

GRCC Purchasing Policy

I. Policy Section

11.0 BUSINESS FUNCTIONS

II. Policy Subsection

11.15 PURCHASING

III. Date of Most Recent Changes

August 8, 2007

IV. Policy Statement

The Purchasing Department serves the need of the college for all purchases in excess of \$1000. Responsibility and authority to make commitments for these purchases are assigned to the Purchasing Department. This includes all contacts with suppliers regarding price, delivery, terms, quantity requirements, environmental impact or other matters of a contractual nature. Grand Rapids Community College is not obligated to pay for any purchases made otherwise.

When soliciting and selecting vendors, Grand Rapids Community College Purchasing shall not in any way discriminate against any vendor because of gender, race, religion, disability, age, sexual orientation, or national origin. Nor shall the college patronize, or continue to patronize vendors known to practice any form of discrimination.

The Purchasing Department shall also be responsible for the disposal of surplus, obsolete, and inoperable equipment.

The Grand Rapids Community College Board of Trustees shall subsequently authorize purchases of goods and services when the initial order, annual order, contract, or agreement exceeds \$10,000, but less than \$50,000. The Grand Rapids Community College Board of Trustees shall give prior authorization to purchase goods and services when the initial order, annual order, contract, or agreement is \$50,000 and greater. A minimum of three written competitive quotes on company letterhead, including at least (1) diverse supplier, shall be obtained for all purchases between \$5,000 and \$10,000 unless there is a single source supplier or other circumstances prohibiting competitive pricing. Sealed bidding procedures will be executed by the Purchasing Department for purchases exceeding \$10,000. The Director of Purchasing shall keep a file of all such quotations received and bids received as a matter of public record for a period of (7) seven years.

The Director of Purchasing or designee shall give authorization when the purchase, lease, or agreement is \$5,000 or more. The Procurement Specialist or designee shall give authorization when the purchase is less than \$5,000.

All construction, engineering, architectural and/or renovation projects that exceed \$20,000 will be advertised in local media and trade publications. Formal sealed bidding procedures will be conducted on all construction, renovation, engineering and architectural projects over \$20,000. Purchase order revisions for construction, engineering, architectural and renovation projects will be jointly approved by the Director of Facilities and the Director of Purchasing.

The Board of Trustees and College employees are prohibited from having any financial interest or other personal beneficial interest either directly or indirectly, in the purchase of any commodities or contractual services for the College, unless previously disclosed in writing to the Director of Purchasing and approved in writing by the Director of Purchasing.

The Board of Trustees and College employees are prohibited from accepting personal supplier gifts exceeding a nominal value each fiscal year. Personal supplier gifts exceeding nominal values must be reported in writing to the Director of Purchasing. The Director of Purchasing will monitor gift activity and rectify any violation of policy at his/her discretion. The Board of Trustees and college employees are prohibited from accepting or soliciting potential or present supplier gifts for personal use, which may influence, or appear to influence, purchasing decisions.

The Board of Trustees and/or the Director of Purchasing (acting as the BOT designee) reserves the right to accept or reject any or all bids, or any part thereof, to award by item, combination of items, or lot; or to accept the lowest qualified bid as deemed necessary in the best interest of the College.

V. Reason for the Policy

- a) To provide clear direction to all College staff on the purchasing process.
- b) Conduct purchasing activities in accordance with applicable local, national and international laws, Grand Rapids Community College Board of Trustees policy and ethical principles and standards of conduct.
- c) Execute purchasing with sound professional business practices necessary to serve the interest of the institution and the interest of the public.
- d) Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- e) Avoid any personal business or professional activity that would create a conflict between personal interests and the interests of Grand Rapids Community College.
- f) Avoid soliciting or accepting money, loans, credits, or preferential discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, purchasing decisions.
- g) Promote positive supplier relationships through professionalism, courtesy and impartiality.
- h) Promote and encourage supplier diversity.

VI. Entities Affected by this Policy

- Budget Control Officers
- Requestors of goods and services for Grand Rapids Community College.
- Suppliers of goods and services to Grand Rapids Community College.

VII. Who Should Read this Policy

- Any and all Grand Rapids Community College staff who influence, authorize and/or execute purchases.
- Suppliers of goods and services to Grand Rapids Community College.

VIII. Related Documents

- a) Purchase Requisition (On Line)
- b) Purchase Order
- c) Procurement Card Agreement
- d) Agreement to accept Procurement Card
- e) Conflict of Interest Policy

IX. Contacts

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- Mansfield Matthewson, Director of Purchasing, mmatthew@grcc.edu, (616) 234-3851

X. Definitions

Blanket Purchase Order/Annual Award – A purchase order that remains open and valid for buying for a period of one year, typically from July 1st to June 30th.

Purchase – To obtain in exchange for money or to buy.

Pyramiding – Segmenting large purchase into smaller purchases.

Requester/Requisitioner – The individual who submits a purchase requisition for processing.

Quote – To obtain a price for goods or services.

XI. Procedures

1. The Board of Trustees shall subsequently approve the purchase of goods and services, and property leases when the initial order, annual order,

contract or agreement exceeds \$10,000. The Director of Purchasing or designee shall give authorization when the purchase, lease, or agreement is \$10,000 or less. The Board of Trustees shall give prior authorization for the purchase of goods and services, and property leases when the initial order, annual order, contract or agreement exceeds \$50,000.

2. The Board of Trustees will be polled for approval for the purchase of goods and services, and property leases when the initial order, annual order, contract or agreement exceeds \$50,000; when deemed necessary to meet an emergency situation or when such authorization is in the best interest of The College. The purchase will be reported at the next Board of Trustees regular meeting.
3. The Board of Trustees need not approve payments in those instances where a rate is fixed by the Public Service Commission or a governing unit as is true in compensation and certain fringe benefits. Approval of payments for bond indebtedness, interest, leases, library materials, rentals, utilities, specified goods and services under grants, payments to employees, and to participating agencies under consortium agreements is not required when prior approval of the contract or agreement has been given by the Board.

Goods and services purchased for resale and paid for with monies from Agency Funds and/or Auxiliary Funds, are exempt from this policy.

4. Bids shall be solicited from a diverse supplier pool, representative of the GRCC Metropolitan Statistical Area whenever possible.
 - A. Bids will be solicited from qualified sources who present the potential to provide the best overall value. Grand Rapids Community College reserves the right to re-bid when two or less responses to a bid are received or for any other reason(s) deemed necessary in the best interest of the college.
 - B. Purchases will be made from Grand Rapids Community College District area vendors in all cases where price and all other factors are equal to or lower than vendors outside the GRCC District, at the discretion of the Director of Purchasing. In those cases where the GRCC district vendor bid price exceeds the bid price of the vendors outside the GRCC District, and the advantage to the College is service and or deliverability, the College reserves the right to award to the vendor within the GRCC District at the discretion of the Director of Purchasing.
 - C. All formal bids shall be requested based on F.O.B. (Free on Board) – DESTINATION. Exceptions can be made at the discretion of the Director of Purchasing.

- D. All formal bids shall be sealed and endorsed with the bid name and the bid number.
- E. Bids/Quotes shall be net and exclude all Federal, State, and excise taxes.
- F. All contracts and purchase orders shall include language indicating that vendor acceptance of the order is with the understanding and compliance of the College Fair Employment Practices Agreement (see appendix A).
- G. Blanket Purchase Orders shall not be issued for more than \$10,000 in any fiscal year without solicitation of sealed competitive bids. Exceptions are as listed below, and/or those determined by the Director of Purchasing.

- Banking Services
- Honorariums
- Legal Services
- Utilities and Telephone Service
- Medical Services
- Tax Payments
- Travel Consultants

- H. Competitive sealed bidding on all purchases of goods and services over \$10,000 will be conducted and bids will be advertised in the appropriate media (there are no departmental exceptions). All bids and specifications shall be available for inspection. Sealed bids are not required for purchases under contracts established by the College, a public agency or cooperative agreements. Annual awards resulting from sealed bidding are subject to an annual review for quality and cost increase/containment; and consequently may be extended for two additional years, for a total term of three years, at the discretion of the Director of Purchasing.

The Board of Trustees authorizes the Director of Purchasing to approve sealed bid exemptions deemed necessary in the best interest of the College and emergency purchases involving safety of persons, protection of property or the prompt restoration of service to minimize interruption of College activities. These purchases will be reported at the next Board of Trustees regular meeting.

- I. Sole source purchases are allowable only when obtaining competitive bids is impossible or when substitutes have been ascertained to be unacceptable, and after conducting a good faith review of applicable sources.

Sole source purchases over \$5,000 must include proper justification detailing why competitive bids would not be appropriate and that there

is only one source for supplying the requested goods, service or construction item. The sole source justification does not relieve the responsibility of the Requisitioner or Purchasing to obtain a fair and reasonable price.

- J. Infrequent purchase of materials, equipment, goods, supplies or services of \$1000 and less may be made without the execution of a requisition and/or purchase order. For a purchase order number, Requesters should use their first initial/last name, hyphen and bldg/floor (Example: **MDAVIS-CPPB3**, indicating M. Davis, College Park Plaza Building, 3rd floor). Vendors should be instructed to note the purchase order number on the invoice and all related correspondence; forward the associated invoice to the Requester; and ship to the **151 Fountain St. NE** receiving address. The Requester should sign and date the invoice indicating receipt, add the appropriate account number, obtain appropriate Budget Control Officer signature authorizing payment, and forward the original executed invoice to Accounts Payable for payment processing within ten days of the invoice date. This policy segment is designed for sporadic, infrequent purchases and is not to be utilized for vendors with a fiscal annual spend of \$10,000 or more. Purchases will be monitored for pyramiding, which will not be tolerated. Computers and accessories, computer hardware, computer software, fixed assets and furniture are exempt and must be purchased under normal purchasing procedures.
- K. Purchase of materials, equipment, goods, supplies or services greater than \$1000 shall not be made without the execution of an electronic requisition and subsequent purchase order, with the exception of procurement card purchases and excluded items noted in this policy. Grand Rapids Community College is not obligated to pay for any purchases made otherwise. Grand Rapids Community College employees should not use procurement cards or seek reimbursement for items where an institutional agreement exists (i.e., Food Service items, Gasoline, Office Supplies, Printing Service items) without prior approval from the Purchasing Department.

The purchase of gifts, gift cards, gift certificates and/or flowers for student and employee incentives, bereavement, births, illness, etc. is prohibited. Any exceptions require the advance approval of the Director of Purchasing or Vice President.

Requisitioners agree to conduct purchases in accordance with the Grand Rapids Community College Purchasing Policy and to act as responsible agents to protect College assets. Improper purchasing conduct can result in disciplinary action, up to and including termination.

Purchasing will process all fully executed requisitions submitted for less than \$50,000, within five business days.

- L. The Director of Purchasing, along with a representative from the requesting department, shall conduct negotiations as appropriate.
- M. Procurement cards will be issued to Grand Rapids Community College staff upon request at the discretion of the Director of Purchasing. Upon acceptance of the card, cardholders agree to the Grand Rapids Community College Procurement Card Agreement and to act as responsible agents to protect College assets. Improper use of the card can result in disciplinary action, up to, and including termination. Procurement cards may be used for Grand Rapids Community College low value purchases in the following categories; MRO (Maintenance Repair Orders), seminars, books or journals, general goods and services, subscriptions and in instances where a check request may be used. In order to use your procurement card for travel related charges, i.e., car rental, lodging, meals, you must be pre approved by the Director of Purchasing. An approved Leave of Absence will be required at procurement card reconciliation each month; otherwise the cardholder is responsible for the associated charges. All travel related charges are subject to the GRCC Travel Standards Policy/Guidelines & Procedures. Food and meal related charges are subject to the GRCC Food and Beverage Policy and Reimbursement of Employee Expenses Policy; otherwise the cardholder is responsible for the associated charges.

Procurement cards may not be used for airfare, alcohol, chemicals (w/o MSDS), consultant services, fixed assets, travel related expenses (unless pre approved by the Director of Purchasing) and/or tuition reimbursement. Use of the procurement card for personal purchases, cash advances and/or cash refunds is strictly prohibited. Grand Rapids Community College reserves the right to terminate cardholder use at any time and for any reason. Cardholders agree to relinquish the procurement card to Grand Rapids Community College upon request or termination of employment.

- N. All purchases shall conform to budgetary restrictions formally adopted by the Board of Trustees.
- O. Vendors, Contractors, and Subcontractors shall not discriminate against any employee or applicant for employment in the performance of contracts with respect to hiring because of race, color, religion, national origin, gender, sexual orientation, political persuasion, age, weight, height, handicap or marital status. Breach of this covenant may be regarded as a material breach of the Purchasing Agreement as provided in the College Fair Employment Practices Agreement.

5. Unauthorized purchase agreements or contracts may be disallowed by the Director of Purchasing, Board of Trustees and/or the President of the College or designee.
6. The Board of Trustees goal for Supplier Diversity (diverse supplier) contract awards is 12% of the budget allocated for purchased services.

The Board of Trustees is committed to developing and expanding opportunities for supplier diversity. The Board authorizes the Purchasing Department in concert with the Supplier Diversity Team to develop programs for supplier diversity and programs to track and report progress.

7. BIDDER PROTESTS

Only a bidder on a given solicitation may protest an award decision. A bidder is considered a supplier who has submitted a formal offer which meets all submission requirements and is therefore considered "responsive". A "No Bid" in the context of a protest does not constitute a formal offer. Grand Rapids Community College Purchasing will not consider protests filed by manufacturers or suppliers selling through distributors, or businesses listed as subcontractors in a vendor's proposal.

In order to initiate a protest, a bidder must follow these steps:

- A. By 5:00 p.m. on the 2nd calendar day after the recommendation to award, the aggrieved bidder must submit a written protest to the Director of Purchasing. When notice of award has been issued, the date shall be calculated from the date of the notice. If the last day is a Saturday, Sunday, or legal holiday, the period is extended to include the next day which is not a Saturday, Sunday, or legal holiday. When the protest due date falls on a Saturday, Sunday, or legal holiday, the bidder shall submit the protest by 5:00 p.m. on the next GRCC business day.
- B. The written protest should include the RFP/RFQ number and should clearly state the facts believed to constitute an error in the award recommendation, and the desired remedy. Only the information provided within the 2-day deadline will be considered in arriving at a decision. The Director of Purchasing is not required to take into consideration any material filed by any party after the protest deadline.
- C. The Director of Purchasing or the Director's designee will provide a written decision to the protesting party after investigating the matter, or if more information is needed, will schedule an informal meeting before issuing a decision.
- D. Should the bidder decide to protest the Director of Purchasing written decision, the bidder may appeal the matter to the Grand Rapids Community College Board of Trustees. The written appeal should be received in the Purchasing Office within two business days after the bidder's receipt of the Director of Purchasing written decision. The

Board of Trustees will take the matter under advisement and render their decision, which is final.

Until issuing a final decision on a timely protest, Grand Rapids Community College Purchasing will not award a contract or purchase order pursuant to a disputed solicitation. However, if there is a specific urgency, emergency, threat to public health, safety or welfare, or danger of immediate and substantial harm to GRCC property from delay in making an award, the Director of Purchasing may proceed with an award and document the justification for such action.

Issues Not Subject to Protest

To maintain the integrity of the procurement process and to ensure that GRCC receives procurements without undue delay, protests requesting waiver of the following omissions and requirements cannot be granted:

- A. Failure of a bidder to properly complete sealed bid instructions.
- B. Failure of a bidder to submit the bid to GRCC Purchasing by the due date and time.
- C. Failure of a bidder to provide samples, descriptive literature, or other required documents by the date and time specified.
- D. Failure of a bidder to provide a required bid bond or performance bond by the date and time specified.
- E. Failure of a bidder to provide diversity participation by the date and time specified.
- F. Failure of a bidder to submit a protest within the time stipulated in the notice to award or as determined by the Director of Purchasing.

If there are no responsive bids, these requirements may be waived at the discretion of the Director of Purchasing. In fairness to bidders who meet specifications and to prevent delays in procurement, GRCC Purchasing will not withdraw a recommendation to award or re-evaluate bids when a protest maintains that the RFQ/RFP specifications were faulty or that a bid exceeding specifications provided a better value than a lower bid meeting specifications. A supplier must raise specific concerns about RFQ/RFP specifications.

XII. Forms

- a) Fair Employment Practices Agreement
- b) Diversity Participation Form
- c) Procurement Card Agreement
- d) Purchase Order
- e) Supplier Application Form