

SECTION: 4. ADMINISTRATIVE

SUBJECT: PURCHASING

Background: The purpose of this policy is to acquaint personnel with the statutes, rules, and processes that govern public purchasing.

Point of Contact: Purchasing Director

Other LCSC offices directly involved with implementation of this policy, or significantly affected by the policy: Vice President for Finance and Administration

Date of approval by LCSC authority: August 23, 2019

Date of State Board Approval: N/A

Date of Most Recent Review: August 2019

Summary of Major Changes incorporated in this revision to the policy: Revisions made to reflect changes implemented as a result of an internal audit.

Policy Overview

The purpose of this policy is to establish policies and procedures governing purchases made with College administered funds.

Idaho state agencies are subject to the State Procurement Act, Idaho Title 67, Chapter 92.

The Administrative Code related to the State Procurement Act are found in the Rules of the Division of Purchasing 38.05.01.

1. Delegated Authority

- A. Procurement (purchasing) will be overseen by the Vice President for Finance and Administration. Daily operations have been delegated to the College Purchasing Director and will be conducted in strict adherence with applicable federal and state laws and regulations and College policies.
- B. The Administrator of the Division of Purchasing has delegated purchasing authority of up to \$50,000 to Lewis-Clark State College.

2. Responsibility and Objectives

- A. Purchasing activities shall be administered in a manner that provides maximum practicable open competition appropriate to the type of good or service to be provided. Purchases shall support the goals of cost efficiency and good/service quality, and these objectives shall be given consideration in the purchasing process.

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- B. Purchasing activities include transactions involving trade-ins, and leased property. Procurements do not include non-exchange transactions such as sponsorships and transactions not involving the expenditure of College funds.
- C. The College owns all property purchased with College funds and all property received by the College as gifts. In addition, except where provided by the terms of a sponsored project by operation of law, the College owns all personal property purchased with funds from a sponsored project. No department, departmental unit, or College employee, may hold proprietary interest in any piece of College property, or property purchased with sponsored project funds which is held by the College. Regardless of which departmental unit ordered the item, the fund cited, or the budget expensed, the principle of College ownership prevails.
- D. Disposal of all scrap, salvage, or any LCSC/State owned equipment no longer required in accordance with the Idaho Code as interpreted by the State Board of Examiners.

2. Budget Authority

- A. It shall be the responsibility of the requestor to determine and ensure funds are available and properly budgeted.
- B. Terms may exceed one year provided that they are advantageous to the College and that such contracts contain no penalty to or restriction upon the College in the event cancellation is necessitated by a lack of financing for any such contract or contracts.

3. Approval Limits and Requirements

- A. Each department has staff authorized to approve requisitions. Generally, the department head has signatory authority with additional signatures as required by the Division. All purchases that exceed \$2,000 will require the next level of authority signature. i.e. Dean, Provost, Vice President, President.
- B. Club accounts require two signatures: the advisor and an officer of the club.
- C. Computer related purchases require the Information Technology Director's signature.

4. Grant funded purchases

- A. Prior to entering a requisition for any grant related expense, the requisitioner should e-mail the information below to the Grant Monitor whom will review and approve input of the requisition based upon whether the expense is allowable, allocable, and reasonable:
 - 1. Account numbers being charged
 - 2. Item being purchased and/or independent contractor being hired

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3. The cost of the item/contract

B. The Office of Grants and Contracts must be included in the grant purchase requisition approval flow process. It is the responsibility of the requisitioner to obtain the signature of the Grants and Contracts Director.

C. See 1.111 Grants and Contracts for additional guidelines

5. Purchasing Requirements

A. All purchases require approval prior to the initiation of a purchase.

B. All purchases require providing the vendor with a purchase order number or a hard copy of a purchase order at the time of purchase.

C. Purchases Between \$0 - \$2K: Department head's (budget owner) approval of all purchases, including P-Card purchases, must be obtained prior to purchase being made. The approval must be documented and retained by the department. Following the purchase, the requisition must be entered into the Colleague System within 72 hours (excluding P-Card purchases).

D. Purchases Between \$2K - \$10K: Requisitions for purchases between \$2K and \$10K must be entered into Colleague System by the department and online approvals obtained. A PO will be issued by the Purchasing Department prior to purchase being made. The Purchasing Department will place the order or provide the PO number to the department.

E. Purchases Exceeding \$10K: Hard copy requisition must be approved and purchase directed to the Purchasing Department for processing. Purchases exceeding \$50K are directed to the Idaho Division of Purchasing for the solicitation process.

6. Vendors

A. Minority Suppliers

1. The College is committed to the principles of Affirmative Action and shall endeavor to apply these principles in its purchasing with the objective of fostering greater participation by disadvantaged minority-owned enterprises in its procurement activity. However, there are no preferences, quotas or goals for purchasing from small, minority, or disadvantaged businesses in Idaho Code.

B. Independent Contractors

1. An independent contractor is generally a business that provides a service.

2. Payments to independent contractors must be initiated on an Independent Contractor Payment Form.

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3. Information for the Independent Contractor Payment can be found at:

<http://www.lcsc.edu/media/3186404/ICP-Quick-Ref-Guide.pdf>

C. Vendor Qualification

1. No vendor shall be allowed to submit a bid unless such vendor is qualified. All vendors are qualified unless disqualified. See Idaho Code 67-9217.
2. A consultant or vendor who is paid for services utilized in preparing bid specifications is precluded from subsequently bidding to furnish the affected goods. The penalty for violation is a misdemeanor. (Idaho Code 67-9230).

D. Debarment and Suspension

1. Federal Executive Order (E.O.) 12549 “Debarment and Suspension” requires that all contractors receiving individual awards, using federal funds for \$25,000 or more, and all sub recipients certify that the organization and its principals are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from doing business with the Federal Government.
2. The Purchasing Director will verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the [System for Award Management](#) (SAM).

7. Solicitation Requirements

- A. Requests for Bids or Quotations
- B. The Purchasing Department in accordance with the below listed guidelines solicits competitive quotations.
- C. Costs are determined based on the cost of the one-time purchase of property or the total cost of a contract for services, including renewal or extension periods.
- D. Competitive quotations will be secured in accordance with the following guidelines:
 1. \$1 - \$10,000
 2. Purchases expected to cost less than \$10,000 do not require the solicitation process.
 3. Departments may make purchases as they see fit, in accordance with good business practice and in the best interest of the state.
 4. \$10,001 - \$50,000
 5. Purchases of property and services expected to cost between \$10,001 - \$50,000, must be

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processed by the Purchasing Department.

- E. The Purchasing Department has been delegated purchasing authority of up to \$50,000. Purchases of property or services not exceeding one (1) year and costing less than \$50,000 are considered to be “small purchases” and are purchased or procured utilizing informal quotation methods. The Purchasing Department shall seek a minimum of three (3) solicitations from Vendors having a significant Idaho economic presence as defined in section 67-2349, Idaho Code.
1. Over \$50,000
 2. Single purchases of property or services exceeding one (1) year and/or expected to cost over \$50,000 are considered to be “large purchases” and purchased or procured with formal methods. Formal solicitations are processed by the Division of Purchasing.

8. Exemptions from the Solicitation Process

- A. Purchases under \$10,000
- B. State Contract Purchases
- C. Government and Agency acquisitions:
 1. Rehabilitation agency acquisitions.
 2. Correctional Industries acquisitions under \$10,000. Correctional Industries acquisitions that exceed \$10,000 require State Purchasing approval.
 3. Federal government acquisitions including federal surplus.
 4. Sole Source acquisitions as determined by State Purchasing
- D. Situational acquisitions:
 1. Legal advertising, publication or placement of advertisements directly with media sources.
 2. Contracts for legal services or bond related services.
 3. Professional, consultant and information related to technology services costing \$100,000 or less.
 4. College employee education, training and related travel expenses costing \$100,000 or less.
 5. Purchases with special educational discounts offered by vendors exclusively to schools, colleges, universities, and other educational institutions where the property is for the

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express purpose of educating students.

6. Concession services where there is not expenditure of College funds.
7. Medical director and medical professional services.
8. Property held for resale, such as bookstore inventory.
9. Purchase of copyrighted materials available primarily from the publisher.

E. Emergency Purchases

1. An emergency condition is a situation that creates a threat to public health, welfare or safety such as may arise by reason of floods, epidemics, riots, equipment failures or other similar circumstances. The existence of such condition must create an immediate and serious need for property that cannot be met through normal acquisition methods.
2. To request an emergency purchase, the College submits a written request to the Division of Purchasing stating the nature of the emergency, the product or service required and the basis for the selection, and the suppliers. The Division of Purchasing will review the request, determine if an emergency exists.
3. In extreme emergency, the College may take whatever purchasing action necessary to resolve the emergency, to be followed by a written explanation and summary of the action taken to the Division of Purchasing or Department of Public Works.

F. Sole Source

1. A sole source item is described as an item with *only a single supplier*.
2. All requests for sole source must be submitted in writing to the Purchasing Department with justification for such action. When “no substitutes” is stipulated the requisitioning department must justify why the technical characteristics inherent in the item make it essential to the project that it should be purchased in preference to another brand of similar capabilities.
3. The Sole Source Request form: <http://www.lcsc.edu/purchasing/>

Additional information regarding Sole Source requests:
http://purchasing.idaho.gov/purchasing_guides.html.

9. Statewide Contracts

- A. Statewide or Open Contracts are items or services that are universally used by the majority of state agencies. The use of these contracts is governed by Idaho Code 67-5726(4) which reads in part “No officer or employee shall fail to utilize an open contract without justifiable cause for such action.”

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- B. In compliance with Idaho Code, Idaho State Procurement Act, and Idaho purchasing directives, departments may purchase items from non-contract vendors if they can prove a savings of \$25.00 (must include all other charges such as shipping, handling, installation, or etc.)
- C. Departments must provide Purchasing with proof of the savings prior to the purchase. Purchasing will make the final determination and approval of such purchases. If approved by Purchasing, the department shall keep the documentation with their records.
- D. A complete list of statewide contracts is available on the Idaho Purchasing homepage website: <http://purchasing.idaho.gov>.

10. Special Procurement Policies

- A. Information Technology Purchasing
 - 1. Acquisition of all information technology related purchases, except for the purchase of such items by academic units for academic purposes, are subject to approval by the office of Information Technology.
 - 2. Information Technology property includes, but is not limited to, all present and future forms of desktop and mobile computing devices, software and applications, and third-party services related to automation or telecommunications.
- B. Alterations/Renovations of Facilities
 - 1. Requests for alterations or renovations shall be administered by the Purchasing Director or the Physical Plant Director.

11. Disposal of Surplus Property

- A. No state property shall be disposed of without prior approval of the Vice President for Finance and Administration and the LCSC Purchasing Director.
- B. Surplus Property instructions and the required online Surplus Property form are located on the Purchasing website <http://www.lcsc.edu/purchasing/>.
- C. The State Personal Surplus Property Policy and Procedures: <http://www.sco.idaho.gov/>.
- D. All employees of the College are prohibited from participation in the acquisition of the College's surplus property.

12. Ethics Requirements

- A. All faculty, staff and students at the College are required to adhere to the intent and spirit of these policies and directives. They are designed as a means to acquire the necessary goods

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and services as effectively and economically as possible, while also maintaining compliance with the laws of the State of Idaho. Employees are subject to penalties as described in Idaho Code, including, but not limited to, those in Section 67-9231.

- B. Employees are prohibited from obtaining goods or services by avoiding the competitive process through such actions as splitting purchases, creating false emergency situations, and purchasing outside open contracts without authorization.
- C. Any effort to circumvent or abuse State and College purchasing regulations and policies or procedures will not be condoned and is subject to disciplinary action up to and including dismissal.
- D. Purchasing Ethics and Vendor Relationships
 - 1. All employees are involved in business transacted by the College in one form or another. Especially so are those professional purchasers and other personnel who purchase items and services, including those using the College P-card. Each employee has a personal responsibility to conduct College business in an ethical manner and assure the integrity of the purchasing and procurement processes.
 - 2. Conflict of interest:
 - a. A conflict of interest occurs when a person's private interests compete with his or her professional obligations to the College to a degree that an independent observer might reasonably question whether the person's professional actions or decisions are materially affected by personal considerations, including but not limited to personal gain, financial or otherwise.
 - b. Employees are therefore prohibited from entering into service contracts with or selling goods to the College.
 - 3. Influencing/conspiring to influence: The College prohibits the influencing or conspiring to influence purchasing decisions and contract awards. Attempts at influence may include kickbacks and bribes, peddling or payment of a fee, back door selling, hard-sell tactics, fraternization, or offering gifts to avoid following published procedures or gain advantages.
- E. It is the responsibility of the College Purchasing Director to ensure that procurement staff are properly trained to execute their duties efficiently and in accordance with laws and regulations.
- F. Non-Compliance Reporting:
 - 1. The Purchasing Department shall provide a quarterly report of non-compliant purchases to the Vice President for Finance and Administration, Vice President for Academic Affairs, Vice President for Student Affairs, and President for review.

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2. Executive leadership will review the report and address any compliance issues in their area, consult with employees and provide coaching, and implement any additional control processes necessary to remediate the compliance issue and prevent recurrence.

13. Invoices

- A. Vendors are required to submit invoices to the Controller's Office. In the event that a vendor submits an invoice to the department, the department is required to forward the invoice to the Controller's Office immediately.

14. Sales Tax

- A. The College is exempt from Idaho sales and use tax.
- B. A completed Sales Tax Resale or Exemption Certificate (ST-101) can be found at <http://www.lcsc.edu/purchasing/>.