



PURCHASING PROCEDURES MANUAL

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Revised February 2017

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An Equal Opportunity Institution

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OVERVIEW

Craven Community College's purchasing program is based on sound competitive purchasing practices. The importance of seeking competition exists at all levels of expenditure. Fostering competition is an attitude more than a procedure. It is reflected in the way specifications are written, in searching for new sources of supply, in attempting to make procurement documents simple and inviting, and in everyday courteousness shown to prospective suppliers and contractors.

All purchasing for Craven Community College is centralized and processed through the Procurement and Fixed Assets Office. The purchasing function is overseen by the Director of Financial Services and Purchasing within the Division of Administrative Services.

The Purchasing Department operates under the supervision of the Procurement and Fixed Assets Officer. If you have any questions regarding purchasing, please call extension 7263. The Purchasing Department is located within Financial Services in the Brock Building. The website for Purchasing is: <http://www.cravencc.edu/purchasing/>

Craven Community College, through the NC Community College System, NC Division of Purchase and Contract, and Division of Information Technology, is charged with jurisdiction and control over the specifications to purchase or contract for equipment, materials, supplies and services under the NC General Statutes.

Price is not the only consideration in seeking competition. Other factors include: terms and conditions, delivery schedules, lead times, types and degrees of service required, inspection and testing procedures, transportation and delivery costs, warranties and guarantees required, etc.

ETHICS

All public purchasing personnel shall be entirely cognizant of the necessity of ethical behavior.

Everyone involved in the purchasing process is held accountable to the following principles and standards of purchasing practice:

1. The purchasing power of the State shall not be used for private advantage or gain. Employees or other individuals will not process orders for articles for ownership.

2. Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.
3. Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of the institution.
4. Refrain from soliciting or accepting money, loans, credits or prejudicial discounts and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers which might influence, or appear to influence purchasing decisions.
5. Do not discuss with suppliers: cost information, bid information or trade secrets.

Handle all information of a confidential or proprietary nature with due care and proper consideration of ethical and legal ramifications and governmental regulations.

Ethical practices are a major concern in the realm of public purchasing. While laws and rules mesh to provide a mechanism for public purchasing, only people can make it work. Impediments to the process must be detected early and safeguards provided at all levels.

INTEGRITY

Fairness and impartiality in all phases of the process is an essential ingredient in public purchasing. Integrity is manifested through fairness, openness, honesty, objectivity, and impartiality.

Similar to other service organizations, the purchasing department's justification is the quality of the service it renders. The purchasing process cannot be both effective and self-serving; the two are incompatible. Fairness is required in expending public funds. No matter how strongly a user may prefer a particular product or service to others, equivalent products and services must be given every reasonable consideration.

RESPONSIBILITY

Any Craven Community College contract for the purchase or lease of any commodities, printing or services, contrary to statutes or rules, such contract/purchase shall be void and of no effect.

In addition, anyone making such illegal purchases is personally liable for the costs incurred.

PURCHASES FROM VENDORS

A requisition must be submitted to, and approved by the CCC Purchasing Department *prior* to any goods (supplies, equipment, printing, etc.), or services being charged to the College. This also includes anything that is ordered on an approval basis. When requesting items on approval, be sure to specify on the requisition that it is being ordered "On Approval". If the item is not kept, notify Purchasing by e-mail, so the order can be cancelled and the funds returned to your departmental budget.

Excluding the Procurement Card, it is illegal to charge items to the College without prior authorization from the CCC Purchasing Department. Anyone doing so can be personally financially responsible for those items purchased.

Employees should not purchase items with their own personal funds expecting to be reimbursed by the College unless a purchase request has been submitted and approved for such. The CCC Purchasing Department has established special procedures for emergency/rush requests that the employee feels need special handling. Check with the CCC Purchasing Department personnel when the need arises. (See section in this manual entitled, **"PROCEDURES FOR EMERGENCY AND RUSH ORDERS"**).

Once the employee has requested permission to purchase an item from his or her department head, and based on the availability of departmental funds, the department head approves the request. The employee should then select the appropriate procurement method as listed below:

E-PROCUREMENT REQUISITIONS SHOULD BE CREATED:

If the vendor is registered with the N.C. E-Procurement system. To search on vendors, click on the following link:

http://eprocurement.nc.gov/Registered_Vendor_Search.html

PAPER PURCHASE REQUISITIONS SHOULD BE CREATED:

- For non-EProcurement vendors

A requisition must be submitted to and approved by Financial Services and Purchasing before any supplies; equipment, printing, or other services are charged to the College. This includes anything that is ordered on an approval basis.

Be aware that it is illegal to charge items to the College without prior authorization from the Purchasing Office. Anyone doing so can be held personally financially responsible for those items purchased.

Please be aware also that if there is a State Contract for an item, it must be ordered from the State Contract vendor unless it can be sourced less expensively. This is allowed per G.S. 115D-58.14 Purchasing flexibility.

When a properly submitted requisition has been received by the Purchasing Department, the order will be processed as quickly as possible. Routine orders are usually processed within two working days. If the Department Copy of a Purchase Order has not been received by the initiator within five working days, and you have ascertained that all approvals have been appropriately entered, please contact Purchasing.

Purchase Orders to E-Procurement vendors are not normally faxed to vendors by the CCC Purchasing Department. When an E-Procurement requisition is completed by the initiator, the Purchasing Department processes the requisition. A purchase order is created through Colleague via E-Procurement. E-Procurement will transmit (fax or email) the PO to the vendor by whichever means the vendor designated when they registered with the NC E-Procurement system.

The following items may NOT to be charged to State funds:

- Greeting cards or postage to mail them
- Membership dues for individuals
- Refreshments, (coffee, cream, sugar, stirrers, cups, bottled water, coffee service, mints (candy), donuts, drinks, etc.)
- Seasonal decorations
- Pictures or wall hangings for the office
- Other room or office decorations, plants/flowers (real or artificial), lamps
- Personal appliances - radios - televisions - coffee makers - microwave
- Alcoholic Beverages
- Anything related to Athletics

DELEGATIONS

Dollar Level of Authorization for Equipment and Materials

Craven CC current delegation amount is

\$10,000 Non-IT

\$25,000 - IT

******No Exceptions due to fund Source******

\$25,000 and greater: (Non State Contract items) purchases must be referred to the Division of Purchase and Contract (Non IT) or IT Procurement (IT) for an Invitation for Bid or requests for waiver by the CCC Purchasing Department.

\$10,000-\$24,999: (Non State Contract items) IT type purchases require written solicitation of competition. These written solicitations, or Invitation for Bids (IFB), must be generated by the CCC Purchasing Department and posted on IPS for solicitations or through the E-Procurement e-quote system.

\$10,000-\$24,999: (Non State Contract items) Non IT type: purchases must be referred to the Division of Purchase and Contract for an Invitation for Bid or requests for waiver by the CCC Purchasing Department.

\$5,000-\$9,999: (Non State Contract items) purchases require written solicitation of competition or e-quotes to be issued. These written solicitations, or Requests for Bids (RFB), must be generated by CCC Purchasing Department and submitted to the appropriate vendors.

\$4,999 or less: No competition required. However, seeking competition is highly encouraged, and users should document pricing/quotes.

MATERIALS PURCHASES \$25,000 AND GREATER (EXCLUDING TAX)

These purchases must be referred to the Division of Purchase and Contract (P&C) for non-IT related items or the NC Department of Information Technology for IT-related items for an Invitation for Bid or request for waiver of competition generated by CCC Purchasing Department. P&C is authorized by Administrative Rule to inquire into the need for, and the level of quality of the items and services requested.

1. IFB, Invitation for Bid

- When the Division of Purchase and Contract or IT Procurement Office receives the purchase requirements, specifications are reviewed for completeness and accuracy. Minimum IFB cycle time is 45 days. This cycle time, depending on the completeness of specifications or complexity of requirements, could easily be extended 6-8 months.
- After proposals are received complete at P&C and/or IT they are forwarded to CCC Purchasing for review. Depending on the commodity, the CCC Purchasing Department will recommend a supplier for contract award or contact the using department for input.
- Once CCC recommends a supplier for contract award a written request goes before the State Board of Award for approval.

2. Request for Waiver

Depending on the circumstances, a written request for waiver of competition can be submitted for approval. It is imperative that a strong case be drawn before such request is forwarded. The CCC Purchasing Department makes the final decision whether a request for waiver is constituted.

MATERIALS PURCHASES \$10,000 TO \$24,999 (EXCLUDING TAX)

This dollar purchase requires an Invitation for Bid (IFB). This written solicitation must be generated by the CCC Purchasing Department and must include terms and conditions applicable to the requirement. IFBs are posted to IPS for a minimum of 10 business days, depending on the complexity of the request, for solicitations. **After the bid has been posted, the requestor shall not have any contact with any vendor or perspective vendor associated with the bid request. Any vendor requests for information should be advised to e-mail the Purchasing Agent.** Depending on the nature of the bids, a pre-bid site conference may be deemed necessary to make vendors aware of certain factors which may affect bidding. Once proposals are received in the CCC Purchasing Department, they are filed away until the advertised date and time of bid opening. Once the Purchasing Department has conducted the bid opening on the designated date, the requestor will be notified to review the bids and select a vendor. In most cases, the vendor with the lowest bid will be awarded the bid provided all criteria within the bid document specifications have been met. In rare cases when the vendor with the lowest bid is not awarded the contract, justification must be provided as to why that vendor was not awarded the bid. The final decision for contract award rests with the CCC Purchasing Department.

If the initiator deems the purchase to be a sole source, then a memo from the vendor stating their sole source status should be obtained and forwarded to the Purchasing Department. Additionally, "sole source" should be entered in unprinted comments on the EP requisition or send an e-mail and reference the number of the requisition with the information that they are a "sole source". If the vendor is deemed to be a sole source, then the CCC Purchasing Department will issue an RFQ to the vendor for completion. There are **NO** exceptions due to fund source and the final decision for contract award rests with the CCC Purchasing Department.

MATERIALS PURCHASES \$5,000 TO \$9,999 (EXCLUDING TAX)

This dollar purchase requires competition to be sought. Written solicitations or e-quotes should be generated and must include terms and conditions applicable to the requirement. Once proposals are received, the Purchasing Department reviews and analyzes the results. Depending on the commodity, the CCC Purchasing Department can either submit the request for purchase or may contact the using department for input. All transactions must be documented.

If the initiator deems the purchase to be a sole source, then a memo from the vendor stating their sole source status should be obtained and forwarded to the Purchasing Department. Additionally, "sole source" should be entered in unprinted comments on the EP requisition or send an e-mail and reference the number of the requisition with the information that they are a "sole source". There are **NO** exceptions due to fund source.

PURCHASES \$4,999 AND LESS (EXCLUDING TAX)

Competition is not required, but good purchasing practice suggests that it should be solicited wherever possible and documented on the face of the requisition. No written quotations are required however, all transactions must be documented. Written reasons for emergency or pressing need shall also be made a matter of record by attaching a written explanation. All documents related to the purchase request should be electronically attached to the requisition in E-Procurement. The final decision for contract award rests with the CCC Purchasing Department.

Lack of Competition

The purpose of soliciting offers is both to seek and obtain competition; the responsibility is dual. Where only a single offer or a single acceptable offer is received or where

reasonable and available competition is not obtained, **the reason shall be ascertained and made a matter of record.**

****Purchase requirements cannot be divided in order to keep them under the established expenditure delegation amount****

When an item being requested is available only from a “sole source” or the item being purchased is “brand specific”, justification must be presented to the Purchasing Agent in writing for this purchase. The Purchasing Agent will present the justification to the Division of Purchase and Contract to ask for a waiver of competition, based on the facts presented. When certification (approval) is received from the Board of Awards, the requestor will be notified to prepare an E-Procurement requisition. Vendors of sole source item(s) will be required to sign an IFB. This requires the vendor to agree to the state’s Terms and Conditions. The lead time required for this type of purchase is 60-90 days. **No exceptions due to fund source.**

Contracted Services:

Generally, terms of service contracts should not exceed a one-year term; however, an exception to this rule occurs where a vendor must make a significant investment in equipment to perform the service. In these cases, a contract term with an initial one-year term, with renewals up to five years may be considered.

Returning Products to Supplier

The CCC Purchasing Department must be notified prior to returning or exchanging any merchandise to a supplier within 48 hours of receiving the merchandise. Permission to return must be granted by the supplier. Information required to obtain return authorization includes, but is not limited to:

1. Purchase order number
2. Item number on the purchase order
3. Description of item to be returned
4. Quantity to be returned
5. Reason for return
6. Replacement or refund requested.

PROTEST PROCEDURES

When an offeror wants to protest a contract awarded by Craven Community College valued at over ten thousand dollars (\$10,000), Craven Community College shall comply with the following:

The offeror shall submit a written request for a protest meeting to the Purchasing Agent at CCC within 15 consecutive calendar days from the date of the contract award. The Purchasing Agent shall furnish a copy of this letter to the SPO within 5 consecutive calendar days of receipt. The offeror's letter shall contain specific reasons and any supporting documentation for why they have a concern with the award. If the letter does not contain this information, or if the Purchasing Agent determines that a meeting would serve no purpose, and then the Purchasing Agent may, within 10 consecutive calendar days from the date of receipt of the letter, respond in writing to the offeror and refuse the protest meeting request. A copy of CCC's letter shall be forwarded to the SPO.

If the protest meeting is granted, the Purchasing Agent shall attempt to schedule the meeting within 30 consecutive calendar days after receipt of the letter, or as soon as possible thereafter. Within 10 consecutive calendar days from the date of the protest meeting, the Purchasing Agent shall respond to the offeror in writing with the decision.

Craven Community College shall notify the SPO, in writing, of any further administrative or judicial review of the contract award.

End-User Disputes

In order to avoid end-user disputes after receipt of goods or services, the Purchasing Department will work closely with the end-user to be sure that product descriptions, specifications, etc. will meet the needs of the end-user. The Purchasing Department will have the end-user review quotes or bids received to provide input prior to the actual award of the contract.

In the event that the end-user does have a dispute, the end-user will notify the supplier and the Purchasing Department of the problem. The end-user will make every effort to resolve the issue directly with the supplier. In the event that no resolution is reached, the end-user will request the Purchasing Department to become involved. This request must include the purchase order number, the supplier name, contact name, a description of the problem and an outline of what has taken place to date. Purchasing will then take the lead in reaching a resolution that is in the best interest of CCC.

EMERGENCY AND PRESSING NEED REQUESTS

EMERGENCY REQUESTS

Only those situations that endanger life or property are considered "emergencies." Such instances are rare, and will be handled in an appropriate manner. Contact Purchasing, Campus Police and/or Maintenance immediately, as appropriate, should such a situation arise.

PRESSING NEED REQUESTS

"Pressing need" requests are defined as those that arise from unforeseen causes, such as breakdown of machinery or equipment. Lack of planning is not an acceptable reason for a "pressing need" request. Such requests will be handled through normal operating procedures.

The following procedures for handling "pressing need" requests have been established by the Purchasing Office:

An approved E-Procurement or paper requisition should be forwarded to the Executive Director of Financial Services or their designee for approval. The request will then be forwarded to the Purchasing Office. "Pressing Need" requests will not be honored without a properly submitted requisition. If approvals are required, approvers should be notified immediately to make them aware that a requisition has been created and requires their approval. The Purchasing Office should be contacted to make them aware of the situation. If the exact cost of an item is impossible to ascertain in advance or time does not permit, an estimated cost is to be entered on the requisition. However, reasonable effort should be made to obtain the correct cost, before submitting the request.

All requests not deemed "emergency" or "pressing need" are handled through regular processing procedures. Please do not ask for special handling of your requests as this is unfair to those who have submitted their requests in a timely manner. Except during heavy ordering periods, such as prior to and at the beginning of each semester, the end of the fiscal year, the March 15th approximate deadline for purchase requests, or during computer down times, most *routine* requisitions are processed within two days after they are received.

STATE TERM CONTRACTS

A “term contract” is a contract intended to cover normal requirements for a commodity, printing, or contractual service for a specified period of time based on predicted usage. These contracts are established by the Division of Purchase and Contract. Craven Community College is required by General Statute 115D-58.5 to purchase all supplies, equipment and materials by contracts made by or with the approval of the Division of Purchase and Contract of the Department of Administration. Users have several options to view contract items. First they can click on the following link to search by

Alphabetical / Key Word:

<http://www.doa.nc.gov/pandc/keywordListing.aspx>

or they can click on the following link to search by contract number:

<http://www.doa.nc.gov/pandc/TCNumListing.aspx>

Another option to search for contracts is through E-Procurement.

There are two basic types of term contracts:

- “Statewide term contract” is established by P&C for agency use.
- “Agency specific term contract” is established by P & C for use by an agency when a commodity, printing or service is not covered by a statewide term contract, and the contract value exceeds the agency’s delegation.

For IT type state contracts, these can be found on the NC Department of Information Technology at:

<https://it.nc.gov/resources/it-strategic-sourcing/statewide-it-contracts>

Most of the statewide term contracts for commodities specify a minimum and maximum quantity (or dollars). Orders below the minimum shall be obtained in accordance with agency procurement procedures. Orders that exceed the maximum quantity must be forwarded to P&C for processing. For needs that exceed the maximum, P&C will determine if the order should be placed with the contractor at the contract price, negotiate the price with the contractor, or solicit new offers for the requirement. In all cases, follow the instructions, which will vary by contract or call the P&C purchaser for guidance. If a waiver, emergency purchase or pressing need arises, a term contract supplier should be given the opportunity to satisfy the requirement, if the requirement is covered by a term contract and time permits such action.

INSPECTIONS

The Quality Acceptance Representatives' primary function is to perform quality acceptance inspections. They are assigned to designated areas of the State and conduct acceptance inspections as required on a scheduled basis. Their duties include recommending release of payment to contractors following acceptance of the project or item, and re-inspection if necessary whenever a project is not in complete compliance at the time of the acceptance inspection. Certain commodities fall subject to Quality Inspection.

SPECIAL DELEGATIONS

By special delegation, the SPO may authorize an agency to purchase specific commodities, printing, or contractual services without limitation as to the expenditure. Such delegation is normally confined, but not limited to, items and quantities, or services which by their nature or circumstance, such as perishability, transportation costs, local conditions or local availability, would serve no practical purpose to be handled by P&C.

Some special delegations apply to all agencies and some are agency specific. All delegations shall be in writing and made a matter of record. For special delegations applying to all agencies, the publishing of them in this manual is the written approval. Unless otherwise specified by the SPO, special delegations are subject to all of the following conditions:

1. All commodities and contractual services covered by term contracts must be purchased in accordance with the instructions of each term contract.
2. Competition must be solicited, where available. If competition is not available, the reason(s) must be documented in the procurement file.
3. Agencies are required to issue their own solicitation documents. This shall also apply to a waiver.
4. The solicitation document shall include terms and conditions and any other consistent contract language, issued by the SPO, unless prior approval from the SPO is granted.
5. All transactions shall be documented.
6. Awarding of contracts under a special delegation shall be the responsibility of the agency's Executive Officer. However, the SPO may require that offers received under such delegations be sent to P&C for determination of the successful contractor.
7. Any controversial matter arising from a special delegation must be brought to the attention of the SPO.

8. Specific delegations may be subject to additional conditions as determined by the SPO. These conditions shall be submitted to the agency in writing.
9. P&C shall periodically review its special delegations to ascertain the availability of these items or services and their continued suitability for delegation.

LIST OF SPECIAL DELEGATIONS

These delegations apply to all agencies; however, competition shall be sought where available.

1. Repairs (Non-Construction): Purchasing authority for repairs handled by private sector personnel, regardless of cost, is delegated to Craven CC. Where materials are being purchased for a repair and using Craven CC personnel will perform the needed repair, the purchase of the materials must be handled in accordance with normal purchasing procedures outlined in this manual.
 - a. **NOTE:** Where any structural changes are to be made in or to an agency-owned building, the proposed project should be handled in accordance with construction statutes and rules applicable to each agency. (See G.S. 143-129 concerning building repairs and renovation)
2. Feed: Authority to purchase feed, including special ingredients, is delegated to using agencies which are engaged in the feeding of animals, poultry and fish.
3. Animals, Poultry and Fish: Authority is delegated to purchase animals, poultry and fish.
4. Athletic Apparel: Authority to purchase athletic apparel is delegated to using agencies. In the purchase of athletic apparel, there are certain considerations regarding the safety of the athlete which should remain within the control of the using agency officials.
5. Maintenance of Aircraft: All aircraft maintenance and repair (see Repairs / Non-Construction) whether unexpected or scheduled, is covered by this delegation. This does not include the purchase of equipment, materials, or supplies for the aircraft that is separate and apart from the maintenance or repair being performed.
6. Playground Equipment (Structures): Where the purchase of playground equipment is being handled as a commodity purchase vs. a construction project, the authority to purchase such playground equipment and its installation is delegated to the using agency.
7. Ready-Mix Concrete: Where the purchase of ready-mix concrete is being handled as a commodity purchase vs. a construction project, the authority to purchase such ready-mix concrete is delegated to the using agency.

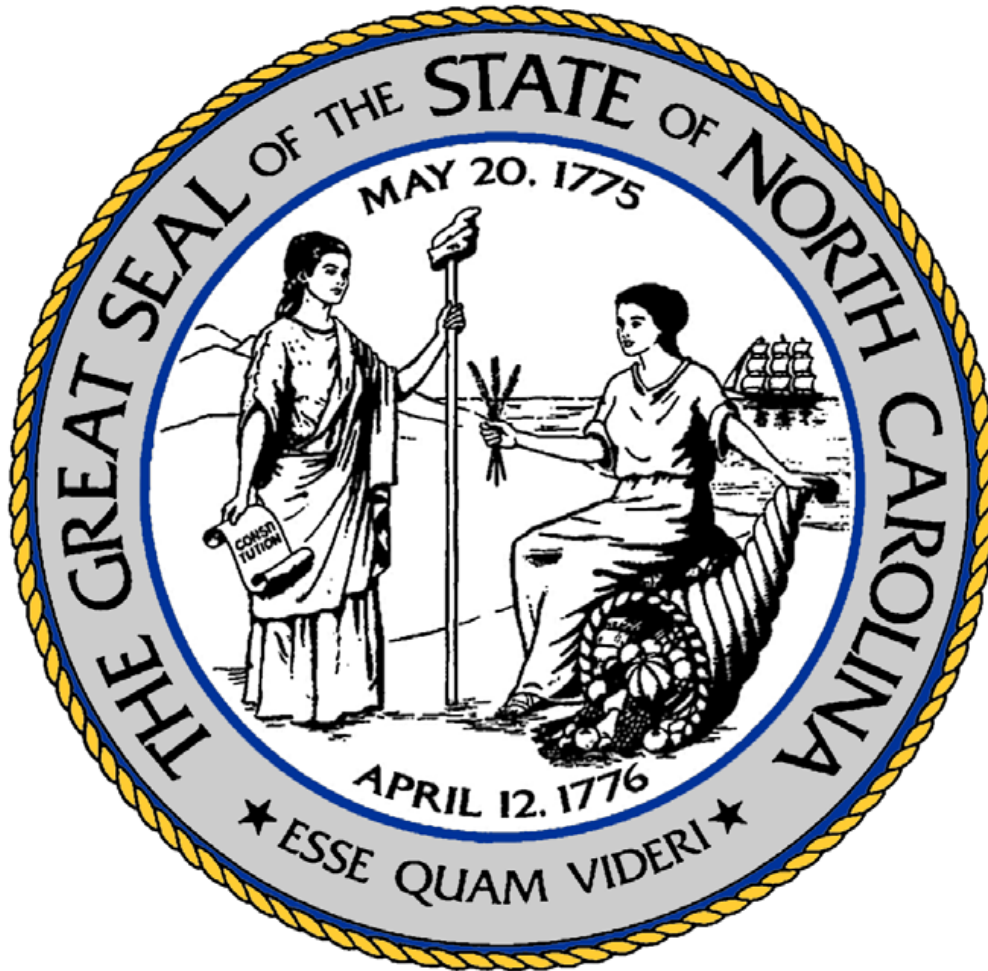
STATE IT CONTRACTS

Like the Division of Purchase and Contract, the Statewide IT Procurement Office has established Statewide IT Contracts to cover normal requirements for an IT related commodity or contractual service for a specified period of time based on predicted usage. Craven Community College is not mandated by law to utilize these contracts, but they should be the first source of supply. These contracts have already been competitively bided. To search for IT related items on contract, click the following link:

<https://it.nc.gov/resources/it-strategic-sourcing/statewide-it-contracts>

- Vendors listed on the contract may be contacted for product and pricing information.
- All state contract vendors must be registered for E-Procurement. On the EP requisition, the contract number should be listed under the Line Item Details section in the Contract field. "Printed Comments" on the EP requisition should read "E-P Order".
- When a state contract item is being purchased using the VISA P-Card, make certain that you receive the State IT Contract pricing. There should only be an additional charge for shipping if your order falls below the minimum requirement.

If the item(s) are not on a State IT Contract and exceed the delegation for seeking competition (\$5,000), contact the CCC Purchasing Department to determine the appropriate steps to take.



***STATUTORY AUTHORITY,
EXECUTIVE ORDERS,
&
NC ADMINISTRATIVE CODES***

**STATUTORY AUTHORITY, EXECUTIVE ORDER
& NC ADMINISTRATIVE CODE**

North Carolina General Statute **115D** governs the purchasing policies and procedures that the Craven Community College Purchasing Department must adhere to when processing requests for goods and/or services.

G.S. 115D-58.5. Accounting System

(a) “Each institution shall establish and maintain an accounting system consistent with procedures as prescribed by the Community Colleges System Office and the State Controller, which shows its assets, liabilities, equities, revenues, and expenditures.”

(b) “Each institution shall be governed in its purchasing of all supplies, equipment, and materials by contracts made by or with the approval of the Purchase and Contract Division of the Department of Administration except as provided in G.S. 115D-58.14. No contract shall be made by any board of trustees for purchases unless provision has been made in the budget of the institution to provide payment thereof. In order to protect the State purchase contracts, it is the duty of the board of trustees and administrative officers of each institution to pay for such purchases promptly in accordance with the contract of purchase. Equipment shall be titled to the State Board of Community Colleges if derived from State or federal funds.”

(c) “The operations of each institution shall be subject to oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes.”

Additionally; with centralized purchasing, conflict of interest, budget, and legal compliances can be closely monitored for adherence through internal controls.

PURCHASING FLEXIBILITY

G.S. 115D-58.14 - Purchasing Flexibility

a) Community colleges may purchase supplies, equipment, and materials from noncertified sources that are available under State term contracts, subject to the following conditions:

- The purchase price, including the cost of delivery, is less than the cost under the State term contract; and
- The cost of the purchase shall not exceed the bid value benchmark established under G.S. 143-53.1; and
- The items are the same or **substantially similar** in quality, service, and performance as items available under State term contracts.

Substantially similar is defined as having comparable, but not identical characteristics in terms of quality, service and performance as items available under State term contracts.

DEPARTMENT OF CORRECTIONS

G.S. 148-134 - Statement of Preferential Procurement from Correction Enterprises and Exemption from Competitive Bidding

"All departments, institutions, and agencies of this State shall give preference to Department of Correction products in purchasing articles, products, and commodities which these departments, institutions, and agencies require and which are manufactured or produced within the State prison system and offered for sale to them by the Department of Correction, and no article or commodity available from the Department of Correction shall be purchased by any such State department, institution, or agency from any other source unless the prison product does not meet the standard specifications and the reasonable requirements of the department, institution, or agency as determined by the Secretary of Administration, or the requisition cannot be complied with because of an insufficient supply of the articles or commodities required. The provision of Article 3 of Chapter 143 of the General Statutes respecting contracting for the purchase of all supplies, materials and equipment required by the state government or any of its departments, institutions or agencies under competitive bidding shall not apply to articles or commodities available from the Department of Correction..."

A complete listing of all products and services available from the Department of Corrections is available at the following site: <http://correctionenterprises.com/>

HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

G.S. 143-48.a - State policy; cooperation in promoting the use of small minority, physically handicapped and women contractors; purpose; required annual reports.

"Policy – It is the policy of this State to encourage and promote the use of small contractors, minority contractors, physically handicapped contractors, and women contractors in State purchasing of goods and services. All State agencies, institutions and political subdivisions shall cooperate with the Department of Administration and all other State agencies, institutions and political subdivisions in efforts to encourage the use of small contractors, minority contractors, physically handicapped contractors, and women contractors in achieving the purpose of this Article, which is to provide for the effective and economical acquisition, management and disposition of goods and services by and through the Department of Administration."

Listings of these "Historically Underutilized Businesses" or "HUB" vendors and their products and services are available in the Purchasing Office and on the Internet at the Division of Purchase and Contract web site: <http://ncadmin.nc.gov/businesses/hub>

Once there, scroll down on the left hand side and click on "Search" for HUB vendors.

"HUB" vendors can be searched on via company name or commodity code. To search on company name, simply type in the name of the company in the field provided and click on search. To search on commodity code, scroll down to the commodity code field and click on the down arrow. Choose the first three numbers (or category) of the commodity code then click search. A listing of vendors will then be provided.

Please refer to these lists when selecting vendors for purchases. CCC is required to file quarterly reports with the State showing the total purchases from "HUB" vendors.

RECYCLED OR RECYCLED CONTENT PRODUCTS

G.S. 130A-309.14

(b) *"The Department of Administration shall require the procurement of reusable, refillable, repairable, more durable, and less toxic supplies and products to the extent that the purchase or use is practicable and cost-effective, as well as require the purchase or use of remanufactured toner cartridges for laser printers to the extent practicable."*

G.S. 143-58.2

(a) *"It is the policy of this State to encourage and promote the purchase of products with recycled content. All State departments, institutions, agencies, community colleges, and local school administrative units shall, to the extent economically practicable, purchase and use or require the purchase and use of, products with recycled content."*

G.S. 143-58.3 - Purchase of recycled paper and paper products

"In furtherance of the State policy, it is the goal of the State that each department, institution, agency, community college, and local school administrative unit purchase paper and paper products with recycled content according to the following schedule: . . .

(4) At least fifty percent (50%) by June 30, 1997, and the end of each subsequent fiscal year, of the total amount spent for the purchase of paper and paper products during that fiscal year."

The State has published a booklet entitled, *"Guide to Buying Recycled and Environmentally Preferable Products on North Carolina State Term Contracts."* Anyone interested may obtain a copy electronically at the Division of Pollution Prevention and Environmental Assistance web site: www.p2pays.org/ref/01/00529.pdf

In conjunction with the State policy, it is the policy of CCC to encourage the purchase of products with recycled content whenever feasible. The Purchasing Office will make you aware as new recycled-content items become available on State Contract.

The Purchasing Department is required to report on an annual basis, the dollar amount of purchases spent for recycled products.

EXECUTIVE ORDER NO.50 (PRICE-MATCHING PREFERENCE):

Pursuant to North Carolina General Statute § 143-59 (G.S. § 143-59) and Executive Order No. 50 issued by Governor Perdue on February 17, 2010, entitled “Enhanced Purchasing Opportunities for North Carolina Businesses,” a price-matching preference may be given to North Carolina resident bidders on contracts for the purchase of goods. This preference will allow a qualified North Carolina resident bidder to match the price of the lowest responsible nonresident bidder, if the North Carolina resident bidder’s price is within five percent (5%) or \$10,000, whichever is less, of the nonresident bidder’s price. **If the resident bidder requests and qualifies for the price-matching preference, the resident bidder will first be offered the contract award and will have three (3) business days to accept or decline the award based on the lowest responsible nonresident bidder’s price.**

Executive Order #50 applies to procurements from the Governor’s Office, Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, and Transportation), Universities and Community Colleges and all procurements handled by the Division of Purchase and Contract. All other State Agencies are encouraged to implement the requirements of the Executive Order #50 and vendors should contact these State Agencies to determine whether they have adopted and implemented Executive Order #50.

EXECUTIVE ORDER NO.24 GIFT BAN

It is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Office of the Governor and Governor’s Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, and Transportation). This prohibition covers those vendors and contractors who:

- (1) have a contract with a governmental agency; or
- (2) have performed under such a contract within the past year; or
- (3) anticipate bidding on such a contract in the future.

Executive Order 24 also encouraged and invited other State Agencies to implement the requirements and prohibitions of the Executive Order to their agencies. Vendors and contractors should contact other State Agencies to determine if those agencies have adopted Executive Order 24.”

EXPENDITURE OF FUNDS FROM DIFFERENT SOURCES

01 NCAC 05B .1505

(a) "All public funds irrespective of source, whether special, federal, local, gifts, bequests, receipts, fees or State appropriated, used for the purchase, rental, lease, installment purchase and lease/purchase of commodities, printing and services shall be handled under the provision of Article 3 of G.S. 143 and in accordance with rules adopted pursuant thereto by the Division of Purchase and Contract."

(b) "Rules applying to service, rental, lease, and printing contracts do not apply to local school administrative units or community colleges."

PURCHASING FROM OR THROUGH AGENCY EMPLOYEES

01 NCAC 05B .1509

"Every reasonable effort shall be made to avoid making purchase from or through employees of any agency. Prior written approval from the SPO is required in any instance which may develop of doing business with such personnel. In deciding whether to grant approval, the SPO shall consider the type item or service needed, the prevailing market conditions, whether competition is available, the cost involved, and the effects of doing business with the employee."

Craven Community College vendors cannot be an agency employee or immediate family member of an employee, living in the same household. It is considered a conflict of interest for an employee to be a vendor.

If a Craven Community College employee is aware of a violation of this statute, please report it to the Director of Purchasing immediately.

PURCHASING POWER FOR PRIVATE GAIN

01 NCAC 05B .1510

"The purchasing power of the state or the agency shall not be used for private advantage or gain. Purchase under contract made by the state or the agency, except those in accordance with G. S. 143-58.1 shall be not allowed for personal use out of private funds nor shall agencies place orders for articles for ownership by employees or other individuals."

College employees may not make purchases through the college with the intent of reimbursing the college. State Term Contracts and other agreements are expressly for use by Craven Community College.

REMOVAL OF CERTAIN ITEMS FROM GENERAL CONSTRUCTION

01 NCAC 05B .0701

Every agency shall review the items being included in a construction/renovation project and remove any items that it considers are non-related to the actual construction/renovation of the building. Items that are considered commodities or just furnishings, and that would complete the project for use by the agency, shall be handled in accordance with the rules of this Chapter. Items that are usually removed for construction/renovation projects include carpet, office panel systems, food service equipment, and furniture. If an agency determines that one of these items, or any item that is normally handled as a commodity purchase, is best suited for inclusion in the construction/renovation project, the agency's justification shall be documented in writing for public record.

WAIVER OF COMPETITION

01 NCAC 05B .1401

Under certain conditions, and if deemed to be in the public interest, competition may be waived. To view the list of conditions permitting waiver, but are not limited to, please click on the following link:

<http://reports.oah.state.nc.us/ncac/title%2001%20-%20administration/chapter%2005%20-%20purchase%20and%20contract/subchapter%20b/01%20ncac%2005b%20.1401.pdf>

If a waiver of competition is being requested for one of the reasons above, the justification must be entered in unprinted comments on the requisition or an e-mail may be sent to the Purchasing Department referencing the requisition number. The Purchasing Department reserves the right to seek additional justification for any request for Waiver of Competition.

EXEMPTIONS

01 NCAC 05B .1601

It is not mandatory for the items and services listed in this Rule to be purchased through the Division of Purchase & Contract. To view a list of these items and services, please click on the following link:

<http://reports.oah.state.nc.us/ncac/title%2001%20-%20administration/chapter%2005%20-%20purchase%20and%20contract/subchapter%20b/01%20ncac%2005b%20.1601.pdf>

PROCUREMENT CARD POLICY AND PROCEDURES

Introduction

The primary purpose of the Craven Community College VISA P-Card is to procure supplies, limited minor equipment and services in accordance with county, state, federal and Craven Community College guidelines.

The users of the Craven Community College Visa P-Card must understand that they are being entrusted with a valuable tool, a State of North Carolina VISA Purchasing Card, and will be making financial commitments on behalf of Craven Community College. The Purchasing and Accounts Payable Office will be auditing the CCC VISA P-Card transactions and will report and take appropriate action on any discrepancies or misuse.

Abuse of the Visa P-Card may be investigated by Craven Community College Security Department and/or the State Bureau of Investigation.

Definitions

- CCC VISA P-Card – A Craven Community College VISA Procurement Card.
- CCC VISA P-Card Administrator – the designated employee who will oversee and coordinate the program for the entire college. At the time of this publishing, the Director of Purchasing will oversee this program.
- HUB – Historically Underutilized Business
- Vendor – A “preferred supplier” that the Purchasing Office at Craven Community College has authorized the cardholder to use in accordance with purchasing policies.

- Cardholder – A faculty or staff person who has been issued a P-Card and is authorized by the college to make purchases for the college in accordance to Craven Community College purchasing guidelines.
- Supervisor/Account Manager – The person responsible for approving the cardholder's purchases. This person may or may not be the cardholder.
- Statement of Account – The monthly listing of all items purchased on a specific CCC VISA P-Card. This statement must be reconciled with the P-Card Transaction Log.
- Single Purchase Limit – the dollar amount allowed for each individual transaction.

Applying for a P-Card

1. The prospective cardholder will get approval from his/her immediate supervisor to obtain a CCC VISA P-Card. Once the supervisor has granted approval they must contact the Vice President of Administrative Services for approval. If approved, the Vice President of Administrative Services will contact the Purchasing Office giving their approval and total dollar limit.
2. The CCC P-Card Administrator will notify the prospective cardholder that they have been approved for the P-Card. The CCC P-Card Administrator will take appropriate action to obtain the card from Bank of America.
3. Upon receipt of the card, the CCC Purchasing Office will email the cardholder the Procurement Card Policy and Procedures manual as well as procurement card log. Training will be done when the procurement card is delivered to the employee.

Receiving a P-Card

The CCC P-Card Administrator will notify the cardholder when the CCC VISA P-Card has been received. The cardholder will have a scheduled time to pick up the CCC VISA P-Card in the Purchasing Office. Craven Community College identification may be required.

Lost or Stolen Cards

It is the Cardholder's responsibility to understand that they are being entrusted with a valuable tool and should make the utmost effort to protect the card from being lost or stolen. However, if the CCC VISA P-Card is lost or stolen, the cardholder agrees to notify the Craven Community College Purchasing Office at (252) 638-7263. If the

Purchasing Office is closed, it is the cardholder's responsibility to notify Bank of America at (800) 822-5985 immediately.

Acceptable uses of the CCC VISA P-Card:

1. Purchases under \$2,500 per single purchase transaction including current NC sales tax and applicable freight.
2. All items that are purchased ("over the counter", telephone or via the web) must be immediately available at the time of the P-Card transaction. The CCC VISA P-Card must not be used to pay for backordered items.
3. The cardholder will inform the vendor that the goods are to be taxed at the current rate even if the item is sold tax exempt.
4. The cardholder strives to obtain the best value for the College by using "preferred suppliers" as identified by the Craven Community College Purchasing Office.
5. The cardholder will comply with all State Purchase and Contract guidelines in the CCC Purchasing Office Standard Operating Procedures Manual.
6. The cardholder will seek and use HUB vendors in accordance with the CCC HUB Plan which is available for review on the CCC website.
7. The cardholder always seeks competition to obtain the "best value."
8. The cardholder will always check budget and will not "over spend" budget availability.
9. The cardholder will retain all itemized receipts for documentation and reconciliation purposes. They will be submitted to the Purchasing Office as instructed.
10. Equipment repair needs should be reported to the Purchasing Office prior to having repair work contracted or completed.
11. Registration for on-campus or on-line training (webinars) provided there is no travel involved.

Unacceptable uses of the CCC VISA P-Card:

1. Splitting purchases into multiple transactions so that previously mentioned limits or state purchasing guidelines are avoided.
2. No backordering of merchandise is allowed.
3. No cash advances, alcoholic beverages, personal purchases, telephone calls, or monthly telephone service fees should be purchased.
4. No equipment purchases exceeding \$800.00 including tax and freight. Please call Purchasing for specific instructions regarding equipment purchases.
5. No furniture purchases of any dollar value.
6. No computer and/or printer purchases totaling \$1000 or higher.
7. No "high theft" items, such as TV's or Camera's should be purchased.

8. Contractual services (1099 vendors) should not be paid with the CCC VISA P-Card since Craven Community College is legally responsible for reporting this income to the federal and state government.
9. Memberships should not be paid using the CCC VISA P-Card.

Using the CCC P-Card

1. Check with the Purchasing Office regarding suppliers, “preferred suppliers,” state contract items, and to determine whether the purchase would need to be made through requisition and purchase order instead of using the P-Card.
2. Confirm that the vendor agrees to accept the CCC VISA P-Card.
3. Give the following information to the vendor:
 - P-Cardholder Name, Building and Room No.
 - Ask the vendor to state “P-Card Purchase” and recipient name clearly stated on front of package.
 - Ask the vendor to include an itemized receipt in the package.
 - Merchandise should be shipped to 800 College Ct., New Bern NC 28562. Under no circumstances should merchandise be received at the cardholder’s residence.
4. If the cardholder does not receive the merchandise, he/she is responsible for contacting the vendor and receiving credit on the card or the merchandise. This is also true for cases of defective or merchandise returned for other reasons.
5. All invoices, receiving documents, credit memos, and itemized charge receipts for “over the counter” purchases for the merchandise should be kept with the P-Card Transaction Log and Statement of Account. All of these documents should be checked carefully.
6. If the cardholder is disputing a charge, he/she should call the Purchasing Office at (252) 638-7263 or (252) 514-2577. If a vendor dispute cannot be resolved satisfactorily, the CCC P-Card user will be notified not to place orders through this vendor.

Reconciliation of Monthly Statement

The CCC P-Cardholder should contact the Purchasing Office if a new Purchasing Card Transaction Log” is needed. For completion, please follow the instructions below:

1. This form should be filled out during the month as purchases are made.
2. Enter the statement closing date.
3. Enter the cardholder name.
4. If there are charges to State, Special, and/or County funds, cardholder should fill out a separate log for each fund.
5. Enter the general ledger (GL) account number.
6. Enter the transaction date.
7. Enter the vendor name.

8. Enter a brief description of items purchased. If cardholder has purchased food, please state the reason (ex: advisory committee meeting) and the date of the event.
9. Enter the amount of the purchase.
10. The form should be totaled at the bottom.
11. The Purchasing office will publish a listing of statement closing dates and transaction log due dates. Each cardholder is responsible for downloading their monthly statement as well as reconciling it with the transaction log and corresponding receipts.
12. The cardholder should sign and date the log.
13. The supervisor should sign and date the log. If there are other approvals required in the cardholder's area, the log should be initialed by the appropriate personnel.
14. The log should be forwarded to the Purchasing Office as soon as possible, but no later than the published due date. Cardholder should refer to the calendar for dates, which may vary from month to month.

Cardholder Separation from Craven Community College Upon retirement or resignation from Craven Community College, the cardholder will return the CCC VISA P-Card to the CCC P-Card Administrator. The P-Card transaction log should be signed by the supervisor and turned in to the CCC P-Card Administrator. The Business Manager will not sign the Craven Community College checkout list until this has been done. The CCC P-Card Administrator will work with cardholder's department to assure that any changes in personnel will not disrupt the purchase of goods.

COMPUTERS, MAJOR EQUIPMENT AND FURNITURE REQUESTS

Computers, Major Equipment, and Furniture should not be purchased on a Visa Purchasing Card. Prior approval from the Purchasing Department is required for the purchase of minor equipment.

Low Risk Minor Equipment – Items that cost under \$5,000 (including tax and freight) and not considered a high risk of theft. The account number object code should be 555100.

High-Risk Minor Equipment – Items that cost under \$5,000 (including tax and freight) and considered to be a high risk of theft. Such items include, but are not limited to, desktop computers, laptops, ipads, tablets, cameras, and handguns. High-Risk minor equipment items are tagged and inventoried on a yearly basis.

- **Major Equipment** – Items that cost over \$5,000 (including tax and freight). These items are labeled, inventoried and reported to the North Carolina Community College System on a monthly basis.
- **Building and Room No.** – This information should be entered in (unprinted) comments on the requisition
- **Shipping** - All supply and items to be inventoried for major equipment should be shipped directly to the New Bern campus unless prior arrangements have been made with the Equipment Coordinator. Furniture and large, bulky equipment should be delivered directly to the Havelock campus. The requestor should contact the Purchasing office upon delivery while forwarding any packing slips or invoices.
- **Program Codes** – These are codes assigned by the Purchasing office according to the curriculum, non-Curriculum, or administrative purpose of the equipment. Enter the area the equipment is being used.
- **Fire Codes** – CCC will comply with the State National Fire Protection Association laws in the placement of furniture and equipment.
- **Quotes** – Ask the vendor to forward the quote to you in an e-mail. You can save the quote and attach it to the EP requisition. Be sure the quote is current and dated. The quote should also include freight (if applicable), state contract number (if applicable), installation and tax.

Computers and Printers

- Computers are ordered on a three year revolving basis by Information and Technology Services Computer Technical Support. If you wish to order a computer or laptop with your departmental budget, contact the Help Desk for assistance with a quote (State Contract 204A).

- All computers ordered must be approved by the Executive Director of Information Technology.
- The quote you receive from IT must be referenced on the requisition and attached to the E-P requisition. A current quote must be used – note the expiration date. Computers are usually shipped within three to four weeks.
- Contact the Help Desk for assistance with a quote (State Contract 204D) for Printers.

Equipment

- **Contact Purchasing** – E-mail or call the Purchasing Office if you have any questions about ordering. This could save you and your approvers' time so your requisition is not denied. Also, many orders placed around campus for equipment are similar in nature, and the item you want to purchase may have already been researched.
- **Installation** – Give the estimated date of installation. Some equipment should be assembled before it is shipped, and other equipment is assembled after it is shipped. Enter this information on the requisition.
- **Facility Services** – Are there offices or building structures to be completed before the equipment should be installed? Are there any electrical, gas, water and other facility services needed prior to installation?
- **State Contract** – Check the state contract to verify if there are any special provisions that apply. As a general rule, state contract items do not have freight.
- **Abnormal Size** – If the piece of equipment is abnormal in size, please state this in unprinted comments on your requisition. There may be issues of delivery on campus with offices on the second floor of buildings, and these issues must be addressed before the item is ordered.
- **Quality Acceptance Inspections** – P&C may re-inspect any item or services performed and reverse an agency decision when justified. P&C may periodically inspect any items to ensure that specifications are met. The agency must ensure that items and services purchased comply with applicable codes, statutes, local ordinances, policies or safety requirements. Where products delivered fail to meet the specifications or contract requirements, the discrepancy shall be handled by the agency which awarded the contract.

Furniture

- **Contact Purchasing** – As mentioned in the Equipment Section, contact Purchasing before starting your requisition.
- **Correction Enterprises** – Preference shall be given to N.C. Department of Public Safety, i.e. Correction Enterprises, for products that are manufactured or produced within the State Prison system. They are now producing furniture as well as printing and other supplies. A list of their products can be found at:

- <https://www.correctionenterprises.com/products/>
-
- **State Contract** – There is mandatory state contract for furniture (C420A). Check the state contract to verify if there are any special provisions that apply.
- **No Furniture From Office Supply Vendors** – Do not purchase furniture items from office supply contract vendors except for metal file cabinets, which have recently been added to the C-615A office supply contract. They are not on state contract for basic furniture, and in some cases the items do not meet the state's quality acceptance standards.
- **Date Items Needed** – Furniture orders are typically shipped in about six weeks. Some office chairs may be shipped within three weeks.
- **Ergonomic Issues** – Contact the Purchasing Office if you feel there is an ergonomic issue affecting you at your workstation.

CONSTRUCTION VS STANDARD PURCHASE DETERMINATION

CCC shall review the items being included in a construction/renovation project and remove any items that they consider are non-related to the actual construction/renovation of the building. Items that are considered commodities, or just furnishings, to complete the project for use, shall be handled in accordance with the normal purchasing rules. Items that are usually removed from construction/renovation projects include carpet, office panel systems, food service equipment, and furniture. If the college determines that one of these items, or any item that is normally handled as a commodity purchase, is best suited for inclusion in the construction/renovation project, their justification shall be documented in writing for public record.

FORMAL PROJECTS

Any project requiring the estimated expenditure of \$500,000 or more for construction contracts, design fee, and construction contingency, **regardless of the source of funds**, will be considered a “**formal**” project and must have the approval of the State Board and the State Construction Office (SCO). More detailed procedures for obtaining approval for formal projects are explained in the section entitled “Procedures for Completing a Capital Improvement Project.” Formal bidding procedures as per G.S. 143-129 must be followed for these projects. Note, in cases of special emergencies involving the health and safety of the people or their property, the bidding procedures in G.S. 143-129 may be waived. Contact the Assistant Director of the Design Review Section at the SCO for approval to proceed under a special emergency situation.

INFORMAL PROJECTS

Any project, where the authorized funding or the total project cost is realistically estimated at less than \$500,000 for construction contracts, design fee, and construction contingency, will be considered an “informal” project. If the economy is in a period where the costs of construction materials and services are rapidly rising, and the estimated total project cost is close to this threshold, the college is strongly encouraged to consider treating the project like a formal project. This rationale is due to the fact that if the project is bid under the informal bidding procedures and the lowest bid or set of bids are over \$500,000 you may not be permitted by the general statutes to award a contract. Several general statutes require that certain actions be taken prior to awarding a contract and some of these actions must have been included in the bid documents for the bidders to consider when compiling their bid(s).

Four examples that are triggered by the \$500,000 threshold are:

1. G.S. 143-129(b) requires that no bid can be considered unless it is accompanied by a bid deposit or bid bond of five percent of the bid.
2. G.S. 44A-26(a) requires performance and payment bonds in the amount of one hundred percent of the bid for all contractors who have contracts over \$50,000.
3. G.S. 143-128.2(j) requires contractors on projects costing over \$500,000 to make specified good faith efforts to recruit minority participation as detailed in G.S. 143-128.2.
4. G.S. 133-1.1(a) (1) requires an architect or engineer registered in North Carolina to prepare the plans for repairs to a building with no structural changes in framing or foundation. If an architect or engineer did not prepare the plans, the college would have to reject the bid or bids.

Any informal project that uses state funding must be submitted to the State Board of Community Colleges (State Board) for approval before the college enters into any design or construction contract. Informal projects **that do not use state funding** do not need to be submitted to the State Board for approval. No informal project has to be submitted to the State Construction Office (SCO) for approval unless the college feels more comfortable with having the oversight of the SCO. If an informal project is submitted to the SCO, the project must also be submitted to the State Board for approval, and both agencies will handle the project as they would a formal project. Informal projects that are not submitted to the SCO may follow either the informal bidding procedures in G.S. 143-131 or the formal bidding procedures in G.S. 143-129. The single prime or separate-prime methods for bidding can be used.

Informal projects must have the proper approval and permits from the local building inspector and must comply with all state and local building codes and regulations. The

college or the designer must submit the building plans for all projects over 10,000 gross square feet to the NC Department of Insurance, Engineering and Building Code Division to assure code compliance (See the list of “Contacts and Websites” for the name and address). **Their approval must be secured in order to obtain a building permit from your local building inspector.**

The General Statutes do not address bidding procedures for projects under \$30,000. Theoretically, a college could contact several contractors by phone for projects under this threshold. Each college should develop their own policies and monetary thresholds as to how, when, and where to seek bidders for all informal projects under \$500,000.

To obtain competitive bids, the college must have some form of plans and/or specifications for the project so all bidders are bidding on the exact same materials and components. Depending on the size and type of project, the college may be required by G.S. 133-1.1 to employ a designer. See the section “Beginning any Capital Improvement Project” for more information.

If a college decides to accept informal bids, it is highly recommended that the college secure at least three bids. The General Statute, states that an award can be made “after informal **bids** have been received.” By using the plural form of bid, it implies that more than one bid must be secured. While advertising in a newspaper is not required for informal bids, it may promote local goodwill. The college may consider placing an advertisement on the NC Division of Purchase and Contract’s (P&C) Interactive Purchasing System (IPS) website (See the section Contacts and Websites). If the college makes a genuine effort to solicit bids from three or more contractors and only one contractor submits a bid, an award can be made to the one bidder. The college should keep records of all bids and bidding efforts for three years.

G.S. 143-131(b) **requires** that the college solicit minority participation for its’ informal projects (those from \$30,000 to less than \$500,000). It also requires the college to provide documentation to the Department of Administration, Office for Historically Underutilized Businesses (HUB Office), as to the type and dollar value of the project, contractors solicited, dollar value of minority business participation, and the **good faith efforts made to seek minority contractors**. The college should meet this reporting requirement as they enter their data for this project into the HUBSCO reporting system. The SCO has forms for informal contracts that could be edited and used by the college. The SCO’s design contract, with editing, could also be used as it provides more protection to the college than the American Institute of Architects’ (AIA) contract. In the SCO documents, any reference to the State of North Carolina or the SCO must be removed

MODULAR, MOBILE, OR PRE-ENGINEERED BUILDINGS

The NC Division of Purchase and Contract does **not** handle the acquisition of buildings such as modular buildings, mobile buildings, pre-engineered buildings, or pre-fabricated buildings. They refer the acquisition of these buildings to the respective agencies that oversee construction projects, like the SCO and the System Office. Thus, if the cost of purchasing and erecting one of these buildings is \$500,000 or more, the project would be considered a formal construction project and would fall **completely** under the rules for formal projects. This would require employing a designer to design the building, seeking competitive bids for the construction and erection of the building, and having the project fall under the jurisdiction of the SCO. These requirements would probably negate any perceived savings in acquiring such a building.

If the cost of purchasing and erecting one of these buildings is less than \$500,000, the project would fall under the rules for informal projects. As per G.S. 133-1.1(a) (3), if the cost was over \$135,000, the plans would have to be prepared by an architect or engineer registered in North Carolina.

WRITING SPECIFICATIONS GUIDANCE

(To be prepared by end-user)

1. What are you buying? This should include: An accurate description of the item, item numbers, model numbers, quantity needed, and list of additional components needed to complete the system.
2. Is this a sole source? Why? If yes, obtain letter stating such from the vendor.
3. Are there specifications? These specifications should not be photocopies from literature but typed specifications that you can use.
4. If it is brand specific, why? What brand?
5. Is installation needed? If yes, must be included in bid or order.
6. Is training needed? Major training or general instruction to user?
7. Do you have any special delivery needs? Deadline for delivery? Inside delivery?
8. What kind of warranty is provided or required?
9. Do you need a maintenance contract for this kind of item?
10. Would used, refurbished or demo equipment be acceptable?
11. What kind of service do you need for the equipment?
12. Is there a suggested vendor? Who? Provide contact information.
13. For purchases greater than \$25,000 review the "Standard Paragraphs" on the P&C Website <http://www.doa.state.nc.us/PandC/divforms.htm> to see if any should be

added to your specifications or view <http://www.doa.state.nc.us/PandC/splist.htm> for example specifications.

RESOURCES

E-Procurement Vendor Registration

<http://eprocurement.nc.gov/Vendor.html> and then choose <https://vendor.ncgov.com/login.jhtml>

E-Procurement HELP DESK can be reached at 1-888-211-7440.

NC Community College System: <http://www.nccommunitycolleges.edu/>

NC Community College System Purchase Manual:
http://www.nccommunitycolleges.edu/sites/default/files/basic-pages/finance-operations/ncccs_purchasing_equipment_procedures_manual_grayscale.pdf

NC Purchase & Contract: <http://ncadmin.nc.gov/about-doa/divisions/purchase-contract>

North Carolina Procurement Manual:
http://www.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf

NC IT Procurement: <http://it.nc.gov/resources/it-strategic-sourcing>

NC Interactive Purchasing System: <https://www.ips.state.nc.us/ips/deptbids.aspx>

DEFINITIONS

AGENT: A person who, by express or implied agreement, is authorized to act for the institution in business dealings with a third party.

AGENCY SPECIFIC TERM CONTRACT: A term contract for use by a specific agency. Depending on the dollar value of the contract, it may be handled by P&C or the agency.

AGREEMENT: (“meeting of the minds”) resulting from an offer and an acceptance.

BEST VALUE PROCUREMENT: The terminology used in G.S. 143-135.9 to identify the method required for purchasing information technology commodities and services.

BUYER: Authorized agent of the institution to buy, purchase or enter into contract with a supplier.

COMMODITIES: Any like group of equipment, materials, or supplies.

COMPETITION: The fair and open solicitation of offers from more than one source; the receipt of offers from more than one qualified source.

CONSULTANT SERVICE: Work or task performed by State employees or independent contractors possessing specialized knowledge, experience, expertise and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services. This includes, but is not limited to, the organization, planning, directing, control, evaluation and operation of a program, agency, or department.

CONTRACTUAL SERVICE: When an independent contractor performs services requiring specialized knowledge, experience, expertise or similar capabilities for a State agency for compensation from agency funds. The services may include (by way of illustration, not limitation) services such as, maintenance of buildings or equipment, auditing, film production, employee training and food service, provided that the service is not primarily for review, analysis or advice in formulating or implementing improvements in programs or services (in which case rules relating to Consultant Contracts shall be applicable).

DELEGATIONS:

- General Delegation: The authority granted by the SPO for an agency to handle purchases made under a certain dollar amount, in accordance with the guidelines in this manual.
- Special Delegation: The authority granted by the SPO for an agency to handle a specific or special purchase, where it would serve no practical purpose for the purchase to be handled by P&C.

EMERGENCY: A situation which endangers lives, property, or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services.

EQUIPMENT: An item that represents an investment of money that can be capitalized.

The “stand-alone” item retains its original shape and appearance with use and does not lose its identity through the incorporation into a different or more complex unit or substance.

The State categorizes a piece of equipment as being one single item totaling over \$1000 per item, all in-cost, which includes purchased price, shipping, installation and applicable tax.

CCC separates equipment into three categories:

1. Major Equipment = over \$5000 for each individual item
2. Minor Equipment or Supplies = under \$5000 for each individual item

FORMAL PROJECT: Any project (construction) requiring the estimated expenditure of \$500,000 or more for construction contracts, design fee, and construction contingency, regardless of the source of funds.

HUB (Historically Underutilized Business): Any one of the following: a minority-owned business, a female-owned business, a disabled owned business, a disabled business enterprise, a non-profit workshop for the blind or severely disabled.

INFORMAL PROJECT: Any project (construction), where the authorized funding or the total project cost is realistically estimated at less than \$500,000 for construction contracts, design fee, and construction contingency, regardless of the source of funds.

INFORMATION TECHNOLOGY (IT): Electronic data processing goods and services and telecommunications goods and services, microprocessors, software, information processing, office systems, any services related to the foregoing, and consulting or other services for design or redesign of information technology supporting business processes.

INSTALLMENT PURCHASE: A contract in which the agency's established periodic payments are applied to fulfill the payment obligations for ownership of the commodity. Used when ownership of commodity at time of possession is intended.

INVITATION FOR BID (IFB): The formal advertised written solicitation document used for seeking competition and obtaining offers of \$10,000 or greater.

INTERACTIVE PURCHASING SYSTEM (IPS): North Carolina Purchase and Contract's Interactive Purchasing System that contains solicitations for many agencies throughout North Carolina.

LEASE: A contract conveying use of a commodity for a designated period of time in return for established periodic payments.

LEASE-PURCHASE: (Conditional Sales Contract) A contract in which the established periodic payments are applied to fulfill the payment obligations for ownership of the commodity.

NEGOTIATION: The act of making a purchase, lease, lease-purchase, or rental agreement, by an authorized agent of the institution under the following conditions:

- When all offers have been rejected,
- When the use of the standard solicitation document is not appropriate,
- Where there is a sole source,
- When an emergency or pressing need arises.

OFFER: The term may refer to a proposal, quote, or bid submitted in response to a Request for Proposal, Request for Quotation, Invitation for Bid, or Negotiation.

OPEN MARKET CONTRACT: A contract for the purchase of a commodity or contractual service not covered by a term contract.

PRESSING NEED: A need arising from unforeseen causes including, but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work, and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services.

PURCHASE: The act of acquiring a needed item or service by an authorized agent of the institution. The acceptance of an offer to sell, lease, lease-purchase, or rent. An item or contractual service acquired as a result of a valid agreement between an authorized agent of the institution and a seller.

RENTAL: A contract for the right to use a commodity for a period of time, usually with payments made at intervals over the period of use, and normally providing for short notice of cancellation.

REQUEST FOR PROPOSALS: An informational written procurement document used for seeking competition and obtaining offers for services.

SMALL PURCHASE: The purchase of commodities, services or printing, not covered by a term contract, involving an expenditure of public funds of five thousand dollars (\$5,000) or less.

SOLE SOURCE: A sole source vendor is a company or person who sells a product or service that meets the unique needs of the purchaser; generally, **sole source** means the one and only source for the product or service in the United States (minimum). If a manufacturer has dealers or distributors anywhere in the country, it is not a true sole source; having regional, state, or area dealers or distributors do not constitute sole source.

SOLICITATION DOCUMENT: A written Request for Quotation, Request for Proposals, or an Invitation for Bids.

STATEWIDE TERM CONTRACT: A term contract handled by the Division of Purchase and Contract for all agencies and institutions of the state, unless exempted by statute, rule, or special terms and conditions specific to the contract.

TERM CONTRACT: A contract generally intended to cover all normal requirements for the commodity or contractual service, for a specified period of time, based on estimated quantities only.