

**METROPOLITAN  
COMMUNITY COLLEGE**

**PURCHASING**

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## **PURCHASING DEPARTMENT**

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## **I. PROCEDURES**

### **Objectives and Responsibilities**

The responsibility of procuring supplies, equipment, and contractual services necessary for the operation of Metro Community College has been delegated to Finance and Administrative Management. As the department authorized to make commitments on behalf of the college for these purposes, it shall be the function and responsibility of the Purchasing Department to:

- a. Procure materials, equipment, and contractual services as required by the various departments of the college.
- b. Execute the expenditure of college funds so that the greatest value per dollar expended is achieved for the benefit of the college in conformity with ethical practices of the purchasing profession.
- c. Conform in principle and practice with the laws of the state and with policies established by the MCC Board of Governors.
- d. Serve and facilitate the objectives of the college, to make commitments in a consistent and orderly fashion and to foster a high standard of public relations within the college and a host of interested parties who are rightfully concerned about the expenditure of public funds, such as vendors, taxpayers, legislators and auditors of various agencies.
- e. Assure all vendors seeking to transact business with the college of fair and equitable treatment at all times, protecting the interests of all parties through objectivity.
- f. Conduct all purchasing transactions on the basis of merit and objectivity and to further safeguard each transaction from outside influence, conflict of interest, prejudice, or bias.

The services rendered by the Purchasing Department in securing the proper requirements for delivery to the proper location at the proper time and at the lowest possible cost will be enhanced by a thorough understanding and conformance to policies and practices of Metro Community College.

### **Awarding of Contracts**

Purchasing decisions in awarding College contracts will be made without prejudice or favoritism. Awards will be made on the merits of the bid, such as vendor compliance with specifications, price, delivery, service, terms and conditions.

### **Bids and Quotations**

Securing of price quotations, taking of bids, and the negotiation of all conditions of sale for all purchases or contemplated purchases on behalf of the College are the sole responsibility of the Purchasing Department.

The majority of the college operating requirements will be purchased on an informal quotation basis. Prices secured on a quotation basis are considered confidential and are not to be discussed with vendors by departmental personnel. Inquiries concerning prices received from vendors by departmental personnel are to be referred to the Purchasing Department.

When the purchase price warrants, bids will be solicited on a formal, sealed basis. Such bids will be advertised, opened, and read at a stipulated time. Interested parties are encouraged to be present at the time of the opening.

The following purchasing guidelines (Board Policy #80502) shall be observed:

1. If the cost of purchase is \$10,000.00 or less, the purchase shall be made by unrestricted, open market purchase, except for sole source items. The President shall be authorized to approve such purchase orders up to but not in excess of \$10,000.00.
2. If the estimated cost of purchase is \$10,000.00, but is less than \$25,000.00, the purchase shall be made by a competitive, informal bidding process in which quotations and/or bids are solicited from at least three independent vendors, or as many independent vendors as are reasonably and practically available if less than three. Absent compliance with this requirement, no such purchase shall be made and no contract binding the College respecting such a purchase shall be entered into until it has been approved by the Board of Governors, unless otherwise allowed by subparagraph (7) or (10) below.
3. If the estimated cost of the purchase is \$25,000.00 or more, the purchase shall be made by a competitive formal sealed bid process in which bids are to be solicited from at least three independent vendors or as many independent vendors as are reasonably and practically available if less than three. Absent compliance with this requirement, no such purchase shall be made and no contract binding the College respecting such a purchase shall be entered into until it has been approved by the Board of Governors, unless otherwise approved by subparagraph (7) or (10) below.

4. If the estimated cost of a purchase is \$25,000.00 or more, an invitation to bid shall be published at least once in a legal newspaper circulated in the College's four-county area, excluding single or sole-source items. Absent compliance with this requirement and the preceding subparagraph, no such purchase shall be made and no contract binding the College respecting such a purchase shall be entered into until it has been approved by the Board of Governors, unless otherwise allowed subparagraph (7) or (10) below.
5. The President is not authorized to approve any purchase, purchase order or contract involving an expenditure by the College in an amount in excess of \$100,000.00, except as may be allowed by subparagraph 10 below. In all other cases, no purchase order shall be issued or purchase made, and no contract binding the College respecting a purchase shall be entered into for an amount in excess of \$100,000.00 unless the purchase, purchase order or contract has first been expressly approved by the Board of Governors.
6. The President shall submit a report monthly to the Budget and Finance Committee and to the Board of all approved purchases costing from \$50,000.00 to \$100,000.00 and of all sole source items costing more than \$10,000.00. The purchase of fixed services, such as utilities and maintenance services, shall be exempt from this report.
7. The President may authorize purchases at the unit prices stated in the current state purchasing department contracts, consortium contracts or GSA contracts without first soliciting competitive bids or quotes. If the amount of such purchase exceeds \$100,000.00, however, the President shall obtain prior express approval of the Board for the purchase. The President may also authorize, without complying with the quotation and bidding requirements specified in this Board Policy 80502, payment to a vendor for an item or service if the item or service is routinely utilized and paid for by the College on an on-going, recurring basis. (Examples of such items and services include but are not limited to payments for utilities, telephone services, rents, maintenance services, payroll and payroll taxes, and costs of employee benefits approved by the Board).
8. In soliciting quotations and bids, the College will make extra efforts to encourage quoting and bidding by potential vendors known to be owned and operated by females or members of minorities.
9. When quality and price are comparable, preference for purchase contracts should be given to corporations, firms, or individuals with offices or production facilities in the College's four-county service area.

10. In any emergency situation, the President may with approval of the Chair of the Board, depart from the otherwise applicable requirements of this Board Policy 80502. If the Chair of the Board is not reasonably available, the Vice-Chair of the Board may give such approval. The President shall report any such departure to the full Board by not later than the next regular meeting of the Board.

### **Commitments**

The Purchasing Department is the sole agency authorized to make commitments for supplies, equipment, or contractual services necessary for the operation of the College.

### **Competitive Purchasing and Order Pricing**

It shall be the Purchasing Department's practice to purchase from reliable sources at a distribution level which assures optimum quantity discounts and delivery of material or services at the lowest possible cost for the quality level required.

### **Conflict of Interest**

It shall be the responsibility of each member of the College staff and Board of Governors to take all appropriate steps to ensure that the College does not knowingly enter into any purchase commitment that could result in a conflict of interest situation. The Purchasing Department will refer any questionable situations directly to the President. Board Policy #80503 explains with whom the College will not enter into a contract.

### **Federal and Special Fund Purchases**

General policies and practices concerning purchasing apply to all funds under the jurisdiction of the college, regardless of source. All funds deposited with the College are handled consistently in accordance with policies and practices herein outlined.

### **Maintenance Agreements**

It is policy and recommended practice to place certain items of equipment under maintenance agreements to assure efficient operation. Such agreements will be made to conform to the College fiscal year (July 1st through June 30th) when possible, and will normally involve highly specialized equipment and office machines. It shall be the using department's responsibility to see that the maintenance agreed to is being performed and to report any irregularity immediately to the Purchasing Department.

### **Personal Purchases**

Purchasing personnel will not enter into any negotiation or become involved in any transaction for the purchase of anything whatsoever for the personal account of the College staff; nor will staff in any way use their position with the College to enhance their ability to secure discounts for their own personal purchases.

### **Reciprocity**

The College does not engage in or submit to the practice of exchanging or giving any special privileges in any purchasing transaction. College business is awarded on the basis of objectivity and merit of conditions.

### **Standardization**

In order to assure an economical price, economic handling, distribution and repair, and efficient procurement, it is the practice and the responsibility of the Purchasing Department to develop a program of standardization of selected items in common use within the College.

### **Unauthorized Purchases**

No individual has the authority to enter into purchase contracts unless specifically authorized by the Board of Governors or the President. Any such purchases are considered unauthorized and become a personal obligation to the vendor by the individual making the purchase unless otherwise approved in writing by the President. (Board Policy #80503)

### **Vendor Relations, Selection, Correspondence**

The Purchasing Department maintains regular contact with many individuals and companies in the course of day-to-day activities, and the manner in which these contacts are carried out can and does reflect on the college. Thus, Purchasing must, at all times, maintain integrity by observing strict truthfulness in every transaction, respecting the confidence of each vendor, and keeping free of any personal obligation to a vendor.

Price information from one vendor should not be shared with another vendor except through the Purchasing Department. Other employees of the College must not make statements or commitments which would jeopardize these relationships. College employees may not accept any gifts or gratuities from vendors.

### **Vendor Selection**

The Purchasing department is responsible for the selection of vendors. College personnel may participate in the selection of suppliers where the supplier is dictated by the selection of the product. The originator of a purchase request is asked to suggest any sources of supply on the requisition form.

### **Vendor Correspondence**

It shall be College practice and policy that all contacts or correspondence pertaining to negotiations affecting purchases or prospective purchases which involve prices, terms, conditions, and delivery shall be carried on by the Purchasing Department.

## **II. SERVICES**

### **Repair of Office Machines**

Office machine repair expenses are the responsibility of the specific department where the equipment is located. The cost center responsible can call the dealer directly and schedule a repair visit.

### **Sales Interviews**

To eliminate unnecessary interruptions, sales representatives are encouraged to make appointments previous to visiting with College staff. It is imperative that sales representatives report to the Purchasing Department if they want to be included for consideration of future business.

### **Taxes**

The College is exempt from payment of federal excise taxes and Nebraska sales and use taxes. Tax exemption certificates will be furnished upon request.

### **Purchase Order Copy**

A copy of each generated purchase order will be sent to the authorized signer of a requisition. It shall be the responsibility of the issuer of the requisition to verify that specifications on the purchase order copy coincide with the requirements described on the requisition, and to immediately report any discrepancies to the Purchasing Department.

### **Processing Time**

Small orders from local sources of supply are processed immediately by Purchasing. Larger orders and items which lend themselves to competitive bidding require formal bidding processes; this may take 14 to 21 days or longer to process. Purchases which require Board approval may take upwards of 30 days or longer to process. If a department has not received a copy of the purchase order within these time limits, immediate contact should be made with the Purchasing Department to ascertain the status of the order.

### **Review of Quotations**

For budgeting reasons, a department may request the opportunity to review the cost of an item or quotations prior to an official order being placed. If this is desired, it should be so stated on the requisition. Bids and quotations received which do not agree with respect to the specifications on the requisition will be reviewed with the requisitioning department.

### **"C" Numbers**

The Purchasing Department will provide a verbal purchase order number ("C" number) when goods or services are needed on a rush basis. The requisitioner must provide the cost, vendor, description, and the fund, location, cost center and object code number applicable. The amount of purchase is not to exceed the guidelines established by the Board of Governors in reference to items approved

for open market, unrestricted purchase. "C" numbers should only be used when absolutely necessary and are not a substitute for anticipation of departmental needs. The assigned "C" number must be noted on the requisition and submitted to Purchasing within one week.

#### **Cancellation or Modification of Orders**

Requests for cancellation or modification of purchase orders must be made directly to the Purchasing Department by the requisitioner. Under no circumstance are staff members to make any contact with vendors relative to cancellation or modification of a purchase order unless previously approved by Purchasing.

#### **Opening New Charge Accounts**

All requests for opening new business charge accounts must be directed to Purchasing for handling.

#### **Vendor Contact**

The Purchasing Department will assist College personnel in obtaining catalogs and literature concerning new products and will encourage vendors to contact appropriate campus personnel. When information is desired for budgeting purposes, requests for vendor contact can be channeled through the Purchasing Department.

#### **Expediting and Tracing**

The Purchasing Department follows up on purchase orders with both vendors and requisitioning departments as the need arises. If requirements within a department change after an order is placed, the Purchasing Department should be notified. It is easier to cancel an order before delivery than to arrange for the return of material.

### III. PREPARATION OF PAPERWORK

#### **Authority to Submit Requisitions**

Only that person or persons having authority for a particular cost center or his/her designated representative is authorized to issue requisitions for equipment, supplies, or services.

#### **Requisition Form**

The requisition form is the official College document used to initiate purchase transactions on behalf of the College whenever use of a College Visa card is not applicable. The requisition form specifying the needs of the College department must be properly completed in accordance with requisitioning instructions and submitted to the Purchasing Department, thus authorizing Purchasing to process the requisition and issue a purchase order chargeable against a departmental budget. Requisition forms are available online in the Forms Bank. Requisitions can be used for all purchases except travel and conference fees (see Travel Guidelines P.M. for travel, lodging, and conference registration information).

**NOTE:** Requisitions to Central Stores only are to be sent directly to them in duplicate.

#### **Requisition Specifications**

Complete specifications are needed if the proper quality is to be obtained. A specification is an accurate description of the material to be purchased. A good specification should:

- a. When possible, identify the brand or specification already on the market, preferably an industry standard.
- b. Be capable of being met by several vendors for the sake of competition.
- c. Be complete. The specifications must include a description of ALL qualities of the item. This will enable all vendors to identify the specific item wanted.
- d. Be capable of being checked when the goods are received by the using department.
- e. Include tolerances, finishes and manufacturing processes when important. While the initial prerogative for setting specifications rests with the requisitioning department, the final decision on the specifications to be purchased is a joint responsibility and requires joint approval of the requisitioning department and the Purchasing Department. The Purchasing Department will assist in formulating specifications, consult with administrative offices and competent specialists or secure technical assistance as required to arrive at any decision. It shall be the practice of the College to create and submit specifications in a manner that will permit

fair and equitable consideration of all products and all known sources that meet the needs of the College.

### **Requisition Completion**

The requisition form is provided for outlining your needs to the Purchasing Department. No purchases will be consummated unless requisition forms have been completed. To facilitate processing of your requisition and to provide the best possible service, the following procedures will apply to all purchase requests:

- a. The original requisition form is to be submitted to the Purchasing Department after appropriate signatures have been secured in the spaces designated for approvals. It is advisable that a copy of the requisition be retained by the department originating the requisition
- b. Prepare the requisition in a clear, legible manner, describing each article carefully and completely, giving quantity, size, color, and catalog references when possible. Attach samples if the description without them would be inadequate. If available, attach a copy of the catalog page showing the merchandise to be purchased. Failure to adequately describe merchandise will result in undue delays. The following basic information must be provided before the requisition can be accepted:
  - 1) cost center name;
  - 2) fund, location, cost center, and object code numbers;
  - 3) delivery instructions;
  - 4) date of preparation;
  - 5) names and complete addresses of suggested vendors;
  - 6) note if price quotes were obtained and attach price quote sheet, including names of sales people talked with;
  - 7) name of person initiating requisition;
  - 8) approval signature (supervisor);
  - 9) approval signature (director/dean, vice-president if required);
  - 10) description of item to be purchased, quantity, unit (e.g. each, dozen);
  - 11) estimated or actual cost;
  - 12) specifications, if applicable;
  - 13) alternate products, if known.
- c. Suggestions as to sources of supply are to be noted in spaces provided whenever possible; however, selection of vendor and all price negotiations are the responsibility of the Purchasing Department. No commitments or negotiations are to be made without specific approval of the Purchasing Department.

### **P-Card Program**

The Purchasing Card (P-Card) Program is available for use by permanent College employees for completing low dollar purchases on behalf of the College from merchants who accept a Visa card. Cards are made available by request of cost center managers for issuance to a named employee. Cardholders must complete p-card training and sign a Cardholder User Agreement before the card can be released. **The Purchasing Card is not to be used for any personal transactions.**

### **Sole Source/No Substitute**

When requesting sole source/no substitute purchases of supplies or equipment with a value of \$10,000.00 or greater, a sole source/no substitution form must accompany the requisition describing the purchase, explaining the use of the merchandise, stating that there is only one source available, and why no other merchandise is acceptable. Personal preference is not sufficient reasoning for requesting "no substitute." The requisitioner must be prepared to defend his/her request to all levels of administration and to the Board of Governors.

### **Purchases Requiring Prepayment**

Occasionally it will be necessary to make advance payments for items. This is particularly true in the case of deposits, publications, some institutional memberships, and other items usually of small dollar value. In such cases, the requisitioner must state on the requisition that prepayment is required and should include with the requisition any supporting evidence such as advertisements, letters, or pro-forma invoices.

### **Budget Transfers**

Budget transfers should be forwarded to Accounting well in advance of subsequent purchases. In the event a transfer must be made before a specific requisition can be processed, the transfer form may be attached to the requisition stating such.

### **Rush Expenditures Near Termination of a Budget Period**

Rush expenditures near the end of a budget or grant period should be minimized. It is particularly important that requisitions for expenditures from grant cost center budgets be submitted sufficiently early so that buying can be accomplished, delivery secured, and invoices processed before the end of the grant period.