**ADMINISTRATIVE PROCEDURE NO: AP 601**

**RELATED TO POLICY NO. BP 601**

**TITLE: Purchasing Procedures**

In all procurements, the purchaser shall act in the best interest of UCC to determine best value and promote a fair and competitive process among vendors. Purchase decisions may be made on lowest price, but factors such as warranties, shipping and handling fees, delivery schedule, and quality should also be considered.

Public employees may not benefit directly from their position, or as a result of any transaction involving public funds. Employees authorized to purchase on behalf of the College may not solicit or accept any gratuity from a vendor. **ORS 244.040**.

There are three main thresholds governed by statute.

1. **Small Procurements** are those that are <$10,000.00.
2. **Intermediate Procurements** are >$10,000.00 but <$150,000.00.
3. **Large Procurements** are >$150,000.00.

**Small Procurements:**

UCC has decentralized purchasing authority for Small Procurements. Purchases of <$10,000.00 generated at the department level may be completed if sufficient budget and signature authority exists. These approval levels are established by the Finance Department and set in Banner. It is encouraged, but not required, to generate a Purchase Order at the Small Procurement level. Purchasers are charged with seeking lowest price and/or best value for all procurements.

Purchase Orders or more detailed and formal Contracts are required for Intermediate and Large Procurements.

**Intermediate Procurements:**

The Purchasing Manager must be involved to insure compliance with applicable policies and statutes. A Purchase Order is required, which may be generated in the originating department. A required minimum three (3) Quotes from different vendors insures market competition and keeps vendors active and engaged. Communicating equally with each vendor is critical so no vendor has a competitive advantage. Quotes may be accepted by any method, but the purchaser soliciting them must document all contacts and forward the information to the Purchasing Manager for the official files. The official signed Purchase Order, complete with Terms & Conditions, is printed in the Purchasing Office. Full system (Banner) authorization is required prior to sending the Purchase Order or communicating the Award.

If a formal contract is drawn up for this level purchase, it may only be signed and executed by the College President, the College Chief Financial Officer, or an authorized designee.

**Large Procurements:**

The Purchasing Manager has overall responsibility for the Solicitation, Evaluation, Contract and Award and must be involved to insure compliance with applicable policies and statutes. A Purchase Order *and* Formal Contract are required. The appropriate Solicitation type (e.g., RFI, RFB, RFP) and Contract type (e.g., PSC, PKS, CM/GC) will be selected based on what’s being purchased. The formal Solicitation shall be made in writing and be advertised on the Oregon Purchasing Information Network (ORPIN) and other avenues to insure market coverage and fair market competition. Formal written responses will be accepted by the Purchasing Manager or designee. Responsive Bids or Proposals will be evaluated by UCC staff and facilitated by the Purchasing Manager. Contract Documents are submitted for legal review when necessary. Full system (Banner) approval is required prior to Order placement, Award, or Contract execution. The official signed Purchase Order with Terms & Conditions is included with the Contract documents.

All related documentation and correspondence are kept in Purchasing Department files in accordance with **BP 600.04**, Records, Retention, and Destruction.

Contracts at this level may only be signed and executed by the College President, Chief Financial Officer, or authorized designee.

**Fragmenting a Purchase:**

Under no circumstances will UCC staff attempt to artificially divide or fragment a purchase in order to avoid Oregon Statutes as outlined above. **(ORS279B.065 and ORS279B.070)**

**OTHER PURCHASE TYPES:**

**Credit Card Purchases:**

See AP 601.1

**Standing Purchase Orders:**

Purchases that generate multiple invoices for an extended time period may be generated as Standing Purchase Orders. The Purchasing Manager generates these in Banner with assistance from the originating departments during the first month of each fiscal year. All Oregon Statutes at all purchase levels apply.

**Order to Direct Pay:**

When a Purchase Order is not required and expediency is best practice, authorized staff may place an order (usually by phone or on-line) and accept an invoice. After confirming receipt of goods or services, authorized staff shall approve the invoice in writing and send it to Accounts Payable to process. Approval requires writing “ok to pay” on the invoice, adding the proper Budget and Account Codes, the approver’s initials, and date or by emailing the same information to Accounts Payable. The approver’s Banner authority must equal or surpass the invoice total. Direct Pay may ***only*** be applied to Small Procurements at the department level.

**RELATED:**

**Proforma Invoice Payments.**

Pay-in-Advance or Partial Deposit for goods and services is allowed only under exceptional circumstances and is evaluated by the Purchasing Manager and Finance Department Staff on a case-by-case basis. The Purchasing Manager must be contacted *prior to* placing the order whenever a vendor requests this. This applies to *all* level of purchases.

**Payment Terms:**

UCC pays invoices with standard Net30 day terms. The College will accept discounted terms when negotiated by the purchaser and properly communicated to Accounts Payable in Finance.

**Book Store Purchases:**

The College’s Book Store staff handles their own procurement activity. Goods and services purchased for departmental use remain governed by Oregon Statute and Community College Rules. Items purchased for resale are exempt from standard competitive bidding requirements per **CCR.228**. Items such as textbooks, which may include Intellectual Property or Copyrights, are exempt from that process per **ORS 279a(2)(h)** and **CCR.212.**

**RESPONSIBILITY:**

The Purchasing Manager is responsible for implementing this procedure.

The Purchasing Manager is responsible for reviewing and updating this policy when necessary.