



**Laredo Community College**  
An Equal Opportunity Institution • West End Washington Street • Laredo, TX 78040-4395

# **PURCHASING PROCEDURES**

# **Table of Contents**

<b>Chapter I</b>	<b>Department Overview</b>	<b>3</b>
<b>Chapter II</b>	<b>Purchase Processes</b>	<b>10</b>
<b>Chapter III</b>	<b>Procurement Documents</b>	<b>18</b>
<b>Chapter IV</b>	<b>Procedures for Completing Requisitions</b>	<b>21</b>
<b>Chapter V</b>	<b>Purchase Order Form</b>	<b>24</b>
<b>Chapter VI</b>	<b>Evaluating Bids and Tabulating Proposals</b>	<b>27</b>

**CHAPTER I**  
**DEPARTMENT OVERVIEW**

Mission Statement	4
Goals	4
Policy	4
Ethics	4
Conflict of Interest	4
Commitment of Funds	4
Specifications	5
Purchasing Responsibilities	5
Budget Process	6
Purchases of Furniture and Equipment	6
Other Funds	6
Receiving Process	7
Payment Process	8
Returns or Exchanges	9
Prompt Payment Rule	9

**I. Mission Statement**

The mission of the Purchasing Office is to provide the Administration, Faculty, and Staff the purchasing services necessary to accomplish their goals and objectives.

**II. Goals**

The Purchasing Office shall:

- Purchase all goods and services at the best price and quality in an efficient and timely manner ensuring that the College gets the best value for their funds;
- Purchase goods and services in accordance with established policies and procedures;
- Establish and maintain purchasing procedures.

**III. Policy**

Contracts for the acquisition of personal property, construction, maintenance, renovations, or services shall be in accordance with the Texas Education Code, State of Texas Vernon Annotated Statute, College Policies and any other applicable federal, state, and local laws.

**IV. Ethics**

To foster fair, ethical and legal trade practices, the Purchasing Office staff adheres to the ethical standards of the purchasing profession. These standards call for granting all suppliers equal consideration insofar as Federal, State and the College's policies permit. They include avoiding any conflict between personal interests and the interest of Laredo Community College. These standards and civil statutes bind all college employees. It assures the purchasing of quality goods and services in a fair and competitive environment.

**V. Conflict of Interest**

A conflict of interest occurs when an employee participates directly or indirectly in the procurement process from which that employee, member of the employee's family, or other persons known to the employee will benefit financially, either directly or indirectly.

**VI. Commitment of Funds**

- A. Great care should be taken to ensure that all funds are used in accordance with the College's policies and the State of Texas' Education Code Section 44 (Fiscal Management).
- B. All purchase commitments shall be made on a properly drawn and issued purchase document or a bookstore memo if the purchase is from the Campus bookstore, in accordance with LCC administrative policies.
- C. The signatures of the Purchasing Buyer (limited to \$1,000), Purchasing Director, Comptroller, Chief Administrative & Financial Officer, or President on an official purchase order are the only signatures that can legally bind College funds.
- D. No employee has the authority to enter into purchase contracts or in any way obligate funds unless specifically authorized in writing by the President or the Chief Administrative & Financial Officer.

- E. Those employees who purchase goods or services without a duly authorized purchase order (unauthorized purchase) may be held personally liable for the total amount due to the Vendor.

## **VII. Specifications**

- A. The requesting department should provide very clear specifications, on the requisition, that will correctly spell out their needs.
- B. The specifications should be extremely functional describing performance and design.
- C. Although not required, the department should specify what they do not want to see in the product so purchasing can take steps to preclude this in the request, be it a quote or RFP.
- D. Special care should be taken not to intentionally or needlessly specify features or functions that may mislead a Vendor or limit the purchase to a sole Vendor.
- E. Departments are instructed to contact the Purchasing Office for assistance at any stage of the purchasing process.

## **VIII. Purchasing Responsibilities**

- A. The purchasing staff is responsible for making sure that the specifications on the requisitions meet Federal, State and College guidelines.
- B. The purchasing staff also:
  - 1. Offers assistance in obtaining specifications;
  - 2. Prepares formal and informal bid requests;
  - 3. Requests quotations;
  - 4. Prepares Request for Proposals;
  - 5. Prepares bid tabulations;
  - 6. Awards the contracts to the successful proposer;
  - 7. Addresses issues between the District and the vendors regarding shortages and damaged goods.
- C. The Purchasing Director:
  - 1. Keeps management and the Board of Trustees (BOT) informed on purchasing activities;
  - 2. Obtains required approval from the board or its designated representative for contract approval;
  - 3. Ensures that the College's funds are being expended in accordance with the College's policies and all federal, state, and local laws.
- D. Once the purchasing process begins, it is the responsibility of the Purchasing Office to handle all contact or correspondence with the Vendor.
- E. Requesting departments must keep the Purchasing Office well informed of changes, events and specifications that may affect a purchase and/or payment.
- F. The College discourages the departments from contacting vendors directly, unless the department coordinates the contact with the Purchasing Office.

**IX. Budget Process**

- A. College departments start their budget process during the Spring Semester.
- B. These departments are urged to contact the Purchasing Office early in the budget process, especially if the department is requesting specialized equipment.
- C. The Purchasing Office will gladly assist departments obtain cost estimates, specifications, and any other information needed for the preparation of their departmental budgets.
- D. Specialized equipment purchases such as requests for information systems and software, or audiovisual equipment purchases need to be coordinated with the Information Technology and Media/Telecommunications departments, respectively.

**X. Purchases of Furniture and Equipment**

- A. The purchase of equipment and furniture costing more than \$5,000.00 or furniture must have Board approval.
- B. The purchase of equipment and furniture costing between \$300.00 and \$4,999.99 must have the College President's approval.
- C. Purchases of equipment with a price less than \$300.00 may be purchased from expendable supplies with the approval of the department head.

**XI. Other Funds**

- A. Purchases using funds other than General Operating Funds are exempt from the Board's per item approval (i.e., equipment costing \$300.00 or more) until the amount expended is  $\geq$  \$10,000.00.
- B. Restricted funds
  - 1. Restricted funds are funds designated for specific purposes derived from a gift or a grant agreement with a governmental, private, or non-private entity.
  - 2. Requisitions for purchases using restricted funds require approval from the grant director or grant administrator overseeing the grant.
  - 3. Requisitions for purchases using grant funding must also be approved by the restricted grants accountant prior to being submitted to the Purchasing Office.
  - 4. Purchases using federal or state funding must be allowable under federal and state procurement and contracting laws. The Purchasing Office will review the excluded parties list to ensure that Vendors (companies/contractors) are not excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits, pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404, and each

agency's codification of the Common Rule for Non-procurement suspension and debarment.

### **Federal Excluded Parties**

<https://www.epls.gov>

### **State Excluded Parties**

[http://www.window.state.tx.us/procurement/prog/vendor\\_performance/debarred/](http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/)

- C. Agency funds
  - 1. Agency Funds are resources retained by the College as an agent for College clubs or organizations.
  - 2. Purchases using agency funds must be made in accordance with College purchasing procedures. This requirement excludes Student Club Accounts. Purchases for club accounts will be handled through the Accounts Payable Office using the direct pay method.
  - 3. Requisitions for purchases using agency funds must be approved by the club sponsor and club president or treasurer.
- D. Auxiliary Enterprise Funds
  - Purchases using Auxiliary Enterprise Funds must be made in accordance with College purchasing procedures.

## **XII. Receiving Process**

- A. When services are being performed or the work has to be accepted before payment is remitted, the Department head should submit a Certificate of Conformance to the Accounting Office which informs them that the work has been completed. . The form should include the following information:
  - 1. The Vendor's name,
  - 2. The Purchase Order number,
  - 3. A short description of the work performed,
  - 4. A certification of the work performed,
  - 5. The signature and title of the head of the department ordering the service,
  - 6. The name of the department, and
  - 7. The date of the certificate.
- B. Central Receiving Department personnel should accept delivery only after they:
  - 1. Open the boxes and examine the shipment,
  - 2. Verify that all of the items ordered were actually received,
  - 3. If the delivery is accepted, a receiving report is generated which lists all of the items delivered.

- C. The receiving report and the items received are delivered by the Central Receiving Department to the Department that placed the order and they should do the following:
1. Check the delivery on receipt and advise the Purchasing Office of any discrepancies.
  2. If there are no discrepancies then acknowledge the delivery by signing the receiving report.
  3. When any order is received directly from the Vendor or is picked up at the Vendor's location, the Department must advise the Central Receiving Department and the Purchasing Office, so a receiving report can be prepared and delivered to the Accounts Payable Office so that payment to the Vendor can be expedited.
  4. **Purchases made using a standing purchase order require a Speed Memorandum.** This document takes the place of the receiving report. The form should include the following information:
    - a. The address of the Department,
    - b. The invoice number,
    - c. The purchase order number,
    - d. The date of the memo,
    - e. A short explanation of the reason for the memo,
    - f. The date the merchandise or services were received and a brief description of the items or services received,
    - g. Signature from person certifying that merchandise or services have been received.
- D. Duplicate Shipments - Duplicate shipments must be returned to the Central Receiving Department as soon as possible.

### **XIII. Payment Process**

The three way match for the payment process is complete when the Accounts Payable Office receives:

- A. The approved purchase order;
- B. The receiving reports, payment will only be made for those invoices that agree with the receiving reports; (an exception is if the accounting department agrees to send the vendor a partial payment on goods received although the order is not complete);
- C. The invoices,
  1. Are usually received within thirty days after the orders have been delivered;
  2. Once everything is in order the Accounts Payable Office will process invoices for payment.
  3. Must bill for only those items which have been received or accounts payable will hold on to them until all items have been received or an accord is reached with the vendor to issue a partial payment;

- D. If the invoice amount is correct and does not exceed the purchase order amount by more than 10% or \$50.00, whichever is less, the Purchasing or Accounts Payable Office will request an email from the department authorizing the additional charge be deducted from their budget (excludes Standing Purchase Orders). The reply to the email should be sent to both purchasing and accounts payable.
- E. An additional requisition will be needed, if the invoice amount exceeds the purchase order amount by more than 10% or \$50.00, whichever is less.
- F. Departments receiving any documents pertaining to the payment of goods and services should promptly submit the documents to the Accounts Payable Office.
- G. The payment for memberships, subscriptions and certain contracted services (utilities, maintenance agreements, advertising) may be paid without the use of a purchase order (Direct Pay). For these payments, a proper requisition must be submitted to accounting with all required signatures and approvals along with original invoices and if applicable a copy of the executed contracted services agreement form.

**XIV. Returns or Exchanges**

All returns and exchanges without exception must be coordinated through the Purchasing Office.

**XV. Prompt Payment Rule**

- A. The Texas State Legislature implemented a prompt payment rule in September 1987.
- B. The rule requires governmental entities to make payments within 30 calendar days from the date an order is received, the services are completed, or the invoice is received.
- C. If Vendors do not receive payment on or before the due date, governmental entities may pay interest on the unpaid balance at a rate of one percent per month beginning on the date the payment is due.

## **CHAPTER II**

### **PURCHASE PROCESSES**

<b>Open Market Purchases</b>	<b>11</b>
<b>Formal Method</b>	<b>11</b>
<b>Competitive Bidding</b>	<b>11</b>
<b>Competitive Sealed Bids/Request for Proposals (RFP)</b>	<b>11</b>
<b>Cooperative Purchasing</b>	<b>11</b>
<b>Inter-local Agreements</b>	<b>12</b>
<b>Construction Contracts</b>	<b>12</b>
<b>GoDirect DIR Program</b>	<b>12</b>
<b>Approval for Award of Bid</b>	<b>12</b>
<b>Informal Competitive Bids Methods</b>	<b>13</b>
<b>Right to Reject Bid</b>	<b>13</b>
<b>Separate, Sequential, or Component Purchases</b>	<b>13</b>
<b>Bid Solicitations</b>	<b>13</b>
<b>Catering Services</b>	<b>14</b>
<b>Technology Purchases</b>	<b>14</b>
<b>Sole Source / Exemption Purchases</b>	<b>14</b>
<b>Professional Services</b>	<b>15</b>
<b>Repairs or Renovation</b>	<b>15</b>
<b>Prepaid Purchases</b>	<b>16</b>
<b>Emergency Purchases</b>	<b>16</b>
<b>Telephone/Internet Orders</b>	<b>16</b>
<b>Lease Purchase Agreements</b>	<b>16</b>
<b>Maintenance and Repairs Services</b>	<b>17</b>
<b>Exceptions to Standard Procedures</b>	<b>17</b>

**Open Market Purchases** - Purchases for goods and services are done through the open market using one of the following methods:

**I. The Formal Method** is a process utilized by the College when the contract has a value of \$50,000 or more. This type of solicitation and award is governed by the Texas Education Code Section 44.031 (a) and (g) and by the Local Board Policy. The process shall use one of the following purchasing procedures, whichever provides the best value to the District:

**A. Competitive bidding**

1. Requires very detailed specifications and there is little or no room for negotiation. This method is more commonly used for commodity items and expendable office supplies, if the aggregate amount exceeds \$50,000 and bids for these items cover an aggregate twelve (12) month period.
2. Is used for the purchase of personnel property (except gasoline and produce) when the contract amount exceeds \$50,000 and bids for these items cover a twelve (12) month period.
3. Is used for contracts involving construction, maintenance, renovation, or repair projects where the amount exceeds \$50,000.

**B. Request for Competitive Sealed Proposals (RFCSP) & Request for Proposals (RFP)**

1. Request for Competitive Sealed Proposals (RFCSP) is the preferred method of purchasing as it allows for negotiation. This method should be used when detailed information is required besides cost to determine an award, such as:
  - a. Vendor's performance capability;
  - b. Financial resources;
  - c. Qualifications;
  - d. Personnel that will be assigned to a project; and
  - e. Vendor's concept and approach to a project.
2. Request for proposals must be used when:
  - a. When the purchase amount is over \$50,000.00
  - b. A scope of work or specifications for performing the services is needed;
  - c. Price or fee is required and will be the major consideration.

**C. Cooperative purchasing**

1. A cooperative purchasing arrangement can increase the buying power of the College through large volume discounts.
2. This arrangement involves the College participating with other non-profit organizations to acquire goods and services.
3. Cooperative Agreements currently exist in:
  - a. The State of Texas General Services Commission;
  - b. Cities and county governments;

- c. Community College Districts;
  - d. Certain other nonprofit organizations.
- D. Inter-local Agreements
  - 1. Participation in Inter-local Agreements between the College, other school districts, state agencies, and other local governmental agencies can provide the College a greater flexibility in the acquisition of goods and services.
  - 2. The purchasing processes should be clearly spelled out in the agreement and be reviewed by the College attorney.
- E. Construction Contracts
  - 1. Construction services shall comply with Education Code Chapter 44, Subchapter B, sections 44.031 to 44.041, Section 44.901 and Subchapter Z (Miscellaneous Provisions), as applicable.
  - 2. Construction services, (new construction, renovation, repair, and facility maintenance) or new equipment requiring infrastructure improvements must be coordinated through the Physical Plant Department. Campus requests for facility improvements (Capital Projects) must be approved by the appropriate Executive Council Member and submitted to the Chief Administrative and Financial Officer.;
- F. Texas State Department of Information Resources (DIR GoDirect Program) Vendors
  - 1. Information Systems products and services purchased through the GoDirect program (Texas Department of Information Resources) have been competitively procured through sealed bids or competitive proposals and are made available through state term contracts without the requirement of bidding out the purchases As a State of Texas educational institution, the District may purchase directly from these Vendors.
  - 2. If more than one DIR vendor shows up for the system being negotiated, quotes will be taken from each one, or an RFP is prepared if the amount is \$50,000.00 or more and is sent to each vendor.
- G. Approval for Award of Bid
  - 1. Once all of the documentation on all bids or proposals with a value of \$10,000.00 to \$50,000 is obtained, the Purchasing Office will approach the Board of Trustees' designated representative with a formal award letter to approve the purchase.
  - 2. A check list of requirements has been created to insure that the proposal gets to the designated representative before the purchase order is created.
  - 3. If the representative approves the documentation then the purchasing staff can proceed with the purchase, if he/she does not approve the

documentation then it has to be presented to the full Board at a regularly scheduled Board meeting.

**II. The Informal Competitive Bids Method**

- A. Purchases with a total cost of less than \$50,000 are purchased using the informal competitive method.
- B. The informal competitive bids method is a process where bids are solicited from Vendors by personal contact, telephone, facsimile, or mail. These bids are not advertised in local newspapers.
- C. Three or more bids should be solicited and reviewed before the bid is awarded.
- D. Awards will not always be to the lowest bidder, but to the lowest responsive bidder whose bid provides the best value to the District.
- E. Competitive bidding, whether formal or informal, is not required for purchases under \$2,000.00 (Sec 2155.132 of the Government Code).

**III. Right to Reject Bid**

The District has the right to reject any or all bids.

**IV. Separate, Sequential, or Component Purchases**

When preparing requisitions, the requesting department must be aware that employees shall not intentionally or knowingly make or authorize separate, sequential or component purchases to avoid bidding requirements. Separate, sequential or component purchases made to avoid bidding requirements violate the Texas Education Code Section 44.032.

- A. "Separate purchases" are purchases, made separately, that in normal purchasing practices would be made in one purchase.
- B. "Sequential purchases" can be defined as purchases made over a period of time that in normal purchasing procedures would be made in one purchase.
- C. "Component purchases" are defined as purchasing of the component parts of an item that in normal purchasing practices would be made in one purchase.
- D. Violation of this provision is a Class B or C misdemeanor. Conviction may result in removal from office or dismissal from employment. Additionally, employees that violate this statute may be barred from employment with educational institutions in Texas.

**V. Quote (Bid) Solicitation**

- A. For single purchases with an aggregate amount under \$2,000.00 at least one quotation shall be obtained and submitted to the Purchasing Office for consideration of price, quality, needs of the College and delivery time.
- B. If the aggregate amount of the purchase is between \$2,000.00 and \$49,999.00, a minimum of three written quotations must be obtained and submitted to the Purchasing Office for consideration of price, quality, needs of the College and delivery time.

- C. Although it is preferable that the Purchasing Office obtain the quotes, whenever the department obtains quotations for any reason, the quotations should be attached to the requisition.
- D. The Purchasing Office is the final authority in determining if the quotations can be used.

**VI. Catering Services**

- A. Departments may order services directly from off-campus catering Vendors as long as the entire amount of the purchase does not exceed \$2,000. A purchase order must be issued by the Purchasing Office before the order is placed.
- B. If the aggregate amount of the purchase is more than \$2,000.00, a minimum of three written quotations is required.

**VII. Technology Purchases**

- A. The Information Technology (IT) department must approve all requisitions and specifications for computers and software, although software purchases with a cumulative total under \$500.00 for the fiscal year may be purchased with expendable supplies at the department's option.
- B. IT will also verify if any proposed software is part of any existing software maintenance agreements.
- C. The College may utilize the Texas Department of Information Resources website when purchasing any type of technology..

**VIII. Sole Source / Exemption Purchases**

- A. The College may purchase personal property which is available from only one source without further competitive solicitation. Requesting Departments must complete and submit a Sole Source Request form to the Purchasing Office.
- B. Prior to requesting or making a purchase of a sole source item, written justification of the need to make the sole source purchase must be submitted to the Purchasing Office. The following questions must be considered:
  - 1. Is there absolutely no other equipment that can perform the same function?
  - 2. What unique design/performance feature(s) does this equipment have which is essential to your requirements?
  - 3. State why this feature is essential.
  - 4. What other suppliers/users were contacted? Was their product/service considered to have similar capabilities?
  - 5. Is this product an integral repair part or accessory that must be compatible with existing equipment? Why is it the only part that can be used? Reference must be made to the LCC asset number for the original product.

6. Provide a letter from the Vendor stating that they are the only source for the product or service. This assertion must be verifiable by the Purchasing Office.
- C. The following are some examples of sole source/exemption purchases:
1. An item for which competition is precluded because of the existence of patent and copyright for which the holder of such states that it is the sole source;
  2. Films, manuscripts or books available from only one source;
  3. Regulated utility services;
  4. A captive replacement part or component for equipment, which is already owned or leased by the College.
  5. Advertisements, to solicit services, bids, and to publish employment vacancies are published in the local newspaper. Additional advertisements needed to market the different college programs and for student outreach purposes can be both published in the local newspaper and advertised in other venues such as radio and social media markets. The procurement of advertisement can be spread among various vendors at different times during the fiscal year through the use of blanket purchase/standing order.
  6. Instances where the item to purchase or the contracted services (i.e. performer, speaker, evaluator, other type of service) are available from only one source or because of exclusive talent, distribution, or marketing rights. The Purchasing office will evaluate contracted services transactions as needed to determine if there is need to competitively procure for the service.

**IX. Professional Services (Request for Qualifications)**

- A. The engagement or contract of any professional services of any state or federally licensed physician, optometrist, surgeon, architect, certified public accountant, land surveyor, registered engineer, or any group or association thereof may not be selected or awarded a contract for services on the basis of competitive bids
- B. Instead, the procurement of professional services shall be contracted on the basis of a two-step process:
- C. Initial selection shall be based on the demonstrated competence and qualifications of the person or firm who is to provide the services.
- D. After a selection is made, a contract shall be negotiated at a fair and reasonable price.

- E. Their professional fees must be consistent with and not higher than the published recommended practices, and will not exceed the maximum provided by state law.
- F. If a contract is not negotiated with the most highly qualified candidate, negotiations shall be formally ended and negotiations shall begin with second highly qualified candidate. Negotiations shall be undertaken in the above sequence until a contract is awarded.

**X. Repairs or Renovations**

- A. Contracts for the repair or renovation of existing facilities costing more than \$2,000.00 are also subject to the competitive process.
- B. Purchasing will work with the LCC staff or the architect on contract to develop specifications.
- C. Once a Vendor is selected, staff will use the following guidelines:
- D. Projects under \$10,000 may be approved and awarded based on staff recommendations.
- E. The LCC Board Designated Representative must approve projects over \$10,000, or the representative could refuse and send it before the entire board.
- F. A construction project with a cost estimate of over \$25,000.00 must be approved by the entire Board of Trustees.

**XI. Prepaid Purchases**

- A. When it is necessary to include payment with a purchase order, the requester should clearly indicate the need on the requisition.
- B. Advance payments requests are processed within seven working days.
- C. Purchasing may decline to authorize payment if the goods are subject to a competitive bid process.

**XII. Emergency Purchases - Education Code Section 44.031 (h)**

- A. Emergency purchases are allowed to meet urgent and unexpected requirements where health and public safety or the conservation of public resources is at risk.
- B. The emergency purchase is exempt from competitive bidding,
- C. The President, Chief Administrative and Financial Officer, Comptroller, or Purchasing Director may approve emergency purchases valued under \$10,000.
- D. The Board's Designated Representative must approve emergency purchases valued over \$10,000, if the emergency requires immediate attention the President may approve.
- E. When a Department needs to make an emergency purchase, the requisition should carry with it justification which explains the reasons for the emergency.
- F. The department head should call the Purchasing Office and advise them of the emergency, and give them the requisition number, account number, and suggested Vendor.
- G. If possible, a copy of the requisition should be faxed; however, in all instances the original requisition should be sent to the Purchasing Office.

### **XIII. Telephone/Internet Orders**

- A. Purchasing will only place telephone/internet orders when prior arrangements have been made.
- B. The department should write the request for telephone/internet order on the remark section of the requisition.
- C. The department should include the Vendor's name, contact person, telephone number or email address.

### **XIV. Lease Purchase Agreements**

- A. Leasing equipment is an option that should only be considered when it is in the best interest of the College.
- B. The department should submit its requests at least sixty days in advance of when the department wants the leasing contract to start.

### **XV. Repair Services**

- A. When departments need to secure services for equipment repair, the requisition should list the equipment needing service, LCC tag number, service required and the estimated cost.
- B. All equipment repairs should be coordinated through the Purchasing Office.

### **XVI. Exceptions to Standard Procedures**

- A. Travel - Employees will be responsible for obtaining pricing on hotels, airfares, car rentals and other related travel related expenditures.
- B. Library and Health Facilities - As per Section 2155.139 of the Government Code library books and periodicals are exempt from standard purchasing practices, i.e. the bidding process. §2155.139. Exemption for Certain Libraries and Health Facilities An acquisition is exempt if the acquisition is for a:
  - 1. Library operated as a part of a university system or institution of higher education;
  - 2. Library or resource-sharing program operated by the Texas State Library and Archives Commission; or
    - a. State owned hospital or clinic; and
    - b. The goods or services acquired are:
    - c. Serial and journal subscriptions, including electronic databases and information products;
    - d. Library materials, including books not available under a statewide contract and papers;
    - e. Library services, including binding services not available under a statewide contract; or
    - f. Library equipment and supplies.
  - 3. The exceptions above are not exempt from the approval procedures of the institution.

**CHAPTER III**  
**PROCUREMENT DOCUMENTS**

<b>Requisition</b>	<b>19</b>
<b>Standard Purchase Order</b>	<b>19</b>
<b>Blanket Purchase Order</b>	<b>19</b>
<b>Small Purchase Order</b>	<b>19</b>
<b>Contracts</b>	<b>20</b>
<b>Contracted Services Agreement</b>	<b>20</b>

## **I. Procurement Documents**

- A. Procurement documents are used for the acquisition of goods and services.
- B. The procurements documents commonly used are the requisition, standard purchase order, the blanket purchase order and the small purchase order.
- C. **The Requisition** form is used by the departments to initiate the purchasing procedure, by furnishing the purchasing department with the specifications, the quantities or services required the estimated amount, the account to be charged, and the recommended vendor.
- D. The **standard Purchase Order** form is the most prevalent procurement document, whose function is to create a contract between a Vendor, who has extended an offer with specific quantities or services and the agreed to prices and the College who accepts the offer and awards the contract to the Vendor by issuing a standard purchase order.
- E. **Blanket purchase orders** are used to encumber an amount covering the purchase of the identical goods or services to be used at regular or frequent intervals over a specific amount of time (not to exceed the entire fiscal year).
  - 1. The requisition should indicate the total cost of the goods or services for the period of time requested.
  - 2. To prevent over expenditure of funds, department heads should maintain accurate records on all blanket purchase orders.
- F. The **Small Purchase Order (SPO)** is a short form of the standard purchase order and is used to purchase items from local Vendors that will accept small purchase orders.
  - 1. This form is a requisition, purchase order and a receiving report all in one.
  - 2. It is used when departments have an immediate need for specific items.
  - 3. When the SPO is issued, the department's budget will be encumbered for the full amount of the SPO, but it is adjusted to the amount of the purchase when the invoice or receipt is turned in.
  - 4. The SPO is used one time and submitted to the Accounting Office for payment; therefore, this document does not allow for back orders.
  - 5. Purchasing will issue the SPO to the department who will then make arrangements to purchase and pick up the merchandise.
    - a. The department will return the invoice or receipts, within two days, to Purchasing, who will forward the receipts and a copy of the SPO to Accounting for payment, within two days.
    - b. Any SPO, which is void or cancelled, should be returned to the Purchasing Office so it can be accounted for.
    - c. No SPOs should be issued unless signed by an authorized Purchasing employee.
    - d. Purchasing employees authorized to sign SPO's are the Purchasing Director, the Purchasing Buyer and the Purchasing Clerk.
    - e. The maximum value of an SPO is \$200.00.
    - f. The Departments should only use one SPO per day.
    - g. Departments need to use due diligence and not overspend the SPO.

## **G. Contracts**

1. Additionally, the College enters into individual contracts for specific services such as construction, consulting and professional services, and insurance; these contracts have to be reviewed by legal counsel.
2. It is the responsibility of all departments to submit copies of all finalized contracts (other than employment contracts) to the Chief Administrative and Financial Officer.
3. The process requires that, after departmental representatives develop the initial concept of a contractual agreement, they discuss the contract and implications with their respective Executive Council Member, the President, the Chief Administrative and Financial Officer or the College Attorney. The President and Executive Council Members have sole authority to negotiate and finalize such contracts.
4. For recurring contracts, the departments should maintain an expiration schedule. Ninety (90) days before the expiration of the contract they should notify the Chief Administrative and Financial Officer, so that contracts can be re-negotiated and approved with ample time.

## **H. Contracted Services Agreement**

1. This agreement is used specifically for services performed on the College's premises such as for entertainment performances for the College.
2. The Department fills out the:
  - a. Name of the individual or entity,
  - b. Name of the department hiring the individual or entity,
  - c. Location where the service or entertainment will be performed,
  - d. Description of services to be performed, and
  - e. Date of the service or performance.
3. For contract labor, the department must provide:
  - a. The days that the individual will work,
  - b. The hourly wage or flat amount to be paid, and
  - c. The number of hours worked.
4. For entertainers, the department must negotiate the fee and:
  - a. Document the fee per performance,
  - b. The expenses to be reimbursed, i.e. travel, lodging, meals etc.,
5. The entity performing the contract labor or the entertainer will sign the agreement, and fill in their tax identification number and their address, including city, state and zip,
6. Approvals:
  - a. The department head (leadership council) for the department hiring contracting the services or the entertainment is required to sign the form and complete the agreement, and
  - b. Then it is approved by the executive council member that the department head reports to, both approvals should be obtained before the service or entertainment is performed.
7. If the agreement is to be paid from restricted funds, the accountant overseeing the fund must sign the form to certify that the expenditure is in compliance with applicable laws, regulations and policies.

**CHAPTER IV**  
**PROCEDURES FOR COMPLETING REQUISITIONS**

<b>The Requisition Form</b>	<b>22</b>
<b>The Correct Ordering Routine</b>	<b>22</b>
<b>Preparing the Requisition</b>	<b>22</b>

**I. The Requisition Form**

The requisition is a five-part form (color coded), which includes copies for distribution to Purchasing (white), Accounting (canary), Requesting Department (pink), acknowledgment (golden rod) and Central Receiving (green).

**II. The Correct Ordering Routine**

- A. Requesters (departments) are not authorized to place orders.
- B. Placing orders is the responsibility of the Purchasing Office.
- C. Orders not placed by Purchasing are considered unauthorized purchases and are not acknowledged as College liabilities, and employees may be held personally liable for the purchase or purchases.

**III. Preparing the Requisition**

- A. The information required when filling out a requisition varies from purchase to purchase. It is essential to provide as much information as possible. The following will offer some guidelines.
  - 1. Requisition Number - The requisitions are pre-numbered. This number identifies each requisition making its way through the accounting system. Each department should maintain a log of the requisition numbers used.
  - 2. Date Issued - Enter the date the requisition is prepared by the department.
  - 3. Ship To - Enter the name of the department to where the goods and services should be delivered. If the items need to be delivered off campus, special arrangements must be made with the Purchasing Office and Central Receiving.
  - 4. Requester's name - Enter the name of the requester and telephone extension of the person requesting the goods and services.
  - 5. Requester's Campus Box - Enter the requester's mailbox number.
  - 6. Vendor's name and address
    - a. Supply this information if a department has a suggested Vendor.
    - b. This information is essential to the purchasing function when the suggested Vendor needs to be contacted to confirm specifications and cost.
    - c. If the department contacts more than one Vendor, the information should be included in the remarks section or on a separate attachment to the requisition.
    - d. If the requester does not have a suggested Vendor, this section should be filled in with "Purchasing Department".
  - 7. BUDGET ACCOUNT NUMBER
    - a. In this space, enter the budget account number to be charged for the purchase.
    - b. Account numbers can be obtained from the department's budget report.

- c. The requesting department(s) should only use account numbers that they have been authorized to use.
  - d. If the department needs to use an account it is not authorized to use, written authority is required from the Executive Council Member responsible for that account or from the President.
  - e. A copy of such authority should be sent to the Purchasing Office with the requisition.
8. **DATE NEEDED**
- a. This is the date that the item is needed.
  - b. If an item is needed within a certain period, this should be pointed out in the remarks section.
9. **ITEM NUMBER** (Pre-printed as a reference)
10. **QUANTITY** (Number of units) - Enter the quantity desired, specifying the unit of measure (each, dozen, carton).
11. **DESCRIPTION** - In this section describe the goods or services needed; writing complete specifications will expedite the purchase.
12. **UNIT PRICE** - Obtained from the suggested vendor or their catalog, enter the price of one unit of the items being requisitioned.
13. **AMOUNT** - Enter the extended price, which is the unit price multiplied by the quantity.
14. **CURRENT OR CATALOG PRICE** - If the catalog price block is checked, catalog information should be included in the remarks section. Catalog information should include catalog volume, page number and year. If the current price is checked, the Vendor's name, contact person and phone number should be included.
15. **INSTRUCTION COMMENT** - The instructions/comments (remarks) section should be used to provide additional information, justify an emergency or sole source purchase; or to communicate special instructions to Purchasing.
16. **APPROVAL AND SIGNATURES** - Approvals are required before purchasing can process requisitions. There are three signature blocks on the requisition to allow the signatures of the requester, department head and the administrative officer.
- a. Requisitions issued with restricted accounts, require the approval of the department head, the grant director or grant administrator overseeing the grant and the restricted grants accountant.
  - b. Requisitions for general operating expendable and instructional supplies accounts, require approval from only the department head.
  - c. Requisitions for equipment approved by the LCC Board of Trustees require the approval of the department head and the administrative officer.

- d. In instances when the requester is in doubt of signature authority, they should consult with their Executive Council Member for specific instructions.

**CHAPTER V**  
**PURCHASE ORDER FORM**

**The Purchase Order Form**

**25**

**I. Purchase Order Form**

- A. The purchase order is the legal document that constitutes the entire and final agreement between the Vendor and the College.
- B. The contractual relationship arises immediately upon receipt of the Purchase Order, authorizing the supplier to ship and invoice for the ordered goods.
- C. The purchase order form is printed in the Purchasing Office; copies are faxed to the following:
  - 1. The Vendor
  - 2. Property Inventory
  - 3. Central Receiving
  - 4. To the Requesting Department
- D. Purchase Order Number
  - 1 The purchase order number is printed in the upper right hand corner, and is sequentially assigned by the operating system.
  - 2 This will also be the number of the receiving report, as Central Receiving copy is used to create the receiving report.
- E. Date - The date the Purchase order is issued.
- F. Requisition #, will be used for on-line requisitions.
- G. Vendor – name and address
- H. Vendor ID – the operating system identification number for the vendor
- I. Bill To & Ship To – LCC’s address and requestor
  - 1 Main campus is delivered to the Central Receiving Department, West End Washington Street, Laredo, TX.
  - 2 LCC South Campus is delivered to LCC South Campus, 5500 Zapata Hwy, Laredo, TX.
- J. Buyer – Type in **“Purchasing”**
- K. Account Number – expense account to be charged
- L. Amount – the cost of the purchase
- M. Item – Item number
- N. Item Description – identifies the items ordered

- O. Quantity - The number of items on order and the unit of measure
- P. Unit Cost - Price agreed to with Vendor
- Q. Total cost – The quantity times the unit price
- R. Expected Delivery Date
  - 1. Local purchase – five days
  - 2. In State purchase – fifteen days
  - 3. Out of State purchase – thirty days
  - 4. Special order items – may take over 90 days
- S. FOB – shipping instructions always FOB Destination
- T. Terms and Conditions - the terms and conditions are addressed to the Vendor and intended to protect the interests of the College.
- U. Purchasing Officer Signature and Date - To be a bonafide order, the purchase order needs to be signed by an authorized representative of the College. Signature authority is vested only in the President, Chief Administrative and Financial Officer, Comptroller, Purchasing Director, and the Purchasing Buyer (authorization limited to purchases of \$1,000.00 or less).

**CHAPTER VI**  
**EVALUATING BIDS & TABULATING PROPOSALS**

<b>Opening the proposals</b>	<b>28</b>
<b>Preparing the tabulation</b>	<b>28</b>
<b>Evaluating the bid</b>	<b>28</b>

**I. The Opening of the Bids**

- A. The opening of the bids should always be witnessed.
- B. Witnesses may include:
  - 1. A member from the Purchasing Office,
  - 2. A member from the requesting department,,
  - 3. A member from the Finance Division and,
  - 4. The Vendors.
- C. The Purchasing Director or his or her designee should always be present.
- D. The names of the proposers are announced to those present.

**II. Preparing the Tabulation**

- A. Most of the proposals for items that the College wants to purchase are not difficult to tabulate; however, there are proposals which while not difficult to tabulate require a common denominator.
- B. For example, items that come in cases could vary in the number of units included in each case.
- C. Moreover, quantities (i.e. feet, milliliters, etc.) may vary for units from different vendors.
- D. To overcome this problem, prices will be requested from vendors using the unit of measure most common to the product being evaluated.
- E. This unit of measure will be used to prepare any tabulation necessary for the evaluation of vendor prices.

**III. Evaluation of the Bids**

- A. The purpose of competitive bidding is to purchase goods and services through fair competition.
- B. Awards are made to the Vendor who complies with all of the terms of the request for proposal (RFP) and provides the best value to the College. In determining the best value, and in order to comply with Education Code Section 44.031 , the District shall consider the following:
  - 1. That the bid complies with specifications, terms and any other conditions in the RFP;
  - 2. The purchase price;
  - 3. The reputation of the Vendor and of the Vendor's goods or services;
  - 4. The quality of the Vendor's goods or services;
  - 5. The extent to which the goods or services meet the College's needs;
  - 6. The Vendor's past relationship with the College;
  - 7. The impact on the ability of the College to comply with laws and rules relating to historically underutilized businesses;
  - 8. The long-term cost to the College in acquiring the Vendor's goods or services; and
  - 9. Any other relevant factor specifically listed in the request for bids or proposal.