

# ADMINISTRATIVE PROCEDURES

<b>Title:</b> <b>PURCHASING</b>	<b>Identification:</b> 6.04
	<b>Page:</b> 1 of 6
	<b>Effective Date:</b> September 25, 2012
<b>Authority:</b> F.S. 287.055; 287.09451; 287.0947; 255.101; 1010.02; 1001.64; 1013.45; 1013.46; 120.53; 120.57 SBE 6A-14.0734; 6A-14.0261	<b>Signature/Approval:</b> Dr. Ken Atwater

## PURPOSE

This procedure establishes guidelines for purchases made by the College.

## PROCEDURE

The College's District Purchasing Department is responsible for the purchase of all materials, supplies, equipment and/or services for the College. Exceptions to this policy are those for purchases that have been specifically designated; such as credit card purchases and library material purchases.

### 1. AUTHORITY TO PURCHASE

Procurement of all goods and services, except those specifically designated, shall be made via issuance of a purchase order by the College's Purchasing Department. Departments may not order goods or services, reserve items or services or dates when a financial commitment is required or otherwise commit the College to the future purchase of a good or service or future payment in the absence of a purchase order issued by the Purchasing Department. Individuals who violate this policy will be subject to verbal or written reprimand, revocation of requisition privileges, and other disciplinary action, up to and including termination. Budget Officers who allow their staff to violate this policy will be subject to the same consequences.

### 2. REQUISITIONS

The primary document to initiate a purchase, for which a College Purchase Order will be issued, is the Purchase Requisition. This is completed utilizing the College's enterprise resource planning (ERP) system. All requests to purchase for any College department begin with this document at the department level by filling out all of the required information. After required approvals have been obtained online, the requisition is forwarded online to the Purchasing Department.

The College's Purchasing Department will readily assist departments in identifying suggested vendors and W/MBE vendors. Descriptions of required items or services should be as complete as possible to expedite the purchasing process.

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### 3. **REQUISITION APPROVAL LEVELS**

The following categories represent the authorization level for the processing of a purchase requisition:

\$0.01 to \$1,000.00 ..... Student Activity Advisors

\$0.01 to \$10,000.00 ..... Deans, Directors, Managers, and other Budget Officers

\$0.01 to \$35,000.00 ..... Members of the President's Cabinet

Any Dollar Amount ..... College President

### 4. **APPROVALS AND REVIEWS**

Items in excess of the F.S. 287.017 Category II threshold amount that are not exceptions to the requirement to publicly solicit competitive offers will require the issuance of a sealed Request for Bids (RFB), Request for Proposals (RFP), Invitation to Negotiate (ITN), or other appropriate solicitation.

Competitively solicited purchases not exceeding one hundred fifty thousand dollars (\$150,000.00) as well as all purchases that are exceptions to the requirement to solicit competitive offers shall be approved or rejected by the College President or designee. These items will be presented to the College's District Board of Trustees on a quarterly basis.

Departments may not split requisitions to evade any of the required approval levels.

Requisitions may require approval from additional departments such as Information Technology or other departments as appropriate.

### 5. **PURCHASING ACTION**

Processing of purchase requisitions by the College's Purchasing Department will be governed by the following purchase requisition estimated expenditure values:

\$0.01 to \$10,000.00 ..... Buyer's discretion

\$10,000.01 to Category II Threshold ..... Written or faxed quotes, if items are not exempt from bidding

Over Category II Threshold ..... Request for Bid (RFB), Request for Proposal (RFP), Invitation to Negotiate (ITN), or other appropriate solicitation methods if items are not exempt from bidding

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The Purchasing Department may obtain quotes, bids, or proposals even when it is not required if, in the Purchasing staff's opinion, a better source may be available. The Purchasing Department may also use a contract or other authorized source instead of a quote or bid if it is considered in the best interest of the College.

Departments must receive authorization from the Purchasing Department prior to requesting quotes. Requests for Bids (RFB), Requests for Proposals (RFP), and Invitations to Negotiate (ITN) must be issued by Purchasing staff only. This includes quotes, bids, or proposals solicited for exempt items as well as those on an eligible contract.

## **6. REQUESTS FOR PROPOSALS / INVITATIONS TO NEGOTIATE**

Requests for Proposal (RFPs) or Invitations to Negotiate (ITNs) will be used by the Purchasing Department instead of a Request for Bid (RFB) when the item or service required cannot be specifically defined, when alternative solutions to a need may be offered, or when the RFP or ITN process is expected to result in a more desirable outcome.

## **7. SINGLE SOURCE AND SOLE SOURCE PURCHASES**

Single sourcing is a procurement decision whereby purchases are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.

A sole source procurement is a situation created due to the inability to obtain competition and may result because only one (1) vendor or supplier possesses the unique ability or capability to meet the particular requirements of the solicitation.

College departments must coordinate with the Purchasing Department to determine if a purchase shall be categorized as a single source or a sole source procurement. Departments must provide written justification to the Purchasing Department to support the inability to obtain three (3) written quotations or for exceptions to the bidding requirements when purchases exceed ten thousand dollars (\$10,000.00).

## **8. PURCHASING CARDS**

Purchasing cards will be issued by the Purchasing Department. Card holders will be required to attend training and abide by the desktop procedure for purchasing cards.

Internal audits of purchasing card transactions will be conducted to see that Purchasing Card Procedures are followed. Abuse of the HCC P-Card may result in revocation of an issued P-Card and appropriate disciplinary action up to and including discharge.

## **9. EMERGENCY PURCHASES**

In an emergency situation that will require immediate action, the College's Purchasing Department or other College staff as authorized will acquire the necessary items and/or services with the most practical level of competition that can be used under the circumstances. Emergency expenditures will still require coordination in the approval of funds prior to the actual purchase. Emergency expenditure requests in excess of the F.S. 287.017 Category II Threshold will require approval by the College President and will be reported to the HCC District Board of Trustees at their next regularly scheduled meeting.

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## 10. **INSURANCE**

Insurance shall be procured in accordance with F.S. 112.08.

## 11. **EXCEPTIONS TO BIDDING**

Exceptions to the requirement to solicit competitive offers may be taken at the discretion of the Purchasing Department provided the exception is within applicable parameters of the State Board of Education (SBE) Administrative Rule. Examples of items that may be excepted include, but are not limited to, the following:

- Educational tests, textbooks, instructional materials and equipment, films.
- Library books and other library materials and supplies.
- Purchases under another government or buying cooperative contract.
- Food.
- Services or commodities available only from a single or sole source.
- Professional services, artistic services, instructional services, health services, academic program reviews, lectures by individuals, attorneys, legal services, auditors, management consultants.
- Information technology resources.
- Single source procurements for purposes of economy or efficiency in standardization of materials or equipment.
- Items for resale.

## 12. **OPEN ORDERS**

When possible, the College shall issue open purchase orders for a maximum of one (1) fiscal year for items that will not require the issuance of a purchase order for each individual purchase.

## 13. **CHANGE ORDERS**

Once a purchase order has been issued, College departments should notify the Purchasing Department if any problems, including shipping delays, occur. If any changes are necessary after the purchase order has been issued, the department requesting the change should immediately contact the Purchasing Department by email. If the change will involve additional funds, an electronic requisition must be processed for the increase.

If the invoice for a purchase order is more than ten percent (10%) or one hundred dollars (\$100.00), whichever is less, in excess of the original purchase order, the Purchasing Department will notify the ordering department to prepare a change order request indicating the reason for the increase.

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## 14. RECEIVING REPORTS

For items received under a blanket purchase order, or those received directly by the department (rather than by the Warehouse), departments are obligated to immediately complete an online Receiving Report so that the vendor can be paid. For items received by the College's Warehouse, the Warehouse will verify receipt, either online in the College's enterprise resource planning (ERP) system, or via hard copy so that the vendor can be paid. In those instances where services are being received continuously during the year, departmental approval of the vendor's invoice will take the place of the Receiving Report.

## 15. CENTRAL STORES ITEMS

The College's Warehouse maintains a Central Stores Inventory of several commonly used items. Departments must acquire such items from Central Stores by ordering them on a Central Stores Requisition. Orders from Central Stores are charged to departmental budgets.

## 16. CONSTRUCTION

Contractors for construction projects, architects, engineers and providers of related professional services shall be solicited and selected in accordance with the State Requirements for Educational Facilities (SREF), SBE Administrative Rule 6A-14.0734, F.S. 287.055, F.S. 1013.45, and F.S. 1013.46.

The College shall select architects, engineers, land surveyors, construction managers, design-build firms and other related professional services in accordance with F.S. 287.055, F.S. 1013.45, and F.S. 1013.46. An evaluation committee of no less than five (5) persons, including a representative of the College's Office of Equity and Special Projects, shall evaluate the data submitted by firms proposing to provide services. The committee will also evaluate either presentations, which will include a brief interview, or alternatively, interviews.

The selection committee shall forward a recommendation to the Vice President for Administration/Chief Financial Officer (CFO).

After consultation with the College President, the Vice President for Administration/Chief Financial Officer (CFO) shall negotiate a contract for services for the project at compensation deemed to be fair, competitive and reasonable for profit, overhead and direct management costs for services rendered.

Should the negotiations not result in a contract with the firm considered to be the most qualified at a price determined by both parties to be fair, competitive and reasonable, negotiations with that firm shall be formally terminated. The Vice President for Administration/Chief Financial Officer (CFO) shall undertake negotiation with the second most qualified firm and, if necessary, the third, provided however, the firms have been determined to be acceptable during the evaluation process.

Contracts exceeding one hundred fifty thousand dollars (\$150,000) require approval by the College's District Board of Trustees.

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For construction projects of one hundred fifty thousand (\$150,000) or more, the President or designee may approve change orders of up to twenty-five (25%) of the total project cost or up to one hundred fifty thousand dollars (\$150,000), whichever is less. For projects less than one hundred fifty thousand dollars (\$150,000), the President may approve change orders up to the amount designated in F.S. 287.017 Category II. Reports of these change orders shall be made to the College's District Board of Trustees at their next regularly scheduled meeting.

**17. WOMAN/MINORITY-OWNED BUSINESS ENTERPRISES (W/MBEs)**

The Purchasing Department will make a good faith effort to provide opportunities to and encourage the participation of Woman-owned and/or Minority-owned Business Enterprises (W/MBEs). Departments will endeavor to do the same where applicable and appropriate.

**18. PROTESTS TO CONTRACT SOLICITATION OR AWARD**

Protests to contract solicitation or award shall be handled in accordance with Section 120.57, Florida Statutes.

**19. TRAINING, INTERNAL REPORTING AND AUDIT PROCEDURES**

College employees involved with the procurement of goods and services shall be required to attend mandatory training on College purchasing policies and procedures within sixty (60) days of employment and complete annual training to refresh and obtain updates.

On a quarterly basis, the College's Purchasing Department will prepare a report noting those circumstances in which a College department did not complete the necessary online purchase requisition leading to a College-issued purchase order prior to goods or services being received.

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**History:**

Adopted 12/11/1997; Revised 09/25/12; Formerly 5.300