

ACADEMIC SENATE – 2nd READING – June 6, 2013 - APPROVED

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT ADMINISTRATIVE PROCEDURE

ADMINISTRATIVE SERVICES

Chapter 6

Purchasing Procedure

AP 6331

Purpose: The purpose of this policy is to ensure that all purchasing and contracting for goods and services shall be conducted in accordance with the Education Code, the Public Contract Code, and all other applicable State and Federal regulations. Expenditures must not exceed the approved appropriation as itemized in the official or amended budget unless specifically authorized by action of the Board of Trustees in most instances.

General Information

Purchases for Victor Valley College's (VVC) must be made in a manner that is prudent and fiscally responsible and must follow all purchasing procedures which satisfy the requirements of federal, state, and independent auditors. Purchasing procedures include: requisitions, Cal-Cards, reimbursement, etc.

Purchase Requisition Process

The District uses the San Bernardino County Superintendent of Schools software called Financial 2000 to create electronic requisitions. Users are assigned logons and create their own passwords. Access to Department's account numbers are given to users. Users need to verify funds that are available to purchase goods and services. If funding is not available in the correct account, a budget transfer must be requested and electronically communicated to the Budget Office or Fiscal Services, as appropriate. All budget transaction requests must be approved by the budget manager.

Supplies and services must be acquired from district-approved vendors. The department should receive at least three (3) quotes/proposals to secure the best value. Make sure the quote/proposal includes shipping charges, tax and any additional charges when applicable. Upon selection of a vendor ensure the "remit to" address and fax numbers are accurate. If not an existing vendor, a W-9 form must be received from the vendor and sent to the Purchasing Department. If the request is for services, the original contract must be signed and sent to the Purchasing Department. Equipment, supplies and services that affect operations of the institution must gain approval of the pertinent administrator with oversight of the commodity/service being acquired. Any services in excess of the Board of Trustees approved limits must be submitted to the Board of Trustees for ratification and/or approval.

Purchases go through an electronic approval process before arriving in Purchasing. The department budget manager must approve all budget transfers. Make sure when the requisition is complete, each line item from the contract/agreement is added. It is the department's responsibility to forward the required backup documentation, along with the electronic requisition, to the Purchasing Department. If a requisition is created but not approved, it is the department's responsibility to void it.

Once a requisition is received in the Purchasing Department, the goal is to have a purchase order printed within seven (7) business days. This is contingent on the Purchasing Department receiving all documentation required for the purchase, as mentioned above, contracts, agreements, W-9s, etc. In the event documentation is needed, the Purchasing Department will contact the appropriate department to advise them of what is needed. If the requested information is not obtained, the requisition cannot be created into a Purchase Order and may be rejected.

The Accounting Technician reviews each requisition for completeness, budget availability, and ensures the account number match the type of purchase. If the item ordered is a fixed asset or equipment costing \$500 or more, it will be flagged as a fixed asset in the Financial 2000 system. Purchase Orders are created and printed for review. The Director of Fiscal Services, or other authorized signatory, reviews each purchase order before signing and returning to the Accounting Technician. The purchase order will be faxed to the vendor. The technician separates the purchase order copies: white/yellow copies for Accounts Payable along with the backup; pink copy for requestor; and goldenrod copy is maintained in Purchasing.

If purchases are made without following the above procedures, an After-the-Fact Acquisition Justification form must be completed and sent with the requisition to the Fiscal Services Department for processing.

Federal Grants

Before a purchase order is created using federal funds, the Accounting Technician shall access the Excluded Parties List System at www.epls.gov to verify that the vendor information is not excluded from receiving Federal contracts or certain subcontracts pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404, and each agency's codification of the Common Rule for Non-procurement suspension and debarment. The EPLS keeps its user community aware of administrative and statutory exclusions across the entire government, and individuals barred from entering the United States.

Restricted Funds

It is the responsibility of the project manager to verify that the expenditures follow the restrictions of the grantor by familiarizing themselves with the terms of the contract/agreement and grants and by seeking advanced clarification from the Fiscal Services staff.

Warehousing / Receipt of Items

The District shall maintain a system of warehousing which includes provisions for receiving, shipping, storing, and distribution of supplies and equipment. **ALL items purchased by the District shall be delivered to the campus warehouse. NO deliveries shall be made to an employee's home, office, or other location.**

As deliveries are made to the warehouse, the warehouse worker receives the merchandise in the Financial 2000 - Receiving module system. Items that are flagged as fixed assets will automatically transfer to the Financial 2000 – Fixed Assets module once they are received in the receiving module. The fixed assets module requires that the warehouse worker or an IT technician (if computer-related equipment) assign an asset/tag number to each item that is \$500 or greater. If the item was purchased through Federal or State funding, a special inventory tag must be applied to the asset that identifies the restricted equipment either with Federal or State inventory tags. This process is completed prior to the merchandise leaving the warehouse for delivery.

Cal Cards

The District allows the use of corporate credit cards to expedite purchases of supplies, site licenses, and related expenses in accordance with the District's purchasing policy, BP 6330 - Purchasing. Purchases can be made in person, over the telephone, or on the internet.

Cardholder

A. Cardholder Responsibilities:

1. Appropriate use of the VVC corporate credit card;
2. Security of the VVC credit card;
3. Compliance with VVC purchasing policies and procedures;
4. Verifying the monthly billing statement from the credit card company, attaching all original receipts, and forwarding to Fiscal Services for approval within three (3) working days of receipt of the credit card statement;
5. The authorized card holder is responsible for the card use; and
6. Making arrangements to ensure paperwork is submitted to their supervisor in a timely manner in the event of their absence.

B. Prohibited Uses of Card:

The VVC corporate credit card may not be used to procure the following items:

- a. Contracts/agreements;
- b. Capitalized furniture and equipment;
- c. Cash advances, leases, and maintenance services;

- d. Personal purchases;
- e. Alcohol, narcotics, and other controlled substances; and
- f. Services of any contractual nature (excluding car rentals and hotel reservation).

In the event of intentional abuse of the VVC corporate credit card policy or procedures, the card will be revoked, and the employee may be subject to disciplinary action up to and including termination of employment and/or criminal prosecution.

Petty Cash Fund

Petty cash reimbursements are meant to provide a convenient method for reimbursing a board member or employee without having to go through the requisition process.

- a. Employees may be reimbursed for a maximum of \$50 per occurrence for a work-related, out-of-pocket expenditure where a requisition could not be obtained in advance. These must be approved by the department supervisor, since the expense is a budgetary obligation that could not be encumbered ahead of time. In the event that a budget balance is insufficient to reimburse a petty cash expenditure, the department supervisor will need to complete a budget transfer to provide funds to the appropriate account.
- b. Board Members will be allowed to be reimbursed up to a maximum of \$50 per occurrence for miscellaneous expenses such as meals. Receipts must be turned in to the Superintendent/President's Office. Once approved by the Superintendent/President, funds will be made available for reimbursement.

Change Orders

- a. A "Change Order" denotes a change to the original contract and may be additive or deductive.
- b. Total cumulative change orders may not exceed the greater of 10% of the original contract amount or the legal bid limit of \$15,000, whichever is greater.
- c. A copy of each change order is required and each must be numbered consecutively. Even if the monetary amount is 0 (as for completion time change only), a change order must be submitted by number and must be noted on the Building Payment Record. Each change order must be approved by the Governing Board of the District or designee.
- d. Since they are changing the contract, change orders must contain the following elements required by the original contract:
 - 1. District, project, and contractor's name;
 - 2. Change order number and date;
 - 3. Description of change(s) being made;
 - 4. The monetary change(s) amount (increase/decrease);
 - 5. Total of previous change orders and revised contract amount;
 - 6. Signature of district architect, contractor and district representative (Refer: No. 2.B. Contract Signature for school district representative); and
 - 7. Change order for structural changes must be approved by D.S.A. If there is no structural change, a statement from the architect stating "there are no structural changes contained in this change order" shall be submitted.

Reference:

California Public Contract Code, Section 20651, 20111/20651, 20118.4, 206959, 20113/20654
 California Education Code 81600
 BP 6330, "Purchasing"
 San Bernardino County Public Works Building Contract Procedures