



**OAKLAND  
COMMUNITY  
COLLEGE™**

### **Administrative Policy**

Policy Type: Business Management  
Policy Title: General Purchases  
Policy Number: 3.2.2  
Office Responsible: Business Services  
Related Policies:  
Related Procedures:

#### **Policy Statement**

This policy governs the acquisition of all goods and services deemed necessary to support the operations of the College. By approval of the annual budget, the Board of Trustees authorizes administration to spend up to the total amount indicated in the annual budget. Maximum value including, cost, quality and service, shall be sought for each dollar expended while serving the best interests of the College in all transactions. This policy presents basic guidelines for the purchase of goods and services. In all procurements the purchaser shall act in the best interest of the College to determine the greatest value and promote a fair and competitive process among vendors. Purchase decisions may be made on lowest price, but all factors such as warranties, service, additional fees, delivery schedule and quality shall be considered. A Purchase Order is a legally binding agreement between the College and the Supplier. The purpose of a Purchase Order is to encumber funds within the budget and serve as a promise to pay for goods or services.

College purchasing shall occur within defined authority, approved policies and procedures and in accordance with State and federal guidelines and rules for public procurement.

#### **Delegation of Authority**

The procurement of goods and services is the responsibility of the Vice Chancellor for Administrative Services acting on behalf, and through the authority of the Chancellor and the Board of Trustees. The Director of Purchasing and Auxiliary Services, through the authority of the Vice Chancellor for Administrative Services is responsible for the implementation and oversight of this policy. The Director of Purchasing and Auxiliary Services is responsible for reviewing and updating the policy when necessary.

#### **Purpose**

The purpose of this policy is to delineate (1) the authority and responsibility of the Purchasing Department, (2) the procedures and processes to be utilized by the Purchasing Department to ensure a continuous supply of goods and services necessary to support student learning, instructional support, and College administration and operation, and (3) the scope of the policy.

The responsibility of the Purchasing Department includes:

- A. Provide purchasing services in an effective and efficient manner.
- B. Maintain public confidence in the procedures and processes used by the College in purchasing

goods and services through an open and competitive process.

C. Ensure fair and equitable treatment of all persons who seek to provide goods, supplies and services to the College.

D. To procure equipment, materials, supplies and services in a timely manner, at prices that are fair and reasonable and provide the overall best value to the College.

E. Establish and maintain safeguards to ensure a purchasing system of high quality and integrity.

### **Economic & Efficient Purchasing**

A. Before issuing final approval on a requisition, the approving supervisor must review the proposed goods and services to avoid the purchase of unnecessary or duplicative items.

B. When determining the proper solicitation method, the buyer will consider consolidating or subdividing procurements to obtain the most economical purchase.

C. The operating department requesting the purchase must submit a requisition (i.e. proposed budget amount via Colleague requisition) before requests for bids or proposals are issued.

D. When appropriate:

1. The buyer will conduct an analysis to determine if leasing, purchasing, or another appropriate purchase method is most economical.

2. State and local intergovernmental and inter-entity agreements or use of common or shared goods and services are encouraged (e.g. publicly bid and awarded consortia agreements).

### **Procurement of Goods and Services**

Procurement of College goods and services through the commitment of College funds may be transacted via the following methods:

1. Purchase Requisition/Purchase Order
  - a. Small Purchases – Less than \$10,000
  - b. Intermediate Purchases –\$10,000 but less than \$25,000
  - c. Large Purchases – \$25,000 and greater
2. Direct Purchase/Check Request
3. Blanket Purchase Order
4. Purchasing Card (“P-Card”)

#### **1a. Small Purchases are those that are less than \$10,000**

The College has a decentralized purchasing authority for Small Purchases. Competitive bidding is not required for an individual purchase with an anticipated value, including shipping charges, less than \$10,000; however, the requesting department must investigate pricing options to ensure it is making a sound economical purchase. Purchasing retains the right to obtain additional quotes and make the final selection. A purchase order is required prior to making the purchase. A department may request that Purchasing assist in obtaining competitive quotations for any procurement.

1b. Intermediate Purchases are those that are 10,000 but less than \$25,000

Purchasing Services must be involved to insure compliance with applicable policies and statutes and a purchase order is required prior to making the purchase. Purchasing will request at least three (3) competitive quotations or bids from different vendors. The College is bound to accept the lowest qualified bid. If a department does not agree to the lowest bid, a written justification must be sent to Purchasing for approval. Purchasing retains the right to obtain additional bids and make final selection for contract/award.

1c. Large Purchases are those that are \$25,000 and greater

Purchasing Services has the overall responsibility for the solicitation, evaluation, contract and award of all large purchases. Purchasing Services must be involved in the complete process to insure compliance with applicable policies and statutes. A purchase order is required prior to making a purchase. All procurement transactions in this category must be processed by Purchasing. Purchasing will determine the best competitive bid process for each purchase on a case by case basis.

The College is bound to accept the lowest qualified bid. If a department does not agree to the lowest bid, a written justification must be sent to Purchasing for approval. Purchasing retains the right to obtain additional bids and make final selection for contract/award.

All large purchases must be approved by the Chancellor and/or the Vice Chancellor for Administrative Services. Contracts \$50,000 and greater must be signed by the Vice Chancellor for Administrative Services.

2. Direct Purchases

For purchases which are less than \$1,000 a purchase order is not required; however are still available if required by the vendor. Once the invoice is received a Request for Check (FS-09) form must be processed accordingly for proper payment. Common uses for Direct Purchases include but are not limited to, memberships, emergency repairs and registration fees. The individual placing the order not only must have the proper authority to do so, but also has the responsibility to make purchases that are in the best interest of the College. Direct purchases are still required to be accompanied by a contract (such as an independent contractor agreement) when applicable. All purchases must be made within the confines of the allotted budget.

3. Blanket Purchase Orders

A Blanket Purchase Order is a contractual agreement that allows a set dollar amount to be spent in multiple payments throughout the fiscal year with a specified vendor. A Blanket Purchase Order greater than \$10,000 may be used when a vendor has been established through the appropriate purchasing policy, and will be used throughout the fiscal year for repetitive purchases. A single blanket purchase order in the amount of the anticipated annual spend per vendor should be requested each fiscal year.

4. Purchasing Card ("P-Card")

The P-Card program allows approved employees to make small dollar purchases for goods and services, except where prohibited, directly from vendors. The program is designed to make procurements easier and more convenient by reducing the number of small dollar requisitions,

personal funds transactions and check requests. It is the cardholder's responsibility to be aware of and comply with the P-Card restrictions and requirements as provided at the time of issuance. Each cardholder is responsible for ensuring that purchases support the mission of the College. Cardholders must ensure that all purchases are fiscally responsible, within budget or funding constraints and adhere to all College policies and procedures.

All charges made to the card are billed directly to the College, therefore no personal or non-business related items may be charged to the P-Card. Any violation of this policy could lead to disciplinary action including termination from the College.

### **Competitive Solicitation**

- A. All procurement transactions for the acquisition of goods or services will provide full and open competition.
- B. Contractors who draft or develop specifications, requirements, statements of work, invitations to bid, or requests for proposals must be excluded from competing for said projects
- C. The College shall not:
  - 1. Place unreasonable requirements on organizations for them to qualify to do business with the college;
  - 2. Award contracts that have a real or apparent organizational conflict of interest
  - 3. Specify only a brand name product without allowing for an equivalent alternate in which the required performance and other relevant characteristics of an equivalent alternate are clearly defined;
- D. Procurement solicitations must adhere to the following:
  - 1. Include a clear, adequate and realistic description of the technical requirements (for materials, products, or services). The description may not contain features that unnecessarily restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth the minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use.
  - 2. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equivalent alternate description may be used as a means to define the performance or other requirements, however, the required performance and other relevant characteristics that constitutes an equivalent alternate must be clearly stated.
  - 3. All requirements vendors must fulfill to be considered for award are clearly defined.
  - 4. Request for Proposals (RFP) must be publicly advertised
  - 5. The college must have a documented method for conducting evaluations of the proposals received to make selections

6. The award must be provided to the responsible vendor whose proposal is the most advantageous, price and all other factors considered. A. When contracting for architectural and engineering (A/E) services, geographic location may be considered provided that when applied, there remains an appropriate number of qualified firms to compete given the nature and size of the project.

**Non-Competitive Purchases/Sole Source**

A non-competitive purchase/sole source procurement must be thoroughly documented and supported. Previous satisfactory experience with a vendor by itself is not justification for a sole source. A quotation and documented proof of sole source must be requested from the vendor. Further negotiation of price, delivery, and terms should be done to reduce the overall cost. Submission of justification to Purchasing Services is required and final decision as to the validity of the sole source will be reviewed. Purchasing has the final authority to approve a sole source purchase.

**Suspension and Debarment**

The College is prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred by the federal government. The College will assure compliance to this federal regulation via confirmation from the Federal System for Award Management (SAM).

**Change Log**

8/21/1980	Initial approval (3.4.3)
7/26/1990	Revised (3.4.3)
1/17/2017	Repealed (3.4.3)
11/18/1996	Revised (3.4.2)
5/17/2010	Revised (3.4.2)
1/17/2017	Revised (3.4.2)
1/17/2017	Revised (3.4.1)
7/1/2018	Effective date (formerly 3.4.1, 3.4.2 and 3.4.3)
6/25/2019	Updated to add Suspension and Debarment section.
8/8/2023	Updated small purchase threshold and incorporated auditor recommendations.