Thank you for Joining us on our first *Virtual* Purchasing Road Shows!

Yanely Pulido
Director of General Services

Bob Domenici
Purchasing Services Supervisor

Sam Haun
Senior Buyer

Analisa Pineda
Buyer

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Executive Ass't - EVC

Debbie McCarthy
Admin. Assistant ITS, HR, & GS

Maria Aquino
Contract Specialist

Joe Fullerton, Energy and Sustainability Manager

Juan Miranda
Sustainable Procurement & Circularity Fellow

No picture Available

Nelly Manuel
Senior Accounting Coordinator

AGENDA

Welcome/Introduction

Review Purchasing Procedures and Procard Requirements

Identifying Account Codes and Fixed Assets

Requisition and Standing Order Process

Navigate Banner to Complete the Banner Requisition Process

Accounts Payable - Invoice Review & Payment

Sustainability - Green Procurement

Q & A

Before we hit the road……..

- If you are unable to attend one of the trainings, we are recording the training series.

- During our presentation, we will be discussing several topics, due to our limited time, we will do our best to review and highlight our Purchasing materials.

- Please make note of your questions and at the end of our presentation, we have allowed time for Q & A.

- At the end of the training, please take a moment to fill our very short survey.

- If we are talking too fast, please send us a quick note using the Zoom Chat Feature and we will take our foot off the throttle.

General Services Roles

Bob Domenici
Purchasing Supervisor

Process Bond,
Buildings & Grounds
PO's

Sam Haun
Senior Buyer

Process Canada, ITS,
Auxiliary Services and
KCSM PO's

Analisa Pineda
Buyer

Process Skyline,
College of San
Mateo and District
Office PO's

Debbie McCarthy
Administrative Assistant

Review and Process
Independent Contracts

Purchasing Procedures

BOB DOMENICI, PURCHASING SUPERVISOR

DOMENICIB@SMCCD.EDU

The Requisition and Purchase Order Process

Requisition/Backup. When goods or services are needed, the Requestor/Requisitioner should research the required item(s), obtain quotes as necessitated by the dollar limit guidelines, verify budget availability and complete an online Banner Requisition. All backup documents (e.g. quotations, service contracts, W-9 forms, Certificates of Insurance) should be placed in the requisition backup folder located on Appserv1 – Purchasing – Backups.

Approvals. The completed Requisition must be reviewed and approved by the designated Department and/or Division-level approver(s) and then the Administrative-level approver(s). If a Requisition is disapproved, it is returned to the Requisitioner for revision and re-submission.

Purchase Order. The District Buyer reviews the approved Requisition and, if the information is accurate and the necessary documentation has been received, completes an online Banner Purchase Order. Once approved, the Purchase Order is forwarded to the vendor. Goods should never be purchased or services performed without a Purchase Order authorizing the expenditure.

Commodity Received. The Requestor/Requisitioner receives the goods or services from the vendor.

Payment. The Requestor/Requisitioner examines the vendor's invoice for accuracy, initials the approved invoice for payment, and forwards it to the Accounts Payable Department. The District Accounts Payable representative reviews and processes the approved invoice, cuts the check and forwards payment to the vendor.

Standing Orders

Standing Orders are open purchase orders for the procurement of goods, services or maintenance-repairs on an as-needed basis during a specified period of time. District quote guidelines apply to individual and/or cumulative dollar amount totals for purchases made against a standing order.

Federal Funding (Grant) Purchases

• When working with Federal funding (grant) work with your College VPA Office when making a grant purchase.

• All federal funding (grant) should be approved by the District Grants Analyst.

• Account code 6490 is to be used for equipment valued at unit cost of $5,000 or over (including tax, shipping and installation). All inventoried equipment is considered a fixed asset and assigned an asset tag# by Purchasing.

• Purchasing will verify if the vendor has been debarred. No purchases shall be made from vendors that have been debarred.

Federal Funding (Grant) Purchases

• Purchases funded by federal grant funds must comply with the Procurement Standards under the Office of Management and Budget (OMB) [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR-200)](#).

• The District has established a lower simplified acquisition threshold as authorized or not prohibited under State or local laws or regulations.

Federal methods of procurement:

Micro-purchases (<$10,000 in aggregate)
◦ To the extent practicable, micro-purchases must be distributed in an equitable and reasonable manner to ensure fair and competitive pricing.

Small purchases ($10,000 up to $96,700 District's Lower Simplified Acquisition Threshold)
◦ Price or rate quotations must be obtained in written format (which may include vendor price lists from public websites) from a minimum of two qualified vendors and included with the submission of the invoice when purchasing with funds; and
◦ To the extent practicable, small purchases must be distributed in an equitable and reasonable manner to ensure fair and competitive pricing.

Federal Funding (Grant) Purchases

For purchases greater than $96,700 (District's Lower Simplified Acquisition Threshold)

- Grant administrator will need to contact Purchasing to help assist them with the formal publicized Bid or Request for Proposal (RFP) process. Purchasing will work collaboratively with the requestor to facilitate this process and meet all the federal requirements. It is important the requestor communicate their plans for major purchases as early as possible so there will be reasonable time to accomplish the formal bidding procedure.

Noncompetitive proposals (Sole Source)

- May be used only when the item is available only from a single source, the public exigency or emergency will not permit a delay resulting from competitive solicitation, federal awarding agency or pass-through entity has expressly authorized in writing or in an approved budget that the noncompetitive proposal requirement is waived, or after solicitation of a number of sources competition is determined inadequate
- A written sole source justification must clearly identify which of the four criteria, identified above, apply to the procurement method and must be submitted to Purchasing for approval (Refer to Sole/Single Source Procurements section)

Dollar Limit Guidelines

Purchases under $2,000. Purchase and selection of vendor is at the discretion of the Requestor/Requisitioner.

Purchases between $2,000 and $5,000. One written quote should be obtained for purchases of goods or services when the *total dollar amount of the order* is between $2,000 and $5,000.

Purchases between $5,001 and $20,000. Three written quotes should be obtained for purchases of goods or services when the *total dollar amount of the order* is between $5,001 and $20,000.

Purchases between $20,001 and $96,700. For purchases of goods or services when the *total dollar amount of the order* is between $20,001 and the legal bid limit of $96,700, a *Request for Quotations (RFQ)* or Request for Proposal (RFP) is required and should be forwarded to multiple vendors. Reach out to Purchasing to obtain a RFQ or RFP template.

Purchases over $96,700, except Public Works Projects and Professional Services. The formal bid process is required for purchases of goods or services when the *total dollar amount of the order* exceeds the legal bid limit of $96,700. Remember, it is illegal to split or separate purchases to avoid competitive bidding. Reach out to Purchasing to obtain a BID or RFP template.

RFP (Request for Proposal) $20,001 – over bid limit $96,700

- Solicitation based on more than just price (ie. specific data, performance measures, technical training, provide a solution to a problem)
- Legally advertised and board approved if over the bid threshold of $96,700
- Example: Marketing/Advertising to provide digital marketing services for Community Ed

RFQ (Request for Quotation) $20,001 - $96,700

- best suited for goods and services that are standardized
- Price is the bottom line
- Example: purchasing of a forklift for Facilities or armored car service for our Bookstores

Bid (Purchases over $96,700 bid limit)

An invitation for suppliers to respond to a defined need

Used when you have a clear understanding of the requirements and process

Legally advertised and board approved

Awarded to lowest bidder and total cost of ownership

Example: Furnish meals for the Child Development Centers

Piggybacking Purchasing Contract

What is a Piggyback Contract?

A Piggyback or Cooperative Agreement is an agreement that has been competitively awarded and/or contains language or legal authority allowing other entities to utilize the agreement without the need to secure quotes or formally bid.

These purchases are to be made under the same terms and conditions as are specified in the existing contract lawfully awarded by the public entity. Therefore, prior to using the piggyback contract, it must be reviewed to ensure that it can comply with California Public contract code requirements.

A Piggyback or Cooperative Agreement can be used once it has been verified by the General Services Department. If the request includes services such as labor/installation, verify with your Buyer to see if it is covered by the Piggyback contract

If a piggyback contract is unavailable, then an informal or formal bid process is required.

Sole Source

Sole/Single Source Procurements

Procurement without competition is authorized under limited conditions and subject to written justification documenting the conditions, which preclude the use of a competitive process. The District recognizes that there may be instances when sole/single source purchases must be made, but such purchases must be appropriately justified.

Each justification shall be documented using the Sole Source/Single Source Justification Form.

The law does not require that the decision to purchase products and services be justified. It is a justification of the need for something that is unique about the product or service that precludes competition. All sole/single source justification requests require approval from General Services. Additionally, any sole/single source justification request over the legal bid limit will require Board approval.

Software and Hardware Technology Purchases

Software and technology purchases (other than allowable procard purchases) should be made in consultation with the IT Department.

For specific requirements review the Purchase of Cloud Based or Enterprise Software document, before making decisions regarding these products.

Please remember software and technology related purchases must be vetted through ITS for approval. The ITS software purchase request form can be accessed by clicking on the following link: ITS Purchase Request Form

For further details putting together a Technology Agreement register for the Contract and Insurance Training on Thursday, March 4th

- Annual membership dues over $25,000. (Organizational memberships not individual memberships)
- Lease agreements.
- Purchases of products or equipment over the legal bid limit of $96,700.
- Contracts or agreements for services, including Independent Contractors, in excess of the legal bid limit of $96,700, except those contracts governed by public works codes.
- Public Works Projects over $200,000.
- Surplus, Disposition of Records and Report of Piggyback Contracts (Annually)

Board Approval Requirements

Procard Requirements for US Bank Visa Card

BOB DOMENICI, PURCHASING SUPERVISOR

DOMENICIB@SMCCD.EDU

HOW TO APPLY FOR A CARD

- Read the procurement card user's guide and usage policy before completing the procurement card application. You must agree to the usage policy before a card will be issued.

- Complete and sign the Procurement Card Agreement, Application and Change Request located on the district downloads page.

- The procurement card is mailed to the Purchasing Department.

- The procurement card will be sent to the college business office. Cardholders must go to the college business office, present identification, and sign for receipt of the card.

Lost or Stolen Cards

- Cardholder must *immediately* report any lost or stolen cards to US Bank at **1-800-344-5696.** This number is manned seven days per week, 24 hours per day. The Bank will provide cardholder with a form to be completed and returned to the bank. This step must be followed in order to assure that the cardholder does not incur personal liability for unauthorized charges.

- All Cardholders must send an email to their Division Dean/Manager, CBO, describing the circumstances and date of the lost or stolen card along with their full account number. Cardholder should notify any merchant with whom they have automatic charge arrangements in place to prevent transactions from being processed against the lost/stolen card.

PAYPAL PURCHASES

- Purchases made using the Paypal payment service should be used only if there is no other option

- In no case should District credit cards be linked to personal Paypal Accounts.

- All Paypal transactions will be subject to monthly audit.

AMAZON PURCHASES

- Purchases made using Amazon should be used only if the item cannot be found or available on Office Depot.

- No purchases of IT supplies or equipment allowed unless approved.

- We do not allow for use of procard for Amazon Prime Membership as we cannot differentiate between personal vs. business purchase

- Amazon Prime Membership Fee is not an appropriate charge.

Prohibited Uses

An employee is **NOT** authorized to use the procurement card for:

- Personal purchases

- IT related electronic equipment including cell phones, high-volume scanners (costing more than $200), tablet computers, i-pads, e-readers, laptops, desktop computers, printers (any type of printer regardless of cost), cameras (except "point and shoot" cameras costing less than $200), projectors. Campus IT staff must be consulted before the purchase of any of these items and requisition of these items will be initiated by IT staff. (See Purchasing Procedures on the District downloads page)

- IT related accessories with a unit price of $200.00 or more each. IT related Accessories costing $200 or less (cables, thumb drives, mice, keyboards etc.) may be purchased with the procurement card.

- Software. Campus IT staff must be consulted before the purchase of any software and requisition of software purchases will be initiated by IT staff. (See Purchasing Procedures on the District downloads page)

- Purchase of inventoried equipment (items costing $5,000 or more)

- Payment of wages

Prohibited Uses

- Initial membership in employment related organizations for example American Association of Community Colleges, California Association of Public Purchasing Officials and the like.

- Payments to independent contractors or other contractors providing services to the District. Note that catering services provided by the District's Food Service Provider are an **exception** and may be charged to a procurement card.

- Non-IT equipment or supplies purchases with a unit cost between $1000 and $4999 inclusive of tax, shipping and handling charges. Examples of this type of equipment include but are not limited to:

- Laboratory equipment like microscopes, meters, centrifuges o Automotive equipment such as test equipment, specialty tools to Repair parts

- Laboratory equipment like microscopes, meters, centrifuges o Automotive equipment such as test equipment, specialty tools to Repair parts

- Alcohol – purchase of alcohol is only allowed as specified in the District's Conference and Travel Procedure AP8.55.1

- Firearms

- Cash

- Jewelry

- Furniture

Although not a prohibited use, where possible supply and equipment purchases that are ongoing throughout the fiscal year should be managed through a standing purchase order rather than procurement card purchases.

Declined/Rejected Charges

If your purchase is declined, contact US Bank 1-800-344-5696 to report the decline and determine the reason.

If your card is rejected because of one following reasons, contact the Campus Budget Officer with the card number, merchant's name, brief description of merchandise, and dollar amount:

- The procard program restricts the vendor's Merchant Category Code (MCC).

- You have exceeded your monthly credit limit.

Review and Management of Charges

Charges are posted to the US Bank website (https://access.usbank.com/) frequently during the month.

Users should use the US Bank website to review, reclassify, approve and forward charges to the final approver. All of this activity must be completed within 5 working days after the 25th of the month.

Detailed instructions for card holders and approvers on how to approve, reallocate, and forward charges for approval using the US Bank website can be found on the district downloads page. Again, under normal circumstances, all of these transactions should be completed on the US Bank website. However, if necessary, a journal transfer in Banner or Websmart can be processed but should be done in a timely manner.

All credit card charges are subject to audit.

Statement of Charges and Procard Receipt Management

US Bank mails a monthly statement of charges to the work address of every cardholder for each card issued to the cardholder. These statements include the transaction date, posting date, amount of the purchase, a transaction reference number and the name of the vendor. Since the District pays the account, the balance due will be zero.

The cardholder or designee is responsible for keeping all receipts for credit card transactions and reconciling the receipts to the statement.

A Procard Receipt Packet must be prepared, approved, and uploaded monthly to the appropriate CIAG Appserv1 folder.   The purpose of each charge must be noted on the receipt and additional information is required for the following purchases:

Restaurant receipts should indicate the reason for the get-together and the names of the guests.

When purchased for a meeting, food receipts should include the purpose of the meeting and a list of the attendees.

Conference expense receipts should include the event's title, location, and date(s) of attendance. A "Statement of Conference Expense" form must be submitted for all reimbursable conference expenditures (even if there is a zero balance due) and should include procurement card purchases. See District Rules and Regulations 8.55 and AP 8.55.1 for the District's conference and travel policy and procedure

Identifying Account Codes and Fixed Assets

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Account Codes

Before entering a requisition into Banner, make sure you are using the appropriate account code(s). If needed, refer to the Purchasing Procedures and Guidelines document.

4510 – Miscellaneous Supplies: Includes instructional and non-instructional items that are expendable and quickly consumed or easily broken, damaged, or lost. Examples: Office supplies, paper, non-catered food, and promotional items.

4511 – Non-Inventoried Equipment: Effective July 1, 2015. Includes equipment (electronic or otherwise) with a unit cost under $1,000 (including sales tax, shipping and installation) and has a useful life of at least one year. Please refer to Account 6450NC or 6450 for equipment with a unit cost of $1,000 or over.

4512 – Non-Inventoried Furniture: Effective July 1, 2016. Includes furniture with a unit cost under $1,000 per item (including sales tax, shipping and installation) and has a useful life of at least one year. Please refer to Account 6470NC or 6470 for furniture with a unit cost of $1,000 or over.

Account Codes

5690 – Other Contracted Services: Includes the cost of services (other than repair or printing); for example, graphic artistry and design, furniture assembly, videotape production, catering services, fees for athletic officials and events.

6450 – Inventoried Equipment: Includes all equipment with a unit cost of $5,000 or over (including sales tax, delivery and installation). Equipment is durable, tangible property with a useful life of more than one year, other than land, buildings, improvements to buildings and furniture.

6450NC – Miscellaneous Equipment – Non-Capitalized: Effective July 1, 2015. Includes non-inventoried equipment with a unit cost of at least $1,000 but less than $5,000 (including sales tax, delivery and installation). Equipment is durable, tangible property with a useful life of more than one year, other than land, buildings, improvements to buildings and furniture.

EXCEPTION: Due to federal guidelines, for FEDERAL GRANTS ONLY the criteria for Non-Inventoried Equipment will remain as "a unit cost under $5,000 (including sales tax, shipping and installation)" and, therefore, should continue to be charged to account 4511.

Account Codes

6470 – Furniture/Fixtures: Includes furniture/fixtures with a unit cost of $5,000 or over (including tax, installation, project management and shipping).

All inventoried furniture/fixture items (or systems) are fixed assets and must be assigned asset tag numbers by Purchasing. For tracking purposes, the inventoried item is tagged upon receipt and entered into the District's fixed asset records. A corresponding Asset Addition Form must be updated with all pertinent information (e.g. model, location, serial number) and forwarded to Purchasing.

6470NC – Furniture/Fixtures – Non-Capitalized: Effective July 1, 2016. Includes purchases of furniture or fixtures with a unit cost of at least $1,000 but less than $5,000 (including sales tax, installation, and shipping) and have a useful life of at least one year.

EXCEPTION: Due to federal guidelines, for FEDERAL GRANTS ONLY the criteria for Non-Inventoried Furniture will remain as "a unit cost under $5,000 (including sales tax, shipping and installation)" and, therefore, should continue to be charged to account 4512.

Fixed Assets

- Equipment and furniture with an individual unit price of at least $5,000 each (including sales tax, delivery and installation) are fixed assets and must be assigned an asset inventory number by the Purchasing Department.

- Never Mix Fixed Asset Account Codes with Non-Fixed Asset Codes when splitting an item's cost between multiple accounts.

- When creating a requisition with fixed assets it is advisable to choose the Commodity Accounting option by unchecking the Document Accounting button in the Banner Requisition form.

- For tracking purposes, all inventoried equipment and furniture are tagged with a SMCCCD Asset Inventory Number and are entered into the District's fixed assets records upon receipt.

- The District uses the Banner fixed asset system to record the District's assets, set up threshold values and define the life and depreciation method of each type of fixed asset.

- Documentation for moving fixed assets from location to location and deleting them from the system can be found on the Purchasing/General Services downloads and by clicking the following link: Fixed Asset Inventory forms.

- An inventory of fixed assets is performed every other year.

Fixed Asset Account Codes

Fixed asset purchases must always be made through the Banner Requisition/Purchase Order process and should be charged to one of the following account numbers:

6320 – Books and Multimedia

6450 – Miscellaneous Equipment

6459/6459N – Computer Software (Taxable/Non-Taxable)

6470 – Furniture/Fixtures

6490 – Equipment Federal > $5000

Fixed Asset Requisition

Please remember software and technology related purchases must be vetted through ITS for approval.

The ITS software purchase request form can be accessed by clicking on the following link: ITS Purchase Request Form

It's vital that every requisition which contains a fixed asset must include the following details in the Item Text for each asset.

On the first line type:

"ASSET TAG #" (Purchasing will assign the asset tag #)

On second line type:

"LOCATION: CAMPUS, BUILDING AND ROOM #"

Example: LOCATION: SKY B19; RM #201.

(Requisitioner must enter the exact campus, building and room number where the asset will reside).

Requisition Process

ANALISA PINEDA, BUYER

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Banner 9 Requisition Training Guide

Banner 9 Requisition Training

Accounts Payable Invoice Review & Payment

NELLY MANUEL, SENIOR ACCOUNTING COORDINATOR

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Invoice Review & Payment

Review invoices to verify billing information is correct; such as billing name, address, and prices match to the original quotation/requisition.

Resolve any discrepancies with the vendor.

Payable fraud red flags:

- Increase in prices and quantity for goods or services without prior notification.
- Additional items billed not previously listed on the Purchase Order.
- Invoices that look unprofessional or missing details, such as address and phone number.
- Vendors with similar names.
- Vendor prices that seem unusually low or high.
- Mismatch description, quantity, unit cost from the Purchase Order.

FGIENCD – verify there is sufficient balance on PO/ENC to cover outstanding invoice. Please submit change order to Purchasing if balance is insufficient.

Invoice Review & Payment

Submit invoice to AP staff with reference of <u>vendor name</u>, <u>vendor invoice number</u>, <u>payment amount</u> and <u>PO number</u>.

Indicate to finalize PO on the invoice if it's last payment.

Semi-annual Check Run Calendar, allow processing time for A/P staff.

Encourage frequent paid vendors to sign up for ACH.

Mini-closing & Year end heads-up

Liability – billing for service or merchandise provided by 06/30.
Expense needs to be accounted for the closing year.

Prepayment – deposit or prepaying service will be provided after 7/1.
Expense will be accounted in the new year.

THANK YOU,
We hope you enjoyed the journey!

IF YOU WOULD LIKE ADDITIONAL INFORMATION ON TODAY'S TOPICS, PLEASE CONTACT ANY OF OUR TEAM MEMBERS

OR E-MAIL BOB DOMENICI AT **DOMENICIB@SMCCD.EDU**

Resource extraction and refining → Manufacturing → Packaging and distribution → Use → End of life

Resource extraction and refining → Manufacturing → Packaging and distribution → Use → End of life (cycle)

Supply chain emissions from the procurement of products and services represent 30% - 40% of total GHG emissions in higher education!

Circular Economy Action Plan

For a cleaner and more competitive Europe

Assets managed through public equity funds with circular economy focus increased x6 in the first eight months of 2020

1 Jan 2020 - 31 Aug 2020

>$2bn

x6 increase

$0.3bn

Source: Analysis carried out by the Ellen MacArthur

ELLEN MACARTHUR FOUNDATION

Financing the circular economy

Success, Equity, and Social Justice

Board of Governors

"Increase procurement of sustainable products and services by 20% (by 2025) and by 25% (by 2030)"

Environmental Benefits

- Reduce greenhouse gas emissions causing climate change

- Reduce consumption of natural resources

- Reduce waste sent to landfills

Social Benefits

- Increased participation of traditionally minoritized and marginalized, and veteran businesses

- Promote products that are better for human health

- Promote better working conditions throughout supply chain using certifications

Financial and Operational Benefits

- Save money by considering total life cycle of products

- Streamline product choices

- Reduced cost from lower material use

- Opportunities for improved supplier performance
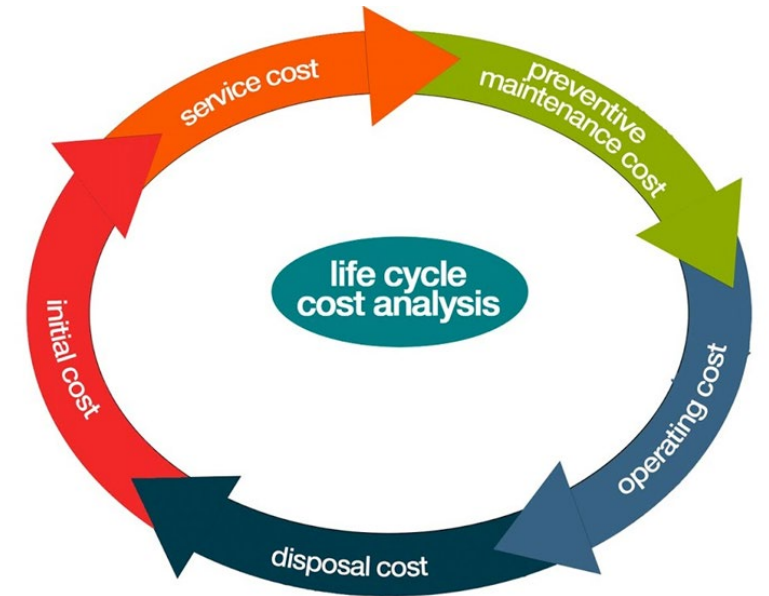
Thank You

Questions?

Contact

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