MISSISSIPPI STATE HOSPITAL

P.O. BOX 157-A, WHITFIELD, MS 39193 (601) 351-8000 WWW.MSH.STATE.MS.US

James G. Chastain, FACHE
Director

May 22, 2015

Request for Competitive Sealed Bids: MSH (06.17.2015.416)

REQUEST FOR SEALED BID: **(Sale of Recyclable Paper and Plastic Products)**

PROSPECTIVE BIDDERS:

1. INTENT

1.1 In accordance with the rules and regulations of the Office of Purchasing in the Mississippi Department of Finance and Administration, Mississippi State Hospital (MSH) will receive bids for the **sale of recyclable paper and plastic products** as described in the following specifications.

1.2 Written sealed bids and samples must be received not later than **3:00 P.M., Wednesday, June 17, 2015,** at Mississippi State Hospital, Central Warehouse, Building 93, 3550 Hwy 468 West, P.O. Box 1, Whitfield, Mississippi 39193.

1.3 Opportunities for on-site visits at Mississippi State Hospital to discuss bid specifications and inspect work sites, products or equipment will be made by appointment only. Arrangements may be made by contacting H.L. Lockhart, Purchasing Chief, Mississippi State Hospital, Whitfield, MS 39193 at (601) 351-8056.

1.4 Mississippi State Hospital desires to contract for the sale of recyclable paper and plastic products as specified in the attached bid invitation.

2. GENERAL REQUIREMENTS

2.1 Term. The term of the contract shall be for **three (3)** years for the products or services as specified in the procurement schedule. The estimated start date for this contract shall be July 12, 2015 and the end date shall be July 11, 2018. These dates are subject to change as needed by MSH.

2.2 Volume. It is our intent to sale products for the quantities listed in the procurement schedule attached as part of this invitation to bid, however quantities may be increased or decreased accordingly if the needs of MSH require such a change.

2.3 GENERAL REQUIREMENTS-QUALIFICATIONS

A. Failure to examine any drawings, specifications, and instructions will be at bidder's risk. It shall be incumbent upon the bidder to understand the specifications. Any requests for clarifications shall be in writing and shall be submitted to the MSH Purchasing Office at least five (5) days prior to the date and time set for the bid opening.

B. If any questions or responses require revision to the solicitation as originally published, such revisions will be by formal amendment only. If the solicitation includes a contact person for technical information, bidders are cautioned that any oral or written representation made by this or any person that appear to change materially any portion of the solicitation shall not be relied upon unless subsequently ratified by a written amendment to this solicitation issued by the MSH Purchasing Office. For determination as to whether any representation made requires that an amendment be issued contact the MSH Purchasing Office at(601) 351-8056.

C. It is the intent of the specifications to obtain a product or services that will adequately meet the needs of MSH while promoting the greatest extent of competition that is practicable. It is the responsibility of the prospective bidder to notify Mississippi State Hospital if the

specifications, terms or conditions are formulated in a manner which would unnecessarily restrict competition. Any protest or question concerning the bid invitation or bidding procedures must be received in the MSH Purchasing Office not less than 72 hours prior to the date and time set for the bid opening.

D. The minimum specifications are used to set a standard and in no case are used with the intention to discriminate against any manufacturer. Bidders should note the name of manufacturer and model number of the product they propose to furnish and submit descriptive literature as applicable.

E. Questions or problems arising from bid procedures or subsequent order and delivery procedures should be directed to H.L. Lockhart, Purchasing Chief, Mississippi State Hospital, P.O. Box 1, Whitfield, MS 39193, (601) 351-8056.

F. Only one bid, per line item, per bidder. This means that only a single bid will be accepted from each bidder for each line item requested. Alternate bids unless specifically requested will not be considered.

G. Prices quoted shall be **fixed and firm** for the three year term of the contract and for no less than the stated time of acceptance which is understood to be no less than sixty (60) days.

H. Invoices and/or payments are to be billed/sent to Mississippi State Hospital, P.O. Box 1, Whitfield MS 39193, Attn: Accounts Payable.

I. No bid shall be altered or amended after the specified time for opening bids. Bids and modifications or corrections thereof received after the closing time specified will not be considered.

J. No addendum will be issued within a period of five (5) working days prior to the time and date set for the bid opening. Should it become necessary to issue an addendum within the five

day period prior to the bid opening, the bid opening date will be reset giving bidders sufficient time to answer the Bidders shall acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the bid, by identifying the amendment number and date in the space provided for this purpose on the bid form, or by letter. The acknowledgement must be received by Mississippi State Hospital by the time and at the place specified for receipt of bids.

K. If purchase orders or contracts are canceled because of the awarded vendor's failure to perform or a request for price decrease, that vendor shall be removed from our bidder's list for a period of no less than twenty four (24) months.

L. The bidder understands that Mississippi State Hospital is an equal opportunity employer and therefore, maintains a policy which prohibits unlawful discrimination based on race, color, creed, sex, age, national origin, physical handicap, disability, or any other such discrimination; and the bidder, by signing this bid, agrees during the term of the agreement that the bidder will strictly adhere to this policy in its employment practices and provision of products or services.

M. Both Mississippi State Hospital and the successful vendor will agree that the initiation and continuance of the contractual agreement will be based on the availability of funds. Should there be no funds available at the time of the bid opening or during the contract period the contract will be canceled with no further obligation by Mississippi State Hospital. Any property covered by the contract will be returned to the vendor. Provided however that all payments due for the current fiscal year (July 1 through June 30) will be paid in full.

N. Mississippi State Hospital reserves the right to reject any and all bids in whole or in part and unless otherwise specified by the bidders, to

award items, parts of items or by any group of items on the bid. Also the right is reserved to waiver technical defects. If the bidder fails to state the time within which bids must be accepted, it is understood and agreed that Mississippi State Hospital shall have 60 days to accept.

O. It is the intent of Mississippi State Hospital to procure only the services/products that meet the minimum standards stated herein. Alternates will be considered only if deviations to those standards are fully substantiated and submitted by potentially responsive sources denoting their equality to standards stated herein, along with adequate documentation: including specifications, and construction details along with bid for evaluation and approval as applicable.

P. All items/services must equal or exceed the specifications listed. The absence of detail specifications or the omission of detail description shall be recognized as meaning that only the best commercial practices are to prevail and that only first quality materials and workmanship are to be used. All equipment bid shall be of current production and of the latest design and construction. All equipment will be new and not re-manufactured and will not have operation time beyond product testing requirements.

Q. Bid openings will be conducted open to the public. However, they will serve only to open the bids. No discussion will be entered into with any vendor as to the quality or provisions of the specifications, and no award will be made either stated or implied at the bid opening. All bidders are invited and encouraged to attend the bid opening meeting to review the submitted bids. After the close of the bid opening meeting, the bids will be considered to be in the evaluation process and will not be available for review by bidders. Bid files may be examined during normal working hours by bid participants. Non-participants will be prohibited from obtaining any information relative to the bid until after

the official award has been made.

R. Material Standards: The successful vendor will ensure that any written material prepared by the vendor in response to the requirements of this solicitation shall be thoroughly researched for accuracy of content, shall be grammatically correct and not contain spelling errors, shall be submitted in a format approved by the designated MSH Project Officer, and shall be submitted in a draft form for advance review and comment by the Project Officer. The cost of correcting grammatical errors or other revisions required to bring written materials into compliance with the solicitation requirements shall be borne by the successful vendor. Requirements may be waived by MSH if it is determined to be in the best interest of the hospital.

S. Return/Pick-Up of Equipment. The successful vendor will, upon termination of agreement, on the date agreed upon by both parties, dis-connect, dis-assemble, crate, insure and ship all vendor owned equipment, covered by this agreement, to a destination designated by the owner at no cost to MSH. This requirement applies to the successful vendor and to any third party that may become a party to this procurement. This requirement will still be in effect in the event that the original contract period has to be extended to allow for transition to a new contract.

T. Contract. The total contract shall consist of this invitation for bid, and the MSH standard agreement shown as **Exhibit - A**, and the proposed bid offer submitted by the successful vendor. No other documents shall be a part of the formal contractual agreement. In no event is a vendor to submit its own standard contract terms and conditions in response to this solicitation. This contract shall take priority over any other agreements that may be signed separately in conjunction with this invitation for bid, to include third party leasing agreements and/or service agreements.

U. Changes To Invitation To Bid. Vendor will not change or alter this bid invitation in any way. Award will be based on acceptance of this invitation in its entirety.

V. Negotiation Delay. If a written agreement cannot be negotiated within thirty (30) days of notification of the successful bidder(s), MSH may at its sole discretion at any time thereafter, terminate negotiations with that bidder and either negotiate a contract with the next qualified bidder or choose to terminate the IFB process and not enter into a contract with any of the bidders.

W. Tie bids. Tie low bids shall be awarded as specified in paragraph 3.202.15 of the State of Mississippi Procurement Manual.

X. Bid errors. Errors in bids submitted shall be determined and resolved as specified in paragraph 3.202.13 of the State of Mississippi Procurement Manual.

Y. Bid modification and withdrawal. Bids may be modified or withdrawn by written notice received in the MSH Purchasing Office prior to the time and
date set for bid opening.

Z. Mississippi State Hospital shall own all documents, files, reports, work papers and working documentation, electronic or otherwise, created in connection with the project services covered by the agreement resulting from this IFB, except for the bidder's internal administrative and quality assurance files and internal project correspondence. The bidder shall deliver such documents and work papers to MSH upon termination or completion of agreement. The foregoing notwithstanding, the bidder shall be entitled to retain a set of such work papers for its files. Bidder shall be entitled to use such work papers only after receiving written permission from MSH and subject to any copyright protections.

2.4 Award Criteria. Award will be made to the vendor with

the highest total published market sales percentages and best bid by **Group Of Items** on an all or none basis. Factors to be considered in determining the best bid include: (1) Total bid price (2) Conformity to Specifications (3) Responsibility of Bidder (4) Responsiveness of Bidder.

2.5 Bidder's Qualification. Bidders must, upon request of the Mississippi State Hospital, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these specifications. The Mississippi State Hospital reserves the right to make the final determination as to the bidder's ability.

2.6 Inspection and Acceptance. Final inspection and acceptance or rejection may be made at delivery destination, but all materials and workmanship shall be subject to inspection and test at all times and places, and when practicable. Rejected material shall be removed by and at the expense of the contractor promptly after notification of rejection. Final inspection and acceptance or rejection of the supplies shall be made as promptly as practicable, not to exceed thirty (30) days after final acceptance by MSH, but failure to inspect and accept or reject supplies shall not impose liability on the Mississippi State Hospital for such supplies as are not in accordance with the specification. In the event necessity requires the use of supplies not conforming to the specification, payment therefore may be made at proper reduction in price. Upon notice from the successful contractor that installation has been completed to terms, the designated MSH Officer(s) will schedule a time to make final inspections and provide written acceptance of items covered by this bid invitation, if applicable.

2.7 Taxes. The Mississippi State Hospital is exempt from Federal excise taxes and state and local sales or use taxes and bidders must quote prices which do not include such taxes. Evidence of exemption will be furnished upon request. Contractors making improvement to, additions to or repair work on real property on behalf of the Mississippi State Hospital are liable for any applicable sales or use taxes on purchase of tangible personal property for use in connection with

the contracts. Contractors are likewise liable for any applicable use tax on tangible personal property furnished to them by Mississippi State Hospital for use in connection with their contracts. Contractors shall also be liable for all personal property taxes that become due as a result of this procurement.

2.8 References. Vendor will provide a minimum of two (2) references as a part of their bid offers. References will be verifiable at the time of the bid opening and within fifteen (15) working days thereafter. A minimum of two references, for purchase of products and/or provision of services the same or similar to those specified in this bid invitation, completed within the most recent 48 months prior to the bid opening date, must be provided and must include a name, address, and telephone number of references. MSH reserves the right to waive this requirement if it is in the best interest of Mississippi State Hospital.

REFERENCES

	Organization	Telephone	Contact Person
1			
2			

YEARS IN BUSINESS: Indicate the length of time you have been in business providing the services requested in this invitation for bid: ____Years ____Months.

2.9 BONDING AND INSURANCE

A. Successful vendor will be responsible for providing liability insurance for all vendor employees and for any subcontractor(s) hired by the vendor to perform any part of the job(s) required by the specifications in this bid invitation. Contractor must without limiting its obligations or liabilities and at its own expense, provide and maintain throughout the contract term, Comprehensive General Liability Insurance in an amount not less than $1,000,000.00 inclusive per occurrence insuring against bodily injury, personal injury and property damage. All required insurance will be endorsed to provide MSH with 30 days advance notice of cancellation or material change. Contractor must provide a Certificate of

Insurance which is completed, certified by the original signature of an insurance company authorized to do business in Mississippi. Contractor will provide the Certificate of Insurance, showing MSH as certificate holder, within five (5) working days after execution and delivery of the contract. Contractor will be responsible for providing liability and property insurance coverage for all contractor owned/provided equipment covered by this bid for the entire contract period, when applicable. Vendor shall also maintain in effect throughout the entire contract period, workers' compensation insurance sufficient to meet or exceed the statutory minimum requirements of the State of Mississippi covering all persons performing work under this contract. Vendor shall be prepared to provide evidence of required workers' compensation insurance upon request by MSH at any time during the contract period.

2.10 Literature/Specifications/Samples. All bidders must provide descriptive literature, product and installation specifications, samples and MSDS sheets (if applicable), no later than the date and time of the bid opening. Demonstration products will be provided to the designated MSH site as directed by the designated MSH Purchasing Officer, free of expense to MSH. If the demonstration products (samples) are not destroyed in testing they will, upon request by the vendor, be returned at the bidder's expense. Request for the return of demonstration products must be made within ten (10) working days following the date of the bid opening. Vendor may alternatively, at their total expense, provide for a minimum of two (2) MSH employees to visit an off-site location to review proposed bid products. This off-site alternative must include round trip travel, lodging and all meals. Bidders may also use products already in place at MSH, as demonstration products provided it is the same product being bid and schedules for demonstrations are approved by the designated MSH Officer. Each individual sample must be labeled with the bidder's name, manufacturer and order number, bid line item number and bid file number. MSH reserves the right to waive this requirement in whole or in part.

2.11 Operation/Care/Parts Manuals. Successful vendor will provide MSH with a minimum of one (1) each operation/care and parts manual for each unit of product as applicable.

2.12 Shipment/Installation. The vendor will ship (F.O.B MSH - Freight Prepaid)pick up and/or install all products/equipment, personnel, and materials necessary to successfully complete any awarded contract to the designated MSH receiving/pickup/installation site. All shipment/pickup costs **(to include all fuel surcharges)** will be paid by the vendor with no expense to MSH. No MSH agent will be involved in or responsible for conveying any material, equipment or personnel to the designated receiving/pickup/installation site. Successful vendor will schedule all pick ups or shipments Monday-Friday, 7:30 A.M. to 3:30 P.M. unless otherwise approved by the designated MSH Officer. Deliveries will be made to the following location unless otherwise notified:

Mississippi State Hospital
3550 Hwy 468 West
Whitfield, MS 39193
Attn: Building 93 Receiving

2.13 Service/Support. Vendor will provide a toll free telephone/pager number that can be used five days a week and eight hours daily to obtain technical and troubleshooting (modification, repair and procurement) support by phone. Vendor will perform all on-site product support within twenty four (24) hours after notification by the designated MSH Officer during the contract period. Vendor will provide written documentation of all service performed satisfactory to meet current JCAHO requirements. Vendor will be responsible for providing that all work is performed by properly trained and qualified personnel. Vendor will be responsible for providing preventative maintenance as required by the manufacturer and all repairs as needed during the contract period no cost to MSH. Repairs will include all needed parts, labor and travel at no cost to MSH during the contract period as stated below. Repair service will be provided 8 hours/day (8:00 a.m. to 5:00 P.M.), 5 days (Monday through Friday) per week. If depot repair or

PM services are bid by vendor than the successful vendor shall provide loaner equipment, when requested by MSH.

2.14 Training/In-service. Vendor will perform initial, continuing and advanced in-service training which includes a complete procedural, operation and care demonstration of all awarded products/services if applicable and as requested by the designated MSH Officer. Training will be conducted for all three (3) hospital shifts as requested/scheduled by MSH. Successful vendor will perform all training within ten (10) working days after receiving a request from the designated MSH Officer. Training shall be provided on-site for equipment and/or services. A minimum of two (2) MSH employees will be trained for all related products and/or services. The number of employees requiring training may vary and will be determined by MSH.

2.15 Warranty. Vendor will warrant, in writing, all material and craftsmanship to be free from defects for a period of no less than the one (1) year, to start from the date of acceptance by the designated MSH Officer.

2.16 Design and Construction.

A. It is the intent of these specifications to provide products and/or services which are acceptable and approved for use in a Joint Commission accredited healthcare facility.

B. All products or services shall be listed and approved to UL, CSA, CE or equal standards where applicable to its intended use at MSH as determined by the designated MSH Officer. Products and services will comply with JC, FDA, EPA, OSHA, CAP, ACORN, NFPA, ASME, FMVSS, CDC, AHA, NSTM and GSA regulations and standards where applicable to the product or service intended use or application at MSH as determined by the designated MSH Officer. MSH will be the final authority in determining if any applicable standard or regulation will be applied in whole or part for the products or services specified in

this bid invitation.

2.17 Final Acceptance. Upon notice from the successful vendor that installation has been completed to terms, the designated MSH Officer(s) will schedule a time to make final inspections and provide written acceptance of items covered by this bid invitation, when applicable.

2.18 Specifications. See attached procurement schedule **pages – 16 & 17.**

2.19 Submission of Bids. Bids must be signed and sealed with the bidder's name and address on the outside of envelope, and the time (3:00 P.M.), date of the bid opening (June 17, 2015), and MSH Bid file number (MSH 06.17.2015.416) on the outside lower left corner of the envelope. Bid prices must be submitted on the pricing schedule provided in this bid invitation.

2.20 Late bids. Any bid received after the time and date set for receipt of bids is late. No late bid, late modification, or late withdrawal will be considered unless receipt would have been timely but for the action or inaction of state personnel directly serving MSH. Bidders submitting late bids which shall not be considered for award shall be so notified as soon as practicable.

2.21 On-site Investigation/Inspection. Before submitting a bid, each bidder shall make all investigations and examination necessary to ascertain all site conditions and requirements affecting the full performance of the contract and to verify any representations made by MSH upon which the bidder will rely. If the bidder receives an award as a result of their bid submission, failure to have made such investigations and examinations will in no way relieve the bidder from its obligation to comply in every detail with all provisions and requirements of the contract document, nor will a plea of ignorance of such conditions and requirements be accepted as a basis for any claim whatsoever by the contractor for additional compensation.

2.22 Certification. The vendor agrees that submission of a signed bid form is certification the vendor will

accept an award made to it as a result of the submission.

2.23 Third Party Financing. Vendors shall list the name, business address, telephone number, and Contact Name for any Third Party to be used by vendor to finance rental equipment when applicable.

2.24 Mississippi State Hospital accepts no responsibility for any expenses incurred by the bidder in the preparation and presentation of a proposal. Such expenses shall be borne exclusively by the bidder.

2.25 Bidders shall acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the bid or prior to submitting the bid, by identifying the amendment number and date in space provided for this purpose on the amendment form, or by letter. The acknowledgement must be received by Mississippi State Hospital by the time, date and at the place specified for receipt of bids.

2.26 The bidder should mark any and all pages of the bid considered proprietary information. Any pages not marked accordingly will be subject to review by the general public after award of the contract. Requests to review the proprietary information will be handled applicable legal procedures.

2.27 Payments by state agencies using the Statewide Automated Accounting System (SAAS) shall be made and remittance information provided electronically as directed by the State. These payments shall be deposited into the bank account of the Contractor's choice. The State may, at its sole discretion, require the Contractor to submit invoices and supporting documentation electronically at any time during the term of this Agreement. Contractor understands and agrees that the State is exempt from the payment of taxes. All payments shall be in United States currency. Please see **Exhibit - B** for applicable rules and the signature page which must be signed and returned with your bid.

2.28 Contractor/Seller represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act (Senate Bill 2988 from the 2008 Regular Legislative Session) and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor/Seller further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Contractor/Seller understands and agrees that any breach of these warranties may subject Contractor/Seller to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Contractor/Seller by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Contractor/Seller would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit."

2.29 The contract may be cancelled by MSH in whole or in part by written notice of default to the Contractor upon non-performance, violation of contract terms, delivery failure, bankruptcy or insolvency, or the making of an assignment for the benefit of creditors. An award may then be made to the next low bidder, or when time is of the essence, similar commodities and/or service may be purchased on the open market. In either event, the defaulting Contractor (or his/her surety) shall be liable to MSH for cost to MSH in excess of the defaulted contract price. Lack of knowledge by the Contractor will in no way be a cause

for relief from responsibility.

2.30 Bidders must register as a state vendor and submit bids on line through the Mississippi Magic Procurement System. Bidders are also required to submit a paper copy of their complete bid directly to Mississippi State Hospital. Assistance with the registration process and on line bid submittal process can be obtained by calling the help line at (601) 359-1343. On line assistance is available at http://www.mmrs.state.ms.us/vendors/index.shtml.

Procurement Schedule: MSH Bid File 06.17.2015.416
Sale of Recyclable Paper and Plastic Products
Method of Award: By Group Of Items - All Or None Basis

Line #	Annual Qty	Description	Bid Price $
1.	Open	Cardboard, Baled	% Percent Of Published Market Sales Price _____
2.	Open	Plastics, Clear	% Percent Of Published Market Sales Price _____
3.	Open	Paper, White	% Percent Of Published Market Sales Price _____
4.	Open	Paper, Color	% Percent of Published Market Sales Price _____

Vendor Service Requirements & Instructions

1. Vendor shall understand that all materials shall be sold as is, without warranty, either implied or expressed.
2. Vendor shall provide storage containers for all recyclable materials to store items until pickup is made and shall be responsible for keeping them clean.
3. Vendor shall provide a trailer or other acceptable equipment for the storage and transport of recyclable materials and shall be responsible for keeping them clean.
4. Vendor shall provide a bailer for MSH to use to bind cardboard materials.
5. MSH shall be responsible for collecting, sorting and containing materials in area of use and transporting them to designated storage locations on the MSH campus.
6. Vendor shall submit payment to MSH, in check or money order form, within forty five (45) days of removing materials from MSH.
7. Vendor shall understand that upon arrival at MSH they must report to the guard gate located on Hwy 475 South and receive approval to enter the MSH campus.
8. Vendor shall follow all MSH traffic rules while on the MSH campus, park only in designated areas, remove keys from and lock their vehicle(s) upon exiting it for any length of time.
9. Vendor shall understand that MSH is an institution for the long term care of mentally ill and geriatric clients and shall be considerate of them and their home. Vendor shall always seek authorization to enter any building on the MSH campus.
10. Vendor shall understand that alcoholic beverages, illegal drugs and firearms are prohibited on the MSH campus.

11. Both parties shall agree on a pick up schedule and notification methods which prevent excess pile up and litter control problems.

BIDS WILL BE OPENED: 3:00 P.M. Wednesday, June 17, 2015 at Building 93, Mississippi State Hospital.

I certify that I am authorized to enter into a binding contract, if this bid is accepted.

Contractor's Quotation No._____ Date_____

Name of Company_____ Phone_____

Address_____ Fax_____

City/State/Zip Code_____

By_____ Title_____
(Signature)

We submit the above prices and agree to provide products or services within_____day(s) after receipt of purchase order or notice to proceed. Unless notified to the contrary, this offer is good for 60 days from the date of the bid opening. In submitting the above bid, it is expressly agreed that upon proper acceptance of any or all items by Mississippi State Hospital, a contract shall hereby be created only after a written purchase order and contract award notice are mailed or otherwise furnished to the successful bidder within the time of acceptance specified above without further action by either party. The contract shall not be assignable by the contractor in whole or in part without the written consent of Mississippi State Hospital.

H.L. Lockhart

H.L. Lockhart

Purchasing Chief

SERVICE AGREEMENT: EXHIBIT - A

PAPER & PLASTIC SALE/RECYCLING SERVICES
MISSISSIPPI STATE HOSPTITAL

This agreement, made and entered into this ____ day of _____, 2015, between Mississippi State Hospital (MSH), hereinafter referred to as "Hospital" and Recycling Company, hereinafter referred to as "Vendor". This contract shall take precedence over all agreements and understandings between the parties. Vendor, by its acceptance agrees hereof, to provide to Hospital, and Hospital, by its acceptance hereof, agrees to accept from Vendor, the services listed in Schedule - A, which is attached hereto and incorporated herein.

For good and valuable consideration, the parties agree:

1. The Vendor shall perform in a good and workmanlike manner all services necessary to provide professional paper and plastic recycling services and documentation in accordance with the requirements/specifications as described in Schedule - A and all attachments and schedules for the Mississippi State Hospital.

2. That the contract consists of this Agreement, the service requirements attachment, attached as Schedule - "A", and the Response Offer by Recycling Company, dated 5/4/2015, herein referred to as "Bid" and attached as Schedule - "B". Any ambiguities, conflicts or questions of interpretation of this Contract shall be resolved by first reference to this Agreement and, if still unresolved, by reference to Schedule – A, and if still unresolved, by reference to the Bid. Omission of any term or obligation from this Agreement or attached Schedules A or B shall not be deemed an omission from this Contract if such term or obligation is provided for elsewhere in this Contract.

3. That the effective date of this agreement shall be 6/1/2015 and the duration of this agreement shall be no later than 5/31/2018. Either party may terminate this agreement, with cause, by giving ninety (90) days prior written notice.

4. In consideration of services provided, the Vendor agrees to pay to the Hospital the specific sums listed in Schedule - B for the services specified in Schedule - A and in no event, however, will the compensation paid to Hospital be more than the specific sums listed in Schedule – B. Vendor shall submit an statement of services rendered at the end of each month in a timely manner. Vendor agrees to make payment in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," Sections 31-7-301, et. seq. of the 1972 Mississippi Code Annotated, as amended, which generally provides for payment by responsible party within forty-five days of the date the invoice is received and the services or goods are inspected and accepted as satisfactory. The parties understand and agree that the Hospital is exempt from the payment of taxes. The parties understand that all payments, partial and full, will become due at the end of each

month after services have been performed.

5. The Vendor shall, at all times, be regarded as and shall be legally considered an Independent Contractor and shall at no time act as an agent of the Hospital. Nothing contained herein shall be deemed or construed by the Hospital, the Vendor, or any third party as creating the relationship of principal and agent, master and servant, partners, joint ventures, employer and employee, or any similar such relationship between the Hospital and the Vendor. Neither the method of computation of fees or other charges, nor any other provision contained herein, nor any acts of the Hospital or the Vendor hereunder, creates or shall be deemed to create a relationship other than the independent relationship of the Hospital and the Vendor. Vendor's personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the Hospital. Neither the Vendor nor its employees shall, under any circumstances, be considered servants, agents, or employees of the Hospital; and the Hospital shall be at no time legally responsible for any negligence or other wrongdoing by the Vendor, its servants, agents, or employees. The Hospital shall not withhold from the contract payments to the Vendor any federal or State of Mississippi unemployment taxes, federal or State of Mississippi income taxes, Social Security tax, or any other amounts for benefits to the Vendor. Further, the Hospital shall not provide to the Vendor any insurance coverage or other benefits, including Worker's Compensation, normally provided by the Hospital for its employees.

6. The Vendor warrants that it is a validly organized business with valid authority to enter into this agreement; that it is qualified to do business and in good standing in the State of Mississippi; that entry into and performance under this agreement is not restricted or prohibited by any loan, security, financing, contractual or other agreement of any kind, and notwithstanding any other provision of this agreement to the contrary, that there are no existing legal proceedings, or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this agreement.

7. If any term or provision of this agreement is prohibited by the laws of the State of Mississippi or declared invalid or void by court of competent jurisdiction, the remainder of this agreement shall be valid and enforceable to the fullest extent permitted by law.

8. The Vendor shall give Hospital prompt notice in writing of any action or suit filed, and prompt notice of any claim made against Vendor by any entity that may result in litigation.

9. The Vendor shall maintain such financial records and other records as may be prescribed by the Hospital or by applicable federal and state laws, rules, and regulations. Vendor shall retain these records for a period of three (3) years after final payment, or until they are audited by the Hospital, whichever event occurs first. These records shall be made available during the term of the contract and the subsequent three-year period for examination, transcription, and audit by the Mississippi State Auditor's Office, its designees, or other authorized bodies.

10. The Vendor agrees that Hospital shall determine the disposition of, the title to and the rights under any copyright by Vendor or employees on copyrightable material first produced or composed under this agreement. Further, Vendor hereby grants to Hospital a royalty-free, nonexclusive, irrevocable license to reproduce, translate, publish, use and dispose of, and to authorize others to do so, all copyrighted (or copyrightable) work not first produced or composed by Vendor in the performance of this agreement, but which is incorporated in the material furnished under the agreement. This grant is provided that such license shall be only to the extent Vendor now has, or prior to the completion of full final settlements of agreement may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

11. If either party is rendered unable, wholly or in part, by reason of strikes, accidents, acts of God, weather conditions or any other acts beyond its control and without its fault or negligence to comply with any obligations or performance required under this agreement, then such party shall have the option to suspend its obligations or performance hereunder until the extraordinary performance circumstances are resolved. If the extraordinary performance circumstances are not resolved within a reasonable period of time, however, the non-defaulting party shall have the option, upon prior written notice, of terminating the agreement.

12. This agreement may be terminated for convenience as follows:

A. The Hospital Director may, when the interests of the Hospital so require, terminate this contract in whole or part, for the convenience of the Hospital. The Hospital Director shall give written notice of the termination to the Vendor specifying the part of the contract terminated and when termination becomes effective.

B. The Vendor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the Vendor will stop work to the extent specified. The Vendor shall also terminate outstanding orders and subcontracts and orders connected with the terminated work. The Hospital Director may direct the Vendor to assign Vendor's rights, title, and interest under terminated orders or subcontracts to the Hospital. The Vendor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

13. This agreement may be terminated for default as follows:

A. If the Vendor refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract, or any extension thereof otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this contract, the Hospital Director may notify the Vendor in writing of the delay or nonperformance and if not cured in twenty (20) days or any longer time specified in writing by the Hospital Director, such Director may terminate the Vendor's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Hospital Director may

procure similar supplies or services in a manner and upon terms deemed appropriate by the Hospital Director. The Vendor shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods and services.

B. Not withstanding termination of the contract and subject to any directions from the Hospital Director, the Vendor shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the Vendor in which the Hospital has an interest.

C. Payment for completed services delivered and accepted by the Hospital shall be at the contract price. The Hospital may withhold from amounts due the Vendor such sums as the Hospital Director deems to be necessary to protect the Hospital against loss because of outstanding liens or claims of former lien holders and to reimburse the Hospital for the excess costs incurred in procuring similar goods and services.

D. Except with respect to defaults of Subcontractors, the Vendor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Vendor to make progress in the prosecution of the work hereunder which endangers such performance) if the Vendor has notified the Hospital Director within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the State and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a Subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the Vendor shall not be deemed to be in default, unless the services to be furnished by the Subcontractor were reasonably obtainable from other sources in sufficient time to permit the Vendor to meet the contract requirements.

Upon request of the Vendor, the Hospital Director shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the Vendor's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of the Hospital under the clause entitled in fixed-price contracts, "Termination for Convenience – Paragraph 12," in cost-reimbursement contracts, "Termination". As used in this Paragraph of this clause, the term "Subcontractor" means Subcontractor at any tier.

E. If, after notice of termination of the Vendor's right to proceed under the provisions of this clause, it is determined for any reason that the contract was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph (D) (Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall, if the contract contains a

clause providing for termination for convenience of the Hospital, be the same as if the notice of termination had been issued pursuant to such clause.

F. The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

14. That notwithstanding any other provisions of this agreement between the parties, all activities and performances of the parties with respect to the equipment, or services herein shall be subject to all applicable laws, regulations, policies and procedures of the United States of America, or any agency thereof, the State of Mississippi or any agency thereof, or any local governments or political subdivisions, as now existing and as may be amended or modified, as well as in accordance with the standards of the Joint Commission (JC), that may affect the performance of services hereunder.

15. This agreement may be modified only by written agreement signed by the parties hereto. The parties agree to renegotiate the agreement if federal and/or State of Mississippi revision of any applicable laws or regulations make changes in this agreement necessary.

16. This agreement shall be governed by and construed in accordance with the laws of the State of Mississippi, excluding its conflicts of laws provisions, and any litigation with respect thereto shall be brought in the courts of the state. The Vendor shall comply with applicable federal and State of Mississippi laws, local laws and regulations.

17. All notices required or permitted to be given under this agreement must be in writing and sent by certified United States mail, postage prepaid, return receipt requested, to the party to whom the notice should be given at the address set forth below. Notice shall be deemed given when actually received or when refused. The parties agree to promptly notify each other of any change of address.

For the Vendor: Mr. Charles Rose, President, Recycling Company, P.O. Box 23333, Jackson, MS 39229

For the Hospital: Mr. James Chastain, Director, Mississippi State Hospital, Building 21, P.O. Box 1, Whitfield MS 39193

18. Failure of either party hereto to insist upon strict compliance with any of the terms, covenants, and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this agreement.

19. It is expressly understood and agreed that the obligation of the Hospital to proceed under this agreement is conditioned upon the appropriation of funds by the State of Mississippi Legislature and the receipt of State of Mississippi and/or federal funds. If the funds anticipated for

the continuing fulfillment of the agreement are at anytime not forthcoming or insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds or the discontinuance or material alteration of the program under which funds were provided or if funds are not otherwise available to the Hospital, the Hospital shall have the right upon ten (10) working days written notice to the Vendor, to terminate this agreement without damage, penalty, cost or expense to the Hospital of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

20. The Vendor acknowledges that it was selected by the Hospital to perform the services required hereunder based, in part, upon the Vendor's special skills and expertise. The Vendor shall not assign, subcontract or otherwise transfer this agreement in whole or in part without the prior written consent of the Hospital, which the Hospital may, in its sole discretion, approve or deny without reason. Any attempted assignment or transfer of its obligations without such consent shall be null and void. No such approval by the Hospital of any subcontract shall be deemed in any way to provide for the incurrence of any obligation of the Hospital in addition to the total fixed price agreed upon in this agreement. Subcontracts shall be subject to the terms and conditions of this agreement and to any conditions of approval that the Hospital may deem necessary. Subject to the foregoing, this agreement shall be binding upon the respective successors and assigns of the parties.

21. The Vendor understands that the Hospital is an equal opportunity employer and therefore maintains a policy which prohibits unlawful discrimination based on race, color, creed, sex, age, national origin, physical handicap, disability, genetic information, or any other consideration made unlawful by federal laws , State of Mississippi laws, or local laws. All such discrimination is unlawful and the Vendor agrees during the term of the agreement that the Vendor will strictly adhere to this policy in its employment practices and provision of services. The Vendor shall comply with, and all activities under this agreement shall be subject to, all applicable federal, State of Mississippi, and local laws and regulations, as now existing and as may be amended or modified.

22. Upon the termination of this agreement, Vendor will at its expense, on that date agreed upon by the parties, crate, insure and ship any vendor owned equipment, covered under this agreement, to a destination designated by the Vendor.

23. The Vendor represents that it has not retained a person to solicit or secure a Hospital contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except as disclosed in the Vendor's bid or proposal.

24. The Vendor certifies that the prices submitted in response to the solicitation have been arrived at independently and without - for the purpose of restricting competition - any consultation, communication, or agreement with any other offeror or competitor relating to those prices, the intention to submit a proposal, or the methods or factors used to calculate prices.

25. The bidder, offeror, or Vendor represents that it has not violated, is not violating, and

promises that it will not violate the prohibition against gratuities set forth in Section 6-204 (Gratuities) of the Mississippi Personal Service Contract Review Board Rules and Regulations.

26. The contract shall be governed by the applicable provisions of the Mississippi Personal Service Contract Review Board Rules and Regulations, a copy of which is available at 210 East Capitol, Suite-800, Jackson, MS 39201, for inspection, or downloadable at www.mspb.ms.gov.

27. The Hospital Director or designated Procurement Officer, may, by written order to the contractor at any time, and without notice to any surety, require the Vendor to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding 90 days after the order is delivered to the Vendor, unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, the Vendor shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the Hospital Director or Procurement Officer shall either:

A. Order to Stop Work.

(1.) cancel the stop work order; or

(2.) terminate the work covered by such order as provided in the 'Termination for Default Clause' (paragraph 13) or the 'Termination for Convenience Clause' (paragraph 12) of this contract.

B. Cancellation or Expiration of the Order. If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the Vendor shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or Vendor price, or both, and the contract shall be modified in writing accordingly, if:

(1) the stop work order results in an increase in the time required for, or in the Vendor's cost properly allocable to, the performance of any part of this contract; and

(2) the Vendor asserts a claim for such an adjustment within 30 days after the end of the period of work stoppage; provided that, if the Hospital Director or Procurement Officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this contract.

C. If a stop work order is not canceled and the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise.

D. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause (paragraph 28) of this contract.

28. Any adjustment in contract price pursuant to a clause in this contract shall be made in

one or more of the following ways:

A. by agreement on a fixed price adjustment before commencement of the additional performance;

B. by unit prices specified in the contract;

C. by the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as specified in the contract; or

D. price escalation clause.

The Vendor shall provide cost or pricing data for any price adjustments subject to the provisions of Section 3-403 (Cost or Pricing Data) of the Mississippi Personal Service Contract Procurement Regulations.

29. This agreement, including all contract documents, represents the entire integrated agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, irrespective of whether written or oral. This agreement may be altered, amended, or modified only by a written document executed by the Hospital and Vendor. Vendor acknowledges that it has thoroughly read all documents and has had the opportunity to receive competent advice and counsel necessary for it to form a full and complete understanding of all rights and obligations herein. Accordingly, this agreement shall not be construed or interpreted in favor of or against the Hospital or Vendor on the basis of draftsmanship or preparation hereof.

30. Subject to other terms and conditions of this agreement, in the event the Vendor defaults in any obligations under this agreement, the Vendor shall pay to the Hospital all costs and expenses (including, without limitation, investigative fees, court costs, and attorney's fees) incurred by the Hospital in enforcing this agreement or otherwise reasonably related thereto. The Hospital, after due oral or written notice, may procure the services from other sources and hold Vendor responsible for any resulting additional purchase and administrative costs. Vendor agrees that under no circumstances shall the Hospital be obligated to pay any attorney's fees or costs of legal action to the Vendor.

31. To the fullest extent allowed by law, the Vendor shall indemnify, defend, save and hold harmless, protect, and exonerate the Hospital, its Commissioners, Board Members, officers, employees, agents, and representatives, and the State of Mississippi from and against all claims, demands, liabilities, suits, actions damages, losses, and costs of every kind and nature whatsoever, including, without limitation, court costs, investigative fees and expenses, and attorneys' fees, arising out of or caused by the Vendor and/or its partners, principals, agents, employees and/or subcontractors in the performance of or failure to perform this agreement. In the Hospital's sole discretion, the Vendor may be allowed to control the defense of any such claim, suit, etc. In the event the Vendor defends said claim, suit, etc., the Vendor shall use legal counsel acceptable to the Hospital; The Vendor shall be solely responsible for all costs and/or expenses associated with such defense, and the Hospital shall be entitled to participate in said defense. The Vendor shall not settle any claim, suit, etc. without the Hospital's concurrence, which the Hospital shall not unreasonably withhold.

32. If, at any time during the contract term, the service performed or work done by the Vendor is considered by the Hospital to create a condition that threatens the health, safety, or welfare of the patients and/or employees of the Hospital, the Vendor shall, on being notified by the Hospital, immediately correct such deficient service or work. In the event the Vendor fails, after notice, to correct the deficient service or work immediately, the Hospital shall have the right to order the correction of the deficiency by separate contract or with its own resources at the expense of the Vendor.

33. Confidential information shall mean (a) health records/medical records, materials, documents, data, and other information which the Hospital has designated as proprietary and confidential, and (b) all data and information which the Vendor acquires as a result of its contact with and efforts on behalf of the Hospital and any other information designated in writing as confidential by the State of Mississippi. Each party to this agreement agrees to protect all confidential information provided by one party to the other; to treat all such confidential information as confidential to the extent that confidential treatment is allowed under State and/or Federal law, and, except as otherwise required by law, not to publish or disclose such information to any third party without the other party's written permission, and to do so by using those methods and procedures normally used to protect the party's own confidential information. Any liability resulting from the wrongful disclosure of confidential information on the part of the Vendor or its Subcontractor shall rest with the Vendor. Disclosure of any confidential information by the Vendor or its Subcontractor without the express written approval of Hospital, shall result in the immediate termination of this agreement.

34. Any reference in the contract to "Mississippi State Hospital" or "MSH" or "State" is considered to be the same reference as "Hospital", as stated on line two (2) of page one (1) of the contract.

35. Vendor agrees to comply with the Administrative Simplifications provisions of the Health Insurance Portability and Accountability Act of 1996, including electronic data interchange, code sets, identifiers, security, and privacy provisions, as may be applicable to the services under this contract.

36. Each party to this agreement agrees not to employ or to solicit for employment, directly or indirectly, any persons in the full-time or part-time employment of the other party until at least twelve (12) months after this agreement terminates unless mutually agreed to in writing by the Hospital and the Vendor.

37. Payments by State of Mississippi agencies using the Statewide Automated Accounting System (SAAS) shall be made and remittance information provided electronically as directed by the State of Mississippi. These payments shall be deposited into the bank account of the Contractor's choice. The State of Mississippi may, at its sole discretion, require the Contractor to submit invoices

and supporting documentation electronically at any time during the term of this Agreement. Contractor understands and agrees that the State of Mississippi is exempt from the payment of taxes. All payments shall be in United States currency.

38. If applicable, Contractor represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act of 2008, and will register and participate in the status verification system for all newly hired employees. Miss. Code Ann. 71-11-1 et seq. (1972, as amended). The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor agrees to maintain records of such compliance. Upon request of the State and after approval of the Social Security Administration or Department of Homeland Security when required, Contractor agrees to provide a copy of each such verification. Contractor further represents and warrants that any person assigned to perform services hereafter meets the employment eligibility requirements of all immigration laws. The breach of this agreement may subject Contractor to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Contractor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Contractor would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit to do business in the State.

39. Contractor agrees to accept all payments in United States Currency via the State of Mississippi's electronic payment and remittance vehicle. The agency agrees to make payment in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," which generally provides for payment of undisputed amounts by the agency within forty-five (45) days of receipt of invoice. Miss. Code Ann. 31-7-305 (1972, as amended).

40. This contract, including any accompanying exhibits, attachments, and appendices, is subject to the "Mississippi Public Records Act of 1983," and its exceptions. See Miss. Code Ann. 25-61-1 et seq. (1972, as amended) and Miss. Code Ann. 79-23-1 (1972, as amended). In addition, this contract is subject to the provisions of the Mississippi Accountability and Transparency Act of 2008. Miss Code Ann. 27-104-151 et seq. (1972, as amended). Unless exempted from disclosure due to a court-issued protective order, a copy of this contract is required to be posted to the Department of Finance and Administration's independent agency contract website for public access at http://www.transparency.mississippi.gov. Information identified by the Contractor as trade secrets, or other proprietary information, including confidential vendor information or any other information which is required confidential by state for federal law or outside the applicable freedom of information statutes will be redacted.

41. This agreement consists of eleven (11) pages plus attachments. The original will be retained by the Hospital. A copy of the original shall have the same force and effect as the original for all purposes. To express the parties' intent to be bound by the terms of this agreement, they have executed this document on the dates set forth below.

Recycling Company

By:_____
Authorized Signature

Printed Name:_____

Title:_____

Date:_____

Mississippi State Hospital

By:_____
Authorized Signature

Printed Name:_____

Title:_____

Date:_____

EXHIBIT - B

MISSISSIPPI DEPARTMENT OF FINANCE AND ADMINISTRATION
ADMINISTRATIVE RULE
MANDATORY ELECTRONIC PAYMENT OF VENDORS

I. General Purpose.

A. The Mississippi Department of Finance and Administration (DFA) serves as the primary executive branch agency for fiscal management. Under §7-7-41, the State Fiscal Officer has the authority to prescribe rules and regulations concerning the issuance of warrants and other forms of payments for all departments, institutions and agencies of the state. This rule, unless otherwise noted, is to set as the standard that vendors of the State of Mississippi shall be paid electronically and shall be provided the supporting remittance detail by electronic means.

B. This rule is a means for reducing the costs to produce paper warrants and remittance advices. The State has documented significant savings in the move to electronic payment and remittance. The State avoids the costs associated with printing, sorting, distributing, copying, and mailing warrants. Additionally, the State has determined that there are reduced opportunities for fraud and lost payments under this means of payment and remittance.

C. Vendors benefit by receiving notification of pending deposits of funds and have options for interfacing the remittance data from the State into their accounts receivable systems.

II. Definitions.

A. ACH: Automated Clearing House. Affiliated with the U. S. Treasury and the Federal Reserve System and used as the conduit for electronic payments and collections.

B. EFT: Electronic Funds Transfer. Electronic Funds Transfer (EFT) provides for electronic payments and collections. EFT is safe, secure, efficient, and less expensive than paper check payments and collections. Issuance costs for EFT payments are approximately 80% less than the cost to issue the same payment on a paper warrant. EFT transactions use the ACH network associated with the Federal Reserve System.

1. The State of Mississippi uses "standard EFT" for transferring funds to employee bank accounts for direct deposit of payroll payments and for some transfers to checking accounts of State agencies.

2. The State uses expanded EFT in the transfer of funds and remittance information using PayMode™. The State has established PayMode™ as the default payment method for those payments and transfers requiring supporting remittance information.

C. E-payment vehicle: Tool that captures the payment and remittance information and pushes it electronically to the designated vendor from the source system (SAAS or SPAHRS). The ACH is used to move the funds while a proprietary system is used to provide access to supporting remittance data and notification of the availability of funds to the State's vendors.

D. Existing Agreements: Individual agreements in place for the acceptance of electronic

payments prior to the implementation of this policy.

E. PayMode™: A Bank of America product, PayMode™ is the State's present e-payment vehicle.

F. SAAS: Statewide Automated Accounting System.

G. SPAHRS: Statewide Payroll and Human Resource System.

H. Vendor payments: Payments initiated and approved by State Agencies for various goods and services or as used to transfer funds to other governing authorities such as school districts, cities, and counties.

III. Requirements for Transitioning to E-payment Vehicle

A. All existing vendors presently set up for payment through standard EFT, unless otherwise approved as an exemption, must be enrolled in PayMode™ not later than April 1, 2006.

B. All vendors established as new vendors in the State Automated Accounting System (SAAS) as of April 1, 2006 must be established for e-payment and remittance via PayMode™.

C. All remaining SAAS and SPAHRS vendors, unless specifically exempted, must convert to PayMode™ by July 1, 2006.

D. To register for PayMode™, vendors should go to the Bank of America's ™ enrollment website at http://www.bankofamerica.com/paymode/ms.

1. Vendor must have a valid email address in order to enroll with PayMode™. This email address can be obtained through one of the free email services such as Yahoo or Hotmail.
2. Vendor must have access to a computer. As computers are generally accessible in all businesses as well as in Public Libraries or other public forums, no exemption will be granted for having only limited or no access to a computer.
3. Vendor may request assistance in enrolling with the State's e-payment service provider by contacting mash@dfa.state.ms.us or by calling MASH at (601) 359-1343.

IV. Exemptions

A. The following are exempt from this rule:

1. State employees as defined in §25-9-107;
2. Contract workers – note that Independent Contractors are **not** exempt from this rule;
3. Vendors specifically approved for "one of" payments using the specific vendor number designated for that purpose by the Office of Fiscal Management;
4. Right-of-Way acquisition payments made by the Mississippi Department of Transportation;

5. Debt service payments made by the Office of the State Treasurer;
6. Tax payments to the IRS (standard EFT);
7. Tax payments to the Mississippi State Tax Commission (standard EFT);
8. Transfers to the Public Employees Retirement System of Mississippi (standard EFT);
9. Transfers to the Mississippi Deferred Compensation and Trust/SBA (standard EFT);
10. Vendors who apply for exemption and are approved by DFA.

B. To apply for exemption, the vendor must submit a written application to:

Director, Office of Fiscal Management
Department of Finance and Administration
501 North West Street, Suite 1101B
Jackson, Mississippi 39201

C. Application must detail the following:

1. Reason(s) exemption requested. This must be a narrative explanation of the reason for the request;
2. Documentation of supporting cost and legal issues associated with the request for the exemption.

D. DFA will issue a written determination within 10 business days of the receipt of the exemption request. The written determination of DFA will be considered the final determination.