Policy No. **BA-3300.1A**

Delgado COMMUNITY COLLEGE

POLICY & PROCEDURES MEMORANDUM

TITLE:	**PURCHASING PROCEDURES**
EFFECTIVE DATE:	**May 20, 2003*** ***(*Governor's Executive Order, Title and Procedures Update 5/15/12; 29 CFR 97.35 Update 8/11/09; Title Updates 1/11/06)***
CANCELLATION:	DCI 3300.1 (8/4/86)
CATEGORY:	Business (BA)

POLICY STATEMENT

In compliance with Louisiana Revised Statute 39, Louisiana Procurement Code, and the Governor's Executive Order on *Small Purchases*, faculty and staff members must follow the methods and procedures mandated by the Office of State Purchasing as outlined in this memorandum to arrange or make valid purchases for the College. Only purchases of goods, supplies, and services obtained through these procedures are considered valid purchases of the College. ***Any purchase by College faculty or staff members without the prior consent of the Purchasing Department and/or obtained through any other method(s) will be the sole responsibility of the person making the unauthorized purchase.***

Prior to any commitment or purchase by the College, all purchases of goods, supplies, and services over the amount of $30.00 (excluding professional service contracts as described in Section 13) must be approved by (1) the appropriate signature line of authority up through the necessary Division Dean, Campus Executive Dean or Vice Chancellor, (2) the Office of Finance and Budget, and (3) the Delgado Community College Purchasing Department.

After a faculty or staff member follows the procedures outlined in this memorandum and provides pertinent information for a purchase, the Purchasing Department determines the appropriate method of purchase that complies with all College and State of Louisiana rules and regulations. The Purchasing Department then issues a purchase order to the appropriate vendor.

PROCEDURES & SPECIFIC INFORMATION

1. **Purpose**

To establish policies and procedures for all purchases, rentals, and leases of services, materials, equipment, and supplies for Delgado Community College.

2. Scope and Applicability

This policy and procedures memorandum applies to all employees and student organization members of Delgado Community College.

3. Definitions

The following are definitions that are used throughout the purchasing process. Individuals involved in requesting purchases should become familiar with the following definitions as they are commonly referred to throughout the purchasing process.

Bid – A competitively priced offer made by an intended seller, usually in reply to an Invitation to Bid.

Business Office Liaison – The individual, designated by the department head, who has been trained by the Purchasing Department to have access to the department's purchasing information on the online purchasing system.

Confirmation Purchase Order – A purchase order that is processed, but is not mailed out to the vendor. The order is placed via telephone, either by the buyer, or sometimes, by the end-user as directed by the buyer. All confirming orders are marked "Confirmation Order."

Contract – For the purposes of this memorandum, when used as a noun, "contract" refers to an agreement enforceable by law, between two or more competent parties, for the procurement of goods or services; when used as a verb, "contract" means to make an agreement regarding the procurement of goods or services.

Cover Order – A purchase order to one vendor for a set amount of money covering a specific period of time for the purchase of unnamed items on an "as needed" basis. Each cover order specifies which employees have the authority to purchase on the order.

Emergency – An occurrence of a serious and urgent nature demanding immediate attention. (See Section 11, *Emergency Purchases*, for more specific definition.)

End-User (Requestor) – The faculty or staff member or student organization member who has requested and will use the goods and/or services.

Goods – materials, equipment, supplies, printing and data processing hardware and software.

Invitation to Bid – A document containing or incorporating by reference the specifications or scope of work and all contractual terms and conditions used to solicit written bids for a specific requirement for goods or nonprofessional services.

Lease/Maintenance Purchase Order – A purchase order whose contents cover either the lease of goods for the College, or the maintenance and/or repair of goods currently belonging to the College.

Open Market Purchase – A purchase of $5,000.00 or less that may be made without any form of competitive bidding.

Pre-paid Purchase Order – An executed purchase order for which the goods and/or services must be paid for prior to delivery.

Prior Year Purchase Order – A purchase order re-issued by the Purchasing Department for goods and/or services ordered in a prior fiscal year. This type of purchase order does not require a new requisition.

Procurement – The procedure for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery.

Purchase Requisition (see Requisition for Purchase)

Purchase Order – A document the College uses to execute a purchase transaction with a vendor. It serves as notice to a vendor that an award has been made and that performance can be initiated under the terms and conditions of the contract.

Regular Purchase Order – A purchase order executed by the Purchasing Department and mailed or faxed to the appropriate vendor.

Requestor (End-User) – The faculty or staff member or student organization member who has requested and will use the goods and/or services.

Requisition for Purchase – The process used by the College to initiate the procurement of goods or services.

Vendor – One who sells goods and/or services.

4. Principles of Purchasing

In accordance with State purchasing rules and regulations, the following principles are adhered to throughout the purchasing process.

- ***Authority to Purchase/Contract.*** A person must have specific authority to obligate the College to pay for goods and services. The Purchasing Department is the authorized department to place an order directly with a vendor or to enter into a non-professional services contract to obligate the College. Any purchase by College faculty or staff members without the prior consent of the Purchasing Department and/or obtained through any other method(s) will be the sole responsibility of the person making the unauthorized purchase. Depending on the circumstances, employees making unauthorized purchases may be subject to disciplinary action.

- ***Competition.*** The College buys goods and services through public competition and the College seeks to obtain goods and services at the best value. Value is assured when the goods and services are obtained in a timely manner, at an appropriate level of quality, with reasonable cost, through the appropriate level of competition, and in accordance with applicable state rules and regulations.

- ***Open Process.*** As a public institution, the College's purchases are open to public inspection and oversight. Formal sealed bids are opened publicly, and the amount of each bid is announced and recorded. Completed solicitations are public records and available for inspection by the public.

- ***Selection of Vendors.*** The College purchases from the lowest cost vendor who can meet the College's requirements. The Purchasing Department and the requesting department share responsibility for developing the specifications. Departments are encouraged to provide the names of vendors to the Purchasing Department in order to broaden the supplier base.

- ***Standards.*** Certain goods and services are standardized so as to take advantage of economies of scale. The Purchasing Director has the responsibility and authority to question the quality and kind of materials requested to ensure that the best interests of the College may be served. In particular, the College uses "state contracts" (commodities that are bid on a yearly basis by the Office of State Purchasing for use by all state agencies) whenever possible. The advantage of using these contracts is that no bidding is required regardless of the amount of the requisition (as described in Section 12, *State Contracts*).

- ***Conflict of interest.*** College employees and student organization members may not personally benefit from their official positions or decisions. Any College employee or student organization member who has, or whose relative has, a substantial interest in any contract with, sale to, purchase from or service for the College must make known that interest to the College and refrain from participating in any manner in the process associated with procuring the good or service.

5. Ordering Goods or Services for the College

Any faculty or staff member may initiate a written request for the purchase of goods, services, and/or supplies. For purchases over $30.00, the department head may require this be done by completing a Requisition for Purchase Form, Form 3300/001 (Attachment A). After completing the request, the requestor gives it to the department's Business Office Liaison (a business office liaison is designated by each department head).

When the department's Business Office Liaison receives a request, he/she **determines if it is approved at the department's approval level**, and, if it is approved, enters it into the College's on-line purchasing system. Once entered, it is assigned a requisition number by the system. At that time, the requisition is automatically transferred through the designated signature line of authority. Each level throughout the signature line of authority has the option to approve, disapprove, or hold any request for purchase. Only after all appropriate approvals have been completed is the Purchasing Department authorized to act on the request.

6. Methods of Purchase

The correct method of purchase is determined by the Purchasing Department in accordance with state rules and regulations. ***It is not permissible to artificially divide a larger purchase into smaller purchases in an attempt to avoid the competitive bidding process or the solicitation of competitive bids.*** Usually, the method of purchase is determined by the monetary amount of the request as follows:

Purchases Under $30.00

The purchase requisition process is not used for such purchases. Instead, with the approval of his/her supervisor, these purchases are made directly by a faculty or staff member who can then be reimbursed from the appropriate petty cash fund.

Purchases of $30.01 - $5,000.00

These requests may be purchased on the open market, usually from the requestor's recommended vendor. No bidding is required.

Purchases of $5,000.01 - $15,000.00

These requests may be bid by either telephone, facsimile, email or mail. Quotations must be requested from at least (3) bidders. The Purchasing Department determines the selection of vendors for bids. The end-user is encouraged to provide the Purchasing Department with suggested vendor names.

Purchases of $15,000.01 - $25,000.00

Written quotations are solicited from a minimum of five (5) vendors by either facsimile, email, hand delivery or mail. The appropriate terms, specifications, and special conditions are compiled by the Purchasing Department with the help of the end-user. Solicitations by facsimile, email or hand delivery are bid for a minimum of three (3) days; solicitations by mail are bid for a minimum of ten (10) days. An opening date is specified in the bid package and bids are accepted until that date. The bids must be returned to the Purchasing Department where they are reviewed, with the bid awarded to the lowest responsive, responsible bidder.

Purchases of $25,000.01 and Above

These requests must be sent out on a twenty-one (21) day written bid to at least eight (8) appropriate vendors.* The appropriate terms, specifications, and special conditions will be compiled by the Purchasing Department with the help of the end-user. A specific time is set for a formal bid opening, and all solicited vendors are invited. At the appointed time and place, bids are opened publicly. All bids are reviewed and the bid is awarded to the lowest responsive, responsible bidder. If equivalent bids are submitted, the requestor may be consulted before determining a vendor. For purchases of $25,000.01 and above, an advertisement for the bid is placed in the appropriate newspaper(s) and the solicitation is posted to LaPac (the Louisiana Procurement and Contract Network) not less than ten (10) days before the bid opening.

The Purchasing Department follows these methods for purchases of goods, services, and supplies**.** In the case of circumstances requiring exceptions to these guidelines, the Purchasing Department follows the procedures for these exceptions as outlined by the *Louisiana Procurement Code*.

*As per 29 CFR 97.35 "Subawards to Debarred or Suspended Parties," debarred or suspended parties are ineligible for participation in federal assistance programs. The Purchasing Department verifies, through the Excluded Parties List System, that vendors selected to provide goods and services for over $100,000 have not been suspended or debarred from Federal procurements and/or contracts.

7. Purchases Requiring Installation or Assembly Services

When inputting requisitions that may require installation or assembly, including but not limited to electrical, construction or maintenance services, it is incumbent upon the requisitioning department's Business Office Liaison to notify the necessary department of the needed services and the expected arrival date of the purchase. Generally, installation or assembly could involve the services of either or both the Maintenance Department and the Office of Information Technology (OIT). In order to ensure that the equipment or moveable property is installed or assembled in an accurate and timely manner for use by the end user, this notification is required in order to provide the Maintenance Department and the Information Technology Department with sufficient lead time to provide the needed services upon arrival of the purchased equipment.

If computer equipment is being purchased that deviates from the College's standard base configurations the purchase requisition must be approved by the Office of Information Technology (OIT). If OIT's services are needed, they must be requested through the OIT Help Desk (https://dcchelpdesk.dcc.edu/) upon purchase with an estimated date of delivery expected. If maintenance services are needed, requests must be submitted through the College's maintenance work order system (https://x3.emaint.com/), and must indicate an estimated delivery date.

8. Inquiries Regarding Status of Requisitions and Purchase Orders

All faculty and staff members should consult the department's Business Office Liaison when inquiring about the status of a requisition or a purchase order. Business Office Liaisons have been trained to access this information on the online purchasing system. If necessary, the department's Business Office Liaison consults the Purchasing Department for further information.

9. Changes to Requisitions and Purchase Orders

A. Changes to Requisitions for Purchase

A faculty or staff member needing to change a requisition for purchase after it has been entered into the system must contact the department's Business Office Liaison to see if the change is possible within state purchasing guidelines. If the change is possible the department's Business Office Liaison makes the necessary change(s) in the purchasing system and informs the Purchasing Department of the change. Initial requisitions should be as accurate as possible. If the end user desires a postponed delivery date, this should be indicated in the "Delivery Date" section of the requisition.

B. **Changes to Purchase Orders**

Changes to a purchase order may only be made by the Purchasing Department if the change is in accordance with state purchasing guidelines. Any faculty or staff member requesting a change(s) in a purchase order must contact the Purchasing Department. He or she is not authorized to make any changes, not even unilateral changes, to any order.

10. Planning Purchases for Summer Session and Fall Semester

Proper planning of purchases assists faculty and staff members in having the supplies and services needed at the appropriate time. Because of the deadlines required for each end-of-year budget closeout, purchasing for Summer Session and Fall Semester should be planned for prior to the end of the Spring Semester.

11. Emergency Purchases

The Office of State Purchasing (as per OSP Regulations 11:1103, issued in accordance with L.R.S 39:1581) defines an emergency condition as "a situation which creates a threat to public health, welfare, or public property such as may arise by reason of floods, epidemics, riots, equipment failures, or such other reason as may be proclaimed by the chief procurement officer. The existence of such condition creates an immediate and serious need for supplies, services, or major repairs that cannot be met through procurement methods and the lack of which would seriously threaten: (1) the functioning of Louisiana government; (2) the preservation or protection of property; or (3) the health or safety of any person." Purchases made by the College and classified as emergencies must adhere to this definition. *Poor planning does not constitute an emergency.* Emergency purchases are authorized only upon recommendation by the Vice Chancellor for Business and Administrative Affairs and upon approval by the Chancellor.

12. State Contracts

"State Contracts" are commodities that are bid on a yearly basis by the Office of State Purchasing for use by all state agencies. The advantage of using these contracts is that no bidding is required, regardless of the amount of the requisition.

The College uses state contracts whenever possible. Faculty and staff are encouraged to consult the Purchasing Department as to whether the item(s) or service(s) they are seeking are on state contract before pursuing other avenues of purchase. To research the possibility of using a state contract faculty and staff may access information on state contracts online at the Office of State Purchasing web site.

13. Professional Services Contracts

Securing vendors for professional services are handled differently from the procedures outlined in this memorandum; requisitions for purchase are not used for such purchases. Professional services such as consulting, artistic, medical, architectural, and management services, etc., are arranged through a Contract for Professional, Personal, Consulting and Social Services (Form 3311/001) and are procured by the Business Affairs Office in accordance with the College's Contracts for Professional, Personal, Consulting and Social Services policy.

14. Cancellation

This policy and procedures memorandum cancels DCI 3300.1, *Delgado Procurement Procedures* dated August 4, 1986.

Policy Reference:

Delgado Policy and Procedures Memorandum BA-3311.1C,
Contracts for Professional, Personal, Consulting and Social Services
Louisiana Revised Statute 39, Louisiana Procurement Code
Office of State Purchasing Rules and Regulations Chapter 11, Section 1103, *Emergency Procurement*
Governor's Executive Order, *Small Purchases*
U.S. Code of Federal Regulations, 29 CFR 97.35 *Subawards to Debarred or Suspended Parties*

Review Process:

Ad Hoc Committee on Purchasing Procedures 3/18/03
Business Affairs 4/22/03
Executive Council 5/20/03

Distribution:

Distributed Electronically Via College's Intranet and E-Mail System

Attachment:

Attachment A - Requisition for Purchase Form (Form 3300/001)