Indiana State Board of Accounts

Public Purchases

Road Scholar Core Course #4
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Contact Information

Todd Caldwell, CFE
Director of Audit Services
cities.towns@sboa.in.gov
317-232-2513

Lori Rogers, CPA, CFE
Director of Audit Services
counties@sboa.in.gov
Public Purchases – Definitions & categories
Special Purchasing Methods
Purchasing Preferences
Other Purchasing Considerations
Forms

Public Purchases
Indiana Code (IC) 5-22
Definitions in IC 5-22

**Purchase** – to buy, procure, rent, lease, or otherwise acquire. [IC 5-22-2-24]

**Supplies** – equipment, goods, and materials. [IC 5-22-2-38]

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Definitions in IC 5-22

**Purchase Agency** – the governmental body that is authorized to enter into contracts. [IC 5-22-2-25]

**Purchasing Agent** – the individual authorized by a purchasing agency to act as agent for the purchasing agency. [IC 5-22-2-26]
**IC 5-22-1-1:**

"Except as provided in this chapter, this article applies to every expenditure of public funds by a governmental body."

**IC 5-22-3-3:**

“A governmental body may adopt rules to regulate purchases of the governmental body. A rule adopted under this subsection may:

1. supplement this article; and
2. not be inconsistent with this article"
Introduction to Ind. Code 5-22

IC 5-22-3-4

- If notice or other material required to be sent by mail, material can be sent electronically as provided in:
  - rules adopted by the governmental body
  - written policies of the purchasing agency
  - a solicitation

3 Categories:

- Price > $150,000
- Price at least $50,000 and not more than $150,000
- Price < $50,000
IC 5-22-7

- Purchasing Agent must issue an invitations for bids
- Invitation must include:
  - Purchase description
  - Contractual terms
  - Evaluation criteria
  - Time & place for opening
  - Certified check needed
  - Rejection conditions

Notice of Invitation - IC 5-22-7-5

- In manner prescribed by IC 5-3-1
- IC 5-3-1-2(e) states:

  “. . . notice shall be published two (2) times, at least one (1) week apart, with the second publication made at least seven (7) days before the date the bids will be received.”
Bid Opening

- Opened publicly [IC 5-22-7-6]
- Accepted without alteration / evaluated using criteria in bid invitation. [IC 5-22-7-7]

Awarding Contract

- Contract awarded to “lowest responsible and responsive bidder. [IC 5-22-7-8]
- Purchasing Agency must maintain:
  - name of each bidder
  - amount each bid
  - any other information required [IC 5-22-7-9]
Other Considerations

- IC 5-22-18-1: additional notices
- IC 5-22-18-2: cancel if in unit’s best interest
- IC 5-22-18-3: can delay opening if:
  - written determination best interest
  - required to announce new day/time

3 Categories:

- Price > $150,000
- Price at least $50,000 and not more than $150,000
- Price < $50,000
Price at least $50,000 and < $150,000

**IC 5-22-8-3**

- Purchasing Agent – invite 3 quotes from businesses known to deal in the lines or classes of supplies to be purchased.
- Invitation – mailed at least 7 days before deadline to receive quotes.

Price at least $50,000 and < $150,000

**IC 5-22-8-3**

- Satisfactory quote – purchasing agent shall award contract to lowest & responsible offeror.
- If satisfactory quote not received – make purchase under Special Purchasing Law – IC 5-22-10-10
Categories

3 Categories:

- Price > $150,000
- Price at least $50,000 and not more than $150,000
- Price < $50,000

Price < $50,000

IC 5-22-8-2

- “Small purchases”
- Purchasing Agent can make purchase:
  - under small purchases policy established by purchasing agency, or
  - under rules adopted by the governing body
IC 5-22-8-2   Purchases below $50,000

Sec. 2. (a) This section applies only if the purchasing agent expects the purchase to be less than fifty thousand dollars ($50,000).

(b) A purchasing agent may make a purchase under small purchase policies established by the purchasing agency or under rules adopted by the governmental body.

### Special Purchasing Methods

**IC 5-22-10:**
- Emergency conditions
- Substantial savings
- Auctions
- Data processing contract
- Comparability
- Functioning seriously impacted
- No other offer received
- Gov’t discount available
- Single source of supply
- Gen Service Adm price
- Federal agency
- Supplies for gift

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**IC 5-22-10-3**
- Keep contract records in separate file
- Contract file – document basis for special purchase & basis for vendor selected
- File maintained for minimum 5 years and include:
  - each vendor’s name
  - amount & type of contract
  - description of supplies purchases

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**Indiana State Board of Accounts**

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**2019**
Purchasing Preferences
Indiana Code 5-22-15

- Recycled supplies
- Soy/bio diesel
- Indiana business
- Indiana local business
- US manufactured supplies
- Coal mined in Indiana
- Indiana small business
- High calcium food
- Forced labor supplies
- US Steel products
Other Purchasing Considerations

Purchasing Organizations

**IC 5-22-4-7**

- Interlocal agreement under IC 36-1-7 to form a cooperative purchasing organization (CPO)

- CPO is the purchasing agency for the a governmental body
Purchasing Organizations

National Cooperatives
- Sourcewell
- Houston Galveston Area Council (HGAC)
- Get a written legal opinion from an attorney that using a specific national cooperative would be compliant with Indiana purchasing statutes

Other Considerations
- Department of Corrections
  - Supplies and services [IC 5-22-11]
- Rehabilitation Center products [IC 5-22-12]
- Nonprofit agencies [IC 5-22-13]
- Small business set aside [IC 5-22-14]
IC 5-22-9 - Request for proposals
Solicitations must include:
- Factors/criteria used to evaluate
- Statement concerning relative importance of price
- If evidence of financial responsibility is required
- If discussions may be conducted

5-22-7.5 - Online reverse auctions

Purchase of Services - IC 5-22-6
- Any procedure considered appropriate

Duration of Contracts - IC 5-22-17-3
- Not to exceed 4 years
- Counties – can do more than 1 but not more than 5
- Subject to available appropriations
Other Considerations

Renewal of Contracts - IC 5-22-17-4

- Containing escalation of price – renewed if escalation provided in contract.
- Subject to IC 5-22-17-5, renewed any number of times
- Term of renewed can’t exceed length of original contract.

Fiscal Responsibility - IC 5-22-16-5

Forms
Link to see forms:

starting on page 7-36

Also:

www.in.gov/sboa
Political subdivisions
Counties (or cities or towns)
Presentations & Training Materials
Register of Proposals

INDEX TO SPECIFICATIONS

Indiana State Board of Accounts 2019
Non-collusion affidavit

STATE OF INDIANA

__________________________
COUNTY

The undersigned offeror or agent, being duly sworn on oath, says that he has not, nor has
any other member, representative, or agent of the firm, company, corporation or partnership
represented by him, entered into any combination, collusion or agreement with any person relative
to the price to be offered by any person nor to prevent any person from making an offer nor to
induce anyone to refrain from making an offer and that this offer is made without reference to any
other offer.

__________________________
Offeror (Firm)

__________________________
Signature of Offeror or Agent

Subscribed and sworn to before me this __________ day of ____________, 1998.

__________________________
My Commission Expired

__________________________
County of Residence

__________________________
Notary Public

Source: IC 5-22-16-6

Questions

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