AP 6330  Purchasing of Goods and Services

References:
Education Code Section 81656;
Public Contracts Code Section 20650

The Purchasing Department shall perform all purchasing activities within the limitations prescribed by law and in accordance with Board Policy 6330.

Every transaction between a buyer and seller involving the transfer of property while using taxpayers’ funds shall be by Purchase Order of formal contract, with the exception of incidental expenses, usually in an amount of $50 or less. No employee, other than the Board of Trustees, the CEO or the CFO or other Board approved designate can bind the District by any contract or purchase order. A contract entered into on behalf of the District by one not authorized to make the contract shall be invalid.

Reporting to the Board of Trustees

All purchase orders shall be reported monthly to the Board of Trustees for approval and/or ratification and shall be recorded in the official Minutes. Purchases which meet one or more of the following criteria may be submitted for ratification:

- Supplies, equipment or services which are necessary for the on-going operation of the District and for which an allocation has been included in the budget;
- Equipment items which have the prior approval of the Board of Trustees; and
- Purchases and prepayments which are time sensitive with regard to need, sales price, etc.

Exemptions to Reporting to the Board of Trustees

Goods and services specifically exempted from this provision for which expenditures may be committed by the CFO are:

- Utility payments;
- Retirement, OASDI contributions and other payroll deductions;
- Workers’ Compensation Insurance and health insurance;
- Payments covered by contracts and/or agreements approved by the Board of Trustees;
- Payments permitted by Board policy; and
- Incidental expenses, usually $50 or less, processed as “direct pays.”

All deliveries by vendors shall be made at the District warehouse during normal working hours of District warehouse personnel, Monday through Friday, except holidays.
Deliveries are not to be made to locations other than the District warehouse unless the CFO or designee has granted prior approval.

The District must conform to purchasing guidelines. The Business Office is committed legally to the concept of competitive bidding in obtaining goods and services for college operations. The objective is to obtain the greatest value for the dollars expended.

There are three primary ways of obtaining goods and services: (1) Informal bids/quotations, (2) State Contracts (CMAS) or other piggyback contracts, and (3) Formal bids.

**Informal Quotations**

- **Supplies, Materials and Equipment Up to $5,000**
  
Purchases in this classification may be made on the basis of at least three (3) telephone quotations or by referring to current price lists and catalogs.

  For proprietary items (copyright materials such as textbooks, library books, educational films, maps, charts, globes, testing materials, workbooks, diplomas, magazine subscriptions, instructional software, etc.), purchases may be made in any amount without taking estimates or advertising for bids (Ed Code 39651 and 81651).

- **Supplies, Materials and Equipment from $5,000 to $15,000**
  
  Requisitioners will make a good faith effort to secure at least three (3) written quotations from supplies and equipment on purchases, and submit documentation to Purchasing. The requisitioner will make the appropriate notation in the “comments” field of the electronic (Datatel) requisition.

- **Supplier, Materials and Equipment Over $15,000 to the Legal Bid Limit**
  
  The requisitioner will make a good faith effort to secure three (3) written bids for purchases over $15,000, but less than the legal limit.

- **Services (Excluding Public Works)**
  
  Services which result in a finished product, e.g., printed documents or report, the guideline for pricing is the same as any supplies or materials. Therefore, anything over the Legal Bid Limit requires a formal bid.

  Public Contract Code (PPC) 20656 defines “maintenance” as routine, recurring, and usual work for the preservation, protection and keeping of any publicly owned or operated facility for its intended purpose in a safe and continually
usable condition for which it was designed, improved, constructed, altered or repaired.

- **Services – Public Works (over $15,000)**

  For Public Works Projects, services requiring labor or installation shall have at least 3 written quotes or proposals. An exception to this is professional services, such as temporary personnel, consultants for financial services, attorneys, architects, auditors (Gov Code 53060).

  “Public project” does not include maintenance work. Public Contract Code (PCC) 20656 defines “maintenance” as routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purpose in a safe and continually usable condition for which it was designed, improved, constructed, altered or repaired. Examples are minor repainting, landscape maintenance such as mowing, trimming, replacement of plants, and servicing of irrigation and sprinkler system. Maintenance work is not included as a public project; therefore, it is subject to the Legal Bid Limits (PCC 20651).

  Contracts involving labor and materials may not be split or separated into smaller work orders to avoid the $15,000 limit for competitive bidding (PCC 20116, 20657).

**State Contracts (CMAS) or Piggyback (Any Amount) – Without Advertising for Bids**

The contract Section of the Department of General Services negotiates annual State Contracts (CMAS) and Price Schedules with various vendors. Certain supplies and equipment (e.g., chemicals, drugs, hardware, office machines, and athletic supplies, etc.) are included in these contracts. *(P.C. 10298, 20652, 20653)*

Purchases for commodities or services of specified amounts per contract that are listed on State contracts (CMAS) may be purchased without quotes or bids. The bidding process was provided by the Department of General Services for the benefit of all State Government Agencies – including educational institutions (Ed Code Section 81656). A variety of products and sources of supply can be found via the internet.

The Board of Trustees has approved that District purchasing representatives, without advertising for bids, may authorize the contract, lease, or purchase (piggyback) of any public agency, including country, city, town, or district for materials, supplies, equipment, and vehicles in the manner in which the agency is
authorized by law to make these leases or purchases (Ed Code Sections 81641 and 81644).

Formal Bids

- Supplies, Materials, Equipment and Services over the Legal Bid Limit

The District shall require the Business Services Office to implement a formal bidding process (advertise) when items being purchased exceed the legal bid dollar limitations according to Public Contract Code, for materials, equipment and supplies.

All advertised bids shall be opened in public at the prescribed time. Under no condition shall bids be accepted after the advertised bid opening time.

There are a number of different types of Purchases; not all are mentioned here:

Supplies and Materials

A supply item is defined as any article or material which meets any one or more of the following conditions:

- It is consumed in use.
- It loses its original shape or appearance with use.
- It is expendable, that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace it with an entirely new unit rather than repair it (which is not true of equipment).
- It is an inexpensive item, having characteristics of equipment, whose small unit cost makes it inadvisable to inventory the item.
- It loses its identity through incorporation into a different or more complex unit or substance.

Non-consumable articles generally classified as supplies should be classified as equipment if they are purchased to start or expand the equipping of another facility.

Equipment

Equipment is defined as a material unit, which meets all of the following conditions:

- It is consumed in use.
- It retains its original shape and appearance with use.
• It is nonexpendable, that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit (which is not true of supplies).
• It represents an investment of money, which makes it feasible to and advisable to inventory the item. The minimum cost is $200.
• It does not lose its identity through incorporation into a different or more complex unit or substance.

Equipment includes movable personal property of a relative permanent nature and/or of significant value (Examples: furniture, office machines, musical instruments and vehicles).

**Surplus Property**

Used equipment may be purchased from Federal and State government agencies without advertising for bids or taking estimates (Ed Code 81653).

**Emergency**

• In the event of an emergency situation where District property, students or personnel face imminent peril, injury or danger, the correction of which requires an immediate authorization for the expenditure of District funds, the CEO or designee is empowered to authorize the expenditure of District funds in an amount necessary to effect a correction of an emergency situation.
• Any purchase made as the result of an emergency situation must be submitted to the Board of Trustees to be ratified and recorded in the official minutes at the first Board meeting subsequent to the emergency.
• When emergency repairs or alterations are necessary to continue existing classes or to avoid danger of life or property, the Board may by a unanimous vote make a contract on behalf of the District of labor, materials and supplies without advertising for or inviting bids (PCC 20651).

**Contracts**

All contracts between the District and outside agencies shall conform to the standards required by law and shall be prepared under the direction of the CFO or designee.

**Computer Hardware and Software**

For the purpose of repair, cross training, and software acquisition, it is in the best interest of the District to standardize computers as much as possible.
Repairs to computer equipment will be centralized in the Computer Support Services department.

**Repair of Equipment Other Than Computers**

- Items covered under maintenance agreements or under warranty:
  The using department’s designee may call the vendor from which the equipment was acquired to request repair when no cost will be incurred.
- Items no longer under warranty or maintenance agreement:
  To expedite the repair process of copiers, typewriters, two-way radios, etc., a designee in the using department must enter a requisition into the Datatel system before a vendor can be called to pick up the item from the Warehouse. The make, model and serial number of the equipment to be repaired must be included on the requisition. Once repaired, the vendor sends the equipment to the Warehouse and the Warehouse returns it to the requester.

**Revolving Cash or Reimbursement for Direct Purchase of Supplies**

Occasionally small purchases of supplies and materials, usually under $50.00 are necessary for instructional or administrative purposes. Employee must obtain Executive Cabinet approval prior to expenditure. To obtain reimbursement, employee shall provide evidence that the items have been purchased, received, and paid for in the amount shown. Therefore, an official dated receipt shall be obtained from the vendor to identify the specific items purchased and their respective prices.

**Open Orders (Called Blanket Purchase Orders by Datatel)**

An “Open/Blanket” purchase order does not require a specific listing of materials or services desired, but instead stipulates a maximum amount of money for the purchase of specified groups of supplies or services, and for specified length of time, such as a month, semester and fiscal year. Items ordered against a blanket purchase order must be ordered and received within the specified period of time and must not exceed the amount authorized on the face of the purchase order.

Capital equipment, which is tagged as property of the District, may not be purchased against a blanket purchase order. The purpose of blanket orders is for consumable goods or for services.

Datatel procedures will not allow a “miscellaneous vendor” on a blanket purchase order.

Open purchase orders are called blanket purchase orders in the Datatel system. Requisitions are entered in the same manner as a regular requisition using the REQM screen.
Purchase Requisition

Requestor shall ascertain that budget funds are available prior to beginning the requisition process.

Complete a purchase requisition in Datatel to request the Purchasing Department to buy specific items. Service requisitions may originate from any department, office, or division of the District. The annual budget provides the basis for anticipation of needs in advance and facilitates bulk consolidated purchases and quantity price discounts. The requisition establishes the need and, when approved, authorizes the expenditure.

Debarment and Suspension

All Federal purchases of goods and services will be verified to comply with OMB Circular A-133, debarment and suspension requirements. Refer to Grants: Debarment and Suspension Implementing Procedure.

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