

POLICY TITLE: PURCHASING

I. Purpose

The purpose of this policy is to delineate (1) the authority and responsibility of the Purchasing Department; (2) the procedures and processes to be utilized by the Purchasing Department to ensure a continuous supply of goods and services necessary to support student learning, instructional support, and college administration, (3) the scope of the policy.

The responsibility of the Purchasing Department includes:

- A. Provide purchasing services in an effective and efficient manner.
- B. Maintaining public confidence in the procedures and processes used by the College in purchasing goods and services through an open and competitive process.
- C. Ensuring fair and equitable treatment of all persons who seek to provide goods, supplies and services to the College.
- D. To procure equipment, materials, supplies and services in a timely manner at prices that are fair and reasonable and provide the overall best value to the College.
- E. Establishing and maintaining safeguards to ensure a purchasing system of high quality and integrity.

II. Scope

This policy applies to all purchases and leases. Purchases made for contracts or grants shall follow this policy or the contract or grant whichever is most restrictive.

III. General

- A. Purchases \$2,499 and Under
 - 1. Purchasers' for non-repetitive items \$2,499 and under are encouraged to use the electronic requisition process or purchasing card recognizing the principles that prices should be fair and reasonable and the best value to the College.

2. Equipment purchases over \$1,000 should use the requisition process.
 3. Blanket purchase orders established for repetitive items like office supplies and travel etc. must be considered mandatory use contracts. If a purchasing card is used for these type of items, the purchases must be made against the appropriate awarded vendor's blanket purchase order.
- B. Purchases from \$2,500 to \$4,999 are encouraged to use the blanket purchase order or the electronic requisition process specifying the preferred vendor (if a blanket purchase order is not available).
- C. Purchases \$5,000 to \$24,999
1. A Request for Quotation will be used for acquisitions that are greater than \$5,000 and less than \$25,000. The Purchasing Department will seek a minimum of three written quotations and award will be made to the Supplier whose quotation is most advantageous to the College, where price, quality and other factors are considered.
- D. Purchases \$25,000 and Over
1. A competitive sealed bidding process shall be used for all acquisitions that exceed \$25,000 and will be advertised in the appropriate media.
 2. The acquisition process will permit sufficient time to prepare the solicitation, advertise, determine the qualifications of bidders, availability of plans and specifications, obtain deposits of bidders, receive and open sealed bids, and withdrawal of bids.
 3. When competitive sealed bids are used, the College may specify that bids are for the entire project or for specified parts of the project, and it may request bids, optional alternates or additional construction. Compliance with applicable Federal, State and local laws and regulations will be required. The College reserves the right to reject all bids.
 4. Maintenance Contracts purchased from the manufacturer or supplier of the specific equipment to be serviced may be made with or without competitive bidding depending on the availability of alternative suppliers and with the approval of Director of Purchasing.

5. Sealed bids are not required for purchases under contracts previously established by the College, a public agency or cooperative agreements. Purchases in case of emergency involving safety of persons, protection of property or the prompt restoration of service to minimize interruption of College activities are also exempt.
6. The Purchasing Director, along with a representative from the requesting department, shall conduct negotiations as appropriate. Written documentation shall be included in the purchase order file.
7. All contracts for goods and services are subject to a periodic cycle of review for quality and cost, including an assessment of the market through a formalized bid process. Contract shall be bid on a minimum three-year cycle.
8. All contracts/blanket purchase orders shall be bid on a maximum five-year cycle.

E. Evaluation Factors

1. The objective of the following evaluation factors is to recommend the proposal that represents the best value to the College in competitive purchases of \$100,000 or more.
2. The Purchasing Director will:
 - a. Establish an evaluation team (whenever necessary), tailored for the particular purchase, that includes appropriate purchasing, risk management, technical, and other expertise to ensure a comprehensive evaluation of offers;
 - b. Approve the evaluation factors, if applicable, before solicitation release;
 - c. Ensure consistency among the solicitation requirements, notices to offerors, proposal preparation instructions, evaluation factors and sub factors, solicitation provisions or contract clauses, and data requirements;
 - d. Ensure that proposals are evaluated based solely on the factors and sub factors contained in the solicitation;
 - e. Consider the recommendations of additional committees (if any); and
 - f. Recommend the vendor or vendors whose proposal is the best value to the College.

3. Evaluation Factors and Significant Sub Factors

- a. The award decision is based on evaluation factors and significant sub factors that are tailored to the purchase.
- b. Evaluation factors and significant sub factors must:
 - (1) Represent the key areas of importance and emphasis to be considered in the vendor recommendation; and
 - (2) Support meaningful comparison between and among competing proposals.
- c. The evaluation factors and significant sub factors that apply to a purchase and their relative importance, are within the broad discretion of college officials, subject to the following requirements:
 - (1) Price or cost to the College will be evaluated in every purchase;
 - (2) The quality of the product or service will be addressed in every purchase through consideration of one or more non-cost evaluation factors such as past performance, compliance with solicitation requirements, technical excellence, management capability, personnel qualifications, and prior experience; and
 - i. Past performance need not be evaluated if the purchasing director documents the reason past performance is not an appropriate evaluation factor for the purchase.
 - (3) Regional economic impact will be evaluated in every purchase of \$100,000 or more, except where such purchase is made in whole or in part with federal funds (unless the evaluation of regional economic impact in making such purchase is specifically authorized by the federal laws and regulations applicable to such funds).
- d. All factors and significant sub factors that will affect contract award and their relative importance will be stated clearly in the solicitation document (including whether past performance will be considered).
- e. The solicitation shall also state, at a minimum, whether all evaluation factors other than cost or price, when combined, are:
 - (1) Significantly more important than cost or price;
 - (2) Approximately equal to cost or price; or
 - (3) Significantly less important than cost or price.

F. Purchases exceeding \$100,000

1. A contract or purchase order in excess of \$100,000 shall be approved by the Board of Trustees, unless already authorized within the approval of a larger capital project. The total anticipated payment to a supplier must be considered in determining purchase order total, including anticipated expenses over and above the direct cost of the good or service. When an increase in the total purchase from under \$100,000 to over \$100,000 is expected, or a cumulative increment of \$100,000, over the original Board Authorization, the change order shall be reported to the Board's Audit Committee, and forwarded to the Board for approval.
2. Board approval shall be required when the \$100,000 threshold will be reached for a given contract or purchase order.
3. Purchasing will provide a report in January (for the previous calendar year) and September (for the prior fiscal year) by supplier name, amount, and listing of items(s) purchased, and purchase order number(s) for all suppliers who received awards totaling \$100,000 or more in the aggregate.

G. Facility Purchases

1. When competitively bid blanket purchase orders exist for supplemental labor (such as electrical, plumbing, carpenters and heating and ventilation), facilities shall draw from the established blanket purchase orders for projects under \$20,000 on a rotating basis.
2. All other facility purchases are subject to all applicable purchasing policies written in this document including dollar thresholds and competitive bid procedures.

H. Technology Purchases

1. Purchases for technology hardware and software shall only be requisitioned with the approval of the Information Technology Division.

I. Purchase Pyramiding

1. Pyramiding of purchases or splitting transactions which would result in avoiding the requirements for competitive bidding is prohibited.

J. Emergency Purchases

1. "Emergency" shall be defined as an occurrence or need that presents a physical hazard to students, faculty, staff or the general public, a physical plant problem that would impede or shut down operation of a facility, or a systems failure that would seriously impair any critical function of the college which could not reasonably for which remedial action could not reasonably be delayed 24 hours.
2. Emergency purchases under \$25,000 shall be at the sole discretion of the administrator in charge of the emergency who will inform Purchasing as soon as possible.
3. Emergency purchases of over \$25,000 and under \$100,000 shall be reported to the President immediately and then to the Board with the next packet to the Board.
4. In cases where delaying an emergency purchase of \$100,000 or more until the next regularly scheduled Board meeting or until a special meeting is called would result in a material undue expense, or in cases of an emergency* the President will inform the Board Chairperson or his/her alternate of the need to proceed with a purchase and request his/her approval. A special meeting of the Board will be called if reasonably possible. If a special meeting cannot be scheduled, because of the urgency of the situation, every effort will be made to contact all Board members to notify them of the emergency requirement and that approval is being given by the Board Chair or his/her alternate. Members of the Board shall be notified of the final disposition of the purchase and its approval immediately.

K. Blanket and Purchase Orders

1. Blanket purchase orders shall be used for single vendors providing goods and/or services to one or more departments and shall not be encumbered.
2. Purchase orders shall be used for a single vendor providing goods and/or services to a single department and shall be encumbered.
3. Blanket purchase orders and purchase orders shall be authorized annually in June or as appropriate and shall comply with the provision of this policy. A list of all such orders will be provided to the Audit Committee at the end of each fiscal quarter by vendor name, amount, a generalized description of the items purchased and purchase order

number(s) for all suppliers who received awards. Summaries by vendor and department shall include total for the current quarter and fiscal year to date.

L. Non-competitive Purchases

1. The policy requiring solicitation of bids or proposals may be waived by the Purchasing Director, upon written justification from a requesting official of at least the level of a Dean, when it is necessary to obtain supplies or services essential for the efficient operation of the college but which do not constitute an emergency under the definition above. All such no-bid contracts over \$10,000 shall be reported to the Audit Committee within 3 business days, which shall have the authority to require all future supplies or services for which this exception was made to be competitively bid.
2. A record of sole source purchases will be maintained as a public record and will list each supplier name, the amount, a listing of item(s) purchased, the purchase order number. For items \$10,000 and over a rationale will and be provided to the Audit Committee of the Board of Trustees on a monthly basis. Notice of intended sole source purchase shall be posted on the LCC Purchasing Department website for three business days prior to execution.

M. Prevailing Wage Requirement

1. Work for renovation and construction bids for projects which exceed \$30,000 shall be subject to prevailing wage unless otherwise prohibited by law.

N. Professional Services

1. Professional services agreements for professional services, including, but not limited to, auditing, architectural, and engineering services, technology consultants, and management consultants, shall be solicited through Requests for Proposals rather than competitive bid. Requests for Proposal shall be considered on the ability to perform the work and experience of the assigned professional(s) as well as of the firm, price and time frames for completion. A Request for Proposal shall be bid on a minimum of three year cycle.
2. Professional service agreements for legal services shall be at the sole discretion of the Board.

3. If the total expected cost of such services from the above approved vendors is anticipated to be less than \$25,000, the department shall request a purchase order for such services. (See K limitations)
4. Should expected costs be expected to be \$25,000 or more, such project shall have its own RFQ.
5. Requests for Proposals shall be posted on the website and sent to all providers who have requested in writing to receive a posted RFP.

O. President's Authority

1. As an Executive Privilege, the President of the college may, at his sole discretion, enter into professional services contracts not to exceed \$24,999.
2. All such Executive Privilege contracts over \$10,000 shall be reported to the Audit Committee within 3 business days, which shall have the authority to require all future supplies or services for which this exception was made to be competitively bid.
3. A record of these professional contracts will be maintained as a public record and will be provided to the Audit Committee of the Board of Trustees on a quarterly basis.
4. A maximum of six professional services contracts per fiscal year can be established using Executive Privilege.
5. Contract extensions and change orders to increase dollars to contracts established under Executive Privilege is prohibited.
6. Any additional projects identified in order to continue work that began under a contract established by Executive Privilege is subject to all applicable purchasing policies written in this document including dollar thresholds and competitive bid procedures.

P. Waiver of this policy

Waiver of the provisions of this policy, other than those delineated above, may only be approved by the Board of Trustees.

Q. Violations

All cumulative violations of purchased items over \$500 of this policy shall be reported to the Audit Committee monthly. Any violation is subject to discipline.

Any instance of fraud or misuse of College funds will be reported immediately.
Any cumulative amount over \$500 will be reported to the Internal Auditor.

IV. Responsibility

The College's Director of Purchasing is responsible for preparing procedures to implement this policy. Each employee requesting approval of a purchase is responsible for the accuracy and completeness of the information supporting their request for a purchase order.

Adopted: June 19, 2006

Amended: June 15, 2009, November 21, 2011, **September 16, 2013**