

Active
Approved
January 27, 2009
Last Revised
July 15, 2016
Last Reviewed
July 15, 2016

AP 6330 PURCHASING

References:

Education Code Sections 70902 and 81656;
Public Contract Code Sections 20650 and 20651

The Purchasing Department shall conduct or supervise all purchases except for those made by the District bookstore operations. All contracts exceeding \$1,000 and all purchase orders shall be presented to the Board of Trustees for approval no later than 60 days following administrative approval.

Contracts for products or services may only be approved by designated administrators as set forth in AP 6340 titled Bids and Contracts.

Purchase orders exceeding the bid limit require approval by the Board of Trustees prior to payment.

Conflict of Interest

No employee shall state or imply to the public that the District has a preference for a certain product or service. Employees shall not profit from a sale to the District except in such instances where the employee has been instrumental in the production of the product apart from services due the District in the course of employment. An employee shall not attempt to personally benefit in any way through vendor purchases, such as accepting gifts, lunches, etc. Violation of this provision shall be grounds for disciplinary action.

Employees shall not use the District purchasing processes to make personal purchases unless such opportunity is approved by the Board of Trustees for every employee. Nor shall any attempt be made to gain special treatment in a purchase due to the employee's relationship in the District.

Purchasing Calendar

Annually, prior to March 31st, the Chief Business Officer or designee shall establish a current fiscal year-end purchasing calendar establishing deadlines for the submission of purchase-related endeavors.

Claims for expenses incurred in the last month of the fiscal year shall be submitted by June 31st.

All purchase requisitions generally shall be processed before May 30th for the current fiscal year.

Purchasing Manual

Annually, the Chief Business Officer or designee shall update and disseminate a "Purchasing Policies and Procedures" manual for use by District employees. All employees are expected to follow this manual for purchases, paying particular attention to deadlines and timelines necessary to receive purchased products and services by June 30th.

Requisitions

A requisition is required for all materials and services except:

- Petty Cash form shall be used for any reimbursement \$50 or less.
- A request for check shall be used for items or services \$1,000 or less, or for conferences attended by employees, subscriptions, memberships, or yearly fees (not including license renewals) regardless of the dollar amount as specified on the Direct Request for Check form.

All requests for supplies, services and equipment shall be forwarded through the District's approval process.

All requisitions for materials shall be accompanied by a valid quote no more than 30 days old (unless otherwise stated on the quote) that includes shipping and handling, tax, and all other charges. A quote from a website is not acceptable unless pre-approved by the Purchasing Department. The quote shall match the requisition exactly except the tax percentage or the omission of tax on an out-of-state purchase. Back-up documentation pertaining to the requisition shall be forwarded to the Purchasing Department with the requisition number referenced on it before the requisition shall be processed.

Requisitions shall include each receivable item as a separate line item. If it is possible for it to ship separately, it shall be on a separate line item.

All charges (i.e.; shipping and handling, gasoline surcharges, art charges) shall be included as a line item.

All receivable items on requisitions for purchase orders shall be charged California Santa Clara County Sales & Use Tax in the requisition whether or not it is being charged on the quote or invoice even if the vendor is out-of-state and states whereby no Sales & Use Tax is required.

All commitments for repair service shall be made by the Purchasing Department or its designee.

Requisitions for Hazardous Materials shall request a Material Safety Data Sheet (MSDS).

Requisitions for electric tools and equipment shall meet Cal/OSHA safety standards and the specific compliance code shall be referenced.

Selection of Material

Selection of the material needed is a prerogative of each using department. The Purchasing Department shall have the authority to question the specifications of material requested and to make recommendations relative to safety, health, economy, and the possible substitute materials. Disagreements over materials that cannot be reconciled between the Purchasing Department and the using department shall be forwarded to the Chief Business Officer for resolution.

Advance Payment

The District may pay in advance for postage stamps; permits; conference registration, airfare, and hotel expenses; subscriptions to or purchases of rentals of newspapers, magazines, periodicals, single copies of books, films, filmstrips, recordings, and other publications; for the maintenance of equipment under agreements not exceeding one year. Furthermore, the District may pay in advance for leases of real property when such action results in a decrease in the cost to the District; or may pay in advance for other goods or services when such goods or services cannot be secured without payment in advance. Such prepayments for other goods or services are discouraged and need prior approval in writing by the Chief Business Officer or designee and shall be processed via a requisition.

All furniture requests for a new work space/classroom or to revise a current work space/classroom shall go through the District's Facility Department to maintain standards on functionality, safety, pricing, and maintainability.

No goods or services may be rendered totaling over \$1,000, prior to the vendor having a hard copy of the purchase order signed by the Chief Business Officer or designee.

No changes are to be made to a purchase order without written authorization from the Purchasing Department.

Blanket Purchase Orders

Blanket Purchase Orders shall be requested if:

- More than two orders per year with the same vendor are expected.
- The requisition covers many items.
- Only an estimate of repair costs is available.
- A number of changes in the order are anticipated.
- An Independent Contract Agreement is executed.
- A Service Contract is executed.

Final Authority

It shall be the responsibility of the Purchasing Department to determine whether or not a requisition is in accordance with District policy and procedures. If disputes arise that cannot be settled by mutual agreement, the Chief Business Officer shall make the final decision.

Receiving Goods and Delivery of Materials

A central warehouse shall be maintained under the direction of the Chief Business Officer or designee.

With the exception of mail delivery of books and periodicals, unless the items being requested are extremely heavy, are being installed by the vendor, contains hazardous

chemicals, or are otherwise specified, all materials shall be delivered to the District's Central Warehouse ("Warehouse") for inspection. District employees not assigned to the Warehouse shall not normally accept direct delivery from a vendor. The Warehouse shall arrange for prompt redelivery of materials to the requestor.

Questions regarding incorrect quantities or wrong items received, substitution of received materials, return of inadequate merchandise, etc. shall be referred to the Warehouse for transmittal to the supplier.

No returns for items under \$25.00 are permitted unless approved by the Warehouse.

Procurement Cards

The State of California Department of General Services entered into a Master Services Agreement with IMPAC Government Services for VISA card services. The program allows the use of the Procurement Card for making small dollar purchases of materials and services.

Using the Procurement Card will save time and money for the District, largely through consolidating and streamlining paperwork. The Cardholder, in particular, will find the Procurement Card convenient for small dollar purchase of materials and services:

- Making walk-in purchases.
- Placing telephone orders.
- Placing orders for publications, subscriptions, dues/memberships, etc.
- Confirming hotel travel accommodations.

General Information

In order to expedite the purchase and accounting of low-cost and infrequently needed items, the District may issue a Procurement Card to an employee whenever there is sufficient benefit to the District.

The request for a Procurement Card shall be initiated by the Area Administrator, typically the requestor's manager following processes defined within the Procurement Card Procedures Handbook.

The Cardholder shall adhere to limits and restrictions that have been specifically assigned to each Procurement Card.

Purchases shall be:

- Limited to materials and services – NO EQUIPMENT OVER \$200.00 ALLOWED WITHOUT PRIOR WRITTEN APPROVAL FROM THE DISTRICT PROGRAM COORDINATOR! Each Procurement Card will be assigned a "per transaction" and a per-monthly billing cycle dollar limit based upon employment and need.

- For materials and services that are low in cost and required infrequently.
- In compliance with the San Jose/Evergreen Community Purchasing Policies and Procedures
- Not for personal use.

Cardholder's responsibilities:

- The requestor shall read, complete, and sign the Procurement Card Application and Agreement; then forward both documents to the Area Administrator for consideration and signature.
- After consideration and signature, the Area Administrator shall forward the documents to the Business Services Supervisor for consideration and signature; then he/she will forward the documents to the District Program Coordinator.
- The District Program Coordinator will review the documents and forward to the District Chancellor, College President, or Vice Chancellor, whoever deemed to be the most appropriate, for approval. Once approval is received, the District Program Administrator will process the application and upon receipt of the Procurement Card shall contact the Cardholder.
- The cardholder shall sign his/her card in the presence of the District Program Coordinator immediately upon taking possession of the procurement card.
- The Cardholder may then activate the Procurement Card and begin to make purchases.
- The Cardholder shall obtain original itemized receipts for all purchases. All receipts shall be itemized and include the following information:
 - Date of purchase.
 - Description of items purchased.
 - Quantity of items purchased.
 - Price per item purchased.
 - Amount of sales tax.
 - Shipping/handling charges, if applicable.
- Upon receipt of the Procurement Card Statement, the Cardholder shall fill out the Procurement Card Monthly Purchase Report. This report and the original itemized receipts are to be attached to the Statement. If there are any receipts from a conference, a copy of the approved Request for Conference Attendance Form shall be attached. This reconciled packet is to be forwarded to the Area Administrator within five working days after receipt of the Statement.
- The Cardholder shall be responsible for any discrepancies with the Procurement Card Statement. Responsibility includes resolving disputes with the vendor, explanation of the specific charge, etc. Disputes with the vendor that cannot be resolved between the Cardholder and the Vendor shall be forwarded to the District Program Coordinator.

- The Cardholder shall note discrepancies on the Procurement Card Monthly Purchase Report.
- The Cardholder is responsible for advising the District Accounting Department of any “credits” due against the Procurement Card Statement as a result of any discrepancies.
- If there are any disputes, the Cardholder shall complete the “Cardholder Statement of Questioned Item Form”, fax to the number listed at the bottom of the form, attach a copy to the monthly reconciled packet, and forward a copy directly to the District Program Coordinator.

Area Administrator’s responsibilities:

- The Area Administrator consideration and signature of the Procurement Card Application is required before the request will be forwarded through the approval process.
- The Area Administrator will receive a Procurement Card Statement listing Cardholder’s monthly activity.
- The Area Administrator is responsible for receiving and reviewing the Cardholder’s reconciled packet to ensure the purchases are appropriate and not prohibited and that proper documentation is included.
- The Area Administrator shall forward signed Cardholder’s reconciled packet through the approval process to the Business Services Supervisor within five working days after receipt of the reconciled packet from the Cardholder.

Business Services Supervisor’s responsibilities:

- Reviewing the documentation to verify correct assignment of appropriate budget accounts and funds availability and forwarding the approved reconciled packet to the District’s Accounting Department within five working days after receipt of the approved packet from the Area Administrator.

District’s Accounting Department’s responsibilities:

- Processing the payment against the reconciled packet received within 15 working days after receipt of the approved reconciled packet.
- Reconciling Procurement Card Statements involving disputes to apply appropriate credits against appropriate accounts.
- Maintaining appropriate Procurement Card documentation for annual audit financial reports.

District Program Coordinator’s responsibilities:

- The District Program Coordinator shall be the liaison between the State Department of General Services Cal-Card Program Division and the District. The District's Executive Director of Fiscal Services is designated the District Program Coordinator.
- Reviewing and forwarding the Procurement Card Application Form to the District Chancellor, College President, or Vice Chancellor for approval.
- Ensuring Procurement Cards are used appropriately for the purchase of materials and services in compliance with District Purchasing Policies and Procedures.
- Following-up on unresolved disputes between the Cardholder and the Vendor.
- Revoking the Procurement Card for inappropriate use and/or abuse of the Procurement Card.

The Procurement Card shall **not** be used to purchase any of the following items:

- Alcoholic beverages or any substance, material, or service which violates policy, law, or regulation pertaining to the District.
- Ammunitions, weapons, or explosives.
- Cash or cash advances.*
- Consultants and/or speakers.
- Court costs, fines, bail, bond payments.*
- Facilities remodel: carpeting, draperies, etc.
- Flowers, holiday decorations, or personal objects (such as candy, greeting cards, invitations, pictures, radios, art objects, etc.)
- Food and beverages not associated with business travel or business-related meetings as defined in the AP6300.4.
- Equipment over \$200.
- Gambling or betting.*
- Gifts, donations, or contributions to individuals or organizations.
- Items for personal use even if Cardholder intends to reimburse the District.
- Items for non-District purposes.
- Items that would be given away for promotional purposes.
- Medical drugs (narcotics) or other pharmaceutical products, not used for classroom instruction.
- Political or religious organizations.*
- Purchase of telephone services.*
- Rental or lease of buildings.*
- Service agreements.
- Securities/insurance.*
- Tax payments.*
- Telephone equipment/supplies.
- Tablets or other mobile hand-held devices.
- Tickets for recreation or entertainment purposes.
- Transit passes.

- Any other types of purchase that are prohibited in accordance with District policies.

*Prohibited by State CAL-Card Program.

The use of the Procurement Card shall **NOT** be used to circumvent:

- The splitting of purchases to eliminate the bidding process.
- The scheduling and budgeting of minor capital outlay projects.
- The scheduling and budgeting of special repairs.

Disciplinary Action

A Cardholder who makes an unauthorized purchase with the Procurement Card or uses the Procurement Card in an inappropriate manner will be subject to revocation of the Procurement Card and disciplinary action which may include restitution to the District for unauthorized purchases, card cancellation, termination of employment from the District, and criminal prosecution. Each Cardholder is responsible for the Procurement Card issued to him/her and compliance with policies and procedures. All Procurement Cards are subject to ongoing audit for compliance and enforcement of policies and procedures.

Reporting Lost Or Stolen Procurement Cards

If a Procurement Card has been lost, stolen, or is in the possession of an unauthorized person, the Cardholder shall notify the Procurement Card Company and the District Program Coordinator immediately.

Replacing Procurement Cards

If a Procurement Card needs to be replaced because it is worn out, defective, lost, or stolen, the Cardholder shall notify the District Program Coordinator.