

CLIENT PURCHASES

The purpose of this policy is to establish guidelines that adhere to federal regulations and State of North Dakota Administrative Code related to the procurement of goods and services. The policy has five sections:

- I. General Requirements For All Purchases**
- II. Client Purchases That Do Not Require Bids**
- III. All Other Client Purchases**
- IV. Alternate Procurement (Sole Source) Purchases**
- V. Flow Chart**

When reimbursing a client for a purchase - as opposed to paying a vendor - it must be treated the same as any other purchase outlined in this policy. Clients must provide receipts for reimbursed expenses.

For assessments or evaluations in which AT is necessary: aids, devices and equipment should be secured through the IPAT lending library, rented or leased, whenever possible.

I. GENERAL REQUIREMENTS FOR ALL PURCHASES

All purchases for Vocational Rehabilitation clients must be reasonable and necessary. All non-diagnostic and evaluation purchases, needed to mitigate the disability and/or assist with achieving the employment goal, must be outlined in the client's Individualized Plan for Employment (IPE). When making those client purchases, certain guidelines must be followed.

1. The service must be on a current signed IPE and must be within the service dates on that plan.
2. The State of North Dakota is tax exempt; therefore, as an agency of the State, VR does not pay state and local sales tax. The only exceptions would be for hotel, gas, and utilities.
3. DVR issues an authorization to a vendor providing the service and upon receipt of a bill, processes payment to the vendor. DVR may reimburse a client for purchase of service from a vendor that refuses to accept VR's authorization. If the client does not have the funds for the purchase in advance, in rare, non-reoccurring circumstances, DVR can utilize the North Dakota Association for the Disabled (NDAD). Based on DVR's authorization, NDAD will write the check directly to that vendor.

When NDAD is used, the documentation that must be attached to the authorization is the receipt, the vendor invoice, and a detailed description of the service purchased.

4. DVR does not purchase money orders or gift cards, except in extreme circumstances and with approval from the regional administrator.

II. CLIENT PURCHASES THAT DO NOT REQUIRE BIDS

Bids are not required for client purchases listed below:

1. Tuition for all training courses. This includes vocational training, college and university courses, massage schools, mechanics courses, welding courses, electrician courses, etc. Links to the higher ed worksheet and instructions can be found at <P:\So Vocational Rehabilitation\FORMS\Form Locator.docx>;
2. All required items for training courses including books, tools, or other items if the item is purchased in the school's bookstore, or if the school is requiring a specific vendor or vendors to ensure uniformity among the students;

A copy of the syllabus or a letter from the school or instructor requiring the specific vendor or vendors must be in the client's file;

If tools are required to complete the school course and the vendor is utilized by the school and provides a student discount, a bid would not be required. Place documentation in the file showing the tools are available at the student rate.

3. Child Care;
4. Personal Assistants including service animals;
5. Rent or Maintenance as described below;

Maintenance for additional costs, such as expenses for food, shelter, and clothing, incurred while participating in an assessment for determining eligibility and VR needs or while receiving services under an Individualized Plan for Employment (IPE). Maintenance is provided when relocation is necessitated by the IPE, is feasible, and results in increased costs to the consumer.

6. Supported Employment and Extended Services;
7. On-the-Job Training;
8. Medical services including, but not limited to, medical treatment, prescriptions and psychiatric, psychological, functional capacity evaluations, and chemical dependency evaluations;

Medicaid rates must be paid for all Medicaid covered services unless there is a specific exception such as hearing aids.

9. Prescription Aids and Devices described below:

Prescription aids and devices are any prosthetic/orthotic device prescribed by a licensed professional to meet the specific needs of the individual. Examples of prosthetic/orthotic devices can include but are not limited to: hearing aids and other types of sound amplification, artificial limbs, corrective lenses, braces and wheelchairs.

10. Purchases made from a vendor who is on State contract:

Purchasing from a vendor who is on State contract is optional, not required. When considering such a purchase, always verify and document that the vendor is currently on contract and write the contract number on the authorization.

11. Hearing aids are purchased using the payment schedule developed by Vocational Rehabilitation;

12. Used items. Even though bids are not required for used items, it is a good practice to get them when possible. Used items should only be purchased in rare circumstances and include a limited warranty.

III. ALL OTHER CLIENT PURCHASES

This section includes all client purchases not listed as exempt in Section I.

A. Purchases \$2500 and Under

Purchases \$2500 and under do not require bids. Counselors are encouraged, however, to get the best price possible for all purchases.

B. Purchases Over \$2500 Require Bids

Purchases \$2,500.01 to \$25,000.00. Solicit no fewer than three vendors to submit oral or written informal bids or proposals. If you do not receive three bids or proposals, provide a written justification (e.g., “contacted three vendors, only two responded”). Complete the Request for Telephone Quote SFN 2706 form. This form can be found at:

<https://www.nd.gov/omb/sites/omb/files/documents/agency/purchasing/Request-for-Telephone-Quote-sfn02706.pdf>.

The day and time of the bid closing must be documented on the form. In addition, when requesting a bid all vendors, including those contacted by phone, must be notified of the day and time of the bid closing.

The completed form must be in the client’s file but does not need to be submitted to any other entity.

When the bids have been received and a decision made regarding which vendor to purchase from, the Counselor will authorize for the purchase in the same way as other client purchases are authorized.

Example 1: If ordering a chair and the lowest bid does not meet the specifications such as arms on the chair, adjustable height or lumbar support, this bid is not a valid bid and cannot be considered, however, the documentation must be maintained in the file.

Example 2: If a Counselor receives three bids and one or more of the bids are from a vendor in another city, Counselors can consider the cost of shipping and handling, or if sending the client to pick up the item or other related expenses when determining which item is the least expensive.

Example 3: If a bid comes in higher than the others but offers faster delivery, support services or other benefits to the client, Counselors could justify purchasing the higher priced item.

Example 4: If a Counselor receives three bids on an item and all three bids meet the minimum specifications for quality, service, and delivery time, the purchase should be made from the vendor who submitted the lowest bid. However, if the client chooses to make the purchase from one of the higher priced vendors, the client would need to pay the difference between the lowest bid and the price submitted by the vendor they chose.

IV. Alternate Procurement Request for Items Costing in Excess of \$2,500

If the item being purchased is only available from one vendor, the Counselor must complete an Alternate Procurement Request (formerly known as *Request for Approval of a Sole Source Purchase, SFN 51403*). This form does not have to be submitted to anyone, but must be kept in the client's file. The Counselor would then authorize the purchase the same as all other client purchases.

This form is to be used only when there is only one vendor available to provide an item, such as specific software that is only available from the manufacturer and is not sold in retail stores. It is not to be used to avoid the bid process.

V. Flow Chart

A flow chart depicting this purchasing policy is found on the next page.

VOCATIONAL REHABILITATION PROCUREMENT PROCEDURES

Is this an exempt purchase as listed in the policy? E.g., Tuition, books or education supplies, child care, personal assistant, rent or maintenance, SEP/Extended services, OJT, medical services, prescription aids/devices, items on state contract.

YES →

No bid requirements. If the aid, device or service is medical in nature, use the Medicaid fee schedule.

NO ↓

Is this a purchase from a vendor on contract with the state of ND? *

YES →

Verify that the vendor and item is on contract. Be sure the vendor is aware you are purchasing from the state contract. Document the contract number. A bid is not required.

NO ↓

Does this purchase cost \$2500 and under?

YES →

No bids required. However, you are encouraged to get the best price possible.

NO ↓

Does this purchase cost greater than \$2500 and less than or equal to \$25,000?

YES →

Minimum of 3 written or oral bids is required. Must complete the Request for Telephone Quote SFN 2706 and place in client's file. If only 1 vendor is available, must complete Alternate Procurement Request SFN 51403 and place in client's file.

NO ↓

Is the purchase greater than \$25,000?

YES →

Contact State Office.

NO ↓

Go back to the beginning of the chart.
The purchase must fit into one of the above categories.

*Although VR is not required to make client purchases from vendors on state contracts, you may still choose to do so if it meets client needs and informed choice. If so, go to the ND home page (www.nd.gov), click on 'Agencies', page down and click on 'Procurement Office'. You can then click on 'State Contracts' or 'Agency Forms'.