



Policies and Procedures Manual

Title: Purchasing Policy and Procedures
Policy Administrator: Manager of Purchasing
Effective Date: Apr-02-2012
Approved by: Director Administrative Services

Purpose:

To inform the campus community that the Purchasing Department provides assistance to all College Departments in the purchase of all supplies, equipment and services at the lowest possible cost consistent with the quality and service provided.

Policy:

- The Purchasing Department is authorized to contract for goods and services by issuing Purchase Orders or by authorizing use of the Procurement Card (see Procurement Card Manual). The department provides assistance to all College departments in locating sources for purchases.
- The College will not accept financial responsibility for goods and/or services obtained without proper authorization. These will be considered personal purchases.
- The Purchasing Department will work with vendors regarding negotiating specifications, procurement, price, terms, delivery, change orders, cancellation, etc. The ordering department may work with the vendor regarding technical specifications and forward the information to Purchasing for ordering.
- Most product specification rests solely with the ordering department. Purchasing may change vendor and/or product selection after notifying the department.
- The ordering department is encouraged to suggest sources of supply. Vendors associated with educational contracts (MHEC, E & I, Colleges of Worcester Consortium) will have preference.
- The College, as a non-profit educational institution, is exempt from state and federal taxes. Invoices which include taxes should be referred to the Purchasing Department for corrective action.
- The Purchasing Department will not release or discuss competitive prices submitted by its vendors. Other College personnel involved in bid comparison evaluations are expected to follow this policy.

- All Purchasing Department personnel will avoid any situation in which a conflict of interest exists. Questionable decisions will be properly documented, reviewed and decided by the Purchasing Manager.
- The Purchasing Department is urged to decline offers of gifts or gratuities from vendors or potential suppliers.

Procedures:

PURCHASING CYCLE:

- If the ordering department has access to PeopleSoft Purchasing, they will enter the Purchase Order into the PeopleSoft financial system, budget check and approve it. Otherwise, ordering information should be sent to Purchasing to be entered.
- The Purchasing Department verifies the information (i.e., vendor, account distribution, pricing.); then the Purchase Order is dispatched—faxed, emailed or telephoned to the vendor.
- The goods and/or services are received/performed by the vendor.
- The ordering department enters receiving information into the PeopleSoft (where available or Purchasing will process the receiver upon notification from the department). This allows the invoice to be processed for payment.
- The vendor submits the invoice to Accounts Payable (Controller's Office, O'Kane 159/tel. ext. 2519).

PROCEDURES FOR PURCHASING & RELATED TOPICS

When to use a Purchase Order:

- When a vendor requires a purchase order to initiate the delivery of goods/services
- When goods/services are more than the approved procurement card level set for a cardholder usually \$1,000 per transaction unless previously approved at a higher level
- Capital equipment

Competitive Bidding:

The purpose of requesting competitive bids is to ensure that the respective department is purchasing goods and/or services at the lowest possible cost. The Purchasing Department retains the right to request competitive bids for all goods and/or services regardless of the dollar expenditure involved. A two weeks lead time should be allowed for competitive bid solicitations.

Purchase Order:

A Purchase Order is a legal binding contractual agreement between the buyer and the seller once accepted by the seller. The contents must be specific and contain the agreed upon terms and conditions.

Change Orders:

Change orders will be entered in the PeopleSoft system by the ordering department or Purchasing, budget checked and approved. The Purchasing Department will dispatch the change order. Purchase orders can be canceled by the ordering department but Purchasing must be notified.

Blanket Orders:

Blanket orders should be used primarily for service contracts that have a set monthly amount. They can also be used for repetitive purchases to vendors that do not accept the procurement card.

Fund Availability:

No purchase order will be processed without sufficient budget funds. Budget transfers or requests for additional funds must be initiated before processing can take place.

Confirmation or Verbal Purchase Orders:

At times, certain vendors require a purchase order number in advance. In this case, a purchase order can be entered initially with only the vendor, buyer, description and chart string. Once edited, a Purchase Order number can be given to the vendor. The Purchase Order must be modified to provide all the proper information before being dispatched by the Purchasing Department.

Expediting:

All requests to expedite delivery will be initiated by the Purchasing Department. Delivery information received from vendors will be immediately conveyed to the ordering department.

Receipt of Goods:

Once item(s)/services are received, the ordering department enters a receipt for each item in the system. If a receiving document is available, write the receipt number on it and forward to Accounts Payable. Accounts Payable will enter the invoice and when all documentation is matched (i.e., purchase order, receipt, invoice), the vendor will be paid.

Shortages/Back Orders:

Enter receipt for only items received. If the order will not be completed because of discontinued or canceled items, notify Purchasing so the balance of the purchase order can be canceled and funds returned to the department's organization budget.

Receipt of Damaged Goods:

Notify the Purchasing Department immediately so a claim can be filed with the vendor. In all cases, retain all shipping papers, containers, packing material and the damaged items for inspection. You will be notified as to the final disposition on your claim.

Unacceptable Merchandise:

Circumstances will dictate the course of action to be taken by the Purchasing Department. Usually, a return authorization will be requested from the supplier. Material must not be returned without this authorization since important instructions are often provided detailing the company's material return policies.

Unidentifiable Merchandise:

Notify the Purchasing Department immediately. Arrangements will be made to pick up, establish identification, and re-deliver the item.

Personal Purchases through the College:

Personal purchases are not allowed. The Purchasing Department will not process purchase orders for personal items. However, Purchasing will provide the names of vendors who extend discounts to community members.

Equipment Purchases:

All equipment purchases must be pre-approved through the Budget Office during the budget request cycle. The Purchasing Department will assist in obtaining approved vendors and pricing information for departments.

Purchase of Computer and Related Equipment:

Purchases will be processed only with the consent and approval of the Budget Office in concurrence with the Information Technology Services Department (ITS).

Purchase of Internal Services:

For goods and/or services provided by College departments such as Central Stores, Graphic Arts, Dining Services, etc., send the Requisition/Payment Form directly to the department supplying the service. For Bookstore purchases, the Purchasing Department must approve all items except books.

Purchase of Printing:

Any internal print work must be submitted with a Graphic Arts Requisition form to the Graphic Arts Dept. Any printing changes must be clearly specified. All forms and printed matter must be discussed with the Graphic Arts Department who will submit proofs for approval before proceeding with a final print.

All requests for printing or copy work from outside sources must be reviewed and processed by Graphic Arts and/or Public Affairs. Outside printing shall be contracted only by the Purchasing Department. Every effort will be made to utilize the College Graphic Arts Department unless price, quality, delivery or service capacity make it impossible.

Office Supplies:

The College has an agreement for office supplies with W.B. Mason which provides desktop delivery to all departments within 48 hours. This must be used as the first source for office supply purchases. All office supply orders must be placed on-line. Contact the Purchasing Department to be set up as an authorized buyer for this site.

NOTE: NO FURNITURE OR EQUIPMENT CAN BE ORDERED THROUGH W.B. MASON.

Supplies vs. Equipment:

- Supplies: Items used in day-to-day offices, teaching or maintenance operations with no residual value
- Equipment: Consumable--Items less than \$500 with a minimal residual value (i.e., tools, lamps, audio visual accessories, computer accessories (not equipment), etc.
- Equipment: Capital--Items \$2500 or more which are non recurring in nature, computer equipment, items with life expectancy of 5 years or more and any and all furniture must be requested through the Budget Office and approved as part of each department's annual spring capital appropriations.

WHEN IN DOUBT, CALL PURCHASING PRIOR TO PURCHASE.

College Assets/Inventory Management:

All College assets are under the jurisdiction of the Purchasing Manager. Any transfers or disposals of College assets must be approved by the Purchasing Manager. Recycling of surplus property among departments is the Purchasing Department's objective. The Asset Inventory Department must be notified of any transfers or disposals in order to keep the College's inventory up to date. The sale of any surplus equipment will be handled by the Purchasing Manager.

Central Stores:

Central Stores is a non-profit service of the Purchasing Department. As a service to the entire College, Central Stores will serve as a central receiving location and will deliver items received to the ordering departments. It is located in the Maintenance Building (Physical

Forms:

Title
Title

Related Information:

Title
Title

Policy # 340040-003
Date of Last Review Mar-16-2008