your copy.
 - Remember, when accepting a shipment from a delivery agent, you are only verifying the number of cartons listed on the freight bill.
 - Carefully examine each carton for external damage. If damage is visible, note it on the delivery receipt and have the driver sign your copy. Immediately after delivery, open all cartons and inspect for merchandise damage. Inspection must be made and hidden damage reported within 15 days of delivery to the delivery agent. Sign and date that goods were received on the delivery receipt, purchase order or invoice.
2. Steps to take when damage is discovered:
 - Immediately notify the Purchasing Division.
 - Retain damaged items. All damaged materials and cartons must be held at the point received.
 - Call carrier to report damage and request inspection.
 - Confirm call in writing. This is not mandatory, but is for the receiver's protection.
3. Steps to take when carrier makes inspection of damaged items:
 - Have all damaged items in the receiving area. Make certain the damaged items have not been moved from the receiving area prior to inspection by carrier.
 - After carrier-inspector prepares damage report, carefully read it before signing. Forward damage report to the Purchasing Division.
4. Steps to be taken after inspection has been made:
 - Continue to retain damaged materials. Damaged material should not be used or disposed of without written permission by the carrier. Do not return damaged items to shipper without written authorization from the shipper/supplier.

Whenever agencies doubt whether the merchandise received is either equal to the established specifications or adequate to the assigned job or purpose, immediate notice should be given to the Vendor. Such notice should explain why the merchandise does not meet specifications or will not perform the function for which it was intended. If an agency is unable to resolve a concern with the vendor, it should notify the Purchasing Division for assistance in achieving resolution.

This procedure must be followed so necessary corrections can be made immediately. Merchandise should not be returned to the vendor without prior clearance through the Purchasing Division

Merchandise should be checked promptly upon receipt and the agency must process the acknowledgement of receipt of the order immediately to avoid penalties. (SAM 1516.0) This is the mechanism that prompts payment to vendors and avoids late charges. Late charges are the responsibility of the agency.

Fax or email notice of the receipt of delivery to the agency office responsible to facilitate payment to the vendor. Mail original delivery receipt, purchase order or invoice to that office afterwards.

INCOMPLETE DELIVERY

1522.0

In the event the vendor delivers only a part of the items described in the purchase order, or a portion of one item, the invoice should be marked "partial delivery." Partial payment may be effected, but only with agency approval.

FREIGHT BILLS

1524.0

All invoices, freight bills and correspondence sent by a vendor concerning a purchase order should be forwarded to the Purchasing Division immediately. If a shipment with the freight bill marked "collect" is accepted, agencies could be liable for the charges. All merchandise is FOB destination unless otherwise indicated on the purchase order.

Agencies should call the Purchasing Division before accepting collect shipments.

AMENDMENT OF PURCHASE ORDER

1526.0

A purchase order issued by the Purchasing Division to a vendor constitutes a contract between the vendor and the Purchasing Division and not the agency for which the order was issued. The agency has a contract with the Purchasing Division by virtue of a requisition. Questions concerning any given order should be directed to the Purchasing Division and not to the vendor.

Agency personnel are not authorized to make any changes or alterations to a bid or purchase order. Agency personnel are not authorized to negotiate directly with a vendor. Failure to comply could negate any legal recourse the Purchasing Division has with regard to a delinquent vendor.

PERFORMANCE OF VENDORS

1528.0

Deliveries shall be made upon receipt of a purchase order issued by the Purchasing Division at the time and in the amount specified in the invitation to bid and in the order for delivery.

Acceptance of late deliveries shall not constitute a waiver of any right of the State under its contract with the vendor.

DELIVERIES

1530.0

All deliveries shall be made to the point or points specified in the original solicitation. In all instances, charges shall be prepaid to the location of the agency, except when expressly otherwise provided in the original solicitation. All deliveries shall be subject to inspection at time of delivery. Commodities that fail in any respect to meet specifications or conform to the vendor's sample, or are not in satisfactory condition when received, shall be subject to rejection.

CANCELLATION OF CONTRACT

1532.0

The Purchasing Administrator or his designee may cancel any purchase order contract entered into under competitive selection if there is evidence of one or more of the following:

1. If the agency withdraws the requisition and the contractor agrees to the cancellation;
2. If the contract is obtained by fraud, collusion, conspiracy or other unlawful means;
3. If the contract conflicts with any statutory or constitutional provision of the State of Nevada; and
4. Failure to perform as outlined above.

A vendor whose contract is canceled for reasons two or four may be penalized and/or barred from further procurements in accordance with NRS §333.

The vendor will not be held responsible for losses caused by war, acts of public authority in time of war, acts of God, fire, flood or any other cause not within the vendor's control and which he/she could not, by the exercise of reasonable diligence, have avoided.

LEASE OR RENTAL OF EQUIPMENT

1534.0

Agencies must contact the Purchasing Division prior to entering into any rental, lease or time pay agreements for any supplies, material or equipment. No agreements may be signed without the approval of the Purchasing Division, except for short-term rentals, as determined by the Purchasing Division.

Where agencies have rented equipment for temporary or peak workload and later requisition for either the equipment rented or similar equipment, the Purchasing Division will not consider allowances for rental in comparing bids or in determining the lowest bidder. Rental payments cannot be applied against the purchase of any items unless specifically approved by the Purchasing Division.

EXCESS STATE PROPERTY

1538.0

The Purchasing Division is responsible for the re-utilization and sale of excess State property by transfer, trade, rental or sale. Personal property may be disposed of only with the Purchasing Division written authorization. Excess personal property is defined as supplies, material or equipment (including forfeited property) no longer needed by an agency **regardless of cost or condition**. Excess State property may also be donated to organizations exempted from sales and use tax if approved by the Purchasing Division.

Excess State property should be reported to the Purchasing Division using a Property Disposition Report, which must include disposition recommendation, a complete description of the property, it's condition and any State ID tag numbers. Disposition of the property will be determined according to the information provided on the Property Disposition Report and authorized by the Purchasing Division. **Under no circumstances may excess State property be given to employees.**

SALE OF EXCESS PROPERTY - Excess personal property may be sold to another governmental agency within the State, any entity eligible to receive federal surplus property, or by auction to the general public. Unless otherwise authorized by the Director of the Department of Administration, the proceeds of the sale, less Purchasing Division service charges and directly billed auction expenses if applicable, must be deposited in the fund from which the money to purchase the supplies, materials or equipment was expended in accordance with the following procedures:

1. Sale of amounts of \$100.00 or less will be retained by the Purchasing Division to cover the cost of the following: picking up the item, storing, and/or selling the item.
2. Sale amounts between \$100.01 and \$1,000.00 will be deposited in the fund from which the money to purchase the item was expended or, with written justification and the approval of the Budget Division, to the agency budget account. The amount transferred will be less the Purchasing Division's service and handling charge of \$100.00 plus directly billed auction expenses, if applicable.
3. Sale amounts above \$1,000.00 or more will be deposited in the fund from which the money to purchase the item was expended, or with written justification and the approval of the Budget Division, to the agency budget account. The amount transferred will be less the Purchasing Division's services and handling charge of 10% of the gross sale price, not to exceed \$400.00 plus directly billed auction expenses, if applicable.

The above sale amounts may be based on each individual item sold or the aggregate sale amount of two or more items purchased from the same fund to which proceeds will be returned. (NRS §334.040 (2))

DISPOSAL OF VEHICLES

1540.0

Excess automotive equipment will be returned for reallocation in the following manner:

1. The agency's written declaration on a Vehicle Turn-in Document or Property Disposition Report form must indicate that the vehicle is excess and is to be accompanied by the ownership title.
2. The title should be properly "signed off" by an authorized person on the reverse side of the form exactly as it appears on the front of the title.
3. The agency turning in the vehicle will clearly note the mechanical condition of the vehicle with special attention to defects and problems.
4. All license plates, decals, official markings and special equipment (i.e., emergency lights) must be physically removed before the vehicle may be returned for reallocation. Vehicles must contain at least five gallons of fuel.
5. Two complete sets of keys must accompany the vehicle.
6. Agencies will notify the Risk Management Division and the Attorney General's Office of transfers or changes in disposition of vehicles.
7. Towing services for transport of disabled excess vehicles are available upon request. Towing fees will be deducted from the sale proceeds of each towed vehicle.

SPECIAL PROPERTY DISPOSAL REQUIREMENTS

1542.0

1. Weapons forfeited to State agencies that are determined to be dangerous to the public pursuant to NRS §202.340(5) and (5a) or any other weapons in the custody of a State agency determined to be dangerous to the public shall be destroyed by a method deemed appropriate by the custodial agency. The Purchasing Division will assist agencies in finding an appropriate means of destruction upon request. Prior to initiating destruction,

the custodial agency is required to file a Property Disposition Report containing but not limited to descriptions, quantities and serial numbers of weapons to be destroyed with the Purchasing Division and to report the weapon's descriptions to a forensic services laboratory pursuant to NRS §202.340(6). Upon receipt of written approval from the Purchasing Division, the custodial agency may proceed with the destruction action and is required to notify the Purchasing Division within five working days after its completion.

2. Weapons, which are excess to an agency's needs, must be reported to State Purchasing on a Property Disposition Report recommending disposal action, e.g., excess, transfer, junk. The Purchasing Division will recommend that weapons declared excess by an agency be used for trade to a properly licensed retailer or wholesaler during the procurement of equipment necessary for the performance of the agency's duties, or be transferred to another law enforcement agency. Trade or transfer of excess weapons must be approved in advance. Weapons reported as junk will be considered dangerous to the public and referred back to the owning agency for destruction, following procedures indicated in section 1 above.

INVENTORY

1544.0

1. Items valued at less than \$1,000, with the exception of weapons and computers with licensed software, will not be carried on the statewide inventory. For the purpose of inventory control intended in this section "weapon" is defined as any item that, under normal use is capable of delivering lethal force against a person or any item that is regulated by the Bureau of Alcohol, Tobacco and Firearms. Agencies will be responsible for reporting items as described above regardless of acquisition method to the Purchasing Division.
2. Agencies shall submit a Property Disposition Report to request State ID tags for assets purchased directly from the vendor, or obtained through transfer or donation. Agencies are required by NRS 333.220 to conduct a physical inventory and reconcile with the records of the Purchasing Division annually. Schedule and procedures are at the agencies' discretion. In order to provide separation of duties, Purchasing cannot perform inventories, but will provide technical assistance to agencies upon request.
3. State ID tags are to be attached to the asset when received.
4. Inventory listings are available through the Data Warehouse (DAWN) at <http://washoe.state.nv.us>.
5. As a courtesy, Purchasing will notify agencies annually to provide instructions of inventory requirements and procedures.
6. Inventory management procedures vary depending on the agency's relationship with the IFS. Definitions of "offline" and "online" can be found in SAM 1514.0. The procedures are as follows:

Offline Agencies	Online Agencies
1. Agencies should report all changes to fixed asset records including Excess, Transfers, Stolen/Lost, additions, corrections and deletions, using Property Disposition Reports (PDRs).	1. Agencies process "FC" documents for all transfers and corrections to fixed asset records.
2. Submit to the Purchasing Division, written notification of inventory completion date and reconciled Location Codes.	2. Property Management staff reviews and approves all FC documents.
3. Property Management staff executes PDR actions, initials original document upon completion, and sends copy back to agency.	3. Report all Excess, Stolen/Lost, and assets needing addition or deletion, using Property Disposition Reports.
4. Completed PDRs are filed in agency file in the Property Management section.	4. Property Management staff executes PDR actions, initials original document upon completion, and sends copy back to agency.
5. Property Management staff updates the "FADU" table within the Advantage system noting the Last Inventory Update Date.	5. Completed PDRs are filed in agency file in the Property Management section.
	6. Online agencies update the "FADU" table within the Advantage system noting the Last Inventory Update Date.

CIRCUMVENTING

1546.0

Direct purchases shall not be made contrary to the requirements included in SAM, nor shall they be made in such a manner as to circumvent the intent of this chapter, nor shall related or similar items be purchased separately (by splitting purchases or by a series of smaller purchases) as a device to avoid these requirements.

Direct purchases when authorized, shall be subject to competitive considerations, i.e., best value cost to the State, all factors considered.

Any purchase and any contract for the purchase of any supplies, materials or equipment, made or entered into by any State officer, department, institution, board, commission or agency contrary to the provisions of the Nevada Revised Statutes, the State Administrative Manual and the rules and regulations of the Purchasing Administrator shall be void. The agency head and the employee who actually made such purchase or entered into such contract shall be personally liable for the cost of any supplies, materials or equipment delivered pursuant to such purchase or contract. Any contract made with any person, firm or corporation shall be void if any member, officer or employee of any using agency taking part in the making of such contract is also an officer or employee or owner of a substantial part of interest in such firm or corporation. (NRS §333.810)

AGENCY OR LOCAL PURCHASES

1548.0

The Purchasing Administrator can authorize items for direct purchase if circumstances or local conditions warrant. The agency's approving authority must sign and date the agency or local purchase order.

MANDATORY PURCHASES THROUGH PURCHASING DIVISION

1550.0

All items on contract; except where direct purchase authority has been established by the Purchasing Division or minimum order quantities exceed agency requirements. Where minimum orders exceed agency requirements, the agency shall notify the Purchasing Division (to allow the Division to assess the utility of the contract), and direct purchase appropriate quantities. Direct purchase authorization may also be given by the Purchasing Administrator to an agency making such a request for items available through the warehouse or on contract, when contract or stock items do not meet the requirements of that agency. Such approval is only granted on specific request, to allow the Purchasing Division to be aware of changing contract needs.

All items listed as available in the Purchasing Division warehouse. Questions regarding items available through warehouse stock or contracts should be directed to the Purchasing Division office in Carson City.

All items not specifically exempted in SAM 1552.0.

All weapons as defined in SAM 1544.0.

DIRECT PURCHASE AUTHORIZATION TO ANY AGENCY

1552.0

Pre-numbered Direct Purchase Authorizations for specific products not listed below, but for which a need may be anticipated and is not practical to bid, may be requested in writing to the Purchasing Administrator. All pre-numbered Direct Purchase Authorizations issued by Purchasing for items other than those listed below are effective for one year. No direct purchase is authorized which exceeds \$5,000 per purchase. It is incumbent upon agencies to obtain bids as practicable. Further, all data pertinent to each Direct Purchase Authorization will be retained by the agency for audit purposes. The number shown on the Direct Purchase Authorization will be referenced on each invoice.

Direct purchase authorization for a single transaction must be requested by the agency in writing. Authorization must be obtained in writing from the Purchasing Division prior to purchase. Fax or e-mail exchanges are acceptable. A copy of the written authorization must accompany the invoice and payment voucher.

Equipment items defined in SAM 1558.0 require approval by the Budget Division prior to direct purchase.

Direct purchase authority means that these purchases do not have to come through the Purchasing Division. It does not exempt an agency from other requirements in SAM, such as the requirement for an independent contract.

Agencies should match the purchase order, receipt, and invoice prior to requesting payment for any items purchased with direct purchase authority.

When using Direct Purchasing Authorization and obtaining items valued at \$1,000 or more, agencies shall notify the Purchasing, Property Management Program. When the new equipment is received, the agency shall provide the invoice copy, description, cost, budget account, location code and serial numbers to the Property Management Program.

Agencies are automatically authorized to purchase the following material and supplies within the limitations mentioned per purchase. No purchase is authorized to exceed the amount indicated for each item:

1. Emergency purchases necessary to protect life or public property. Purchases in this category must be reported to the Purchasing Division on the next working day after the purchase to obtain post facto purchase authorization.
2. Any item, not available through the warehouse or on contract, and not defined as equipment in SAM 1558.0, up to \$999 per purchase.
3. The following groups of products are authorized for direct purchase, to a maximum \$2,000 per purchase:
 - A. Supplies for the following: Medical, dental, pharmaceutical, therapy, disabled training, scientific, laboratory, hazard detection and first aid. Agencies are required to report the purchase price, name, address and phone number of the entity where the purchase of prescription drugs and medical supplies were made to the Purchasing Division within 10 days after the initial purchase but not less than once per fiscal year, per entity.
 - B. Welding supplies such as hose, tips, flux rod and gases.
 - C. Copier, printer, reproducing and duplicating supplies. Oversized cut stock and roll paper for copiers, excludes copy paper stocked in warehouse. Copy supplies, except for paper, are provided by the vendor as part of the copier contract.
 - D. Law enforcement supplies such as targets, posters, ammunition, badges, raid jackets, reloading supplies, holsters and uniform accouterments. This does not include weapons.
 - E. Rodent and pest control supplies.
 - F. Art supplies, handicrafts, toys, sporting goods, games and related items.
 - G. Electrical and plumbing supplies.
 - H. Signs, directories, hand tools and hardware (excluding all power tools).
 - I. Animal, birds and fish management supplies (except fish food).
 - J. Custom printed forms.
 - K. Promotional items.
 - L. Computer and printer repairs (including parts and labor).
4. The following groups of products are authorized for direct purchase to a maximum of \$5,000 per purchase:
 - A. Automobile and light truck repairs (includes parts and labor) and equipment repair other than automotive (includes parts, labor and shipping).
 - B. Textbooks, manuals, law books, city directories and pre-printed maps, leaflets, booklets and posters.
 - C. Instructional material, tests, transparencies, pre-recorded tapes, CD's and processed films such as training and instructional movies and slides.
 - D. Fresh produce.
 - E. Water treatment chemicals for boilers, heating systems, cooling towers and swimming pools.
 - F. Lumber, building materials, fencing materials, paint, floor and window coverings.
 - G. Landscaping supplies, to include live plants, weed barrier material, decorative rocks and fertilizer.
5. Heavy equipment repairs including aircraft, heating and air conditioning not to exceed \$15,000 (includes parts and labor). (NRS §333.390) Agencies authorizing repairs on State property are required to verify that the contractor maintains commercial general liability and workman's compensation insurance prior to start of work.

PROCUREMENT OF SERVICES

1554.0

The Purchasing of services shall be in accordance with NRS §333, NAC 333, and as contained in SAM Chapter 0300.

COMMERCIAL CARD PROCEDURES

1556.0

The State of Nevada's Commercial Card Program is administered by the State Purchasing Division, with procedures for each using agency approved by the State Purchasing Division and Internal Audits.

EQUIPMENT CLAIMS

1558.0

For the purpose of this section, items purchased under the equipment category will be those conforming to **ALL** of the following criteria:

1. Must have an anticipated useful life extending beyond one year;
2. Must not be consumed in use;
3. Must not be attached permanently as a non-movable fixture; and
4. Must cost \$1,000 or more.

If the answer to **ALL** of these questions is "YES," the claim should be charged to Category 05 or any other special equipment category for expenditure purposes. If the answer to one or more of these questions is "NO," the claim should be charged to Category 04 or any other special operating category for expenditure purposes.

When expenditures are charged to Category 04 or any other special operating category, agencies should use General Ledger 7460 in the Controller's accounting system for expenditure and budgeting purposes.

Questions concerning the application of these criteria to specific purchases should be directed to the assigned budget analyst.

NOTE: Like items or related components must be considered as a group. They may not be separated to avoid any of the standards.

Generally, items described as follows shall not be considered as equipment:

1. Items that become part of a building or structure or permanently installed in a building;
2. Component part or parts of another equipment item or replacement part;
3. Items consumed in the performance of work; and
4. Small hand tools.