

**STATE OF RHODE ISLAND  
PROCUREMENT REGULATIONS**

**SECTION 1 – GENERAL PROVISIONS**



**Amended regulations adopted June 20, 2011**

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ADMINISTRATIVE RECORDS

The following amended State of Rhode Island Procurement Regulations were adopted by me, as Director of the State of Rhode Island Department of Administration, on the \_\_\_\_\_ day of June 2011.

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Richard A. Licht, Director  
State of Rhode Island  
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# **SECTION 1 - GENERAL PROVISIONS**

## **1.1 PURPOSES AND POLICIES**

1.1.1 The underlying purposes and policies of these regulations are:

1.1.1.1 To simplify, clarify, and modernize purchasing activities undertaken by the State of Rhode Island and its local public agencies;

1.1.1.2 To permit the continuous development of purchasing policies and practices;

1.1.1.3 To provide for increased public confidence in the procedures followed in public procurement;

1.1.1.4 To insure fair and equitable treatment of all persons who deal with the procurement system of the state.

1.1.1.5 To provide increased economy in state and public agency procurement activities by fostering effective competition;

1.1.1.6 To provide safeguards for the maintenance of a procurement system of quality, integrity and the highest ethical standards; and

1.1.1.7 To provide for clearly defined accountability and responsibility for procurement actions.

### **1.1.2 Administrative Practices and Policies**

1.1.2.1 Competition: The State of Rhode Island will operate an effective procurement system by obtaining goods and services within a competitive environment whenever possible.

The primary method of assuring that procurements are to the advantage of the State of Rhode Island, will be the use of competitive bidding procedures.

Contract awards shall be made to the lowest responsive and responsible bidder, taking into consideration the reliability of the bidder, the qualities of the materials, equipment or supplies to be furnished, their conformity with the specifications, the purposes for which required, terms of delivery and the best interests of the state.

1.1.2.2 Centralization: The State of Rhode Island will operate an effective procurement system by establishing a centralized purchasing authority responsible for the promulgation and oversight of rules, regulations, policies and procedures for the implementation of all laws relating to purchasing activities. The State of Rhode Island will provide centralized purchasing support services to assure that equity and professional expertise are employed in the purchase of goods and services.

1.1.2.3 Responsibility and Accountability: All state agency officials shall be responsible for verbatim compliance with purchasing legislation enacted by the General Assembly and with all related policies, rules, regulations, procedures and codes promulgated by the Chief Purchasing Officer and shall be held accountable for violations of the spirit, intent and letter of these governing requirements.

All state employees shall be responsible for carrying out their designated functions with care, integrity and a sense of responsibility to the taxpayers of Rhode Island for providing public services in the most cost-effective manner possible.

## 1.2 APPLICATION

1.2.1 In accordance with Section [37-2-4], Chapter 37-2, RIGL, shall apply to every expenditure of public funds except as otherwise provided by law, by the State of Rhode Island or a public agency under any contract or like business agreement, excepting only those contracts or like business agreements between the state and its political subdivisions or other governments. It shall also apply to the disposal of state supplies. Nothing in Chapter 37-2 or in the regulations promulgated hereunder shall prevent any governmental body or department or division from complying with the terms and conditions of any grant, gift, bequest or co-operative agreement.

1.2.2 Regulations promulgated by the Chief Purchasing Officer in accordance with the authority and requirements set forth in Chapter 37-2, RIGL, shall apply to the procurements of every state governmental body with the following exceptions:

1.2.2.1 Secretary of State printing, advertising, and election expenses [37-2-74]. – All printing, binding and advertising and election expenses in connection with all primaries and elections, advertising Rhode Island, and all legislative printing, including the printing of the public laws and acts and resolves, shall be purchased by the Secretary of State and in respect to said purchases the Department of State shall be exempt from the requirements of Chapter 37-2 which relate to the function of purchasing.

1.2.2.2 General Assembly [22-11-3(5/6)] The Joint Committee on Legislative Management shall have the exclusive responsibility for procurement for the General Assembly: Office space, supplies, equipment, professional and technical assistants, rental, installation and maintenance of equipment.

1.2.2.3 [37-2-12(1)] A public agency does not have to utilize the centralized purchasing of the state but the public agency, through its existing internal purchasing function, shall adhere to the general principles, policies and practices set forth in this chapter [37-2].

1.2.2.4 Public agencies may utilize the state Central Purchasing Authority as a procurement agency provided that such activity is conducted in accordance with all purchasing policies, procedures and regulations promulgated by the Chief Purchasing Officer.

## **1.3 GENERAL DEFINITIONS**

1.3.1 [37-2-7(1)] "Business" shall mean any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or other legal entity through which business is conducted.

1.3.2 [37-2-7(4)] "Construction" shall mean the process of building, altering, repairing, improving or demolishing any public structures or building, or other public improvements of any kind to any public real property. It does not include the routine maintenance or repair of existing structures, buildings, or real property performed by salaried employees of the state in the usual course of their job.

1.3.3 [37-2-7(8)] "Data" shall mean recorded information, regardless of form or characteristic.

1.3.4 [37-2-7(9)] "Designee" shall mean a duly authorized representative of a person holding a superior position.

1.3.5 [37-2-7(11)] "Governmental body" shall mean any department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, including, without limitation, the Board of Governors for Higher Education and Board of Regents - Elementary and Secondary Education or other establishment of the executive, legislative, or judicial branch of the state.

1.3.6 [37-2-7(12)] "May" shall mean permissive.

1.3.7 [37-2-7(14)] "Person" shall mean any business, individual, organization or group of individuals.

1.3.8 [37-2-7(15)] "Procurement" shall mean the purchasing, buying, renting, leasing or otherwise obtaining of any supplies, services, or construction. It shall also include all functions that pertain to the obtaining of any supply, service, or construction item, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

1.3.9 "Proprietary Information" shall mean information or data describing technical processes, mechanisms, or operational factors that a business wishes to keep from general public view in order to maintain competitive capabilities in the market. See "trade secret."

1.3.10 "Protest" shall mean a complaint about a governmental action or decision brought by a prospective bidder, a bidder, a contractor, or other interested party to the appropriate administrative section with the intention of achieving a remedial result.

1.3.11 Public Agency. In accordance with Chapter 37-2-7(16) of the RIGL, a "public agency" shall be defined as any of the following agencies and "any other body corporate and politic which has been hereto fore or which is hereinafter created or established within this state excepting cities and towns":

Rhode Island Industrial and Recreational Facilities Authority  
Rhode Island Port Authority and Economic Development Corporation  
Rhode Island Industrial Facilities Corporation  
Rhode Island Public Buildings Authority  
Rhode Island Housing and Mortgage Finance Corporation  
Rhode Island Solid Waste Management Corporation  
Rhode Island Public Transit Authority  
Rhode Island Student Loan Authority  
Howard Development Corporation  
Water Resources Board Corporate  
Rhode Island Health and Education Building Corporation  
Rhode Island Higher Education Assistance Authority  
Rhode Island Turnpike and Bridge Authority  
Blackstone Valley (Sewer) District Commission  
Narragansett Bay Water Quality District Commission  
Rhode Island Public Telecommunications Authority  
Convention Center Authority  
Channel 36 Foundation

1.3.12 [37-2-7(18)] "Purchasing agency" shall mean any governmental body which enters into a contract to procure supplies, services or construction or the Central Purchasing Authority acting on behalf of another governmental body.

1.3.13 [37-2-7(20)] "Services" shall mean the rendering, by a contractor, of its time and effort rather than the furnishing of a specific end product, other than reports which are merely incidental to the required performance of services. "Services" does not include labor contracts with employees of state agencies.

1.3.14 [37-2-7(21)] "Shall" shall mean imperative.

1.3.15 [37-2-7(25)] "State" shall mean the State of Rhode Island and any of its departments or agencies and public agencies.

1.3.16 "State agency" shall mean any state governmental body other than the General Assembly or public body as defined herein.

1.3.17 "Trade Secret" shall mean any aspect of a business or its operation not made available to competitors. See "proprietary information."

1.3.18 [37-2-7(24)] "Using Agency" shall mean any governmental body[/]public agency of the state which utilizes any supplies, services or construction procured under this chapter [37-2].

## **1.4 DOCUMENTATION AND REPORTS**

### 1.4.1 Purchase Reports

1.4.1.1 [37-2-54(9)] The Department of Administration shall maintain records of all purchases and sales made under its authority and shall make periodic summary reports of all transactions to the Chief Purchasing Officer, the Governor, and the General Assembly.

1.4.1.2 [37-2-54(9)] The Chief Purchasing Officer shall also report trends in costs and prices, including savings realized through improved practices, to the above authorities.

### 1.4.1.3 Sole Source, Emergency and Small Purchases

1.4.1.3.1 In accordance with Section [37-2-37] the Purchasing Agent shall compile annually within ninety (90) days following the close of the fiscal year a report of procurement actions for sole source, emergency, and small purchase contracts made during the preceding fiscal year. The summary shall (1) name each contractor, and (2) state the amount and type of each contract.

1.4.1.3.2 All documentation of contracts made for such procurements shall be retained for a period of five (5) years and made available for public inspection.

1.4.2 Adequate written records shall be maintained in purchasing files to document procurement activities, reasons for selection of the supplier's product and justification of price.

1.4.2.1 At a minimum, documentation shall include adequate justification of source selection and pricing.

1.4.2.2 The extent of documentation may vary with user agency needs and requirements and the value and complexity of the purchase.

1.4.2.3 Procurement officials shall be required to provide an "audit trail" for every purchase. Such documentation shall be recorded and maintained in accordance with procedures established by the Purchasing Agent. Purchasing personnel shall document and maintain records of all actions with respect to a purchase for the purpose of:

1.4.2.3.1 providing background information to assure that informed decisions are made at each step in a procurement;

1.4.2.3.2 rationale for action taken;

1.4.2.3.3 providing information for reviews and audits conducted by purchasing management and audit agencies; and

1.4.2.3.4 furnishing facts in the event of litigation.

1.4.3 Purchasing documentation shall be signed or initialed (as appropriate) by duly authorized officials. Such signature or initialing shall constitute certification by the official that the action documented meets the administrative requirements for which he/she is responsible.

1.4.3.1 Annually the Director/Chief Executive of each user agency shall submit to the Chief Purchasing Officer for approval, a list of agency officials who shall have the authority to act on behalf of the agency. The approved list shall be placed on file at the Department of Administration Offices of Purchases, Accounts and Control and Budget.

1.4.3.1.1 All authorizations shall be specific as to:

1.4.3.1.1.1 maximum levels of expenditure commitment, program account;

1.4.3.1.1.2 persons authorized to call Office of Purchases personnel to obtain information or provide clarification on requisitions; and

1.4.3.1.1.3 officials who will have the authority to decide whether a situation requires an emergency purchasing action and who will be responsible for following emergency purchasing procedures.

1.4.3.1.2 The Chief Purchasing Officer shall have the right to reject for cause the authorization of any official to represent an agency in procurement transactions.

1.4.3.2 State Purchase Orders shall require the original signature of the Chief Purchasing Officer, the Purchasing Agent or his designee.

1.4.3.3 Requisitions shall require the original signature of an official designated by the user agency Director/Chief Executive as a agent authorized to act on his behalf for procurement transactions.

1.4.3.4 Requisitions submitted to the Office of Purchases shall require the original signature of an official designated by the Budget Officer as responsible for certifying as to the availability of funds for purchasing actions.

1.4.4 Documentation records may be in the form of copies, microfilms, computer files or other means permitted in accordance with procedures established and published by the Chief Purchasing Officer or shall be original documents as required by law or the State Controller.

#### 1.4.5 Audit of contractors records.

1.4.5.1 In accordance with [37-2-34(2)] the Department of Administration may audit the books and records of any person who has submitted cost or pricing data for certain negotiated contracts or change orders at any time until the period of record retention as set forth in 37-2-34(3) shall have expired. The right to audit hereunder shall only extend to those books and records reasonably connected with cost or pricing data submitted in accordance with 37-2-28. (Note: Actual reference is to 37-2-27, which addresses prequalification of construction management vendors; 37-2-28 addresses cost and pricing data, so an assumption was made that the latter was the correct reference.)

1.4.5.1.1 "Certain negotiated contracts or change orders" shall mean negotiated contracts exceeding fifty thousand dollars (\$50,000) and negotiated change orders exceeding twenty five thousand dollars (\$25,000).

1.4.5.2 [37-2-34(3)] The Department of Administration or the Auditor General may audit the books and records of a contractor or any subcontractor under any negotiated contract or subcontract other than a firm fixed-price type contract, provided, however, that this subsection shall not limit the right to audit as set forth in subsection (2) of this section [37-2-34].

1.4.5.3 [37-2-34(2/3)] Such books and records shall be maintained by the contractor for a period of three (3) years from the date of final payment under the prime contract and by the subcontractor for a period of three (3) years from the date of the final payment under the subcontract.

1.4.6 [37-2-36(2)] All documents involved in any procurement in which collusion is suspected shall be retained until the Attorney General gives notice that they may be released, and all such documents shall be made available to the Attorney General or his designee upon request.

1.4.7 In accordance with [37-2-6] every determination required by Chapter 37-2 and the policies contained herein shall be in writing and based upon written findings of fact by the public official making the determination. These determinations and written findings shall be retained in an official contract file in the Office of the Chief Purchasing Officer or in the Office of the using agency or public agency administering the contract. For the purposes of this section, the Office of Purchases shall be considered synonymous with the "Office of the Chief Purchasing Officer."

1.4.8 [37-2-18(a-h)] Each bid, together with the name of the bidder, shall be recorded and an abstract made available for public inspection, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations. Subsequent to the awarding of a bid, all documents pertinent to the awarding of the bid shall be made available and open to public inspection, except as otherwise provided for

pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations. and retained in the bid file.

1.4.8.1 "Bid Abstract" shall mean a summary of responsive bids to a solicitation.

1.4.8.2 All documentation records shall be subject to public disclosure with the following exceptions:

1.4.8.3.1 Information of a proprietary nature submitted by vendors, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations; and

1.4.8.4.2 Information furnished by a bidder in connection with an inquiry related to responsibility.

1.4.8.5 The Purchasing Agent shall assure that information not in the public domain is not divulged, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations.

1.4.8.6 Bid shall not be available for public inspection at the bid opening, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations. Abstracts of bid information shall be available for public inspection at the Office of Purchases no later than ten (10) working days after an award has been made, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations.

1.4.8.7 Requests for access to records other than bid abstracts shall be made in writing and signed by the applicant, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations.

1.4.8.8. The Purchasing Agent shall have a reasonable time to respond to requests for access to information, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations.

1.4.8.9. Reviews of document records shall be permitted by appointment only and shall be conducted under the supervision of an Office of Purchases official, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations..

1.4.8.10 No documentation shall be removed from the premises of the Office of Purchases without the written consent of the Chief Purchasing Officer.

## **1.5 BREACH OF CONTRACT DISPUTES**

1.5.1 [37-2-46] Authority to resolve contract and breach of contract controversies. - Prior to the institution of arbitration or litigation concerning any contract, claim, or controversy, the Chief Purchasing Officer is authorized, subject to any limitations or conditions imposed by regulations, to settle, compromise, pay, or otherwise adjust the claim by or against or controversy with, a contractor relating to a contract entered into by the Department of Administration on behalf of the state or any state agency, including a claim or controversy based on of contract, mistake, misrepresentation, or other cause for contract modification or rescission, but excluding any claim or controversy involving penalties or forfeitures prescribed by statute or regulation where an official other than the Chief Purchasing Officer is specifically authorized to settle or determine such controversy.

1.5.1.1 "Contract dispute" shall mean a circumstance whereby a contractor and the state user agency are unable to arrive at a mutual interpretation of the requirements, limitations, or compensation for the performance of a contract.

1.5.1.2 The Purchasing Agent shall be authorized to resolve contract disputes between contractors and user agencies upon the submission of a request in writing from either party, which request shall provide:

1.5.1.2.1 a description of the problem, including all appropriate citations and references from the contract in question,

1.5.1.2.2 a clear statement by the party requesting the decision of his interpretation of the contract, and

1.5.1.2.3 a proposed course of action to resolve the dispute.

1.5.1.3 The Purchasing Agent shall determine whether:

1.5.1.3.1 the interpretation provided is appropriate,

1.5.1.3.2 the proposed solution is feasible, or

1.5.1.3.3 another solution may be negotiable.

1.5.1.4 The Purchasing Agent may assess dollar damages against vendors or contractors determined to be non-performing or otherwise in default of their contractual obligations equal to the cost of remedy incurred by the State, and make payment of such damages a condition for consideration of any subsequent award. Failure by the vendor or contractor to pay such damages shall constitute just cause for disqualification and rejection, suspension, or debarment.

1.5.2 [37-2-47] Failure to render timely decisions. This section shall apply to a claim or controversy arising under contracts between the state and its contractors. If such a claim or controversy is not resolved by mutual agreement, the Chief Purchasing Officer or his

designee, shall promptly issue a decision in writing. A copy of the decision shall be mailed or otherwise furnished to the contractor. If the Chief Purchasing Officer does not issue a written decision within thirty (30) days after written request for a final decision, or within such longer period as might be established by the parties to the contract in writing, then the contractor may proceed as if an adverse decision had been received.

### 1.5.3 Legal Remedy for Disputes

1.5.3.1 Public Works Contracts - In accordance with [37-2-48] disputes involving public works contracts shall be resolved in accordance with the provisions for arbitration set forth in Chapter 37-16 of the General Laws of Rhode Island.

1.5.3.2 Other Contracts - [37-2-49(2)] Any person, firm or corporation, having a lawfully authorized written contract with the state at the time of or after January 1, 1990 may bring an action against the state on the contract, including but not limited to actions either for breach of contracts or for enforcement of contracts or for both. Any such claim shall be commenced in Superior Court within three (3) years from the date of completion specified in the contract and shall be tried by the court sitting without a jury. Such case shall receive a priority position on the calendar. All defenses in law or equity, except the defense of governmental immunity, shall be preserved to the state.

1.5.3.3 [37-2-49(3)] The Superior Court shall enter its findings as a judgment of the court, and such judgment shall have the same effect and be enforceable as any other judgment of the court in civil cases, subject to the provisions of this Chapter.

1.5.3.4 [37-2-49(4)] Appeals may be taken to the Supreme Court under the same conditions and under the same practice as appeals are taken from judgments in civil cases rendered by the Superior Court.

1.5.3.5 [37-2-49(5)] If damages awarded on any contract claim under this section exceed the original amount of the contract, such excess shall be limited to an amount which is equal to the amount of the original contract.

1.5.3.6 [37-2-49(6)] No person, firm or corporation shall be permitted more than one (1) money recovery upon a claim for the enforcement of or for breach of contract with the state.

### 1.5.4 Settlement of dispute

1.5.4.1 [37-2-50(1)] The first five hundred thousand dollars (\$500,000) of any arbitration award or Superior court judgment against the state awarding damages on a contract claim under the provision of state purchasing law shall be a necessary governmental expense and payment shall be approved by the Chief Purchasing Officer and paid by the State Treasurer out of the General Fund upon warrants drawn by the Chief Purchasing Officer. Appropriations for these judgments shall be continued appropriations.

1.5.4.2 [37-2-50(2)] The Governor shall request an appropriation from the next regular session of the General Assembly for the purpose of satisfying all such awards and judgments granted during the preceding two (2) fiscal years which are not satisfied under [provisions set forth in Chapter 37-2-50(1) of the RIGL].

## **1.6 RESOLUTION OF PROTESTS**

1.6.1 [37-2-51] The decision of any official, board, agent, or other person appointed by the state concerning any controversy arising under, or in connection with, the solicitation or award of a contract, shall be entitled to a presumption of correctness and shall not be disturbed unless the decision was procured by fraud; in violation of constitutional or statutory provisions; in excess of the statutory authority of the agency; made upon unlawful procedure; affected by other error or law; clearly erroneous in view of the reliable, probative, and substantial evidence on the whole record; or arbitrary or capricious or characterized by the abuse of discretion or clearly unwarranted exercise of discretion.

### **1.6.2 Authority to resolve protests**

1.6.2.1 [37-2-52(1)] The Chief Purchasing Officer or his designee shall have authority to determine protests and other controversies of actual or prospective bidders or offerors in connection with the solicitation or selection for award of a contract.

1.6.2.2 [37-2-52(2)] Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or selection for award of a contract may file a protest with the Chief Purchasing Officer. A protest or notice of other controversy must be filed promptly and in any event within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations. All protests or notices of other controversies must be in writing.

1.6.2.3 [37-2-52(3)] The Chief Purchasing Officer shall promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

1.6.3 [37-2-53] In the event of a protest timely filed under Section 37-2-52(2) of this chapter, and except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations, -, the state shall not proceed further with the solicitation or award involved, until the Chief Purchasing Officer makes a written and adequately supported determination that continuation of the procurement is necessary to protect substantial interest of the state.

1.6.3.1 The protestor may request access to documentation to support his protest.

1.6.3.2 The Purchasing Agent shall assure that information not in the public domain is not divulged, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations.

1.6.3.3 Requests for access to records shall be made in writing and signed by the protestor, and, where applicable, shall be in compliance with the requirements of RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations.

1.6.3.3.1 The Purchasing Agent shall have a reasonable time to respond to requests for access to information, and, where applicable, the Purchasing Agent's response shall be in compliance with the requirements of RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations.

1.6.3.3.2 Reviews of document records shall be permitted by appointment only and shall be conducted under the supervision of an Office of Purchases official, except as otherwise provided for pursuant to RIGL 37-2-18 (a)-(h) "Competitive Sealed Bidding" and these regulations.

1.6.3.3.3 No documentation shall be removed from the premises of the Office of Purchases without the written consent of the Chief Purchasing Officer.

## **1.7 IMPREST FUNDS**

1.7.1 [37-2-55(1)] Subject to the provisions of this chapter any budget unit, when provided for by appropriation or when authorized by the Department of Administration may establish one (1) or more imprest cash funds for the purpose of making disbursements requiring prompt cash outlay, and to carry out the provisions of this chapter. The State Treasurer upon warrants to the Chief Purchasing Officer based upon a requisition for the head of the budget unit, shall pay to the head of such budget unit the amount necessary to establish such a fund.

1.7.1.1 "Budget Unit" shall mean state agency or department.

1.7.1.2 "Head" shall mean the Chief Executive Officer, Director or Executive Director.

1.7.1.3 Prior to the establishment of any imprest fund the agency shall submit to the State Controller a document demonstrating the need for such a fund. If the Controller determines that a such need exists and that adequate accounting controls are provided, he shall obtain the approval of the state Budget Office and the Chief Purchasing Officer to establish the fund.

1.7.2 [37-2-55(2)] A custodian shall be designated by the head of the budget unit and certified by the Department of Administration after appropriate instruction and testing as qualified to administer the fund. The custodian shall, as often as may be necessary to replenish the fund and at least once each month file with the Chief Purchasing Officer a

schedule of the disbursements from the fund, accompanied by appropriate vouchers and statements of indebtedness therefore approved by the head of the budget unit, and by a certificate as to the condition of the fund. The amount of the total of the approved voucher shall be paid to the custodian of the fund on the warrant of the Chief Purchasing Officer, and the amount shall be devoted to reimbursement of the fund. Any question relative to the amount to be allowed in any imprest cash fund, the expenditure thereof, the accounting therefore, and the repayment thereof to the state treasurer, shall be determined by the Chief Purchasing Officer.

1.7.2.1 The Chief Purchasing Officer may delegate authority and responsibility for oversight of imprest fund cash flow to the State Controller.

1.7.3 [37-2-55(3)] The agency head shall be responsible for expenditures authorized from such funds, and the custodian shall be responsible for administration of the fund. Each agency head and custodian shall be separately bonded in the amount by which the total authorization for the fund exceeds the state blanket bond for such officials.

1.7.4 [37-2-55(4)] A post audit of each imprest fund shall be conducted.

1.7.4.1 The audit may be conducted by the Bureau of Audits, the Auditor General or by an independent audit firm approved by the Auditor General.

1.7.4.2 Costs for the audit shall be the responsibility of the budget unit responsible for the imprest fund.

1.7.5 [37-2-55(5)] Each imprest fund shall lapse with the appropriation for the next ensuing year or when authorized by the Chief Purchasing Officer, [whichever occurs first].

1.7.6 [37-2-55(6)] Where work is done on public projects by the state through the use of its own personnel or facilities in whole or in part, which work is not subject to the provisions of law for competitive bidding, the budget unit having such work performed may, when authorized by the Chief Purchasing Officer, establish an imprest cash fund for the purpose of defraying the expenses of the proposed project, which fund shall not exceed at any time an amount equal to twenty-five percent (25%) of the anticipated total cost of the project.

## **1.8 PURCHASING FOR MUNICIPALITIES AND REGIONAL SCHOOL DISTRICTS. [37-2-56]**

The Chief Purchasing Officer shall permit, subject to such terms and conditions as he may prescribe, any municipality or municipalities or regional school district of the state, to participate in contract for the purchase of materials, supplies and equipment entered into by the Purchasing Agent. Any municipality or regional school district desiring to participate in purchase contracts shall file with the Chief Purchasing Officer a certified copy of a resolution of its council or regional school committee requesting that it be

authorized to participate in purchase contracts of the Purchasing Agent and agreeing that it will be bound by such terms and conditions as the Purchasing Agent may prescribe, and that it will be responsible for payment directly to the vendor under each purchase contract.

1.8.1 Nothing herein shall prevent a municipality or regional school district, other political subdivision, or public agency from negotiating with vendors who have been awarded contracts for goods or services by the State, or from accepting a State contract as the basis for the award of a requirement by the municipality, regional school district, other political subdivision, or public agency, where rules, regulations, charter or ordinance permit.

## **1.9 GOODS PRODUCED IN THE REPUBLIC OF SOUTH AFRICA [37-2-57]**

In conformity with the policy of divestment established in Section 35-10-12, the state of Rhode Island, including all of its departments, agencies, authorities, and instrumentalities, shall refrain from the purchase of any goods which are known to be wholly produced in the Republic of South Africa. Such goods are those which are in their final form for use or consumption without additional processing, assembly, or manufacturing. Further, the state will give preference in its purchasing to companies not doing business in, or with, the Republic of South Africa. The Chief Purchasing Officer shall promulgate such rules and regulations as are necessary and proper to carry out the purpose of this section.

1.9.1 Firms expressing an interest in being placed on the state Bidders List shall be required to report whether the goods (in their final form) which the firm intends to supply are made in the Republic of South Africa.

## **1.10 ADMINISTRATIVE RESPONSIBILITY FOR CONTRACTUAL AND OTHER EXPENDITURES WHICH ARE NOT PROCUREMENTS**

1.10.1 [37-2-7(5)] "Contract" shall mean all types of agreements, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other items. It shall include awards, contracts of a fixed price, cost, cost-plus-a-fixed-fee, or incentive type; contracts providing for the issuance of job or task orders, leases, letter contracts, purchase orders and construction management contracts. It also includes supplemental agreements with respect to any of the foregoing. With respect to the procurement regulations set forth herein, "contract" shall not apply to labor contracts with employees of state agencies.

1.10.1.1 Contracts for concessions (cafeteria services, vending machines, recreational programs, transportation services, etc.) shall be deemed not to be procurements.

1.10.2 Except for contracts for grants-in-aid, award of non-procurement contracts shall be subject to the same open, competitive procedures which apply to procurements.

**1.11 [37-2-54(3)] No purchase or contract shall be binding on the state or any agency thereof unless approved by the Department [of Administration] or made under general regulations which the Chief Purchasing Officer may prescribe.**

1.11.1 The Chief Purchasing Officer may delegate authority to enter into non-procurement contracts; or

1.11.2 The Chief Purchasing Officer may direct the Purchasing Agent to oversee and/or administer competitive procedures prior to the award of non-procurement contracts, including, but not limited to, grants, interagency cooperative agreements, and concessions. However, such administrative authority shall not constitute responsibility for the selection of recipients of such contracts, or the substance of the accompanying agreements.

**RECEIVED**

*(Handwritten initials)*

OCT 11 2011

RI SECRETARY OF STATE  
ADMINISTRATIVE RECORDS