

AP 6330 Purchasing

References:

Education Code Section 81656;
Public Contract Code Sections 20650 and 20651

The Purchasing Department shall perform all purchasing activities within the limitations prescribed by law and in accordance with Board Policy 6330. Detailed procedures related to procurement are contained in the District's Purchasing Handbook. The CBO or designee shall be responsible for updates to the Purchasing Handbook, as necessary.

Every transaction between a buyer and seller involving the transfer of property while using taxpayers' funds shall be by Purchase Order or formal contract, with the exception of incidental expenses. Only the Board of Trustees, the CEO, the CBO, or other Board approved designee can bind the District by any contract or purchase order. All such purchases shall be facilitated by the Purchasing department who is the central purchasing authority for the District. A contract or order entered into on behalf of the District by one not authorized to make the contract/order shall be invalid. Any purchase made by an employee without proper authorization will be considered an obligation and liability of the employee and not the District (Ed Code 81656).

Reporting to the Board of Trustees

All purchase orders shall be reported at least every 60 days to the Board of Trustees on the Purchase Order Schedule 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 Board-approved budget;
- Purchases and prepayments which are time sensitive or urgent with regard to instructional or operational needs, sales price, etc.

Expenditures Approved by Board of Trustees in the Adopted Budget

The following goods and services are Board-approved annually in the adopted budget. The related expenditures may be committed by the CBO or designee include:

- Utility payments;
- Retirement, OASDI contributions and other payroll deductions;
- Workers' Compensation Insurance and health insurance;
- Payments covered by contracts and/or agreements approved or ratified by the Board of Trustees;

- Payments permitted by Board policy; and
- Incidental expenses processed as “direct pays.”

Delivery of District Purchases

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 CBO or designee has granted prior approval.

Purchasing Process

Purchases under the bid limit are required to follow the process outlined in the Purchasing Handbook including a vendor form, contract (if applicable), quotes, requisition, electronic requisition, appropriate authorization, purchase order, sufficient budget, and invoice.

Open Orders (Blanket Purchase Orders)

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.

Bid Process

There are four primary ways of obtaining goods and services: (1) Informal bids/quotations, (2) State Contracts (e.g. CMAS) or other piggyback/cooperative contracts, (3) Small Business or Disabled Veteran Business Enterprise, and (4) Formal bids.

As a public entity, the District must conform to various federal and state purchasing laws, rules, regulations, policies, and guidelines. The Business Services department is committed legally to the concept of open, competitive bidding in obtaining goods and services for college operations. The District encourages the participation of local and/or small businesses, including, but not limited to, minority, women, disabled, veteran or disabled veteran owned businesses. The objective is to obtain the greatest value for the dollars expended.

1) Informal Quotations

- **Purchases for Services, Supplies, Materials and Equipment Up to \$5,000 in Total For a**

Single Purchase

Requisitioners will make a good faith effort to secure at least three (3) quotations or by referring to current online price lists and/or catalogs. The requisitioner will make the appropriate notation in the “comments” field of the electronic requisition.

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).

- **Purchases for Services, Supplies, Materials and Equipment from \$5,000 to Current Bid Limit in Total For a Single Purchase**

Requisitioners will make a good faith effort to secure at least three (3) written quotations, estimates, or bids, and submit documentation to Purchasing. The requisitioner will make the appropriate notation in the “comments” field of the electronic requisition.

- **Services – Public Works Projects Over \$15,000 (Per Public Contract Code Section 20111.C.2.b.1**

For Public Works Projects, that fall under CUPCCAA, see AP 6345.

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).

- 2) **State Contracts (CMAS), UC/CSU Contracts, or Piggyback/Cooperative Contracts (Any Amount)**

- State Contracts: 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. (PCC 10298, 20652, 20653)

Purchases for commodities or services of specified amounts per contract that are listed on CMAS contracts 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).

- UC/CSU Contracts: Community college districts, the University of California ("UC") system, and the California State University ("CSU") system may share contracts with each other to achieve price savings without further competitive bidding. The District may purchase materials, equipment, supplies or services under the same conditions that the contract was lawfully awarded under the UC or CSU systems. (EC 81646, PCC 20653.5)
- Piggyback/Cooperative Contracts: 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 county, 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 (PCC 20652, EC 81641 and 81644).

3) Small Business or Disabled Veteran Business Enterprise

The District may make purchases for goods, services, and information technology with a value between \$5,000 and \$250,000 from a certified small business or disabled veteran business enterprise without advertising for bids, as long as the District obtains price quotations from two or more certified small businesses or from two or more disabled veteran business enterprises. (PCC 20651.2(a))

4) Formal Bids

- Supplies, Materials, Equipment and Services over the Legal Bid Limit (updated annually)

See BP/AP 6340 Bids and Contracts for additional information.

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

Exemption to Formal Bids – Special Services

There is an exception to the formal bid requirement for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters, if the persons providing special services are specially trained, experienced and competent to perform the special services required (Gov. Code Section 53060).

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.

Equipment

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

- It is not 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.
- It does not lose its identity through incorporation into a different or more complex unit or substance.

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

Equipment is included in the District's asset inventory for insurance purposes if the cost is over \$500 and is categorized for depreciation purposes if the cost is over \$5,000.

Sustainability

The District is committed to the use and purchase of environmentally and socially responsible materials and products which are fiscally responsible, reduce resource consumption and waste, perform adequately and promote human health and well-being. The District shall seek opportunities, where feasible, to purchase environmentally preferable products, reusable products, recycled content and recycled products.

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

For certain purchases, contracts are required. 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 CEO 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. Purchase and maintenance of computer hardware and software will be centralized in the Information Technology department.

Maintenance Agreements

- Items covered under maintenance agreements or under warranty:
The department representative 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 equipment such as copiers, two-way radios, etc., a department representative must submit a requisition and a Purchase Order must be created before a vendor can be called to pick up the item. The make, model and serial number of the equipment to be repaired must be included on the requisition.

Reimbursement for Direct Purchase of Supplies

Occasionally small purchases of supplies and materials which are time sensitive or urgent with regard to instructional or operational needs are necessary. Employee must obtain supervisor approval prior to expenditure. Any purchase over \$200 must be approved by the Executive Cabinet Member. 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.

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.

Approved: October 28, 2020

Next Review Date: Fall, 2026