



Johnston Community College

Purchasing Procedures Manual

Brandi Mitchell, Director of Purchasing

Sherri Lewis, Procurement Specialist

David Jones, Shipping and Receiving Technician

Ryan Woodard, Equipment Audit Technician

Mission

The Johnston Community College Purchasing Department is the purchasing agent for all goods and services necessary for its employees to accomplish their objectives in support of our educational mission. We strive to purchase all goods and services at favorable prices with competition. To that end, we work hard to maintain good relationships with vendors and ensure compliance with all policies, rules, and regulations set by State Government, the NC Community College System, and the Johnston Community College Board of Trustees. We will maintain the highest level of ethics while procuring goods and services with public funds.



This manual is intended to provide the JCC Campus Community with the information they need to successfully follow College and State policies regarding procurement. Please feel free to call the Director of Purchasing at 919.209.2035 if you have any questions regarding policy or process.

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Purchasing Responsibility

As a State-supported institution, Johnston Community College (JCC) must follow the regulations and purchasing policies set forth by the state of North Carolina. The Division of Purchase and Contract, a part of North Carolina's Department of Administration, has the responsibility for administering the State's program for the acquisition of property and services where public or grant funds are involved. For most expenditures under \$10,000.00, the College is delegated purchasing authority. The Purchasing Department has the responsibility for administering the purchasing program on behalf of the College while adhering to the policies set forth by the North Carolina Department of Administration, Division of Purchase and Contract at <http://www.pandc.nc.gov/Default.aspx>.

If any agency contracts for the purchase or lease of any commodities, printing or services contrary to statutes, or rules adopted thereunder, such contract shall be void and of no effect. In addition, the Executive Officer of that agency shall be personally liable for the costs thereof.

Purchasing Authority

The general procedures for purchasing commodities at JCC are based on General Statute 115D-58.5, General Statute 143 Article 3, and North Carolina Administrative Code.

Non IT-related purchases are governed by the NC Department of Administration's Purchase and Contract Division. State rules on non IT-related purchase of goods and services can be found at <https://ncadmin.nc.gov/ncadmin.nc.gov/about-doa/divisions/purchase-contract/news>.

IT-related purchases are governed by the NC Division of Information Technology. State rules on IT-related purchase of goods and services can be found at <http://it.nc.gov/resources/it-strategic-sourcing>.

In addition to the NC Administrative Code, this manual is based on the North Carolina Community College System's Purchasing and Equipment Procedures Manual. This can be found at the System Office website at http://www.nccommunitycolleges.edu/sites/default/files/basic-pages/financeoperations/ncccs_purchasing_equipment_procedures_manual_grayscale.pdf.

Purchasing in the Context of Ethics

Johnston Community College fully supports the objective of the State of North Carolina, which is to promote competition and get the best financial deal for the College while operating in an ethical manner. The paragraphs below discuss how we expect our buyers to operate:

State and JCC policies prohibit the Purchasing Department from entering into any purchase agreements for personal purchases on behalf of employees. All goods and services purchased remain the property of the State until consumed or disposed of by public sale through Surplus Property procedures. This is regardless of funding source.

NC General Statute 133-32 addresses the legal implications of State employees accepting gifts or favors from vendors. Briefly summarized, this statute states that it is unlawful for any vendor who has a current contract with a governmental agency, has performed under such a contract within the past year, or anticipates bidding on such a contract in the future to give gifts and favors to any employee of a governmental agency who is charged with preparing plans, specifications, or estimates for public contract. It is unlawful for a State employee to willfully receive or accept such gifts or favors. For additional information, see Executive Order No. 24 regarding Gift Bans at

<http://www.doa.state.nc.us/pandc/documents/ExecutiveOrder24GiftBan.pdf>.

When competition is received during the bid solicitation phase of an acquisition, the requesting department will normally participate in the evaluation process. After requests for quotes/bids have been posted or issued by the Purchasing Department and prior to the award of a purchase order or contract, possession of bid/quote information is limited to the College and State evaluating personnel only. Any communication with bidding vendors that may be necessary for the purpose of clarification of a quote or bid must be cleared in advance through the Purchasing Department.

Ethical Standards – Avoiding Conflict of Interest

Conflict of interest relates to situations in which financial or other personal considerations may compromise, may involve the potential for compromising, or may have the appearance of compromising an employee's objectivity in meeting JCC duties or responsibilities, including research activities. The bias that such conflicts may impart can affect many JCC duties including decisions about personnel, the purchase of equipment and other supplies, the collection, analysis and interpretation of data, the sharing of research results, the choice of

research protocols, the use of statistical methods, and the mentoring and judgment of student work. A JCC employee may have a conflict of interest when he or she, or any member of that person's immediate family, has a personal interest in an activity that may affect decision making with respect to College teaching, research, or administration.

A conflict of interest may be an actual or perceived interest by a JCC employee in an action that results in, or has the appearance of resulting in, personal, organizational, or professional gain. A conflict of interest occurs when an employee has a direct or fiduciary interest in another relationship.

Conflicts from Related Parties In order to avoid potential "conflict of interest," the College employee needs to inform the Purchasing Department when they have an immediate family member (spouse/partner, mother, father, son, daughter, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law) who is a principal owner of a business, the department in which that family member is employed will not be allowed to do business with that firm.

Integrity

Fairness and impartiality in all phases of the process are an essential ingredient in public purchasing. Dealings with vendors and peers must be open, honest, and objective.

Like all service functions, purchasing's justification is the quality of the service it renders. The process cannot be both effective and self-serving; the two are incompatible. In the case of public purchasing, utmost fairness is required in expending public funds. The result of favoritism extended to either a user or seller is the same. The practice is not permissible. No matter how strongly a user may prefer a particular product over others, equivalent products must be given every reasonable consideration. We must commit and adhere to fair and open competition. Integrity is a principal stock in trade for the public purchaser. Integrity is manifested by fairness, openness, and impartiality and can be tarnished by even the slightest appearance of impropriety. Once this occurs, it is very difficult to regain.

Essential Exceptions

If, however, it is essential for a department to purchase materials or services from a College employee's immediate family member or their company, a request should be submitted in writing to the Director of Purchasing explaining the nature of the need and the business

justification for not seeking services from other suppliers and will be sent to the Vice President of Administrative Services for final review and approval. If approved, the Director of Purchasing will develop a work plan to manage the “conflict of interest.”

The College also prohibits purchases from college employees or companies in which any college employee has any ownership stake.

Bid Protest Procedures

A Party wanting to protest a contract awarded to a solicitation must submit a written request to the College’s Director of Purchasing. This request must be received by the college within thirty (30) consecutive calendar days from the date of the contract award and must contain specific sound reasons as well as any supporting documentation for the protest. Note: Contract award notices are sent only to those contracts actually awarded and not to every person or firm responding to a solicitation.

Purchasing Basics

Exempted Products

There are ten categories of products that have been exempted by the State from the requirement to have a competitive purchasing process. If you need to purchase these items, you may either do an NCEP order, Requisition Form, or a Direct Pay Form.

The following categories of items are exempted:

1. Liquor. (However, you may not use State funds to purchase any kind of alcoholic beverages. Certain conditions may apply for Instruction only; or when approved by the President; see the Purchasing Director for details)
2. Perishable articles such as fresh meats, fresh fruit, fresh vegetables, fresh fish, poultry and eggs;
3. Published material produced by others, such as newspapers, magazines, pamphlets, manuscripts, and books. Also maps, charts, globes, film, filmstrips and recordings (including tapes).
4. Services provided by individuals by direct employment contracts with the state;
5. Public utility services (gas, water and electricity);

6. Services provided which are subject to published tariff rates as established by the State Utilities Commission;
7. Services which are merely incidental to the purchase of supplies, materials or equipment such as installation services;
8. Contracts for construction of and structural changes to public buildings; (However, construction projects must be approved by the JCC Board of Trustees. Construction projects \$500,000 and over must be done under the purview of the State Construction Office).
9. Personal services provided by a professional individual (person) on a temporary or occasional basis, including (by way of illustration, not limitation) those provided by a doctor, dentist, attorney, architect, professional engineer, scientist or performer of the fine arts and similar professions; the exemption applies only if the individual is using his/her professional skills to perform a professional task; a personal service may also be a consulting service; (You must fill out a JCC Personal Services Contract to procure professional Services. The college prefers the use of NCEP to pay professional.)
10. Services provided directly by an agency of the state, federal or local government, or their employees when performing the service as a part of their normal governmental function.

If you have any questions about whether the goods and services you wish to purchase are exempted, please contact the JCC Purchase Department.

Waiver of Competition

Under certain conditions, and otherwise if deemed to be in the public interest, competition may be waived. The justification for waiver of competition is prepared for a unique situation; therefore, the information necessary in each is different. Each waiver must be fully

documented by the Purchasing Department and becomes part of the purchase order. Keep in mind that justification for waiver are written by the College, not the vendor.

When a waiver is contemplated, the College may negotiate with a potential vendor in an effort to acquire the quality product needed at the best price possible. This negotiation is usually done by the Director of Purchasing, and should include price, delivery, terms and conditions. Johnston Community College may elect to provide a Waiver of Competition for goods and services under our delegation benchmark of \$10,000. Above that delegation, only the NC Department of Purchase and Contract may waive competition for non-IT related goods and services; only the NC Division of Information Technology may waive competition for IT-related goods.

To request a Waiver of Competition, the purchaser must fill out the JCC Request for Waiver of Competition Form and submitted to the JCC Purchasing Director. If appropriate and under \$10,000 the request for waiver will be granted, and the purchaser may submit an E-Procurement order or a Direct Pay Form to purchase the good or service; the waiver form must be attached to the request. If the request is for a waiver for a purchase of \$10,000 or more, then the Director of Purchasing will submit the request to either P&C or DIT. Please note that depending upon the point in time in the budget cycle, waivers may take from 2 weeks to 3 months to be granted.

Conditions permitting waiver includes, but are not limited to the following (01 NCAC 05B .1401):

1. Cases where performance or price competition are not available;
2. Where a needed product or service is available from only one source of supply. In this case, the purchase must obtain a sole source letter from the vendor and submit it with the JCC Request for Waiver form.
3. Where emergency or pressing need is indicated;
4. Where competition has been solicited but no satisfactory offers received;
5. Where standardization or compatibility is the overriding consideration;

6. Where a donation predicates the source of supply;
7. Where personal or particular professional services are required;
8. Where a particular medical product or service, or prosthetic appliance is needed;
9. Where a product or service is needed for the blind or severely disabled and there are overriding considerations for its use;
10. Where additional products or services are needed to complete an ongoing job or task;
11. Where products are bought for "over the counter" resale;
12. Where a particular product or service is desired for educational, training, experimental, developmental or research work;
13. Where equipment is already installed, connected and in service, and it is determined advantageous to purchase it;
14. Where items are subject to rapid price fluctuation or immediate acceptance;
15. Where there is evidence of resale price maintenance or other control of prices, lawful or unlawful, or collusion on the part of companies which thwarts normal competitive procedures;
16. Where the amount of the purchase is too small to justify soliciting competition or where a purchase is being made and a satisfactory price is available from a previous contract;
17. Where the requirement is for an authorized cooperative project with another governmental unit(s) or a charitable non-profit organization(s);
18. Where a used item(s) is available on short notice and subject to prior sale.

Correction Enterprise

North Carolina has a preference statute (G.S. 148-70) that controls the sale of prison industry products and prohibits their sale to the private sector. All agencies shall give preference to Department of Correction products in purchasing articles, products, and commodities which are needed, and which are manufactured or produced within the State prison system and offered for sale to them by the Department of Correction. This preference requirement also applies to all community colleges including JCC.

Products available from the private sector, including those on term contracts, shall be purchased only when it is determined that the Correction Enterprises' product will not satisfy the requirement or will not be available when needed. Correction Enterprises is required to keep the price of products substantially in accord with that paid by governmental agencies for similar products of equivalent quality.

Categories of products offered by Correction Enterprises include the following:

- a. Clothing & Linens
- b. Eyeglasses
- c. Framing and Matting
- d. Furniture
- e. Janitorial
- f. Oil & Lubricants
- g. Print & Quick Copy
- h. Retail
- i. Re-upholstery
- j. Service Awards
- k. Safety
- l. Signs

For information on ordering these products, go to <https://correctionenterprises.com/> or call 1-800-241- 0124.

State Term Contracts

The State of North Carolina uses its bulk purchasing power to negotiate various contracts with vendors for many of the items required by the JCC on a day-to-day basis. A “term contract” is a contract intended to cover normal requirements for a commodity, printing, or contractual service for a specified period based on predicated usage. These contracts are established by the Division of Purchase and Contract (P&C). The Division of P&C provides mandatory and convenience statewide term contracts. A convenience statewide term contract MAY be used but a mandatory statewide contract MUST be used.

Johnston Community College is required by law under, G.S. 115D-58.5 to purchase all supplies, equipment and materials by contracts made by or with the approval of the Division of Purchase and Contract. As users we have the option to view the contracts, alphabetical or key word on this website: <http://www.pandc.nc.gov/keywordListing.aspx>. You can also search for contracts through NCEP. Where there is a State term contract, the College must purchase from this contract unless we find the exact or equivalent item for a cheaper price. However, in this case we may exercise Purchasing Flexibility. G.S. 115D-58.14 Purchasing Flexibility can apply under the following rules:

- a. The items are the same or substantially similar in quality, service, and performance as items available under State term contract. ****The item does not have to be exactly the same, i.e. the same manufacturer, model, style, etc. ****
- b. The purchase price, including the cost of delivery, is lower than the state contract price. (This does not mean, “equal to”).
- c. The cost of the purchase shall not exceed the bid value benchmark established under G.S. 143- 53.1; (The cost of the purchase does not exceed the college’s authorized purchasing delegation as established under G.S. 143-53.1.)
- d. The college must keep a detailed record of all purchases made from non-certified sources including:
 - a. A descriptive name of the item purchased;
 - b. The purchase order number;
 - c. The state term contract number for the item purchased;
 - d. The cost of the item on the state term contract;
 - e. The actual cost paid (including the cost of delivery but not the cost of taxes) for the item purchased from the non-certified source;

- f. Savings per unit;
- g. Number of units purchased; and,
- h. Total savings

Items on a state contract may be ordered directly from the vendor subject to any restrictions on the specific term contract. Although the purchasing delegation limits do not apply to purchases made from state contracts, certain state contracts do have a limit assigned to them. (Ex. Contract 204 A Computers, Delegation is \$75,000.) In some special cases, the State Board of Award may get involved. Please note that this may significantly delay delivery of some products.

Requests to use flexibility must be submitted to the Purchasing Department prior to the purchase. The request may be submitted via email for a P-card purchase or attached to a requisition to be approved at the time of approval by Purchasing.

Special Cases

The North Carolina Procurement Manual allows for several special cases in which JCC does not have to remit solicitations through the Division of Purchase and Contract. However, the delegations still apply and competition must be sought when applicable. These special cases include the procurement of repairs (Non-Construction), feed, animals, poultry, fish, athletic apparel, maintenance of aircraft, playground equipment, and ready-mix concrete. The following apply to JCC's current procurement needs:

Non-Construction Repairs: Purchasing authority for minor repairs handled by private sector personnel, regardless of cost, is delegated to JCC. Where materials are being purchased for a repair and JCC personnel will perform the needed repair, the purchase of the materials must be handled in accordance with normal purchasing procedures outlined in this manual.

NOTE: Where any structural changes are to be made in or to a JCC owned building, the proposed project should be handled in accordance with construction statutes and rules applicable to each agency (See G.S. 143-129 concerning building repairs and renovation). Typically, those contracts will be handled through the State Construction Office, not P&C

Purchasing Methods

Bank of America Procurement Card

Procurement cards (p-cards) are issued to approved permanent JCC faculty or staff and are to be used only by the named cardholder or designee (ie. cardholder's assistant). The p-card is essentially a corporate VISA card for business use only that allows rapid purchase of low dollar goods. Liability rests with the College instead of the individual cardholder. Individuals with approval by their Dean or Vice President may apply for a card and are required to attend a p-card training session and sign a card use agreement. All state purchasing rules and regulations and internal purchasing policies apply to Procurement Card transactions. Please see the Procurement Card Procedures Manual for more information.

North Carolina eProcurement (NCEP) Requisition/Purchase Order

The NCEP system is the purchasing system that JCC end-users use to create electronic purchase requisitions. Users also access NCEP for tracking and/or approving requisitions. The NCEP system makes the process of purchasing quick and convenient through its browser-based screens. Online catalog shopping, placing requisition requests, purchase order tracking, order history, and other features help departments keep track of their spending. Online approvals and electronic distribution of purchase orders to vendors reduces processing time, and paperwork, and provides a cost savings to the College.

Note: A purchase order must be obtained prior to placing the order or prior to any request for services.

Paper (Manual) Requisition/Purchase Order

A purchase requisition form must be filled out for orders placed with vendors that are not registered with NCEP. The requisition form must be filled out in its entirety with all appropriate approvals. The completed form must be remitted to the Purchasing Department with quotes attached.

Direct Payments

This form should only be used to pay vendors that do not accept purchase orders or p-cards for means of payment. The direct payment form must be filled out in its entirety with all appropriate approvals **prior to the good or service being requested**. The completed form must be remitted to the Business Office with supporting documents attached. **Direct Pay Requests for services should be accompanied by a signed Contractual Services Agreement.**

Purchasing Delegations: Supplies, Materials, & Equipment

Orders may not be split to avoid the competitive bid process for purchases exceeding our delegation. If the cumulative amount of orders given to a single vendor exceed \$5,000 quarterly, the purchase may be denied, and you may be required to seek a new vendor. Regular purchases close to the delegation from a single vendor will be reviewed for a potential convenience contract.

When the desired purchase is not exempt, sole source, a Correction Enterprise commodity/service, or a State Term Contract commodity/service the following thresholds apply:

Purchases \$0 to \$4,999.99

Small purchase: No competitive quotes required unless a single item is over \$1,000.00, then at least two quotes must be obtained. Tabulation of quotes must be comparable apples to apples. Orders that don't include a single item totaling over \$1,000.00 require at least one (1) quote. The quote should be obtained from the vendor on the vendors letterhead or vendors official quotations form. If a verbal quote is obtained, it should be noted in the comments of the requisition. Attach quotes to your NCEP requisition, purchase requisition form, and/or direct pay request form.

Purchases \$5,000.00 to \$9,999.99

Informal bid: Purchases in this range require written solicitation of competition. Remit email request to the Purchasing Department for processing. These written solicitations must be generated by the JCC Purchasing Department and may be posted on IPS for solicitation where

at least three (3) companies are **solicited**, included at least one (1) HUB vendor if possible. If three (3) bid responses can't be obtained the solicitation may be rebid if necessary. Three quote minimum can be waived in special circumstances if approved by the Purchasing Director. Efforts to solicit bids/proposals will be documented.

Purchases over \$10,000.00 (Non-IT, Non-STC)

Formal bid: These purchases must be referred to the Division of Purchase and Contract for solicitation. Send an email request to the Purchasing Department, and the Purchasing Director will request a formal bid on your behalf. In addition, requests for a Waiver of Competition must be approved by P&C.

Purchases over \$10,000.00 (IT products)

Formal bid: These purchases may be referred to the Statewide IT Procurement Office for an Invitation for Bid (IFB) when deemed appropriate (and when the requested products/services are not available on a convenience IT contract). In the event that a software/IT purchase is deemed necessary by the JCC IT Department and is not on a convenience state contract, the JCC Purchasing Department reserves the right to complete the purchase with the approval of the VP of Finance via a signed memo. For purchases over the \$25,000 delegation, please contact the Purchasing Department, and the Purchasing Director will request a formal bid on your behalf or will obtain permission to purchase from the VP of Finance. In addition, requests for a Waiver of Competition may be submitted for approval by Statewide IT Procurement.

Please note that the process above applies to ALL funding sources: State, County, and Institutional funds.

Purchase Order Process

Requisitions for supplies and/or equipment must be completed and forwarded to the Purchasing Department where a purchase order will be generated. **At no time should anyone take receipt of any supplies or equipment prior to the processing of the requisition and purchase order creation.** The North Carolina Administrative Code, 01 NCAC 05B.0102, requires requisitions to be in electronic or written form.

Confirming Purchase Orders

A confirming order is a purchase order that is entered in to NCEP at the conclusion of a purchase; generally, to facilitate payment to the vendor. This violates the proper use of the NC E-Procurement System. This also circumvents the requirement to ensure the availability of funds prior to committing the State to a financial obligation, as called for in the Office of State Budget and Management, Budget Manual, Section 3.0, Paragraphs 3.5.3 and 3.7.1. Approval processes and the proper encumbrance of funds are dependent on purchasers following the proper procedures when placing orders; using the NC E-Procurement System automates the process and ensures proper authority to make purchases.

Purchase orders must always come before the invoice, except for cases in which a renewal invoice is received prior to the renewal date.

JOHNSTON COMMUNITY COLLEGE IS NOT RESPONSIBLE FOR PAYMENT OF ANY MATERIALS PURCHASED WITHOUT PRIOR AUTHORIZATION. EMPLOYEES MAKING PURCHASES WITHOUT PRIOR WRITTEN OR VERBAL AUTHORIZATION FROM THE PURCHASING DEPARTMENT MAY BE HELD RESPONSIBIE FOR PAYMENT OF SUCH PURCHASE(S).

Emergency/Pressing Need Purchases

Plan Ahead

We encourage you to plan ahead. Purchase orders less than \$5,000.00 are normally issued within 24 hours after receipt of approved requisition by the Purchasing Department. Orders \$5,000.00 to \$9,999.99 are subject to bid and may take up to 20 days. Orders \$10,000.00 and above are bid and awarded by the Division of Purchase and Contract, which takes 30 – 60 days.

Note: Purchasing Department reserves the right to obtain quotes or process a bid document for any order as deemed appropriate.

Emergency Purchases vs. Pressing Need

The NC Agency Purchasing Manual defines “pressing need” and “emergency” as follows:

- Pressing need -a need that arises from unforeseen causes, including but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work

- Emergency -a situation which endangers lives, property or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchases or rental of commodities, printing or services in either case, the department should contact the Purchasing Department prior to any purchase for guidance and proper handling of the order whenever possible. If an emergency occurs during non-business hours, contact the Purchasing Department on the next working day so the incident can be noted, and the file can be documented.

If you have a true emergency, please contact the Director of Purchasing at 919-209-2035 immediately for a needs assessment. If warranted, measures will be taken to honor the request.

All the Purchasing Department approved emergency purchases must have a purchase requisition entered in NCEP by the following business day so a purchase order can be sent to the vendor.

Facility Service Orders

Facility services is allowed to pick up supplies and equipment for pressing needs as unforeseen cases arise. The department is also allowed to place service calls for repairs that resulted from an unforeseen case. Procurement card use is applicable and recommended for these instances. Facility Services should notify the Purchasing Department of the need before pickup of materials, supplies, or equipment. An email to the Director of Purchasing will meet the notification requirement.

Purchasing Benchmark: Services

Purchases \$0 to \$4,999.99

Small purchase: No competitive quotes required. The quote should be obtained from the vendor on the vendors letterhead or vendors official quotations form. An email with the company's website and/or logo signature may suffice in some instances. Attach quotes to your NCEP requisition, purchase requisition form, and/or direct pay request form.

Purchases \$5,000.00 to \$9,999.99

Small purchase: One additional competitive quote required (two quotes total). The quote shall be obtained from the vendor on the vendors letterhead or vendors official quotations form. An email with the company's website and/or logo signature may suffice in some instances. Attach quotes to your NCEP requisition, purchase requisition form, and/or direct pay request form.

Purchases \$10,000.00 to \$24,999.99

Informal bid: Purchases in this range require written solicitation of competition. Remit kbox ticket or email request to the Purchasing Department for processing. These written solicitations must be generated by the JCC Purchasing Department and may be posted on IPS for solicitation where at least three (3) companies are solicited. If three (3) bid responses can't be obtained the solicitation may be rebid if necessary. Three quote minimum can be waived in special circumstances if approved by the Purchasing Director. Efforts to solicit bids/proposals will be documented.

Purchases over \$25,000.00 (Non-IT)

Formal bid: Purchases in this range require written solicitation of competition. Remit kbox ticket to the Purchasing Department for processing. These written solicitations must be generated by the JCC Purchasing Department and posted on IPS for solicitation where at least three (3) quotes are preferred. If three (3) bid responses can't be obtained the solicitation may be rebid. Efforts to solicit bids/proposals will be documented.

Service contracts can only be issued/signed by the Vice President of Administrative Services and/or the President.

Things to Consider When Purchasing Services

- Type of Service Required: A full statement of work; what is it a vendor needs to do for a department?
- Type of Maintenance Contract Required: A full statement of work for the type of maintenance required as well as the current maintenance contract from the vendor. A statement of work should include nomenclature of the item, make, model, serial number, location, person to contact and phone number.

- Total Dollar Value of Contract over a One Year Period: Need to know the total expenditures per year to assist with choosing the proper bid process requires as well as the appropriate approval levels.
- Request Start and End Dates: Keep in mind fiscal year and splitting money within a fiscal year.
- Funding Source: The type of funds used for the purchase.

Exceptions for Service Contracting

The following are exceptions to the purchasing definitions and rules cited above:

Architect and Engineering services or other similar services related to building construction, maintenance and repair are arranged through the College's Facilities Services Department.

Installation services which are incidental to the purchase of supplies, materials or equipment are acquired under informal quote process.

Services provided directly by an agency of the state, federal or local government or their employees when performing service as part of their normal governmental function are purchased through Materials Management; however, competition is not required for such services.

Consulting Services are used when expert opinions are needed from a third-party. Whenever possible, consulting services shall be obtained from other State agencies when the services available from other agencies substantially meet the reasonable specifications of JCC.

In some cases, written justification will be sent to Purchase and Contract for its request for consultant services. If JCC is requesting authority to contract for consulting services outside of State government, potential sources of those services that exist within State government will be listed and an explanation why the desired services are not available from those sources will be provided. Purchase and Contract approval for consultant services is not required. Other exemptions include continuing education classes for Ed2Go, Customized Training, Defensive Driving, Small Business Center, and Public Safety.

Contractual Services include instances when an independent contractor performs services requiring specialized knowledge, experience, expertise or similar capabilities for JCC from

compensation from JCC funds. The services may include services such as, maintenance of buildings or equipment, auditing, film production, employee training and food service, provided that the service is not primarily for review, analysis or advice in formulating or implementing improvements in programs or services.

Note: Service agreements must be drafted by JCC Purchasing Department and signed by the vendor before fully executed by JCC.

Advertising Services are used when professional marketing and/or advertising services are needed from a third-party. Whenever possible, marketing and advertising services will be procured from local sources. Additional needs will be procured through a third party who meets the needs of JCC's requirements for advertising and marketing.

Before obtaining advertising and marketing services, the JCC Communications Department will work with the JCC Purchasing Department to ensure that proper documentation is completed. Marketing and Advertising Services should be evaluated yearly to ensure proper competition and value to both JCC and the use of state funds.

Construction

The Purchasing Department will review the items being included in a construction/renovation project and remove from the scope of the construction procurement any items that they consider are non-related to the actual construction/ renovation of the building. Items that are considered commodities, or just furnishings, to complete the project for use by the agency, shall be handled by P&C in accordance with the normal purchasing rules. Items that are usually removed from construction/renovation projects include carpet, office panel systems, food service equipment, and furniture. If JCC determines that one of these items, or any item that is normally handled as a commodity purchase, is best suited for inclusion in the construction/renovation project, then justification will be documented.

Also see exempted products, special cases, and exceptions for service contracting. Reference the State Construction Manual for procuring informal and formal construction projects.

Historically Underutilized Businesses

It is the intent of the JCC Purchasing Department to encourage and promote equal opportunities for Historically Underutilized Businesses (HUBs) in order to foster more diverse participation in all aspects of procurement and contracting opportunities at JCC. Further, it is the policy of JCC to prohibit discrimination against any person or business on the basis of race, color, sex, religious, or national origin.

G.S. 143-48A – State policy; cooperation in promoting the use of small minority, physically handicapped and women contractors; purpose; required annual reports.

“It is the policy of this State to encourage and promote the use of small, minority, physically handicapped and women contractors in State purchasing of goods and services. All State agencies, institutions and political subdivisions shall cooperate with the Department of Administration and all other State agencies institutions and political subdivisions in efforts to encourage the use of small, minority, physically handicapped and women contractors in achieving the purpose of this Article, which is to provide for the effective and economical acquisition, management and disposition of goods and services by and through the department of Administration.”

Listing of these “Historically Underutilized Business” or HUB vendors and their products and services are available on the Division of Purchase and Contract webpage:

www.doa.state.nc.us/PandC/

Click on “Alpha Listing” under the “HUB” section on the left of the screen to see a list of HUB vendors, or “Commodity” to see the categories of products available and who sells them.

Please refer to these lists when selecting vendors for your purchases. We are required to file quarterly reports with the state showing the total purchases from HUB vendors.

Rentals or Leases, Lease- Purchases, Installment Purchases

Lease or Rental Agreements (Real Estate)

There is no reference in the General Statutes as to the procedures that community colleges should use to enter into lease or rental contracts. Given this lack of procedures, Johnston Community College will require all proposals for a lease or rental agreement for real estate be thoroughly vetted, well negotiated, and presented to the JCC Board of Trustees for approval.

Lease-Purchase Contract (Goods & Services)

Johnston Community College, under G.S. 115D-58.15, is authorized to enter into lease-purchase contracts. As with any purchase of goods, we are required to follow the purchasing procedures described by P&C or ITS. The College prefers that we seek a separate contract for financing to ensure the best financing rate. The JCC Board of Trustees must approve all contracts for lease. If the contract exceeds \$100,000 or 3 years, the following rules also apply:

1. If state funds are used and the contract exceeds \$100,000 or three years, it must be approved by the State Board.
2. If local funds are used and the contract exceeds \$100,000 or three years, it must be approved by the Johnston County Board of Commissioners in the form of a resolution. The commissioners must also acknowledge in writing that the college may require appropriations from them in order for the college to meet the obligations of the contract.
3. If local funds are used and the contract is for \$500,000 or more, and for five years or more, it must be approved by both Johnston County Commissioners and the Department of State Treasurer, Local Government Commission.
4. Johnston Community College shall not have in effect at any one time more than five state funded contracts which are permitted under this rule.
5. No contract may contain a non-substitution clause that restricts the right of the trustees to:
 - a. Continue to provide a service or activity, or
 - b. Replace or provide a substitute for any property financed or purchased by the contract.
6. Each contract entered into by JCC must contain a non-appropriations clause similar to the text quoted in the NCCCS Purchasing and Equipment Manual, Page 19, item B.2.G.

Installment Purchase Contract (Goods & Services)

Johnston Community College, under G.S. 115D-58.15, is authorized to enter into installment purchase contracts. As with any purchase of goods, we are required to follow the purchasing procedures described by P&C or ITS. However, Community Colleges are not required to follow the rules in the North Carolina Procurement Manual page 13. The College prefers that we seek a separate contract for financing to ensure the best financing rate. The JCC Board of Trustees must approve all contracts for lease.

Vehicles

If purchased for administrative use, no state funds may be used to procure vehicles. Vehicles purchased for administrative use must be titled to the JCC Board of Trustees and issued a permanent license plate. The Associate Vice President for Auxiliary Services will be responsible for working with purchases to procure either new or used vehicles and will be responsible for obtaining title and insurance. It is the strong preference of the College to procure vehicle services for administrative use through the State's motor fleet management program.

If for instructional uses (such as BLET), you may use state equipment funds, and the vehicle must be titled to the State Board of Community Colleges. See the NCCCS Purchasing Manual for more details.

Technology Request

Computer hardware, software and peripherals (including printers) must be purchased through Information Technology Department. The Information Technology Department should be consulted prior to making any hardware and/or software purchases. Request a quote from I.T. through Kbox.

The Iran Divestment Act

In 2015, the General Assembly enacted the Iran Divestment Act (IDA) which prohibits state agencies and local governments from contracting with a company that the NC State Treasurer

has determined invests more than \$20 million dollars in the Iranian energy sector. The NC State Treasurer is required to publish a list of such companies on its website (commonly known as the Treasurer's IDA list) and to update the list every six months. Legislation that took effect October 1, 2017 no longer requires the Iran Divestment Act (IDA) certification for purchases over \$1,000.00. However, JCC must be mindful not to contract with a company on the Treasurer's IDA list. With the changes to legislation the list is now effective for one year.

Bid Protest Procedures

A Party wanting to protest a contract awarded to a solicitation must submit a written request to the JCC Director of Purchasing. This request must be received by the college within thirty (30) consecutive calendar days from the date of the contract award and must contain specific sound reasons and any supporting documentation for the protest.

Note: Contract award notices are sent only to those contracts actually awarded and not to every person or firm responding to a solicitation.

Appendix A: Abbreviations and Definitions

Abbreviation	Meaning
Secretary	Secretary of the Department of Administration
SPO	State Purchasing Officer
P&C	Purchase and Contract Division, Department of Administration
PO	Purchase Order
HUB	Historically Underutilized Business
IFB	Invitation for Bids
IT	Information Technology
IPS	NC Interactive Purchasing System
NCEP	NC eProcurement
NRV	NC Non-Registered Vendor
RFQ	Request for Quotes
RQ	Requisition
RFP	Request for Proposals

DEFINITIONS

AGENCY: All departments, institutions, boards, commissions, universities, Purchase & Contract, or other units of the State, and community colleges; unless specifically exempted in this Manual by reference. For the purpose of identifying a special responsibility constituent institution, as designated by the University Board of Governors, just the name “university(ies)” shall be used to distinguish any difference in the rules.

AGENCY SPECIFIC TERM CONTRACT: A term contract for use by a specific agency. Depending on the dollar value of the contract, it may be handled by P&C or the agency.

BEST VALUE PROCUREMENT: The terminology used in G.S. 143-135.9 to identify the method required for purchasing information technology commodities and services.

COMMODITY: Any equipment, materials, or supplies. Also referred to in this manual as goods and items.

COMPETITION: The fair and open solicitation of offers from more than one source; the receipt of offers from more than one source. Competition must be reasonable and adequate for the amount of the expenditure and the specific requirement.

CONSULTANT SERVICE: Work or task performed by State employees or independent contractors possessing specialized knowledge, experience, expertise and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services. This includes, but is not limited to, the organization, planning, directing, control, evaluation and operation of a program, agency, or department.

CONTRACTUAL SERVICE: When an independent contractor performs services requiring specialized knowledge, experience, expertise or similar capabilities for a State agency for compensation from agency funds. The services may include (by way of illustration, not limitation) services such as, maintenance of buildings or equipment, auditing, film production, employee training and food service, provided that the service is not primarily for review, analysis or advice in formulating or implementing improvements in programs or services (in which case rules relating to Consultant Contracts shall be applicable).

DELEGATIONS: General Delegation: The authority granted by the SPO for an agency to handle purchases made under a certain dollar amount, in accordance with the guidelines in this manual. Special Delegation: The authority granted by the SPO for an agency to handle a specific or special purchase, where it would serve no practical purpose for the purchase to be handled by P&C.

EMERGENCY: A situation which endanger lives, property, or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services (also see Pressing Need). **HUB (Historically Underutilized Business):** Any one of the following: a minority-owned business, a female owned business, a disabled owned business, a disabled business enterprise, a non-profit workshop for the blind or severely disabled.

INFORMATION TECHNOLOGY (IT): Electronic data processing goods and services and telecommunications goods and services, microprocessors, software, information processing, office systems, any services related to the foregoing, and consulting or other services for design or redesign of information technology supporting business processes.

INSTALLMENT PURCHASE: A contract in which the agency's established periodic payments are applied to fulfill the payment obligations for ownership of the commodity. Used when ownership of commodity at time of possession is intended.

INVITATION FOR BIDS (IFB): A formal solicitation document, usually in a standardized format. This document or the RFP is required to be used for competitive procurements over \$10,000. Normally used for larger, advertised competitive procurements for commodities.

LEASE: A contract conveying from one to another the use of a commodity for a designated period of time in return for established periodic payments. Does not contain an option or an obligation to purchase.

LEASE-PURCHASE: A contract conveying from one to another use of a commodity for a designated period of time in return for established periodic payments, with an option or obligation to purchase the commodity. Used when outright ownership is uncertain or when it is the intent to delay ownership.

NEGOTIATION: The act of making a purchase when all offers have been rejected, or when there is justification for waiving the competitive process, or when an emergency or pressing need arises. **OFFER:** This term may refer to a proposal, quote, or bid submitted in response to a Request for Proposals, Request for Quotations, Invitation for Bids, or Negotiation.

OFFEROR: Company, firm, corporation, partnership, individual, etc. submitting a response to a solicitation document or in response to a negotiation.

OPEN MARKET CONTRACT: A contract for the purchase of a commodity or contractual service not covered by a term contract, usually for a definite quantity on a single order.

PERSONAL SERVICE: Services provided by a professional individual (person) on a temporary or occasional basis, including (by way of illustration, not limitation) those provided by a doctor, dentist, scientist, or performer of the fine arts and similar professions; the exemption applies only if the individual is using his/her professional skills to perform a professional task; a personal service may also be a consultant service, in which case consultant contracting procedures shall be followed.

PRESSING NEED: A need arising from unforeseen causes including, but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work, and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services (also see Emergency).

PURCHASE: The solicitation of, and acceptance of, an offer to (1) provide a service, or (2) lease or rent a commodity, or (3) sell a commodity outright, or (4) sell a commodity through a lease purchase or installment purchase contract.

PURCHASE ORDER: The official confirmation of an order. It is a document sent from a purchaser to a vendor that authorizes a purchase. Purchase orders generally include the name of the company purchasing the goods or services, date, the description and quantity of the goods or services, price, a mailing address, payment information, invoice address, and a purchase order number.

RENTAL: A contract for the right to use a commodity or product for a period of time, usually with payments made at intervals over the period of use, and normally providing for short notice of cancellation.

REQUEST FOR PROPOSALS (RFP): A solicitation document. This document or the IFB is required to be used for competitive procurements over \$10,000. Normally used for larger, advertised competitive procurements for services. It is an alternate acquisition method to the IFB. A RFP may also be handled as a two-step process.

REQUEST FOR QUOTES (RFQ): A solicitation document. Normally used for smaller, non-advertised competitive procurements (may include e-quote).

RESPONSIBLE OFFEROR: An offeror who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability to assure good-faith performance.

RESPONSIVE OFFEROR: An offeror who has submitted an offer which conforms in all material respects to the solicitation document.

SMALL PURCHASE: The purchase of an item, printing job, or contractual service for \$5,000 or less.

SOLE SOURCE: When an item or service is available from only one known source of supply. This usually requires research to confirm and documentation for the file.

SOLICITATION DOCUMENT: A written Request for Quotation, Request for Proposals, or an Invitation for Bids.

STATEWIDE TERM CONTRACT: A term contract handled by P&C for all agencies, unless exempted by statute, rule, or special term and condition specific to that contract.

TERM CONTRACT: A contract generally intended to cover all normal requirements for a commodity or contractual service for a specified period of time based on estimated quantities only. Sometimes referred to as "requirements contract" or "indefinite quantity contract".

Appendix B: Forms

The following Purchasing forms are located in the purchasing section of the JCC faculty and staff SharePoint site:

- JCC Purchase Requisition Form (non-NCEP vendor purchase orders)
- JCC Direct Pay Request Form (non-NCEP vendor payments, service payments)
- JCC Consultant/Contractual Services Agreement
- JCC Purchasing Waiver of Competition Form (sole source and/or brand specific justification)
- JCC P-Card Receipt Exception Form (lost p-card receipt)
- JCC P-Card Pre-Approval Log (non-Instruction)
- JCC P-Card Blanket Pre-Approval Log (facility services, child development, diesel mechanic)
- JCC P-Card Requisition Form (Instruction)
- JCC P-Card Employee Agreement/Enrollment Form