

# 8.1 PROCUREMENT

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## General Policy

The President is the College's designated procurement authority with the right and responsibility to establish and oversee a procurement system, consistent with sound business practices, which will control and identify the need, use, quantity, and quality of materials and services ordered and received by the College.

The President is authorized to delegate this authority to the Vice President for Administration and Treasurer.

A centralized purchasing mechanism will be used in the procurement system to minimize cost, maintain uniform quality control, and reduce waste and duplication.

## Authority and Responsibility for Purchasing Goods and Services

1. This procurement policy is intended to comply with all applicable laws and procurement regulations of the Commonwealth of Pennsylvania, specifically those outlined in Chapter 35 of the Pennsylvania Code and the Community College Act of 1963.
2. The Purchasing Department under the Direction of the Vice President for Administration & Treasurer is responsible for enforcing the College's procurement policies.
3. The Vice President for Administration & Treasurer along with the Purchasing Office will establish and maintain procedures to provide for the efficient and responsible conduct of all procurement activities.

All purchases or contracts for goods, equipment, or services of \$50,000 or greater must be approved by the Board of Trustees. Approval limits apply not just to individual purchases but apply cumulatively to purchases from the same vendor during the same fiscal year.

Because of their significance to the College and the responsibilities of the Board of Trustees, the following professional services regardless of cost require Board approval at the time a change in provider is considered or a new contract for services is required: Public Accounting Services, Banking Services, Legal Services, Investment Management Services, and the engagement of any professional service provider with an annual expense of fifty thousand dollars (\$50,000) or greater.

Any such negotiations by an unauthorized individual will not be honored by the College, and the individual will encounter a personal obligation to the vendor. Firms ordinarily doing business with the College will be advised that all purchases chargeable to the College must be authorized by an official College purchase order or contract signed by an Officer of the College or the Associate Vice President for Administration. Exclusive of the petty cash procedures, the College will not reimburse officers or employees for the cost of any such purchases on behalf of the College, unless previous arrangements to that end have been made.

4. All purchases must be made for the purpose of College activities. Purchasing any goods or services for personal use is prohibited.

## Compliance with Procurement Policies

1. The Purchasing Department in conjunction with the College Vice President for Administration and Treasurer is responsible for ensuring compliance with the College procurement policies or other approved purchasing processes.
2. Authorization to suppliers for the purchase of products and services must be made through an approved College purchase order or other approved purchasing process. Verbal authorization to ship goods or to approve the rendering of services without issuing a purchase order number is prohibited.
3. Any supplier contract or agreement requiring signature authorization must be reviewed by the Purchasing Department prior to execution. Only the College President, Vice President for Administration & Treasurer, or their authorized designee may execute supplier contract forms.

## Contract Compliance

1. The Purchasing Department under the direction of the Vice President for Administration and Treasurer is authorized by the Board of Trustees to negotiate and issue contracts that provide the College with "least total cost" supplier arrangements for goods and services required from external suppliers.
2. All College contract supplier information and pricing is proprietary information and may not be used for any purposes other than official College business. College contract information is not to be:
  - Provided to other suppliers or anyone outside the college;
  - Used in any unethical fashion;
  - Used for personal purchases or private gain

## Conflict of Interest

All decisions made in the course of their professional responsibilities by members of the Board of Trustees, administrators, faculty, and other employees of Delaware County Community College are to be made solely on the basis of a desire to promote the best interests of the College. A potential conflict of interest occurs when an individual's personal or private interests might lead an independent observer reasonably to question whether the individual's professional actions or decisions are influenced by considerations of significant personal interest, financial, or otherwise. In the event that a trustee, faculty member, administrator, or other employee of the College shall have a significant financial, personal, or professional interest that could potentially create a conflict of interest or the perception of one in any transaction involving the College or being considered by the Board of Trustees (including any committee of the Board) or College administrators and faculty (including any committee or other group of administrators or faculty), such person shall, as soon as he or she has knowledge of the transaction, take the following actions:

1. Disclosure – Disclose fully in writing the precise nature of his or her interests in such transaction to those at the College involved with the transaction, or to his or her dean, department chairperson, supervisor, or other independent responsible authority.
2. Non-Participation – Refrain from participation (including acting individually or as a member of a committee or other group) in

the College's consideration of the proposed transaction unless expressly permitted to do so by the President or designee.

## Consultants

It will be necessary from time to time to engage consultants in areas where additional expertise is needed. All requests for consulting services, within budgetary limitations, must be approved by the President and the Board of Trustees as indicated below:

1. All contracts for consulting services for amounts over \$7,500 and less than \$20,000 shall be approved by the President or Vice President for Administration & Treasurer.
2. All contracts for consulting services for amounts over \$20,000 and less than \$25,000 shall be reported to the Board of Trustees for information.
3. Consulting services in amounts exceeding \$25,000 must be awarded by the Board of Trustees upon recommendation of the President.
4. Before entering into a contract for consulting services, all consultants shall be required to sign a conflict of interest statement disclosing any personal or professional relationship with any member of the Board of Trustees, administration, faculty, or staff, or with any outside enterprise that may be a supplier to the College.

## Diversity

Delaware County Community College is dedicated to purchasing goods and services and creating economic opportunities for minority-owned and women-owned business enterprises in Delaware County, Chester County and the surrounding counties. In addition, Delaware County Community College encourages non-minority contractors to demonstrate their commitment to supplier diversity through active partnership with or participation by minority contractors.

### Qualifying Businesses:

A minority or women owned business is that which includes sole proprietorships, limited liability companies, corporations or joint ventures where at least 51% of the business's ownership is held by women or minorities.

It is the responsibility of Delaware County Community College to diligently enforce these best practices. Therefore, the College will:

1. Identify diverse suppliers through various organizations, agencies, councils and government organizations.
2. Ensure that the Purchasing Department submits bids, RFPs and quote requests to organizations, agencies, councils and government (county, state & federal) organizations that represent minority and women-owned businesses for the purpose of inviting these enterprises to participate in the College's procurement process.
3. Put forth a continued effort to increase opportunities for minority and women-owned suppliers and service providers for goods and services needed.
4. Oversee the purchasing practices of all departments to ensure requests are made to minority and women-owned entities for the purchase of goods and services.
5. Monitor and report on all minority and women-owned purchases alongside the overall purchases of goods and services.

6. Host a vendor information session at one of the College's campuses on an annual basis for minority and women-owned businesses.
7. Post this policy on the College's web site.
8. Develop and maintain a database of minority and women-owned vendors.
9. Train the Purchasing Department on best practices for supplier diversity.

## Bidding, Quoting and Awarding of Contracts

Contracts (other than construction contracts) for \$25,000 or more require competitive bids with public notice and will be awarded to the lowest responsible bidder by the Board of Trustees.

Bids for construction and repair contracts in excess of \$25,000 shall be accompanied by cashier's check, certified check, or a bond with a corporate surety, in the amount of five percent of the amount bid. Bids on all other contracts shall not require bid security except as deemed appropriate by the President or designee and in such cases may be a lump sum bid deposit or bid security not to exceed five percent of the amount bid in the form described above.

<b>Contract Amounts</b>	<b>Bidding/Quoting</b>	<b>Bid Security</b>
<b>- Award</b>		
\$7,500 or Less	- 3 phone quotes	None
- By President or Designee		
Over \$7,500 but less than \$25,000	- Written quotes from at least 3 responsible quoters when possible	None
	- To lowest responsible quoter by President or designee	
\$25,000 or more	- Competitive bids with public notice	- 5% of bid
	- To lowest responsible bidder by BOT	

1. General Requirements (above)
2. In lieu of formal competitive bids, two or more written proposals may be solicited on technical equipment, technical equipment service contracts, and other service contracts or agreements for which contractor input is required in lieu of formal detailed specifications. Upon analysis, the contract award will be made to the lowest responsible quoter on proposals above \$7,500 but less than \$25,000 by the President or designee and on proposals \$25,000 and above by the Board of Trustee
3. Due to its nature, the purchase of real property does not require the solicitation of competitive bids, but must be approved by the Board of Trustees.
4. Construction Contracts – Additional Requirement
  - a. Awarding of contracts must be in accordance with applicable State Law including regulations of the State Board of Education (22 Pa. Code Section 35.51, 35.52 and 35.53).
  - b. For contract amounts over \$5,000 but less than \$20,000, competitive quotes must be solicited from at least three responsible quoters when possible.

c. For contract amounts over \$20,000, competitive bids must be solicited from at least three responsible bidders when possible.

d. Performance Bonds

i) Before any contract exceeding \$20,000 for construction, reconstruction, alteration, or repair of any building is awarded, the prime contractor must furnish performance and payment bonds for 100% of the contract amount.

ii) Such bonds must be in compliance with Act 385, Public Works Contractors' Bond Law of 1967. Failure to supply such bonds shall void the award

5. Public Bidding

a. Notice must be published at least 10 days before bid opening in one or more newspapers, qualified to accept legal advertising, of general circulation in Delaware County.

b. Bids may also be solicited directly from persons deemed reliable and competent to furnish the required items.

c. Bid proposals, in sealed form, must be received by the President or designee.

d. Bids will be opened publicly in accordance with the general conditions established in the bid specifications. All communication between the College and prospective bidders shall be done through the office of the (Director, Business Services) Associate Vice President for Administration & Facilities Planning.

e. In an emergency in which part of the College plant may become unusable, a contract may be awarded without soliciting competitive bids, on the approval of the President or designee.

f. Under urgent circumstances, the Board of Trustees or its Executive Committee may, upon affirmative majority vote, permit less time for public notice and subsequent award than is otherwise required. At a minimum, notice shall be published on two separate days prior to the opening of bids.

g. Any publicly bid contract must be awarded/rejected by the Board of Trustees.

h. Any or all bids, or selected item(s) from any bid, can be rejected at the sole discretion of the Board of Trustees.

6. Exceptions to Bidding Regulations – To be awarded by the President or designee (except for real property as noted below) and reported to the Board of Trustees in accordance with its guidelines.

- The equipment can be obtained from only one person or firm (sole source of supply).
- Competition is precluded because of the existence of patent rights, copyright, or similar circumstances.

- Goods, equipment, or services needed at once because of an emergency may be purchased without bid at the discretion of the President, but must be brought before the Board for retroactive approval at the next available meeting.
- It is impossible to draft, for solicitation of bids, adequate specifications or any other adequately detailed description of the required supplies or service;
- The contemplated procurement is for components being procured in support of equipment specially designed by the manufacturer;
- The contemplated procurement is for technical services in connection with the assembly, installation, or servicing or the instruction of personnel therein of equipment of a highly technical or specialized nature;
- The contemplated procurement is for labor and material required for providing immediate accommodation in support of the installation of new equipment/systems which can be accomplished by a vendor already on site; and it would not be practical to allow another vendor to work on the same site or when it would be considered impractical for another vendor to mobilize and demobilize;
- The purchase of goods or services from State Contracts and/or Educational Procurement Cooperatives approved by the College Board of Trustees. The Purchasing Department is authorized to require competitive bids for purchases from State Contract suppliers and/or Educational Procurement Cooperatives if in its judgment, cost savings may be realized or other College objectives accomplished;
- Contracts involving policies of insurance, surety company bonds, contracts with internet access companies, contracts with public utility services or telephone companies under tariffs on file with the Public Utility Commission, contracts made with another political subdivision of the Commonwealth of Pennsylvania, the federal government and any agency of the Commonwealth of Pennsylvania or any municipality authority;
- Contracts for education films, film strips, prepared transparencies and slides, pre-recorded magnetic tapes and disc recordings, textbooks, prepared kits, models, projectiles, teacher demonstration devices necessary for College use, and library books and materials.
- Real Property – Due to its nature, the purchase of real property does not require the solicitation of competitive bids, but the purchase contract must be awarded by the Board of Trustees.

## Lease/Rental Agreements

1. Award of Contracts for facility leases in excess of one (1) year, which are to be entered into for the purpose of conducting College programs must be approved by the Board of Trustees.
2. Award of lease/rental agreements will be made based on the following:
  - Amount Covering: Less than \$10,000 annually; Length of Contract: 3 years or less; Award by: President or designee
  - Amount Covering: \$10,000 or more annually; More than 3 years; Award by: Board of Trustees

3. All lease/rental agreements entered into by the College must contain a “funding out” clause allowing the College to escape from the lease obligation if, for any reason, funding ceases to be available.

## **Lease/Purchase Agreements**

1. Lease/Purchase agreements are subject to bidding, quoting and awarding regulations, based on the amount of the purchase price.
2. All lease/purchase agreements entered into by the College must contain a “funding out” clause allowing the College to escape from the lease obligation, if, for any reason, funding ceases to be available.

## **Service and Maintenance Contracts**

All service and maintenance contracts awarded by the College, regardless of value, will be reviewed annually.