

Rancho Santiago Community College District
ADMINISTRATIVE REGULATION
Chapter 6
Business and Fiscal Affairs

AR 6330 Purchasing

References:

Education Code 81656
Public Contract Code 20650-20653 and 20651;

Delegation and Approval Limits

A. The District has established a centralized Purchasing Services department through which, all required contracts for goods and services and all requests for purchasing utilizing any District funds shall be routed for review, approval and processing. The Purchasing Services department shall enforce compliance with all applicable laws and regulations, federal and state statutes, administrative codes, court decisions, legal opinions, policies of the Board of Trustees and their subcommittees and Board of Trustees approved cooperative agreements when conducting purchasing and contracting activities on behalf of the District. The Purchasing Services department shall also adhere to generally accepted purchasing standards, principles and practices, and ensure and maintain the existence of a competitive environment. A competitive environment requires that, at a certain price threshold, multiple informal or formal quotes, Requests for Proposals (RFP), Requests for Quotes/Qualifications (RFQ), Solicitation of Quotes (SoQ), informal or formal bids be issued to an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirement of the procurement. This objective is to purchase from the lowest, responsive and responsible bidder considering each of the following requirements in accordance with the law:

1. Purchase of proper product for the purpose required
2. Availability of the product when needed
3. Purchase in quantities appropriate for the rate of use
4. Payment to the lowest price obtainable for the quantity required
5. Purchasing without favor or prejudice while considering the factors of quality, quantity and service in addition to price

The purchasing power of the District shall not be used to procure or to secure advantage in the purchase of any goods and services for employees, officers or any other individuals. Recognizing that individual preferences have a high value to those requesting goods and services, nevertheless the Purchasing Services department has a duty to seek opportunities to standardize items when there are significant benefits in cost, quality, value or maintenance. When feasible, the Purchasing Services department will develop more than one source of supply to encourage competition, avoid charges of favoritism and ensure deliveries.

B. The Board delegates to the Director, Purchasing Services and the Vice Chancellor, Business Services the authority to sign purchase orders and contracts, on behalf of the District, pursuant to proper application of all other Board policies and per established standard processes and procedures in alignment with specified deadlines.

The Vice President, Administrative Services at each college is delegated the authority to purchase supplies, materials and services related to Associated Student Government funds, Bookstore funds and Other Trust and Agency funds, subject to the following requirements:

1. No such purchase shall exceed \$5,000 except for bookstore purchases of inventory for resale.
2. No technology/software purchases shall be made without the prior approval of the Information Technology Services (ITS) department to ensure technical compatibility of both systems and support.
3. No other equipment purchases shall be made without the prior approval of the College President.
4. All such transactions shall be reviewed and approved by ratification on the purchase order list by the Board of Trustees on a monthly basis.

C. The Board shall require its advance approval of all contracts or purchase orders for transactions in the following or higher annual dollar amounts, including applicable sales taxes, freight, and other initial purchase costs:

1. Equipment, materials, supplies, and services *(Bid limit is adjusted annually for each calendar year pursuant to Public Contract Code #20651)
2. Public works above \$15,000 **(e.g., construction, alterations, repairs, or improvements)
3. Consulting or instructional services \$15,000. The legislative body of any public or municipal corporation or district may contract with and employ any persons for the furnishing to the corporation or district special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required.

*2021 (\$96,700)

** (Subject to the District's adoption of BP6603, Informal Bidding Procedures Under the California Uniform Public Construction Cost Accounting Act)

D. Procedures will be implemented to assure that there are not multiple transactions to the same vendor, by the same department, within a fiscal year to exceed \$15,000. Any request which exceeds \$15,000 will require two or three competitive quotes and/or Board approval prior to procurement or start of service. Employees who violate the approval limit procedures can be subject to disciplinary action up to and including termination.

E. Employees who violate the approval limit procedures, as specified in AR6150, can be subject to disciplinary action up to and including termination.

F. Multi-year contracts which annually or in the aggregate require spending in excess of the amounts listed in section C 1-3 above must have advanced approval by the Board of Trustees. If a long-term contract with renewal options, not to exceed a term of five years, has been approved, each annual renewal does not required Board approval.

G. Purchase orders for transactions amounting to less than the amounts specified in section C 1-3 above can be executed by the Director, Purchasing Services, the Vice Chancellor, Business Services, or the Assistant Vice Chancellor, Fiscal Services on behalf of the District and submitted for Board ratification within 60 days of execution, as long as all of the policy and procedural guidelines stipulated by the Board are adhered.

H. The Auxiliary Services Business Office shall be responsible for centralized purchasing for the auxiliary operations and shall follow identical processes and procedures as stated in BP 6330 and as specified in AR 6330 for the procurement of goods and services.

I. Any District employee who evades purchasing procedures or violates the limit procedures and commits the District to financial obligations without proper authority are personally liable for those commitments and subject to disciplinary action up to and including termination.

Reimbursement for Purchases

Employees purchasing items for District use from their own funds and expecting to be reimbursed do so at their own risk. The District has set a limit for reimbursement to employees purchasing items for District use only to no more than \$500 per transaction. Reimbursement will be made only if in the normal purchasing sequence, a purchase order would have been issued for the item or services purchased. All requests for reimbursement purchases must be reviewed and approved through the manager responsible for the budget funds to be utilized for reimbursement and supervisor to requesting employee prior to initiating the purchases. If reimbursement is expected to be made from a special project fund, advanced approval from the Resource Development department is required. Examples of why a reimbursement might not be allowed are:

1. Not an urgent need
2. Unsuitable or unsafe for its intended usage
3. Not legally viable (e.g. a contractual obligation to purchase from another vendor)
4. Product is not commercial or industrial grade and does not meet the required warranties and guarantees needed to support use in District/College environment
5. Insufficient budget funds at time of purchase or available funds to reimburse cost
6. May have been purchased at a significantly lower price from another source
7. Failure of the product to meet established District standards
8. Not an allowable cost (applicable to special project terms and conditions)
9. Repeated abuse and/or pattern of requests for reimbursement of unauthorized purchases.
10. Failure to request reimbursement via a **Request for Check** form including original receipts, approved by manager and submitted to Accounts Payable within five (5) business days of purchase.

Requests for reimbursement must be made by submitting a Request for Check accompanied by an itemized original receipt(s). The appropriate budget manager must approve the request by signature on the **Request for Check** form. The District may deny reimbursement if the process is not followed correctly. In a rare occurrence that a purchase is needed, outside of the processes and procedures as stated in this administrative regulation, any reimbursement request exceeding the maximum allowable amount of \$500 will require, prior to purchase, written approval from their respective Chancellor's Cabinet member and the Vice Chancellor, Business Services to authorize the reimbursement. Once approval has been obtained, the purchase may be made, and the request is to be submitted through **Request for Check** form and submitted to Accounts Payable within five (5) business days of purchase.

Fiscal Management

The Vice Chancellor, Business Services, Assistant Vice Chancellor, Fiscal Services and Director, Purchasing Services will do the following:

1. Maintain regular lines of communication with other District departments to inform them of District policies/procedures and to obtain their support regarding compliance.
2. Maintain regular lines of communication with the business community and the State Chancellor's Office for direction and information.
3. Provide adequate training and communication for staff members to align purchases with required compliance with policies.
4. Review spending trends and patterns for compliance with policies during budget cycles, year-end audit and financial reporting cycles.
5. Prepare and analyze various reports throughout the year and as part of the fiscal year-end review process.

Grant (Special Projects) Funds

The grant project director and/or project administrators are responsible for effective and compliant management of grant funds, which entails adhering to grant-specific terms and conditions, standard grant management practices and procedures, and the district's policies, procedures and timelines. Categorical allowability does not override any Board Policy, Administrative Regulation or District procedures.

The Resource Development department manager is responsible for providing guidance and training on grant fund management and will do the following:

1. Develop written guidance on effective grant management practices.
2. Provide training to grant managers on effective grant management practices.
3. Provide grant start-up meetings to new grant managers and for existing managers when new grant programs are awarded.

Internal Audit

The Internal Audit Manager is responsible for performing a broad range of reviews and analysis to support the operations of the District including all funds and special projects.

The Internal Audit Manager may, as requested, directed or as part of an overall audit program, do the following:

1. Periodically review and audit spending trends and specific purchases to ensure accuracy, compliance and alignment with District Board Policies and Procedures.
2. Perform reviews of both transactions and operational processes in order to detect, deter and prevent fraud.
3. Issue reports of observations, participate in the development of guidelines and make recommendations for improvement as a result of any reviews as deemed appropriate.

Cooperative Purchasing

The Director, Purchasing Services is authorized to make purchases through the State of California Cooperative Purchasing Program operated by the Department of General Services, the Foundation of California Community Colleges and via liaison systems established with other public agencies including county, city, town or district. These types of purchases will be executed when they are in the best interest of the District relative to optimum pricing, delivery, and purchasing logistics.

To accomplish BP 6330, the Director, Purchasing Services will do the following:

1. Establish systems which will enable them to maintain a liaison with the Department of General Services and stay current on available cooperative or piggybackable purchasing arrangements which meet the above criteria. Possible sources are: a. Affiliation with CASBO and similar professional organizations, b. Affiliation with the Orange County Department of Education, c. Affiliation with the Foundation for California Community Colleges, d. The use of automated bulletin boards and other formal or informal information systems.
2. Work closely with Facility Planning, District Construction and Support Services, Information Technology Services, and other departments during the plans for major procurement items so that possible cooperative and piggybackable options can be explored.
3. Provide adequate training and communication for staff members to facilitate their compliance with the policy.

Purchasing Code of Ethics

To comply with the Purchasing Code of Ethics the Director, Purchasing Services will do the following:

1. Establish systems which will enable staying current on all significant changes in legal codes and regulations affecting community college purchasing. Sources for this are: a. Affiliation with CASBO, Foundation for Community Colleges and similar professional organizations b. The use of manual or automated published legal services which provide current reference data.
2. Publish and keep current Purchasing Services brochure for vendors, which includes basic information regarding the District's Purchasing Code of Ethics, for distribution to current and prospective vendors.
3. Provide adequate training and communication for staff members to facilitate their compliance with the Purchasing Code of Ethics.
4. Develop resources to assist District/Colleges related to practices, procedures, compliance, training materials and a Purchasing Services Handbook.

To facilitate this policy the Vice Chancellor, Business Services will:

1. Maintain separation of duties between Purchasing Services, Accounts Payable and cash disbursements functions.
2. Instruct the Assistant Vice Chancellor, Fiscal Services, Fiscal Services Manager and Internal Audit Manager to review transactions for compliance.
3. Instruct the District's independent auditors to periodically examine Purchasing Services operations for compliance.

Resources

All resources including fiscal year deadlines, training materials, forms, applications and guides are available to all employees via the employee intranet at:

<https://intranet.rccd.edu/Purchasing/Pages/Forms-and-Resources.aspx>

Responsible Manager: Director, Purchasing Services

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