

PURCHASING PROCEDURES AND CONTRACT REQUIREMENTS

The following is a brief synopsis of the District's purchasing policies and procedures in compliance with the Education Code, Public Contract Code, and Civil Code. Compliance with these procedures will facilitate processing of orders in a timely manner for each college and the District as a whole. These procedures apply regardless of the funding source. General Services Department staff is available to provide assistance and may be reached at 650-574-6508.

The Requisition/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, fully executed service contracts, W-9 forms, Certificates of Insurance) should be placed in the requisition backup folder located on Appserv1 – Purchasing – Backups, prior to the completion of the Banner Requisition. Refer to ***Exhibit A - Commonly Used Purchasing Account Codes***.

Purchases of Software and Hardware should be made in consultation with the ITS department. See “Software and Hardware Technology Purchases” on page 5 of this document for further information.

- **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 Funds 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 \(2 CFR-200\)](#). Individual federal grants may contain terms and conditions that are unique and specific to the grants and are in addition to this federal policy.

All federal funding (grant) should be approved by the District Grants Analyst. Before making a purchase of supplies, equipment and other services with Federal funds (grant) work with your College VPA Office well in advance of any grant deadlines for purchasing. Grant administrators must comply with the following when purchasing with federal grant funds:

- Follow the District's purchasing policies and procedures.
- Purchases must be necessary, not duplicative, and of direct benefit to the federal grant.
- Where appropriate, an analysis of lease and purchase options should be performed to determine the most economical and practical procurement.
- The assessment and selection of specific purchases must ensure open competition, objective contractor performance, and elimination of unfair competitive advantage.
- Grant administrators must have disclosed any potential conflicts of interests and may not participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict exists.
- To the extent possible, purchases should be made using minority businesses, women's business enterprises, and labor surplus area firms.
- Transactions must be supported by original, detailed, and unduplicated documentation.
- Purchases must remain in aggregate and cannot be separated into multiple increments in order to bypass procurement threshold requirements.

Purchases and commitments that are not in compliance with these federal requirements will need to be returned, cancelled or paid for with department funds or other non-federal sources.

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 \$114,800 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.
- For purchases greater than \$114,800 (*District's Lower Simplified Acquisition Threshold*)
 - Grant administrator will need to contact General Services to help assist them with the formal publicized Bid or Request for Proposal (RFP) process. General Services 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 General Services for approval (Refer to Sole/Single Source Procurements section)

Debarment and Suspension:

The Federal Government prohibits expending federal funds on goods and/or services from any entity Debarred or Suspended from doing business with the Federal Government. Procurement of goods and/or services with federal funds from a supplier or contractor should be checked for debarment/suspension before purchasing and/or awarding a contract or subaward. General Services is responsible for checking [SAM \(System for Award Management\)](#) to see if a vendor is on the government list of debarred vendors prior to the approval of purchases on federal awards.

Prepayments

Prepayment is acceptable only if the vendor refuses to supply products or services without prepayment. If prepayment is requested on a Requisition, appropriate documentation, such as an order form, pro-forma invoice, or a vendor letter indicating item description, price and prepayment requirement is necessary before processing.

Procurement Cards

An employee is not authorized to use a District procurement card for personal purchases or for the purchase of inventoried equipment, initial membership in employment related organizations, payment of wages, payment for charter transportation services, or payment to independent contractors or other contractors providing services to the District. No purchases of IT related electronic equipment such as cell phones, laptops, tablet computers, desktop computers or printers may be made using a procurement card. General equipment purchases are limited to less than \$1,000. See the [Procurement Card User's Guide and Requirement](#) on the Purchasing/General Services Downloads page for detailed information regarding procurement card purchases.

Fixed Assets

Equipment and furniture with an individual unit price of at least \$10,000 each (including sales tax, delivery, and installation) are fixed assets and must be assigned an asset inventory number by the General Services Department. Fixed asset account codes must never be combined with non-fixed asset account codes. 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 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

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 \$114,800.** For purchases of goods or services when the *total dollar amount of the order* is between \$20,001 and the legal bid limit of \$114,800, a *Request for Quotations (RFQ)* or *Request for Proposal (RFP)* is required and should be forwarded to multiple vendors. Reach out to General Services to obtain a Bid / RFx Request Form.
- **Purchases over \$114,800, 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 \$114,800. Remember, it is illegal to split or separate purchases to avoid competitive bidding. Reach out to General Services to obtain a Bid / RFx Request Form.

Before a Purchase Order can be issued, the item(s) must be legally advertised (California Education code section 81641 requires that a bid or proposal be published in a newspaper at least once a week for two weeks), formally bid, and awarded by the Board of Trustees to the lowest responsive bidder. The requesting department should coordinate the development of bid specifications with the Director of General Services or designated Buyer. Since this process can take as long as 30-90 days, depending upon the complexity of the bid, the General Services Department should be contacted well in advance of the desired delivery date. Please refer to ***Exhibit B - Bid / RFP Procurement Lead Time*** for estimates of the solicitation planning process.

There are two exceptions to the \$114,800 bid limit:

- Public works projects require a formal bid if expenditures are greater than \$220,000. See the section titled "Public Works Project Requirements" in this document.
- Certain professional services (e.g. lawyers, architects, engineers) are exempt from formal bid requirements; however, Board approval is needed for a new vendor or new services valued above the legal bid minimum or for continuing services in excess of \$500,000.

Board Approval Requirements

- Annual membership dues over \$25,000.
- Lease or Site License agreements.
- Purchases of products or equipment over the legal bid limit of \$114,800.
- Contracts or agreements for services, including Independent Contractors, in excess of the legal bid limit of \$114,800, except those contracts governed by public works codes.
- Public Works Projects over \$220,000.
- Surplus, Disposition of Records, and Report of Piggyback Contracts (Annually)

Software and Hardware Technology Purchases

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

Purchases of cloud based or enterprise software are subject to all purchasing and public contracting rules. Additionally, decisions to purchase these types of products must involve ITS and may need to be vetted by College and District administration. Review the specific requirements at: [Purchase of Cloud Based or Enterprise Software](#), before making decisions regarding these products.

IT related electronic equipment includes 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), or projectors. The timeline from consultation to receipt of the technology is typically 2-4 weeks. The process for purchasing technology is as follows:

- The requestor submits an ITS work order to initiate a consultation with ITS.
- ITS consults with requestor, makes a recommendation, and creates a formal quote with the appropriate vendor
- The quote is forwarded by ITS to the requestor and to ITS support.
- The requestor obtains the accounting information through appropriate college channels and sends the quote, along with the accounting information to ITS support at itspurchasing@smccd.edu.
- ITS support enters the purchase requisition which is routed through Banner for department/college approval.
- Once approved, Purchase Order is created by the assigned General Services buyer.
- The equipment or software is delivered to ITS tech support. ITS tech support contacts the requestor and makes arrangements for installation.

Contract Requirements

- **Independent Contractor Agreements.** A written agreement is required for service work performed by an independent contractor. An independent contractor is defined as an individual (rather than a company) who performs a service (rather than provides a tangible product) for the District. Independent contractors are in business for themselves and are responsible for their own tax reporting to the IRS. An independent contractor uses a social security number for tax identification purposes (rather than a Federal Tax ID number). SB1419 sets specific guidelines for appropriate use of independent contractors. Board approval is required for independent contracts in excess of the legal bid limit of \$114,800. See the [IC Process and Links](#) for further information regarding the District's independent contractor procedures.
- **Standard Service Contracts.** A written contract is required when working with a vendor who provides services to the colleges or the District Office. All district contracts must be reviewed by the College Business Office and the District Office and must be signed by a board authorized signatory – generally the Executive Vice Chancellor or the Director of General Services sign district contracts. Students, faculty or staff members, and administrators, including college presidents, are not authorized to sign contracts. If contracts are signed by a non-authorized person, the District is not liable for payment and the party that signs the contract may be personally liable.

Board approval is required for contracted services in excess of the legal bid limit of \$114,800.

- **Lease or Site License Agreements.** Board approval is required, regardless of the dollar amount, for (1) District use of off-campus facilities which require a lease, or (2) use of District facilities by outside organizations requiring a lease or site license.

Insurance Requirements

A Certificate of Insurance and an Additional Insured Endorsement from a vendor or contractor performing services for the District is required. A minimum of \$1,000,000 comprehensive general liability with \$2,000,000 aggregate is required. Excess liability in an amount of at least \$2,000,000 is required. Higher Risk Projects require \$3,000,000 excess liability. District Insurance requirements are further discussed in the [Contracts and Insurance Guidelines PowerPoint](#). Certain large construction projects may require additional insurance. For construction performed under District Capital Improvement Programs, the District has a mandatory Owner Controlled Insurance Program (OCIP) for all contracts in excess of \$1,000,000.

Public Works Project Requirements

The District has elected to become subject to the California Uniform Public Construction Cost Accounting Act. The Act provides for alternative bidding procedures when an agency performs public work by contract. For projects funded by **FEDERAL GRANTS** refer to “Federal Funds Purchases” section for further requirements.

- **Qualified CUPCCAA and Prequalified Contractors Lists**

The District has elected to create and maintain a list of prequalified Contractors for all contracts between Zero (\$0) and Two Hundred and Twenty Thousand Dollars (\$220,000) as follows:

1. Annually in November, the General Services Department will create and maintain a list of Prequalified Contractors as follows:
 - a. A written notice shall be emailed to all construction trade journals designated for the District as specified by the Act's Commission. The notice will also be published in a local newspaper of general circulation within San Mateo County.
 - b. The written notice shall require that the contractor provide their name, address, phone number, type of work interested in and currently licensed to do, class of contractor's license(s) held and license number(s).
 - c. The District will review contractors that meet predetermined State and District prequalification criteria for inclusion on the list for each calendar year.
 - d. The list of contractors will be identified by classifications and categories of work.
2. The list will be finalized prior to the completion of the calendar year, and posted on January 1st (or the first business day of the new calendar year). A new list will be prepared in the same manner to begin on January 1st of the next calendar year.

- **Projects from \$0-\$25,000 – One Written Quote.**

CUPCCAA exempts this size of project from bidding requirements; the District will negotiate a contract. The Facilities Services Master Agreement will be used for this type of procurement. For all projects from \$0 up to \$25,000 the District shall utilize the following procedures.

1. The Facilities Department will have the discretion to select from the list of prequalified contractors, any contractor deemed to be in the best interest of the District and solicit one written quote.
2. Upon selection of the contractor and receipt of contractor's quote, the Facilities Department will execute a Facilities Services Master Agreement/Work Order.
3. Facilities will complete and submit a Requisition for approval, with the signed Agreement/Work Order and all other required backup documentation.
4. General Services will review the approved Requisition and backup documentation, and complete an online Banner Purchase Order. Once approved, the Purchase Order is forwarded to the contractor.
5. Facilities will return a copy of the fully executed Agreement/Work Order to the contractor.

- **Projects from \$25,001-\$75,000 – No Bid.**

CUPCCAA exempts this size of project from bidding requirements; the District will negotiate a contract. The Facilities Services Master Agreement will be used for this type of procurement. For all projects from \$25,001 up to \$75,000 the District shall utilize the following procedures.

1. The Facilities Department will have the discretion to select at least two contractors deemed to be in the best interest of the District from the list of prequalified contractors, and solicit a written quote from each contractor.

2. Upon receipt of at least two quotes, the Facilities Department will select the contractor, who's quote is in the best interest of the District, and execute a Facilities Services Master Agreement/Work Order for the contractor.
3. Facilities will complete and submit a Requisition for approval, with the signed Agreement/Work Order, Payment and Performance Bonds and all other required backup documentation.
4. General Services will review the approved Requisition and backup documentation, and complete an online Banner Purchase Order. Once approved, the Purchase Order is forwarded to the contractor.
5. Facilities will return a copy of the fully executed Agreement/Work Order to the contractor.

- **Projects from \$75,001-\$220,000 – Informal Bid.**

Bid award to the qualified contractor submitting the lowest quote through an informal bidding process. The informal bid process requires that notification of the Bid be sent to all contractors, prequalified with the District, who have the qualifications to perform the work. Bid, performance, and payment bonds continue to be required of all contractors doing work under CUPCCAA. Board action is not required with an informal bid. The District reserves the right to bid a project in this range formally.

For all projects from \$75,001 up to \$220,000 the District shall utilize the following "Informal Bidding" procedures.

1. All projects will be assigned an Informal Bid #, unique to each project.
2. Facilities will develop and prepare the Informal Bid contract documents (Division 00-01 for Small/Medium Construction Projects) in collaboration with General Services Department staff.
3. After review and approval of the Informal Bid contract documents, Facilities will issue a notice inviting all prequalified contractors to submit an informal bid by the specified date and time as follows:
 - a. The notice shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.
 - b. Only those prequalified contractors with the applicable trade classifications will be notified, not less than 10 calendar days before bids are due.
 - c. The notice shall also be emailed to all applicable construction trade journals, as specified by the Act's Commission.
4. The project will be awarded to the lowest responsible and responsive bidder.
5. A Notice of Award will be issued to the contractor stating the deadline to submit required contract documents, including Payment and Performance Bonds.
6. Once all required contract documents have been received and fully executed, Facilities will complete and submit a Requisition for approval, with the signed Agreement, Payment and Performance Bonds and all other required backup documentation.
7. General Services will review the approved Requisition and backup documentation, and complete an online Banner Purchase Order. Once approved, the Purchase Order is forwarded to the contractor.
8. Facilities will return a copy of the fully executed Agreement to the contractor and will issue a Notice to Proceed.

- **Over \$220,000 – Formal Bid.**

For all jobs from Two Hundred and Twenty Thousand and One Dollar (\$220,001) and over, the District shall use the Formal Bidding Process as specified in California Education Code and Public Contract Code. (Refer to Facilities' Construction Contract Bidding & Contract Award Procedure – Standard Hard Bid). Contract award requires Board approval.

If the District receives **no bids** through the informal or formal bidding procedures, the Act authorizes the District by Section 22038(c) to have the Project completed by negotiated contract, which complies with bidding procedures.

Purchases through Other Public Agencies

The District can purchase products using other Community College or public agency contracts if those contracts have been awarded using appropriate California Public Contract Code requirements. These contracts are referred to as a “piggybackable or cooperative agreement.” 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.

The use of such contracts requires review and approval from General Services. See the [Piggybacking Purchasing Contract Procedure](#) on the Purchasing/General Services Downloads page for detailed information regarding this process.

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](#) which should contain written sufficient facts and rationale to justify the need as further described in the form. The written justification is not a justification to purchase. 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. If there are two or more products that are acceptable, preserving the competitive solicitation environment will help ensure that the District receives the best value. 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.

Exhibit A
COMMONLY USED PURCHASING ACCOUNT CODES

4000 – Supplies & Materials (Tangible)

- **4110 – Reference Books (Library Use ONLY)**
- **4411 – Subscriptions (Non-Library):** Includes tangible subscription such as journals, newspapers, etc.
- **4510 – Miscellaneous Supplies:** Includes instructional and non-instructional items that are expendable and quickly consumed or easily broken, damaged, lost, or has a useful life of less than a year. Examples: Office supplies, paper, 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.*

FOR FEDERAL GRANTS ONLY: Due to federal guidelines, the criteria for non-inventoried equipment will remain as “a unit cost *under* \$10,000 (including sales tax, shipping and installation)” and will, therefore, continue to be charged to account 4511 rather than 6450NC.

- **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.*

FOR FEDERAL GRANTS ONLY: Due to federal guidelines, the criteria for non-inventoried furniture will remain as “a unit cost *under* \$10,000 (including sales tax, shipping and installation)” and will, therefore, continue to be charged to account 4512 rather than 6470NC.

- **4513 – Subscriptions (Library Use ONLY)**
- **4515 – Other Supplies Special (MATERIALS FEES for Instructional Purposes ONLY)**
- **4525 – Refreshments/Food (non-catered):** Previously part of 4510. Refreshments and food provided during meetings, events, or as part of a work-related function (for example, store-purchased food items and food delivery without catering)
- **4530 – Custodial Supplies:** This includes janitorial supplies such as floor strippers, waxes and cleaners; “personal products” like soap, toilet tissue, seat covers, paper towels, and the dispensers for these products; and indoor or classroom light bulbs and fluorescent tubes.
- **4540 – Grounds Supplies:** This includes fertilizers, pest controls, overalls, gloves, seed, small hand tools for trimming, and irrigation supplies.
- **4550 – Maintenance Supplies:** This should be your “catch all” category. This is for supplies that the crews use in the performance of their jobs for which there is not a more appropriate category. This could include nails, drill bits, electrical supplies, pipes, small motors, filters, paint for the parking lots and benches, lamps for the parking lot fixtures and pool supplies and repair parts.
- **4555 – Truck Maintenance/Repair:** This includes supplies and parts used to repair and/or maintain the District vehicles, except for tires, oil, and gas that should be charged to 4620.

- **4560 – Building Repair:** This includes parts and supplies used to repair the building itself. This should only be used if the more specific objects listed below do not apply.
 - **4561 – Repair Doors and Locks**
 - **4562 – Repair Floors & Walls**
 - **4563 – Repair Steps & Ramps**
 - **4564 – Repair Windows and/or Shades**
 - **4565 – Repair Service Systems:** Includes heating, ventilation, boilers and swimming pools.
 - **4566 – Repair Paint and Plaster**
 - **4567 – Repair Roofing**
- **4570 – Repair Parts for Equipment:** Includes only parts used to repair equipment (e.g. typewriter platens, copier fuser rollers, belts, gears). If the repair includes parts and labor, use 5630.
- **4580 – Central Duplicating**
- **4620 – Gas, Oil & Tires**

5000 – Other Operating Expenses & Services

- **5110 – Consultant Services:** Independent contractors hired to provide consultant services (for use on IC Agreements only).
- **5120 – Lecturer Services:** Independent contractors hired to provide lecturer services (for use on IC Agreements only).
- **5130 – Contract Personnel:** Independent contractors hired to provide other contract services (for use on IC Agreements only).
- **5211 – Conference, In State:** Expenses incurred for pre-approved conferences within the state of California.
- **5212 – Conference, Out State:** Expenses incurred for pre-approved conferences outside the state of California.
- **5216 – Conference, International:** Expenses incurred for pre-approved conferences outside the United States.
- **5220 – Mileage:** Mileage, parking, and/or bridge toll expenses incurred when driving a personal vehicle for approved district/college business (for use on Mileage Claim Forms only).
- **5312 – Dues:** Use for Dues only. No Executive Vice Chancellor (EVC) Approval required. Dues are payments in exchange for certain benefits or privileges, such as access to services, events, resources, or content that do not qualify as an allowed Organizational Membership. Dues are often used to support the operations and activities of the organization
- **5313 – Memberships:** Use for Executive Vice Chancellor (EVC) Approved Organizational Memberships in local, state, and national organizations in accordance with Board Policy. The Requisition/Purchase Order process should be used to acquire an initial membership. First-time memberships should also include a completed *SMCCCD Request for Organizational Membership Approval* form.

- **5514 – Utilities/Phone**
- **5610 – Rental/Buildings**
- **5620 – Rental of Equipment:** Includes cost of renting equipment for which the District accrues no rights of ownership (for example, Xerox Copier lease charges).
- **5621 – Rent/Software:** *Effective July 1, 2015.* Includes software and site licensing fees (either one-time or annual renewal) with a unit cost *under* \$1,000 (including tax and shipping/handling). When using 5621, the assumption is that purchase of the software includes disks and documentation and is therefore taxable.

Software with a unit cost of at least \$1,000 but less than \$10,000 (for multi-year contracts with annual payments) should be charged to account 6451NC.

- **5621N – Rent/Software, Non-Taxable:** *Effective July 1, 2015.* Includes software and site licensing fees (either one-time or annual renewal) with a unit cost *under* \$1,000. When using 5621N, the assumption is that the software was acquired via electronic download. Since NO MEDIA was received, the purchase is not subject to sales tax.

Software with a unit cost of at least \$1,000 but less than \$10,000 (for multi-year contracts with annual payments) should be charged to account 6451NC.

- **5630 – Repair of Equipment, Labor:** Includes the cost of parts and labor to repair equipment, extended warranty agreements, and annual maintenance agreements (for example, Xerox Copier maintenance and print charges). If parts are purchased separately, account 4570 should be used.
- **5640 – Repair Vehicles:** This includes both parts and labor.
- **5650 – Repair Buildings:** This includes the labor used to repair the building itself. This should only be used if the more specific objects listed below do not apply.
 - **5651 – Moving Services**
 - **5652 – Monitoring Services**
 - **5653 – Repair Service Systems:** Includes heating, ventilation, boilers, swimming pools, and the irrigation and sprinkler systems, etc.
 - **5654 – Maintenance Services**
 - **5656 – Repair Paint & Plaster**
 - **5657 – Repair Doors and Locks**
 - **5658 – FF&E Design Services**
 - **5659 – Repair Fire Damage**
- **5662 – HazMat/Abatement Services**
- **5670 – E-Subscr/License (Non-Library):** Includes non-tangible assets such as electronic subscriptions, licenses, access to online platforms, and digital media downloads (e.g., music, videos, movies, podcasts, etc.).
- **5680 – Contract Transportation**

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

NOTE: A signed agreement and certificate of insurance are required when working with any vendor who provides services to the colleges or the District Office. Please refer to the *Contract Requirements* and/or *Insurance Requirements* section of this document for further explanation.

- **5694 – Contracted Printing Services:** Includes cost of printing done by outside vendors.

5695 – Software Hosted on a Cloud Based or External Vendor's Server System: Use this account for annual license, maintenance and support fees. Absolutely no functional software is loaded onto the District and College system. Users must possess licenses or remote access keys and be logged into an on-line web-based system to utilize the software. The web-based software is subject to the same rules for quotes, RFP's and bids as any other goods and services.

NOTE: All new software must be approved by ITS.

- **5696 – Catering Food:** Includes catering services, previously part of 5690.

NOTE: A signed agreement and certificate of insurance are required when working with any vendor who provides services to the colleges or the District Office. Please refer to the *Contract Requirements* and/or *Insurance Requirements* section of this document for further explanation.

- **5710 – Legal Expense:** *Effective July 1, 2016.* Use this account to charge services provided by law firms/attorneys.
- **5712 – Legal Advertising:** Includes cost of placing ads in print media for purposes of legal bid, pre-qualification, and conference notification.
- **5713 – Legal Consult:** *Effective July 1, 2016.* Use this account code for professional services provided by non-attorneys for expenses incurred which relate to a lawsuit/legal case.
- **5820 – Postage**
- **5830 – License & Permit Renewal:** for General Operations, non-construction purposes
- **5840 – Advertising, Non-Legal:** Includes the cost of advertising and promotion, other than legal advertising such as required for formal bids.

6000 – Capital Outlay

- **6120 – Site Improvements:** Expenditures for the cost of developing new sites or improving existing sites. Applicable expenditures include landscaping grading, seeding and planting; constructing sidewalks, roadways, retaining walls, storm drains, and sewers; surfacing athletic fields and treating soil; furnishing and installing fixed playground apparatus, flagpoles, gateways, fences and underground storage tanks; demolition work in connection with improvement of sites.
- **6121 – Architect Fees** (Site / Land)
- **6122 – Engineering Services** (Site / Land)
- **6123 – Landscaping Services** (Site / Land)
- **6124 – Sidewalks / Roadways / Lots** (Site / Land)
- **6210 – Building Improvements:** Includes cost of capital additions or improvements to buildings (includes prefabricated/manufactured buildings) that include materials and installation, such as installation of built-in fixtures (doors, windows, window coverings, electrical wiring, cabling, fixed

playground equipment, flagpoles).

- **6211 - Architect Fees** (Buildings)
- **6212 – Inspection** (Buildings)
- **6213 – Tests** (Buildings)
- **6218 – License & Permit:** Used for licenses/permits related to construction projects only.
- **6219 – Construction Commissioning Services** (Buildings)
- **6220 – Building Construction:** Expenditures for the costs of construction of new buildings and replacement of obsolete buildings.
- **6310 – Books (Library Use Only):** For Library purchases only.
- **6320 – Books & Multimedia:** Expenditures for the purchase of books, magazines, periodicals and non-print media for the college library, for items valued *over* \$10,000. Note: Library books valued *UNDER* \$10,000 should be charged to 6310.
- **6450 – Inventoried Equipment:** Includes all equipment with a unit cost of \$10,000 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.

All inventoried equipment items are fixed assets and must be assigned an asset tag number by General Services. For tracking purposes, inventoried equipment 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 General Services.

- **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 \$10,000 (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* \$10,000 (including sales tax, shipping and installation)” and, therefore, should continue to be charged to account 4511.

- **6451NC – Software – Non-Capitalized:** *Effective July 1, 2015.* Includes purchases of software (both taxable and non-taxable) with a unit cost of at least \$1,000 but less than \$10,000 (multi-year contract with annual payments). *Please refer to accounts 5621 and 5621N.*
- **6459 – Computer Software:** Includes software and software licenses with a UNIT cost of \$10,000 or over (including tax and shipping & handling). When using 6459, the assumption is that the purchase of software includes disks and documentation and is therefore taxable. This is a fixed asset which must be assigned an asset tag number for tracking purposes. *A purchase of multiple copies of software/licenses with a per license cost under \$5,000 should be coded to 5621 or 6451NC.*

NOTE: *You should NOT charge account 6459 if your purchase is for a user license to access an external vendor system. A purchase of this type involves NO software download onto District IT equipment and should therefore be charged to account 5690.*

- **6459N – Computer Software, Non-Taxable:** Includes software and software licenses with a UNIT cost of \$10,000 or over. When using 6459N, the assumption is that the purchase of software was done via electronic download. Since NO MEDIA was received, the purchase is not subject to sales tax. This is a fixed asset which must be assigned an asset tag number for tracking purposes. *A purchase of multiple*

copies of electronically downloaded software/licenses with a per license cost under \$10,000 should be coded to 5621N or 6451NC.

NOTE: You should NOT charge account 6459N if your purchase is for a user license to access an external vendor system. A purchase of this type involves NO software download onto District IT equipment and should therefore be charged to account 5690.

- **6470 – Furniture/Fixtures:** Includes furniture/fixtures with a unit cost of \$10,000 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 General Services. 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 General Services.

- **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 \$10,000 (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* \$10,000 (including sales tax, shipping and installation)" and, therefore, should continue to be charged to account 4512.

- **6490 – Equipment from Federal Grants:** Federal Grants require that we track all equipment valued at \$10,000 or over. This accounting code allows us to separate those purchases and easily identify them. Refer to the Federal Grant in question for specific requirements that may deviate from this standard.

All inventoried equipment items are fixed assets and must be assigned an asset tag number by General Services. For tracking purposes, the inventoried equipment 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 General Services.

7600 – Other Student Aid (State and/or Federal Grant)

- **7677 – Student Transport:** Includes Clipper Cards and Bus Cards
- **7678 – Student Meal Voucher:** Includes gift cards for grocery stores and food delivery services
- **7679 – Student Book Voucher**

Exhibit B
BID / RFP PROCUREMENT LEAD TIME

The Invitation to Bid (ITB) and Request for Proposal (RFP) lead times below are shown as ranges and are suggestions only. Actual lead times will vary depending on the specific requirements of the District and the complexity of the procurement. Less complex procurements may be accomplished in less time, while more complex procurements may require more time.

TASK	AVERAGE LEAD TIME*
Initiate Procurement Process: <ul style="list-style-type: none"> Submit Bid / RFx Request Form Determine Sourcing Strategy 	7 to 14 Days
(ITB/RFP) Solicitation Development: <ul style="list-style-type: none"> Identify Evaluation Committee Members Define Scope of Work Develop Solicitation Documents 	14 to 60 Days
Develop Contract Requirements: <ul style="list-style-type: none"> Goods Only Contract, or Services Only Contract, or Goods & Services Contract 	7 to 14 Days
Publish & Advertise ITB/RFP Solicitation <ul style="list-style-type: none"> ITB usually requires a 14-day period RFP usually requires a 30-day period 	14 to 30 Days
Bid Opening and Validation of Responses	3 to 5 Days
Evaluation of Responses: <ul style="list-style-type: none"> ITB (Award is based solely on price): Review and determination of lowest responsive bidder RFP (Award is based on selection criteria): Preliminary Scoring, Demonstrations/Interviews (if required), Internal Negotiations Criteria, Best and Final Offer (BAFO), Final Scoring 	5 to 30 Days
Notice of Intent to Award (if over legal bid limit)	1 to 3 Days
Negotiate & Finalize Contract <ul style="list-style-type: none"> Draft Contract Documents Legal Review (by both parties, if required) <i>Note: The time required for contract formation and negotiation may vary widely</i>	30 to 60 Days
Board Approval of Contract Award (if over legal bid limit)	1 to 3 Days
Notice of Award and Contract Execution <ul style="list-style-type: none"> All Signatures are Obtained Back-up documents received 	7 to 30 Days
Contract Work Begins (Generally the Effective Date of the contract)	