I. INTRODUCTION

Wichita Area Technical College’s purchasing and inventory control reports to the Vice President of Finance and Administration. This department is committed to providing a high level of customer service to the faculty, students, and staff at Wichita Area Technical College while ensuring the purchasing of goods and services is performed in an ethical, compliant, and efficient manner.

Role of Purchasing Coordinator: The role of the Purchasing Coordinator is to assist the college department heads/managers with the purchasing processes and adhere to the purchasing policies that have been put in place. The Purchasing Coordinator will work with authorized department heads within the college to help determine best vendor and pricing when applicable. It is not the responsibility of the Purchasing Coordinator to solicit the appropriate bids or recommend the desired vendor.

Contact Information:
Purchasing Coordinator: Mindy Dixon 677-1400 mdixon@watc.edu

II. METHODS OF PURCHASING

There are two methods that can be used to purchase goods, materials or services:

1) Purchase Order
2) Direct Payment Voucher

Purchase Order

The purchase order (PO) process allows a requestor to place orders for supplies and services with vendors outside of the college. **Purchase orders must be obtained before ordering goods and services.** A hard copy of the purchase order will be given to the vendor at the time of ordering.

1) Requester completes a Purchase Requisition (PR) for all purchases of goods and services that are to be ordered.
2) The PR is routed through the applicable approval process (see below).
**Note:** Requester needs to verify that sufficient budget funds are available for the applicable PO. If funds are insufficient, the requester needs to work with the budget manager to find funds.

**Direct Payment Voucher**
Payment Vouchers are used for one-time purchases that require prepayment where the college has not entered into a contract until the check is submitted for payment.
- These items include registration fees, dues, memberships, subscriptions, tax payments, licensing and maintenance fees, and certification exam fees.

1) Payment voucher is completed with applicable documentation attached (ie. invoice).
2) Payment voucher is routed through the applicable approval process (see below).

### III. APPROVAL PROCESS REQUIREMENT

The following explains the approval process requirements for Purchase Requisitions and Payment Vouchers.

- **Less than or equal to $200**
  1). Approval by the department director or manager only is needed. Approval list can be found in appendix.

- **More than $200**
  1). Approval by the department director/manager and appropriate Vice President/Executive Director.

- **Less than $10,000**
  There are no formal bid requirements for this purchasing level.

  1). It is recommended that directors/managers seek quotes for goods and services prior to approval to ensure capability of supplier, price, and to meet the department and college budgetary goals.
  2). Requires approval by department director/manager and appropriate Vice President/Executive Director.

- **$10,000 - $25,000 Purchases**
  **Minimum Two Bids Process:** Requires a minimum of two quotes/bids (verbal or written). The state contract can be used as one of the quotes.

  1). All Purchase Requisitions shall have either of the below attachments:
     (a) Two (2) quotes/bids. **OR**
     (b) Bid waiver memo for sole source purchases.
        (i) The waiver is a very brief memo, normally used where no other vendor is capable of providing the service or product required.
        (ii) The following must be included in the waiver.
           - Why the purchase can only come from a single supplier
           - Reason why the vendor was selected
           - Description of the selection process
           - Explanation of how the price was determined to be “reasonable”

  2). Send Purchase Requisition and attachments to Purchasing Coordinator.
  3). Requires Purchasing Coordinator review and seek final approval from appropriate Vice President and the Vice President of Finance and Administration.
- **Purchases over $25,000**
  
  **Minimum Three Bids Process:** All bids, regardless of the source of funds, that are estimated to be in the amount of $25,000 or more, will be advertised, require a minimum of three (3) written bids and be open for 10 - 14 days.

  1. Requester prepares a spec sheet for bid.
     - (a) Spec sheet shall include all the specifications needed for the purchase.
     - (Spec examples: size, length, capacity, representative model number)
  2. Attach spec sheet (could be quote details) to the Purchase Requisition; approved by department head/manager and appropriate VP.
  3. The department manager and/or the requestor shall solicit a minimum of three (3) bids from vendors. The Purchasing Coordinator may be consulted on the college’s best practices in this area as an assist to the department.
     - (a) Vendors will have 10 – 14 days to respond before bid is closed.
     - (b) The bids returned with a recommendation for a selection will be forwarded to the Purchasing Coordinator.
     - (c) Purchasing Coordinator will review and attach written bids to the Purchase Requisition.
  4. The assembled packet with the recommended vendor will be routed to the appropriate Vice President and the Vice President of Finance and Administration for approval.

**IV. GENERAL PURCHASING POLICIES**

**Computers/Software/IT Equipment**
All purchases for computers, software and IT Equipment must be approved by the Executive Director, Technology/Institutional in addition to the normal approval chain.

**Grants**
All purchases of goods or services covered by grant funding must be approved by the Manager, Grants/Program in addition to the normal approval chain.

**Purchases over $10,000**
All purchases of materials and contractual services in the amount of $10,000 or more must be routed to the Purchasing Coordinator. The Purchasing Coordinator will insure that a reasonable attempt was made to open the process to competition.

**Items Acquired for Personal Use or Purchased from College Employees:**
The college cannot purchase items for their personal use, and as a general policy, no college purchase orders will be awarded to college employees without a written waiver approved by the appropriate Vice President and Vice President of Finance and Administration.

**State Contracts for Supplies and Services:**
Contracts for commonly used equipment, supplies, and services have been developed by the State of Kansas Division of Purchases. A complete listing of state contracts is available from the Purchasing Coordinator. It can also be found at [http://da.ks.gov/purch/default.htm](http://da.ks.gov/purch/default.htm) Copies and updates of these contracts are maintained by the Purchasing Coordinator. State contracts for commonly used equipment and materials must be utilized unless it can be clearly demonstrated that an alternative purchase would be in the best interest of the college. Approval by the Purchasing Coordinator prior to acquisition is required when deviating from this policy.

**Vendor Information:**
Individual department managers should maintain current information on vendor products and evaluate them on the basis of quality, service, delivery practices and price. Department managers should also explore new and improved sources of supplies, materials, processes, and ideas which will better serve
the needs of the college. The Purchasing Coordinator will function as a clearing house for best practices and vendors for all college departments and should be included if you have any questions.

**Used Equipment:**
The college does not generally purchase used equipment. However, if it can be demonstrated that it is advantageous to do so, used equipment may be purchased from an established and reliable vendor of the type of equipment to be purchased. Normal purchase procedures are required for this type of purchase.

**Purchases Less Than $10,000**
For purchases less than $10,000, no additional orders for like products or services (which would make the overall accumulated purchase exceed the $10,000 limit) can be placed again within 30 days.

The Purchasing Coordinator may conduct periodic audits to determine whether or not items are being purchased that are available from college sources or from state-contracted vendors, unauthorized items are being purchased, and/or purchases are being split up into increments of less than $10,000 (in order to bypass procedures for larger purchases).

**Contractual Service Agreements:**
Contractual service agreements in the amount of $25,000 or more must be documented by a contract cover sheet and formal written agreement. The Purchasing Coordinator and the Vice President of Finance and Administration must approve any contract.

**Best Practices for Ordering**
To ensure that regularly recurring or seasonal requirements are ordered on time, departments are encouraged to develop procurement planning calendars. When contemplating a purchase of complex nature, contact the Purchasing Coordinator in advance of submitting a purchase requisition to develop a procurement plan.

The Purchasing Coordinator has authority to challenge an ordering department concerning the quality, quantity, and type of material requested in order to serve the best interests of the college. However, the final decision and the responsibility for justification of the quality and quantity rest with the user department. A department will not be asked to accept inferior products, only to evaluate recommended alternatives.

**Preparing Specifications for Formal Bidding Process**
Specifications are developed with the goal of accepting the best overall bid using many factors such as capability of meeting stated specifications, lowest price for a good or service, past history with the college, and quality of past work. Delivery of the good or service shall be within a timeframe that is reasonable for the particular industry under current market conditions and meets the college’s need.

In obtaining material or equipment which meets the requirements for performance and quality, the preparation of clear and complete specifications is essential. Specifications may be as simple as a list of requirements that could be described over the telephone, or very complex requiring detailed explanation in writing. The Purchasing Coordinator will assist in the preparation of specifications upon request.

In general, specifications should be as simple as possible, while specific enough to assure that no loophole exists by which a vendor may take advantage of competitors or the buyer. Specify the brand and model number of the desired equipment (e.g., Model 351OD ATT facsimile or equivalent) including the names and model numbers of two or more manufacturers whenever possible. Identify the features and/or characteristics considered essential to the function or intended use of the product. Flexible specifications allow more competition and better pricing.
Specifications should be edited for nonessential proprietary features or characteristics of the named brands which tend to effectively exclude competition in bidding. Minor deviations in size and operational characteristics from those set forth in the specifications will be considered when such deviations do not deter the user from accomplishing the intended use or function at the desired level of performance.

**Price Quotes**
Department should always contact more than one vendor whenever possible and be sure to provide each with exactly the same information to obtain multiple price quotes. The best way to do that is with a written specification sheet that is sent to all potential bidders (See Preparing Specifications above).

Inform sales representatives that several sources are being evaluated, but do not discuss the amount budgeted for the purchase or prices offered by competitors. Discuss all aspects of the needed product using a life-cycle approach. Learn about the long-term implications of owning the product with respect to reliability, availability, and cost of maintenance and repairs, operational skills required for its use, trade-in-value of unit at the end of cycle, energy consumption, and other such operating concerns. Be wary of overreacting to vendor-created crises that call for a hasty decision such as an upcoming price increase or potential stock-out of the desired product and do not offer verbal commitments to buy (the college is committed only by means of an authorized purchase order). The purchase requisition should be submitted as early as possible and should include pertinent information about the suggested vendor such as the name of the company, their representative, address, and telephone and fax number.

**Changes to Purchase Order**
When it is necessary to alter an open purchase order, contact the Purchasing Coordinator immediately. Minor changes can normally be made without penalty charges being assessed by the vendor.

The cancellation of an open purchase order without just cause constitutes the breaking of a contract and will require the vendor's approval. If the vendor has incurred expenses regarding the order prior to cancellation, a settlement for any non-recoverable costs may be due the vendor.

**Follow-up on a Purchase Order**
The acquiring department will follow up and expedite delivery of outstanding purchase orders.

**Procurement Card (PCARD)**
Generally, there are delegated limits lower than $5,000 assigned to the holders of PCARD accounts. These limits are assigned by the PCARD budget manager when these accounts are opened. Cardholders will be advised of these account limits when they receive their cards. The limits and usage are based upon WATC guidelines, departmental use and the request of the department budget officer. PCARD accounts are issued to a specific individual and are not transferable within the department. Account holders who let others use their account will have their card privileges revoked.

**Purchases made with Grant Funds**
Wichita Area Technical College will comply with the procurement standards as set forth by the Office of Management and Budget (OMB) Circular A-110.

For allowable grant funded expenditures, WATC will refer to OMB Circular A-21 for additional guidelines and policies relating to principles for determining costs applicable to grants, contract and other agreements with educational institutions.

**Tax Exemptions**
Exemption for Sales Tax: Purchases made by WATC are generally exempt from state sales tax. Any questions on sales tax exemption should be directed to the finance department.
Conflict of Interest
The college has policies and the State of Kansas has statutory laws covering gratuities and conflicts of interest which provide that, among other things, no employee in his or her capacity shall participate in the making of a contract with any person or business with which the employee has a substantial interest. No employee of WATC may accept gifts, gratuities, or special discounts from persons or firms having business with the college. A gift is defined as an item in excess of $25 (or $75 total in any year). Gifts exclude items of modest value including plaques, certificates, trophies, food, refreshments, and business meeting registration, charity event registration or greeting cards. This applies to all individuals on the payroll, regardless of the type of funds used (general use, restricted fees, research, endowment, etc.). Only gifts donated to the college through the WATC Foundation are acceptable.

Receiving, Inspection, and Acceptance of Merchandise:
Receiving, inspection, and acceptance of goods transported by common carrier are the responsibility of the acquiring department. All UPS shipments are delivered directly to the ordering department. As merchandise arrives at the delivery point, it should be received and inspected without delay. Acceptance of merchandise occurs when the receiver signs the carrier's bill of lading or other delivery document. Any shortages, overages, evidence of damage, or other inconsistencies must be clearly noted and outlined by the receiver on the carrier's bill of lading or other delivery document. If merchandise is accepted without notation of inconsistencies, or if evidence of damage is not noted, the college is at risk of losing their rightful claim to reimbursement, credit or replacement.

When receiving personnel are unable to determine the validity of grade certificates or other certification regarding the quality of the goods received, the items in question should be received for storage only pending clear certification.

On F.O.B. destination shipments, the seller owns the goods while in transit, and title does not pass on to the college until the merchandise has been received and accepted in satisfactory condition. The receiver must carefully note any inconsistencies or evidence of damage and immediately notify the vendor to establish his claim. On F.O.B. shipping point transactions, the receiver should exercise the same care in receiving, inspecting, and accepting because the college owns the merchandise while in transit and is responsible for filing the required claims.

Concealed Damage
When merchandise has been received and accepted with no evidence of damage being apparent and detailed inspection of the merchandise is not feasible at the time of delivery, but is performed at a later time, any damage discovered is referred to as concealed damage. Claims for concealed damage are most difficult to resolve because ownership responsibility has changed, the merchandise has been handled several times, acceptance without notation of damage has occurred, and responsibility for the damage is almost impossible to establish. Recourse action for agencies is limited and becomes more limited when merchandise is moved from the receiving area to another location or if there is a lapse of time before such damage is discovered. When the vendor, the carrier, and the agency all refuse to take full responsibility for the damage, the possibility exists that all carriers involved in moving the merchandise may share the cost.

In order to reduce the possibility of concealed damage, request that merchandise deliveries such as furniture or machinery, be shipped F.O.B. destination, uncrated, set-up or erected and ready for use in a specific location. Avoid moving crated or carton-packaged merchandise from the receiving area prior to detailed inspection and perform the detailed inspection as soon as possible after receipt of merchandise (within three to seven days). Report discovery of concealed damage to the carrier and request an inspection, then notify the vendor.

Freight and Express Payments
Normally freight charges are included in the purchase order and designated as F.O.B. destination prepaid
and allowed. Departments should closely analyze all freight invoices in comparison with the purchase order and price quote to determine their responsibility for payment. Identify each shipment to the related freight or express bill and to the related order. Write the account number and department name on the freight or express bill when the shipment is received.

Regulations of the Interstate Commerce Commission provide for the payment of freight within seven days after the bill is rendered, unless special arrangements are made with the carrier. Prepare a direct pay voucher to pay each original freight bill the college is obligated to pay, according to the terms of the purchase order. Contact the Purchasing Coordinator whenever a shipment is received "collect" that should have been "prepaid" in accordance with the purchase order. Do not pay any freight charges which are the contractual responsibility of the supplier.

**Guidelines for Installment Purchases**

While installment purchasing can be used to meet college needs when adequate funding is not immediately available, such purchases must be carefully monitored if the college is to maintain adequate financial flexibility for the future. The following guidelines have been developed to monitor the use of installment purchases. All future installment purchases utilizing vendor financing, third-party financing, or master lease purchase program financing, must meet the following requirements:

1. The purchased items must be equipment - not consumable.
2. The purchase amount should exceed $10,000 per unit.
3. The finance period must not exceed 60 months.
4. Source of funding for installment payments must be specified.
5. Prior approval of the terms of the financing transaction for all proposed installment purchases must be obtained from the Vice President of Finance and Administration.
6. All applicable purchasing laws, regulations and policies must be followed.
### Purchase Requisition Approval Process

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<tbody>
<tr>
<td>Less than, equal to $200</td>
<td>2 or more quotes or bids</td>
<td>Dept. Director or Manager</td>
<td>Put together spec sheet (see page 3)</td>
</tr>
<tr>
<td>More than $200</td>
<td>Dept. Director or Manager</td>
<td>VP/Exec Dir</td>
<td>Send spec sheet to 3 vendors asking for request for quote (RFQ)</td>
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<tr>
<td>Less than $10,000</td>
<td>Sole source justification (see page 3)</td>
<td>Dept. Director or Manager</td>
<td>Documents required for approval: RFQ’s, spec sheet, completed PR</td>
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<tr>
<td>$10,000 - $25,000</td>
<td>Minimum 2 Bids</td>
<td>VP/Exec Dir</td>
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<tr>
<td>More than $25,000</td>
<td>Minimum 3 Bids</td>
<td>VP/Fin &amp; Admin</td>
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Minimum 2 Bids Process: Attach to PR either:
- Two or more quotes or bids
  OR
- Sole source justification (see page 3)