

Finance and Supporting Services

Administrative Rules and Procedures

3310 Purchasing and Contracting Provisions

Introduction

The purchasing of goods and services shall be a centralized District Office function under the immediate direction of the Manager, Purchasing and Warehouse Services, who is responsible to the Vice Chancellor, Business Services.

Purchasing and contracting with Federal funds for construction, goods and other services shall be conducted in accordance with the Federal Regulations Attachment O - Circular A-110.

The Purchasing Department shall:

1. Secure necessary bids or quotations for the purchase of all goods and services. The Purchasing Department shall be in sole charge of preparing, issuing, and receiving all bids or quotations.
2. Issue all purchase orders for goods and services. It shall conduct the business of expediting orders, handling exchanges or returns, and any price adjustment that may be necessary.
3. Strive constantly to increase its knowledge of new services, goods, prices, processes, and sources; and shall keep other departments informed. It shall maintain an up-to-date file of catalogs which shall be made available for inspection to all District personnel as needed. All catalogs must remain on file in the Purchasing Office.
4. Interview vendor representatives and arrange for demonstrations or interviews with department personnel. Visits of suppliers' representative shall be acknowledged and interviews granted or not. The purchasing personnel are not required to make their time absolutely and indiscriminately available to all sales representatives at whatever time they may be calling.
5. Not extend any favoritism to any vendor. Each order shall be placed on the basis of quality, price, and delivery.

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6. Handle disposal of all surplus supplies and equipment that may be unneeded, obsolete, or beyond repair.
 - a. Equipment may be disposed of by trade-in if new equipment is being purchased.
 - b. Other material having a total declared value of \$5,000 or more must be sold through public sale to the highest bidder after notice of such sale has been posted or advertised.
 - c. Materials having a declared value of less than \$5,000 shall be sold at private sale without public notice. See Education Code section 81452.

7. Purchase goods and services by competitive bid process and award to the lowest responsible bidder meeting instructions, conditions, and specifications in accordance with the following:
 - a. Pursuant to Education Code and the Public Contract Code and Board Policy, purchases for single expenditures over \$125,000 for goods and services shall be by formal advertised bid and award.
 - b. Purchases for single expenditures exceeding \$30,000 but \$125,000 or less for goods and services shall be by informal bidding process except in those instances where sources are limited to less than three or where time considerations make it to the advantage of the District to obtain fewer than three written quotations.
 - c. Purchases for single expenditures of under \$30,000 or less may be undertaken by obtaining a written quotation or phone quotation at the discretion of the Manager, Purchasing and Warehouse Services and/or Vice Chancellor, Business Services.
 - d. Exceptions to competitive bidding shall be the procurement of those goods and services that may by law be procured on a basis other

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than competitive bidding. Examples are: professional services, library books, audio visual materials, and surplus computer/electronic equipment from State or Federal agencies.

8. Contract for public project construction in accordance with the Uniform Public Construction Cost Accounting Act procedures as follows:
 - a. Pursuant to Education Code and Informal and Formal Bidding Procedures. Public Projects as defined by Public Contract Code section 22002 and in accordance with the monetary limits described in Public Contract Code section 22032 (as amended from time to time by the California Uniform Construction Cost Accounting Commission) shall be let to contract by procedures described in Public Contract Code section 22030 et seq.
 - b. Procedures Not Established by the Act. When the Act does not establish a procedure for bidding Public Projects, the procedures described in Public Contract Code section 20650 et seq. shall govern.
 - c. Contractors List. Lists of contractors shall be developed and maintained in accordance with the provisions of Public Contract Code section 22034 and criteria promulgated from time to time by the Commission.
 - d. Award to Low Bidder; No Bids. All contracts must be awarded to the lowest bidders. If two (2) or more bids are the same and lowest, the Community College District may accept the one it chooses. When no bids are received, the District may perform Public Projects with District employees or through a negotiated contract without further complying with this Administrative Regulation.
 - e. Notice Inviting Informal Bids. When a Public Project which is anticipated to fall within the monetary limits of informal bids described in Public Contract Code section 22032 (as amended from time to time by the Commission) is to be performed, the Community College District shall prepare a notice of the opportunity to bid which

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describes the project in general terms, states the time and place for the submission of bids and describes how to obtain more detailed information about the Project. The District shall mail the notice to all contractors for the category of work to be bid, as shown on the list developed on accordance with section C. It may also be mailed to all construction trade journals as specified by the Commission in accordance with Public Contract Code section 22036. Other contractors and/or construction trade journals may also be notified at the discretion of the department soliciting bids. Mailing shall be completed at least ten (10) days before bids are due.

- f. Award of Informally Bid Contracts. The Chancellor is authorized to award informal contracts as defined in Public Contract Code section 22032, except those described in Section M.
- g. Bids Exceed Informal Bidding Limit. If all informal bids received exceed the monetary limits in informal bids described in Public Contract Code section 22032 (as amended from time to time by the Commission) and the Community College District determines that the cost estimate was reasonable, the District may award the contract at up to the limit described in Public Contract Code section 22034, subdivision (f), by resolution approved by a four-fifths (4/5) vote of the Governing board.
- h. Bid Documents for Formal Bids. The Governing Board shall adopt plans, specifications and working details for all Public Projects which are anticipated to fall outside the monetary limits of informal bids described in Public Contract Code section 22032 (as amended from time to time by the Commission).
- i. Notice Inviting Formal Bids. When a Public Project which is anticipated to fall outside the monetary limits on informal bids described in Public Contract Code section 22032 (as amended from time to time by the Commission) is to be performed, the Community College District shall publish a notice inviting formal bids in a newspaper of general circulation as described in Public Contract Code section 22037. The notice shall also be mailed to all

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construction trade journals as specified by the Commission in accordance with Public Contract Code section 22036. Other contractors and/or construction trade journals may also be notified, at the discretion of the department soliciting bids. Mailing shall be completed at least thirty (30) days before bids are due.

- j. When Contractors List Has Not Been Prepared; Proprietary Product or Service Notwithstanding sections E and I:
 - (1) If the Community College District has not prepared a list of contractors for the particular category of work to be performed, the notice inviting bids shall be sent to each of the construction trade journals specified by the Commission.
 - (2) If the product or service is proprietary in nature, such that it can be legally obtained only from a certain contractor(s) pursuant to Public Contract Code section 3400, the notice inviting informal bids may be sent exclusively to such contractor(s).

- k. Contracts for Maintenance and Other Work. Contract for Maintenance, as defined by Public Contract Code section 22002, and for any other work which does not fall within that section's definition of Public Projects, may be bid pursuant to the Informal Bidding Procedures described in section E and the Formal Bidding Procedures described in section I.

- l. Rejection of Bids: Re-Solicitation; Use of Community College District Employees. If the Community College District intends to reject all bids, it must mail the apparent low bidder a written notice of the District's intent to reject the bid at least two (2) business days prior to the hearing at which the bids will be considered. After rejecting all bids, the Community College District may:
 - (a) abandon the project;
 - (b) readvertise the project; or
 - (c) perform the work with District employees, after passing a

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resolution by a four-fifths (4/5) majority of the Governing Board declaring that the project can be performed more economically by District employees.

- m. Emergency Procedures. When an emergency necessitates repair or replacement, contracts shall be awarded pursuant to the procedures described in Public Contract Code sections 22035 and 22050.
 - n. Uniform Cost Accounting Procedures. Whenever the Community College District uses its own employees to perform a public works or maintenance project valued at more than the monetary limit on informal bidding projects described in Public Contract Code section 22032 (as amended from time to time by the Commission) it must implement the Uniform Construction Cost Accounting Policies and Procedures described in Public Contract Code section 22042 et seq. and the Commission's policies and procedures manual.
9. Bid specifications shall be clear, complete, conducive to bidding, and include all conditions necessary to bid. Specification selection is the prerogative of the requisitioning department. The Purchasing Department has the authority to question the quality of material requested and to recommend substitutions for reason of safety, health, and economy.
10. All proposals and bids for expenditures over \$125,000 for goods and services shall be opened in public by a representative of the District and read aloud at the prescribed time and place. Interested parties may secure prices and other information listed in the bid at the public reading. No bid may be removed from the Purchasing Department. After the public reading of the bids, analysis will be made during which time no further information will be released until that bid is awarded by the Board of Trustees.
11. The District reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bid or the bidding. Any bids received after the specified time shall be returned unopened.

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12. When bids are equal they shall be handled as follows:
 - a. Single item bid. Equal bids shall be awarded by drawing.
 - b. Multiple item bid. Equal multiple bids shall be awarded to the bidder submitting the aggregate of low quotations on that bid.
 - c. Purchases made in the name of the District without an authorized Purchase Order shall be considered an obligation of the person making the purchase and not an obligation of the District.
 - d. Preparation of Requisition Form

A Requisition for Goods and Services must be prepared requesting items needed. Requisitions are to be completed as to specific description, quantity, size, color, model or catalog number and other appropriate data to permit the purchase of the item specified. The name or names of suggested vendors may be entered on the requisition and estimated unit price. Do not enter any figures in the cost column at the far right of the form. Indicate the highest account to be charged. The Requisition must be approved by the Division Chairman, Dean or Department head and College Business Office, then forward to Business Services - Accounting to check the account number for funding. The Accounting Department will then forward the Requisition to the Purchasing Department. Upon preparation and issuance of a purchase order, a copy of same shall be returned to the College Business Office with a copy of the Requisition.

13. All bids for construction, i.e. roofing, paving, shall require a bid bond amounting to ten percent of the contract. At the discretion of the Manager Purchasing and Warehouse Services or Vice Chancellor, Business Services, bids for goods and services may require a bid bond of up to ten percent of the amount.

Items 14 through 30 adhere to procedures described in Federal regulations Attachment O - Circular A-110.

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14. Maintain standard of conduct that shall govern the performance of agents engaged in accordance with administration of contracts using Federal funds. No agent shall participate in the selection, award or administration of a contract which Federal funds are used, where, to his knowledge, he has a financial interest or with whom he is negotiating or has any arrangement concerning prospective employment. Nor will he/she accept gratuities, favors or anything of monetary value from contractors.
15. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statement of work, invitation for bid and/or requests for proposals should be excluded from competing for such procurement. Awards shall be made to the bidder whose bid is responsive to the solicitation and it most advantageous to the District, price and other factors considered.
16. Where appropriate, an analysis shall be made of lease and purchase, alternatives to determine which would be the most economical, practical procurement.
17. A description shall not, in competitive procurement contain features which unduly restrict competition. Brand name or equal descriptions may be used as a means to define the performance or other salient requirements of a procurement.
18. Positive efforts shall be made by the District to utilize small business and minority-owned business sources of supplies and services.
19. All proposed sole source contracts or where only one bid is received in which the aggregate expenditure is expected to exceed \$5,000 shall be subject to prior approval at the discretion of the Federal sponsoring agency.
20. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts.

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21. Procurement records and files for purchases in excess of \$10,000 shall include the following:
 - a. Basis for contract selection
 - b. Justification for lack of competition when competitive bids or offers are not obtained
 - c. Basis for award cost of price
 - d. A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely follow-up of all purchases.
22. Contracts in excess of \$10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.
23. All contracts in excess of \$10,000 shall contain suitable provisions of termination by the District including the manner by which termination will be effected and the basis for settlement.
24. In all contracts for construction or facility improvement awarded for more than \$100,000, the District shall observe the bonding requirements.
25. All contracts awarded by the District and their contractors or subgrantees having a value of more than \$10,000, shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity."
26. All contracts and subgrants in excess of \$2,000 for construction or repair awarded by the District shall include a provision for compliance with the Copeland Anti-Kick Back Act.
27. When required by Federal program legislation, all construction contracts awarded by the District of more than \$2,000 shall include a provision for compliance with Davis-Bacon Act.

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28. Where applicable, all contracts awarded by the District in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act.
29. All negotiated contracts (except those of \$10,00 or less) awarded by the District shall include a provision to the effect that the District, the Federal sponsoring agency, the Controller General of the United States or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.
30. Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the District to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clear Air Act of 1970.