



# **PURCHASING PROCEDURES & POLICIES TRAINING**

December 2020

# How do I find information about Purchasing?

- Both CougarMart and the Intranet Pages can be accessed through CougarWeb and provide information from policies and procedures to CougarMart Guides and Staff Information.
- Contact the Staff person that is listed for the department or commodity on the Purchasing Intranet site.

(<http://inside.collin.edu/purchasing/staff.html>)

## Who do I contact in Purchasing?

- If related to a specific purchase, contact the buyer for that department or commodity listed on the Purchasing Intranet site or the buyer that placed the order.
- To expedite a requisition in the Purchasing Approval queue, contact Karen Bell or Jennifer Wright (only in their absence, contact Cindy White).
- CougarMart Training, contact Cyndy Smith.

## Who do I contact in Purchasing?

- For review of an agreement **not** associated with a requisition, contact Jane Rogers.
- For vendors requesting a tax exempt form or requesting a credit application be filled out, contact Jill Stine.
- For access to CougarMart, contact Cyndy Smith.
- For purchases related to furniture and equipment for new campuses, contact Emily Adams or Jill Stine.

# How do I get access to Cougarmart?

- For new hires: Hiring supervisor completes the IT Services Request Form sent from the Help Desk. Supervisor should select Banner-Finance and Banner-Purchasing (Cougarmart)
- Purchasing staff will create profile in Cougarmart after Banner access is set up by Business Office staff.
- Cougarmart Training is required before access to the production site is granted.
- If for an existing employee who has not had Cougarmart access in the past or has transferred to a new position, supervisor should notify Cyndy Smith.
- Profile will be created as indicated for new hires.
- Cougarmart Training is required before access to the production site is granted.

# CougarMart Training

- CougarMart Training is completed by watching a video online and taking a short test afterwards.
- CougarMart Training consists of Requestor Training and Approver Training. It is recommended that Approvers complete both trainings so they will understand what they are reviewing and approving.
- CougarMart Training can be accessed anytime you need a refresher, as well as access to CougarMart guides.

[http://inside.collin.edu/purchasing/banner\\_instructions.html](http://inside.collin.edu/purchasing/banner_instructions.html)

# Are there cut-off dates for requisitions?

## ➤ What are the various requisition cut-off dates?

- ✓ May 1<sup>st</sup> for purchases over \$50,000 that require a bid or board approval
- ✓ July 15<sup>th</sup> for purchases with long lead time
- ✓ August 15<sup>th</sup> for all others
- ✓ Must be delivered & received by August 31<sup>st</sup>

## ➤ When does my requisition and specifications, if necessary, have to be to Purchasing in order to make the Board Agenda for a certain month?

CW1

[http://inside.collin.edu/purchasing/board\\_agenda.html](http://inside.collin.edu/purchasing/board_agenda.html)

## ➤ Please note, Board meetings are typically not held in July or November, plan accordingly!

## Slide 7

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**CW1**

This information is outdated and needs to be updated. We'll work on that next week.

Cindy White, 9/18/2020



# Purchasing Function Governance

## ➤ Centralized Purchasing

- ✓ Purchasing places all orders for all campuses, department & divisions, with few exceptions
- ✓ All requests must be entered in CougarMart and routed through the approval path
- ✓ Bid thresholds are determined by the entire District spend
- ✓ Bid solicitations are done on behalf of the entire District

## ➤ Texas Education Code 44.031

## ➤ Government Code 2269 – Construction

## ➤ Government Code 2254

- ✓ Professional and Consulting Services

# Special Considerations for Public Works Projects

- Public Works as defined in Texas Government Code 2269.001 (6) - "Public work contract" means a contract for constructing, altering, or repairing a public building or carrying out or completing any public work.
  - Not like for like
- Texas Occupations Code 1001.053
  - A public work that involves electrical or mechanical engineering over \$8,000 requires an engineer's seal
  - Any public work over \$20,000 requires an engineer or architecture's seal
- Workers' Compensation coverage is required in the State of Texas for any company that contracts with government entities.
  - Exception is granted for a sole proprietor, where the owner of the company or a family member of the owner is performing the work.

# Job Order Contracting

- Texas Government Code 2269.401 - "job order contracting" is a procurement method used for maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is of a recurring nature but the delivery times, type, and quantities of work required are indefinite.
  - the work is of a recurring nature but the delivery times are indefinite; and
  - indefinite quantities and orders are awarded substantially on the basis of prescribed and prepriced tasks.
    - The governmental entity shall establish the maximum aggregate contract price when it advertises the proposal.
    - The governing body of a governmental entity shall approve each job, task, or purchase order that exceeds \$500,000.
  - establish contractual unit prices (which Gordian will be doing)
  - offerors to propose one or more coefficients or multipliers to be applied to the price book
  - The governmental entity may award job order contracts to one or more job order contractors in connection with each solicitation of proposals.

# Purchasing Thresholds

- Determined by total purchase, not line item
- Less than \$10,000 – one current price quote required from requesting department
- \$10,000 - \$49,999 – Department or Purchasing obtains three (3) written price quotes
  - ✓ Allow Purchasing to obtain quotes for goods/services that are annual or involve several departments.
- \$50,000 and over – Purchasing solicits formal bids or proposals
  - ✓ legal notice requirements apply

Notes: Purchases for goods & services under contract or purchased through a cooperative only require one price, regardless of cost. Purchases with grant funds, even Innovation Challenge grant funds, are required to follow Purchasing Procedures.

## Purchasing Thresholds, cont.

- All expenditures of \$100,000 or more must have Board approval before a purchase order is processed
- Board approval of the Budget does not mean that the Board has approved the purchase
- Thresholds are determined by the aggregated amount spent within a 12 month period, District-wide
- Purchase orders will not be processed until required quotes, bids, proposals, sole source documentation and approvals are received

For the past six months we have discussed and agreed on our requirements, and chosen our route to market. With two weeks before we start the tender process i thought it would be nice to invite the Head of Procurement in so he can finish it all off for us...



# P-Cards

- All purchases must be entered in CougarMart as requisitions except:
  - ✓ P-Cards - should be used in lieu of submitting a requisition for the following items only:
    - Subscriptions
    - Memberships
    - Newspaper Ads
    - Postage (bulk mailings)
- Should be used for small purchases for items that are not under contract.

# Quotes

- When requesting quotes, whether written or verbal, requirements should be clearly communicated to the vendor(s).
- Consistent requirements should be communicated to each vendor.
- List all requirements for goods and services.
- Shipping Terms
- Location
- Are there special needs?
- Use of e-mail for obtaining quotes



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Hello, Procurement? There appears to have been a mix up with my request for a new computer.

# Bid/RFP Specifications

- The information that you provide on your requisition or attached specifications will be used to create the solicitation
- Information should be clear, concise and must not be restrictive
- Having a vendor write bid specifications is considered a conflict of interest and that vendor will be prohibited from bidding
  - ✓ Vendors tend to write restrictive specifications that will prohibit other vendors or products from meeting the specifications

# Bid/RFP Specifications, cont.

- Things to consider when preparing specifications:
  - ✓ Timelines: When do you need it?
  - ✓ Issues that can affect timeliness of deliveries
    - Stock outs, backorders
    - Economic, environmental or political issues
    - Time of year
    - Force Majeure
  - ✓ Where do the goods need to be delivered or services need to be performed?
  - ✓ Is there a specific room or location inside the building that the goods need to be delivered to?

# Specifications:

## Things to consider, cont.

- ✓ Is there installation involved? If so, who is going to do the installation? Does the vendor provide installation?
- ✓ Provide a specific or estimated quantity
- ✓ Are licenses or certifications required?
- ✓ Warranty, training, support
- ✓ Who are the vendors that can provide the goods or service?
- ✓ What evaluation factors need to be considered?
- ✓ Will there be any changes to the facility or anything related to the facility that will need to be considered?
  - ✓ Get Facilities Manager or Director of Facilities and/or Construction involved early on.



# Specification Resources

- Need help writing your technical specifications?
  - ✓ Contact Purchasing for great specification resources
  - ✓ Contact other agencies that have purchased the same item or service
- The earlier that you involve Purchasing in the process, the better.



# Why do we award to the low bidder?

- We don't! Per statute, in determining to whom to award a contract, the District shall consider:
  - ✓ The purchase price;
  - ✓ The reputation of the vendor and the vendor's goods or services;
  - ✓ The quality of the vendor's goods or services
  - ✓ The extent to which the goods or services meet the District's needs;
  - ✓ The vendor's past relationship with the District;
  - ✓ The impact on the ability of the District to comply with laws and rules relating to historically underutilized businesses;

# Evaluation Criteria, cont.

- The total long-term cost to the District to acquire the vendor's goods or services;
- for a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner:
  - ✓ has its principal place of business in this state; or
  - ✓ employs at least 500 persons in this state; and
- Any other relevant factor specifically listed in the request for bids or proposals\*

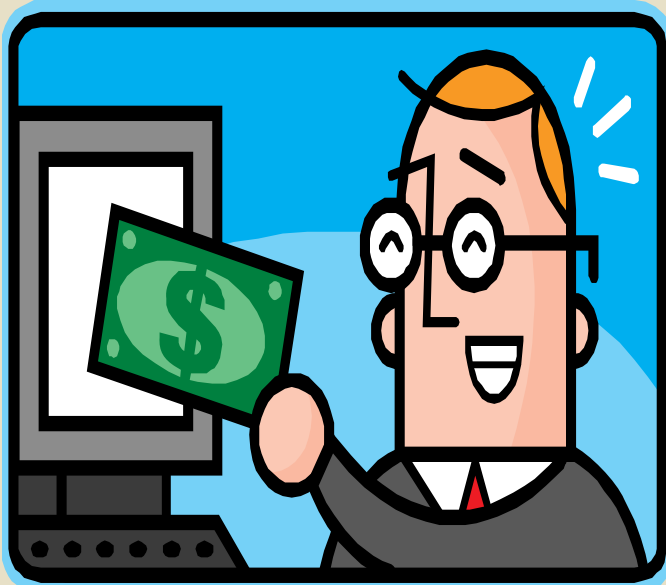
\*You must be able to justify listing these factors and be able to justify your recommendation based on any of the criteria!



# Cooperative Purchasing

- The District participates in several cooperative purchasing programs that offer volume discounts for items commonly purchased by a number of public entities. Links to the cooperatives are available here:  
[http://inside.collin.edu/purchasing/general\\_procedures.html#Cooperative](http://inside.collin.edu/purchasing/general_procedures.html#Cooperative).
- Purchases made through a cooperative may satisfy the competitive bid requirement
- Cooperative Purchasing Programs
  - Choice Partners
  - TIPS
  - State of Texas & DIR
  - Omnia Partners
  - Buyboard
  - E & I Cooperative
  - Collin County Governmental Purchaser's Forum
  - National Joint Powers Alliance (NJPA)
  - Tarrant County Cooperative Purchasing Network
  - GSA Schedules 84 & 70
  - National Cooperative Purchasing Alliance (NCPA)
  - H-GAC
  - Interlocal Agreements with other Community Colleges

# Sole Source Purchases



- When a product or service can only be provided by one vendor, the department must provide sole source documentation to Purchasing as back-up before the order will be processed or taken to the Board for approval. Sole Source Form in CougarMart must be submitted annually.
- [http://inside.collin.edu/purchasing/general\\_procedures.html#SoleSourcePurchases](http://inside.collin.edu/purchasing/general_procedures.html#SoleSourcePurchases)

# Open Purchase Orders

- Open purchase should be based on the amount that you spent with the vendor the previous year.
- Change orders can be done on Open Purchase Orders, if PO is still open.
  - ✓ The Declining Balance Open PO will track the remaining balance of the Open PO
- The privilege of having open purchase orders is to allow you to get the items you need when you need them and should only be used for:
  - ✓ emergency purposes
  - ✓ many small dollar purchases are anticipated for supplies throughout the year.
- If it appears that open purchase orders are being abused, then privileges will be suspended.

# Open Purchase Orders, cont.

- Receipts/invoices must be attached to the receiver in CougarMart and must have the organization manager's approval.
- If notices from AP requesting receipts/invoices have to be sent more than once, privileges will be suspended.
- Quantity should be "1"
- Cost Receipts must be done on a per purchase basis in CougarMart. **DO NOT RECEIVE ALL!**
- Include names of authorized staff.
- Home Depot Open POs must include last 4-digits of account number (1439), exact name with middle initial as on formal ID required, and DOB for all new users.
- Open purchase orders should not be done for purchase orders that are paid the same amount on a monthly basis.

# Change Orders

- Change orders cannot be done on purchase orders that are at the completely received stage. A new requisition must be entered.
- Change order requests will be reviewed on an individual basis. It is the department's responsibility to make sure that funds for the additional cost are available in their budget.
- Change orders increasing the cost at any amount for items that were approved by the Board or for changes that will cause the total purchase to exceed \$100,000 will require Board approval.

# Invoices That Exceed PO Amount

- Accounts Payable will handle invoices that exceed the amount of the PO as follows:
  - ✓ \$50 or less – Payment is processed with no additional approvals
  - ✓ \$50.01 to \$499.99 – Department approval is required, but a change order is not processed through the system. AP will obtain approval through the department
  - ✓ \$500 and greater – Ordering department must process a change order request in CougarMart and Purchasing will process the change in CougarMart and Banner
- A change order must be done if you are adding items to an order.

# Electronic Bidding

- Vendors self-register to receive solicitations in their respective fields
- Vendors can view opportunities and respond online
- System is used for formal, sealed solicitations, as well as informal quotes
- Submitted responses are locked until the date and time of closing
- System automatically tabulates the bids
- Vendors can view bid tabulations online
- An active vendor in the bidding system does not mean they have been awarded a contract
- Vendor Registration Link:
- <http://www.collin.edu/purchasing/vendorreg.html>

# Emergency Purchases

- Must be entered into CougarMart and expedited through the approval path by the requesting department
- Emergency expenditures are defined as follows:
  - ✓ To remove hazards
  - ✓ To protect property
  - ✓ To protect people
  - ✓ To alleviate financial loss
  - ✓ To alleviate operation damage
  - ✓ To expedite repairs





➤ Anyone who makes a purchase in a manner, which does not follow established purchasing procedures, enters into a private transaction with the vendor, and assumes responsibility for payment. Confirming orders are not acceptable! The requesting department should enter a requisition and call all approvers on the approval path to expedite approval of the requisition. The requesting department should then contact the Purchasing Department to request that the requisition be processed promptly.

# Signatory Authority

- District President
- Chief Financial Officer >\$25,000
- Director of Purchasing <\$25,000
  - ✓ These are the only individuals at the college that are authorized to sign contracts, agreements, or anything that obligates the college financially.
  - ✓ Even though the agreement may not have a dollar value, there could be terms included that would obligate the college financially.
  - ✓ Contracts, agreements, etc. should be attached to the requisition, Purchasing will review and suggest any changes that need to be made and, once agreed to by vendor, will obtain signature.

# Receiving

- Receiving should be done in CougarMart as soon as the goods/services have been completed to insure prompt payment to the vendor
- Document shortages and overages
- Only approve payment for quantity/cost actually received
- Partial payment
- Items should be checked-in immediately
- Before signing for goods, check boxes for damage.
- If there is damage to the box, check to make sure the contents are not damaged.
- If contents are not damaged, you can go ahead and accept delivery.

## Receiving, cont.

- If contents are damaged, notify the vendor immediately.
- If damage that could not be detected upon receipt is noticed when the goods are put to use you need to notify the vendor immediately.
- Always test goods to make sure there are no latent defects.

# Shipping Terms

- **F.O.B. (Free on Board)** determines the point at which title or ownership transfers and responsibility for the goods while in transit.
  - ✓ **F.O.B. Destination:** Shipper maintains ownership and is responsible for the goods until received by the college at the destination indicated on the purchase order.
    - Any loss or damages would be handled by the shipper.
  - ✓ **F.O.B. Origin:** College takes ownership and responsibility once the goods leave the shippers location.
    - Any loss or damages would be handled by the buyer.



# Shipping Costs

- Important to include shipping costs on the purchase order.
- Ask vendor to include shipping in their price or give a separate price.
  - ✓ Ideal shipping term is F.O.B. Destination, freight prepaid and allowed.
    - Shipper pays freight, owns goods in transit and files claims.

# Vendor Documentation & Contract Compliance

- Always document unsatisfactory performance by a vendor and send to Purchasing to keep on file. You never know when unsatisfactory performance will become habitual, so keep good records in order to support any future debarment of the vendor or actions against the vendor.
- It is the departments responsibility to make sure vendor is complying with the terms and conditions of the contract.
  - ✓ Never agree to different terms without consulting Purchasing and putting those changes in writing.

# Contract Terms & Fiscal Year Terms

- Contract Terms can occur throughout the year
  - ✓ Purchase orders based on contract term should be entered for the remaining months of the fiscal year
  - ✓ Departments should notify AP Supervisor that PO should be left open if goods/services will not be received by the end of the FY
  - ✓ Budget is not rolled
- Open purchase orders should be done for the FY
  - ✓ Open POs are closed at the end of the FY



# Catering – America To Go (ATG)

- All catering orders that are not being provided by in-house catering should be placed through a punch-out in CougarMart (Pizza is an exception)
- When changing an order, please do not contact the restaurant/caterer, contact ATG Customer Service
- Be aware of tips/delivery fees on quotes
- Deposits can be paid for events over \$5k
- To have restaurants/caterers added, please contact Vivian Bordon at [vivian.bordon@americatogo.com](mailto:vivian.bordon@americatogo.com) and copy Herbert Harper in Purchasing at [hharper@collin.edu](mailto:hharper@collin.edu)
- Direct all ATG questions to Herbert
- Customer Care can be reached 24/7 at:
  - 866-ATG-TOGO
  - [customerservice@americatogo.com](mailto:customerservice@americatogo.com)

# Amazon

- Herbert Harper is the internal contact for Amazon order questions
- Email with all the details you need to know sent on 9/29/17 from Cyndy Smith
- Orders outside 45 day window for delivery
- Currently, free two-day shipping on all orders shipped by Amazon
- User account tied to Collin email
- All Amazon orders reviewed by Purchasing
- Pay attention to ship from information
- Select the correct campus to ship to
- Some quantity restrictions apply

# Procurement Cards (P-cards)

- Quickly approaching 200 cards issued
- Currently p-cards reconciled through CougarMart
- Future: anyone that travels or supports someone who travels will have p-cards
- Future: P-cards will be reconciled through Concur and statements will download directly to Concur
- Future: P-cards will replace open POs, check requests and petty cash
- P-cards are used for items that would normally be paid for with the above forms
- Training and supervisor approval required for p-card issuance

# Closing Remarks

- Always plan ahead!
- Get Purchasing and Facilities involved early!
- Document, document, document!
- Get it in writing!
- Use CougarMart and the Purchasing Department Intranet site as a resource!

<http://inside.collin.edu/purchasing/index.html>

- Questions???