

<b>Central Texas College Materials Management Policy and Procedures Manual</b>	<b>Policy No. 100 December 2019</b>
<b>Purchasing Policy</b>	

## **I. AUTHORITY FOR PROCUREMENT**

The Board of Trustees of the CTCD, hereinafter called the District, has delegated to the Chancellor the authority for all administration to include contracting and procurement activities of the District. This authority is contained in Board Document 314 and further delineated in Procedural Document No. 314.30 (Business Services), which directs that all procedures and practices for contracting District services and the procurement (Purchase or Lease) of supplies, equipment, services, and construction adhere strictly to the applicable laws of the United States of America and the State of Texas to include those prescribed in the Texas Education Code, Local Government Code, Texas Revised Civil Statutes, Attorney General Opinions, Vernon's Annotated Texas Statutes, Federal regulations, and other sources.

Responsibility for direction, performance, and accountability for procurement administration is assigned to the Director of Business Services. For the purpose of efficiency in administration and management, the responsibility for purchasing of supplies, materials, equipment, and construction from outside vendors for all District activities has been centralized in the Purchasing Department, which is an office within the Materials Management Division. The Director of Business Services also acts as the Purchasing Agent for the District and is delegated the authority to act as Agent for the District in carrying out the purchasing activities.

Except as described within this manual, no obligation for purchases shall be entered into without written authorization from the Chancellor. In the case of overseas campuses or sites outside the state of Texas, the Chancellor may delegate this authority as needed. The District will not assume responsibility for the payment of purchases other than those made in compliance with these procedures.

## **II. RESPONSIBILITIES AND OBJECTIVES**

Purchasing services begins when a user department determines a need for goods or services and ends when that need is delivered to the requesting user. The Purchasing Department serves District customers by acquiring all products and services necessary to meet institutional requirements. The Department is charged with the responsibility of acquiring these products and services from acceptable sources at the most reasonable prices, and ensuring they are delivered as specified by the District customer. In providing these services, purchases of all supplies, equipment, and services will be made on a competitive basis whenever possible and will meet the minimum specifications required by the requesting department. The objectives and responsibilities of the Purchasing Department are as follows:

- A. Serve as the focal point for the purchasing effort within the District and to monitor it administratively.
- B. Acquire what District customers need, ensuring that delivery is timely and at the best value, in terms of price, quality, and service.
- C. Work in concert with the Receiving and Shipping Department in processing complaints, claims, and adjustments, and to negotiate for the return of material or other arrangements to the satisfaction of all parties.
- D. Act as the focal point for all communications with suppliers relating to bids and purchase orders.
- E. Ensure that specifications submitted for Requests for Proposals are worded to clearly describe the minimum requirements, but general enough to establish free and open competitive bidding.
- F. Consolidate purchases whenever possible in order to obtain quantity discounts for volume purchases and to enter into requirements contracts with vendors that will provide correspondingly more favorable prices.
- G. Provide customers with current information on new products and services, substitute materials, prices, and available alternatives when appropriate.
- H. Coordinate with the Inventory Manager and identify serviceable and functional items within the inventory that will meet the needs of the requesting department.
- I. Coordinate with the Accounts Payable Department to ensure cash discounts by prompt processing of vendor invoices and taking advantage of exemptions for state and other taxes applicable to educational institution purchases.
- J. Provide prices and estimates of costs of materials and supplies upon request.
- K. Provide better public relations by providing vendors consistent, equitable treatment obtained by dealing with one office.
- L. Develop, maintain, and keep current lists of dependable vendors for the various supplies and materials required.

### **III. INDIVIDUAL RESPONSIBILITY**

Except as set forth herein, any employee who purchases or orders any item or service in the name of the District or who individually obligates the credit of the District without adhering to the procedures outlined herein shall be individually responsible for payment to the vendor or return of the item.

**IV. GENERAL OBJECTIVES**

- A. To afford the most competitive opportunity for individual vendors to provide items to the District.
- B. To minimize the administrative costs of manpower, storage, and freight costs associated with accomplishing the purchasing function.

**V. CATEGORIES OF PROCUREMENT**

Purchases are divided into levels based upon dollar value and method of procurement. The levels of purchase are:

- A. **Level I - Less than \$10,000** may be ordered in the most expeditious manner by use of one quotation. Quotations will be verbally accepted based upon past experience considering price, quality, and delivery date.

**NOTE:** Level I purchases may be made in accordance with level III requirements, if it appears to be in the best interest of the District.

- B. **Level II - \$10,000 to \$49,999.99** shall require one of the following competitive quotation procedures:
  - 1. One time purchase of personal property shall require competitive quotation procedures consisting of at least three telephone, facsimile, or electronic bids on an **all or nothing** basis. Bids will be recorded on a Price Quotation form (CTC Form 21), which shall be forwarded to the Purchasing Department along with a vendor and price recommendation based on the price; quality of product; delivery time, if necessary; and the requestor's experience. The requisition shall be entered into the Datatel Colleague purchasing system by the requestor using the price and vendor recommended. Upon receipt of the price quotation form, the Purchasing Department will make the final vendor determination based on the requestors recommendation and the best value to the District.

**Note:** If a level II purchase is made using an approved CTC purchasing cooperative contract then the three (3) quote requirement is not required. For more information regarding approved Co-ops please contact the purchasing department.

2. Multiple purchases of categories of personal property that over the course of the current fiscal year will total \$10,000 but not exceed \$49,999.99 shall require the same procedures as above except that the vendors will be chosen from lists developed by the Purchasing Department. Development of these lists will be accomplished by the Purchasing Department advertising the material categories in the Killeen Daily Herald annually requesting that interested vendors submit their name, facsimile, and telephone numbers to the Purchasing Department. Interested departments may add vendors that they believe will be responsive. The approved vendor lists for each category will be sent to each interested department. Once established, each purchase, no matter how small, must be made by contacting at least three vendors from the approved list. The vendors contacted and the prices quoted must be listed in the comments box of the requisition screen so that it will not appear on the purchase order (PO).

**Note:** Level II contracts may be let in accordance with the requirements of Level III, if it appears to be in the best interest of the District.

- C. **Level III - \$50,000 or more** shall require a formal bid (see Procedures No.110). Notice of the time when and the place where the bids will be opened must be advertised in the Killeen Daily Herald at least once a week for two consecutive weeks, the last of which must be ten days prior to the bid due date. Exceptions to this level are:
  1. Produce and fuel contracts must be bid in accordance with section V.B. above.
  2. Federally funded child nutrition programs are subject to competitive bidding if the contract is valued at \$10,000 or more.
  2. Federally funded professional services contracts must be let by competitive bid.

## **VI. APPROVING AUTHORITY FOR PURCHASES**

- A. Purchases of less than \$2,500.
  1. Department Manager
  2. Dean/Division Director
  3. Fiscal Officer
- B. Purchases from \$2,500 up to and including \$4,999.99.
  1. Department Manager
  2. Dean/Division Director
  3. Fiscal Officer
  4. Cognizant Executive Officer

C. Purchases from \$5,000 up to and including \$9,999.99.

1. Department Manager
2. Dean/Division Director
3. Fiscal Officer
4. Cognizant Executive Officer
5. Deputy Chancellor for Finance and Administration

D. Purchases from \$10,000 up to and including \$49,999.99.

1. Department Manager
2. Dean/Division Director
3. Fiscal Officer
4. Cognizant Executive Officer
5. Deputy Chancellor for Finance and Administration
6. Chancellor

E. Purchases of \$50,000 or more.

1. Department Manager
2. Dean/Division Director
3. Fiscal Officer
4. Cognizant Executive Officer
5. Deputy Chancellor for Finance and Administration
6. Chancellor
7. Board of Trustees

## **NOTES**

- A. The Board of Trustees will be informed, during their monthly meeting, of all vendors with whom the college anticipates spending \$50,000 or more during the fiscal year.
- B. Purchases made from resale accounts for Auxiliary Services are not subject to the approving authority above.
- C. The published approving authority is applicable to off campus locations.
- D. The College District reserves the right to reject any and all bids, accept any bid, waive technicalities and award a bid which best serves the College District.

**VII. BLANKET PURCHASE ORDERS**

The purpose of blanket POs (BPOs) is to reduce the number of requests processed for repetitive, scheduled, or unscheduled requirements for rent/lease payments, taxes, utilities, office supplies, electrical supplies, etc. Designated Continental Campus sites may use BPOs for procurement of office supplies and other administrative items (consumables) that may be required on a frequent basis. BPOs are valid for the fiscal year (September 1 through August 31) within which they were requested. Specifically excluded from purchase by BPOs are materials and items of equipment that cost \$1,000.00 or more (inventory items) and items which are deemed “sensitive” in nature. Requests for exception to this policy must be submitted to the Director, Business Services, in writing, giving full justification prior to entering the item into the Purchasing System.

The Department Manager with approving authority for a BPO is responsible for ensuring that the College receives the goods and services obtained under said BPO.

**VIII. COMPETITIVE BIDDING**

Statutes containing requirements for competitive bidding are found in the Texas Education Code, Local Government Code, and Vernon's Civil Statutes. The Purchasing module of the TEA Financial Accountability System Resource Guide provides the many requirements in the competitive bidding process.

The Categories of Procurement outlined in section V above will be adhered to and Level III procurement must be processed in accordance with Procedures No. 110.

**IX. LEASE AGREEMENTS**

The procurement of equipment by lease agreement is subject to the Category of Procurement Limitations stated in section V. above and Procedures No. 110.

**X. SPECIAL PROVISIONS**

- A. The Professional Services Procurement Act, Texas Statutes Government Code 2254, specifically prohibits the procurement of professional services of any licensed architect, physician, certified public accountant, land surveyor, professional engineer etc. from the competitive bid process. These procurements are the prerogative of the Board of Trustees.
- B. Blanket purchase agreements may be executed and approved for execution as outlined in the levels stated above.

**XI. EMERGENCY PURCHASES**

Emergency purchases exceeding the dollar amount triggering competitive procurement requirements shall be made in conformance with paragraph (h) Section 44.031 Texas Education Code, which states:

"If school equipment, school facility or a portion of a school facility is destroyed, or severely damaged, or, experiences a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contract methods required by this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment, school facility, or portion of the school facility may be made by a method other than the methods required by this section."

The Chancellor may authorize the purchase of items in this type emergency and subsequently report the action to the Board of Trustees.

**XII. VENDOR LIST**

- A. The Purchasing Department will maintain vendor lists for bid procurement of a general nature. The primary source of vendors is either the telephone book yellow pages, the Internet, or a standard form provided to any vendor who requests that their company name be included. When a bid is issued, the Purchasing Department will make every effort to ensure that all appropriate vendors domiciled within the District receive a copy of the bid.

Departments desiring to initiate bid procedures for special categories of materials, will submit a recommended vendor list along with the specifications. The Purchasing Department will also research the category through the Internet for sources such as the Texas Building and Procurement Commission's Central Master Bidders List and supplement the list if necessary.

- B. The District will afford all vendors who request it an equal opportunity to be placed on the vendor list. By the same token, vendors who habitually fail to meet contract requirements will be removed from the list upon recommendation by the department involved.

**XIII. GIFTS AND GRATUITIES**

No employee of the District involved in any way with the purchasing process shall accept or receive, directly or indirectly, from any person, firm or corporation to whom any contract for the purchase of materials, supplies, equipment, or construction for the District may be awarded, by rebate, gifts, or otherwise, any money or anything of value whatsoever, or any promise, obligation or contract for future rewards or compensation.

**XIV. CONFLICT OF INTEREST**

As a general rule the District does not enter into purchasing contracts with students, faculty, or staff or members of faculty or staff immediate families. Acquisitions from a business in which an employee has financial interest is prohibited, unless full disclosure of the background facts are presented in writing to the Director of Business Services.

**XV. RESTRICTIONS ON CERTAIN PURCHASES**

- A. Except as authorized by the Chancellor within the limits of the authority delegated by the Board of Trustees, items of a personal nature, such as brief cases, Christmas cards, fountain pens, flowers, and gifts for any occasion may not be purchased with District funds. The purchase of specialty or promotional items such as t-shirts, mugs or pens will be coordinated with the Director, Community
- B. Memberships must be purchased in the name of the District and are restricted to those that are required to support the mission of the department for which they are purchased. Further, all memberships must be approved by the appropriate Executive Officer. This approval is required for the initial membership and each renewal.
- C. Subscriptions must be purchased in the name of the District and are restricted to those that are required to support the mission of the department for which they are purchased. Publications available in the College Library will not be purchased by departments, except when it is determined vital to the department operation. In either case, subscriptions must be approved by the appropriate Executive Officer. This approval is required for the initial subscription and each renewal.
- D. Purchases from Sponsored Project Funds (e.g. Carl Perkins) will be made in accordance with District purchasing procedures, unless the governing document specifies alternate procedures. It is the responsibility of the Project Director to be aware of any special purchase limitations or requirements applicable to a particular sponsored project and ensure that they are met.
- E. Purchases made with Texas Workforce Commission grant funds, shall be in accordance with the Financial Manual for Grants & Contracts Chapter 14: Procurements



**XVI. PURCHASE REQUESTS REQUIRING PREPAYMENT**

The requirement that a check must accompany the PO must be so stated within the requisition. This may be accomplished by adding the phrase *prepayment required – please issue check* in the printed comments section.

**XVII. PURCHASES FOR OVERSEAS SHIPMENT**

Purchase Requisitions that require the goods requested to be delivered to the Central Campus Shipping and Receiving Department for subsequent shipment to an overseas campus must include the shipping cost. This cost will consist of two elements. First, the freight cost, which can be easily determined by the weight, size, and mode selected; and second, the cost of crating material. Over-estimating is better than under estimating, because those funds not used will be returned to the requestor's account. Failure to include the shipping cost will cause undue delay in the requested item's arrival at the overseas site.

**XVIII. COLLEGE SPONSORED EVENTS**

Central Texas College sponsored events which request food and/or beverage service must be coordinated with the College's contract food service provider. CTC's contract provider will work with the department to establish an event plan. When completed, the event plan will be used to initiate a requisition, which will include the quantity, description, and unit price of each line item listed on the event plan. In the "printed comments" section of the requisition, the following information from the event plan should be included: a) filename; b) control number; c) event date; d) event time; e) event location; and f) department point of contact information. Once the requisition is approved, a purchase order (PO) will be issued to the contract food service provider. Reimbursement for food/beverage services obtained outside of the College's contract food service provider is not available. This policy is applicable to Central Campus only.

**XIX. CREDIT CARD PURCHASES**

College issued credit cards are used to expedite the procurement of goods and services without circumventing College purchasing policies and State procurement guidelines. Any purchase made in violation of College policies and procedures is unauthorized and will become the responsibility of the individual placing the order. The individual placing an unauthorized order will bear the cost of goods and services received.

The individual whose name appears on the credit card is responsible for ensuring

that the College receives the goods and services purchased with the card. The cardholder must promptly forward the receipt and purchase order number, or requisition number in cases of emergency purchases, to the Accounts Payable Department to expedite reconciliation of the credit card invoice.

See Appendix C of the Materials Management Purchasing Policies and Procedures Manual for a complete overview of the College's credit card program.

## **XX. PURCHASE OF EMPLOYEE APPAREL**

The purchase of employee apparel, i.e., polo and oxford style shirts, required in the performance CTC job duties must be made through the College's contracted web store. Prior to any transaction, the department must gain approval through the responsible Dean or Division Director and ensure the availability of funds. Approval and issuance of a PO or BPO constitute appropriate approval. When the purchase is to be made via the college credit card, a PO to Bank of America should be processed and approved prior to the transaction. At a minimum, a written or electronic record of Dean or Division Director approval must be gained prior to entering an online transaction. The individual entering the online purchase will be held responsible for any purchases made via a College credit card if proper approval is not gained prior to the purchase.

**Note:** This policy does not apply to those employees who are required to wear a uniform on a daily basis.

## **XXI. OFFICE SUPPLIES**

Perry Office Products is the approved vendor for office supplies, to include office equipment (excluding items listed in Item 4 below). Blanket purchase orders (BPO's) may be initiated for most items; however, fixed assets (items that cost \$1,000 or more) and sensitive items, such as cameras, audio visual items, etc., require a separate purchase order. **Please be reminded that the purpose of the BPO is to reduce the number of requests processed for repetitive or scheduled requirements.**

## **XXII. TECHNOLOGY PURCHASES**

All purchases for software, information technology equipment, and communications equipment, i.e., computers, printers, scanners, fax machines, etc., must be coordinated with the Information Technology Division. All requests for

such items must be submitted using the software and equipment request form on the CTC Information Technology webpage.

**XXIII. FURNITURE PURCHASES**

Krug International (KI) is the approved furniture vendor. The Purchasing Department is available to assist you with your furniture selection and purchase. This includes but is not limited to chairs, desks, tables, file cabinets, etc. Exceptions to this requirement must be pre-approved by the Deputy Chancellor for Finance and Administration.

**XXIV. GIFT CARDS**

Gift cards purchased and issued as awards and/or for drawings must be accounted for using the College's Gift Card Purchase Form. This form must be submitted to Accounts Payable as supporting documentation to issue payment along with a college credit card authorization form if applicable.