

Title: Purchasing

Effective Date: 4/11/18

The Board authorizes the Administration to develop procedures, forms and other documentation pertaining to purchase of supplies, services, and equipment, and complying with the terms/conditions outlined in this policy, 22 Pa. Code §§ 35.51 and 35.54, the Community College Act of 1963, and those set forth, where applicable, in the OMB Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Omni/Super Circular," 2 C.F.R. 200). In the event of a conflict between this Policy, and another Policy of the College, or any applicable regulation, the more stringent standard shall govern.

Section 1 RESPONSIBILITY FOR PURCHASING:

1. The Board authorizes the President, or designees, to be responsible for implementing the College's purchasing policies and procedures. Specifically, the Finance and Administrative Services Area will, upon the receipt of requisitions approved by the Department Head and Area Administrator, issue purchase orders for services, supplies, furniture and equipment, providing that there are sufficient funds available to encumber for the purchase.
2. A purchase order or written contract shall be the only evidence of a contractual obligation between the College and a successful bidder, contractor or supplier. All purchases chargeable to the College must be authorized by an official College purchase order or contract signed by an authorized individual.
3. The College will refuse to accept responsibility for acquisitions made other than through the approved process.
4. Any negotiations with a vendor or potential vendor by an individual not named in this Purchasing Policy (or not named as given authority above a certain monetary threshold), and not expressly authorized by the Board of Trustees to engage in negotiations with a vendor or potential vendor will not be honored by the College, and that unauthorized individual or individuals will assume a personal obligation to the vendor. 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.
5. All purchases must be made for the purpose of College activities. Purchasing any goods or services for personal use is prohibited, and such purchases will subject the purchaser to personal liability, as well as any and all other applicable civil and criminal penalties.

Title: Purchasing

Effective Date: 4/11/18

6. All contracts shall be negotiated so as to provide the College with “best value” supplier arrangements for goods and services required from external suppliers.
7. All College contract supplier information and pricing shall be considered by the College to be proprietary information and may not be used for any purposes other than official College business.

Section 2 **NON-DISCRIMINATION:**

All contractors who are the recipients of College funds, or who propose to perform any work or furnish any goods under agreement with the College shall abide by all Federal and State laws, rules and regulations regarding non-discrimination because of race, religion, color, sex, national origin or other classification determined to be protected under applicable law.

Section 3 **PURCHASING CONDITIONS:**

1. Expenditures totaling less than \$10,000 for labor, equipment, supplies or services purchased, leased or contracted, and less than \$10,000 for repairs, may be purchased from responsible vendors quoting lowest price, best quality and service.
2. Expenditures totaling between \$10,000 and \$25,000 for labor, equipment, supplies or services purchased, leased or contracted, and repairs between \$10,000 and \$25,000, shall be made only after receiving, whenever possible, written quotations from at least three (3) responsible vendors.
3. Expenditures exceeding \$25,000 for labor or equipment, and repairs exceeding \$25,000, shall be made by competitive sealed bidding, after a minimum of two (2) advertisements have been run.
4. Expenditures exceeding \$25,000 for professional services performed by an independent contractor shall be made by competitive negotiation. Professional services include, but are not limited to, the practices of consulting, accounting, appraisal services, architecture, engineering, planning and budgeting studies, property management, construction management, land surveying, legal services, environmental studies, organizational studies, insurance, and financial advising. Documentation of the results of such competitive negotiations shall be made a part of the purchasing/finance records.

Title: Purchasing

Effective Date: 4/11/18

5. Whenever practical, proposed purchases of less than \$25,000 for labor, equipment, supplies or services that are similar in nature shall be combined and made by competitive sealed bidding.
6. All proposed bids and specifications developed by consultants, hired for various professional services, shall be coordinated by the College's purchasing agent, or designee and become the property of Reading Area Community College.
7. Authority to enter into purchase contracts or, in any way, obligate the College for procurement indebtedness, other than for facilities construction, is subject to the following approval structure:
 - a) the President or the Senior Vice-President for Finance and Administrative Services shall have the authority to enter into contracts for purchases up to \$50,000;
 - b) all goods, equipment, and/or services in excess of \$50,000 shall be subject to the approval of the Board of Trustees, and
 - c) all purchases, regardless of the level of authority permitted to execute the contract, shall be subject to applicable competitive bidding laws and regulations.

Section 4 BID CONDITIONS:

1. Except as otherwise provided by law, the purchasing policies and procedures shall apply to budget, bond, Federal, Commonwealth, student and auxiliary funds.
2. Contracts shall be awarded to the lowest responsible bidder after also taking into consideration: the reliability of the bidder, conformity with specifications, the purposes for which the purchase is required, the terms of delivery, the quality of the product, the service(s) to be rendered after purchase, and other factors which may be beneficial to the College.
3. The Board of Trustees reserves the right to reject any or all bids and waive any informality in a bid.
4. A purchase order or written contract with the College shall not exist until it is approved, accepted and signed by the College's Senior Vice-President for Finance and Administrative Services/College Treasurer or Director of Purchasing as designee.

5. A debarment procedure shall be developed that provides for debarment for a period of one (1) year on the basis of a contractor's unsatisfactory performance.
6. Whenever a tie bid should occur, the College shall give preference to labor, equipment, supplies, services or construction produced in the Commonwealth or provided by Pennsylvania companies.
7. Proposed purchases requiring oral or written quotations must have such documentation attached when requisitions are forwarded to the Finance and Administrative Services Area if the initiator assumes responsibility for obtaining such pricing information.

Section 5 **SPECIAL PURCHASING CONDITIONS:**

Each of the following conditions reflect unique circumstances that necessitate exceptions to the provisions within this policy. When these conditions exist, the initiator shall be responsible for providing a signed statement of verification of this fact as an attachment to the purchase requisition. Therefore, quotations or sealed bids do not apply:

1. **Replacement/Matching Components**

When the supplies or equipment required are for parts or components being procured as replacement parts in support of equipment specially designed by a manufacturer, when data is identical with the part it is to replace, or when contemplated procurement is to match or complement equipment or components previously purchased.

2. **Technical/Specialized Services**

When the contemplated purchase is for technical non-personal services in connection with the assembly, installation, or servicing (or the instruction of personnel therein) of equipment of a highly technical or specialized nature.

3. **Single State/Local Distributor**

When there is only one (1) State or local distributor for merchandise needed and no other product meets specifications.

Title: Purchasing

Effective Date: 4/11/18

4. **Copyrighted Materials/Software Licensing**

When proposed purchases involve copyrighted material such as textbooks, supplementary textbooks, library books, test materials and workbooks or licensed software. Renewal option years and dollar amounts are not to be factored in when calculating total contract value.

5. **Surplus Property**

When surplus property is acquired from Federal and Commonwealth government agencies.

6. **Governmental Contracts**

When equipment, supplies and services are contracted for through any local, Commonwealth, other governmental entity or public utility service companies.

7. **Extenuating Circumstances**

When extenuating circumstances such as inventory liquidations, special sales, intransit sale opportunities, etc., offer exceptional purchasing advantages.

8. **Competitive Negotiations**

When it has been determined that competitive sealed bidding is either not practicable or advantageous to the College (for example, repair and maintenance agreements for such trades as General Construction; Plumbing; Electrical; HVAC, and Painting), labor, equipment, supplies, and services may be procured by competitive negotiations with individual project cost not to exceed the College's Board of Trustees mandated threshold of \$25,000.

9. **Repetitive Purchases – Similar Items**

When it has been determined that similar items are purchased throughout the year based on need and utilization (such as furniture, paper, carpet/hard floor cleaning, etc.) the Director of Purchasing shall develop either a unit price structure or list price less discount system for determining competitive pricing. Individual purchases shall then be the only factors when determining the threshold.

Title: Purchasing

Effective Date: 4/11/18

10. Change Orders to Existing Contracts

Change Orders to existing contracts will be subject to all purchasing guidelines as the original agreement with the exception to competitive bidding requirement.

11. Single Acquisitions (No Bid or One Bid, Proposal or Quotation Received)

All single acquisitions of goods, equipment, or services (excluding construction, which requires approval of the Board of Trustees regardless of amount and/or procurement method) of \$25,000 or greater must be brought to the attention of the Board of Trustees as an informational item at the next available meeting.

12. “Evergreen” Contracts

Contract of durations of more than three (3) years, or containing automatic renewal clauses for an indefinite period of time are discouraged, unless approved by the Board of Trustees. Contracts shall extend for no more than a term of three (3) years, and renewal shall be for one (1) year periods in the form of options to renew under specific terms and conditions.

Section 6 ESCALATOR CLAUSE:

Due to a continuing decline in the purchasing power of the dollar, the Board of Trustees authorizes the Administration to compare the bid ceilings in this policy against the Consumer Price Index (1967 dollar as the year) and automatically adjust the ceilings for oral and written quotations, and bids every other year to reflect inflationary changes. These adjustments will be rounded up or down to the nearest \$100 level and will be made when the incremental changes exceed \$500. The Board of Trustees’ Finance Committee and/or Facilities and Risk Management Committee will be briefed on such planned adjustments prior to their occurrence and such changes also will be shared with the full Board of Trustees.

Section 7 GIFTS, GRATUITIES AND FAVORS:

1. College employees, officers and agents may not solicit or accept any gift, gratuity, favor or anything of monetary value from contractors, potential contractors, and parties to sub-contracts, vendors, or parties to sub-agreements that are, or appear to be, given to influence procurement of goods or services.

Title: Purchasing

Effective Date: 4/11/18

2. Unsolicited gifts of a de minimis nature such as mugs, mouse pads pens, coasters, note pads, candy, baked goods and similar items routinely used as promotional items by vendors and prospective vendors may be accepted as long as they do not exceed nominal value.
3. With respect to meals or other invitation from a current or potential vendor, the cost must be reasonable and should not have appearance of extravagance. To be acceptable, the occasion resulting from the invitation should conform to the following guidelines:
 - a) the cost and location must be reasonable and not extravagant;
 - b) paid expenses for any travel costs or overnight lodging for the individual or his/her family are prohibited, and
 - c) the invitation is for an ordinary business meal or gathering during which the host is present and business is conducted.
4. All gifts, gratuities or favors, or offers of gifts or gratuities or favors other than those described above shall be reported by the employee to his or her supervisor. In the event that a conflict of interest (as defined below) or appearance of same exists or the employee believes that it may exist, the employee should report the conflict or apparent conflict to his or her supervisor.

Section 8 **CONFLICT OF INTEREST:**

1. RACC prohibits conduct by Board Members, administration, and employees which constitutes a “conflict of interest” under the Pennsylvania Ethics Act. Such conduct is defined in Section 102 of the Ethics Act as follows:

Use by a public official or public employee of the authority of his office or employment or any confidential information received through his holding public office or employment for the private pecuniary benefit of himself, a member of his immediate family or a business with which he or a member of his immediate family is associated. The term does not include an action having a de minimis economic impact or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the public official or public employee, a member of his immediate family or a business with which he or a member of his immediate family is associated.

Title: Purchasing

Effective Date: 4/11/18

2. Members of the Board of Trustees of the College or officers or employees thereof shall refrain from voting on any contract or agreement with the College for any matter, cause, or thing where a possible conflict of interest and/or any liability of indebtedness shall in any way be created against the College.
3. The College Board of Trustees has adopted policies establishing comprehensive guidelines for dealing with conflicts of interest on the part of members of the Board of Trustees, College administrators, faculty, and support staff of the College. This policy supplements, but does not modify or replace, other College policies on this subject. In the event of a conflict between the policies, the more stringent shall be deemed to apply.

Section 9 CONSTRUCTION AND FACILITY MAINTENANCE:

The Board of Trustees may perform any construction, reconstruction, repairs, or work of any nature, by its own maintenance personnel or may have the work performed under contract in the following circumstances:

1. If a contract is less than \$10,000, the College may award a contract without soliciting competitive bids.
2. If a contract equals or exceeds \$10,000, but is less than \$20,000, the College shall solicit competitive quotes from a least three (3) responsible vendors.
3. In accordance with 22 Pa. Code §35.51, if a contract equals or exceeds \$20,000, the College shall, with public notice, solicit competitive bids and shall award a contract to the lowest responsive and responsible bidder.
4. Bids under public notice shall be received in sealed envelopes at a designated place and time and shall be opened publicly. The College shall retain the right to accept or reject any or all bids or parts of solicitations, to waive informalities in bids and quotes, or to reissue the solicitation. The College further reserves the right to award the contract on a split order, lump sum, or individual item basis, or such combination as shall best serve the interest of the College unless otherwise specified by the College. In case of errors of price extensions, unit prices shall govern.
5. Bids under public notice for construction, reconstruction and repair and in excess of \$50,000.00, shall be accompanied by a bond with corporate surety or certified check in an amount as the Board of Trustees determines, but at

Title: Purchasing

Effective Date: 4/11/18

least 5% of the amount bid. If a bidder, upon award of the contract, fails to comply with the requirements as to a bond guaranteeing the performance of the contract, the bid bond or certified check shall be forfeited.

6. The bidder to whom the contract is awarded shall furnish 100% Performance and Payment bonds to guarantee the performance of the contract and payment for labor and materials. Bonds shall be in compliance with the Public Works Contractors' Bond Law of 1967 (8 P.S. § 191-202). Failure to furnish required bonds shall void the previous award.
7. The contractor shall purchase and maintain throughout the period of the contract the insurance required by the College and shall meet all requirements shown therein.

Section 10 **CONDITIONS:**

1. College is to be named as an additional insured on the insurance certification.
2. All certificates to contain a thirty (30) day notice of cancellation.
3. The contractor shall obtain and furnish the College certificates for any sub-contractors subject to the above terms and conditions.
4. General liability policy shall contain a per job location aggregate.
5. All insurance policies and/or bonds will be written with insurance companies licensed to do business in the Commonwealth of Pennsylvania and subject to the approval of the College.
6. The College shall be a certificate holder and an additional insured on all certificates of insurance.

Section 11. **EMERGENCIES:**

When it has been determined that a state of emergency exists, and construction, reconstruction, repairs, or similar work are needed, quotations or bids will not be necessary if the work is determined to be reasonably necessary to protect the life, health, welfare, or safety of persons; the immediate continued operations of all or part of the College; and/or the protection of College property from severe damage

Title: Purchasing

Effective Date: 4/11/18

The President of the College or designee shall contact the Chair of the Board of Trustees or designee prior to utilizing this exception. Only the minimum amount of work required to address and stabilize the immediate emergency shall be subject to this exception. The emergency work shall be reported to the Board of Trustees for ratification at the first regular or special meeting afterwards. The permanent construction, repair, or reconstruction work shall be subject to the competitive bidding and quotation requirements of this Purchasing Policy, all other applicable policies, and applicable laws and regulations.

SOURCE/LEGAL REFERENCE: F-17-18

RELATED POLICIES/REGULATIONS:

BOARD OF TRUSTEES HAS REVIEWED AND REAFFIRMS: 4/11/18

SUPERSEDES:	F-17-13	DATE: 12/13/17
	E-06-24	6/6/07
	E-93-14	6/8/94
	F-86-13	4/8/87
	F-82-10	11/10/82
	E-8d	9/11/74