

COASTAL BEND COLLEGE PURCHASING POLICY

Effective Date: September 1, 2015

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The District President of Coastal Bend College has designated the Business Office as the purchasing authority for the College. *Purchases not authorized in accordance with approved purchasing policies are not legal obligations of the College.*

The Coastal Bend College Business Office is responsible for compliance with the purchasing requirements outlined in the Coastal Bend College Purchasing Policy.

This practice applies to all purchases including grant contract funding sources. Purchases from special grant funds shall be made in accordance with Coastal Bend College purchasing policies unless the governing document specifies alternate procedures.

Any departures from this policy must be allowed by the laws of the State of Texas and shall be approved, in advance, by the District President or designee.

Guidelines and procedures for compliance with this policy shall be developed and implemented by the CFO/Executive Director of Business Services.

PURCHASING AND ACQUISITIONS:

Purchasing Overview:

Legal Responsibility of College for Debts:

The Coastal Bend College Board of Trustees shall assume responsibility for debts incurred in the name of the College so long as those debts are for purchases made in accordance with adopted Purchasing policy and current administrative policy/ procedure regarding contracting, purchasing and expending. The Board of Trustees shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.

All College employees engaged in purchasing processes are to conduct themselves ethically, fairly, objectively and will observe the confidentiality of the decision-making and award processes so as to serve the best interests of the College

No purchases shall be made without determining that sufficient funds are available.

Forms of Purchase:

Coastal Bend College utilizes five forms of purchasing:

1. Purchase Orders – The majority of purchases shall be made by Requisition/Purchase Order. All purchase order forms shall be under the control of the College Business Office. Creditors of the College should be notified that purchase commitments made without a properly drawn purchase order and not signed by the Business Office will not be honored for payment.
2. Approved credit card transactions - College Credit Cards may be used for small purchases under \$1,000.00 per transaction as approved by the responsible Executive Director of Business Services (Splitting of larger than a \$1,000.00 purchases into multiple purchases is a violation of this policy) . All Credit Card purchases are subject to strict user guidelines and reconciled by the Business Office.
3. College travel cards may be used for lodging, meals (except when receiving per diem), car rental and

parking expenses that are incurred as related to travel. Travel must be approved in advance by the Executive Director of Business Services before a travel card can be issued. Travel cards are issued and reconciled by the Business Office. All conference travel must be approved by the President in advance.

4. The Petty Cash Fund is set up to fund “out of pocket” expenditures by the employees of the College. Petty cash fund use must be approved in advance by the Supervisor and no petty cash expenditure may exceed \$75.00. Each petty cash expenditure shall be documented with a receipt appropriate to the purchase. Petty Cash Funds must be reconciled with the Business Office no less than once every six (6) months.
5. Check Requests (limited use, mostly A/P) should be used to request payment for goods and services where a purchase order is not warranted or a direct payment is required. Check requests may be used for small purchases under \$1,000.00 if approved in advance by the Business Office. Specific procedures concerning the use of check requests are to be managed by the Executive Director of Business Services or designee.

Purchase Approval:

Each requisition for purchase must be approved in advance by the Business Office and funds must be available in the appropriate budget. Requisitions are required to generate a properly executed purchase order via the Business Office.

Conflict of Interest:

Purchases from members of an employee’s or Board Member’s family or from a company in which an employee or his/her family member or Board Member owns a 10% or more interest shall be in accordance with the Coastal Bend College Purchasing Policy. For purposes of this policy, a family member means a spouse, child, parent or the child or parent of a spouse. Prior to purchases being made from a vendor that meets the above parameters, the vendor must complete a “Potential Conflict of Interest form in the Business Office

Vendor Relations:

The Texas Ethics Commission has adopted a conflict of interest policy that requires a vendor to disclose the vendor’s affiliations or business relationships with employees that may cause a potential conflict of interest with the College. Coastal Bend College adheres to this policy.

The Texas Comptroller of Public Accounts maintains a Debarred Vendor List to protect the State from vendors with unethical business practices. Coastal Bend College will not conduct business with any vendor on the State Debarred Vendor List. If subsequently discovered that a Coastal Bend College vendor is on the State Debarred Vendor List, Coastal Bend College will take necessary action to discontinue use and end business relations with the vendor. Information relating to the State Debarred Vendor List can be found at <http://www.window.state.tx.us>.

CONTRACTS:

Delegation of Authority:

Unless delegated pursuant to another section of this policy, the Board of Trustees delegates to the District President or designee the authority to approve and execute contracts not specifically required by this policy or by law to be approved by the Board of Trustees. The District President is authorized to delegate specific contract review authority to the Executive Director of Business Services in order to secure legal review of such contracts and any permitted sub-delegation authority, if any.

No employee or agent of the College has the authority to enter into any contract on behalf of the College, except as otherwise expressly provided by this policy. If a College employee signs a contract without authority, or falsely represents to a third party that he or she has authority to sign a contract, the employee may be held personally responsible to the third party under Texas law. An agreement that is not expressed in writing and approved and executed in accordance with this policy shall not be binding or enforceable against the College.

Any employee who signs a contract or seeks to bind the College to an agreement in violation of this policy may be subject to discipline, up to and including termination.

Purchasing of Professional Services:

Authority: Education Code 44.0131(f)

Professional Services Agreements with a value of more than \$50,000.00, or for a period of more than one year in term, shall be approved by the Board of Trustees. Professional Services Agreements with a value of less than \$50,000.00 for a period of less than one year in term, must be approved by the District President or designee.

Professional services include, but are not limited to: accounting, financial, auditing, architecture, landscape architecture, land surveying, medical, optometry, professional engineering, legal, real estate appraising, professional nursing, or services of a professional nature where specific knowledge, skill and experience are required.

Scope of Service:

Professional service providers are professional contractors retained to provide services to the College when regular employees, within the scope of their employment, cannot provide such services.

The College may not select a provider of professional services or a group or association of providers or award a contract for the services on the basis of competitive bids submitted for the contract or for the services, but shall make the selection and award:

- a. On the basis of demonstrated competence and qualifications to perform the services; and
- b. For a fair and reasonable price.

The Professional Fees under the Contract:

- a. Must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and
- b. May not exceed any maximum provided by law.

Term of Service:

The Board of Trustees may engage a professional services provider for a maximum period of five years. However, the Board of Trustees will retain the right to terminate the engagement at any time, upon due notice.

A professional service provider currently under contract is eligible to respond to a request for proposal/qualifications for a subsequent term.

PURCHASING OF GOODS AND SERVICES:

Purchasing Authority:

The College shall use Education Code Section 44.031 as guidance in establishing open and fair purchasing and bidding practices that provide the best value to the College and its extended campuses.

The authority to approve request of purchases by signing requisitions, check requests and expense and petty cash reimbursements is given to Vice Presidents, Directors, Managers and other employees as delegated by the District President or designee.

Policy Applicability:

This policy applies to the purchase of tangible personal property or services except as follows:

- a. Purchases of construction-related services;
- b. Purchases of real property; or
- c. Purchases of professional services (see Purchasing of Professional Services).

Purchasing Objectives:

When purchasing equipment, supplies, materials, services, hardware and software, the factors which drive the purchasing process and the decisions to be made are:

- a. Obtain the best value for the College,
- b. Purchase approved goods and services requested by the end users,
- c. Obtain the best possible price for approved goods and services,
- d. Have goods and services available when and where needed,
- e. Ensure that responsible vendors are given the opportunity to compete for business,
- f. Ensure that the procurement of goods and services is ethical and complies with state and federal law regarding the use of public funds, and
- g. Guard against misappropriation of the College's funds.

The purchase of equipment, supplies, materials and services shall be based upon a competitive process, except as otherwise provided in this policy. **Purchases may not be subdivided to avoid the competitive requirements of this policy.**

Administrative Requirements:

Unless otherwise covered by the sections above or required by law to meet other requirements, all purchases of goods or services made on behalf of the College, regardless of funding source, shall meet the administrative requirements outlined below or those most currently listed in Educational Code 44.031.

Purchases Valued Below \$1,000.00:

Minor purchases of goods or services less than \$1,000.00 in value do not require competitive quotes. However, when purchasing outside of Gateway, attach quotes from competitors.

Purchases Valued at \$1,000.00 or More and Less than \$10,000.00:

Purchases of goods and services valued at \$1,000.00 or more and less than \$10,000.00 shall follow an informal competitive process that includes **at least three quotes**. These **quotes** may be obtained by telephone, fax or other electronic means, and shall be documented and **must** be submitted to Business Office **with the Requisition**.

Purchases Valued at \$10,000.00 or More and Less than \$50,000.00:

Purchases of goods or services that are at least \$10,000.00 and less than \$50,000.00 shall be coordinated within the designated department and with the guidance of the Executive Director of Business Services. These purchases shall be made by requesting written quotations from at least three (3) vendors which are capable of providing the particular good or service. Written quotations shall accompany requisitions for purchases.

Purchases Valued at \$50,000.00 or More:

All purchases of \$50,000.00 or more in the aggregate for each 12 month period for goods or services shall be coordinated through the Executive Director of Business Services. These purchases shall follow a formal process that may include:

- a. Pre-qualification and selection of suppliers;
- b. Standards and specifications;
- c. Requests for sealed bids/proposals through advertisement;
- d. Submission of bids/proposals, and public openings;
- e. Award of purchase orders and contracts;
- f. Catalog purchases as stated by the Texas Education Agency under the Texas Government Code, Chapter 2157, Subchapter B; and
- g. Use of Interlocal Agreement.

Requisition Approval Levels:

All purchase requisitions must have, as a minimum, two signatures, to include the requestor and the responsible Budget Manager. Additional approval may be required depending on the amount and/or type of goods or services requested.

Requisition Approval Levels:

Level	Amount of Request	Required Signatures
I	\$0.00 to below \$10,000.00	* Requestor
		* Responsible Budget Manager
II	\$10,000.00 to below \$50,000.00	* Requestor
		* Responsible Budget Manager
		* Executive Director of Business Services
		* President
III	\$50,000.00 and above	* Requestor
		* Responsible Budget Manager
		* Vice President
		* Executive Director of Business Services
		* President

Board of Trustees Approval:

Any unbudgeted purchases \$50,000.00 and greater shall be in accordance with Texas Education Code (TEC) 44.031 and shall be taken to the Board for approval.

Emergency and Sole Source Purchases:

At times, it may not be in the College's best interest to engage in a formal competitive process. Purchases necessary to respond to emergencies (situations that jeopardize public or employee safety, or that could result in significant financial or operational loss), and instances in which staff has concluded that only one supplier can provide the product or service (e.g. the product or service is protected by patent, copyright or trademark; or due to schedule conflicts, etc. Only one supplier can provide the product or service when it is required) do not require a formal competitive process. Emergency and sole source purchases must be justified in writing and approved in advance by the Executive Director of Business Services.

Interlocal/Cooperative Purchase Agreements:

The College may enter into an interlocal/cooperative purchase agreement to purchase goods or services. Once an interlocal/cooperative purchase agreement has been approved by the President or designee, purchases may be made through the agreement after a market survey determines that the best value for the College is through the agreement.

Vendor Selection Criteria:

In awarding a contract, Coastal Bend College may consider any or all of the following:

- a. Purchase price;
- b. The reputation of the vendor and of the vendor's goods or services (see Vendor Relations);
- c. The quality of the vendor's goods or services;
- d. The extent to which the goods or services meet the College's needs;
- e. The vendor's past relationship with the College;
- f. The impact on the ability of the College to comply with laws relating to historically underutilized businesses;
- g. The total long-term cost to the College to acquire the goods or services;
- h. Any other relevant factor that a business entity would consider in selecting a vendor; and
- i. Any other factors in determining the best value for the College.

Bidding Requirements:

All bidding practices shall conform to State law. The College will establish practices to identify when bids shall be required and when other practices of obtaining needed goods and services shall be utilized.

Bid openings shall be public and those submitting bids should be invited to attend. A file of all bids shall be kept for a period of three years and shall be open for public inspection.

The Board of Trustees has the authority to reject any and all bids.

All bids shall be conducted through the Business Office unless specific authorization is granted through Board of Trustees approval.

The College may hold pre-bid conferences and may, upon proper notice, make the attendance at such a conference mandatory. The College will not open or consider any bid submitted by any vendor who did not attend a mandatory pre-bid conference.

Surety Bonds, Payment Bonds and Performance Bonds:

The College may, at the discretion of the CFO/Executive Director of Business Services, require surety, payment and performance bonds.

Bid Surety Bonds, if required, shall be returned to all bidders, except the successful bidder, at the time the award is made. The Surety Bond of the successful bidder shall be retained until the merchandise has been delivered and inspected for quality as well as other requirements of the bid.

A Payment Bond may be required for any contract exceeding \$25,000.00.

Performance Bonds shall be required for all contractual agreements \$100,000.00 and above.

Personal Purchases:

Coastal Bend College employees shall not be permitted to purchase supplies or equipment for personal use through the College or through special discounts and arrangements made between the College and its qualified vendors.

Petty Cash Purchases:

Petty Cash Funds are intended to handle small, "out of pocket" expenditures by the employees of the College. Each Petty Cash Fund must have a custodian of record who is responsible and accountable for managing the fund. Petty cash audits are to be performed by an Administrative Business Officer or designee, other than the fund's custodian, as part of routine oversight of business procedures.

There is a limitation of \$75.00 for any one transaction. Purchases may not be subdivided to fall under this \$75.00 limit.

BOARD POLICY REFERENCE:

[Section B - BBFA \(Legal & Exhibit\) Ethics - Conflict of Interest Disclosures](#)

[Section C - CF \(Legal & Local\) Purchasing and Acquisition](#)

[Section D - DBD \(Legal, Local & Exhibit\) Employment Requirements and Restrictions - Conflict of Interest](#)

[Section D - DBE \(Legal & Exhibit\) Employment Requirements and Restrictions - Nepotism](#)