

PS-09.01, "Correctional Industries" September 1, 2003

SCDC POLICY/PROCEDURE

NUMBER: PS-09.01

TITLE: CORRECTIONAL INDUSTRIES

ISSUE DATE: SEPTEMBER 1, 2003

RESPONSIBLE AUTHORITY: DIVISION OF INDUSTRIES

OPERATIONS MANUAL:PROGRAM SERVICES

SUPERSEDES: PS-09.01 (July 1, 2001)

RELEVANT SCDC FORMS/SUPPLIES: 14-44

ACA/CAC STANDARDS: 3-4402, 3-4405, 3-4406

STATE/FEDERAL STATUTES: 24-3-310 through 24-3-420, South Carolina Code of Laws, 1976, as amended; South Carolina Consolidated Procurement Code

PURPOSE: To provide guidelines for the management and operation of correctional industries within the South Carolina Department of Corrections.

POLICY STATEMENT: The South Carolina Department of Corrections will operate correctional industries within the Agency under the supervision of the Director of Programs & Services. The Division of Industries will be authorized to purchase/sell products and services pursuant to all applicable Agency policies/procedures, state and federal statutes, and American Correctional Association standards. (3-4402)

THIS POLICY/PROCEDURE WILL APPLY TO EVERY COMMITMENT AND/OR EXPENDITURE OF ANY AND ALL FUNDS OR MONIES (STATE OR FEDERAL) FOR WHICH THE DIVISION OF INDUSTRIES IS ACCOUNTABLE AND FOR SUCH COMMODITIES AND SERVICES AS ARE REQUIRED IN OPERATING EACH MANUFACTURING OR SERVICE FACILITY LOCATED AT THE VARIOUS INSTITUTIONS, CENTERS, DIVISIONS, AND OFFICES OF THE SCDC.

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SPECIFIC PROCEDURES:

1. RESPONSIBILITIES:

1.1 Director of Programs & Services:

The Agency Director has the basic authority to carry out the provisions of this policy/procedure as set forth in Sections 24-3-310 through 24-3-420 of the South Carolina Code of Laws, 1976, as amended. This authority is further delegated to the Director of Programs & Services and by him/her as specified in these procedural guidelines. The Director of Programs & Services will be responsible for the operation and control of this policy/procedures throughout his/her area of authority and supervision. Any deviations from or exceptions to designated purchasing authorities and/or activities will be only as authorized individually and specifically by the Director of Programs & Services or his/her approved designee in his/her prolonged absence.

1.2 Division Director of Industries: The Division Director of Industries or his/her designee will be responsible for:

1.2.1 managing the SCDC Industries Program and ensuring coordination on operational and security issues with the Warden from the institution where the project is located; (3-4402)

1.2.2 establishing and maintaining sales and marketing programs for all industries products and services throughout the state;

1.2.3 providing technical advice and assistance to Wardens on matters related to the industries programs;

1.2.4 developing and distributing specific internal operating procedures; and

1.2.5 managing and maintaining proper records and controlling all property for which funds and monies budgeted have been expended, to include but not be limited to: receiving and processing requests (requisitions); and processing procurement/purchasing actions to purchase or contract for necessary equipment, raw materials, supplies, and services within appropriate guidelines.

1.3 Administrative Manager: The Purchasing Branch of the Division of Budget and Finance will be responsible for:

1.3.1 ensuring that all user personnel are in compliance with these procedures;

1.3.2 implementing proper controls to monitor, audit, and regulate the procurement system;

1.3.3 ensuring compliance with the Purchasing guidelines.

1.4 On-site supervisors of Correctional Industries functions within institutions will ensure that the Warden is kept informed on issues such as inmate behavior and productivity and that problems/concerns are coordinated with the Warden to ensure efficient and effective operations.

1.5 Former inmates with a felony conviction(s), drug related conviction(s), and/or sexual misconduct related conviction(s) within 10 years will NOT be hired by the Agency for any position. Any inmate who has served time in any state or federal prison system, to include serving a state sentence in a Designated Facility, within five (5) years will NOT be hired by the Agency. In exceptional cases, the Agency Director reserves the right to approve actions outside the provisions of this policy/procedure if, in his/her opinion, circumstances warrant such approval. Former inmates with the exception of those with drug related convictions and sexual misconduct related convictions(s) may be hired by contractual companies to work in prison industry facilities provided they have been released from the Agency for sixty (60) days with a clear disciplinary record for one (1) year prior to release from the Agency. Inmates released from federal or any other state prison must have been released one (1) year; in each case the position for which the inmate is requested for hire must be a skilled or supervisory position; and s/he may not have any relatives incarcerated at that facility where s/he will be working. In such cases where former inmates are requested for hire, approval must be granted by the appropriate division director and the Agency Director. Waivers of offense, release period, release conditions, and other provisions set forth in this policy/procedure may be approved by the Agency Director.

2. SALE OF PRODUCTS/SERVICES:

2.1 The sale price of all products and services will be competitive while still allowing for a reasonable margin of profit.

2.2 The sale of products and services will be limited to those agencies and individuals authorized by South Carolina law to purchase from the SCDC.

2.3 The addition/elimination of any industry project will be as recommended by the Division Director of Industries. The Division Director of Industries will be responsible for advising the Director of Programs & Services and the Agency Director to obtain concurrence for these changes.

3. PURCHASE OF PRODUCTS/SERVICES:

3.1 The Division of Industries will be authorized to purchase the following products/services that may be required by the various manufacturing facilities for the continuance of their production schedules: equipment, raw materials, supplies, and services.

3.2 There are five (5) methods which may be used for the procurement of commodities and services, to include: Competitive Bids; Small Purchases; Emergency Purchase Orders; Request for Proposal (RFP) and Petty Cash Vouchers. (3-4402, 3-4406)

(NOTE: Any other purchasing procurement action is considered an unauthorized procurement and will be documented and investigated pursuant to SCDC Policy/Procedure ADM-12.01 "Procurement of Commodities and Services.")

3.3 Purchases using Division of Industries monies may be transacted using the following methods: solicitation by phone; quotation letter; formal bids or requests for proposals; newspaper ads; direct negotiations with vendors; and via the internet at: WWW.STATE.SC.US/SCDC, or WWW.STATE.SC.US/SCDC/PI, or E-Mail at SCDCPI.CUSTSERV@DOC.STATE.SC.US.

3.4 Purchase Orders will not be used to request or order any items stocked in the Central Office Supply Room or the Agency Commissary.

3.5 The Division Director of Industries will comply with established Agency procedures for purchases utilizing federal funds. A South Carolina Purchase Requisition Form #CPS-R005-9/78R will be used for this purpose.

3.6 All Agency vehicle repairs are authorized under the provision of this policy/procedure. Requests for vehicle repairs will be submitted to the Division Director of Transportation for action. (See also OP-20.02, "Transportation Management.")

3.7 With the exception of an approved Petty Cash Voucher, no purchase will ever be made until an authorized Purchase Order Number has been received from the Purchasing Branch, Division of Budget and Finance. (See SCDC Policy/Procedure ADM-15.11, "Petty Cash Funds," for additional information.) (3-4402, 3-4406)

3.8 Routine Requisitions:

3.8.1 Requisitions for the routine purchase of equipment, raw materials, supplies, and services will be forwarded through normal administrative channels to the Purchasing Branch, Division of Budget and Finance, using SCDC Form 14-44, "Purchasing Requisition."

3.8.2 The completed SCDC Form 14-44, "Purchasing Requisition" (to include all carbons), will be forwarded to the Purchasing Branch, Division of Budget and Finance. (NOTE: The requestor retains a copy of the requisition pending receipt of the processed purchase order.) (3-4402, 3-4406)

3.8.3 Detailed instructions for completing the form have been provided by the Division of Industries Administrative Manager and will be followed by all users.

3.9 Emergency Purchase Order:

3.9.1 The requesting authority will contact (by telephone) the Purchasing Branch, Division of Budget and Finance, to obtain an Emergency Purchase Order Number and give the following information: the reason for the emergency purchase; the pre-assigned requisition number; the amount of the purchase; and the vendors name.

3.9.2 The Administrative Manager will then issue the Purchase Order Number.

3.9.3 A Purchase Order will be typed to cover all emergency purchases. With the exception of the vendors copy, the distribution will be made as normal. The vendors copy may be mailed upon request of the vendor. (3-4402, 3-4406)

3.9.4 Detailed instructions for expediting an emergency purchase have been provided by the Division of Industries Administrative Manager in the Purchasing Manual and will be followed by all users.

3.10 Purchase of Commodities Contracted by the State Materials Management Office:

3.10.1 Requisitions for the purchase of fuel, oil, and other commodities contracted by the State Division of Materials Management Office should be made using SCDC Form 14-44, "Purchasing Requisition." The completed form will be sent to the Division of Industries Administrative Manager.

3.10.2 The Administrative Manager will employ applicable existing state contracts except when state contract prices are higher than those that may be obtained from other sources; or when required specifications and delivery dates are not compatible with the Division of Industries requirements.

3.10.3 When the delivery is made, factory unit supervisors signing for the receipt of commodities will ensure that the correct Purchase Order Number is on the appropriate receiving ticket and that the quantity and condition of the commodity ordered is as specified on the Purchase Order. The Administrative Manager will ensure that a proper Purchase Order Number is on the vendors delivery ticket and invoice. (3-4402, 3-4406)

3.10.4 Detailed instructions for Emergency Purchase Orders have been provided by the Division of Industries Administrative Manager and will be followed by all users.

4. SELECTION OF BIDDERS AND VENDORS: The following criteria will be followed in the selection of bidders and vendors:

4.1 All eligible and qualified suppliers who have submitted bidders letters of applications, or whom the Administrative Manager considers to be capable of fulfilling the requirements of a particular procurement, will be placed on the appropriate vendors list maintained by the Purchasing Branch.

4.2 Unless otherwise provided by law, procurements will be awarded by either competitive sealed bidding or competitive sealed proposals as set forth in the State Consolidated Procurement Code.

4.3 The Division Director of Industries will make the final determination, in the best interest of the Agency, on all transactions exceeding \$5,000.

4.4 The Division Director of Industries will forward to the Director of Programs & Services any unusually large and/or non-routine purchases for approval.

5. INVENTORIES:

5.1 Fixed asset inventories will be maintained by employees from the Division of Industries using the SCDC Fixed Asset system in accordance with acceptable accounting practices and SCDC policy.

5.2 At a minimum, physical inventories for raw materials, finished goods, and in-process goods will be conducted at the end of each fiscal year. (3-4402)

6. FINANCIAL STATEMENTS:

6.1 Financial statements will be prepared by the Division of Industries Accounting Section with the assistance of employees from the Division of Budget and Finance from books and records maintained in accordance with generally accepted accounting principles for manufacturing and service related entities at least at the end of each quarter. (3-4405)

6.2 Copies of financial statements will be distributed to: the Agency Director; the Director of Programs & Services; the Division Director of Internal Audits; the Division Director of Budget and Finance; and other Agency officials as deemed necessary by the Division Director of Industries.

7. DEFINITION:

Emergency Purchase Order refers to a purchase order that is required due to an unforeseen situation which could endanger lives, property, or the continuance of production schedules, and which can be rectified only by the immediate purchase of equipment, supplies, or services.

SIGNATURE ON FILE

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s/Jon E. Ozmint, Director

ORIGINAL SIGNED COPY MAINTAINED IN THE DIVISION OF POLICY DEVELOPMENT.