

Purchasing Services Manual

I AUTHORITY FOR PROCUREMENT

1.1 AUTHORITY FOR PROCUREMENT

The Governing Board has delegated the responsibility for procurement negotiations and administration of procurement policies and procedures to the Assistant Superintendent/Vice President of Finance and Administrative Services, the Director of Business Services, the Manager of the Bookstore, and Manager of Food Services. Only these Administrators are authorized to commit funds in the name of the District. All approved purchases shall comply with all district, state and federal policies and regulations.

1.2 UNAUTHORIZED PURCHASES

No other individual has the authority to enter into purchase contracts or procurement indebtedness. Any such negotiations are considered unauthorized and the individual may incur a personal obligation to the vendor. Firms regularly doing business with the District are aware of this policy and are advised that all purchases chargeable to the District must be authorized by an official District purchase order. The District is not obliged to reimburse faculty and staff for the cost of any such purchases on behalf of the District unless previous arrangements have been made.

1.3 PROHIBITED PURCHASES

Certain purchases, categorized as illegal expenditures of District funds, will not be sanctioned or approved for payment by the District's disbursing officer. These items include liquor, medicines (except for use by Health Services), decorative pictures, gifts, personal memberships, individual subscriptions and other items for personal use.

1.4 CONFLICT OF INTEREST

It is the policy of the District to neither solicit nor accept gratuities, favors, or anything of monetary value e.g., promotional items from any current or potential supplier of goods or services. In addition, the District is not permitted to enter into purchasing contracts with faculty, staff or board members with a financial interest.

II RESPONSIBILITIES AND OBJECTIVES

2.1 RESPONSIBILITIES AND OBJECTIVES

A function of the Business Services Department is the organization and administration of centralized purchasing services for all departments of the District. In providing these services in accordance with sound business practices, the department seeks to realize for the District the maximum value for monies expended. To that end, the Business Services Department has developed specific objectives:

- a. Coordinate the procurement of goods and services for the academic and administrative

departments of the District;

- b. Develop and maintain a good working relationship with campus departments through an understanding of their purpose and objectives;
- c. Develop and maintain sources of supply to assure that all departments have an adequate number of vendors;
- d. Maintain up-to-date knowledge of manufacturing technology, vendor competence, and competitive marketing conditions as they relate to the material, equipment, supply and service requirements of the District;
- e. Test and evaluate various commodities to ensure proper balance of quality and monetary expenditures;
- f. Refer information regarding new or improved products and exceptional buys to departments using those products;
- g. Expedite delivery of urgently needed goods and services; and;
- h. Secure competitive quotes or bids whenever possible to obtain maximum value from the expenditure of District funds.

III

EXPENDITURE OF FUNDS

3.1 FUND SOURCE

General policies and procedures concerning purchasing apply to all general funds regardless of source. Although departments are allocated funds in their budgets for a given period, this allocation is authority to requisition only.

3.2 ACCOUNT CLASSIFICATION

Each department is assigned an account number or numbers to be used for identifying charges. All requisitions must carry a complete and accurate budget classification and have appropriate available funds, or the requisition will be returned to the issuing department. It is very important that each department become familiar with the use of object codes e.g., 4000 supplies, 5000 services, 6000 capital outlay, etc., to assist in identifying various items. Please see the Budget and Accounting Manual or the District Chart of Accounts for assistance in identifying the correct account codes to charge purchases.

IV

PLANNING AND REQUISITION PREPARATION

4.1 AUTHORITY TO SUBMIT REQUISITIONS

For any particular department, only the person having the authority is authorized to initiate and sign requisitions.

4.2 REQUISITION FORMS

The CalCard VISA is the preferred method of procurement for orders of less than \$75. Requisitions for less than \$75 will be rejected unless departments show good cause or have exceptional needs. This price point is the approximate cost to process a purchase requisition through the system. To process a CalCard purchase is a fraction of that cost.

All office supplies are ordered on-line from Office Depot using the CalCard VISA to make payment. Exceptions will be made for non-substitutable items not available through Office Depot. This will save the District considerable time and money. All items not obtainable by using the CalCard are to be ordered by means of the District's [Purchasing Requisition](#) and, when necessary, the [Continuation Sheet requisition](#).

4.3 REQUISITION PREPARATION

A. PURCHASING REQUISITION

Small orders are extremely costly to the District and to vendors. Small, repetitive orders should be increased in quantity and decreased in frequency. In most cases a year's estimate can be made from previous orders. Ordering in large quantities reduces costs to the District caused by the negotiation and placing of orders, paper work processing, etc.

The Requisition form and Requisition Continuation form are available [online](#). Be sure to read the [instructions](#) for complete information regarding the online form.

Requisition #: See the [instructions](#) for obtaining a requisition number. Refer to this number when inquiring regarding status of your request.

Fiscal Year: Make sure to insert fiscal year requested.

Account #: Account number(s) to be charged with % allocation(s) or dollar amounts. Be sure that:

- a. The account number(s) is/are in your budget and sufficient funds are available. If not, complete a budget transfer and submit it and the requisition to Fiscal.
- b. The account code accurately matches the items requested. For account definitions, please go to www.palomar.edu/fiscal_services. Click on "Budget" and then on "Account Rollup Budget Tree".
- c. You are using the expenditure account number (i.e. 441000) rather than the pool account (i.e. 400010).
- d. You are using an account in the 4's for supplies, etc. under \$500 and the 6's for supplies/equipment over \$500.

Requisitions will not be processed until sufficient funds are available in the proper account(s). Please do not submit requisitions until you have verified there are adequate funds in each account to be charged.

Vendor Reference: Name, address, phone and fax of suggested vendor, if known, or enter "Purchasing's Best."

Requested by: Employee making request.

Department: Department making request.

Phone/Ext #: Telephone extension number of employee making request.

Date: Date requisition is prepared.

Date required: Enter a realistic date when items will be needed. Items/services that are considered by the Director of Business Services to be of an emergency nature (e.g., work stoppage, safety, health, and impairment of instruction), shall be handled on a priority basis. **Justification for an emergency requisition must be documented on the face of the requisition or as a separate attachment.**

Deliver to: Physical location for delivery, indicate building and room number.

Final Destination: If equipment is being requisitioned, indicate the final destination building and room number.

Accountable Dept: If equipment is being requisitioned, indicate the department accountable for the equipment.

Material Safety Data Sheet: Applicable when ordering chemicals/other controlled toxic substances, e.g., toners and developers for copiers. A current MSDS must be on file in the Facilities Department and in each department using or storing chemicals/toxic substances.

Signatures: Department chairperson's and administrator's signature and date. The administrator's signature is required unless provisions **have** been made for exceptions, which are on file in Business Services.

Item #: Sequential numbering for each item requested (beginning with the number 1).

Part #, Description of Supplies, Equip, and/or Services: Provide all specific information identifying the item(s) being ordered, including catalog number (if available), part number, manufacturer, model number, name of the item, size, dimensions, color, finish, special instructions, software version number for Apple or PC, and any other information that would assist in expeditiously processing the order. Use as much space as necessary to provide a complete description of the item(s) being ordered.

Unit of Issue: Enter the abbreviation for the packaging of items required (e.g., ea = each, ct = carton, bt = bottle, dz = dozen, etc.)

Quantity: Enter the number of items required.

Unit Price: If known, enter unit costs. If costs are not known, provide estimated amounts or the statement "Total Not to Exceed \$_____". The "not to exceed" amount must include applicable shipping/ handling and sales tax.

Total Price: Extend known unit costs into the total price column. When costs are confirmed by the Buyers, they are authorized to place orders exceeding the estimated "Total Price" on the requisition up to \$50 above the estimated "Total Price", unless the "not to exceed" statement is used.

Subtotal: Total cost of all items listed in the Total price column.

Enter applicable state sales/use tax and shipping/handling costs (approximately 10% of the item costs).

Total Due: Sum of subtotal, tax, and shipping and handling costs.

Requisition continuation sheet - For use with the Purchasing Requisitions whenever additional space is required to complete a requisition.

Equipment: Identify existing equipment available for trade-in. Include the name of the

manufacturer, the trade-in model number, serial number, district property tag number and the current location of the equipment.

B. REQUISITION CONTINUATION SHEET

For use with the Purchasing Requisitions whenever additional space is required to complete a requisition. Use as many continuation sheets as needed to complete your request.

Vendor Reference: Repeat information from first sheet/page of requisition.

Sheet #: Identify sheet/page number.

of Sheets: Total number of requisition sheets/ pages.

Requisition #: Repeat requisition number from first sheet/page of requisition.

P.O. #: (For purchasing use only.)

Item #: Continue sequential numbering from previous sheet/page for each item requested.

Part number, description and/or service: Continue listing items. Refer to instructions for completion of Purchasing Requisition.

Equipment Trade-in: Identify existing equipment available for trade-in.

Manufacturer

Name: Name of equipment manufacturer.

Model: Manufacturer model number.

Serial #: Manufacturer serial number.

Property #: District property tag number.

Location: Physical location of the equipment.

4.4 PLANNING AHEAD

Realizing the necessary lead times in obtaining supplies and services, and when ordering seasonal items, it would be most beneficial to plan ahead to insure the items or services will be on schedule for the particular program.

4.5 PURCHASING CUTOFF

Each year a memorandum is disseminated to all areas of the campus. This memorandum advises the last date of the current budget year that Purchasing Requisitions can be accepted by the Business Services office.

4.6 REQUISITION PRE-ENCUMBRANCE

Approved purchase requisitions are logged and pre-encumbered when they are received in the Business Services Department. Pre-encumbrances are posted against appropriate budget account codes. If there is inadequate funding in the appropriate budget account code(s), the requisition will be returned to the approving administrator for correction. If there is inadequate funding in the budget account code, forward the purchase requisition and a budget transfer to Fiscal Services (not Purchasing). Fiscal Services will process the budget transfer and forward the purchase requisition to Purchasing.

4.7 TRACING A REQUISITION

Allow approximately one month to receive the items you requested. At the end of the fiscal year, however, please allow up to three months because of the high volume of requisitions submitted at that time. If you would like to check on the status of a requisition, your first step is to check to see if it has been processed. To do that, in PeopleSoft Financials follow this path:

Go/Administer Procurement/Manage Purchase Orders, Inquire/Purchase Order/Header.

Enter your requisition number under "Purchase Order Reference". Be sure to include any leading zeros. Click "OK". If the requisition has been processed, the Purchase Order for that requisition will be displayed. If the system can't find any information and you have allowed sufficient processing time, please call the Business Services Staff Assistant and provide the requisition number to assist in locating the requisition in question.

V

VENDOR RELATIONS

5.1 SELECTION OF VENDORS

Vendors are selected for their capability to serve the needs of the District in the most reliable, economical and efficient manner possible on a continuing basis. Past performance and cooperation with the District are important factors in vendor selection.

5.2 PRODUCT INFORMATION

It is the intent of the Business Services Department to keep up-to-date catalogs/information regarding vendors' products and services. To this end, the following practices will be observed:

- a. all suppliers' representatives shall be received by appointment. Vendors are expected to call when there is something of importance to discuss. "Drop in" visits are discouraged and will be accommodated only when practical.
- b. the Supervisor of Purchasing Services and the Buyers shall set aside time to visit suppliers' facilities for the purpose of increasing their knowledge of product and vendor capabilities.
- c. current catalogs and a vendor commodity file shall be maintained in the Business Services Department at all times.
- d. the Business Services Department shall forward catalogs, brochures, sale notices, and

new product information to appropriate divisions and departments as information becomes available.

5.3 DEMONSTRATION OR SAMPLE MATERIALS

District employees wishing to see samples or to have equipment demonstrated should contact the Supervisor of Purchasing Services or the Buyers for assistance. Vendors are to provide their own insurance for any materials left with the District.

District personnel who find it necessary to contact sales representatives directly are reminded to advise the person contacted that the responsibility of vendor selection and the awarding of orders is determined by the Business Services Department. District personnel desiring a product demonstration will notify the Supervisor of Purchasing Services or the Buyers so that the appropriate arrangements can be made.

VI

PROCUREMENT METHODS

6.1 TYPES AND USES:

Several methods have been developed and implemented to assure timely procurement of items/services. The following is a complete list of purchasing methods currently being used by the Business Services Department.

- A. **PURCHASE ORDERS:** When the total amount of the order does not exceed the bid limits for supplies, equipment, and services, or construction services, the purchase order method shall be used. The issuance of a purchase order to a vendor does not constitute a binding order until the vendor ships the items.

Any purchase order issued having a significant impact on the District requires an acknowledgement copy. The purchase order will then become binding on the vendor and the District.

- B. **BLANKET PURCHASE AGREEMENT:**

The Cal-Card VISA is replacing the Blanket Purchase Agreement (BPA) program starting July 1, 2001. We surveyed the vendors and only three out of one hundred refused VISA for payment. The three non-participating vendors will be moved to open purchase orders. Departments can buy necessary supplies as before and vendors are paid much faster and with less paperwork for all concerned.

- C. **OPEN PURCHASE ORDERS:** Open purchase orders are used to purchase repetitive, on-the-shelf items expeditiously from vendors willing to accept this type of order method.
- D. **FAST ENCUMBRANCE:** Blanket Purchase Agreements, library standing book orders, film orders, advertising, airline travel, increases to original purchase orders, and other orders not requiring hard copies of the purchase order, are processed by this method. This procedure will not permit a hard copy of the order.
- E. **LEASE/PURCHASE AGREEMENTS:** A lease/purchase agreement shall be used whenever it is the intent of the District to purchase materials/equipment on a time basis rather than a cash basis. Often times, a third party will be involved to provide financing for

the District to fund the project. The third party shall normally be a bank, savings and loan, mortgage company or any other legally registered financial institution. The district will be required to obtain quotations from financial institutions based on the current APR and the years for payback. Generally, a lease/purchase agreement will not exceed seven years, but under no circumstances will it exceed ten years and will require a non-funding clause on behalf of the District.

- F. **LEASE/RENTAL AGREEMENTS:** A lease/rental agreement is used to rent property and/or equipment with no commitment by the District to purchase. All property leases for rental of classrooms shall be transacted by using this method. A lease rental agreement will not exceed three full years from date of award, and will require a nonfunding clause on behalf of the District.
- G. **CONTRACT:** On all items that exceed the bid limits for materials, equipment, and services or for construction services, a formal bid must be issued. Once the bids have been evaluated based on all the terms, availability, price, and specifications, a recommendation is provided to the Governing Board for their approval. If the Board grants approval, a formal contract will then be awarded to the approved vendor.
- H. **PREPAYMENT:** When required and if the law permits (only certain items can be prepaid), orders may be paid for in advance. This procedure is used to order books, films, videos, subscriptions, publications, software, and memberships from vendors that will not accept purchase orders. The requisition must indicate "prepayment required" and when possible, attach a company brochure or an order form. Prepayment requests must include a statement from the person responsible for the budget account stating they understand funds may be lost if company should go out of business or any other unforeseen problem should occur.
- I. **REIMBURSEMENT FOR PURCHASES UNDER \$1,000:** This method may be used when an employee has been approved by the authorized administrator to purchase supplies and materials totaling under \$1,000 (including sales/use tax and shipping/handling) and an employee pays for the goods. Only goods may be purchased, no services or rentals. The signature of the authorized administrator indicates that the budget account code is correct, funding is available to cover the amount of the pay voucher, items procured fulfills your five year master plans, and that the purchase meets all District, state, and federal policies and regulations.

Goods purchased under this purchasing method may be picked-up by the purchaser or delivered by the vendor to the requesting department. When the vendor delivers goods, the name and department of the employee requesting the goods must be clearly identified on the package and receipt. Goods cannot be shipped to the District via United Parcel Service, Parcel Post, Federal Express, Airborne, or any other freight/delivery service for delivery to Central Receiving/ Warehouse, to Mail Services, to an employee's home, or other non-Palomar Community College District address. The department is also responsible for all vendor inquiries.

After receiving and paying for the items, the employee requests a warrant for reimbursement by processing a pay voucher with itemized receipt(s) totaling under \$1,000 attached. The employee's name and department are designated under the "REMIT TO" section of the pay voucher. Proof of payment is required. Copies of the front and back of the check, credit card receipt or statement, or proof of cash payment referencing the employee's name must be attached.

Please ensure that itemized receipts for reimbursements show district expenses only. Personal purchases, charges for services or rentals, and any other prohibited purchases shown on a receipt for reimbursement are not acceptable.

All purchases made under this method must comply with the following requirements:

- a. **Material Safety Data Sheets (MSDS):** When purchasing any chemicals or materials of a toxic nature (e.g., toners and developers for copiers and printers, household cleaners, liquid paper), it is the responsibility of the employee purchasing the items to ensure that a current Material Safety Data Sheet (MSDS) is on file in each department using or storing chemicals or toxic substances, and on file in the Facilities Department.
- b. **Prohibited Purchases:** Liquor, medicines (except for use in Health Services), decorative pictures, gifts, personal purchases, equipment, services of any kind, rentals, and any other prohibited purchases shown on an invoice submitted for payment are not acceptable.
- c. **Adequate Funding:** If there is not adequate funding in the budget code and the request is urgent, forward the pay voucher and a budget transfer (with a notation in the description line that a pay voucher is attached) to Fiscal Services (NOT ACCOUNTS PAYABLE). Fiscal Services will process the budget transfer and forward the pay voucher to Accounts Payable. Reimbursement will not occur until adequate funding in the budget code.
- d. **Returns:** All returns are the responsibility of the department purchasing under this method.
- e. **Goods received in any given fiscal year must also be paid in that same fiscal year.**

VII

PROCUREMENT TECHNIQUES

7.1 SUBSTITUTIONS OR CHANGES

The Business Services Department may substitute vendors to take advantage of special circumstances or an existing District or State Contract. The standard of quality cannot be changed except with consultation between the Buyers and the Department requesting the items.

7.2 SOURCES FOR UNUSUAL ITEMS

Departments are encouraged to suggest several sources of supply with complete addresses particularly for unusual or non-standard items. Authority for the final selection of the vendor, however, shall be left to the Business Services Department staff which is charged with the overall responsibility of developing and contracting with the best sources of supply for the District. The Business Services Department will follow a department's recommendations to the extent it is feasible.

7.3 SOLE SOURCE

A sole source purchase is one wherein a needed item can only be purchased from a single source. Competitive bids are not possible in these situations.

Documentation may be required from the requisitioning department to justify why the technical characteristics inherent in the item make it essential that it be purchased in preference to another brand of lower cost but similar capabilities.

7.4 PREVIOUS HISTORY OF COMMODITIES

Frequently, items specified on a requisition have been purchased before for other departments, an adequate history of the product, potential sources, service capabilities, and product availability are on file in the Business Services Department, and can be readily developed or updated. This is one of the advantages of specialization and centralization of the Purchasing function. Departments should keep the Business Services Department informed of transactions which work well for them as well as those for which problems arise.

7.5 PRICE AS A FUNCTION OF VALUE

The Director of Business Services and the Buyers shall examine prices quoted by different suppliers to determine which price is consistent with quality and service. This will afford the District the greatest overall value.

7.6 STANDARDIZATION OF COMMON USE ITEMS

Items in common use shall be standardized as much as possible, in order to obtain maximum quantity discounts. This will lessen the variety of items carried in stock in various departments and the warehouse. It will eliminate numerous small orders at retail prices and expensive processing costs.

7.7 CONSOLIDATION OF ORDERS

Purchasing shall consolidate purchase of similar items from common sources whenever possible, in order to gain maximum quantity discounts and best vendor service. The Business Services Department will keep in mind delivery schedules and costs.

7.8 POOL OR COOPERATIVE BUYING

The District shall participate in cooperative or pool buying with state and local agencies and educational cooperatives whenever it is judged to be advantageous to the District.

7.9 DETERMINATION OF QUALITY SPECIFICATIONS

The buyers shall make purchases on the basis of specifications either on file or furnished by members of the faculty and staff. The determination of a desirable quality to accomplish necessary results will be a joint decision between the department chairperson, and the Business Services Department.

7.10 EMERGENCY ORDERS

While the need for occasional emergency purchases is recognized, the practice is discouraged. An emergency shall exist when:

- a. An educational function cannot continue without an item that must be repaired or procured immediately.
- b. Equipment that suffers a failure must be repaired to an operative condition to insure the safety and health of personnel or provide protection to buildings and grounds.

The procedure for placing an emergency order is as follows:

1. The requesting department shall prepare the requisition, obtain the necessary signatures, and have the requisition hand carried to the Business Services Office.

It is very important that the appropriate justification be entered on/or attached to the requisition. This must be accomplished by a supporting statement in conjunction with the preceding paragraphs a & b.

2. A buyer will be assigned to process the requisition. All other work must be curtailed and the emergency requisitions given the utmost priority. In the event the vendor cannot make immediate delivery and the vendor is located in the local area, an authorized employee must be designated by the requesting department to pick up the emergency items. In the event the vendor is not in the local area, premium transportation (e.g., air, U.P.S. Blue Label, Federal Express, etc.) will be contracted to arrange for delivery. The requesting activity will have to authorize and pay for the additional premium transportation costs.
3. If a District employee picks up the item, it will be that person's responsibility to bring all the paperwork from the vendor (e.g., invoices, delivery tickets, etc.) to the Buyer processing the order.

In the event an emergency occurs where there is not enough time to prepare the requisition (e.g., gas leak, roof or structure damage, etc.) it will be the responsibility of the Department Chair/Supervisor to contact the Business Services Department. The person reporting the emergency shall notify their appropriate administrator. If an order is issued, the respective Department Chair/Supervisor shall provide the Business Services Office with the approved requisition.

7.11 COMPETITIVE BIDDING

Whenever practical, competitive quotations from vendors handling the same or similar products will be secured. The Business Services Department may, at its discretion, choose to bid any item which in its judgment lends itself to competitive bidding.

Individual departments may, for their own information, wish to secure inquiry price quotations on items they intend to purchase. It should be understood, however, that these price quotations may not be usable at the time of purchase due to time lapse, quantity changes, incomplete information, inability to meet District's bond or insurance requirements, or inability to meet federal or state laws or District policies and regulations.

Requisitioners should be sure to allow sufficient time for the Business Services Department to obtain quotes or bids, evaluate vendor qualifications, place the order and receive goods/services.

Quotations will be secured in accordance with the following guidelines:

Supplies, Equipment and Services (except under Government Code section 53060 and construction services)

- \$5,001-14,999 Depending on the competitive nature of the items, comparison-shopping needs will be determined by the Business Services Department.
- \$15,000-60,900 The Business Services Department will attempt to solicit at least three (3) written competitive quotations.
- \$60,900-up "Formal bidding including advertising and Board approval is required."
(California Public Contract Code)

Public Works Projects (construction services)

- \$1,000-5,000 Depending on the nature of the given work project, comparison shopping needs will be determined by the Business Services or Buildings & Grounds Department, as applicable.
- \$5,001-14,999 The Business Services or Buildings and Grounds Department, as applicable, will attempt to solicit at least three (3) written competitive quotations.
- \$15,000-up "Formal bidding including advertising and Board Approval is required."
(California Public Contract Code)

Note: Any "works of improvement" (work involving labor), the total cost of which exceeds \$15,000, must be accompanied by a labor and materials (payment) bond prior to the commencement of work, or the contractor may not be paid.

The requisitioning department is not to use multiple requisitions for like items to circumvent the bidding process.

Vendors are responsible for the accuracy of quoted prices submitted to the Business Services Department. In the event of a discrepancy between a unit price and its extension, the unit price will govern. Quotations may be amended or withdrawn by the bidder up to the time of opening of the bids.

It is the vendor's responsibility to ensure that their quotations are received in the Business Services Office no later than the designated hour and day of the bid opening time and date, as specified in the request for bid.

All bids/quotations become a part of the Business Services Department's records and may be reviewed upon request by interested parties after the bid is awarded. No bids or quotations may be removed from the Business Services Department.

A purchase order is prepared by the Business Services Department from an authorized requisition. The order is written and encumbered in the budget. Normally, the original copy of the order is sent to the vendor (depending on the purchasing method used). A copy of the requisition along with a copy of the ordering document is returned to the department and the administrator of the department.

8.2 LEGAL RAMIFICATIONS

All orders issued by the Business Services Department express the buyer's half of a contract of sale. Once accepted, establishing mutuality of agreement, issued orders have the legal force of a binding contract.

8.3 PURCHASE ORDER CHANGES

It is sometimes necessary to make changes in a purchase order after it has been issued. Some of the more common changes are in quantity, classification, price, etc. When change orders are made, they in effect modify an existing purchase order and, if accepted, become part of the binding contract.

Changes and requests for cancellation of an order should be submitted in writing to the Business Services Department by the department chair/supervisor, or an administrator, referring to the requisition number, the P.O. number, and the vendor's name.

8.4 EXPEDITING

Contact the Fiscal Services Department's expediting accounts payable section regarding purchase order follow-up.

8.5 RETURNS FOR CREDIT

Contact the Fiscal Services Department's expediting accounts payable section regarding return procedures.

8.6 RECORDS

A complete set of purchase orders is maintained in Business Services for two full years. After that time, they are forwarded to storage.

IX

SPECIAL PURCHASES

9.1 TRAVEL

See Travel Policy and Procedures Manual available from the Fiscal Services Department.

9.2 PERSONAL PURCHASES

The Business Services Department cannot issue purchase orders for personal purchases. Business Services Office staff members will be happy to suggest possible sources that may offer a discount. Vendors are under no obligation to offer discounts to individuals and do so with the understanding that their offer places the District under no obligation to do business with them except within strict business practices.

9.3 CAMPUS BOOKSTORE

The procedure for ordering through the Bookstore and the payment of invoices is the same as all other "outside" purchases. Any charges placed against the District, when using the Bookstore, must have an authorized District purchase order number assigned by the Business Services Department. This shall include freight charges for the returning of books ordered which were not used. Do not submit requisitions to reimburse a personal account.

9.4 TELEPHONES

Contact Information Services regarding telephone additions, changes, moves, deletions, data lines, and new services.

9.5 SALES TAX

The District is exempt from Federal taxes but is required to pay California State sales and use tax. This is the case even when the vendor is out of state. The tax in that instance is paid, not to the vendor, but the California State Board of Equalization. For that reason, tax charges may not show on an out-of-state order, but will still be charged against the corresponding budget account code.

9.6 PRINTING

Many printing requests can be accommodated in-house at the Graphics Department or at the Duplication/Mail Services Center. Staff is available at either location to assist in determining whether a project can be handled in-house or by an outside printer. If an outside printer is required, a purchase requisition should be prepared and forwarded through normal channels to the Business Services Department. A Buyer will assist the requesting department in obtaining a quotation and placement of the order.

9.7 INSURANCE

The Business Services Department is responsible for preparing proper insurance solicitations for the District's liability coverage. All District-wide insurance policies are administered through the office of the Director of Business Services.

Contractors doing work on campus must be required to file the following proofs of insurance with the District prior to receiving authorization to proceed on a contract:

- a. Certificate of Insurance confirming \$1,000,000 combined single limit general liability coverage and automobile liability coverage, both naming the **Palomar Community College District** as an additional insured, and copies of the endorsements to the policies naming the **Palomar Community College District** as an additional insured.
- b. Proof of workers' compensation coverage

Should any of the above-described policies be canceled prior to their expiration dates, the issuing company shall mail 30 days written notice of cancellation to the District. The contractor shall maintain current insurance documents, for all of the above coverages, on file at the District during the term of any contract with the District.

9.8 REPAIR OF EQUIPMENT

Equipment requiring preventive maintenance and/or repair may or may not be covered by a contract. District maintenance agreements shall be negotiated or bid by the Business Services Department and may vary from year to year. The Business Services Department will endeavor to keep user departments aware of all maintenance contracts; however, if a user department is in doubt concerning contracted services a call should be made to the Business Services Department for clarification. No service contract will be initiated without a requisition from the using department.

A buyer in the Business Services Department handles repair calls for equipment under contract. Each item under a Maintenance Service Agreement is continually monitored as to the number of times repairs have been made, the extent of repairs and any additional cost incurred outside the scope of the contract.

For repair of equipment, not covered by contract, a standard requisition shall be forwarded to the Business Services Department listing the equipment, nature of the repair, where the equipment is located, and the estimate of cost.

9.9 ONGOING AGREEMENTS

All continuing lease, rental, service, and maintenance agreements will be renewed on an annual basis. It is the responsibility of the department to submit a new year requisition for encumbrance against the obligation.

9.10 BUILDING REPAIR/MINOR CONSTRUCTION

Building repair, grounds improvement and minor construction may be executed by day labor or force account when the total number of hours on the job does not exceed the number of hours or total cost set in the Public Contract Code 20655. Any public works project involving labor that exceeds the formal bid limits shall be formally bid.

Except for public works projects of one thousand dollars (\$1000) or less, not less than the general prevailing rate of per diem wages set by the State Director of Industrial Relations may be paid by Contractor's to employees working on a public works project.

9.11 DISPOSAL OF SURPLUS AND OBSOLETE PROPERTY

All departments having surplus or obsolete District property shall contact the District's warehouse by submitting a disposal request form.

9.12 CONSULTING AGREEMENTS

Whenever a department has a need for consulting services, the Department Chairperson/Supervisor shall obtain approval from their appropriate Dean and Divisional Vice President. Once approval has been received, a purchase requisition shall be completed and forwarded to the Business Services Department. It shall be the responsibility of the Counsel of Contracts & Special Projects to obtain all the necessary information in order to write the appropriate agreement.

9.13 PROPERTY RECORDS AND INVENTORY CONTROL

Equipment items with a value of \$1,000 (including shipping/ handling and applicable sales tax) or more will be assigned a District property control number. This number will be entered in the District inventory according to the building and room where the item is housed. The Facility Planning Office maintains inventory records.

9.14 CONSTRUCTION CONTRACT SERVICES

On all major construction contracts (contracts exceeding formal bid limits), the Director of Business Services shall be responsible to coordinate with the department requesting the services, Director of Buildings and Grounds, District Architect and Facilities Planner to assure that the specifications, drawings and plans are in conformance with the Districts overall requirements of the specific project. It shall also be the responsibility of the Director of Business Services to insure that the construction bid is awarded properly and provide detailed contract administration/management throughout the tenure of the contract. This shall also include the proper closing out of the contract.

9.15 ARCHITECTURAL CONTRACTS

All major school construction contracts require, by law, a review of the plans and drawings by a designated school architect. It shall be the responsibility of the Director of Business Services to insure that an approved architectural services contract by the Governing Board is issued for each approved construction contract between the District and the District's architect.

9.16 MATERIAL SAFETY DATA SHEETS

It is the responsibility of the requisitioning department to notify the Business Services Department if a Material Safety Data Sheet (MSDS) is needed. When ordering any chemicals or materials of a toxic nature, and the department does not have a copy of the specific data sheet, it shall be indicated on the original copy of the purchase requisition that a data sheet is required with the manufacturer's name if known. It will then become the Business Services Department's responsibility to request the data sheet from the vendor. The centralized MSDS records are maintained in the Facilities Department.