

# PIEDMONT VIRGINIA COMMUNITY COLLEGE

## VII. FISCAL POLICIES AND PROCEDURES

### VII – 3.0 PURCHASING INFORMATION

#### VII – 3.3 PURCHASING & CONTRACTING POLICY

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<b>Policy #:</b>	<b>VII – 3.3</b>
<b>Effective:</b>	<b>July 1, 1993</b>
<b>Revised:</b>	<b>September 18, 2006</b> <b>October 01, 2010; March 16, 2012</b>
<b>Responsible Dept.:</b>	<b>Business Office</b>

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#### **Procurement Policy Statement**

Recognizing the public trust placed with this college, procurement will be carried out in an effective, economical, open, fair and impartial manner. Authority relating to purchases of all goods or services required by Piedmont Virginia Community College, **regardless of funds source**, is vested in and shall be exercised by the business manager under the provisions of the Virginia Public Procurement Act, the Virginia Agency Procurement and Surplus Property Manual (APSPM) and written instructions issued by the college. No employee will contractually commit this agency without having received prior written authorization of the appropriate approving official(s). Transactions charged to PVCC accounts must be made in accordance with Federal and State laws and Federal, State and PVCC regulations, polices, and procedures.

Website: <http://www.eva.virginia.gov/aspm-manual/aspm-manual.htm>

#### **Purchase Request Requirements**

To assist the purchasing office in procuring goods, equipment, printing and services, requesting divisions **must** submit their requirements by providing accurate and complete information on a requisition. This requisition format is available electronically. The necessary information must include:

- Budget code information
- Room number and building for deliveries
- Specific required delivery or completion date
- Complete specifications and/or catalog cuts
- Quantity
- Address and phone number of suggested vendor
- Total cost including shipping
- Authorized signatures and telephone numbers
- Telephone quote with name of person who quoted if under \$5,000
- Quote must include one quote from a SWAM vendor (small, minority or women-owned business, if available)

#### **eVA Use**

All purchase transactions, regardless of funding source, governed by the Virginia Public Procurement Act (VPPA) shall be processed through eVA to eVA registered vendors except as excluded below.

#### **eVA Exclusions**

Exclusions, regardless of dollar value, include the procurement types listed below:

1. Real Estate leases
2. Advertisements such as in newspapers, magazines, journals, radio, television, etc
3. Professional organizational membership dues and training classes sponsored by the professional organization when payment is made directly to the professional organization sponsoring the training class

4. Conference registration
5. Petty cash purchases
6. Honoraria
7. Entertainment (speakers, lecturers, musicians, performing artists)
8. Accreditation fees and academic testing services
9. Over-the-counter charge card purchases that are made at the site of the sale and picked up by the individual card holder (i.e., SPCC).

The Commonwealth of Virginia E-Procurement (eVA) Web site: <http://www.eva.virginia.gov>

### **Small Purchase Charge Card**

The small purchase charge card is intended as an alternate method for procuring goods and services and simplifying the procurement and payment process. The program reduces the number of accounts payable transactions and consolidating multiple vendor invoices into one monthly invoice from the charge card vendor. The purchasing card shall only be used to purchase low dollar goods and services for PVCC operations, maintenance and repairs with a \$5,000 limit per transaction. This card is not interrelated with travel. Therefore, personal charges, cash advances, business travel, or entertainment expenses are not permitted with the purchasing card. Applications for purchasing cards and procedures can be obtained from the Business Manager. If the small purchase charge card is used, the purchaser is not required to submit a purchase requisition. Purchases other than over the counter must be entered in eVA. Every effort should be made to obtain one quote from a SWaM vendor, if available. However, division approval is required prior to making the purchase. Reconciliations must be done by the divisions within the small purchase charge card guidelines. All documentation for purchases made with the charge card must be retained and reconciled with the purchase log in the divisions.

The Commonwealth of Virginia Department of Accounts Purchase Card Information:

[http://www.doa.virginia.gov/Admin\\_Services/CAPP/CAPP\\_Topics/20355.pdf](http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20355.pdf)

### **Purchase Approvals**

Vice Presidents, deans, and department heads shall determine which intended purchases or types of purchases originating in their areas of responsibility require their personal approvals.

### **Justifications**

Written justification must be submitted with a requisition to the purchase office when requesting:

- Sole source items
- Proprietary items
- Emergency purchases
- Used equipment
- Exceptions to mandatory source items

### **Minority/Small/Women-Owned Businesses**

Every effort should be made to list or provide quotes from a minority, small or female-owned businesses as suggested vendors on the purchase request. End users should notify buyer of any potential SWAM vendors that are not registered with Department of Minority Business Enterprise (DMBE). Buyer will contact vendor for registration with DMBE and eVA.

The Commonwealth of Virginia Department of Minority Business Enterprise Web site:

<http://www.dmb.e.virginia.gov/vendors.html>

### **Trade-in of Equipment**

Old, obsolete equipment may be traded in, if approved by the business manager when purchasing replacement equipment. Make, model, serial number and identification number must be stated on the requisition for equipment being traded. A surplus property report must also be completed indicating "trade in."

### **Bid Review**

When requested, bids will be given to requester for review. Bids must be returned to the Purchasing Office by date requested so the office can issue the purchase order or take other action should the low bid not meet specifications. Remember that most bids are good for only 30 days.

**Procurement Terms**

**Sole Source:** An item supplied by only one vendor and not marketed by any other source, i.e., copyrighted or trademark protected items.

**Proprietary:** An item which is manufactured by only one company but is distributed through various vendors; competitive bidding required, i.e., brand names.

**Emergency Purchases:** A purchase required to protect personal safety, life or property. Special rules apply; consult the purchasing office.

**Goods Purchases:** The purchase of equipment, supplies or printing, i.e., a tangible item.

**Non-Professional Services:** The purchase of services exists when the cost of labor is greater than 50 percent of the total cost of the project. This type of transaction becomes a goods procurement when the materials used in the project exceed 50 percent of the total. Different bidding rules apply to goods and services. (See section on Procurement Planning) The purchasing office will review financial records monthly. In the event a service to one vendor exceeds \$5,000, service with that vendor must be stopped and competitive bidding should begin.

**Pick-Up Purchase Order:** A purchasing method used where the requesting division has an immediate need to obtain supplies or equipment when the estimated cost is below \$5,000. Coordination with the purchasing office is required. Such purchases should be made with small purchase credit card.

**DPS:** Department of Purchases and Supply

**Inquiries on Status of Orders**

To inquire about the status of an order, please call the purchasing office. If the information is not already on file, inquiries will be made. Do not contact the vendor directly unless permission is granted by the purchasing office.

**Summary of Procurement Policy**

In order to aid college personnel in planning their purchasing requirements, the following guidance is given for small purchases and competitive procurement.

<b>1. Small Purchases-Goods and</b>	<b>Services other than Professional Services</b>
Up to \$5,000	Shall be set-aside exclusively for DMBE-certified small businesses. If prices do not appear to be fair and reasonable, document the procurement file to that effect, including stating the basis for the determination, and then additional quote(s) shall be obtained from at least one additional DMBE-certified small business, if available. (Use of the Small Purchase Card is encouraged up to credit card limit to not exceed \$5,000).
Over \$5,000 to \$50,000	Requires Purchasing Buyer to process. Shall be set-aside exclusively for DMBE-certified small businesses unless there is not a reasonable expectation that the agency will receive at least two competitive bids or offers from DMBE-certified small businesses and the agency documents the procurement file that the procurement does not qualify for a set-aside.  Advertising in the <i>Virginia Business Opportunities (VBO)</i> on the eVA web site ( <a href="http://www.eva.virginia.gov">www.eva.virginia.gov</a> ) is required over \$5,000 for goods and services.
<b>II. Competitive Sealed Bidding or</b>	<b>Competitive Negotiation</b>
Over \$50,000	Requires Purchasing Buyer to process. May be set-aside for DMBE-certified small businesses, in whole or in part, when there is a reasonable expectation that the agency will receive at least two competitive bids from DMBE-certified small businesses. Use one of the

	following methods: 1 – Competitive sealed bidding. 2 – Two-step competitive sealed bidding. 3 – Competitive negotiation. A written justification is required for use of #3. Required for purchases over \$50,000 unless an exception (see III. below).
<b>III. Exceptions to Competitive</b>	<b>Procurement</b>
Emergency	Requires written determination signed by the agency/institution head or designee.
Sole Source (Unlimited dollar amounts)	Over \$5,000, a written quotation must be obtained from the vendor. Requires written justification approved in advance by the agency/institution head. Over \$50,000 requires approval from DGS/DPS. Agencies and institutions may make contract awards after appropriate approval. Purchase using noncompetitive negotiation.
Used Equipment up to \$50,000	Competition not required. See 1.5c & 4.17.

Splitting orders of like items to circumvent the dollar limitation provided above is prohibited.

For determination whether a purchase is available on contract call ext. 5210 or 5209 or check the eVA website.

Additional time should be allowed for mailings, production (non-stocked items) and vendor order/ship time. This normally ranges from one week to two months after order has been placed, depending upon the material(s) required.

**TECHNOLOGY, HARDWARE AND SOFTWARE:**

Purchase requisitions must be approved by Information Technology prior to submitting to the Business Office.

**CONTRACTED SERVICES:**

Discuss with purchasing office for determination regarding required licenses, registrations and insurance.

**INDIVIDUAL SERVICES:**

Divisions are required to submit a Service Performance Contract (normally for honorariums or stipends) or vendor invoice for services provided by an individual. Contracts must be approved in advance of commitment and should provide detail of services to be performed.

**Mandatory Sources**

The Virginia Procurement Act requires purchases from mandatory sources which include: all vendors under contract with the state for specific items, Virginia Distribution Center, Virginia Correctional Enterprise and the Department for the Visually Handicapped. Contact purchasing for assistance in identifying mandatory source items. The Virginia Correctional

Enterprise provides office furniture and printing services. The Virginia Distribution Center provides janitorial and maintenance supplies.

**Sole Source Procurement**

Sole source purchases are those items or services which are available from only one vendor, and only that vendor's product/service will fulfill the user's requirements. Written justification, supported by factual data and signed by the requesting individual, must accompany all sole source requests over \$5,000 for goods or services. This justification for sole source purchase must be approved in advance by the president, the dean of administrative and student services or the business manager. Proprietary items available from several vendors at varying costs are not sole source purchases.

### **Emergency Purchases**

An emergency procurement is an occurrence of a serious and urgent nature that demands immediate action. Emergency procedures may be utilized only to purchase that which is necessary to cover the emergency. Subsequent requirements shall be obtained using normal purchasing procedures. The potential loss of funds at the end of a fiscal year is not considered to be an emergency.

The user shall develop a written determination documenting the nature of emergency, actions taken to mitigate the negative effects of emergency and rationale for vendor selection. The user shall submit the determination for written approval by the Vice President for Finance and Administrative Services.

### **Used Equipment**

Used equipment, that which has been previously owned and used, offered for sale "where is, as is," does not include demonstration or factory rebuilt items marketed through distribution outlets, may be negotiated by agencies within their delegated authority. Upon a determination in writing that there is only one source practicably available for equipment meeting the agency's needs, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation.

Complete information describing the item must be provided to the purchasing office along with the price being offered by the seller in writing. Prior to preparation of any purchase order, the purchasing office must obtain a written statement from a person who is technically knowledgeable of the type of equipment to be purchased, normally the end user, verifying the condition of the equipment, its future usefulness, and that its purchase would be in the best interest of the Commonwealth. If the cost exceeds the agency's delegated authority, a requisition containing the above information shall be submitted to DGS/DPS for purchase.

### **Library Purchases**

The library is granted authority to purchase books, periodicals, and other catalogued material. All purchases must follow the provision of the Virginia Public Procurement Act and the Virginia Agency Procurement and Surplus Property Manual. Any purchases that require prepayment or written Agency Purchase Order shall be forwarded to the Purchasing Office for processing. Purchases of supplies, equipment and services shall follow the purchasing guidelines established for the entire college

### **Vendor Visits**

Vendors will contact personnel in an attempt to sell their products. Caution should be exercised to ensure the college is not committed to the purchase of any product or service without first following the requirements of this policy. If in doubt, contact purchasing at ext. 5210.

### **Gifts from Vendors**

The Virginia Public Procurement Act's section on Ethics in Public Contracting prohibits faculty and staff who have "official responsibility" from accepting gifts from vendors. Official responsibility is defined as the "administrative or operating authority, whether immediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction, or any claim resulting therefrom." As the definition of official responsibility is broad, many employees have "official responsibility" for procurement transactions.

### **Ordering Goods and Services**

When requesting goods, equipment or services to be purchased from vendors, prepare a requisition in accordance with the instructions contained in the purchasing manual. **Required approval(s) must be given before the order is placed.** If the item is complex or for nonstandard equipment, or if a separate form is to accompany the order, forward a copy, with the purchase requisition, of the description, specification, etc. to the purchasing office.

When the vendor requires prepayment forward the completed subscription, membership, registration form, etc. with the purchase requisition to the purchasing office.

**Printing** requests must follow state procurement guidelines. All outside printing requirements except for forms should be coordinated with the Office of Marketing & Media Relations prior to submitting a purchase requisition. Virginia Correctional Enterprise (VCE) is a mandatory source.

### **Obtaining Quotations**

Suppliers' catalogs are an excellent source for descriptive information and product specifications. Current catalogs can assist agency personnel in identifying and describing characteristics of desired equipment and supplies. While these uses are permissible, using catalog prices as firm quotations **is not**. Price quotations **must always** be secured by telephone or in writing. eVA users should refer to eVA vendor catalogs.

### **Prompt Pay**

Under the Virginia Prompt Payment Act, PVCC is required to pay 95 percent of its bills within 30 days. The prompt payment countdown begins with receipt of goods/services or the vendor's invoice, whichever is received later. **Do not hold receiving reports or invoices**. These papers must be sent **immediately upon receipt** to the purchasing office. Remember to date and approve all such documents before they are forwarded.

### **Receiving Reports**

Departments are required to inspect all goods and equipment received and if found acceptable, sign the receiving report. Receiving reports must be processed in a timely manner. Failure to do so can result in violations of the Prompt Payment Act. Contact purchasing when inspection of goods or equipment reveals damage or defects. On pick-up orders, it is mandatory that the requesting department immediately submit a receiving report, invoice and/or packing slip (should one be received) to the purchasing office. For credit card purchases, proof of received goods must be maintained with purchase log.

### **Ordering from Storeroom**

Order stock from storeroom by submitting an order form to the Storeroom. Stock will be delivered within three working days after receipt of order. Requisitioned items may be picked up in person if there is an emergency need. Departments are prohibited from maintaining any more than two months worth of supplies in their areas. Items not stocked in the storeroom must be purchased from division budgets.

### **Service/Maintenance Agreements**

Service maintenance contracts are established by purchasing either on a college-wide or individual user basis.

Repairs of computer equipment should be coordinated with academic or administrative computing. Other repair or maintenance requirements must be initiated by entering a purchase requisition to purchasing.

New as-required/full-service contracts or annual contract renewals require the submission of a requisition.

### **Contracts**

All proposed contracts, agreements, etc., must be submitted to purchasing for determination as to proper forms, procedures and, where necessary, approvals by the Office of the Attorney General. Proposed contracts, agreements, etc., requiring payment from funds administered by the college must be requested via a purchase requisition. Contracts are signed only by those authorized through approved signatory policy.

### **Resolution of Purchasing Problems**

Purchasing should be immediately notified upon receipt of non-conforming, broken or damaged materials. Appropriate action will be taken by the purchasing staff. The material should be held in a secure place until disposition instructions are issued.

### **Inventory**

A physical inventory shall be conducted once a year. No equipment shall be transferred or moved from one location to another prior to completion of an inventory transfer card. Equipment valued \$1,000 and above must be tagged, except ETF purchases are tagged at \$500 and grant-funded equipment is tagged based on grant requirements.

### **Surplus Property**

All surplus property must be reported to the State Surplus Property Office by the college business office. Departments should notify the business office of all property which is no longer needed or wanted by completing and submitting a surplus property report (Form PU-19). The items being put on surplus will be picked up within a reasonable time after receipt of the form if storage space is available.

### **Procurement Orientation**

From time to time as circumstances dictate, or upon request, purchasing will provide a formal orientation on state and college procurement policies and procedures. Please contact the business manager if you are interested in an orientation for your department or group.

### **Year End Cut-Off**

As the fiscal year ends, special procedures are affected to assure an orderly cut-off and closing of the old fiscal year's financial records. The business office will not accept any requisitions over \$5,000 (payment during the respective fiscal year) after March 30 of the fiscal year. Requisitions received and goods procured after this point do not allow enough time for bidding, issuance, receiving and payment. Exceptions for emergencies may be handled on an individual basis. Cut-off for all purchases for a fiscal year will be May 15.

### **Violation of Procedures**

Violation of the procedures contained in this guide could result in disciplinary action. Violation notices will be sent to approving officials.

### **Suggestions for Improving Purchasing Process**

The purpose of the purchasing office is to fulfill your purchasing, contracting and property disposal needs, consistent with state policies and procedures. Please feel free to call or stop by purchasing to discuss procurement guidelines and needs.