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| <b>Purchase of Products and Services</b>                           | <b>ACA Standards: 5-ACI-7A-11</b> |                          |                                   |
| <b>Scott Crow, Director<br/>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 (ODOC). 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 ODOC 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 inmate labor, which contributes to a reduction of inmate idleness and provides job skills training for a maximum number of inmates. ODOC 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 “facility” includes institutions and/or community correction centers.

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

The purchase of products and services from OCI and Agri-Services by ODOC facilities and divisions is mandatory unless the product or service is not available, and a reasonable alternative cannot be developed. An ODOC facility cannot purchase a product or service in lieu of a correctional industries or agri-service product or service, unless the chief administrator of Agri-Services or the chief administrator of Oklahoma Correctional Industries, or a designated industries staff

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member, grants an exemption for the purchase. If an exemption for purchase is not granted, the ODOC facility head or administrator may appeal the refusal for the exemption to purchase though the chain of command OCI and Agri-Services 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 chief 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 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. (5-ACI-7A-11)
  - 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 chief 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 chief administrator of Agri-Services to develop a resolution to the issue.

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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)). Requisitions may be processed through the (OMES) automated purchasing network PeopleSoft or, when allowable, purchases may be made through other appropriate methods. Verbal orders for products and services from ODOC will not be accepted unless approved in advance by the chief administrator of OCI. ODOC 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 will be paid for up front prior to any order processing unless otherwise approved by the chief administrator of OCI or designee, this includes all 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).
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 chief administrator of OCI 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. 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.
6. 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 chief administrator of OCI.
7. Regulated traffic signs will not be sold to employees or retirees.

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

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

1. Sales of products to eligible government employees or retirees will be made through Agri-Services administration and designated units. Agri-Services products may not be purchased directly from the meat processing plant, food processing plant, or any Agri-Services' employee.
2. Sales flyers will be periodically sent out advertising available products and their prices.
3. Custom orders will be paid for at time of order. Stock items will be paid for upon receipt of the order.
4. Payments will be made by money order or credit card 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 ODOC facilities and divisions. Pricing to ODOC 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 chief administrator of OCI or the chief administrator of Agri-Services for a final decision.

## III. Product Delivery

### A. Delivery Times

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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 will be issued by OCI before the purchase is made.
2. In order for an exemption for purchase to be granted, products will 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 (5-ACI-7A-11)

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 chief administrator of Agri-Services. The chief 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 P-080100 entitled "Mission and Management of Correctional Industries"

57 O.S. § 549.1 (B)

57 O.S. § 549.1 (D)

74 O. S. § 123.f

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VI. Action

The chief administrator(s) of Oklahoma Correctional Industries and Agri-Services are responsible for compliance with this procedure and for the annual review and revisions.

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

This procedure is effective as indicated.

Replaced: OP-080104 entitled "Purchase of Products and Services from Correctional Industries" dated August 23, 2021

Distribution: Policy and Operations Manual  
Agency Website