



Peralta Community College District

Overview of Purchasing Policies & Procedures

Updated

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Introduction



- ◆ John Banisadr, Purchasing Compliance Manager
- ◆ Goal of this Presentation – To familiarize you with Peralta’s purchasing procedures to help you obtain goods and services in the most efficient manner.



Staff & Contact Information

- ◆ Purchasing Compliance Manager
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- ◆ Buyer – Laney, & BCC
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Governing Codes



- ◆ The District follows purchasing polices, including the Public Contract Code, the Education Code, the District Board policies, as well as the laws of the State of California.
- ◆ All bids must be awarded to the lowest responsive, responsible bidder.
- ◆ The District's purchasing activities must pass State audits and other required reviews and therefore must be conducted in an efficient and professional businesslike manner at all times.



Purchasing Department's Purpose

- ◆ To provide excellent customer service by assisting you throughout the purchasing process – from requisition to delivery of product
- ◆ Ensure goods and services are
 - Obtained at competitive prices
 - Guaranteed fairness in the selection of vendors
 - To minimize opportunities for corruptions



Types of Purchases

We need to classify all of our purchases into one of two categories because different rules and dollar thresholds apply to each.

- ◆ Goods and Services
All types of materials, supplies, and non-construction services.
- ◆ Public Works Projects
Construction and maintenance on facilities or campuses.



Who Is Authorized to Purchase for the District?

- ◆ Only employees authorized by Board policy are authorized to make purchases or enter into contracts for PCCD.
- ◆ Goods and Services - the Chancellor is authorized to approve purchases up to \$76,700. Purchases over \$76,700 require Board approval.
- ◆ Public Works Projects - the Chancellor is authorized to approve purchases up to \$15,000. Purchases over \$15,000 require Board approval.

Purchasing Thresholds for Goods and Services

Amount	Requirement
< \$10,000	1 quote*
\$10,000.01 - \$ 76,700	3 written quotes
> \$76,700	Formal bids done by Purchasing

* If the purchase is over \$2,500 then the quote must be in writing.

Purchasing Thresholds for Public Works Projects

All Public Works projects must be approved by the Department of General Services prior to entering a requisition.

Amount	Requirement
< \$10,000	1 bid*
\$10,000.01- \$15,000	3 written bids
> \$15,000	Formal bids done by Dept. of General Services/Purchasing

* If the bid is over \$2,500 then the bid must be in writing.



The Purchasing Process

Here are the 10 steps involved for typical purchases

1. Plan Ahead: initiate the purchasing process 45 to 60 days prior to your desired delivery date.
2. Obtain 3 quotes from vendors.
3. Complete the Bid Recapitulation (Recap) Sheet, attach the 3 quotes to the Bid Recap sheet, and obtain signature from Business Manager.

The Purchasing Process (cont'd)

4. Enter a PeopleSoft Requisition for the lowest bidder in the system. You must enter taxable and non-taxable items as separate line items on the requisition.

PeopleSoft routes requisitions to the responsible Manager/Dean and then to the Business Service Manager for approval. Purchasing cannot view them until all approvals are complete in the system.

Note: If the lowest bidder is not already in PeopleSoft as a vendor, contact Purchasing to obtain a Vendor Application form.

The Purchasing Process (cont'd)

5. Send the Bid Recap Sheet with the attached quotes to Purchasing via Inter-Office Mail.
6. Purchasing receives notification of a PeopleSoft requisition, verifies receipt of the Bid Recap Sheet and attached quotes, and budget-checks for sufficient funds in your account.

Note: If there are insufficient funds for the requisition, Purchasing sends a notification to the originator (and copies the Business/District Manager) that funds must be added before proceeding.

The Purchasing Process (cont'd)

7. Purchasing issues a Purchase Order (PO) to the vendor.

Note: A PO number in the system does **NOT** mean that a PO has been issued. PeopleSoft automatically generates PO numbers for tracking purposes, but Purchasing has **NOT** issued a PO to the vendor unless the status in PeopleSoft is displayed as “Dispatched.”

Within 10 days of generating a requisition, requestors should lookup their requisitions to check their status and to make sure they state “Dispatched”. (The District IT Department is working on developing an automatic notification to the requestor.)



The Purchasing Process (cont'd)



8. Items are shipped to the District Warehouse.
9. District Warehouse team members enter items as received in PeopleSoft and forward paperwork to A/P for payment.
10. District Warehouse team members deliver goods to campuses daily. For capital assets over \$500, warehouse team members affix Peralta asset tag numbers prior to delivery.



What to Do When You Receive Goods

- ◆ If you receive damaged or missing goods, report them to the District Warehouse Supervisor within 3 days of receipt.
- ◆ If you receive any goods or invoices directly from vendors, notify the District Warehouse Supervisor so they can be entered as received in PeopleSoft and the Supervisor can coordinate with A/P to process them for payment.



Independent Contractor Contract Requirements

- ◆ All services over \$600 require an Independent Contractor Contract (ICC) signed by both the Vice Chancellor of Finance and the Chancellor prior to PO issuance, regardless of whether the vendor is a small sole proprietor or large corporation.
- ◆ ICC over \$25,000 require Board approval.
- ◆ A new ICC contracts are required each fiscal year.

Common Problems that Delay Purchases

- ◆ The Dean/Business Manager has not yet approved the requisition in PeopleSoft, so Purchasing is unable to view the requisition.
- ◆ Purchasing has received a Requisition in PeopleSoft but has NOT received BOTH a Bid Recap Sheet and 3 attached quotes.
- ◆ Budget Error – Insufficient funds to cover the requisition – the requisition is returned to the originator, who must transfer sufficient funds (to cover the purchase and any taxes) and resubmit the requisition.



Common Problems that Delay Purchases (cont'd)

- ◆ Missing Independent Contractor Contract (ICC) – Purchasing has not received a copy of the ICC.
- ◆ Computer Glitch – The requisition was not automatically forwarded to Purchasing Department and is lost in cyberspace. (Check status of all requisitions within 10 days after generating them to alleviate this problem.)



Change Orders

- ◆ If any changes are required at any point in the purchasing process, notify Purchasing immediately.
- ◆ All changes require a Request for Change Order Form listing the original requisition and PO #, and providing details of the change(s).
- ◆ Purchasing will make every effort to contact vendors to minimize cancellation charges.



Formal Bids



Plan ahead – formal bids typically take 2 to 4 months because
Purchasing must:

- ◆ Develop formal bid documents based on specifications that you provide
- ◆ Formally advertise bids and solicit vendors
- ◆ Schedule public bid openings
- ◆ Coordinate with the requestor to obtain Board approval



Blanket Purchase Orders

- ◆ If you plan to use a vendor repeatedly for goods or services in a fiscal year, contact Purchasing to discuss the possibility of setting up a “blanket” PO.
- ◆ A blanket PO is an open-account arrangement with a vendor up to a specified amount.
- ◆ Purchasing works with you to competitively bid blanket POs with vendors to streamline your repeated purchases.



Exceptions to Formal Bidding



- ◆ Emergency Purchases
- ◆ Sole Source Purchases
- ◆ Textbook and Specified Classroom Purchases
- ◆ Board Exceptions
- ◆ Manufacturer Maintenance or Repairs on Equipment



Emergency Purchases

- ◆ The normal procedure for bidding may be waived in emergency situations.
- ◆ A purchase is considered to be an emergency purchase when the delay that results from formal or informal bidding could cause damage either to life or to property.
- ◆ All emergency purchases require a Request for Emergency Purchase Form signed by the College President.



Sole Source Purchases



- ◆ If a particular item is available from only one source, a letter stating that the vendor is the sole source of such goods or services must be obtained and attached to the purchase order.
- ◆ The letter must be specific in describing the goods required, including the name of the product, model numbers, and any other relevant information justifying the sole source purchase.



Sole Source Purchases (cont'd)

- ◆ Further, the letter must specify all of the reasons justifying the circumstances and details regarding the basis and nature of why and how the product is sole source and why such product, or a similar product cannot be purchased elsewhere.



Textbook and Specified Classroom Purchases

The following may be purchased without estimates or bids:

- ◆ textbooks, workbooks, or library books
- ◆ educational films or audiovisual materials
- ◆ instructional computer software packages
- ◆ periodicals



Board Exceptions to Formal Bidding

The Board may approve exceptions to formal bidding in situations such as:

- ◆ Piggybacking on other public agencies' established contracts
- ◆ If determined to be in the best interests of the District and the purchase is to be made from a public corporation or agency



Manufacturer Maintenance or Repairs on Equipment



Maintenance or repairs on equipment made by the manufacturer, or authorized service agent of that equipment, where the provisions of parts, maintenance, or servicing can best be performed by the manufacturer, or authorized service agent, is exempt for formal bidding.



Environmental Sustainability Requirements

- ◆ Board Policy 2.40, Environmental Sustainability, requires the District to purchase environmentally sustainable products. The long-term goal of this policy is to purchase products with zero waste, high recycled content, produced and delivered in an environmentally sustainable manner.
- ◆ The Board Policy lists certain types of environmentally sustainable items (such as recycled copy paper) that everyone **MUST** purchase to help meet the District's long-term goal.
- ◆ Even if an item is not specifically required by the Board Policy, you are encouraged to consider environmental sustainability in **EVERY** purchase.

Environmental Sustainability 'Must Purchase' Items

- ◆ Copy Paper – All white paper for printing and photocopying must be 100% post-consumer waste (recycled).
- ◆ Paper – All paper for use in the Peralta publications, promotional materials, and classroom materials shall be at least 30% recycled.
- ◆ Printing – Petroleum-based inks are disallowed in all contracted printing.
- ◆ Remanufactured Products – Items such as toner cartridges, tires, furniture, equipment, and automotive parts shall be purchased as remanufactured as long as they offer equivalent safety, quality, and effectiveness.

Environmental Sustainability 'Must Purchase' Items (cont'd)

- ◆ Food Service Supplies – Food vendors, departments, and programs must use compostable utensils and supplies. Polystyrene (styrofoam) is prohibited.
- ◆ Food - The District is committed to making available locally sourced, organic food. The District discourages the use of bottled water served in non-compostable containers and instead strives to provide alternative methods to provide fresh drinking water.
- ◆ Operations – The District must purchase items such as low-toxicity cleaning supplies and Green Seal approved chemicals, recycled paper towels, etc.
- ◆ Construction– Both new building and renovation projects must meet common industry certification requirements known as LEED (Leadership in Energy and Environmental Design) or LEED silver for new building.



Peralta's SLBE Program



- ◆ The District has established an annual overall program goal of 25% participation for Small Local Business Enterprises (SLBE).
- ◆ The District grants a bidding preference of up to 5% for SLBE firms per the SLBE Program rules.
- ◆ We encourage you to help us achieve this goal by soliciting and utilizing SLBE vendors.



SLBE Definitions

- ◆ An SLBE must be located in the District's market area of Albany, Alameda, Berkeley, Emeryville, Oakland, or Piedmont and have gross annual revenue of less than:
 - ◆ \$8.5 million for construction firms
 - ◆ \$6 million for goods and non-professional services firms
 - ◆ \$3 million for professional services firms



SLBE Certification

- ◆ Purchasing provides SLBE Certification Affidavits to vendors who meet our definition.
- ◆ Purchasing verifies SLBE forms received and codes vendors with SLBE status in the vendor database.
- ◆ Contact Purchasing for the SLBE Program guidelines or for more information.



Tips for Obtaining Quotes

- ◆ Contact multiple vendors because not all vendors will return quotes
- ◆ Allow vendors reasonable time to return quotes
- ◆ Give the same information to all vendors
- ◆ Look at the total cost of ownership (including warranties, maintenance, etc.)
- ◆ Ask for product demonstrations
- ◆ Utilize the skills of your vendors to develop your specifications



Purchasing Don'ts



- ◆ Don't split or separate orders or projects into smaller orders or projects to evade competitive bidding.
- ◆ Don't give PO numbers to vendors; Purchasing is responsible for “Dispatching” POs.
- ◆ Don't buy items and expect to be reimbursed
- ◆ Don't instruct vendors to ship items directly to campuses.



For More Information



- ◆ The Purchasing Department's Policies and Procedures, which include commonly used forms, are available from the Purchasing page of the District website.
- ◆ Contact Purchasing for large projects that require formal bids; Purchasing must conduct the bid process.
- ◆ We can help you with purchasing planning and purchasing orientations for new personnel.
- ◆ We're here to help you - contact us for help and guidance.



Attachments

- ◆ Vendor Application Form and W9 Form
- ◆ Bid Recap Form
- ◆ Request for Change Order Form
- ◆ Independent Contractor Contract (ICC) Form and Instructions
- ◆ Request for Emergency Purchase Form
- ◆ SLBE Program and Form