

Requesting a Purchase Order for Goods

1. PURPOSE

To provide procedures for requesting a Purchase Order for Goods under the formal bid limit of \$78,500 (or as adjusted annually by the Price Deflation Index). For all other purchases including Services, Public Works Construction Projects, and Goods above the formal bid limit, refer to the District's Purchasing Procedures and contact the Purchasing Department for assistance. All purchases above the formal bid limit must be conducted by the District Purchasing Department via a formal bid.

2. SCOPE

This procedure applies to the personnel at all Peralta Colleges and the District Administrative Center.

3. OVERVIEW

Peralta's Purchasing Procedures authorize College and District personnel to identify goods and select vendors for items to be purchased and then to submit requisitions electronically in the PROMT system for processing by Purchasing. For goods under \$10,000, only one quote from a vendor is required; however, if the amount is \$2,500 or more, the quote must be in writing from the vendor. For purchases of goods over \$10,000 and up to \$78,500 (or the current bid threshold adjusted annually by the Price Deflation Index) three written quotes are required and a Bid Recapitulation Sheet is required.

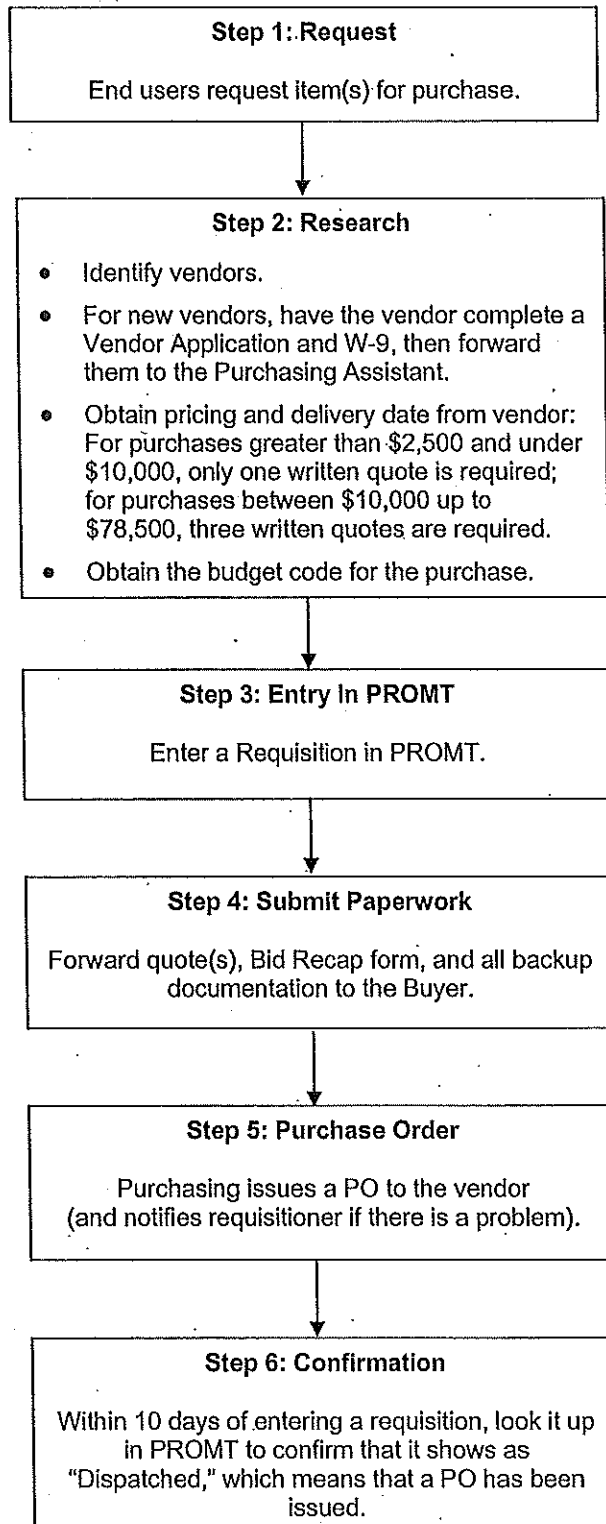
4. REFERENCES

- 4.1 *Peralta Community College District—Purchasing Procedures*
- 4.2 *Board Policy Section 6.31—Procurement of Supplies, Equipment, Furniture, Construction Repairs, and Maintenance Services*
- 4.3 *PowerPoint Presentation—Overview of Purchasing Policies & Procedures*
- 4.4 *State of California Public Contract Code—Sections 20650-20660*
- 4.5 *State of California Education Code—Part 49 Commencing with Section 81000*
- 4.6 *Business Process Document—Creating Requisitions in the PROMT System*

5. DEFINITIONS AND ABBREVIATIONS

- Buyer – District personnel working in the Purchasing Department whose formal job title is "Buyer" or "Assistant Buyer" (Personnel working at the campuses are not Buyers)
- Bid Recap – A Bid Recapitulation is a sheet used to summarize the quotes received by a Requestor.
- PO – Purchase Order
- PROMT – Peralta Real-time Online Management Technologies (PeopleSoft computer system).
- Requestor or Requisitioner – District/College personnel authorized to initiate a purchase requisition.

6. STEPS REQUIRED FOR REQUESTING PURCHASE ORDERS



7. **STEP 1: REQUEST**

Work with the responsible budget Manager and the designated Requisitioner (for your department) to make sure you have the budget and approval for the purchase. If a designated Requisitioner enters the requisitions for your department, make sure you do the following:

7.1 **Specify Items**

When requesting item(s) for purchase, always provide specific information about each of the items so that you receive exactly what you want. When POs are issued, both Purchasing and the vendor see only the description entered in PROMT; so be sure to know and provide the exact specifications of what you want, such as the manufacturer make and model number, size, quantity, and any additional equipment or accessories that you require.

7.2 **Plan Ahead**

When requesting purchases, be sure to allow adequate time for delivery, typically 45 to 60 days. Purchases prior to the fiscal year end must be made further in advance to ensure delivery in the proper fiscal year, or they must be resubmitted and reprocessed the following fiscal year.

8. **STEP 2: RESEARCH**

8.1 **Identify Vendors**

Find vendors that sell the item(s) that you want and select the lowest price vendor who can provide the quality and delivery schedule for the item you want to purchase. When working with vendors:

- Utilize local vendors to the greatest extent possible.
- Use the vendor's website to get the most up-to date pricing and information.
- Work with the vendor representative to negotiate a better price. Get the quote in writing.
- Let them know that we are an educational organization; they often offer discounts.
- Remember to add taxes and shipping to the price. Shipping charges (if any) must be entered as a separate line item. Confirm with the vendor to see if shipping charges are also taxable. Depending on mode of transportation some shipping charges are not taxable.
- Ask whether they will waive shipping fees, especially if the District exceeds a dollar amount with them.
- **Do not** make a commitment to a vendor. Actual ordering is only done when Purchasing has issued a PO and faxed the order to the vendor.

8.2 **New Vendors**

To determine whether a vendor is new to the District, look them up in PROMT. Be sure to use all possible variations of the vendor name when searching PROMT to avoid selecting the wrong vendor or adding a duplicate vendor.

If you see multiple vendor numbers for the same company or if any vendor or contact information has changed, contact Purchasing.

If the vendor is not already in PROMT, it is a new vendor. For new vendors, do the following:

- Have the vendor complete a Vendor Application and W-9 (available from Purchasing).
- Forward the completed Vendor Application and W-9 to Purchasing. Purchasing must enter the new vendor into PROMT before you can initiate a requisition.

8.3 Obtain Pricing and a Delivery Date from the Vendor

Work with the vendor to obtain pricing and a delivery date. Always make sure the quote includes taxes (if applicable), shipping (if applicable), and all other fees or auxiliary charges. The below table summarizes the documentation requirements for various purchases:

For Purchases:	Required Documentation
Under \$2,500	Only a verbal quote is required (written quote is preferred).
Between \$2,500 and under \$10,000	<ul style="list-style-type: none"> • You must obtain a written quote from the vendor. • If you choose to obtain more than one written quote, you must select the vendor with the lowest price quote and complete a Bid Recapitulation Sheet (available from Purchasing), which summarizes the quotes.
Between \$10,000 up to \$78,500 (or the current bid threshold)	<ul style="list-style-type: none"> • You must obtain three written quotes from vendors. • You must select the vendor with the lowest price quote and complete a Bid Recapitulation Sheet (available from Purchasing), which summarizes the quotes.
Over \$78,500 (or the current bid threshold)	You must contact the Purchasing Department to conduct a formal bid with specifications you provide.

8.4 Obtain the Budget Code for the Purchase

Check with your budget manager to:

- Identify the proper budget account code to which your purchase will be charged.
- Verify that the budget account has adequate funding to cover the total expense of the purchase (including taxes, shipping, etc.).

9. STEP 3: ENTRY IN PROMT

For step-by-step procedures on how to generate a requisition in the PROMT system, refer to the *Business Process Document—Creating Requisitions in the PROMT System*, listed in the REFERENCES section (available from Purchasing).

Create a requisition in PROMT by entering the following information:

- Vendor—Select the correct vendor in PROMT by confirming that the company location listed the quote matches the company information in PROMT.
- Select Buyer—Select the correct Buyer for your purchase. The current Buyer listing is available on the Purchasing's Website, under "Contact Information", or you can contact the Purchasing Department (or your Business Office), to ask who the current Buyer is for your College and/or the District Administrative Center.

NOTE: If the purchase is for Measure A items, make sure you select the current Measure A Buyer for that purchase.

- Item(s)—Be specific and enter each item as a separate line item in PROMT. When POs are issued, both Purchasing and the vendor see only the description entered in PROMT, so be sure to provide the exact specifications of what you want, such as the manufacturer make and model number, size, quantity, and any additional equipment or accessories that you require. Also include the end-user's name in the description field for the product you are requesting to buy. This will allow your college's Storekeeper to know where to deliver the product. For example "End-user: Ms. Jane Smith".
- Pricing including all taxes, shipping, etc.

Taxes—Make sure you code each line item (of your requisition), as either taxable or non-taxable. You can not enter taxable and non-taxable items on the same line item in PROMT.

Shipping—If the vendor charges for shipping, then ask the vendor if the shipping charge is taxable and enter shipping as a separate line item in the PROMT. Make sure to code shipping as either taxable or non-taxable (per the vendor's instruction).

Note: If shipping is free, indicate this in the description field for the product you are requesting to buy, by indicating "free shipping". Do not generate a separate line item for free shipping as this causes problems in PROMT.

- Delivery—Ship To Location
All items should be shipped to the District Warehouse unless special circumstances exist and arrangements have been made with the vendor and the District Buyer. Only hazardous materials (which the District cannot legally transport), live specimens, and extremely heavy items (requiring a large forklift to move) are allowed to be shipped directly to the colleges, with prior coordination with the Buyer and Warehouse Supervisor. If the item is going to be shipped directly to the campus, the Buyer must be notified and once the items have been received by the campus, the Requestor is to notify

the Warehouse Supervisor, so that the Warehouse can mark the items as received in the PROMT system.

- Budget Account Code –Enter the correct budget account code for each line item in PROMT.

NOTES:

- PROMT routes requisitions to the responsible Manager/Dean and then to the Business/District Manager for approval. Purchasing cannot view requisitions until all approvals are complete in the system.
- After the second level manager approves a requisition in PROMT, PROMT automatically generates a PO number for tracking purposes and emails it to the Requisitioner. However, a PO number in the system does NOT mean that a PO has been issued to the vendor. District Purchasing will issue the PO to the vendor, and once issued, the “PO Status” in PROMT will be displayed as “Dispatched.”

10. STEP 4: SUBMIT PAPERWORK

10.1 Purchases under \$2,500

No written quote is required for purchases under \$2,500. However, if you have written vendor quotes or any other backup documentation, you can forward it to Purchasing via Inter-Office Mail.

10.2 Purchases \$2,500 and under \$10,000

Purchasing cannot process purchases \$2,500 or above without a written quote. Only one quote is required, but you can obtain more at your option. Paperwork requirements for purchases \$2,500 or above depend on how many quotes you obtained and are as follows:

- **One quote:** For purchases \$2,500 and under \$10,000, one written quote from a vendor is required. Immediately after entering the requisition in PROMT, forward the written quote along with the requisition number and any other backup documentation to Purchasing via Inter-Office Mail or Fax.
- **More than one quote:** If you have more than one written quote, you must select the vendor with the lowest price quote and complete a Bid Recapitulation Sheet (available from Purchasing), which summarizes the quotes. Immediately after entering the requisition in PROMT, forward the written quotes along with a Bid Recap Sheet, the requisition number, and any other backup documentation to Purchasing via Inter-Office Mail or Fax.

10.3 Purchases \$10,000 up to \$78,500 (or the current bid threshold)

Three written quotes are required. Immediately after entering the requisition in PROMT (for the lowest price quote), you must forward all three written quotes, along with a completed Bid Recapitulation Sheet, the requisition number, and any other backup documentation to Purchasing via Inter-Office Mail. Purchasing cannot process the PO without receiving the quotes and the Bid Recap Sheet.

11. STEP 5: PURCHASE ORDER

11.1 Purchasing's Goal in Processing POs

The goal of the Purchasing Department is to process all POs within ten (10) business days of receipt. POs which have a valid budget and the proper backup documentation should be processed within three (3) business days of receipt, and all other POs which do not have proper backup documentation or valid budgets, should be processed within a ten (10) day time period.

11.2 Purchasing Issues a PO to the Vendor

Purchasing can see Requisitions in PROMT only after proper approvals from the responsible Manager/Dean and the Business/District Manager have been obtained in PROMT. Once Purchasing can see a requisition, Purchasing verifies the following items before issuing a PO:

- Budget-checks for sufficient funds in the budget account code that you entered.
- For purchases \$2,500 up to \$10,000, verifies receipt of a written quote from the Requestor and/or Vendor. If a Bid Recapitulation Sheet was received to summarize more than one quote, Purchasing compares the information to the quote and verify that the information on the sheet accurately reflects the quotes.
- For purchases \$10,000 up to \$78,500 (or the current bid threshold), Purchasing verifies receipt of three written quotes from the Requestor and a Bid Recapitulation Sheet. Purchasing will then compare the information from the quotes and verifies that the information on the Bid Recap Sheet accurately reflects the quotes.

When Purchasing issues a PO, its status shows as "Dispatched" in PROMT, and Purchasing faxes the PO directly to the vendor.

If there are any problems with the PO, Purchasing sends a notification (usually via email) to the Requisitioner and the Business Manager and does NOT issue a PO until the problem is resolved.

12. STEP 6: CONFIRMATION

Within ten days of entering a requisition, look it up in PROMT to confirm that a PO number has been issued, and that the "Status" shows as "Dispatched". If the status shows Dispatched, this means Purchasing has processed the PO and has faxed it to the Vendor. If it shows "Pending" and you open the requisition and it states "No Documents", this means the Requisition has not yet been approved by the second level manager. Contact your second level manager (i.e., Business Manager for your college or District Vice Chancellor) and request that they approve your Requisition. After the second level manager has approved the Requisition, wait for 2-4 hours and recheck the status. If it fails to show as "Approved", then contact the IT Department to report the problem.

13. ATTACHMENTS

None.

