

Report To

The Mississippi Legislature



A Limited Review of the Rankin County Board of Education's Purchase of Fire and Extended Coverage Insurance

July 21, 1992

The Rankin County School District purchased fire and extended coverage insurance on April 22, 1992, for an annual premium of \$42,949. Although the school district's purchase of such insurance was exempt from state purchasing laws, the board's evaluation of bids received was flawed.

The school district determined the bid submitted by Great American Insurance Company to be the "lowest and best" because, although the bid was not the lowest monetarily, the district considered evaluation criteria not contained in the formal request for proposals. If state purchasing laws had been applicable to the school district's purchase of insurance, the district's evaluation process would have violated state purchasing laws.

PEER recommends that the Legislature amend state purchasing laws (MISS. CODE ANN. Section 31-7-13 [1972]) by deleting the exemption which allows governing authorities to purchase fire, automobile, casualty, and liability insurance without first receiving sealed, competitive bids.

The PEER Committee

PEER: THE MISSISSIPPI LEGISLATURE'S OVERSIGHT AGENCY

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A standing joint committee, the PEER Committee is composed of five members of the House of Representatives appointed by the Speaker and five members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms with one Senator and one Representative appointed from each of the U. S. Congressional Districts. Committee officers are elected by the membership with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of three Representatives and three Senators voting in the affirmative.

An extension of the Mississippi Legislature's constitutional prerogative to conduct examinations and investigations, PEER is authorized by law to review any entity, including contractors supported in whole or in part by public funds, and to address any issues which may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

As an integral part of the Legislature, PEER provides a variety of services, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

**A Limited Review of the Rankin County Board of Education's
Purchase of Fire and Extended Coverage Insurance**

July 21, 1992

**The PEER Committee
Mississippi Legislature**

The Mississippi Legislature
Joint Committee on Performance Evaluation and Expenditure Review
PEER Committee



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July 21, 1992

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HONORABLE EDDIE BRIGGS, LIEUTENANT GOVERNOR
HONORABLE TIM FORD, SPEAKER OF THE HOUSE
MEMBERS OF THE MISSISSIPPI STATE LEGISLATURE

At its meeting of July 21, 1992, the PEER Committee authorized release of the report entitled **A Limited Review of the Rankin County Board of Education's Purchase of Fire and Extended Coverage Insurance.**



Senator Bill Canon, Chairman

**This report does not recommend increased
funding or additional staff.**

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A Limited Review of the Rankin County Board of Education's Purchase of Fire and Extended Coverage Insurance

INTRODUCTION

Authority

At its May 26, 1992, meeting, the PEER Committee began a review of the Rankin County Board of Education's awarding of a fire and extended coverage insurance bid. The Committee acted in accordance with MISS. CODE ANN. Section 5-3-57 (1972).

Scope and Purpose

In response to a legislative request, PEER sought to determine the criteria utilized by the Rankin County Board of Education to select the successful insurance bidder.

Methodology

In performing this review, PEER analyzed the following records of the Rankin County Board of Education relative to the insurance bid:

- request for proposal (RFP) specifications;
- bid tabulation sheet;
- board's criteria for selecting the successful insurance bidder; and,
- board minutes awarding the insurance bid.

Background

The February 19 and 26, 1992, editions of the *Rankin County News* included advertisements for sealed bids for fire and extended coverage insurance on Rankin County Board of Education buildings and personal property. (See Appendix A, page 11, for proof of publication.) The board received and opened on April 21, 1992, four sealed bids from three insurance agents. The bid amounts ranged from a low of \$35,792 annually to a high of \$53,145 annually. (See Exhibit 1, page 2, for the board's bid tabulation sheet.) Following the bid opening, the board's insurance consultant, Shappley Harris, evaluated the bids and concluded that Wellington

EXHIBIT 1

**BID TABULATION SHEET, FIRE AND EXTENDED
COVERAGE INSURANCE BIDS, RANKIN COUNTY
SCHOOL DISTRICT, APRIL 1992**

FIRE & CASUALTY CONSULTANTS
7 LAKELAND CIRCLE - SUITE 300
JACKSON, MS. 39216
(601) 362-4396

RANKIN COUNTY BOARD OF EDUCATION

PUBLIC INSTITUTIONAL PROPERTY INSURANCE BID

APRIL 21, 1992

AGENCY >	GORDON	WELLINGTON	WELLINGTON	SEALS	GAIN/NATIONWIDE
CARRIER	A.I.G.	G. AMERICAN	TRAVELERS	NORTHBROOK	
BASIC PREMIUM	\$ 53,145.00	\$ 37,418.00	\$ 40,513.00	\$ 35,792.00	\$ NO BID
THEFT	\$ INC.	\$ 3,904.00	\$ INC.	\$ INC.	\$
EARTHQUAKE	\$ INC.	\$ 1,627.00	\$ INC.	\$ INC.	\$
TOTAL ANNUAL PREMIUM	\$ 53,145.00	\$ * 42,949.00	\$ 40,513.00	\$ ** 35,792.00	\$

2

1992 STATEMENT OF VALUES
TOTAL PROPERTY VALUES \$ 40,169,880.00
CO-INSURANCE FACTOR 90%
INSURANCE AMOUNT \$ 36,152,892.00

MISSISSIPPI STATE RATING BUREAU
BLANKET AVERAGE RATES
MAY 1, 1992
BASIC RATE \$.491 PER HUNDRED X \$36,152,892 = \$177,510.70
INC. THEFT \$.060 PER HUNDRED X \$36,152,892 = \$ 21,691.74
EARTHQUAKE \$.031 PER HUNDRED X \$36,152,892 = \$ 11,207.40

MSRB PREMIUM \$.582 PER HUNDRED = \$210,409.84

* 3 YEAR PREMIUM GUARANTEE
** AGENCY NOT LOCATED WITHIN
SCHOOL DISTRICT

Associates' bid for Great American Insurance Company was "*lowest and best.*" Harris told the Rankin County Board of Education that the \$42,949 guaranteed annual premium contained in the Great American bid was the board's "*most prudent option.*" During its April 22, 1992, meeting, the board accepted Harris's recommendation and awarded the school district's fire and extended coverage insurance contract to Wellington Associates.

FINDINGS

Based on information provided by the board's insurance consultant, PEER concludes that although the Rankin County Board of Education's purchase of insurance was exempt from state purchasing laws, the board's evaluation of bids received was flawed.

Although state purchasing laws do not require governing authorities to receive sealed, competitive bids for the purchase of insurance, the Rankin County Board of Education chose to do so for its recent purchase of fire and extended coverage insurance.

MISS. CODE ANN. Section 31-7-13 (1972) establishes purchasing bid requirements for state agencies and governing authorities. Subsection (m) (xiii) of Section 31-7-13 exempts from bid requirements "*purchases of contracts for fire insurance, automobile insurance, casualty insurance and liability insurance by governing authorities.*" Therefore, the Rankin County Board of Education, as well as all other school districts within the state, is not required to receive sealed, competitive bids for the purchase of insurance.

Despite being exempt from state bidding requirements, the Rankin County Board of Education has established a practice of soliciting sealed bids for the purchase of insurance. The board's open bidding practice involves the use of a request for proposal (RFP), classified advertisement, receipt of sealed bids, and evaluation of the bids by the board's insurance consultant. All of these elements are consistent with those required by state purchasing laws for competitive bidding.

According to the board's insurance consultant, the board has solicited sealed insurance bids since 1984 and has reportedly experienced approximately \$739,925 in insurance cost avoidance over the last five policy years. (PEER did not verify the accuracy of the district's cost avoidance claims because such was not within the scope of this review.) (See Appendix B, page 12, for the Rankin County School District's explanation of the board's bid award.)

The Rankin County Board of Education based its award of the fire and extended coverage insurance contract on evaluation criteria not contained in the request for proposal.

On April 22, 1992, the Rankin County Board of Education awarded its fire and extended coverage contract to Wellington Associates for Great American Insurance Company. Based on documents provided to PEER, the board's award decision appears to have been based on evaluation

criteria (guaranteed premium and physical location of an insurance agency) not contained in the request for proposal.

Guaranteed Premium

As illustrated in Exhibit 1, page 2, the board's bid tabulation sheet shows that the insurance agency selected by the board, Wellington Associates, did not submit the lowest bid amount to the board. Of the four bids submitted, two others, Travelers and Northbrook, contained lower annual premiums than the Wellington Associates bid. According to the board's insurance consultant, the Wellington Associates bid for Great American Insurance Company was the lowest and best because it contained a three-year unconditional, guaranteed premium rate. (See Exhibit 2, page 6.)

Subsequent to the board's April 21 bid opening, representatives of the Travelers and Northbrook bids attempted to submit premium rate guarantees for their bids. The board's insurance consultant rejected their rate guarantees because the deadline had passed for receipt of sealed bids and the board had already opened the bids. In the insurance consultant's opinion, it would have been improper for the board to have accepted information which altered sealed bids after such bids had been opened. He noted that such a practice would, in essence, nullify the competitive bid process.

The board's request for proposals, which contains specifications for the fire and extended coverage insurance, informs potential bidders that the board's insurance policy period will be three years with annual installments preferred. (See Appendix C, page 14, for the board's RFP.) The board's insurance consultant acknowledged to PEER that the RFP does not specifically require bidders to submit a premium rate guaranteed for three years. A representative of Wellington Associates told PEER that he voluntarily offered a guaranteed rate in an effort to make his bid more competitive.

Although the Rankin County Board of Education is exempt from the provisions of MISS. CODE ANN. Section 31-7-13 (d) (1972) for the purchase of insurance, the section states that "*no agency or governing authority shall accept a bid based on items not included in the specifications.*" As acknowledged by the board's insurance consultant, he determined the Wellington Associates bid to be lowest and best primarily because of its guaranteed premium, even though the board's specifications did not require bidders to submit a guaranteed rate. The consultant's evaluation of the insurance bid would have violated Section 31-7-13 (d) had the board not been exempt from this provision. In effect, the board's insurance consultant placed the Wellington Associates bid at an unfair advantage because the board's decision to award the contract to Wellington Associates

EXHIBIT 2
INSURANCE CONSULTANT'S EXPLANATION TO BOARD
OF RANKIN COUNTY SCHOOL DISTRICT AWARD

SHAPPLEY HARRIS CIC
CERTIFIED INSURANCE COUNSELOR
(601) 362-4396

7 LAKELAND CIRCLE, S.E.
JACKSON, MS. 39201
FAX (601) 362-4396

April 22, 1992

Dr. Mike Vinson
Rankin County School District
1220 Apple Park Place
Brandon, MS. 39042

RE: PROPERTY INSURANCE BIDS

Dear Dr. Vinson:

Three agents submitted bids on our property insurance. A copy of the bid spread is enclosed. The bid submitted by the Wellington Agency was judged lowest and best.


The Mississippi State Rating Bureau Advisory rate for your risk is \$210,409.84 per year. The Great American bid, through the Wellington Agency, of \$42,949.00 is 80% off the Bureau rate and offers a three year rate guarantee. The rate guarantee will insure a discounted premium for the next three years.

The Travelers and the Northbrook both came back after the bid opening and offered a three year guarantee. The Northbrook guarantee was conditional upon an annual loss ratio of 50% or less. I did not consider these offers as they were tendered after the sealed bid opening.

As late as 1985, fire losses at the Brandon High School and the Stevens Cafeteria made it difficult for us to secure any bids. The majority of our property is classified as unprotected.

The property insurance market has been a buyers market for the past several years. We cannot reasonably expect or predict this pricing to continue. In my opinion, a three year unconditional rate is our most prudent option.

Sincerely,


Shappley Harris
Consultant

CC: Board of Education

was based on criteria not contained in the RFP--i.e., a guaranteed premium.

Even though the Rankin County Board of Education is exempt from state purchasing laws for the purchase of insurance, the board's open bidding practice implies to potential bidders that the board will adhere to the same competitive elements as those required by law. According to the State Purchasing Director, the Rankin County Board of Education should not have based an award decision on evaluation criteria not contained in the specifications. The State Purchasing Director told PEER that the board should have rejected all bids, restructured the specifications to require or allow the submission of guaranteed premiums, and readvertised the insurance contract.

Location of the Insurance Agency

In response to its RFP, the Rankin County Board of Education received its lowest bid from Seal & Smith Insurance Agency, which is located in Picayune, Mississippi. The board's insurance consultant told PEER that a representative of the Seal agency was "cold canvassing" and called the district to determine whether the Rankin County Board of Education planned to bid its insurance. In response to the call, the district sent the Seal agency representative an RFP.

As illustrated in Exhibit 1, page 2, the board's bid tabulation sheet notes that the Seal agency is not located within the Rankin County School District. The original draft of the board's April 22, 1992, minutes notes that the Seal agency is located outside the school district and that the board "*previously had stated that no agency located outside Rankin County would be considered.*" (The official version of the April 22 minutes contains no reference to the Seal agency being located outside of Rankin County. See Exhibit 3, page 8.)

According to the staff of the Rankin County Superintendent of Education, the board at one time had a policy which prevented insurance companies located outside of the school district from receiving insurance contracts. The board currently does not have such a policy formally recorded in its minutes. The board's insurance consultant told PEER that the district preferred conducting business with local insurance agents because of their general stability and ability to provide service quickly. However, the board did not state in its RFP that bidders were required to be located within the Rankin County School District.

Based on documents provided to PEER, it is apparent that the location of the Seal agency, the lowest bidder, was of some concern to the board and could have affected the board's decision not to award the contract to the agency. The board's insurance consultant strongly contends that the location of the Seal agency was not a factor in the board's award decision.

EXHIBIT 3

COMPARISON OF RANKIN COUNTY SCHOOL BOARD MINUTES FOR APRIL 22, 1992: DRAFT AND FINAL VERSIONS

Draft Version of the Board's April 22, 1992 Minutes Relative to the Purchase of Insurance

BID AWARD - FIRE AND EXTENDED COVERAGE INSURANCE

Having given public notice through the Rankin County News sealed bids were received, opened and tabulated on Tuesday, April 21, 1992 for fire and extended coverage insurance of school district buildings.

It was the recommendation of Mr. Bob Parker, district purchasing agent, Mr. Shap Harris, district insurance consultant, and the Superintendent that the bid of Wellington/Great American for a total annual premium of \$42,949.00, with a three year premium guarantee, be accepted as the lowest and best bid for the fire and extended coverage insurance as specified. It was further noted that the Seals/Northbrook bid was received from an agency located outside Rankin County. The Board previously had stated that no agency located outside Rankin County would be considered.

Upon a motion by Mr. Whitehead, second by Mrs. Sturdivant, the Board voted unanimously to accept the bid by Wellington/Great American as recommended as the lowest and best acceptable bid.

Final Version of the Board's April 22, 1992 Minutes Relative to the Purchase of Insurance

BID AWARD - FIRE AND EXTENDED COVERAGE INSURANCE

Having given public notice through the Rankin County News sealed bids were received, opened and tabulated on Tuesday, April 21, 1992 for fire and extended coverage insurance of school district buildings. (EXHIBIT A)

It was the recommendation of Mr. Bob Parker, district purchasing agent, Mr. Shap Harris, district insurance consultant, and the Superintendent that the bid of Wellington/Great American for a total annual premium of \$42,949.00, with a three year premium guarantee, be accepted as the best bid for the fire and extended coverage insurance as specified.

Upon a motion by Mr. Whitehead, second by Mrs. Sturdivant, the Board voted unanimously to accept the bid by Wellington/Great American as recommended and further to authorize the President and/or Superintendent to execute all necessary documents.

The consultant told PEER that the Seal agency's after-the-fact, conditional premium rate guarantee was the primary reason the agency did not receive the board's insurance contract.

RECOMMENDATION

The Legislature should amend MISS. CODE ANN. Section 31-7-13 (1972) by deleting from state purchasing laws the exemption for governing authorities' purchase of contracts for fire insurance, automobile insurance, casualty insurance and liability insurance. Section 31-7-13 should be amended to require governing authorities to utilize competitive bids for the purchase of such insurance coverage. (See Appendix D, page 32, for draft legislation.) All state purchasing provisions, such as classified advertisements, written specifications, and bid evaluation criteria, should also apply to governing authorities' purchase of insurance coverage.

BID ADVERTISEMENT PROOF OF PUBLICATION

RANKIN COUNTY NEWS • P.O. BOX 107 • BRANDON, MS 39043

STATE OF MISSISSIPPI,
COUNTY OF RANKIN

THIS 27TH DAY OF FEBRUARY

19 92 personally came, Marcus Bowers, publisher of the Rankin County News, a weekly newspaper printed and published in the City of Brandon, in the County of Rankin and State aforesaid, before me the undersigned officer in and for said County and State, who being duly sworn, deposes and says that said newspaper has been published for more than 12 months prior to the first publication of the attached notice and is qualified under Chapter 313, Laws of Mississippi, 1936, and laws supplementary and amendatory thereto, and that a certain

ADVERTISEMENT FOR BIDS
Sealed bid for:
FIRE AND EXTENDED COVERAGE INSURANCE (PUBLIC INSTITUTIONAL PROPERTY) on Rankin County Board of Education Buildings and Personal Property will be received by Rankin County Board of Education, Brandon, Mississippi in the board room of the Superintendent of Education, 1220 Apple Park Place, Brandon, Mississippi 39042, until 2:00 P.M. April 21st, 1992 and awarded or rejected April 22nd, 1992 at the 08:00 A.M. session of the Rankin County Board of Education, or as soon as thereafter as conveniently possible.
Bid Specifications may be examined at the office of our Insurance Consultant, Mr. Shappley Harris CIC, Fire and Casualty Consultants, 7 Lakeland Circle - Suite 300, Jackson, Mississippi 39216, (601) 262-4398.
Bid Specifications and Insurance underwriting information may be obtained from Fire and Casualty Consultants. All proposers must secure a set of specifications and submit proposals on forms provided.
Rankin County Board Of Education reserves the right to reject any and all proposals and to waive any and all formalities.
By: M. B. Vinson
MIKE VINSON
DR. MIKE VINSON, Superintendent of Education
February 19, 26, 1992
#250

ADVERTISEMENT FOR BIDS - FIRE AND EXTENDED

COVERAGE INSURANCE

a copy of which is hereto attached, was published in said newspaper 2 consecutive weeks, as follows, to-wit:

Vol. 144 No. 27 on the 19th day of February, 19 92

Vol. 144 No. 28 on the 26th day of February, 19 92

Vol. _____ No. _____ on the _____ day of _____, 19 _____

Vol. _____ No. _____ on the _____ day of _____, 19 _____

Vol. _____ No. _____ on the _____ day of _____, 19 _____

Vol. _____ No. _____ on the _____ day of _____, 19 _____

Marcus Bowers, Publisher
MARCUS BOWERS

Sworn to and subscribed before me by the aforementioned MARCUS BOWERS

this 27TH day of FEBRUARY, 19 92

Beverly J. Cook, Notary Public
BEVERLY J. COOK

MY COMMISSION EXPIRES JULY 19, 1993

PRINTER'S FEE: (8 cents per word for first insertion and 5 cents per word for each subsequent insertion) 173 words at .13 \$ 22.49

Proof of Publication..... 1.00
TOTAL..... \$ 23.49

APPENDIX B

RANKIN COUNTY SCHOOL DISTRICT'S EXPLANATION TO
PEER OF BOARD'S BID AWARD

SHAPPLEY HARRIS CIC
CERTIFIED INSURANCE COUNSELOR
(601) 362-4396

7 LAKELAND CIRCLE, SUITE 300
JACKSON, MS 39216
FAX (601) 362-4397

June 8, 1992

Mr. John Turcott
PEER Committee
P.O. Box 1204
Jackson, MS. 39215



RE: RANKIN COUNTY BOARD OF EDUCATION - INSURANCE BIDS

Per your committee's request, I am enclosing documents relating to property insurance bids for the Rankin School District. As you know, insurance is considered a personal service and is exempt from the State Bid and Purchase laws. The Legislature placed insurance under the Bid and Purchase law in 1985, and repealed this Act in 1986.

Although Rankin is not required to seek proposals, the Rankin Board of Education has solicited sealed bids since 1984. Through the sealed bid process, we have saved the School District \$739,925 over the last five policy years. The Mississippi State Rating Bureau advisory premium for this period was \$958,845 and Rankin paid \$218,920. Most school districts and other public entities use the Bureau rates.

The Rankin School District is way ahead of most other public entities in the professional manner in which they obtain property insurance coverage. Most public entities split their coverage among all the agents in the County or School District who use the Mississippi State Rating Bureau published rates. I am enclosing recent bids spreads on Simpson County Schools and Adams County Board of Supervisors. These entities have not previously bid their insurance. Through the sealed bid process, both entities saved 50% over what they were paying. This is fairly typical of the savings generated by competitive bidding over the split agency concept.

Insurance is a commodity that may not always be available. While open bidding has proved it can reduce cost, many public entities may not enjoy long term savings. Open bidding, without professional help, can jeopardize their ability to obtain coverage over a sustained period. Many carriers refuse to participate in a low bid situation. Rankin has enjoyed low rates for the last few years due to its excellent loss ratio. Rankin has not always been so fortunate. After two fire losses in 1984 and 1985 no carrier was willing to write this risk. We had to rely on our local agents getting together and splitting the risk. This fact weighed heavily on my decision to accept a three year rate guarantee.

My recommendation to the School Board was to accept the bid offering a three year rate guarantee. The low bid submitted by Mr. Seals did not have this provision. Mr. Seals tried to have this provision inserted after the bid opening. I informed him that we do not change bids after they are opened.

Please contact me if you have any further questions.

Sincerely,

Shapple Harris
Risk Manager

CC: Dr. Mike Vinson

APPENDIX C

RANKIN COUNTY SCHOOL DISTRICT'S APRIL 1992 RFP
FOR FIRE AND EXTENDED COVERAGE INSURANCE

RANKIN COUNTY BOARD
OF
EDUCATION

INSURANCE SPECIFICATIONS

JANUARY 24, 1992

PROPOSAL DEADLINE

04/21/92

EFFECTIVE DATE

05/01/92

FIRE & CASUALTY CONSULTANTS
7 LAKELAND CIRCLE - SUITE 300
JACKSON, MS 39216
(601) 362-4396
(FAX) 362-4397

SHAPPLEY HARRIS
RISK MANAGER

INSTRUCTIONS TO AGENTS

JANUARY 24, 1992

1. ALL AGENTS, AGENCIES, AND CARRIERS SUBMITTING PROPOSALS, MUST BE DULY LICENSED UNDER THE INSURANCE LAWS OF THE STATE OF MISSISSIPPI. CARRIERS MUST BE ON THE STATE'S LIST OF ADMITTED CARRIERS.
2. CARRIERS MUST HAVE AN "A.M. BEST" FINANCIAL RATING OF "A-" OR BETTER. SOME EMPHASIS WILL BE PLACED ON THE NUMERICAL RATING. WE MAY CONSIDER A LOWER FINANCIAL RATING IN SOME INSTANCES.
3. ALL BIDDERS MUST LOG OUT A SET OF SPECIFICATIONS. ALL UPDATES OR CHANGES IN THE SPECIFICATIONS WILL BE MAILED TO ALL AGENTS WHO OBTAINED SPECIFICATIONS.
4. THE BOARD RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS AND TO CHOOSE THE AGENT(S) OR COMPANY(S) THAT OFFER THE BEST PROPOSAL, UTILIZING REASONABLE STANDARDS, ESTABLISHED BY THE BOARD, FOR QUALITY AND SERVICE.
5. "AGENT OF RECORD" LETTERS WILL NOT BE AUTHORIZED.
6. YOU MAY SUBSTITUTE FORMS OR COVERAGES THAT MEET THE MINIMUM REQUIREMENTS STIPULATED. IF YOUR PROPOSAL DOES NOT MEET OR DEVIATES FROM THE SPECIFICATIONS, CLEARLY DOCUMENT THIS DEVIATION IN YOUR PROPOSAL.
7. PHYSICAL INSPECTIONS OF PROPERTY MUST BE COORDINATED THROUGH THE CENTRAL OFFICE.
8. ALL PREMIUMS SHALL BE BASED ON DATA CONTAINED IN THE SPECIFICATIONS. IN THE EVENT A CARRIER USES A RATING BASE NOT CONTAINED IN THE SPECIFICATIONS, THE AGENT SHALL FULLY DOCUMENT THE RATING BASIS.
9. SHOULD THERE BE AN ERROR OR OMISSION IN THE SPECIFICATIONS, OR IF IN DOUBT AS TO THE INTENT OR MEANING OF ANY PROVISION CONTAINED IN THE SPECIFICATIONS, YOU SHOULD NOTIFY THE CONSULTANT.

10. ALL REQUEST FOR ADDITIONAL INFORMATION SHOULD BE MADE IN WRITING AND DIRECTED TO THE CONSULTANTS OFFICE. REQUEST FOR ADDITIONAL INFORMATION MUST BE RECEIVED (10) DAYS PRIOR TO THE FIXED DATE FOR RECEIVING PROPOSALS.
11. EXTEND NOTICE CANCELLATION ON ALL POLICIES TO 90 DAYS.
12. PROPOSAL MUST BE SUBMITTED ON BID FORM PROVIDED OR COPY THEREOF, TO RANKIN COUNTY SCHOOL DISTRICT, BUSINESS OFFICE, CLEARLY MARKED "INSURANCE BID" OPEN APRIL 22th, 1991", NO LATER THAN 2:00 P.M. APRIL 21st, 1992.

PROPOSAL DATE - APRIL 21, 1992

EFFECTIVE DATE - MAY 01, 1992

PUBLIC INSTITUTIONAL PROPERTIES

GENERAL INFORMATION

A. MAILING ADDRESS: P.O. BOX 1359
BRANDON, MS 39043

TELEPHONE : (601) 825-5590

ALL PROPERTY INSPECTIONS MUST BE SCHEDULED THROUGH MR. KEN
BRAMLETT/ASSISTANT SUPT. OF EDUCATION

OUR FIRE EXTINGUISHERS AND ANSUL SYSTEMS ARE UNDER SERVICE CON-
TRACT WITH BLOUGH MAINTENANCE (825-8128). ALL KITCHENS ARE
EQUIPPED WITH AUTOMATIC ANSUL SYSTEMS.

RANKIN COUNTY PASSED A \$ 7,900,000 BOND ISSUE IN 1986 FOR
RENOVATION AND CONSTRUCTION OF SCHOOL PROPERTIES. WE HAVE
COMPLETED THESE PROJECTS. RANKIN COUNTY PASSED ANOTHER BOND
ISSUE FOR \$ 3,900,000 IN FEBRUARY OF 1988, WHICH WAS USED TO
INSULATE AND AIR CONDITION SCHOOL BUILDINGS.

OUR PROPERTIES ARE IN GOOD STATE OF REPAIR AND VALUES HAVE BEEN
UPDATED AT COMPLETION OF NEW PROJECTS AND AT RENEWAL. EMPLOYERS
MUTUAL CASUALTY COMPANY APPRAISED OUR PROPERTIES IN 1985 AND ALL
VALUES WERE UPDATED TO REFLECT THESE APPRAISALS. A COPY OF THEIR
APPRAISAL IS AVAILABLE FOR YOUR INSPECTION UPON REQUEST. WE HAVE
TRENDED THESE APPRAISALS TO KEEP THEM CURRENT.

THE SCHOOL DISTRICT WILL COOPERATE WITH INSURANCE CARRIER AND
CORRECT ANY BUILDING VALUE NOT VALUED CORRECTLY.

SCHOOL CONTACTS

NAME	PRINCIPAL	TELEPHONE
MR. JOHN PATRICK	BRANDON HIGH	825-2939
MS. ELENOR COMFORT	BRANDON ELEMENTARY	825-4706
MS. RUTH WATKINS	STEVENS ELEMENTARY	825-5437
MR. WILSON TAYLOR	BRANDON MIDDLE	825-5998
MR. SAM NEWMAN	FLORENCE HIGH	845-8164
MR. FULTON RUSHING	FLORENCE MIDDLE	845-2862
MS. NANCY RANAGER	FLORENCE ELEMENTARY	845-2862
MR. TERRY BRISTER	McLAURIN A/C	845-2247
MR. CHARLES McCELLAND	NORTHWEST A/C	992-9865
MR. GARY EVERETT	PELAHATCHIE MIDDLE	854-8064
MR. HARLAN STANLEY	PISGAH HIGH	829-2825
MR. FLOYDIST MARTIN	PISGAH ELEMENTARY	829-2937
MR. THAD HASKINS	PUCKETT A/C	825-5742
MR. ROBERT LUCKETT	RICHLAND A/C	939-9381
MS. SUSAN MONSOUR	RICHLAND ELEMENTARY	939-4375
MR. BARRY MALE	RICHLAND MIDDLE	939-2288

PUBLIC INSTITUTIONAL PROPERTY

PERILS : FIRE, EC, V&MM, EARTHQUAKE, AOP
QUOTE WITH & WITHOUT THEFT

CP 9993 IL 0017 CP 0090 CP 0010
CP 1030 CP 1040 IL 0282 CP 1655

FORMS : YOU MAY USE "CF" OR "CP" FORMS OR
EQUIVALENT NON-STANDARD FORMS.

DEDUCTIBLE : \$ 5,000

COINSURANCE : 90%

POLICY PERIOD : 3 YEAR WITH ANNUAL INSTALLMENTS WILL BE
PREFERRED (WILL NOT BE RE-BID UNTIL EXPIRATION)

REPLACEMENT COST TO BUILDING AND CONTENTS

BLANKET INSURING AGREEMENT WITH AGREED AMOUNT ENDORSEMENT

EXPIRING RATES

MISSISSIPPI STATE RATING BUREAU - BLANKET AVERAGE RATES

CP RATES - 1991	CP RATES - 1992
<hr/>	<hr/>
BASIC GROUP I - .337	.343
BASIC GROUP II - .136	.136
SPECIAL FORM - .012 EXC/THEFT	.012
SPECIAL FORM - .071 INC/THEFT	.072
EARTHQUAKE - .032	.031

NO DEDUCTIBLE OR DPP CREDIT HAS BEEN APPLIED TO THESE RATES

LOSSES: \$4,600.00 PAID - THEFT OF NEW AIR CONDITIONING EQUIPMENT
FROM PUCKETT HIGH SCHOOL ON 04/16/90.

RANKIN COUNTY BOARD OF EDUCATION
STATEMENT OF VALUES
MAY 01, 1992

PELAHATCHIE ATTENDANCE CENTER
BROOKS STREET

1	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS ADMINISTRATION BUILDING & LIBRARY. RATE S 2201 MAP (708) 1-A-S	B PPI	100,000.00 13,200.00
2	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS AUDITORIUM & BAND ROOM. MAP (708 1/2) 1-A-S	B PPI	255,651.00 14,000.00
3	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS ELEMENTARY CLASS ROOMS. MAP (710) 1-S-A	B PPI	411,144.00 31,800.00
4	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS HIGH SCHOOL CLASS ROOMS. MAP (710 1/2) 1-S-A	B PPI	315,505.00 16,000.00
5	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS CAFETERIA. MAP (712) 1-A-S	B PPI	195,818.00 12,000.00
6	ONE & 1/2 STORY FIRE RESISTIVE BRICK & STEEL BUILDING OCCUPIED AS GYMNASIUM. MAP (714) 1-2-A-B-S	B PPI	390,754.00 10,000.00
7	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS VO-TECH SHOP. MAP (716) 1-A-S	B PPI	50,000.00 10,000.00
8	ONE STORY FIRE RESISTIVE BUILDING, OCCUPIED AS BAND HALL. MAP (718) 1-A	B PPI	35,000.00 25,000.00
9	ONE STORY BRICK VENEER, ONE FAMILY OWNER OCCUPIED TEACHERS DWELLING, LOCATED AT BROOKS STREET CAMPUS. 1,600 SQUARE FEET	B PPI	40,000.00 NIL
10	ONE STORY CONCRETE BLOCK BUILDING, OCCUPIED AS CONCESSION STAND, & REST ROOMS. MAP 720 CLASS RATED 1200 SQUARE FEET	B PPI	9,000.00 1,500.00

11	ONE STORY CONCRETE BLOCK BUILDING, OCCUPIED AS CLASSROOMS NEW NOT RATED	B PPI	200,000.00 15,000.00
12	ONE STORY CONCRETE BLOCK BUILDING, OCCUPIED AS FIELD HOUSE. MAP 718 1/2 CLASS RATED 2,400 SQUARE FEET	B PPI	40,000.00 15,000.00
PELAHATCHIE ATTENDANCE CENTER MIDDLE CAMPUS E/S KIRBY STREET (McCALL)			
13	ONE STORY BRICK & HOLLOW TILE CONCRETE BLOCK, FIRE RESISTIVE STEEL BUILDING, OCCUPIED AS CLASSROOMS, ADM. & CAFETERIA. RATE S 2247 MAP 710 1-8-E-A-S	B PPI	486,889.00 44,000.00
14	ONE STORY FIRE RESISTIVE BUILDING, OCCUPIED AS GYMNASIUM. MAP (710) 2-A	B PPI	325,594.00 15,000.00
PISGAH ATTENDANCE CENTER GOSHEN - FANNIN CAMPUS RESERVOIR FIRE DISTRICT			
15	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS ADM., CAFETERIA, & CLASSROOMS. RATE # 76082 1-A-S	B PPI	526,071.00 25,000.00
16	ONE STORY BRICK BUILDING, OCCUPIED AS STORAGE & REST ROOMS. RATE # 76082 1-A CLASS RATED 600 SQUARE FEET	B PPI	10,000.00 2,000.00
PISGAH ATTENDANCE CENTER HIGHWAY 43 AT SANDHILL PELAHATCHIE RATE PAGES			
17	ONE STORY FRAME BUILDING, OCCUPIED AS SHOP. RATE # 2244 MAP (8) 1D	B PPI	10,000.00 8,900.00
18	ONE STORY BRICK VENEER OWNER OCCUPIED TEACHERS DWELLING, LOCATED ON HWY 43 CAMPUS. 1,650 SQUARE FEET	B PPI	65,000.00 NIL
19	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS CLASS ROOMS, CAFETERIA, LIBRARY, & REST ROOMS. MAP (A) 1-A-S	B PPI	1,084,532.00 50,000.00

20	ONE STORY FRAME BUILDING(S), OCCUPIED AS CLASSROOM, 600 SQ FT CLASS RATED PORTABLE	B PPI	10,000.00 1,200.00
21	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, 600 SQ FT CLASS RATED PORTABLE	B PPI	10,000.00 1,200.00
22	ONE STORY CONCRETE BLOCK, BRICK & STEEL BUILDING, OCCUPIED AS CLASSROOMS. NEW NOT RATED SQ FT	B PPI	200,000.00 30,000.00
23	ONE STORY CONCRETE BLOCK, BRICK VENEER, & STEEL BUILDING, OCCUPIED AS GYMNASIUM. MAP (C) 2-S-B-E-A	B PPI	448,960.00 40,000.00
24	ONE STORY FRAME BUILDING, OCCUPIED AS MUSIC BUILDING. MAP (D) 800 SQUARE FEET CLASS RATED	B PPI	10,000.00 15,500.00
25	ONE STORY FRAME FIELD HOUSE, LOCATED ON HWY 43 CAMPUS WEST OF GYM. NOT RATED 2,000 SQUARE FEET	B PPI	35,000.00 10,000.00

PUCKETT ATTENDANCE CENTER
N/S HIGHWAY 18

26	ONE STORY BRICK BLOCK & STEEL BUILDING, OCCUPIED AS ADMINISTRATION OFFICES NEW NOT RATED	B PPI	150,000.00 35,000.00
27	ONE STORY HOLLOW TILE BUILDING, OCCUPIED AS HIGH SCHOOL, LAB, AUDITORIUM. RATE S 721 MAP (731) 1-HT	B PPI	815,799.00 50,000.00
28	ONE STORY HOLLOW TILE BUILDING, OCCUPIED AS VOCATIONAL & SHOP TRAINING. MAP (759) 1-HT	B PPI	10,000.00 5,000.00
29	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS ELEM., CAFETERIA & CLASSROOMS. N/S OF GYMNASIUM MAP (767) 1-A	B PPI	849,922.00 85,000.00
30	ONE STORY BRICK BLOCK & STEEL BUILDING AS ELEMENTARY CLASSROOM ADDITION NEW NOT RATED SQ FT	B PPI	250,000.00 37,500.00

31	ONE STORY BRICK, CONCRETE BLOCK, & FIRE RESISTIVE BUILDING, OCCUPIED AS NEW GYMNASIUM. MAP (761) 1-B-E-A	B PPI	317,789.00 9,000.00
32	ONE STORY METAL 1-S BUILDING OCCUPIED AS FIELD HOUSE 4,800 SQUARE FEET CONTENTS	B PPI	50,000.00 25,000.00
33	ONE STORY BRICK VENEER OWNER OCCUPIED TEACHERS DWELLING, LOCATED HWY 18 SOUTH E/S. 1,600 SQUARE FEET	B PPI	50,000.00 NIL
BRANDON ATTENDANCE CENTER SOUTH COLLEGE & JASPER STREET			
34	ONE STORY MASONRY AND B/V BUILDING, OCCUPIED AS NEW CLASSROOMS & ADMINISTRATIVE OFFICES NOT RATED SQ FT	B PPI	1,300,000.00 195,000.00
35	ONE & 1/2 STORY BRICK & CONCRETE BLOCK BUILDING, OCCUPIED AS HIGH SCHOOL GYMNASIUM. MAP (R412) 28-E	B PPI	434,095.00 8,000.00
36	ONE STORY 1A BUILDING, OCCUPIED AS NEW SHOP BUILDING. MAP (412 1/2) 1-A	B PPI	54,721.00 8,000.00
37	ONE TWO STORY MASONRY & CONCRETE BLOCK BUILDING, OCCUPIED AS BRANDON HIGH SCHOOL. MAP (408) 28-A	B PPI	1,589,360.00 129,000.00
38	ONE STORY BRICK & STEEL FIRE RESISTIVE BUILDING, OCCUPIED AS CAFETERIA, N/S LOCATION 31 NEW 6,000 SQUARE FEET NOT RATED	B PPI	600,000.00 100,000.00
39	ONE STORY CONCRETE BLOCK BUILDING, FACED WITH BRICK, OCCUPIED AS BAND & CHORUS. MAP (412 1/4) 8-E	B PPI	149,000.00 25,000.00
40	ONE STORY STEEL AND BRICK BUILDING, OCCUPIED AS HIGH SCHOOL FIELD HOUSE. MAP (404) B-E	B PPI	250,000.00 55,000.00
41	ONE STORY FRAME OWNER OCCUPIED TEACHERS DWELLING, LOCATED JASPER & COLLEGE STREET. 1500 SQUARE FEET	B PPI	45,000.00 NIL

STEVENS ELEMENTARY CAMPUS
SOUTH COLLEGE STREET

42 ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS 8 1,676,046.00
ELEMENTARY SCHOOL, AND CAFETERIA
RATE # 3734 MAP (206) 1A-S PPI 200,000.00

43 ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, 8 10,500.00
600 SQ FT CLASS RATED PORTABLE PPI 1,200.00

ELEMENTARY CAMPUS
125 OVERBY STREET

44 TWO STORY CONCRETE BLOCK & MASONRY BUILDING, OCCUPIED 8 1,176,046.00
AS ELEMENTARY SCHOOL.
RATE # 88609 1-2AA-A PPI 150,000.00

45 2 STORY FIRE RESISTIVE BUILDING, OCCUPIED AS EAST WING 8 400,000.00
ADDITION
NEW NOT RATED SQ FT PPI 60,000.00

46 ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, 8 10,000.00
600 SQ FT CLASS RATED PORTABLE PPI 1,200.00

47 ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, 8 10,000.00
600 SQ FT CLASS RATED PORTABLE PPI 1,200.00

BRANDON MIDDLE SCHOOL CAMPUS
NORTH COLLEGE & OLD HWY 80

48 ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS 8 764,021.00
6,7,8th GRADES & GYMNASIUM.
RATE # 3750 MAP (A) 1A-S PPI 150,000.00

49 ONE STORY CONCRETE BLOCK BUILDING FACED WITH BRICK, 8 235,927.00
OCCUPIED AS CAFETERIA.
MAP (E) 1A PPI 20,000.00

50 ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS 8 63,000.00
BAND HALL & SPECIAL EDUCATION.
MAP (C) 1A PPI 5,000.00

51	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS SPECIAL EDUCATION CLASSROOMS MAP (B) 1A-S	8 PPI	36,000.00 5,000.00
52	ONE STORY FIRE RESISTIVE & STEEL BUILDING, OCCUPIED AS 5th GRADE WING. MAP (C) 1A-S	8 PPI	45,000.00 8,000.00
	SCHOOL BUS SHOP NORTH COLLEGE & OLD HWY 80		
53	ONE STORY BRICK & STEEL BUILDING, OCCUPIED AS SCHOOL GARAGE & SHOP. 110 SCHOOL ROAD. 1B-E-S	8 PPI	250,000.00 75,000.00
	FLORENCE ATTENDANCE CENTER MIDDLE CAMPUS 605 - 621 EAST MAIN STREET		
53	ONE STORY BRICK & CONCRETE BLOCK FIRE RESISTIVE BUILDING, OCCUPIED AS MIDDLE SCHOOL. RATE # 1286 MAP (605) B-E-B-A-S	8 PPI	1,360,515.00 300,000.00
54	ONE & 1/2 STORY BRICK & HOLLOW CONCRETE BLOCK BUILDING OCCUPIED AS GYMNASIUM. RATE # 1288 MAP (613 1/4) B-HT	8 PPI	300,000.00 1,000.00
55	ONE STORY BRICK BUILDING, OCCUPIED AS CLASSROOMS. MAP (613 1/2) 8	8 PPI	30,000.00 6,000.00
56	ONE STORY FRAME BUILDING OCCUPIED AS CLASSROOMS 600 SQ FT CLASS RATED PORTABLE	8 PPI	10,000.00 1,200.00
57	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, 600 SQ FT CLASS RATED PORTABLE	8 PPI	10,000.00 1,200.00
58	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, 600 SQ FT CLASS RATED PORTABLE	8 PPI	10,000.00 1,200.00
59	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, 600 SQ FT CLASS RATED PORTABLE	8 PPI	10,000.00 1,200.00

FLORENCE HIGH SCHOOL CAMPUS
HWY 469

60	ONE STORY 1A-E BUILDING, OCCUPIED AS FIELD HOUSE & PHYSICAL EDUCATION. RATE # 1304 MAP (C) 1A-E	B PPI	40,000.00 15,000.00
61	ONE STORY FIRE RESISTIVE BUILDING, OCCUPIED AS GYM, SHOP, CAFETERIA, & 7 - 12 CLASSROOMS. MAP (A & B) 1-A	B PPI	1,714,639.00 100,000.00
62	ONE STORY BRICK & HOLLOW CONCRETE BLOCK BUILDING, OCCUPIED AS BAND HALL MAP (D) 1-A	B PPI	200,000.00 25,000.00
63	ONE STORY METAL BUILDING, OCCUPIED AS FIELD HOUSE & EDUCATION CLASSES. 3,200 SQUARE FEET CLASS RATED	B PPI	50,000.00 15,000.00

FLORENCE LOWER ELEMENTARY

HIGHWAY 469 S/S

64	ONE STORY (FR) CONCRETE BLOCK & BRICK BUILDING, OCCUPIED AS CLASSROOMS, CAFETERIA, LIBRARY, & ADMINISTRATION OFFICES.	B PPI	1,500,000 175,000
65	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, 600 SQ FT CLASS RATED PORTABLE	B PPI	10,000.00 1,200.00
66	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, LOCATED W/S CAMPUS. 600 SQ FT CLASS RATED PORTABLE	B PPI	10,000.00 1,200.00

McLAURIN ATTENDANCE CENTER
BRANDON - STAR ROAD
(FLORENCE RATE PAGES)

67	ONE & 1/2 STORY FIRE RESISTIVE BUILDING, OCCUPIED AS CLASSROOMS, GYM, CAFETERIA, ADM. OFFICES, LIBRARY. RATE # 1644 MAP (A) 2-AA-S	B PPI	1,555,000.00 100,000.00
68	ONE STORY FIRE RESISTIVE BUILDING, OCCUPIED AS CLASSROOMS. MAP (B) 1-S-A	B PPI	35,000.00 7,000.00

69	ONE STORY FIRE RESISTIVE BUILDING, OCCUPIED AS BAND & CHORUS. MAP (C) 1-A	8 PPI	45,000.00 10,000.00
70	ONE STORY CONCRETE BLOCK BUILDING, OCCUPIED AS FIELD HOUSE & HOME DRESSING ROOMS. MAP (D) 1-E 2,500 1-E	8 PPI	40,000.00 15,000.00
71	ONE STORY CONCRETE BLOCK BUILDING, OCCUPIED AS FIELD HOUSE & VISITORS DRESSING ROOMS. MAP (E) CLASS RATED	8 PPI	30,000.00 1,500.00
72	ONE STORY FRAME OWNER OCCUPIED 2 FAMILY, TEACHERS DWELLING, LOCATED BRANDON - STAR ROAD. 1,800 SQUARE FEET	8 PPI	50,000.00 NIL
<p>RICHLAND ELEMENTARY CAMPUS 203 SPELL DRIVE RICHLAND, MISSISSIPPI</p>			
73	ONE STORY FIRE RESISTIVE CONCRETE BLOCK & BRICK BUILDING, OCCUPIED AS CLASSROOMS, ADM. OFFICES, AND CAFETERIA	8 PPI	1,000,000.00 150,000.00
<p>RICHLAND ATTENDANCE CENTER MIDDLE SCHOOL CAMPUS N/S WILSON DRIVE</p>			
74	ONE STORY FIRE RESISTIVE CONCRETE BLOCK & BRICK BUILDING OCCUPIED AS CLASSROOMS & ADM. OFFICES. RATE S 74077 MAP (G) 1A	8 PPI	1,045,000.00 65,000.00
75	ONE STORY STEEL & MASONRY FIRE RESISTIVE BUILDING OCCUPIED AS CAFETERIA 6,200 SQ FT	8 PPI	600,000.00 100,000.00
<p>RICHLAND JR HIGH & HIGH SCHOOL CAMPUS S/S WILSON DRIVE</p>			
76	ONE STORY HOLLOW & CONCRETE BLOCK FIRE RESISTIVE BUILD. OCCUPIED AS CAFETERIA, ADM. OFFICES & CLASSROOMS. MAP (A) 1HT-E-A HIGH SCHOOL	8 PPI	761,766.00 30,000.00
77	ONE STORY HOLLOW TILE & CONCRETE BLOCK FIRE RESISTIVE BUILDING, OCCUPIED AS CLASSROOMS, LAB, MAP (H) 1-A	8 PPI	575,263.00 80,000.00

78	ONE STORY FIRE RESISTIVE BUILDING, OCCUPIED AS GYM, AUDITORIUM, & CLASSROOMS. MAP (8) 2A	B PPI	437,049.00 8,000.00
79	ONE STORY STEEL BUILDING, OCCUPIED AS FIELD HOUSE & PHYSICAL EDUCATION. MAP (1) 1-S	B PPI	45,000.00 45,000.00
80	ONE STORY STEEL AND BRICK VENEER BUILDING, OCCUPIED AS MUSIC & BAND HALL 3,000 SQ FT	B PPI	200,000.00 50,000.00
81	ONE STORY FRAME OWNER OCCUPIED TEACHERS DWELLING, LOCATED S/S WILSON DRIVE. 1,400 SQUARE FEET	B PPI	40,000.00 NIL

NORTHWEST RANKIN ATTENDANCE CENTER
HWY 25
RESERVOIR FIRE DISTRICT

82	TWO STORY FIRE RESISTIVE BUILDING, OCCUPIED AS CLASSROOMS, GYM, CAFETERIA, & AUDITORIUM. RATE # 76450 MAP (105) 2-A	B PPI	4,523,104.00 250,000.00
83	ONE STORY CONCRETE BLOCK & STEEL BUILDING, OCCUPIED AS FIELDHOUSE. MAP (105 3/7) 1-S	B PPI	100,000.00 30,000.00

NORTHWEST ELEMENTARY SCHOOL
HWY 25
RESERVOIR FIRE DISTRICT

84	ONE STORY FIRE RESISTIVE BUILDING LOCATED 500 VINE ROAD, OCCUPIED AS ELEMENTARY. 24,300 SQUARE FEET	B PPI	1,500,000.00 100,000.00
85	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, LOCATED W/S CAMPUS. 600 SQ FT CLASS RATED PORTABLE	B PPI	7,500.00 1,200.00
86	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, LOCATED W/S CAMPUS. 600 SQ FT CLASS RATED PORTABLE	B PPI	7,500.00 1,200.00
87	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, LOCATED W/S CAMPUS. 600 SQ FT CLASS RATED PORTABLE	B PPI	7,500.00 1,200.00

88	ONE STORY FRAME BUILDING, OCCUPIED AS CLASSROOM, LOCATED W/S CAMPUS.	B	7,500.00
	600 SQ FT CLASS RATED PORTABLE	PPI	1,200.00

VINE STREET ELEMENTARY SCHOOL
HWY 25
RESERVOIR FIRE DISTRICT

89	ONE STORY FIRE RESISTIVE BUILDING LOCATED 500 1/2 VINE ROAD, OCCUPIED AS ELEMENTARY II.	B	1,500,000.00
	24,300 SQ FT UNDER CONSTRUCTION	PPI	100,000.00

SUPERINTENDENTS OFFICE COMPLEX
CROSSGATES FIRE DISTRICT
BRANDON MISSISSIPPI

90	ONE STORY FRAME BUILDING, OCCUPIED AS ADULT EDUCATION CENTER	B	125,000.00
	1220 1/2 APPLE PARK PLACE, BRANDON, MS.	PPI	18,500.00

91	ONE STORY FRAME BUILDING, OCCUPIED AS MAINTENANCE SHOP 1,400 SQUARE FEET	B	30,000.00
	REAR OF MAP 412 1/4 JASPER STREET, BRANDON, MS.	PPI	25,000.00

92	ONE STORY BRICK VENEER BUILDING, OCCUPIED AS EXTENDED SERVICES BUILDING SQUARE FEET	B	100,000.00
	135 S. COLLEGE STREET, BRANDON, MS.	PPI	7,000.00

	TOTAL VALUES	40,169,880.00
	CO-INSURANCE FACTOR	90%
REV 01/24/92	INSURANCE AMOUNT	36,152,892.00

PROPOSAL SUMMARY

SEAL AND SUBMIT THIS PROPOSAL SUMMARY, CLEARLY MARKED "INSURANCE PROPOSAL - OPEN APRIL 21th, 1991" TO MR. BOB PARKER - BUSINESS MANAGER, RANKIN COUNTY BOARD OF EDUCATION, 1220 APPLE PARK PLACE, P.O. BOX 1359, BRANDON, MISSISSIPPI, NO LATER THAN 02:00 P.M. APRIL 21st, 1992.

USE SEPARATE COVER TO DETAIL OPTIONS, DIVIDENDS, DEVIATIONS FROM SPECIFICATIONS, ETC. IF ANY CARRIER MAKES LOSS CONTROL AND ENGINEERING RECOMMENDATIONS, PLEASE OUTLINE THEM IN YOUR PROPOSAL. ATTACH COPY OF INSURING AGREEMENTS, INCLUDING ALL ENDORSEMENTS IF YOU DO NOT PROPOSE TO USE MSRB FORMS.

LINE	ANNUAL PREMIUM	CARRIER & RATING
1. PIP	: \$ _____	_____
THEFT	: \$ _____	_____
EARTHQUAKE	: \$ _____	_____
ANNUAL PREMIUM :		\$ _____

DEVIATIONS FROM SPECIFICATIONS: _____ IF SO, ATTACH DETAILS.
yes/no

NAME : _____ PHONE: _____

AGENCY: _____



MISSISSIPPI STATE RATING BUREAU

2685 INSURANCE CENTER DRIVE P. O. BOX 5231

JACKSON, MISSISSIPPI 39296-5231

TELEPHONE (601) 981-2915

March 13, 1992

Fire and Casualty Consultants
Shappley Harris
7 Lakeland Circle, Suite 300
Jackson, Mississippi 39216

Gentlemen:

PUBLIC AND INSTITUTIONAL
PROPERTY PLAN OF COVERAGE
RANKIN COUNTY BOARD OF
EDUCATION
BRANDON, MISSISSIPPI

This is in further reference to your recent PIP Statement of Values submitted for the above named insured, and we are pleased to advise that, based on total values of \$40,169,880.00 the final one year average rates (MSRB advisory rates) applicable are as follows:

BASIC GROUP I	.343
BASIC GROUP II	.136
SPECIAL FORM - EXCLUDING THEFT	.012
SPECIAL FORM - INCLUDING THEFT	.072
EARTHQUAKE - INCLUDING MASONRY VENEER	.031

Based on above rates CP1655(12-85) should be attached showing items #10 and 55 as 8th class, joisted masonry, rate group 3, item #12 as 9th class, joisted masonry, rate group 3, items #17, 20, 24, 25 as 10th class, frame, rate group 3, items #26, 28, 70 and 71 as 10th class, joisted masonry, rate group 3, items #46, 47, 56, 57, 58, 59 as 8th class, frame, rate group 3, items #63, 65 and 90 as 9th class, frame, rate group 3, items #79 and 80 as 6th class, non-combustible, rate group 3, items #85, 86, 87 and 88 as 7th class, frame, rate group 3. Also, based on above rates earthquake deductible is 10% on items #1 thru 8, 10 thru 16, 19, 22, 23, 26, 27, 28, 29, 30, 31, 34, 35, 36, 37, 38, 39, 42, 44, 45, 48, 49, 50, 51, 52, 53A, 53B, 54, 55, 60, 61, 62, 67, 68, 69, 70, 71, 74, 75, 76, 77, 78, 82 and 84 and 5% deductible on items #9, 17, 18, 20, 21, 24, 25, 32, 33, 40, 41, 43, 46, 47, 56, 57, 58, 59, 63, 64, 65, 66, 72, 73, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 91 and 92.

We trust that this provides you with the information desired.

Yours very truly,

Johnnie Abernathy
Superintendent
Audit Department

APPENDIX D

PROPOSED LEGISLATION TO REQUIRE GOVERNING AUTHORITIES
TO UTILIZE COMPETITIVE BIDS FOR THE PURCHASE OF
INSURANCE COVERAGE

Mississippi Legislature

Regular Session, 1993

BY:

BILL

AN ACT TO AMEND SECTION 31-7-13, MISSISSIPPI CODE OF 1972 BY DELETING THE BID EXCEPTION FOR PURCHASES OF FIRE, AUTOMOBILE, CASUALTY, AND LIABILITY INSURANCE BY GOVERNING AUTHORITIES; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

Section 1. Section 31-7-13, Mississippi Code of 1972, is amended as follows;

§ 31-7-13. Bid requirements and exceptions; public auctions.

All agencies and governing authorities shall purchase their commodities and printing; contract for fire insurance, automobile insurance, casualty insurance (other than workers' compensation) and liability insurance; and contract for public construction as herein provided.

- (a) Purchases which do not involve an expenditure of more than Five Hundred Dollars (\$500.00), exclusive of freight or shipping charges, may be made without advertising or otherwise requesting competitive bids. Provided, however, that nothing contained in this paragraph shall be construed to prohibit any agency or governing authority from establishing procedures which require competitive bids on purchases of Five Hundred Dollars (\$500.00) or less.
- (b) Purchases which involve an expenditure of more than Five Hundred Dollars (\$500.00) but not more than Five Thousand Dollars (\$5,000.00), exclusive of freight and shipping charges, may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two (2) competitive written

bids have been obtained. Any governing authority purchasing commodities pursuant to this paragraph (b) may authorize its purchasing agent, with regard to governing authorities other than counties, or its purchase clerk, with regard to counties, to accept the lowest and best competitive written bid. Such authorization shall be made in writing by the governing authority and shall be maintained on file in the primary office of the agency and recorded in the official minutes of the governing authority, as appropriate. The purchasing agent or the purchase clerk, as the case may be, and not the governing authority, shall be liable for any penalties and/or damages as may be imposed by law for any act or omission of the purchasing agent or purchase clerk constituting a violation of law in accepting any bid without approval by the governing authority. The term "competitive written bid" shall mean a bid submitted on a bid form furnished by the buying agency or governing authority and signed by authorized personnel representing the vendor, or a bid submitted on a vendor's letterhead or identifiable bid form and signed by authorized personnel representing the vendor.

- (c) Purchases which involve an expenditure of more than Five Thousand Dollars (\$5,000.00), exclusive of freight and shipping charges, may be made from the lowest and best bidder after advertising for competitive sealed bids once each week for two (2) consecutive weeks in a regular newspaper published in the county or municipality in which such agency or governing authority is located. The date as published for the bid opening shall not be less than seven (7) working days after the last published notice; however, if the purchase involves a construction project in which the estimated cost is in excess of Ten Thousand Dollars (\$10,000.00), such bids shall not be opened in less than fifteen (15) working days after the last notice is published and the notice for the purchase of such construction shall be published once each week for two (2) consecutive weeks. The notice of intention to let contracts or purchase equipment shall state the time and place at which bids shall be received, list the contracts to be made or types of equipment or supplies to be purchased, and, if all plans and/or specifications are not published, refer to the plans and/or specifications on file. In all cases involving governing authorities, before the notice shall be published or posted, the plans or specifications for the construction or equipment being sought shall be filed with the clerk of the board of the governing authority, and there remain. If there is no newspaper published in the county or municipality, then such notice shall be given by posting same at the courthouse, or for municipalities at the city hall, and at two (2) other public places in the county or municipality, and also by publication once each week for two (2) consecutive weeks in some newspaper having a general circulation in the county or municipality in the above provided manner. On the same date that the notice is submitted to the newspaper for publication, the agency or governing authority involved shall mail written notice to the main office of the Mississippi Contract Procurement Center that contains the same information as that in the published notice. In addition to these requirements, agencies shall

maintain a vendor file and vendors of the equipment or commodities being sought may be mailed solicitations and specifications, and a bid file shall be established which shall indicate those vendors to whom such solicitations and specifications were mailed, and such file shall also contain such information as is pertinent to the bid. Specifications pertinent to such bidding shall be written so as not to exclude comparable equipment of domestic manufacture. Provided, however, that should valid justification be presented, the Department of Finance and Administration or the board of a governing authority may approve a request for specific equipment necessary to perform a specific job. Provided, further, that a registered professional engineer or architect may write specifications for a governing authority to require a specific item of equipment available only from limited sources or vendors when such specifications conform with the rules and regulations promulgated by an appropriate federal agency regulating such matters under the federal procurement laws. Further, such justification, when placed on the minutes of the board of a governing authority, may serve as authority for that governing authority to write specifications to require a specific item of equipment needed to perform a specific job. In addition to these requirements, from and after July 1, 1990, vendors of relocatable classrooms and the specifications for the purchase of such relocatable classrooms published by local school boards shall meet all pertinent regulations of the State Board of Education, including prior approval of such bid by the State Department of Education. Nothing in this section shall prohibit any agency or governing authority from writing specifications to include life-cycle costing, total cost bids, extended warranties or guaranteed buy-back provisions, provided that such bid requirements shall be in compliance with regulations established by the Department of Audit.

- (d) Purchases may be made from the lowest and best bidder. In determining the lowest and best bid, freight and shipping charges shall be included. If any governing authority accepts a bid other than the lowest bid actually submitted, it shall place on its minutes detailed calculations and narrative summary showing that the accepted bid was determined to be the lowest and best bid, including the dollar amount of the accepted bid and the dollar amount of the lowest bid. No agency or governing authority shall accept a bid based on items not included in the specifications.
- (e) Any lease-purchase of equipment which an agency is not required to lease-purchase under the master lease-purchase program pursuant to Section 31-7-10 and any lease-purchase of equipment which a governing authority elects to lease-purchase may be acquired by a lease-purchase agreement under this paragraph (e). Lease-purchase financing may also be obtained from the vendor or from a third-party source after having solicited and obtained at least two (2) written competitive bids, as defined in paragraph (b) of this section, for such financing without advertising for such bids. Solicitation for the bids for financing may occur before or after acceptance of bids for the purchase of such equipment or, where no such bids for purchase are required, at any time before the purchase thereof. No

such lease-purchase agreement shall be for an annual rate of interest which is greater than the overall maximum interest rate to maturity on general obligation indebtedness permitted under Section 75-17-101, and the term of such lease-purchase agreement shall not exceed the useful life of property covered thereby as determined according to the upper limit of the asset depreciation range (ADR) guidelines for the Class Life Asset Depreciation Range System established by the Internal Revenue Service pursuant to the United States Internal Revenue Code and regulations thereunder as in effect on December 31, 1980, or comparable depreciation guidelines with respect to any equipment not covered by ADR guidelines. Any lease-purchase agreement entered into pursuant to this paragraph (e) may contain any of the terms and conditions which a master lease-purchase agreement may contain under the provisions of Section 31-7-10(5), and shall contain an annual allocation dependency clause substantially similar to that set forth in Section 31-7-10(8). Each agency or governing authority entering into a lease-purchase transaction pursuant to this paragraph (e) shall maintain with respect to each such lease-purchase transaction the same information as required to be maintained by the Department of Finance and Administration pursuant to Section 31-7-10(13). However, nothing contained in this section shall be construed to permit agencies to acquire items of equipment with a total acquisition cost in the aggregate of less than Ten Thousand Dollars (\$10,000.00) by a single lease-purchase transaction. All equipment and the purchase thereof by any lessor, acquired by lease-purchase under this paragraph and all lease-purchase payments with respect thereto shall be exempt from all Mississippi sales, use and ad valorem taxes. Interest paid on any lease-purchase agreement under this section shall be exempt from State of Mississippi income taxation.

- (f) When necessary to insure ready availability of commodities for public works and the timely completion of public projects, no more than two (2) alternate bids may be accepted by a governing authority for commodities. No purchases may be made through use of such alternate bids procedure unless the lowest and best bidder, for reasons beyond his control, cannot deliver the commodities contained in his bid. In that event, purchases of such commodities may be made from one (1) of the bidders whose bid was accepted as an alternate.
- (g) In the event a determination is made by an agency or governing authority after a construction contract is let that changes or modifications to the original contract are necessary or would better serve the purpose of the agency or the governing authority, such agency or governing authority may, in its discretion, order such changes pertaining to the construction that are necessary under the circumstances without the necessity of further public bids; provided that such change shall be made in a commercially reasonable manner and shall not be made to circumvent the public purchasing statutes.
- (h) In the event any agency or governing authority shall have advertised for bids for the purchase of gas, diesel fuel, oils and other

petroleum products and coal and no acceptable bids can be obtained, such agency or governing authority is authorized and directed to enter into any negotiations necessary to secure the lowest and best contract available for the purchase of such commodities.

- (i) Any agency or governing authority authorized to enter into contracts for the construction, maintenance, surfacing or repair of highways, roads or streets, may include in its bid proposal and contract documents a price adjustment clause with relation to the cost to the contractor, including taxes, based upon an industry-wide cost index, of petroleum products including asphalt used in the performance or execution of the contract or in the production or manufacture of materials for use in such performance. Such industry-wide index shall be established and published monthly by the State Highway Department with a copy thereof to be mailed, upon request, to the clerks of the governing authority of each municipality and the clerks of each board of supervisors throughout the state. The price adjustment clause shall be based on the cost of such petroleum products only and shall not include any additional profit or overhead as part of the adjustment. The bid proposals or document contract shall contain the basis and methods of adjusting unit prices for the change in the cost of such petroleum products.
- (j) If the executive head of any agency of the state shall determine that an emergency exists in regard to the purchase of any commodities or repair contracts, so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interests of the state, then the provisions herein for competitive bidding shall not apply and the head of such agency shall be authorized to make the purchase or repair after obtaining verbal approval from the Department of Finance and Administration. Total purchases so made shall only be for the purpose of meeting needs created by the emergency situation. In the event such executive head is responsible to an agency board, at the meeting next following the emergency purchase, documentation of the purchase, including a description of the commodity purchased, the purchase price thereof and the nature of the emergency shall be presented to the board and placed on the minutes of the board of such agency. The head of such agency shall, at the earliest possible date following such emergency purchase, file with the Department of Finance and Administration (i) a statement under oath certifying the conditions and circumstances of the emergency, and (ii) a certified copy of the appropriate minutes of the board of such agency, if applicable.
- (k) If the governing authority, or the governing authority acting through its designee, shall determine that an emergency exists in regard to the purchase of any commodities or repair contracts, so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interest of the governing authority, then the provisions herein for competitive bidding shall not apply and any officer or agent of such governing authority having general or special authority therefor in making such purchase or repair shall approve the bill presented therefor, and he shall certify in writing thereon from whom such purchase was made, or with

whom such a repair contract was made. At the board meeting next following the emergency purchase or repair contract, documentation of the purchase or repair contract, including a description of the commodity purchased, the price thereof and the nature of the emergency shall be presented to the board and shall be placed on the minutes of the board of such governing authority.

- (l) The commissioners or board of trustees of any hospital owned or owned and operated separately or jointly by one or more counties, cities, towns, supervisors districts or election districts, or combinations thereof, may contract with such lowest and best bidder for the purchase or lease of any commodity under a contract of purchase or lease-purchase agreement whose obligatory terms do not exceed five (5) years. In addition to the authority granted herein, the commissioners or board of trustees are authorized to enter into contracts for the lease of equipment or services, or both, which it considers necessary for the proper care of patients if, in its opinion, it is not financially feasible to purchase the necessary equipment or services. Any such contract for the lease of equipment or services executed by the commissioners or board shall not exceed a maximum of five (5) years' duration and shall include a cancellation clause based on unavailability of funds. If such cancellation clause is exercised, there shall be no further liability on the part of the lessee.
- (m) Excepted from bid requirements are:
 - (i) Purchasing agreements, contracts and maximum price regulations executed or approved by the Department of Finance and Administration;
 - (ii) Repairs to equipment, when such repairs are made by repair facilities in the private sector; however, engines, transmissions, rear axles and/or other such components shall not be included in this exemption when replaced as a complete unit instead of being repaired and the need for such total component replacement is known before disassembly of the component; provided, however, that invoices identifying the equipment, specific repairs made, parts identified by number and name, supplies used in such repairs, and the number of hours of labor and costs therefor shall be required for the payment for such repairs;
 - (iii) Purchases of parts for repairs to equipment, when such repairs are made by personnel of the agency or governing authority; however, entire assemblies, such as engines or transmissions, shall not be included in this exemption when the entire assembly is being replaced instead of being repaired;
 - (iv) Raw unprocessed deposits of gravel or fill dirt which are to be removed and transported by the purchaser; provided, however, that the price thereof shall not exceed the lowest price to the general public, or the price listed with the Department of Finance and Administration, whichever is lower;
 - (v) Motor vehicles or other equipment purchased from an agency or governing authority at a public auction held for the purpose of disposing of such vehicles or other equipment;
 - (vi) Purchases by governing authorities of machinery, equipment or

motor vehicles when such purchases are made by a private treaty agreement or through means of negotiation, from any federal agency or authority, another governing authority or state agency of the State of Mississippi, or any state agency of another state adjacent to the State of Mississippi, provided that the price agreed upon does not exceed the price listed in the Nielsen/Data Quest publication, applicable to the equipment being purchased. Nothing in this section shall permit such purchases through public auction except as provided for in paragraph (v) of this section;

- (vii) Perishable supplies or foods purchased for use in connection with hospitals, the school lunch programs, homemaking programs and for the feeding of county or municipal prisoners;
- (viii) Noncompetitive items available from one (1) source only;
- (ix) Construction of incinerators and other facilities for disposal of solid wastes in which products either generated therein, such as steam, or recovered therefrom, such as materials for recycling, are to be sold or otherwise disposed of; provided, however, in constructing such facilities a governing authority or agency shall publicly issue requests for proposals, advertised for in the same manner as provided herein for seeking bids for public construction projects, concerning the design, construction, ownership, operation and/or maintenance of such facilities, wherein such requests for proposals when issued shall contain terms and conditions relating to price, financial responsibility, technology, environmental compatibility, legal responsibilities and such other matters as are determined by the governing authority or agency to be appropriate for inclusion; and after responses to the request for proposals have been duly received, the governing authority or agency may select the most qualified proposal or proposals on the basis of price, technology and other relevant factors and from such proposals, but not limited to the terms thereof, negotiate and enter contracts with one or more of the persons or firms submitting proposals;
- (x) Supplies and equipment purchased by hospitals through group purchase programs pursuant to Section 31-7-38;
- (xi) Purchases of data processing equipment made by governing authorities under the provisions of purchase agreements, contracts or maximum price regulations executed or approved by the State Central Data Processing Authority;
- (xii) Energy efficiency services and equipment acquired by school districts, junior colleges, institutions of higher learning, and state agencies on a shared-savings, lease or lease-purchase basis pursuant to Section 31-7-14;
- ~~(xiii) Purchases of contracts for fire insurance, automobile insurance, casualty insurance and liability insurance by governing authorities;~~
- (xiii) Purchases of coal and/or natural gas by municipally-owned electric power generating systems that have the capacity to use both coal and natural gas for the generation of electric power;

- (xiv) ~~(xiv)~~ Purchases by libraries or for libraries of books and periodicals; processed film, video cassette tapes, filmstrips and slides; recorded audio tapes, cassettes and diskettes; and any such items as would be used for teaching, research or other information distribution; however, equipment such as projectors, recorders, audio or video equipment, and monitor televisions are not exempt under this paragraph;
- (xv) ~~(xvi)~~ Purchases of unmarked vehicles when such purchases are made in accordance with purchasing regulations adopted by the Department of Finance and Administration pursuant to Section 31-7-9(2);
- (xvi) ~~(xvii)~~ Sales, transfers or trades of any personal property between governing authorities within a county or any such transaction involving governing authorities of two (2) or more counties;
- (xvii) ~~(xviii)~~ Purchases of ballots printed pursuant to Section 23-15-351;
- (xviii) ~~(xix)~~ From and after July 1, 1990, contracts by Mississippi Authority for Educational Television with any private educational institution or private nonprofit organization whose purposes are educational in regard to the construction, purchase, lease or lease-purchase of facilities and equipment and the employment of personnel for providing multi-channel interactive video systems (TTSF) in the school districts of this state;
- (xix) ~~(xx)~~ From and after January 1, 1991, purchases made by state agencies involving any item that is manufactured, processed, grown or produced from the state's prison industries;
- (xx) ~~(xxi)~~ Purchases of surveillance equipment or any other high-tech equipment to be used by narcotics agents in undercover operations, provided that any such purchase shall be in compliance with regulations established by the Department of Finance and Administration.

In connection with the purchase of noncompetitive items only available from one (1) source, a certification of the conditions and circumstances requiring the purchase shall be filed by the agency with the Department of Finance and Administration and by the governing authority with the board of the governing authority. Upon receipt of such certification the Department of Finance and Administration or the board of the governing authority, as the case may be, may, in writing, authorize the purchase, which authority shall be noted on the minutes of the body at the next regular meeting thereafter. In such situations, a governing authority is not required to obtain the approval of the Department of Finance and Administration.

- (n)(i) All contracts for the purchase of commodities and equipment may be let for periods of not more than twenty-four (24) months in advance, subject to applicable statutory provisions prohibiting the letting of contracts during specified periods near the end of terms of office.
- (ii) All purchases made by governing authorities, including purchases made pursuant to the provisions of subparagraph (i) of this paragraph (n), may be made upon one (1) purchase order issued per month to each individual vendor prior to delivery of such

commodities provided that each individual delivery, load or shipment purchased is properly requisitioned and is properly received and receipted by signed ticket, receipt or invoice, indicating thereon the point of delivery, and provided that, with respect to counties, such commodities are properly accounted for by the receiving clerk or an assistant receiving clerk as provided by Section 31-7-109. Such purchase order shall be invalid on the first calendar day of the month immediately following the month in which it was issued. Purchases in such month immediately following may be made only if a purchase order is issued for such month. Each monthly purchase order shall be retained in the records of the governing authority. Agencies may make purchases as authorized under this subparagraph (ii) in accordance with such regulations, policies and procedures as are promulgated by the Department of Finance and Administration.

- (o) No contract or purchase as herein authorized shall be made for the purpose of circumventing the provisions of this section requiring competitive bids, nor shall it be lawful for any person or concern to submit individual invoices for amounts within those authorized for a contract or purchase where the actual value of the contract or commodity purchased exceeds the authorized amount and the invoices therefor are split so as to appear to be authorized as purchases for which competitive bids are not required. Submission of such invoices shall constitute a misdemeanor punishable by a fine of not less than Five Hundred Dollars (\$500.00) nor more than One Thousand Dollars (\$1,000.00), or by imprisonment for thirty (30) days in the county jail, or both such fine and imprisonment. In addition, the claim or claims submitted shall be forfeited.
- (p) When in response to a proper advertisement therefor, no bid firm as to price is submitted to an electric utility for power transformers, distribution transformers, power breakers, reclosers or other article containing a petroleum product, the electric utility may accept the lowest and best bid therefor although the price is not firm.
- (q) The prohibitions and restrictions set forth in Sections 19-11-27, 21-35-27 and 31-7-49 shall not apply to a contract, lease or lease-purchase agreement entered pursuant to the requirements of this chapter.
- (r) For the purposes of this section, the term "purchase" shall mean the total amount of money encumbered by a single purchase order.
- (s) Notwithstanding any provision of this section to the contrary, any agency or governing authority, by order placed on its minutes, may, in its discretion, set aside not more than twenty percent (20%) of its anticipated annual expenditures for the purchase of commodities from minority businesses; however, all such set-aside purchases shall comply with all purchasing regulations promulgated by the Department of Finance and Administration and shall be subject to bid requirements under this section. Set-aside purchases for which competitive bids are required shall be made from the lowest and best minority business bidder. For the purposes of this paragraph, the term "minority business" means a business which is owned by a

majority of persons who are United States citizens or permanent resident aliens (as defined by the Immigration and Naturalization Service) of the United States, and who are Asian, Black, Hispanic or Native American, according to the following definitions:

- (i) "Asian" means persons having origins in any of the original people of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.
- (ii) "Black" means persons having origins in any black racial group of Africa.
- (iii) "Hispanic" means persons of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race.
- (iv) "Native American" means persons having origins in any of the original people of North America, including American Indians, Eskimos and Aleuts.
- (t) Nothing in this section shall be construed as authorizing any purchase not authorized by law.

SOURCES: Laws, 1991, ch. 337, § 1; 1991, ch. 523, § 1, eff from and after July 1, 1991.

Section 2. This act shall take effect and be in force from and after July 1, 1993.



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