WESTERN PIEDMONT
COMMUNITY COLLEGE

Purchasing Procedure Manual

Revised 2021

Western Piedmont Community College
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I. Purchasing

The purpose of this manual is to provide Western Piedmont Community College (WPCC) employees with the proper policies and procedures necessary for the procurement of all goods and services.

The College's purchase order system is under the supervision of the Vice President of Administrative Services / CFO. The system provides for the orderly and cost-effective acquisition of the products and services needed to support the College and its mission. Western Piedmont Community College's purchase order system complies with state law and administrative code governing the conduct of state agencies expending state funds.

The Purchasing Department has the sole authority and responsibility for the purchase and selection of qualified vendors for the procurement of supplies, materials, printing, software, furniture, equipment and services required by the college. The Purchasing Office has the sole authority and responsibility to regulate the issuance of purchase orders and contracts for the College. Supervision of actual purchasing activities is the responsibility of the Director of Purchasing.

All purchasing is processed through the Purchasing Office with exception of our Bookstore.

The Purchasing Office uses the purchasing process to manage value and enforce compliance for the purpose of making purchase orders and contracts for the College. We provide suppliers and contractors opportunities to compete for the Colleges business.

The College utilizes the North Carolina E-Procurement System for submitting purchase orders to vendors. Vendors must be registered with the State of North Carolina and available through the E-Procurement system in order for anyone to requisition equipment, materials, services, supplies or printing.

WPCC purchasers shall use the NC E-Procurement system when selecting a vendor from which to order any goods (supplies, equipment, printing, etc.) or services <u>to the extent possible.</u> The following vendor selection process should be used in the sequence listed below in order for WPCC to be in compliance with the NC Division of Purchase and Contract guidelines.

- Purchasers are directed to use a State Term Contract vendor for any item(s) that is/are State Term Contract items. Requisitions should, therefore, be made to the State Term Contract vendor.

- Purchasers are directed to use an Agency Specific Term Contract vendor for any item(s) that is/are Agency Specific Term Contract items. Requisitions should, therefore, be made to the Agency Specific Term Contract vendor.

- Purchasers are directed to use a registered NC E-Procurement vendor when purchasing items that are not State Term Contract items. Requisitions should, therefore, be made to the registered NC E-Procurement vendor.

STATE TERM CONTRACTS

A "term contract" is a contract intended to cover normal requirements for a commodity, printing, or contractual service for a specified period of time based on predicted usage. These contracts are established by the Division of Purchase and Contract (P&C). Western Piedmont Community College is required by General Statute 115D-58.5 to purchase all supplies, equipment and materials by contracts made by or with the approval of the Division of Purchase and Contract of the Department of Administration.

There are two basic types of term contracts:
• "Statewide term contract" is established by P&C for agency use.
• "Agency specific term contract" is established by P & C for use by an agency when a commodity, printing or service is not covered by a statewide term contract, and the contract value exceeds the agency's delegation.

Most of the statewide term contracts for commodities specify a minimum and maximum quantity (or dollars). Orders below the minimum shall be obtained in accordance with agency procurement procedures. Orders that exceed the maximum quantity must be forwarded to P&C for processing. For needs that exceed the maximum, P&C will determine if the order should be placed with the contractor at the contract price, negotiate the price with the contractor, or solicit new offers for the requirement. In all cases, follow the instructions, which will vary by contract or call the P&C purchaser for guidance. If a waiver, emergency purchase or pressing need arises, a term contract supplier should be given the opportunity to satisfy the requirement, if the requirement is covered by a term contract and time permits such action.

If the item(s) is/are not on a state term contract and exceed the solicitation requirement for seeking competition ($5,000), contact the Purchasing Office to determine the appropriate steps to take.

When an E-Procurement requisition is completed by the initiator, the Purchasing Office processes the requisition. Requisitions must go through the approval chain for each individual department before a purchase order is created. Once a purchase order is created through Colleague via E-Procurement. E-Procurement will transmit (fax or email) the PO to the vendor by whichever means the vendor designated when they registered with the NC E-Procurement system.

The following is a list of items which cannot be purchased using state funds:

- greeting cards or the postage to mail them
- personal membership dues for individuals
- Refreshments (coffee, donuts, drinks, cream, sugar, stirrers, cups, bottled water, coffee service, mints (candy), etc.)
- Christmas or other seasonal decorations
- pictures or wall hangings
- other room or office decorations, plants/flowers (real or artificial), lamps

Purchasing is prohibited by the State of North Carolina and College regulations from issuing purchase orders for an employee's benefit. All purchase orders issued must be for goods and services to be consumed for instructional/administrative use only for College operations.

Any person responsible for purchases made in violation of state rules and regulations may be held personally liable for any and all financial commitments made (See North Carolina General Statute #143, paragraph 58).

Purchase orders issued after a purchase has been made are only to be allowed with the approval of Purchasing. No department or individual is allowed to make purchases without a purchase order number being assigned in advance. Purchasing has sole authority to make exceptions to this procedure when requested in advance with justification.

II. Delegations

Dollar Level of Authorization for Goods and Services

$5,000 and less: (Non-State Contract items) Competition is not required, but good purchasing practice suggests that it should be solicited wherever possible. All documents related to the purchase request should be electronically attached to the requisition in E-Procurement

$5,000-$9,999: (Non-State Contract items) these purchases require written solicitation of competition (Requests for Quotations RFQ) that is generated by the WPCC Purchasing Office

$10,000 and greater: **(Non-State Contract items)** these purchases must be referred to the Division of Purchase and Contract (P&C). Non-IT Related Items must be referred to the Division of Purchase and Contract. Invitation for Bid, RFQ or request for waiver of competition shall be generated by the WPCC Purchasing Office. P&C are authorized by Administrative Rule to inquire into the need for, and the level of quality of the items and services requested.

Purchase requirements cannot be divided in order to keep them under the established expenditure delegation amount

For purchases made through P&C, the basic purchasing benchmark (delegation) under which each community college has the authority to issue "open market" purchases for equipment and supplies up to and including $10,000.

The maximum purchasing/delegation benchmark for a community college shall be one hundred thousand dollars ($100,000)

Request for Waiver

In certain circumstances, a written request for waiver of competition can be submitted for approval. The specific conditions that may justify a Waiver of Competition are listed in the North Carolina Procurement Manual.

If an item being requested is available only from a "sole source" or the item being purchased is "brand specific", justification must be presented to the Purchasing Office in writing for this purchase. The Director of Purchasing will present the justification to the Division of Purchase and Contract to ask for a waiver of competition, based on the facts presented. When approval is received from the Division of Purchase and Contract, the requestor will be notified to prepare an E-Procurement requisition. Vendors of sole source item(s) will be required to sign an IFB. This requires the vendor to agree to the state's Terms and Conditions. The lead time required for this type of purchase is 60-90 days. **There are no exceptions due to fund source.**

Special Delegations

1. Repairs (Non-Construction): Purchasing authority for repairs handled by private sector personnel, regardless of cost, is delegated to the using agency. Where materials are being purchased for a repair and using agency personnel to perform the needed repair, the purchase of the materials must be handled in accordance with normal purchasing procedures outlined in this manual.
a. **NOTE:** Where any structural changes are to be made in or to an agency-owned building, the proposed project should be handled in accordance with construction statutes and rules applicable to each agency. (See G.S. 143-129 concerning building repairs and renovation)
2. Feed: Authority to purchase feed, including special ingredients, is delegated to using agencies which are engaged in the feeding of animals, poultry and fish.
3. Animals, Poultry and Fish: Authority is delegated to purchase animals, poultry and fish.
4. Athletic Apparel: Authority to purchase athletic apparel is delegated to using agencies. In the purchase of athletic apparel, there are certain considerations regarding the safety of the athlete which should remain within the control of the using agency officials.

5. Maintenance of Aircraft: All aircraft maintenance and repair (see Repairs / Non-Construction) whether unexpected or scheduled, is covered by this delegation. This does not include the purchase of equipment, materials, or supplies for the aircraft that is separate and apart from the maintenance or repair being performed.
6. Playground Equipment (Structures): Where the purchase of playground equipment is being handled as a commodity purchase vs. a construction project, the authority to purchase such playground equipment and its installation is delegated to the using agency.
7. Ready-Mix Concrete: Where the purchase of ready-mix concrete is being handled as a commodity purchase vs. a construction project, the authority to purchase such ready-mix concrete is delegated to the using agency.

III. Emergency Request

Emergency purchases must meet all criteria for routine purchases with regard to

- state contacts
- bid guidelines
- inventory regulations
- purchasing procedures
- budget availability

The requisition must be justified as an emergency and designated on the requisition or other document used for the request.

Purchasing will evaluate the emergency status and assure that the purchase is valid. Determine and advise the method of processing and obtain a quotation if necessary. If the situation warrants, Purchasing will process the order or give permission for individual to purchase.

IV. PURCHASING FLEXIBILITY

G.S. 115D-58.14 - **Purchasing Flexibility**
a) Community colleges may purchase supplies, equipment, and materials from noncertified sources that are available under State term contracts, subject to the following conditions:

• The purchase price, including the cost of delivery, is less than the cost under the State term contract; and

• The cost of the purchase shall not exceed the bid value benchmark established under G.S. 143-53.1; and

• The items are the same or **substantially similar** in quality, service, and performance as items available under State term contracts.

Substantially similar is defined as having comparable, but not identical characteristics in terms of quality, service and performance as items available under State term contracts.

V. Preferred Procurement Vendors

Department of Corrections

G.S. 148-134 - Statement of Preferential Procurement from Correction Enterprises and Exemption from Competitive Bidding

"All departments, institutions, and agencies of this State shall give preference to Department of Correction products in purchasing articles, products, and commodities which these departments, institutions, and agencies require and which are manufactured or produced within the State prison system and offered for sale to them by the Department of Correction, and no article or commodity available from the Department of Correction shall be purchased by any such State department, institution, or agency from any other source unless the prison product does not meet the standard specifications and the reasonable requirements of the department, institution, or agency as determined by the Secretary of Administration, or the requisition cannot be complied with because of an insufficient supply of the articles or commodities required. The provision of Article 3 of Chapter 143 of the General Statutes respecting contracting for the purchase of all supplies, materials and equipment required by the state government or any of its departments, institutions or agencies under competitive bidding shall not apply to articles or commodities available from the Department of Correction".

A complete listing of all products and services available from the Department of Corrections is available at the following site: http://correctionenterprises.com/

HISTORICALLY UNDERUTILIZED BUSINESS PROGAM

G.S. 143-48.a - State policy; cooperation in promoting the use of small minority, physically handicapped and women contractors; purpose; required annual reports.

"Policy – It is the policy of this State to encourage and promote the use of small contractors, minority contractors, physically handicapped contractors, and women contractors in State purchasing of goods and services. All State agencies, institutions and political subdivisions shall cooperate with the Department of Administration and all other State agencies, institutions and political subdivisions in efforts to encourage the use of small contractors, minority contractors, physically handicapped contractors, and women contractors in achieving the purpose of this Article, which is to provide for the effective and economical acquisition, management and disposition of goods and services by and through the Department of Administration."

Listings of these "Historically Underutilized Businesses" or "HUB" vendors and their products and services are available in the Purchasing Office and on the Internet at the Division of Purchase and Contract web site: www.doa.state.nc.us/PandC/

VI. COMPUTERS, MAJOR EQUIPMENT AND FURNITURE

Minor Equipment – Items that are not expendable under $5,000 (including tax and freight). The account number object code should be 555100.
Major Equipment – Items that are not expendable over $5,000 (including tax and freight). These items are labeled and inventoried

Computers and Software

Computers, laptops, etc. are ordered on a replacement/repair plan by the Information Technology Department. All new departmental IT equipment requirements must be forwarded the IT Department. All IT equipment ordered must be approved by the Dean of Information Technology. The IT Department will be responsible for obtaining quotes and originating E-P requisitions. The quote must be referenced on the requisition and attached to the E-P requisition. A current quote must be used – note the expiration date.

Under 9 NCAC 06B.1304, the general IT purchasing delegation/benchmark shall be $25,000 unless authorization special delegation is granted by the State Chief Information Officer. This delegation is for all State Agencies. The general delegation establishes the maximum authorized dollar limits for IT purchases of goods or services for an Agency without Statewide Procurement Office approval. The award of contracts under the general delegation shall be the responsibility of the College. The College is also responsible for establishing written procurement policies and procedures under their delegated authority.

Major Equipment

All orders for Major equipment purchasing should submit an RFQ or an IFB according to cost unless item is available through State Contract. If equipment pertains to IT equipment the order must be approved through IT Department.

Furniture

Mandatory State Contract for Furniture is STC 420A. All furniture orders should be processed by Director of Purchasing. Contact Director of Purchasing before starting a requisition for furniture.

VII. CONSTRUCTION

Appropriate WPCC personnel shall review the items being included in a construction/renovation project and remove any items that they consider non-related to the actual construction/renovation of the building. Items that are usually removed from construction/renovation projects include carpet, office panel systems, food service equipment, and furniture. If the college determines that one of these items, or any item that is normally handled as a commodity purchase, is best suited for inclusion in the construction/renovation project, their justification shall be documented in writing for public record.

Any project requiring the estimated expenditure of $500,000 or more for construction contracts, design fee, and construction contingency, **regardless of the source of funds**, will be considered a "**formal**" project and must have the approval of the State Board and the State Construction Office (SCO).

Any project, where the authorized funding or the total project cost is realistically estimated at less than $500,000 for construction contracts, design fee, and construction contingency, will be considered an "informal" project.

Any informal project that uses state funding must be submitted to the State Board of Community Colleges (State Board) for approval before the college enters into any design or construction contract.

Informal projects **that do not use state funding** do not need to be submitted to the State Board for approval. No informal project has to be submitted to the State Construction Office (SCO) for approval unless the college feels more comfortable with having the oversight of the SCO. If an informal project is submitted to the SCO, the project must also be submitted to the State Board for approval, and both agencies will handle the project as they would a formal project. Informal projects that are not submitted to the SCO may follow either the informal bidding procedures in G.S. 143-131 or the formal bidding procedures in G.S. 143-129. The single prime or separate-prime methods for bidding can be used.

The General Statutes do not address bidding procedures for projects under $30,000. Theoretically, a college could contact several contractors by phone for projects under this threshold. Each college should develop their own policies and monetary thresholds as to how, when, and where to seek bidders for all informal projects under $500,000.

If a college decides to accept informal bids, it is highly recommended that the college secure at least three bids. The General Statute, states that an award can be made "after informal **bids** have been received." By using the plural form of bid, it implies that more than one bid must be secured. While advertising in a newspaper is not required for informal bids, it may promote local goodwill. The college may consider placing an advertisement on the NC Division of Purchase and Contract's (P&C) Interactive Purchasing System (IPS) website (See the section Contacts and Websites). If the college makes a genuine effort to solicit bids from three or more contractors and only one contractor submits a bid, an award can be made to the one bidder. The college should keep records of all bids and bidding efforts for three years.

G.S. 143-131(b) **requires** that the college solicit minority participation for its' informal projects (those from $30,000 to less than $500,000). It also requires the college to provide documentation to the Department of Administration, Office for Historically Underutilized Businesses (HUB Office), as to the type and dollar value of the project, contractors solicited, dollar value of minority business participation, and the **good faith efforts made to seek minority contractors**. The college should meet this reporting requirement as they enter their data for this project into the HUBSCO reporting system. The SCO has forms for informal contracts that could be edited and used by the college. The SCO's design contract, with editing, could also be used as it provides more protection to the college than the American Institute of Architects' (AIA) contract. In the SCO documents, any reference to the State of North Carolina or the SCO must be removed.

MODULAR, MOBILE, OR PRE-ENGINEERED BUILDINGS

The NC Division of Purchase and Contract does **not** handle the acquisition of buildings such as modular buildings, mobile buildings, pre-engineered buildings, or pre-fabricated buildings. They refer the acquisition of these buildings to the respective agencies that oversee construction projects, like the SCO and the System Office. Thus, if the cost of purchasing and erecting one of these buildings is $500,000 or more, the project would be considered a formal construction project and would fall **completely** under the rules for formal projects. This would require employing a designer to design the building, seeking competitive bids for the construction and erection of the building, and having the project fall under the jurisdiction of the SCO. These requirements would probably negate any perceived savings in acquiring such a building.

If the cost of purchasing and erecting one of these buildings is less than $500,000, the project would fall under the rules for informal projects. As per G.S. 133-1.1(a) (3), if the cost was over $135,000, the plans would have to be prepared by an architect or engineer registered in North Carolina.

VIII. Glossary of Terms

ADDENDUM: Form used to make changes or corrections to a bid solicitation or answer vendor questions submitted prior to the closing date of the bid solicitation

AGENCY: All departments, institutions, boards, commissions, universities, or other units of the State (including the Division of Purchase & Contract), and community colleges and local school administrative units, unless specifically exempted herein by reference.

AGENCY SPECIFIC TERM CONTRACT: A term contract for use by a specific agency. Depending on the dollar value of the contract, it may be handled by P&C or the agency.

BEST VALUE PROCUREMENT: The terminology used in G.S. 143-135.9 to identify the method required for purchasing information technology commodities and services.

COMMODITY: Any equipment, materials, or supplies, also referred to in this manual as goods and items. It does not include services or printing.

COMPETITION: The fair and open solicitation of offers from more than one source; the receipt of offers from more than one source. Competition must be reasonable and adequate for the amount of the expenditure and the specific requirement.

CONSULTANT SERVICE: Work or task performed by State employees or independent contractors possessing specialized knowledge, experience, expertise and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services. This includes, but is not limited to, the organization, planning, directing, control, evaluation, and operation of a program, agency, or department.

CONTRACTUAL SERVICE: When an independent contractor performs services requiring specialized knowledge, experience, expertise or similar capabilities for a State agency for compensation from agency funds. The services may include (by way of illustration, not limitation) services such as, maintenance of buildings or equipment, auditing, film production, employee training and food service, provided that the service is not primarily for review, analysis or advice in formulating or implementing improvements in programs or services (in which case rules relating to Consultant Contracts shall be applicable.

GENERAL DELEGATION: The authority granted by the SPO for an agency to handle purchases made under a certain dollar amount, in accordance with the guidelines in this manual.

SPECIAL DELEGATION: The authority granted by the SPO for an agency to handle a specific or special purchase, where it would serve no practical purpose for the purchase to be handled by P&C.

EMERGENCY: A situation which endanger lives, property, or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services (also see Pressing Need).

HISTORICALLY UNDERUTILIZED BUSINESS (HUB): Any one of the following minority-owned businesses: Black, Hispanic, Asian American, American Indian, Female, Disabled, Disadvantaged (See NCGS 143-128.4).

I**NFORMATION TECHNOLOGY (IT)**: Electronic data processing goods and services and telecommunications goods and services, microprocessors, software, information processing, office systems, any services related to the foregoing, and consulting or other services for design or redesign of information technology supporting business processes.

INVITATION FOR BIDS (IFB): A formal solicitation document, used to seek competition for easily defined goods and simple services. This document or the RFP is required to be used for competitive procurements over $10,000.

LEASE: A contract conveying from one to another the use of a commodity for a designated period of time in return for established periodic payments. This does not contain an option, or an obligation, to purchase.

LEASE-PURCHASE: A contract conveying from one to another use of a commodity for a designated period of time in return for established periodic payments, with an option or obligation to purchase the commodity. Used when outright ownership is uncertain or when it is the intent to delay ownership.

PERSONAL SERVICE: Services provided by a professional individual (person) on a temporary or occasional basis, including (by way of illustration, not limitation) those provided by a doctor, dentist, scientist, or performer of the fine arts and similar professions; the exemption applies only if the individual is using his/her professional skills to perform a professional task; a personal service may also be a consultant service, in which case consultant contracting procedures shall be followed.

PURCHASE: The solicitation of, and acceptance of, an offer to (1) provide a service, or (2) lease or rent a commodity, or (3) sell a commodity outright, or (4) sell a commodity through a lease purchase or installment purchase contract

RENTAL: A contract for the right to use a commodity or product for a period of time, usually with payments made at intervals over the period of use, and normally providing for short notice of cancellation.

REQUEST FOR INFORMATION (RFI): The RFI is an informal document used to request information from vendors about products or services when an agency does not have enough information readily available to write an adequate solicitation document. The RFI should provide as much information as possible to define the type of information that is being sought. While information gathered from vendors' responses to the RFI may be used to enhance the agency's future procurement, the RFI should state that it is not a request for offer and that no award will result. Since the RFI is not a solicitation for procurement, the State's terms and conditions should not be included in the document.

REQUEST FOR PROPOSALS (RFP): A formal solicitation document typically used for seeking competition and obtaining offers for more complex services or a combination of goods and services used for competitive procurements over $10,000.

REQUEST FOR QUOTES (RFQ): A solicitation document normally used for non-advertised competitive procurements (may include e-Quote).

SERVICE CONTRACT: Any agreement in which an independent contractor performs services requiring specialized knowledge, experience, expertise or similar capabilities for a state agency for compensation involving an expenditure of public funds. The services may include (by way of illustration, not limitation) services such as maintenance of buildings or equipment, auditing, film production, employee training and food services, provided that the service is not primarily for review, analysis or advice in formulating or implementing improvements in programs or services (in which case rules relating to consultants shall be applicable.

SMALL PURCHASE: The purchase of a good or service for $5,000 or less.

SOLE SOURCE: A procurement method utilized when procuring goods or services where one or more of the "waiver of competition" defined under 01 NCAC 05B.1401 and 09 NCAC 06B.0901 policies are met. This method requires justification documentation for the file.

STATEWIDE TERM CONTRACT: A contract handled by Purchase and Contract, or Statewide IT Procurement Office for all agencies, unless exempted by statute, rule, or special term and condition specific to that contract.

TERM CONTRACT: A binding agreement between purchaser and seller to buy and sell certain commodities, printing, or services at certain prices and under stipulated terms and conditions. A contract generally intended to cover all normal requirements for a commodity or contractual service for a specified period of time based on estimated quantities only. Sometimes referred to as a "requirements contract" or an "indefinite quantity contract".

TERM CONTRACT – AGENCY SPECIFIC: Agencies may handle agency specific term contracts for use by their agency if the expenditure over the term of the contract is under their benchmark or delegation, and the commodity, printing, or service is not covered by a statewide term contract.

VENDOR: A dealer, distributor, merchant or other seller providing goods or services that is required for the conduct by State agencies or programs. These goods or services may be for an organization's own use or for the use of beneficiaries of State agencies or programs.

ACRONYMS

BPO- Blanket Purchase Order

DOA- Department of Administration

EO- Equal Opportunity

FOB- Free on Board

G.S. - General Statute

HUB- Historically Underutilized Business

IFB- Invitation for Bids

IPS- Interactive Purchasing System

ITS- Information Technology Services

P&C- Division of Purchase and Contract

RFI- Request for Information

RFP- Request for Proposals

RFQ- Request for Quotes

SITP - Office of Statewide IT Procurement

WPCC – Western Piedmont Community College