

TEMPLE COLLEGE ADMINISTRATIVE REGULATIONS MANUAL

SUBJECT: *Purchasing*
EFFECTIVE DATE: 3/11/21
BOARD POLICY REFERENCE: CF

PURPOSE

The President of Temple College designates the Purchasing Department as the purchasing authority for the College. Purchases not authorized in accordance with Board Policies and the Administrative Regulations are not legal obligations of the College. Employees shall make no purchases on behalf of the College without determining whether sufficient funds are available.

WHERE APPLICABLE/GRANTS MAY REQUIRE ADDITIONAL PROCEDURES

This practice applies to all purchases with the exception of grant contract funding sources. Employees shall follow the College's purchasing policies and regulations when making purchases from special grants unless the governing document specifies alternate procedures.

Circumstances may arise that justify a departure from the normal competitive process. Departures from this procedure shall be approved, in advance, by the President or designee.

Guidelines for compliance with this procedure shall be developed and implemented by the Vice President of Administration, Chief Financial Officer, Director of Purchasing or designee.

OVERVIEW

Temple College shall assume responsibility for debts incurred in the name of the College so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedure regarding contracting, purchasing and expending. The Board of Trustees and Temple College shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts. (See CF (LOCAL))

All College employees engaged in purchasing processes are to conduct themselves fairly, objectively and will observe the confidentiality of the decision-making and award processes so as to serve the best interests of the College.

FORMS OF PURCHASE

Temple College utilizes four forms of purchasing: check requests, approved credit card transactions (Procurement Cards), petty cash disbursements and purchase orders.

- a. Check Requests (limited use) should be used to request payment for goods and services where a purchase order is not warranted or a direct payment is required. A check request should not be used if the vendor will take a purchase order. Specific procedures concerning the use of check requests are to be managed by the Director of Purchasing. Approvals for check request payments will follow the same approval process as purchases requisitions (see requisition approval levels).

- b. Designated employees may use College Procurement Cards (P-Cards) for small purchases at or under \$1,500 per transaction as approved by the responsible Department/Division Director or appropriate Vice President. All P-Card purchases are subject to strict user guidelines and reconciled by the Purchasing Department. AP and Purchasing personnel may use a P-Card to make a payment or purchase that has been approved by a Department/Division Director and appropriate Vice President. **See Procurement Card Procedures.**
- c. The Petty Cash Fund is set up to fund “out of pocket” expenditures by the employees of the College. The appropriate supervisor must approve in advance any petty cash fund use and no petty cash expenditure may exceed \$50. Each petty cash expenditure shall be documented with an itemized receipt appropriate to the purchase.
- d. Employees shall make all other purchases by Requisition/Purchase Order. All purchase order forms shall be under the control of the College Purchasing Department.

ETHICAL CONSIDERATIONS

Employees

Purchases from members of an employee’s family or from a company in which an employee or his/her family member owns a substantial interest shall be in accordance with Temple College Board Policy for Conflict of Interest. For purposes of this procedure, a family member means a spouse, child, parent or the child or parent of a spouse.

Vendors

The Texas Ethics Commission has adopted a conflict of interest policy that requires a vendor to disclose the vendor’s affiliations or business relationships with members of the Board of Trustees or employees of the College that may cause a potential conflict of interest. Temple College adheres to this policy.

The Texas Comptroller of Public Accounts maintains a Debarred Vendor List to protect the State from vendors with unethical business practices. Temple College will not conduct business with any vendor on the State Debarred Vendor List. If subsequently discovered that a Temple College vendor is on the State Debarred Vendor List, Temple College will take necessary action to discontinue use and end business relations with the vendor. Information relating to the State Debarred Vendor List can be found at <http://www.window.state.tx.us>.

CONTRACT AUTHORITY

No employee or agent of the College has the authority to enter into any contract on behalf of the College, except as otherwise expressly authorized in Board Policy. An agreement that is not expressed in writing and approved and executed in accordance with this procedure shall not be binding or enforceable against the College. If a College employee signs a contract without authority or falsely represents to a third party that he or she has authority to sign a contract, the employee may be held personally responsible to the third party under Texas law.

Any employee who signs a contract or seeks to bind the College to an agreement in violation of this procedure may be subject to discipline, up to and including termination.

REQUISITION APPROVAL

Excluding the P-Card, each requisition for purchase must be approved in advance by the appropriate Department/Division Director, appropriate Vice President or his/her designee and funds must be available in the appropriate budget. Employees must submit a requisition in order to receive a properly executed purchase order

from the Purchasing Department.

PURCHASING OF GOODS AND SERVICES

Purchasing Authority

The College shall comply with Education Code Section 44.031 in establishing open and fair purchasing and bidding practices that provide the best value to the College.

The authority to approve purchases by signing requisitions, check requests and petty cash reimbursements is given to Vice Presidents, Department/Directors, and other employees as delegated by the President or designee.

Procedure Applicability

This procedure applies to the purchase of tangible personal property or services except as follows:

- a) Purchases of construction-related services;
- b) Purchases of real property; or
- c) Purchases of professional services.

Administrative Requirements

Unless otherwise covered by the sections above or required by law to meet other requirements, all purchases of goods and services made on behalf of the College, regardless of funding source, shall meet the administrative requirements below.

The purchase of equipment, supplies, materials and services shall be based upon a competitive process, except as otherwise provided in this procedure. Purchases may not be subdivided to avoid the competitive requirements of this procedure. Where quotes are required, employees may use quotes from cooperative or interlocal purchasing agreements to satisfy the quote requirements. Employees shall contact each vendor directly for a written quote as list prices or website pricing often do not reflect discounts that an educational institution can receive.

Purchases with Procurement Card Valued Less than \$1,500.00

Purchases of goods or services less than \$1,500.00 in value with the College's procurement card do not require competitive quotes. Employees may purchase goods and services valued at less than \$1,500.00 using a College procurement card (see Procurement Card Procedures) thereby eliminating the need for a purchase order requisition.

Purchases Valued above \$0.00 and Less than \$10,000.00

Purchases of goods and services valued above \$.00 and less than \$10,000.00 do not require competitive quotes. Employees shall coordinate all such purchases within the requesting department and with the approval of their department/division director.

Purchases Valued at \$10,000.00 or More and Less than \$50,000.00

Purchases of goods or services that are at or above \$10,000.00 and less than \$50,000.00 shall be coordinated within the designated department/division and with the guidance of the Director of Purchasing. These purchases shall be made by requesting written quotations from at least three (3) vendors which are capable of providing the particular good(s) or service(s). **Written quotations shall accompany requisitions for purchase approval.**

Purchases Valued at \$50,000.00 or More

Employees shall coordinate any purchase of goods or services valued at \$50,000.00 or more through the Director of Purchasing. These purchases shall follow a formal process that includes:

- a. Pre-qualification and selection of suppliers;
- b. Standards and specifications;
- c. Advertisement of request for sealed bids/proposals;
- d. Submission of bids/proposals;
- e. Public openings of bids/proposals;
- f. Award of purchase orders and contracts;
- g. Catalog purchases via the Texas Education Agency under Texas Government Code, Chapter 2157, Subchapter B; and/or
- h. Use of cooperative or interlocal agreement.

Requisition Approval Levels

All purchase requisitions must have, as a minimum, two signatures, to include the requestor and the responsible department/division director. Additional approval may be required depending on the amount and/or type of goods or services requested. A chart is provided below to show the different levels of approvals required for each purchase threshold:

Level	Amount of Request	Required Signatures
I (for procurement cards)	\$ 0.00 to below \$1,500	* Requestor
		* Department/Division Director
II	Above \$0.00 to below \$10,000	* Requestor
		* Department/Division Director
III	\$10,000 to below \$50,000	* Requestor
		* Department/Division Director
		* Appropriate Vice President
IV	\$50,000 and above	* Requestor
		* Department/Division Director
		* Appropriate Vice President
		* President

Board of Trustees Approval or Ratification

The Administration must submit any unbudgeted purchase to the Board of Trustees for approval and must comply with Texas Education Code 44.031. All purchases at or above \$50,000 shall require Board of Trustee approval or ratification.

Emergency and Sole Source Purchases

At times, it may not be in the College's best interest to engage in a formal competitive process. Purchases necessary to respond to emergencies (situations that jeopardize public or employee safety, or that could result in significant financial or operational loss), and instances in which staff has concluded that only one supplier can provide the product or service (e.g. the product or service is protected by patent, copyright or trademark; or due to schedule conflicts, etc., only one supplier can provide the product or service within the College's timeframe) do not require a formal competitive process. Emergency and sole source purchases must be justified in writing and approved in advance by the Director of Purchasing.

Interlocal/Cooperative Purchase Agreements

The College may enter into an interlocal/cooperative purchase agreement to purchase goods or services. Once an interlocal/cooperative purchase agreement has been approved by the Director of Purchasing or designee, purchases may be made through the agreement after a market survey determines that the best value for the College is through the agreement. The Director of Purchasing has the authority to change the vendor selected to purchase through if an interlocal/cooperative contracted vendor provides the same goods or services at a better value for the College.

VENDOR SELECTION CRITERIA

In awarding a contract, the College may consider any or all of the following:

- a. Purchase price;
- b. The reputation of the vendor and of the vendor's goods or services (see Ethical Considerations);
- c. The quality of the vendor's goods or services;
- d. The extent to which the goods or services meet the College's needs;
- e. The vendor's past relationship with the College;
- f. The impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses;
- g. The total long-term cost to the College to acquire the goods or services; and
- h. Any other relevant factor that a business entity would consider in selecting a vendor.

BIDDING/PROPOSAL REQUIREMENTS

All bidding/proposal practices shall comply with State of Texas laws. All bids or proposal processes shall be conducted through the Purchasing Department unless specific authorization is granted through Board of Trustees. The College will establish practices to identify when to require bids or proposals and when the Purchasing Department will utilize other methods for obtaining needed goods and services. The Purchasing Department shall properly publicize bid openings or proposal closing times and invite candidates who submit bids or proposals to attend the opening. The Purchasing Department shall maintain a file of all bids in compliance with the applicable state record retention period and shall comply with the Public Information Act regarding the files. The Board of Trustees and/or College Administration has the authority to reject any and all bids or proposals.

The College may hold pre-bid/pre-proposal conferences and may, upon proper notice, make the attendance at such a conference mandatory. If the conference is mandatory, the College will not open or consider any bid or proposal submitted by any vendor who did not attend a mandatory pre-bid/pre-proposal conference.

SURETY BONDS, PAYMENT BONDS, PERFORMANCE, AND WARRANTY BONDS

The College may, at the discretion of the Vice President of Administrative Services, Chief Financial Officer, or Director of Purchasing require surety, payment, performance, and warranty bonds.

The Administration will return submitted surety bonds to all bidders/proposers, except the successful bidder/proposer, after the College makes the award. The College will retain the successful bidder's/proposer's surety bond until the vendor delivers the merchandise or completes the service to the College and an authorized College employee inspects the merchandise and/or service for quality and any other requirements the College had in the bid/proposal solicitation.

The College may require a payment bond for any contract exceeding \$25,000. Performance Bonds may be required for all contractual agreements \$100,000 and above.

PERSONAL PURCHASES

College employees shall not be permitted to purchase supplies or equipment for personal use through the College or through special discounts and arrangements made between the College and its qualified vendors. Employees shall not commingle personal purchases with College purchases when requesting reimbursements for any College expense. (See CF (LOCAL))

BUSINESS MEAL/OCCASIONAL WORK GROUP/ALCOHOLIC PURCHASES

Business meals must include at least one non-Temple College employee whose presence is necessary to the business discussion. In addition, employees must provide a receipt and documentation that includes the time, date, place, attendees, and a clear and defined business purpose.

Occasional work group events that require a short or working lunch may be held. Meals can be brought in for the group if approved by the department/division director and appropriate vice president. If outside catering is required, the cost should be limited to a reasonable amount per person and shall be tax exempt if the meals are provided on a Temple College campus.

Employees may not purchase alcoholic products with College funds or funds controlled by the College.

This regulation applies to non-travel business-related meals. For information regarding reimbursement of employee meals while traveling, please see the Travel Policy.

PETTY CASH PURCHASES

Petty Cash Funds are intended to handle small, "out of pocket" expenditures by the employees of the College. Each Petty Cash Fund must have a custodian of record who is responsible and accountable for managing the fund. Petty cash audits are to be performed by the Vice President of Administration or designee, other than the fund's custodian, as part of routine oversight of business procedures.

No single petty cash transaction shall exceed \$50. Employees may not subdivide purchases to avoid the \$50.00 limit.

COMPUTER/SOFTWARE PURCHASES

All purchases of computer hardware and software are based on an academic or an administrative needs assessment. This assessment is to be completed by the requesting department representative or user and given to the Information and Technology Services (ITS) department. The results of the needs assessment will determine which level of hardware or software best fits the user's needs within their budget and will provide the College with the assurance that the purchase meets its standards. Once the appropriate level has been identified, Information and Technology Services will discuss the results with the user, make changes agreed upon, and will request the appropriate hardware or software. All needed repairs for computer hardware should be directed to the ITS department. ITS will either make the necessary repairs or will contract with an outside source.

BOOKSTORE PURCHASES

Miscellaneous and instructional supplies may be obtained from the Bookstore. No Purchase Order is necessary, but the Bookstore must be furnished the names of each person authorized to make charges to a particular department or office. This procedure applies to items normally stocked by the Bookstore.

PROCUREMENT CARD PURCHASES

Procurement card purchases must follow the same guidelines and procedures as all other purchases. Do not obligate the College for expenditures by using a personal credit card unless prior approval has been received. See Procurement Cards (P-Cards) policy.

REQUISITIONS

The Purchase Requisition is the basic procurement document of the Purchasing Office. It is to be used for all purchases to be made, regardless of the source of funds. It is designed to provide the information necessary to secure for the requisitioning source the items specified at the time required. The Director of Purchasing will examine the Purchase Requisition to ascertain that the proposed purchase conforms to general College policy and that sufficient funds for the purchase are available. Quotes are required to accompany all Purchase Requisition to hold the price firm while the order request is being processed.

PURCHASE ORDERS

Upon approval of the requisition, the Director of Purchasing will issue the Purchase Order, one copy of which will be sent to the requisitioning department. This copy of the Purchase Order should be checked for accuracy. If errors are found, they should be reported promptly to the Director of Purchasing.

BLANKET ORDERS

When services or supplies are required with some degree of regularity, but the exact quantity cannot easily be determined in advance, a blanket order may be placed by the Purchasing Office for a department to cover its requirements during a specified period or limited to definite sums of money. Departments requesting blanket orders are to submit these requests and estimated amounts to the Purchasing Office. The Director of Purchasing and the Vice President, Administrative Services will review each request and if approved, will issue the blanket order.

ANNUAL CONTRACTS

The Purchasing Office may enter into annual contracts with various vendors to provide products or services to the College. After establishing an annual contract, the Purchasing Office will notify departments of the vendor and the products/services which will be provided. When notified, departments will be required to purchase those specified products/services from the vendor of record until the expiration of the contract.

LOSS, DAMAGE, OR UNSATISFACTORY SERVICE

All employees are to first contact the vendor for resolution if an issue is discovered with a shipment or service for the College. If the employee and vendor cannot resolve the issue, then the employee is to contact the Director of Purchasing for resolution assistance.

Damaged or broken packages, defective merchandise, loss in shipment, unsatisfactory materials, or any other reason why payment should not be made should be reported to the Purchasing Office so that settlement can be made with the carrier or the vendor. Reports must be made promptly to secure adjustment.