

Instructions for Use Memorandum

To: Customers Requesting use of the Generative AI Tools Direct Purchasing Express Procurement Option (EPO)

From: Craig P. Orgeron, CPM, Ph.D

Date: October 28, 2026

Re: Instructions for Use: Generative AI Tools Direct Purchasing Express Procurement Option

1. Introduction

These Instructions for Use establish guidelines for procuring Generative AI tools responsibly and efficiently, leveraging the NASPO Cloud & Software Solutions portfolio. Under Mississippi Code § 25-53-5(q)(ii), the Mississippi Department of Information Technology Services (ITS) is empowered to delegate IT procurement authority, including direct purchases, to state agencies, provided established rules, controls, and reporting mechanisms are in place. This Instructions for Use document leverages that statutory authority, as well as the ITS Board's approval of the use of the NASPO Cloud & Software Solutions portfolio at the September 17, 2026 meeting, to authorize direct acquisitions.

2. Scope of Direct-Purchase Eligibility

2.1. The following are eligible for direct purchase under this Memorandum:

- 2.1.1. subscriptions, licenses, or usage-based/API access to a Generative AI Tool, as defined in Section 3.3; and
- 2.1.2. Generative AI Implementation Support Services, as defined in Section 3.4, when purchased in connection with an eligible Generative AI Tool.

2.2. Exclusions. The direct-purchase pathway established by this Memorandum does not extend to:

- 2.2.1. predictive, analytical, or classification-only AI/machine-learning platforms that do not generate new derivative content (e.g., fraud-detection models, forecasting engines, robotic process automation);
- 2.2.2. a non-AI software product or platform in which generative AI is an incidental or ancillary feature rather than the product's primary function;
- 2.2.3. AI-enabled hardware or embedded/edge AI devices;

- 2.2.4. any product or vendor appearing on the ITS prohibited technologies list maintained on the ITS website, or substantially owned, controlled, or operated by an entity identified by ITS Enterprise Security as a foreign-adversary concern; and
- 2.2.5. any use prohibited by the ITS AI Acceptable Use Policy, including unsupervised reliance on Generative AI output for final legal, personnel, or compliance decisions, or entry of confidential or personal data into a Generative AI Tool not approved for that data classification.

3. Definitions

- 3.1. “Artificial Intelligence” or “AI” (federally recognized as Super Intelligence (SI)) means, consistent with 15 U.S.C. § 9401(3) and the definitional approach recommended by the Mississippi Artificial Intelligence Regulation Task Force, “a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments,” using machine- and human-based inputs to perceive real and virtual environments, abstract such perceptions into models through automated analysis, and use model inference to formulate options for information or action.
- 3.2. “Generative Artificial Intelligence” or “Generative AI” means the class of AI models and systems that emulate the structure and characteristics of input data in order to generate new, derived synthetic content — including text, images, audio, video, code, or other digital content — in response to a prompt, query, or other input from a user or an integrating application, consistent with NIST AI 600-1 (July 2024) and the pending ISO/IEC 22989:2022, Amendment 1 (Generative AI).
- 3.3. “Generative AI Tool” means a commercially available, brand-specific software product, platform, subscription, or application programming interface (API) whose primary function is to provide Generative AI capability to an end user or an integrating application — including, without limitation, large language model (LLM)-based conversational assistants and chatbots (e.g., OpenAI ChatGPT, Anthropic Claude, xAI Grok, Google Gemini, and Microsoft Copilot) and generative tools for image, audio, video, or code synthesis. A Generative AI Tool may be delivered as Software as a Service (SaaS), Platform as a Service (PaaS), or an API-based service, consistent with the Cloud Service Models defined in Section 2.1 of the Parent Memorandum.
- 3.4. “Generative AI Implementation Support Services” means Professional Services, as contemplated in Section 2.3 of the Parent Memorandum, that are directly and reasonably necessary to configure, integrate, customize, secure, or support a Generative AI Tool for a Customer’s operational use — including prompt engineering, model fine-tuning or customization using Customer data (subject to Section 12 below), system integration and API connection, data-pipeline configuration, security and access-control configuration, staff training, and change management directly tied to deployment of the specific Generative AI Tool being acquired.

4. Effective Dates

This Direct Purchasing Express Procurement Option will be available from the date of this memo until September 15, 2036 or until otherwise cancelled by ITS.

5. Who May Use

- 5.1. This EPO may be used by Mississippi agencies, universities, community/junior colleges and governing authorities (cities, counties, school districts, etc.), collectively referred to as “Customer(s)”.
- 5.2. Any entity using this EPO must abide by the instructions in this Memorandum even if that entity is not under ITS purview.
- 5.3. Local governmental entities are able to use the EPO in lieu of conducting their own procurements, based on MS Code 31-7-13(m)(xi) that allows ‘governing authorities’ to do so as an exception to the bidding requirements found in Public Purchasing Code.

6. Dollar Limitations of Use

- 6.1. Customers must determine the total lifecycle cost of their project during the planning process. Any additional purchases items and/or services must be calculated as part of the total lifecycle of the project when determining Dollar Limitations or ITS approval thresholds.
 - 6.1.1. Additional purchases that cause the total lifecycle cost to reach any threshold are not permitted without prior approval by ITS through a planned purchase.
- 6.2. The purchase limit is \$500,000 per project without prior approval from ITS.
 - 6.2.1. For K-12 Schools, the dollar limitation is interpreted by ITS to be \$500,000 per project per school/campus with a maximum dollar limitation of \$1,000,000 per school district per fiscal year for a project that spans multiple schools within the district.
 - 6.2.2. Projects costing in excess of \$500,000, are beyond the scope of this delegated process and subject to full ITS review and authorization. Authorization to exceed the EPO dollar limitation is issued pursuant to ITS rules and regulations. These rules and regulations are stated in the ITS Procurement Handbook available in the Publications section of the ITS website.
 - 6.2.3. Per ITS rules and regulations, projects with a cumulative total in excess of \$1,000,000 or projects for only professional services in excess of \$500,000 are subject to ITS Board approval. A business case must be completed on all IT projects requiring ITS Board Approval, and the ITS Board must approve the project prior to the purchase. ITS has developed an IT Project Business Case Workbook to assist agencies in preparing the business case. Business case documentation may be found on the ITS website at: <https://www.its.ms.gov/services/planning-agency-it-plans>.

7. Brand Specification Justification

7.1. Basis for Brand-Specific Purchase.

Generative AI Tools are inherently differentiated products. Distinct underlying foundation models, training data and methods, safety architectures, content-moderation approaches, benchmark performance, data-handling and retention practices, and integration ecosystems mean that ChatGPT, Claude, Grok, Gemini, Copilot, and comparable Generative AI Tools are not interchangeable for procurement purposes in the way that, for example, generic compute or storage capacity is interchangeable among IaaS providers. Accordingly, for purchases within the scope defined in Section 4, Customer is not required to prepare or issue a competitive, brand-neutral solicitation, but may instead make a direct-purchase under this agreement.

7.2. Required Brand Specification Justification.

In lieu of a competitive solicitation, Customer must complete the Justification for Brand Specification Request Form (available on the ITS website; the “Brand Justification Form”) prior to purchase. Consistent with ITS Procurement Handbook, Chapter 10, Rule 210.4:019-030. The Brand Justification Form must document:

- (a) the compelling business need for the specific Generative AI Tool brand — addressing, as applicable, compatibility with existing agency systems and data; cost-effectiveness; efficiency; interoperability and/or consistency with peer agencies; staff expertise and institutional knowledge; maintenance and support; synchronization with peer governmental, educational, or research entities; volume discounts over the product lifecycle; and any other relevant factors; and
- (b) the signature of the Customer's Agency Head, Public Institution CIO, or Designee.

Note: It is not necessary to submit this form to ITS for purchases made using these instructions unless your project requires further review from ITS.

8. **Information Security, Privacy, and AI Governance**

- 8.1. Acquisition through this procedure does not constitute authorization to use State information in a manner inconsistent with applicable data-classification, cybersecurity, privacy, records-management, or confidentiality requirements.
- 8.2. Before deployment, the Customer shall evaluate applicable vendor terms and technical controls addressing, as relevant:
 - use of Customer inputs and outputs for model training;
 - data retention;
 - data location;
 - administrative access;
 - encryption;
 - identity and access management;
 - audit logging;
 - data deletion;
 - connectors and third-party integrations; and
 - use of confidential, sensitive, regulated, or restricted information.

Customers retain the right to negotiate additional terms and conditions directly with the solution provider and/or reseller to ensure that all required contractual controls are in place prior to use.

- 8.3. Customers remain responsible for compliance with the State Enterprise Security Program, applicable agency policies, statewide artificial-intelligence policies and guidance, and applicable federal or state requirements. In addition, customers must ensure the Generative AI Tool and vendor do not appear on the ITS prohibited technologies list maintained by and available on the ITS website.
- 8.4. Acquisitions and use cases shall be reported through applicable statewide AI inventory or reporting processes when required.
- 8.5. Customers are encouraged to review and implement [AI Risk Management Framework | NIST](#) to the extent appropriate. The link provides resources on the framework, a playbook for implementation, as well as additional resources on related topics and published research on the use of various models and related technologies

9. **Place Your Order**

- 9.1. Contact Carahsoft using the contact information later in this section for a quote.
- 9.2. Carahsoft has agreed to extend various discounts for several of the different Generative AI Tools. At a minimum, the quote you received must have been for pricing as good or better than their NASPO Cloud & Software Portfolio minimum discounts.

Some publishers are offering special government pricing that may be available to state and local government customers. Because the offerings vary over time, be sure to ask Carahsoft if those discounts are available to you.

If you need assistance in determining what is available, please email ITS at isshelp@its.ms.gov

- 9.3. Place orders directly with the Carahsoft

Contact Information:

Mariah Edwards
NASPO@Carahsoft.com
703-889-9734

Back-Up Sales
Sales@Carahsoft.com
703-871-8500

Place Order To:

Carahsoft
11493 Sunset Hills Rd, Suite 100
Reston, VA 20190

Remit To:

Carahsoft
11493 Sunset Hills Rd, Suite 100
Reston, VA 20190

11. **Mississippi's Accountability System for Government Information and Collaboration (MAGIC)**

- 11.1 State agency customers are required to purchase through Mississippi's Accountability System for Government Information and Collaboration (MAGIC). The Contract Number and Supplier Numbers for this EPO are:
- MAGIC Contract Number - 8500001391
- MAGIC supplier Number - 3100012247
- 11.2 State agency customers will be required to use NIGP codes when purchasing through Mississippi's Accountability System for Government Information and Collaboration (MAGIC). The following NIGP codes will be used for products purchased using the Generative AI Tools Direct Purchase EPO.

NIGP Code:	EPO Category	NIGP Product Description
92003	Software as a Service	Web-Based Hosted - Outsourced IT Solutions

12. Audit Integrity – What Goes in Your Purchase/Audit File

- 12.1 To demonstrate compliance with ITS policies and procedures, each Customer utilizing this Memorandum must maintain the following documentation as the official procurement and audit record for all purchases made under this EPO. **MAGIC Users** must upload and maintain the required documentation as attachments to the corresponding Purchase Order in MAGIC. **Non-MAGIC Users** must maintain the required documentation in accordance with their agency's recordkeeping procedures. At a minimum, the procurement and audit record must include:
- 12.1.1 the completed and signed Justification for Brand Specification Request Form;
 - 12.1.2 the AI Governance Certification documentation described in Section 8.3;
 - 12.1.3 the pricing/MSRP discount confirmation
 - 12.1.4 a copy of the purchase order;
 - 12.1.5 a copy of this Memorandum;
 - 12.1.6 if the purchase relates to a project in the Agency's IT Plan, a copy of the related planning form from the ITS planning system;
 - 12.1.7 documentation of the evaluation process supporting selection of the Generative AI Tool; and
 - 12.1.8 any additional project-related documentation or justification.

13. AI-Specific Contract Considerations and Best Practices

- 13.1 In addition to the general contract considerations in the underlying NASPO Master Agreement and Mississippi Participating Addendum, Customer should confirm the following in its contract, order terms, or accompanying data processing addendum before purchasing a Generative AI Tool:
- 13.1.1 Data use and model training — the vendor's terms prohibit use of Customer's confidential, protected, or personal data to train, fine-tune, or improve the vendor's underlying models without Customer's express written consent;
 - 13.1.2 Data residency and security — the offering continues to meet the security standards referenced in Section 1.6 of the Parent Memorandum (CSA STAR, ISO/IEC 27017, and NIST SP 800-53);
 - 13.1.3 Output ownership and intellectual property — Customer's rights in content generated using the tool are clearly stated;
 - 13.1.4 Accuracy, disclosure, and human oversight — terms are consistent with the ITS AI Acceptable Use Policy's requirements for disclosure of AI use where applicable and human review of AI output before reliance on it for consequential decisions;
 - 13.1.5 Audit and logging — the tool provides adequate usage logging to support the audit file described in Section 11;

- 13.1.6 Accessibility — any public-facing deployment meets applicable accessibility requirements (e.g., Section 508/WCAG); and
- 13.1.7 Data portability and sunset — Customer's data and outputs can be retrieved, and vendor retention/deletion obligations are clear, upon contract termination or non-renewal.
- 13.1.8 No contract terms and conditions negotiated between Customer and vendor may conflict with the underlying Mississippi Participating Addendum or NASPO Master Agreement; any such conflicting terms are null and void.