



LARAMIE COUNTY COMMUNITY COLLEGE

BASICS – CONTRACTING & PROCUREMENT



Purchasing Authority

By delegation of the LCCC President (*Policy 4.2*), the Director of Contracting and Procurement is responsible for all procurement functions; for maintaining a uniform set of procedures and forms to implement processes regarding solicitation and acquisition of goods and services through quotes, bids, proposals and contractual agreements; and to assist and provide guidance and support to LCCC in the acquisition of goods and services in accordance with College policies and procedures.

Signature Authority

Signature authority and approval is based on the LCCC procedure titled “Signature Authority”. Employees are not necessarily **authorized to approve the purchase of goods or services** unless you have specific written authority to do so. This may make you personally liable for payment to the vendor.

Goals

Maintain transparent fiduciary responsibility in spending tax dollars through equal, fair and consistent competition to achieve the best value at the lowest price; and to streamline internal processes in order to achieve efficiency and effectiveness.

1. Basics of Procurement

- Shipping and Freight Terms: F.O.B Destination, **NOT** F.O.B Origin.
- Verbal purchases, commitments and/or transactions are strictly prohibited.
- Prior to initiation of a purchase, obtain appropriate approval(s).
- When conducting procurement transactions, use only Purchasing Office approved forms
- Multiple purchases cannot be made to avoid purchasing limits.
- Any purchase that exceeds \$2,500.00 needs to be done by the Purchasing Office.

2. **Prohibited Uses**

The starting point for any analysis concerning the use and/or misuse of public funds begins with the principle that public funds must be expended for an authorized public purpose. Expenditure is made for a public purpose when its purpose is to benefit the greater good or public interest rather than individuals or private purposes. At a minimum, purchases for items that may be questionable or are not clearly defined via the guidelines shall have written approval by an individual at a higher level of authority. In addition, college employees need to be aware of budgetary limits within the accounts they are authorized to use, as well as internal limitations on the use of monies and resources that may be set by the cardholder's department.

Following is a list of **Prohibited Purchases and Purchases** with limitations:

- Alcoholic beverages, tobacco and drugs
- Automotive service and repair - contact Physical Plant to arrange service for college owned vehicles
- Awards, gifts & donations
- Equipment which exceeds \$2,500.00, refer to Section 1, Paragraph "G"
- Cash advances
- Catering services
- Cellular phones, blackberries, etc., airtime for cellular phones, blackberries, etc., computers, I-Pads and other electronic items; refer to Section 1, Paragraph "F"
- Construction, repair, installation and renovation (*requires a formal agreement or contract*)
- Contracted/Personal services (*requires a formal agreement or contract*)
- Copier machines, desktop or stand alone; refer to Section 1, Paragraph "F"
- Entertainment
- Flowers or gifts to individuals, including those in lieu of payment for goods or services
- Fines, late fees and penalties
- Furniture; refer to Section 1, Paragraph "G"
- Gasoline or diesel fuel
- Leases and rental of space (*requires a contract*)
- Maintenance agreements for services, annual or one-time
- Meals and incidental expenses for employee travel (*refer to Exception #2 below*)
- Medications and/or medical supplies (*refer to Exception #3 below*)
- Moving expenses, unless otherwise approved by the President or the Director of Human resources
- Personal items or personalized stationary (*refer to Note #3 below*)
- Political contributions
- Purchases involving trade-in of LCCC property (*a function of the Purchasing Office*)
- Radioactive or hazardous materials
- Recreation
- Services – retaining or hiring of firms, agencies, etc. that provide any type of service
- Software or telephone equipment; refer to Section 1, Paragraph "F"
- Supplies for a "Break Room" (*refer to Note #1 below*) to include but not limited to: utensils, paper products, coffee pots, coffee, stove, drink machines, kitchen items, kleenex, and disposable supplies
- Trade-marked or Logo items; refer to Section 1, Paragraph "H"
- LCCC vehicles, including maintenance or contracted services
- Weapons and ammunition

Note:

1. Break Room Definition: a room or designated space which is set aside for coffee breaks, snacks, lunches, etc, and is ADA compliant.
2. Refrigerators and microwave ovens are approved purchases when equipping a Break Room.

3. "Personal Items" may include, but not limited to: coffee or drink machines, microwave ovens, radios, TV's, DVD players, stoves, refrigerators, other kitchen items, space heaters, paper shredding machines, coffee, tea, drinks, candy, snacks, break refreshments, personal clothing, party items, and any other items that would primarily be used for personal purposes.

Exceptions:

1. When required in the performance of his/her duties and at their discretion, the College President may procure meals, entertainment, gas, flowers and gifts.
2. Athletic coaches in the performance of their duties may procure meals using the P-Card in lieu of being reinstated for per diem.
3. Medical supplies that are required for Health Science programs and authorized college first-aid kits.

3. The Process - Procurement

- Guiding principles: Be fair, equal and consistent through a transparent process
- Determine spec's and value of purchase, obtain pricing (over \$2,500 must go through Purchasing)
- Obtain written approval to purchase before making any type of commitment
- Complete appropriate paperwork and distribute to impacted Divisions
- NOTE: verbal transactions of any type are not acceptable
- All Vendors are required to have on file with LCCC a W-9 and current insurance (COI)
- W-9's and Insurance are a function of Purchasing and Accounting
- LPO's and PO cannot hire people or obtain services, this is a contract function

4. Obtaining Quotes

- In order to ensure fairness, consistency and adherence to college policies, use only Purchasing Office approved forms
- Respect vendors, don't take advantage of them
- Complete all transactions in writing, nothing verbal

5. The Process - Contracts

- Per College Policy, all college personnel are "representatives", but NOT "Agents". Only Agents have signatory powers on behalf of the College; thus signing on behalf of LCCC is prohibited.
- A "contract" is defined as an agreement between two (2) or more parties, which is intended to have legal effect and documents the pricing, scope or work and other related terms & conditions of the relationship.
- Legally, a contract comes in many forms, at LCCC this includes: LPO, PO, Agreement, Contract, MOU, and other templates used by the Contracts Office
- Service contracts are written to improve the efficiency for college personnel to conduct their business. The basic principles of any contract are:
 - a) A fully executed contract pre-authorizes a specific scope of work
 - b) Each service contract requires that the contractor submit a price or estimate for a pre-established scope of work detailed per written instrument
 - c) When service contracts are in place, invoices can be sent after a respective scope of work is completed. Said invoice shall be paid via a Purchase Order.
 - d) Prior to initiation of contracted work, a contractor must have on file with the Contracts office a current copy of their COI and with Accounting a current W-9
- The initial step for entering into a contractual relationship is to contact the Contracts Office (AM-108) first, not the vendor.

6. Sole Source Purchasing

Products or services may be procured without competition if there is documentation that there is only one source available. Submission of cost and specifications data may be required by the requesting department in conjunction with the Purchasing department. Sole source procurement shall be avoided

whenever possible. Written justification is required on all source requests which shall be reviewed and approved by the Director of Contracting and Procurement. Refer to C&P Procedures Manual, Chapter Three Section 305.

7. *What We Can Do For You*

The Purchasing staff is here to assist you with your purchasing questions and concerns. In addition, we offer the following services:

- **Obtain quotes** for purchases of goods or services that exceed \$2,500.
- **Conduct informal and formal quotes and bidding** for large dollar purchases.
- **Consolidate and coordinate** purchase requirements from around the College to gain better pricing and delivery for you, the customer.
- **Maintain lists of sources for products and services.** We can research new suppliers for products not on file.
- **Provide technical assistance** on purchases of goods or services.
- **Provide explanations of purchasing procedures, processes and laws.** We can answer many of your questions or refer you to the correct source.
- **Act as a liaison with contractor or supplier.** We provide advice and assistance with orders, contract formation, renewals and termination actions.
- **Approve** requests for emergency purchases.
- **Approve** documentation requesting sole source purchases.

8. *Frequently Asked Questions*

What costs are included in the \$2,500 Limited Purchase Order limit? The \$2,500 limit is all inclusive of the price of goods, shipping, handling, and freight charges.

Who authorizes changes in POs, Agreements and Contracts? All changes shall be authorized via written instrument through the Purchasing Office.

Do we pay taxes? The College is a tax-exempt entity. Copies of the Tax Exemption form are available from the Accounting Office.

Can an order be placed before a PO or LPO is created? Do not place an order, promise an order, or otherwise authorize the purchase of goods or services without the proper written and approved documents such as an approved LPO or PO being issued prior to placement of said order. This may make you personally liable for payment to the vendor.

Can an order to one vendor be divided between two or more POs or LPOs? It is unlawful and against College Policy and Procedures to split orders in order to stay under certain dollar limits, subsequently avoiding the competitive process or applicable written procedure.

Who pays the bills? Payments to vendors are processed by the College Accounting Office located in the Administration Building. Please forward any invoices you receive to Accounts Payable so that payment can be processed.

Can price quotes be shared with other vendors? Do not share price quotes from one vendor with other vendors. This is not only illegal but unethical. Only after a PO or LPO is issued can prices from other vendors be shared and this should be done by the Purchasing Office.