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<b>Section-08 Industries</b>	<b>OP-080104</b>	<b>Page: 1</b>	<b>Effective Date: 06/25/2014</b> <b>Annual Review: 02/2015</b> <b>Annual Review: 12/2015</b>
<b>Purchase of Products and Services</b>	<b>ACA Standards: 4-4451, 4-4452, 4-4459</b>		
<b>Robert Patton, Director</b> <b>Oklahoma Department of Corrections</b>	<b>Signature on File</b>		

## **Purchase of Products and Services from Correctional Industries**

There are two correctional industries programs within the Oklahoma Department of Corrections (DOC). The Agri-Services program is responsible for agriculture related operations. Oklahoma Correctional Industries (OCI) is responsible for the production of manufactured goods and service operations. For the purpose of this procedure, the term “correctional industries” is inclusive of both programs.

The OCI program produces an extensive product line and offers specialized services to all qualified customers as defined in 57 O.S. § 549.1 (B). The Agri-Services program produces a variety of agricultural goods, which are primarily consumed by DOC facilities but may be offered to external customers as defined in 57 O.S. § 549.1 (B) if production capacity allows. Correctional industries programs utilize offender labor, which contributes to a reduction of offender idleness and provides job skills training for a maximum number of offenders. (4-4451, 4-4452) DOC facilities and divisions will fully utilize the products and services of correctional industries in order to maximize the benefits provided by these programs.

For the purpose of this procedure, the term “offender” will apply to anyone under the authority, custody or care of a prison or a community-based facility operated by or contracted with the Oklahoma Department of Corrections.

### **I. Purchase of Products**

The purchase of products and services from OCI and Agri-Services by DOC facilities and divisions is mandatory unless the product or service is not available and a reasonable alternative cannot be developed. A DOC facility or division cannot purchase a product or service in lieu of a correctional industries or agri-service product or service, unless the administrator of Agri-Services or the

administrator of Oklahoma Correctional Industries, or a designated industries staff member, grants an exemption for the purchase. If an exemption for purchase is not granted, the DOC facility head or division administrator may appeal the refusal for the exemption to purchase through the chain of command to the associate director of Field Operations. OCI will make every effort to price its products so that they are competitive with local vendors for comparative products.

A. Promotion of Correctional Industries Products

1. The OCI program will produce and maintain product literature and other types of media (e.g., printed catalogs, on-line catalogs, etc.) to promote the use of manufactured products and services and explain the purpose of the program. This information will be distributed to qualified customers as determined by the administrator of Oklahoma Correctional Industries.
2. Agri-Services will develop promotional literature when necessary to promote the agriculture product lines and provide information on the program.
3. Both correctional industries programs will make available all pertinent product information to each facility's business office or divisional purchasing department.

B. Product Information

1. OCI sales and marketing staff will respond to requests for information about manufactured products and services such as product design features, specifications, materials, price and availability.
  - a. If a product in the OCI standard product line is not acceptable, for reasons based on required function and/or security or safety requirements, the customer is encouraged to discuss their requirements with OCI staff to determine if a suitable alternative or custom product can be developed.
  - b. If a reasonable alternative or a custom product cannot be developed, then an exemption for the purchase will be requested and granted. The exemption will make it permissible to pursue purchasing the product or service from another source through the normal procurement process.
2. The administrator of Agri-Services, or designee, will respond to requests for information about agricultural products including price and availability. If an agricultural product is not acceptable for any reason, the customer is encouraged to discuss their requirements with the administrator of Agri-Services to develop a resolution to the issue.

C. Purchasing Procedure

Correctional industries products and services can be purchased by any qualified customer without the use of a competitive bid procedure (57 O.S. § 549.1 (D)). A Form #029, located on the central purchasing website, will be used by DOC to purchase correctional industries products and services. Requisitions may also be processed through the Office of State Finance (OSF) automated purchasing network PeopleSoft or, when allowable, purchases may be made through other appropriate methods. Verbal orders for products and services from DOC will not be accepted unless approved in advance by the administrator of OCI. DOC business office staff will review all purchasing paperwork sent to correctional industries and will ensure the proper purchasing procedures are followed.

D. Eligible Government Employee/Retiree Purchases from Oklahoma Correctional Industries

The following guidelines will apply to all eligible government employees or retirees that wish to purchase OCI products and services (74 O.S. § 123 f):

1. Products must be paid for before being picked up by the purchaser unless otherwise approved by the OCI administrator or designee.
2. Payments will be made by check, credit card and/or money order. Cash in the exact amount of the invoice may be accepted if purchase is made at the OCI showroom or a special event.
3. Products will be delivered to the OCI facility of the purchaser's choice for pickup by the purchaser unless otherwise directed by the OCI administrator or designee.
4. Sales contracts with eligible government employees or retirees will be made through designated OCI staff and not through the OCI customer service unit. The designated OCI staff member will retain all personal information regarding the purchaser and provide all follow up contact with the purchaser.
5. On items purchased involving non-standard OCI products (e.g., custom products, modified products, or products requiring OCI to purchase parts, components or sub-assemblies not common to other OCI products), a minimum of one-half of the purchase amount will be paid when the product is ordered and is non-refundable after three business days following the receipt of the sales order.

6. All applicable sales taxes will apply to the sales price of and collected on all sales of products sold to eligible government employees or retirees.
7. All prices of products sold to eligible government employees or retirees will be the standard sales price of the product unless otherwise approved by the administrator of OCI or the OCI sales and marketing manager.
8. Regulated traffic signs will not be sold to employees or retirees.

E. Eligible Government Employee/Retiree Purchases from Agri-Services

The following guidelines apply to all eligible government employees and retirees that wish to purchase Agri-Services products:

1. Eligible products will be sold from the Agri-Services' truck only and may not be purchased directly from the meat processing plant, food processing plant or any Agri-Services' employee.
2. Each facility/agency head will be provided with a sales flyer/price list prior to the arrival of the Agri-Services' truck.
3. Products will be paid for when picked up by the employee or retiree.
4. Payments will be made by check only.
5. All applicable sales taxes will apply and be collected on sales of all products sold to eligible government employees or retirees.
6. There will be no special orders on food products.

II. Product Pricing

A. Review

OCI and Agri-Services will periodically, but not less than annually, review product pricing against comparable competitor products and recovery costs. Product pricing will be revised if necessary.

1. Current product pricing will be made available to all DOC facilities and divisions. Pricing to DOC customers will include the cost of delivery unless specialized circumstances dictate. Prices, including delivery costs, will be equal to or below fair market prices for products of comparable materials and quality.
2. All correctional industries' products will be covered by established correctional industries warranties. If there is a question regarding

comparable quality or pricing, the matter will be reviewed by correctional industries management. If a satisfactory resolution cannot be obtained, the matter will be referred through the chain of command to the associate director of Field Operations for a final decision.

### III. Product Delivery

#### A. Delivery Times

OCI will maintain an inventory of selected standard products in order to minimize delivery times where finished goods inventory warehousing space is available. OCI staff will quote projected delivery dates upon request by a customer.

1. In the event that a projected delivery time creates an unacceptable hardship upon the requesting entity and an improvement in delivery time cannot be made by OCI, the purchase may be made elsewhere. An exemption to purchase due to delivery time must be issued by OCI before the purchase is made.
2. In order for an exemption for purchase to be granted, products must be available from the alternate source in a significantly more expedient time frame. The purchasers' failure to promptly process and submit purchase orders in a timely manner is not sufficient reason for a delivery time exemption.

Agri-Services will make deliveries of agriculture products in a timely manner that is consistent with the established needs of the facilities' food service operations.

### IV. Product Quality (4-4459)

OCI and Agri-Services products will meet quality standards that are equal to or exceed those of comparable products. The OCI Customer Service Division is to be contacted if there is a problem with a product or service offered by OCI. The customer service staff will prepare and process a "Request for Factory Action" or "Return Merchandise Authorization (internal only)" for automated transmission to the production location. The content of the "Request for Factory Action" or "Return Merchandise Authorization" will detail the problem and specify a reasonable resolution that will meet with the customer's approval. Reasonable resolutions will be completed in a timely manner that is consistent with the nature of the problem.

Product complaints on Agri-Services products or service will be reported to the administrator of Agri-Services. The administrator of Agri-Services or a designee will normally respond to all complaints within five working days of receipt and will ensure a suitable resolution is met with the customer as soon as possible.

V. References

Policy Statement No. P-080100 entitled "Mission and Management of Correctional Industries"

57 O.S. § 549.1 (B)

74 O. S. § 123.f

VI. Action

The administrator of Oklahoma Correctional Industries and Agri-Services are responsible for compliance with this procedure.

The associate director of Field Operations is responsible for the annual review and revisions.

Any exceptions to this procedure will require prior written approval from the director.

This procedure is effective as indicated.

Replaced: Operations Memorandum No. OP-080104 entitled "Purchase of Products and Services from Correctional Industries" dated August 9, 2012

Distribution: Policy and Operations Manual  
Department Website