

**Division of Purchasing
Department of Finance**

**Functional Analysis
&
Records Disposition Authority**

**Presented to the
State Records Commission
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Functional and Organizational Analysis of the Division of Purchasing, Department of Finance

Sources of Information

Representatives of the Division of Purchasing, Department of Finance
Code of Alabama, 1975, Sections 41-4-110 to 41-4-115
Code of Alabama, 1975, Sections 41-16-20 to 41-16-32 (State Bid Laws)
Alabama Administrative Code, Chapters 355-4-.01 to 355-4-.06
Fiscal Procedures Manual, Chapter 4: Purchasing Procedures and Documents
Alabama Government Manual (2002) page 44
Department of Finance Audit Reports
Division of Purchasing Website

Historical Context

The Division of Purchasing is a division of the Department of Finance. Before the creation of the Department of Finance in 1939, purchasing was performed by the Purchasing Department of the State Board of Control and Economy from 1919 to 1923 (Acts of Alabama 47, pp. 43-49 [1975]), and by the Purchasing Department of the State Board of Administration from 1923 to 1939 (Acts of Alabama 457, p. 629 [1975]). After the establishment of the Department of Finance in 1939, the Division of Purchasing had been known as the Division of Purchases and Stores until 1989 or 1990 when the name of the division was changed to the Division of Purchasing. Stores is now a function of the Division of Service, which operates a central supply room providing office and janitorial supplies to all state agencies.

Agency Organization

The Division of Purchasing is a division of the Department of Finance and functions under the direction, supervision, and control of a purchasing director/agent, a merit system official who is appointed by the director of the Department of Finance with the approval of the governor. The division may employ as many personnel as may be necessary to carry out the duties of the office. Staff members are classified as administrative, support, and buyers.

Agency Function and Subfunctions

The division makes and supervises the execution of all contracts and purchase orders for the purchase of commodities and services necessary to operate state government, except as otherwise provided by law. In the performance of its mandated functions, the division may engage in the following subfunctions:

- **Procuring.** Code of Alabama, Section 41-4-110 authorizes the division to purchase all personal property, except as otherwise provided by law, for the state and all state government entities. In order to do business with the state, all vendors must register with the division. The actual purchasing process begins with the submission of a requisition by individual agencies to the division. Agencies that are on-line with the State Network of Automated Procurement (SNAP) System submit their requisitions electronically while those that are not on-line with SNAP must turn-in requisition forms. SNAP is integrated with individual departmental accounting systems (LGFS and other automated systems) and the state's accounting system (GFS) to ensure the requesting department has an adequate appropriation to cover the amount of the requisitions. With some exemptions, almost all requisitions for labor, service, purchase or lease of materials, equipment, supplies, or other personal property for \$7,500.00 or more by any state agency must first go through the open competitive bidding process. Purchases are awarded to the lowest responsible bidder and contracts for the purchase of personal property or services are let for periods no greater than five years. After the requisition and bidding process is completed/approved, the division staff then generate purchase orders to procure commodities/services.

- **Administering Internal Operations.** A significant portion of the agency's work includes general administrative, financial, and personnel activities performed to support its programmatic areas.

Managing the Agency: Activities include internal office management activities common to most government agencies such as corresponding and communicating; scheduling; meeting; documenting policy and procedures; reporting; litigating; drafting, promoting, or tracking legislation; publicizing and providing information; managing records; and managing information systems and technology.

Managing Finances: Activities involved in managing finances may include the following: budgeting (preparing and reviewing the budget package, submitting the budget package to the Department of Finance, documenting amendments and performance of the budget); purchasing (requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received); accounting for the expenditure, encumbrance, disbursement, and reconciliation of funds within the agency's budget through a uniform system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; and assisting in the audit process.

Managing Human Resources: Activities involved in managing human resources may include the following: recruiting and hiring eligible individuals to fill vacant positions within the agency; providing compensation and benefits to employees; supervising employees (evaluating performance, disciplining, granting leave, and monitoring the accumulation of leave); and providing training and continuing education for employees.

Managing Properties, Facilities, and Resources: Activities involved in managing

properties, facilities, and resources may include the following: inventorying and accounting for non-consumable property and reporting property information to the appropriate authority; leasing and/or renting offices or facilities; providing for security and/or insurance for property; and assigning, inspecting, and maintaining agency property, including vehicles.

Analysis of Record-Keeping System and Records Appraisal of the Division of Purchasing, Department of Finance

Agency Record-Keeping System

The Division of Purchasing operates a hybrid system composed of a computer system and a paper record-keeping system. The State Network of Automated Procurement (SNAP) System is the main system operated by the division in processing requisitions electronically. SNAP is integrated with individual departmental accounting systems (LGFS and other automated systems) and the state's accounting system (GFS) to ensure the requesting department has an adequate appropriation to cover the amount of the requisition.

Records Appraisal

The following is a discussion of the two major categories of records created and/or maintained by the Division of Purchasing: Temporary Records and Permanent Records.

I. Temporary Records. Temporary records should be held for what is considered to be their active life and disposed of once all fiscal, legal, and administrative requirements have been met.

- **Records Documenting Purchasing Related Activities.** Types of records may include, but are not limited to, the following series: (1) Contracts – Agreements between the state and vendors for goods and services; (2) Sealed Bids (Bid Tabulations) – Purchases over \$7,500.00 must be put out for bid and awarded to the low bidder that meets specifications; (3) Releases – Requisitions made from contracts that have already been bid with set prices; (4) Solicitations (Direct Award) – Requisitions for purchases under \$7,500.00 including sole source purchases; (5) Purchase Orders – Final authorization to buy goods or services from vendors. The division maintains records documenting purchasing related activities for 14 years for possible operational needs and reference by the division staff.

II. Permanent Records. The Government Records Division recommends the following records as permanent.

Administering Internal Operations

- **Website.** The division has a website at www.purchasing.alabama.gov. Information on the website includes rules and regulations, active statewide contracts, responses to ITB, vendor registration procedures and forms, purchasing news, and FAQ's. The website should be preserved as it serves as an important medium for communication with the public. (RDA page 3-2) **(Bibliographic Title: Website)**

Permanent Records List
Division of Purchasing, Department of Finance

Administering Internal Operations

1. Website

Division of Purchasing, Department of Finance, Records Disposition Authority

This Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by the Code of Alabama 1975, Sections 41-13-5 and 41-13-20 through 21. It was compiled by the Government Records Division, Alabama Department of Archives and History (ADAH), which serves as the commission's staff, in cooperation with representatives of the Division of Purchasing, Department of Finance. The RDA lists records created and maintained by the Division of Purchasing in carrying out its mandated functions and subfunctions. It establishes retention periods and disposition instructions for those records and provides the legal authority for the Division of Purchasing to implement records destruction.

Alabama law requires public officials to create and maintain records that document the business of their offices. These records must be protected from "mutilation, loss, or destruction," so that they may be transferred to an official's successor in office and made available to members of the public. Records must be kept in accordance with auditing standards approved by the Examiners of Public Accounts (Code of Alabama 1975, Sections 36-12-2, 36-12-4, and 41-5-23). For assistance in implementing this RDA or for advice on records disposition or other records management concerns, contact the ADAH Government Records Division at (334) 242-4452.

Explanation of Records Requirements

- This RDA supersedes any previous records disposition schedules governing the retention of the Division of Purchasing, Department of Finance, records. Copies of superseded schedules are no longer valid and should be discarded.
- The RDA establishes retention and disposition instructions for records regardless of the medium on which those records may be kept. Electronic mail, for example, is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the subfunctions to which the records belong.
- Some temporary records listed under the Administering Internal Operations subfunction of this RDA represent duplicate copies of records listed for long-term or permanent retention in the RDAs of other agencies.
- Certain other short-term records that do not materially document the work of an agency may be disposed of under this RDA. Such materials include: (1) duplicate record copies that do not require official action, so long as the creating office maintains the original record for the period required; and (2) transitory records, which are temporary records created for internal purposes that may include, but are not limited to, telephone call-back messages; drafts of ordinary documents not needed for their evidential value; copies of material sent for information purposes but not needed by the receiving office for future business; and internal communications about social activities. They may be disposed of without documentation of

destruction. Other items that may be disposed of without destruction documentation include: (1) catalogs, trade journals, and other publications received that require no action and do not document government activities; and (2) stocks of blank stationery, blank forms, or other surplus materials that are not subject to audit and have become obsolete.

Records Disposition Requirements

This section of the RDA is arranged by subfunctions of the Division of Purchasing, Department of Finance, and lists the groups of records created and/or maintained by the agency as a result of activities and transactions performed in carrying out these subfunctions. The agency may submit requests to revise specific records disposition requirements to the State Records Commission for consideration at its regular quarterly meetings.

■ Procuring

Records Documenting Purchasing Related Activities : (1) Contracts; (2) Sealed Bids (Bid Tabulations); (3) Releases; (4) Solicitations (Direct Award); (5) Purchase Orders
Disposition: Temporary Record. Retain 14 years after end of the fiscal year in which the records were created.

Vendor Registrations

Disposition: Temporary Record. Retain 20 years after end of the fiscal year in which the records were created.

Approval Letters for Emergency Purchasing

Disposition: Temporary Record. Retain 14 years after end of the fiscal year in which the records were created.

Approval Letters for Payment

Disposition: Temporary Record. Retain 14 years after end of the fiscal year in which the records were created.

■ Administering Internal Operations*

WEBSITE

Disposition: PERMANENT RECORD. PRESERVE A COMPLETE COPY OF WEBSITE ANNUALLY OR AS OFTEN AS SIGNIFICANT CHANGES ARE MADE.

Routine Correspondence

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Telephone Call Records

Disposition: Temporary Record. Retain for useful life.

Mailing/Contact Lists

Disposition: Temporary Record. Retain for useful life.

Invoices

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Administrative Reference Files

Disposition: Temporary Record. Retain for useful life.

Records documenting the implementation of the division's approved RDA (copies of transmittal forms to Archives or the State Records Center, evidence of obsolete records destroyed, and annual reports to the State Records Commission)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Copy of RDA

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the RDA is superseded.

System Documentation (hardware/software manuals and diskettes, warranties)

Disposition: Temporary Record. Retain documentation of former system 3 years after the end of the fiscal year in which the former hardware and software no longer exists in the agency and all permanent records have been migrated to a new system.

***Original copies of Division of Purchasing's financial transactions, personnel, and property management records are maintained by other divisions of the Finance Department.**

Therefore, duplicate copies of these records maintained by the Division of Purchasing are not subject to retention requirement.

Requirement and Recommendations for Implementing the Records Disposition Authority (RDA)

Under the Code of Alabama 1975, Section 41-13-21, "no state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without first obtaining approval of the State Records Commission." This Records Disposition Authority constitutes authorization by the State Records Commission for the disposition of the records of the Division of Purchasing (hereafter referred to as the division) as stipulated in this document.

One condition of this authorization is that the division submit an annual Records Disposition Authority Implementation Report on division records management activities, including documentation of records destruction, to the State Records Commission in July of each year. In addition, the division should make every effort to establish and maintain a quality record-keeping

program through the following activities:

- The division should designate a records liaison, who is responsible for: ensuring the development of quality record keeping systems that meet the business and legal needs of the division, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, and ensuring the regular implementation of the division's approved RDA.
- Permanent records in the division's custody should be maintained under proper intellectual control and in an environment that will ensure their physical order and preservation.
- Destruction of temporary records, as authorized in this RDA, should occur division-wide on a regular basis--for example, after the successful completion of an audit, at the end of an administration, or at the end of a fiscal year. Despite the RDA's provisions, no record should be destroyed that is necessary to comply with requirements of the state Sunset Act, audit requirements, or any legal notice or subpoena.
- The division should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the division chooses to maintain permanent records solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the records' permanent preservation and accessibility.

The staff of the State Records Commission or the Examiners of Public Accounts may examine the condition of the permanent records maintained in the custody of the division and inspect records destruction documentation. Government Records Division archivists are available to instruct the division staff in RDA implementation and otherwise assist the division in implementing its records management program.

The State Records Commission adopted this records disposition authority on July 25, 2007.

Edwin C. Bridges, Chairman, by Tracey Berezansky
State Records Commission

Date

Receipt acknowledged.

Isaac Kervin, Director
Division of Purchasing

Date

Jim Main, Director
Department of Finance

Date