

Policy: **Procurement**

Responsible for Policy: Administration & Finance

Policy Number: **G-13**

Most recent approval date: April 2016

## **Policy Statement**

### Public Bids

As a political subdivision of the State of New York, the procurement of goods and services by Finger Lakes Community College shall fall under the provisions of New York State Municipal Law. Section 103 of the General Municipal Law requires public bids for aggregate purchases of like commodities \$20,000 or more over a period of 12 consecutive months and public bids for any public works contract \$35,000 or more.

### Contracting Authority

FLCC Board of Trustees approval is required for purchase contracts \$20,000 or more, if said contract is other than the low bid. A report of all bids awarded will be made at the next regularly scheduled FLCC Board of Trustees meeting.

FLCC Board of Trustees approval is required for public works contracts \$35,000 or more, if said contract is other than the low bid. A report of all bids awarded will be made at the next regularly scheduled FLCC Board of Trustees meeting.

FLCC Board of Trustees approval is required for any lease, rental, consulting or professional services contract over \$10,000. A report of all bids awarded will be made at the next regularly scheduled FLCC Board of Trustees meeting.

### Conflict of Interest

No FLCC trustee, officer or employee shall be party to any contract with the College, where such employee has the authority to recommend, negotiate, authorize, prepare, or approve a contract or payment thereof and appoint any officer or employee who has any of the powers set forth above.

## **Reason for Policy**

In 1991, General Municipal Law was amended to include an additional requirement under Section #104-b, establishing the requirement for governing boards to annually approve guidelines for expenditures that do not reach the public bid requirements established in Section 103.

## **Applicability of the Policy**

This policy applies to all procurement and purchasing transactions of Finger Lakes Community College. All FLCC employees and officers involved with any aspect of procurement should be familiar with this policy.

## **Definition**

Contract: any claim, demand, or agreement with the College, either expressed or implied

## **Related Documents**

- New York State General Municipal Law, Section 103
- New York State General Municipal Law, Section 104-b
- Chapter 413 of the 1991 NYS Laws
- Ontario County Best Value Competitive Bidding Law, Local Law 3-2014
- FLCC Travel Authorization & Reimbursement policy

## **Review date/action taken (requires Board of Trustees approval):**

- September 2009: original approval date
- May 2010: revisions to policy
- June 2012: revisions to policy
- August 2014: revision to policy
- April 2016: no revisions to policy

**FLCC PURCHASE CONTRACTS**

Materials, supplies, services, equipment, and products without installation or other services

Requisition Review/Approval			Documentation			Contract Approval			
Amount	Dept. Head	Business Services	Verbal Quote	Written Quote	Public Bid	Responsible Party	Sr. VP, A&F	President	Trustees
Up to \$1,000	X		1			Dept. head (Note A)			
\$1,001-\$2,500	X	X		1		Dept. head (Note A)			
\$2,501 - \$19,999	X	X		3		Dept. head (Note A,B)			
\$20,000 or More*	X	X			X	Business Services (Note C)	X If low bid	X If low bid	
\$20,000 or More*	X	X			X	Business Services			X If other than low bid

**Use of existing, approved bids and contracts may eliminate the requirement of quotes or public bids. See Director of Business Services.**

**Note A:** Director of Business Services reviews for compliance.

**Note B:** Department secures quotes, however, if needed they may provide specifications to the Director of Business Services and the Director of Business Services and/or County Purchasing will secure the needed quotes.

**Note C:** VP for Administration and Finance or President: a report of all bids awarded will be made at the next regularly scheduled FLCC Board of Trustees meeting.

\* Annual aggregate of all spend within commodity

**PURCHASE OF NEW CUSTOM OR PROPRIETARY SOFTWARE (NOT AVAILABLE FROM RESELLERS)**

Requisition Review Approval			Documentation			Approval of Contract			
Amount	Dept. Head	CIO	Written Quote	RFP or RFQ With Justification	Formal Contract	Responsible Party	Sr. VP, A&F	President	Trustees
Up to \$10,000	X	X	1			Dept. head (Note A)			
\$10,000 Or more	X	X		Note B	X	Business Services	X	X	X

**PURCHASE OF NEW CUSTOM OR PROPRIETARY SOFTWARE (NOT AVAILABLE FROM RESELLERS)**

**Note A:** Director of Business Services reviews for compliance.

**Note B:** A Request for Proposal should be issued to seek new software applications unless there is a continuity or compatibility issue, and/or a specific classroom application requires a particular software package for instructional purposes. In those situations, a signed written quote must be obtained and a memo of justification must accompany the requisition.

**IMPORTANT: IF PURCHASING ANY SOFTWARE, always check for existing bids or contracts first with Coordinator of IT Services and Instructional Technology.**

**PURCHASE OF UPGRADES OR RENEWAL LICENSES FOR PROPRIETARY SOFTWARE AND PURCHASE OF PROPRIETARY PUBLICATIONS (TEXTBOOKS, CLASSROOM MATERIALS)**

Requisition Review Approval			Documentation			Approval of Contract			
Amount	Dept. Head	CIO	Written Quote	Justification	Formal Contract	Responsible Party	VP for A&F	President	Trustees
Up to \$10,000	X	X	1			Dept. head (Note A)			
\$10,000 Or more	X	X	1	X		Dept. head (Note A, B)	X		

Note A: Director of Business Services reviews for compliance

Note B: Memo of justification of why particular purchase is required and other sources are not available must accompany requisition.

**FLCC PUBLIC WORKS CONTRACTS, MAINTENANCE / REPAIR CONTRACTS**

Requisition Review/Approval			Documentation			Contract Approval			
Annual Amount	Dept. Head	Business Services	Written Quote	Public Bid	Documentation Required	Responsible Party	Sr. VP, A&F	President	Trustees
Up to \$5,000		X	X Note A		Short Term Contract	Director of Facilities and Grounds			
\$5,001-7,500		X	X Note A		Short Term Contract	Director of Facilities and Grounds	X		
\$7,501-34,999		X	X Note B, C		Signed Quotation	Director of Facilities and	X		

					obtained by County Purchasing	Grounds			
\$35,000 or more		X	X Note B, C	X	Formal Contract	Director of Facilities and Grounds	X If low bid (Note D)	X If low bid (Note D)	
\$35,000 or more		X	X Note B, C	X	Formal Contract	Director of Facilities and Grounds			X If other than low bid

**Use of existing, approved bids and contracts may eliminate the requirement of quotes or public bids. See Director of Business Services.**

**Note A:** Facilities and Grounds applies for NYS Prevailing Wage Rates and provides PRC# department to provide to supplier when requesting quotations

**Note B:** County Purchasing applies for NYS Prevailing Wage Rates and Provides PRC# to supplier when requesting quotations

**Note C:** Formal Quotes/Bids secured by County Purchasing. FLCC Facilities and Grounds will provide specifications to Director of Business Services.

**Note D:** Vice President for Administration and Finance or President: a report of all bids awarded will be made at the next regularly scheduled FLCC Board of Trustees meeting

*All contracts will be issued by FLCC*

**FLCC TRUE LEASES/RENTALS, CONSULTING & PROFESSIONAL SERVICES** (see exceptions to purchase order system)

Requisition Review/Approval			Documentation			Contract Approval			
Annual Amount	Dept. Head	Business Services	Written Quote	RFP RFQ	Contract	Dept. head	VP for A&F	President	Trustees
Up to \$1,000	X	X			Short Term Contract and/or Formal Contract	X (Note A)			
\$1,001 - 10,000	X	X	3		Short Term Contract and/or Formal Contract		X		
Over \$10,000	X	X		X	Formal Contract		X (Note: B)	X (Note: B)	X

**Use of existing, approved bids and contracts may eliminate the requirement of quotes or RFPs. See Director of Business Services.**

**Note A:** Director of Business Services reviews for compliance.

**Note B:** Vice President for Administration and Finance or President: a report of all bids awarded will be made at the next regularly

## **Procedures**

Any FLCC officer or employee who has, or may acquire an interest in any actual or proposed contract with the College, shall publicly disclose the nature and extent of such interest in writing to the Board of Trustees as soon as any knowledge of such interest arises. This written disclosure will be made part of the official minutes of the Board. Any FLCC officer or employee who has reason to believe they may have a conflict of interest should contact the Office of the County Attorney immediately.

### Objectives of the Procurement Function

#### a) Orientation towards Quality Procurement Services

Subject to requirements established by law, it will be the responsibility of the Director of Business Services to:

\*Maintain user awareness of College procurement services and to provide staff training with specific attention to:

- The public bid and quotation, and contracting procedures
- The availability of all state and municipal approved contracts as well as applicable approved cooperative and SUNY contracts
- Delivery expectations
- Specification preparation and supplier identification

Accordingly, the Director of Business Services shall:

- Initiate and schedule periodical training sessions for members of the College community
- Establish conflict resolution procedures for addressing supplier performance, receipt of inferior materials, delivery delays, and system user problems.
- Proactively meet and confer with departmental users on a periodic basis to identify anticipated supply requirements, purchasing alternatives and anticipated procurement department services and strategies to meet user needs.
- Monitor a procurement function quality control procedure which will provide system user feedback directed at:
  - o Quality of service
  - o Quality of outcomes
  - o Responsiveness to the departmental mission

The Director of Business Services shall implement a system that will request user feedback to assess user satisfaction.

#### b) Problem Resolution

It is the responsibility of unit managers and other system users to immediately notify the Director of Business Services of any dissatisfaction with the procurement system including the quality or delivery of purchased materials and system services in general. Business Services will work closely with departments to resolve outstanding issues.

### General Notes Concerning the Procurement Process

The Board of Trustees shall meet monthly and consider, as part of their regular agenda, College business requiring the award of public bids and contracts as outlined in Section 8.20. In the event that none of the responses to a public bid are responsive to the specifications, the Trustees, President, or Vice President for Administration and Finance must formally reject all bids.

Due to the length of the public bid process, it is the responsibility of the requesting department to be familiar with and anticipate all meeting dates and deadlines and to notify Director of Business Services of any special delivery requirements.

All bids must be approved by the Trustees, President, or Vice President for Administration and Finance as detailed in

Policy Number G-13 and encumbered before the end of the fiscal period in which the funds are budgeted. In the event an award is not made prior to August 31st, funds will lapse and the project may be lost.

Grant Funds: All bid contracts funded through grants must be awarded by the end of the grant period as required by the funding agency.

The College may not be deemed responsible for unauthorized financial commitments that have circumvented approved college procurement policies. It is the department head's responsibility to know the availability of funds before a purchase requisition is approved.

### **System Considerations**

#### System User Authority

To requisition goods or services, an employee must have an authorized budget code, available funding, and the authority to approve requisitions. Authority to approve a requisition is generally reserved for department heads, directors, and College cabinet members.

#### Servicing Offices

The Office of Business Services is designated as the official point of first contact for all suppliers doing business with the College. Before investing significant amounts of time investigating a product or service with a potential salesperson, departments are advised to contact the Director of Business Services for assistance. Experience has demonstrated that early coordination will avoid a range of communication issues later on.

The College currently contracts with the Ontario County Purchasing Department to provide procurement. Any use of the term purchasing agent within this policy shall mean the Ontario County Purchasing Agent. As part of that agreement, purchasing agent agrees to comply with the requirements contained in these procedures.

Individuals unfamiliar with procurement procedures may contact the Director of Business Services at extension 1216.

#### Petty Cash

The FLCC Board of Trustees shall approve and the Vice President for Administration and Finance shall administer College petty cash funds in compliance with New York State Education Law, Section 6304.6.

New York State Education Law, Section 6304.6, authorizes community colleges to establish and maintain petty cash funds, subject to certain limitations and requirements regarding internal control. This policy is intended to ensure that Finger Lakes Community College complies with these limitations and requirements.

This applies to the establishment and monitoring of petty cash funds. Separate policies, as described more fully in the Employee and Faculty Handbooks, apply to requests for disbursements from petty cash. All College staff responsible for accounting for petty cash, as well as the heads of departments for which petty cash funds are from time to time authorized, should be familiar with this policy.

The FLCC Accounts Payable Office manages the College's petty cash fund. Reimbursements of \$25.00 or less may be processed. Please contact the Accounts Payable Office for additional information.

### **Contracting Authority**

The Director of Business Services and Vice President of Administration and Finance reserve the right to use alternative methods depending on the nature of the contract. Use of multiple smaller orders to exceed amount limitations is not authorized. General guidelines are included with the policy statement on page 1.

## **Determination of Procurement Method**

### Competitive Bidding

#### a) Requirement

General Municipal Law requires purchase contracts \$20,000 or more and public works contracts \$35,000 or more to be awarded to either the lowest responsible bidder or “best value”<sup>1</sup> as outlined in the bid specifications in response to a public advertisement for bids.

Placement of numerous small orders of like materials to exceed the annual aggregate limitations for bidding purposes shall not be authorized. In determining the requirement for public bids, the aggregate dollar value of like item purchases for 12 consecutive months is considered and taken as a whole.

Bidding requirements may be waived if the College elects to purchase off available state and other approved contracts. A determination to use state or other approved contracts should be considered jointly by the requisitioning department and the Director of Business Services.

The term Public Works Contract applies to projects combining the purchase of labor and materials under a single project designation. Examples include, but are not limited to, road paving, construction, and printing.

The rule of thumb for a public works classification is one where labor costs exceed 50% of the total contract award.

#### b) General Bid Procedure

The purchasing agent designated by Ontario County Purchasing will work with the Director of Business Services and the requesting departments to issue all bid packages and record bid results.

Bid specifications shall be prepared by the requesting department and forwarded to the Director of Business Services for review and insertion into the general bid specification package to be made available to the bidding public. Bid packets shall include the following sections:

1. Instructions to Bidders
2. Notice to Bidders
3. General Information for Bidders
4. Commodity/Project Specification
5. Bid Form and Bidder Certification
6. Insurance Schedule B
7. Workers Compensation & Disability Requirements
8. Indemnification Agreement
9. Non-collusion Bidding Certification

Prior to the public advertisement, a copy of the official bid packet shall be made available to the requesting department for review and sign off.

All bid advertisements shall specify the time and place bids will be opened and publicly read. In most instances, the purchasing agent shall open all bids at the County Purchasing Office.

All public bid notices shall be advertised in official College publications that are approved by the Trustees each year at their annual meeting.

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<sup>1</sup> “Best value” is defined for this purpose as a basis for awarding contracts “to the offerer which optimizes quality, cost and efficiency, among responsive and responsible offerers.”

A record of suppliers receiving bid packets shall be maintained by the Ontario County Purchasing Department. All bids received shall be date stamped upon receipt.

Bids are generally due thirty days after the date of advertisement. Successful bidders will be required to guarantee pricing for a period not less than 45 days after bids are publicly opened.

As specified in the general specification packet, the governing body has the right to reject any and all bids.

It is strongly advised the requesting department confer with the Director of Business Services early in the process to determine the required method of procurement and to insure that all parties are in agreement as to the specifications and timing. Using departments must submit specifications to the Director of Business Services who will provide the material, as needed, to County Purchasing.

#### c) Non-Collusion Certification

All bids must be accompanied by a signed certification of non-collusion. The certifying company officer must attest, under penalty of perjury, that the bids offered:

1. Were arrived at independently and without collusion for purposes of restricting competition
2. Were not disclosed to other individuals, competitors or potential bidders prior to the bid opening
3. Included no effort by the bidder to induce others to submit or not submit bids for purposes of restricting competition

#### d) Bid Awards

All bids and bid renewals shall be awarded or rejected by the Trustees based on recommendations from the requesting department and the college Treasurer. The Trustees may delegate awarding of bids and bid renewals to the President or Vice President for Administration and Finance provided that:

- The bid to be accepted is the low bid
- Sufficient funds have been appropriated
- A detailed summary sheet of the bid results has been received
- A bid acceptance worksheet will be submitted to the Vice President for Administration and Finance's office from the requesting department that material provided by the lowest responsible bidder is acceptable.

#### e) Records

Records, materials and actual bid responses for bids in process must be secured in a safe place prior to the actual bid opening.

Upon completion of the bid process, original documentation must be maintained in accordance with the appropriate record retention schedule. Documentation must include:

- Proof of the actual public bid notice
- Original specifications
- All original bid responses
- Requesting department's approval to accept the bid
- All transmittal letters of returned security deposits
- Purchase order copy to successful bidder

#### f) List of Qualified Bidders

A listing of all responsible bidders shall be maintained as part of the supplier file. In addition to information concerning bidder name, address, and primary contact, records should disclose matters of product dissatisfaction reported by the ordering departments.



### Methods of Procuring Materials and Services Not Requiring a Public Advertisement

Chapter 413 of the 1991 NYS Laws amended Section 103 of the General Municipal Law, which governs the acquisition of goods as service by all political subdivisions within New York State. As previously stated, the laws added Section 104-b requiring college Trustees to annually approve guidelines for all expenditures not covered by the State Bidding Regulations.

The College practice for procuring goods and services includes the expectation that best overall value for all smaller purchases remains a high priority. A simple cost benefit analysis should be made when determining the extent to which resources and time should be used to identify best value to the institution.

### Quotations

The Ontario County Purchasing Department will provide pricing quotations if requested by FLCC for all requested services and materials, as part of its service to the College. Departments may assist by forwarding suggested suppliers and other specifications to the Director of Business Services. Business Services and Ontario County Purchasing, however, reserves the right to identify additional suppliers that can meet the desired specifications.

On an exception basis, a quick turnaround time may be requested by contacting the Director of Business Services.

Verbal Quotation - \$1,000 or less – The requestor will obtain information from the supplier by phone which shall include but not be limited to price, quantity, delivery date, shipping charges (if any), the name and title of the individual spoken to, and any other necessary information.

Written Quotations - \$1,001 to \$19,999 - The requestor will obtain the required number of written quotations from suppliers as per Policy G-13. The quotation should clearly list supplier name, address, and telephone number - and also include, but not be limited to specifications such as, price, quantity, delivery date, shipping charges (if any), and any other necessary information. Quotes that contain contract terms and/or require a signature must be forwarded to the Director of Business Services for approval before signing.

### Short-Term Contract

Departments shall use Short-Term Contracts, a template of which shall be found on the College Intranet, as required under Policy G-13. Any changes or modifications to the template shall be pre-approved by the Director of Business Services. Goods or services may not be supplied pursuant to a short-term contract prior to issuance of a formal purchase order.

### Use of a College Credit Card

A Finger Lakes Community College credit card may be utilized for purchasing transactions up to \$250 and/or a quick turnaround time is required at the discretion of the Controller and/or the Director of Business Services. Any exceptions to this dollar amount must be approved by the Controller or the Director of Business Services. All credit card purchases must be submitted on an electronic purchase requisition.

In order to maintain adequate control for purchasing authorization and encumbrance of money against a budget line the following procedure has been adopted for all purchases (general supplies & materials) when using a College credit card.

The requisition must include the supplier name (entered in the “comments” section), credit card, item description, a budget code, extended pricing, and an authorized signature. The requisition must be submitted to Accounts Payable who will place the approved order with the credit card.

All pricing must include shipping and handling charges, if applicable.

All purchases are tax exempt. Individual requesting the purchase must submit to supplier or merchant a tax exemption

certificate.

No purchase orders for credit card purchases will be sent to suppliers. However, a copy of the purchase order generated by the system will be sent to the initiator of the order for internal use.

Upon receipt of items, purchase order must be signed, dated, and returned to accounting with any packing slips, invoices, and/or order supporting documentation. Accounts Payable makes payment to bank from monthly statement.

This policy has been enacted in order to maintain adequate control for purchasing authorization and encumbrance of money against a budget line. See the Director of Business Services or College Controller for additional information.

#### Requests for Proposal / Requests for Quotations

Contracts for professional services and other types of expertise may be exempted from the public advertising requirements of Section 103. In such cases, the college may solicit proposals for services by issuing either a Request for Proposal (RFP) or a Request for Quotations (RFQ). Examples include, but not limited to, legal, banking, engineering, accounting, food and vending services, long-term rental contracts, and other specialized professional services.

\* A Request for Quotation is used to solicit responses from qualified suppliers as to what it will cost to carry out a pre-established set of specifications in furtherance of a goal.

\* A Request for Proposal is used to solicit responses from qualified suppliers suggesting specification and project design, along with related cost in furtherance of a goal.

Using either instrument for procuring services the College places significant emphasis on the design and clarity of the request, the quality of services, and the limits of available funding. Lowest price may not be the determining factor when awarding a contract under either method. In all cases, the RFP or RFQ will include a provision allowing the College to reject any and all proposals as deemed appropriated by the Trustees. The Director of Business Services should be consulted any time either method is considered.

When approved, and depending on the need for specificity of terms, the actual agreement shall take the form of an issued purchase order (for encumbrance of funds) and a prepared contract as required under Policy G-13. The Treasurer will prepare the necessary contract documents.

#### **Elements of a Successful Request**

Users are strongly advised to seek technical advice from the Director of Business Services when the need for an RFP/RFQ is considered. The Director will assist the user in the following areas:

##### Supplier Expertise

A good solicitation effort will ensure that firm expertise and past performance has been verified through references supplied by the company or other professional contacts before the pool of candidates are selected to respond. Generally, a minimum of three suppliers should be included in the solicitation.

##### Clarity of Proposal

Qualified respondents are more willing to invest resources in responding to requests that avoid ambiguity. The presence of ambiguity in defining needs and desired outcomes will lead to a variety of interpretations often complicating the proposal evaluation. In addition to clear specifications, a good solicitation will inform respondents how proposals will be evaluated.

##### Project Management

A properly managed solicitation should produce satisfactory results in terms of both cost and quality of service. Planning and timing are important considerations for a successful project. Poor timing and an absence of planning can

lead to somewhat less than desirable results. In all instances, the Request should require respondents to include a not-to-exceed estimate for reimbursable expenses when applicable.

#### Evaluation Process

A solicitation should include a description of the evaluation process to be used in selecting the winning proposal. The solicitation should clarify the various weights given to matters such as price and quality of service.

Based on an appropriate evaluation of all responses, the requesting department will submit a written recommendation for action to the Director of Business Services. All recommendations will include a cost benefit analysis and other considerations, that the approving authority should be aware of prior to any commitment of College funds.

#### State and Local Contracts

Public bids are not required when purchases can be transacted through New York State OSG bid contracts or local government agencies. Departments should contact the Director of Business Services for direction. Users must include bid and or contract numbers on requisitions when using these bids/contracts.

#### BOCES and County Contracts

College users may also purchase off of local contracts that may be available through BOCES, Ontario County, or other counties. Departments should contact the Director of Business Services for direction. Users must include bid and or contract numbers on requisitions when using these bids/contracts.

#### Other Municipalities' Contracts

College users may purchase from other contracts bid by other qualifying municipalities nationwide. See the Director of Business Services for more information. Users must include bid and/or contract numbers on requisitions when using these bids/contracts.

#### SUNY Purchase Contracts

Contracts are also available through the SUNY purchasing system. A list of approved SUNY contracts can be found on the College Intranet. For more information, or to get a contract approved, contact the Director of Business Services. Users must include contract numbers on requisitions when using these contracts.

#### Cooperative Purchasing Contracts

Contracts secured by national public purchasing cooperatives may also be available for use. A current list of these contracts that have been approved for use can be found on the College Intranet. For more information, or to get a contract approved, contact the Director of Business Services. Users must include contract numbers on requisitions when using these contracts.

#### Listing of Commonly used Procurement Terms

A number of terms, explained below, have become associated with the procurement function. Users who are in need of special consideration when trying to meet their goals should become familiar with system requirements before funds are committed.

##### a) Substitutions

GML states that "or equal" substitutions must be considered for all purchases, except for those bid under "best value" specifications

##### b) Standardization

A request to standardize on the use of a particular type or style of material or equipment may be presented to the Board of Trustees for approval. Standardization cannot be used to circumvent procurement policies nor does the passage of a standardization resolution eliminate competitive bidding requirements. The benefits for standardizing must be documented. Once approved, competing products need not be considered for purchase until the

standardization resolution is abolished by the granting authority.

#### c) Emergency Purchase

Defined as:

“...In the case of a public emergency, arising out of accident or other unforeseen occurrence or condition, whereby circumstances affecting life, safety, public property, or property of the inhabitancy of a political subdivision or district, requires immediate action which cannot await competitive bidding, contracts for purchase or public work may be met without compliance with the formal bid process....”

In such instances, the President, Vice President for Administration and Finance, Director of Business Services, and/or the Controller has the discretion to issue an immediate purchase order number. In the case of emergency, the President, Vice President for Administration and Finance, the Director of Business Services, the Controller or the appointed designee shall:

- Receive notification and justification of the emergency from the requesting department;
- Initiate an emergency purchase order and direct the appropriate department to implement the required purchase;

#### d) Mandated Sources

Regulation requires that NYS mandated sources be considered as the primary supplier of various commodities including, but not limited to, furniture. Suppliers include Department of Correction, Industries for the Blind, and Industries for the Disabled.

#### e) Sole Source

Departmental requests for a specific supplier may be authorized when evidence indicates there is no possibility of competition. The requesting department must clearly document the reason for declaring the supplier as a sole source, including:

1. Uniqueness of the purchase, and
2. Absence of comparable items on the market
3. Letter from the supplier on their letterhead stating they are the sole manufacturer and seller of the product and why their product has no equal in the marketplace, a copy of which must be sent to Business Services

It should be noted that awards on the basis of a sole supplier designation are rare. Experience has shown that the retail distribution of identical products may create competition and better pricing in certain cases.

#### f) Fabricated Products and Goods

Where a decision is made to build or fabricate an item due to the non-availability of satisfactory off-the-shelf products, first contact should be made with the Director of Business Services to determine the best approach for packaging a successful proposal.

#### g) Design Service Contracts

On occasion, departments may become concerned about the lack of provisions for professional advice while implementing an authorized project. In such cases, managers should consult with the Vice President for Administration and Finance concerning possible support for professional assistance. While planning for most projects should include a design provision, any absence of such provision should not suggest that some professional assistance could not be considered.

#### h) Blanket Purchase Orders (BPO)

To facilitate frequent purchases from a single supplier, a blanket purchase order, or BPO, may be issued for an estimated purchase amount over a stated period of time. At the discretion of the Director of Business Services, BPO's may be issued at any dollar amount on a monthly, quarterly, semi-annual, or annual basis.

A BPO must not extend beyond the fiscal period in which it was issued.

It shall be the responsibility of the approver of the corresponding requisition to maintain control over the use of blanket orders. Once the authorized limit is reached orders will need to be renewed if needed.

#### Monitoring Blanket Purchase Orders

Only one object code per BPO shall be authorized. Actual expenses charged under a single BPO may not be distributed to multiple budget lines. Approvers must insure that sufficient line item appropriations are available before a BPO is requested.

Line items appropriations will be encumbered for the entire amount of the BPO. Accounts Payable must be notified in writing to cancel a BPO and disencumber any remaining funds due to a change in plans.

To insure that actual purchases do not exceed the authorized dollar limit of the BPO, approvers shall be responsible for tracking actual disbursements. A record of paid invoice numbers (or receipt numbers) and amounts paid should be maintained to track actual payments and to help to avoid duplicate payments of the same invoice.

In the event actual expense exceeds the authorized limits of a BPO, Accounts Payable will make a reasonable effort to alert the approver of the need to take corrective action. The College, however, shall not be held responsible for expenditures beyond authorized limits.

#### **Requisitions**

Purchases of goods and services are processed through the purchase order system. Exceptions must be reviewed in advance by the Director of Business Services.

The College has established an automated system to purchase goods and services. Use of the automated system eliminates the need to manually complete paper requisitions. Access to the system and training is available through Business Services.

#### Electronic Requisition

To initiate a purchase order, the individual requisitioning goods and services shall create a paperless requisition by completing the required information prompted by the system screen. The entering individual notifies the individual who has the authority to approve departmental expenditures to approve the requisition electronically. Once approved the requisition is forwarded to Accounts Payable for processing.

It is the approver's responsibility to insure that sufficient unencumbered funds are available. The absence of available funding will void the requisition.

Users must enter the pricing when prompted or the system will not initiate the requisition. Users are advised to provide accurate pricing in order to encumber funds and reduce the amount of funds available.

#### On-line Office Supplies

##### Order Process

1. Each area will submit a purchase requisition for a blanket purchase order with Staples for the entire academic year, encumbering the funds in the College's general ledger. This purchase requisition should be charged against a budget line using 54100 (office supplies) object code. If the department doesn't currently have 54100 as a budget option, a budget transfer needs to be requested from an existing budget line from Accounts Payable.
2. Individual departments will place their order on the Staples' website. For set up with Staples, please contact Business Services.

3. NOTE: The ship to info must be updated with the requisitioner's name.
4. The orders will flow to the Director of Business Services for review and approval. Items that should be purchased in another manner, such as computers, equipment, furniture, and food will be removed from the Staples order. The department will be notified if an order has been adjusted prior to submission, and will have to pursue other purchasing options for the deleted items.
5. Once the order is approved, the ordering individual receives an e-mail, from Staples, of the approval along with delivery information.
6. The packing slip is matched to the blanket purchase order and forwarded to Accounts Payable for processing.

Helpful Hints: When entering the item number on the home page, Staples will send a red message if an item is non-contract.

### **Purchase Order**

After the method of purchase and supplier are determined, and all approvals have been entered, a formal purchase order will be cut. Once issued, the order represents a legal contract committing the College for the acquisition of goods and service.

Distribution of the purchase order is as follows:

Copy 1: Mailed, faxed, or e-mailed to supplier (mail is the default method unless requested otherwise by the requisitioner in the "comments" section of the requisition)

Copy 2: Sent to ordering department as department receiving copy\*\*

\*\* Copy 2 of the purchase order is used by the requesting department as the receiving copy and needed in order to pay the order in full. After the order is received in full and judged satisfactory, the department must send the approved receiving copy to Accounts Payable with all original supporting documentation attached.

The receiving copy should not be approved until the order has been satisfactorily completed. Such approval represents the entire order has been satisfied and a check for the entire order will be issued.

Contact Accounts Payable if circumstances require a partial payment. Contact Business Services if there are any problems with the order.

### Receipt of Goods

Upon the satisfactory receipt of all goods and service covered by the purchase order, the receiving copy is approved by the department and forwarded along with all invoices and shipping receipts to Accounts Payable for payment.

Departmental approval of the receiving copy of the purchase order certifies:

1. The complete order has been satisfied
2. All materials have met the required specification
3. To the Controller that payment may be processed

In the event that a partial shipment requires payment, the requesting department must forward a photocopy of the receiving copy to Accounts Payable with the appropriate explanation.

As most suppliers include payment terms as part of the purchase transaction, prompt disposition of satisfied orders is required to avoid any unnecessary charges.

The College reserves the right to deny any supplier claim for payment of goods and services provided to the College, which were not ordered through the purchasing system.

### **Exception to the Purchase Order System**

#### Voucher System

Use of the Purchase Order System, in a variety of instances, may not be the most efficient way to satisfy claims against the College. Reasons for using a simple voucher may include, but not be limited to the fact that:

1. expense of processing small dollar amounts through the purchase order system may exceed the actual purchase itself, and
2. actual expense may be non-competitive as in the case of memberships & utilities, to name two.

#### Examples of Voucher Payments

1. Honorarium for services provided - in such instances, a letter of understanding between the appropriate college officer, or designee, and the service provider must accompany the approved voucher; please include the service provider's social security number.
2. Payments for utility bills, contracted service calls, public notices and advertising, postage, institutional memberships and dues, subscriptions, authorized catering services, fees and licenses.
3. Periodic payments pursuant to authorized professional service contracts (see methods of procuring services not covered by bidding, request for proposals)
4. Travel and Conference Expenses (see Travel Policy)
5. Petty Cash System

#### Voucher Preparation

All voucher payments must be approved by the department head. Voucher information must include:

- Name and address of claimant
- Description of goods and service
- Unit price
- Budget code
- Original invoice documentation only

Invoice photocopies, credit card advices and credit card statements are not acceptable documentation.

Please provide a description of purchased items in cases where invoices lack such information.

#### Voucher Issues Often Requiring Clarification

- Individual memberships and dues payments are not an authorized expense.

In the absence of available institutional membership opportunities, the supervising college officer may support an individual's membership by providing a statement of educational benefit to be gained by the institution.

- Food service for social functions, staff and committee meetings is not an authorized college expense. Food service may be authorized for the proper administration of college functions due to the impracticability of those in attendance to take time away from official business to obtain meals. Vouchers must identify the nature of the business, the administrative necessity for the expense, and the names of those in attendance.
- Funding is available to support expenses related to community advisory committee groups and guests who visit the campus for campus functions. Such arrangements must be approved by the appropriate college officer in advance.

- The use of college funds for gifts, donations, contributions, fundraisers, and greeting cards constitutes an expenditure without authority in law and shall not be approved.
- Payments for personal services shall not be processed through the voucher system unless such service is deemed a professional service. All payment to staff, regardless of type of service, shall be administered through the payroll system.

Student modeling has been classified as a professional service.

- There is no authority to commit college funds on behalf of students for memberships or student activity registrations.

### **Use of College Tax Exempt Number**

Finger Lakes Community College's exemption from state sales taxes and from federal income taxes, together with the related sales tax number(s), tax-exempt organization identification number and related certificates are the exclusive property of the College. No person or entity other than authorized College personnel may use the College's tax-exempt status and identification numbers/certificates at any time for any reason. This prohibition extends to those organizations and groups that maintain an affiliation with the College, such as recognized student organizations and alumni clubs.

Any person or entity violating this policy may be prosecuted for fraud and for violation of the New York State Tax Law, the Internal Revenue Code, and/or any other applicable state or federal laws, rules and/or regulations. If the individual or entity has any affiliation with the College, such affiliation may be terminated.

The College is required to ensure that any use of its status as a tax exempt organization is legal and appropriate and in the furtherance of its not-for-profit educational mission.

### **Review date/action taken:**

- September 2009: original effective date
- May 2010: revisions to procedures
- June 2012: revisions to procedures
- August 2014: revisions to procedures