

GUIDE TO PURCHASING

AURARIA HIGHER EDUCATION CENTER
Procurement & Distribution/Support Services
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PLEASE USE THIS GUIDE TO HELP US HELP YOU

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We're a Service...

We're here to help you. This reference guide explains how the Purchasing Office can work with you to speed up your purchases. This guide covers just the basics. The AHEC Purchasing Office has a website at www.ahec.edu/procurement_services.htm that has a more in-depth manual broken into chapters for your use and we offer training for all personnel as well. The website also contains useful forms, links and contact information to other agencies and websites of interest when purchasing for your department.

The Environment in Which We Serve...

The goal of Purchasing is to assist you in obtaining the best value for each dollar you spend. In addition, all purchases must be made in accordance with the regulations established by the State of Colorado.

The Purchasing Office is the department authorized to issue purchase orders and contracts for the Campus. Accordingly, most purchasing actions must be processed through this central procurement point. However, certain exemptions are permitted with the use of the Special Purchase Order (See item #3), the State Procurement Card "P-Card" (see item #4) or the Expense Voucher/Metro State Check Request (see item #5).

General guidelines and policies established by the Purchasing Office are based on the Procurement Code of the State of Colorado and State Fiscal rules and include:

1. Purchase Orders/Bid Process

Requests for purchases **over \$5,000** are submitted to Purchasing (Campus Box K) on a Purchase Requisition (PR) form. You can facilitate processing by ensuring that the necessary signatures and at least one valid cost center are included with each request. Your request will also be processed faster if it is typed or printed legibly. Purchase Requisition forms may be obtained by contacting the Purchasing Office.

- ***Any procurement totaling over \$5,000 must have either a purchase order (PO) or contract executed prior to the receipt of good/services. Splitting procurements to circumvent this requirement is a breach of fiscal rule.***
- Purchases **under \$10,000** do not require a Documented Quote (DQ) or a bid. Contact the Purchasing Office if you believe a DQ would be beneficial to your specific procurement needs. *Remember* the authority for obtaining quotes or bids lies with the AHEC Purchasing Office, not the department or division. Also, be sure you are using State Price Agreements when they are available. Here is the link to the State Price Agreements: <https://www.gssa.state.co.us/PriceAwd.nsf/Published%20Agreements%20by%20Category%20for%20Web?OpenView>
- Purchases **totaling \$10,000 or more** may require a DQ or an Invitation for Bids (IFB) to be published on the BIDS

system by the purchasing office. Items on State Price Agreements do not have to be bid or quoted. Documented Quotes (DQ) must be published for a minimum of 3 days, (**\$10,000 to \$150,000** for goods and **\$25,000 to \$150,000** for services). Procurements for **\$150,000 and up** for both goods and/or services require either an Invitation for Bids (IFB) to be published for at least 14 days or a Request for Proposals (RFP) be published for at least 30 days. The evaluation period for a RFP is usually a minimum of two weeks. When planning for large purchases, you must allow sufficient time for the appropriate procurement method to be completed. The difference between an IFB and a RFP is that an IFB is used when specifications are clear and concise, and a RFP is used when the specifications are unclear and it is important to weigh other factors as well as price, such as service, management and technical support. **Remember the authority for obtaining quotes or bids lies with the AHEC Purchasing Office, not the department or division.**

- The outcome for each of these processes is a Purchase Order (PO), an Open Purchase Order or a contract for the desired goods and/or services.
- Personal services contracts require special procurement procedures. Please contact our office for the procedures to be followed.
- **REMINDER:** *Your Human Resource Department must sign off on all requests involving any personal services before the purchasing department may process the order, include a business case form available from your HR Office.*
- **WARNING:** *Bring **vendor agreements** to Purchasing for review. DO NOT sign these agreements. You may be held personally liable for any expense incurred by signing a vendor agreement.*

2. Open Purchase Orders

You may purchase items of a like nature by using an Open Purchase Order (OPO). An OPO is an open contract with an effective date and an expiration date and specific dollar limitations that allow you to purchase directly from a vendor. Maintenance agreements on equipment, repeated needs (ie office supplies), purchases involving multiple payments, etc., may be set up in this manner by sending a PR to our office.

- There is no total dollar limit on OPO's for goods listed on a State Price Agreement. Services listed on a State Price Agreement may require a contract for amounts over \$100,000. Contact the purchasing office for a determination.
- If purchasing solicits bids to establish an OPO, the only limits are based on the solicitation specifications for the goods that were bid.
- Services purchased with an OPO may be issued up to \$100,000, over \$100,000 your institution/agency will have to execute a State contract.
- Each Open Purchase Order establishes a limit on the total dollar amount of purchases that can be made against the order during its life.
- The limit for non-bid orders is \$10,000 per year for specific goods and \$25,000 per year for services required. These thresholds are based on the requirements and are not per vendor.
- **NO INDIVIDUAL ORDER PLACED AGAINST AN OPO CAN EXCEED \$5,000. INDIVIDUAL ORDERS OVER \$5,000 MUST HAVE A SEPARATE PURCHASE ORDER ISSUED BY THE PURCHASING OFFICE.**

3. Special (or Small) Purchase Orders (SPO)

You may use a SPO for the purchase of miscellaneous goods with a total cost of less than \$5,000 in a fiscal year. Blank SPO forms are issued by the Purchasing Office for AHEC and by CCD & Metro State's Accounting Offices to user departments. If the State (State Price Agreements) or AHEC Purchasing, on behalf of your institution, has established a contract with a particular vendor to provide certain items, you are to purchase those items from the contract vendor. If in doubt about an item you wish to buy, call a purchasing agent.

REMINDER: You must have prior written IT approval for applicable purchases.

4. Procurement Card (P-Card)

The State of Colorado has a Procurement Card (P-Card) program established. It is administered through each individual institution's Accounting Office.

- Metro State and CCD staff are to contact their Controller's Office to get the proper forms and information regarding your agencies program policies.
- AHEC staff are to contact the Purchasing Office for information and forms.
- Staff of all three institutions who have attended Procurement Training offered through the Purchasing Office may be eligible to use the P-Card.

The P-Card program is both a procurement and payment method. All Procurement Rules apply to all purchases ordered and paid for with the P-Card. It is used for small dollar purchases (under \$5,000). Vendors that have State Price Agreements have agreed to accept this form of order/payment for the goods on the agreements.

The Accounting Office of each institution will conduct audits on individual P-Card holders throughout the year. *Staff that violate Procurement or Fiscal Rules with the use of the P-Card may have their cards revoked, may be held personally liable for the purchase and may face disciplinary action.*

REMINDER: You must have prior written IT approval for applicable purchases.

5. Expense Voucher or Metro State Check Request Exceptions to Standard Purchase Procedures

Applicable to:

- A. Dues and Membership Fees
- B. Conference Registration Fees
- C. Subscriptions
- D. One-time out-of-pocket expenditures for products (but not services), under \$500.00 total per receipt. You will need a receipt to be reimbursed for out-of-pocket expenses. Items listed on State Price Agreements must still be purchased from the awarded vendor. These expenditures must have been paid for personally and not include sales taxes. *All State of Colorado agencies are exempt from State and Local sales taxes. The State of Colorado tax exempt number is 98-02565.*

Warning: AHEC staff must have prior permission from the Purchasing Office, otherwise reimbursement may be denied.

Please send your receipt and the Expense Voucher or Metro State Check Request directly to Accounts Payable. Forms

are available from your Accounting Office.

You may not charge an item and then send through an Expense Voucher or Metro State Check Request to pay the vendor. The Campus may charge only through the use of a Purchase Order, a Special Purchase Order, State Procurement Card, or an Open Purchase Order. Using an Expense Voucher or Metro State Check Request to charge an item in this manner is not permitted. Vendors must be given a Purchase Order, SPO or State Procurement Card to verify that the Institution is actually authorizing the purchase.

6. Book Center

The Auraria Book Center may be used for some miscellaneous purchases, \$5,000 and under, by using the State Procurement Card or submitting a Departmental Order/Invoice (DOI) form. Purchases over \$5,000 require a Purchase Order. Call 303-556-3230 to obtain a catalog and blank forms.

There are restrictions on what can be purchased through the Auraria Book Center. **Items listed on a State Price Agreement (ie. such as Office supplies of any kind, IT products, etc.) are not to be purchased at the Book Center.** All office supplies are to be purchased from the State Price Agreement vendors only. Contact Purchasing if you have questions regarding these restrictions.

Colorado Correctional Industries (formerly known as Juniper Valley Products/JVP)

State agencies are required by law to purchase certain items from Colorado Correctional Industries (CCI). C.R.S. 17-24-111(1)(a) requires that all State agencies purchase office furniture and office systems from the Division of Corrections DBA Colorado Correctional Industries. These items include office furniture, including seating and panel systems. Items in these categories must be purchased from CCI unless a waiver is obtained. The purchasing agent will advise you regarding appropriate procedures on a case-by-case basis.

Colorado Correctional Industries also offers many other goods and services that are not mandated but are of good quality and value. You can visit their website at www.coloradoci.com to find out more about their entire catalog offerings. There are no dollar limits on any purchases made through Colorado Correctional Industries however orders over \$5,000 still require a purchase order.

Vendor Agreements

When vendors present an agreement for your signature attach it to the proper documentation, but do not sign it. Only your institution's Principal Representative and/or Controller or the Purchasing Director have contractual signature authority. Vendor agreements signed by staff other than those previously listed may result in the staff being held personally liable for the commitment. Signing vendor agreements may be in direct conflict with State Fiscal Rule 2-2. *Staff that violate Procurement or Fiscal Rules may be held personally liable for the purchase and may face disciplinary action.*

Policy Regarding the Use of Minority-Owned and Small Businesses

The Purchasing Office is committed to the principle of encouraging minority, women-owned, and small business participation in Campus business. Information can be found in the Central Contractor Registration website at <http://www.ccr.gov> click on "Search CCR". All State Agencies are required to report usage quarterly to the Department of Personnel and Administration.

Policy Regarding the Greening of State Government

All personnel who purchase goods are to be proactive to find the most Environmentally Preferred Product (EPP) available based on HB-1220 (May 2007) and Executive Order D0011 07 (April 2007). State Price Agreement vendors are required to identify products within their contracts that meet the spirit of the executive order. Contact the Purchasing Office if you have questions regarding this subject.

Do's and Don'ts in Dealing with Vendor Representatives

We encourage departments to seek information on needed items from vendor representatives. They are a valuable source of information. Purchasing can assist you in locating vendors and developing a procurement plan.

Do

- * Do contact Purchasing before you approach vendors directly. We can help expedite your needs when brought in at the beginning of procurement.
- * Do contact more than one vendor whenever possible. The more alternatives you have the better.
- * Do keep an open mind.
- * Do consider the "longevity" of each item purchased and what can be done with it when its usefulness to the Campus ends.
- * Do consider maintenance and operating "life-cycle" costs in addition to the initial purchase price.
- * Do discuss all aspects of the product or service you need with Purchasing.
- * Do obtain all the technical information you can. We need as much information as possible to give you the best possible service.
- * Do state all pertinent information as a result of discussions on your PR: vendor, contact person, model number, etc.

Don't

- * Don't commit the State/your institution by telling a vendor that it has been awarded the order. Only a signed Purchase Order or contract can do this. **WARNING: Bring vendor agreements to Purchasing for review. DO NOT sign these agreements. You may be held personally liable for any expense incurred by signing a vendor agreement.**
- * Don't reveal the amount you have budgeted for a purchase.
- * Don't cause a vendor to think that he or she is the only vendor you are considering.
- * Don't disclose prices submitted by competitors during your information gathering process.
- * Don't accept gratuities.
- * Don't accept everything the vendor's representative may say as absolutely correct.
- * Don't react to vendor-created crises: "price goes up after the first of the month," "this is the last one left in stock," etc.

- * Don't wait until the last minute to submit your PR. The more time we (and the vendor) have to process the purchase, the better job we can do for you.

How You Can Help

Please call us with any questions you may have regarding purchases. Contact us early and often. Allow us to be part of your team to help guide the process to ensure that you receive your requests on time.

- * Provide all available information with your PR.
- * If you have a problem, call us.

Shipping Problems - Please contact the Purchasing Agent.

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Completing the Purchasing Cycle: Paying the Vendor

No purchase is complete until the vendor has been paid in a timely and accurate manner. In order to make payment, Accounts Payable (A/P) must know that the quantity ordered (as specified on the ordering document), the quantity received, and the quantity invoiced are all equal to each other. In addition, the unit price on the ordering document must equal the unit price on the invoice. Your job relative to a purchase is not complete until you have properly notified A/P of your approval to make payment.

Slow or erroneous payments to vendors can result in:

- * lost discounts
- * late payment penalties
- * poor vendor relations and lost goodwill
- * audit criticism

Therefore, please ensure that the Accounts Payable Office is provided with the necessary paperwork according to the category of purchase. Whenever you need assistance with a payment problem, please call you're A/P Office.

If you notice any discrepancies between the product/service you ordered and the product/service you received, please contact the appropriate purchasing agent so that he or she may work with the vendor to resolve the problem. Accounts Payable and Purchasing will work with you and the vendor to resolve the discrepancies before paying the invoice. Complete the appropriate Receiving Report information as soon as the discrepancies have been resolved.

Accounts Payable Offices:

AHEC	303-556-2230
CCD	303-352-3014
Metro State	303-556-3079