

Business and Financial Policies and Procedures

Western Carolina University Office Administration and Finance

SECTION

Purchasing

Major Title

SECTION X.1 –

University Purchasing Activities

Section Title

- **Purchase of Goods**
- **Year End Purchases**
- **Purchases Under Special Circumstances**
- **Purchasing Agent Directory**
- **Purchase of Contractual Services**
- **Fixed Assets and Surplus Property**
- **Exhibits**

Business Function or General Statement

PURCHASE AUTHORIZATION

Under the authority delegated by the State of North Carolina and the Administration of Western Carolina University, the University Purchasing Department has the exclusive responsibility for making all purchase contracts entered into for the University, except for University Bookstore purchases for resale, the purchase of University Library holdings, and authorized capital Improvements Project purchases which are made by their respective managers. The Director of Purchasing and Departmental Purchasing Agents are the only individuals in the Purchasing Department authorized to make purchasing commitments for the University.

The University operates on the principle of budgetary allotments to the various agencies, schools and departments. An accountable officer is responsible for expenditures for the allotment.

The authority to charge purchases against the allotted budgets for materials and services is furnished to the Purchasing Department by the signature of the accountable officer on a purchase requisition, or their electronic approval for on-line requisitions.

Purchases made by the University, irrespective of the source of funds (grants, contracts, gifts, receipts, etc.), must comply with the policies and procedures contained within this manual.

PURCHASE OF GOODS

PURCHASE REQUISITIONS

Policy - All requests for materials and services from commercial vendors or individuals must be submitted to the Purchasing Department on a purchase requisition form (see [Exhibit 1](#)) or electronically through the automated Purchasing System. (See Procedures Manual for On-Line Requisitioning) The purchase requisition will be processed resulting in the issuance of a purchase order (see [Exhibit 3](#)) or as a pay-from-requisition for which a purchase order is not required.

Procedure

1. For those purchase requisitions not submitted electronically, a purchase requisition should be prepared by the department initiating a purchase request. It is a three-part form of which the white copy is to be sent to the Purchasing Office, the yellow copy is to be sent to the Dean's Office (optional as required by the Dean), and the pink copy is to be retained in a file in the using department office. All requisitions must be signed by the accountable officer for the account charged or their designee and the Dean and/or Vice-Chancellor (optional as required by the appropriate Dean or Vice-Chancellor). Requisitions for all computer equipment and software must be signed by the appropriate Vice-Chancellor. (See [POLICY: PURCHASE OF PERSONAL COMPUTER EQUIPMENT AND SOFTWARE](#)).
2. Detailed instructions on how to complete a purchase requisition are provided by [PROCEDURE: INSTRUCTIONS FOR HARDCOPY REQUISITIONS](#).
3. Requisitions will be processed in the order in which they are received. "Rush" requisitions will be processed within 24 hours if so designated on the requisition. "Walk Through" requisitions will only be processed if justification for immediate need can be provided.
4. All purchases must be initiated by submitting a requisition to the Purchasing Department, and a purchase order number must be assigned by the Purchasing Department before procurement can proceed. When an order must be placed immediately, a purchase requisition may be faxed to the Purchasing Department or submitted electronically and the Purchasing Department notified by telephone of the requisition number for assignment of a purchase order number.
5. The University can accept responsibility for payment of a purchase only when correct procedures are followed and a purchase order is issued. Individuals who make purchases by other means may be held responsible for payment of the resulting charges.

BLANKET/STANDING PURCHASE ORDERS

Policy - Blanket/standing purchase orders may be issued for a recurring need for miscellaneous supplies of a minor nature, which are not available under existing contracts. The purchase order shall not exceed \$5,000 or three months in duration without approval from the Director of Purchasing.

Procedure

1. A department requesting a blanket purchase order be issued should submit a completed purchase requisition. (See [POLICY: PURCHASE REQUISITION](#)). In addition, the purchase requisition must include the names of individuals authorized to make purchases against the purchase order and the period of time covered by the order.
2. Requisitions/purchase orders for blanket orders to exceed \$5000 or three months in duration must be signed by the Director of Purchasing.
3. When a purchase against a blanket purchase order is made, the delivery ticket and/or invoice must be signed by an individual authorized on the purchase order and the ticket and/or invoice forwarded to Accounts Payable. All invoices and delivery tickets must reference the purchase order number.
4. Blanket purchase orders will be closed out when the dollar amount encumbered or the period of time specified is exceeded.

STATE PURCHASE CONTRACTS

Policy - Western Carolina University is required to purchase needed items provided by North Carolina State Contract from the contracting vendors. It is not permissible to purchase items similar to those on contract and designed to perform the same function from a non-contract source regardless of the price.

Procedure

1. The State Purchase and Contract Division (P&C) enters into annual contracts with outside vendors to acquire favorable prices for many commonly used items.
2. The University may access all state contracts on the State Purchase and Contract Division Web Site. These contracts are updated on a regular basis as changes and new contracts occur.
3. All purchase requisitions received by the Purchasing Department are reviewed to determine if the commodities requested are available on state contract before processing. Commodities available on state contract are ordered from the contract vendor.

The Purchasing Department will provide detailed information about the many contract items to any department upon request.

GASOLINE AND SERVICE CREDIT CARDS

Policy - Gasoline credit cards for State and commercially operated facilities may be obtained for use with University owned vehicles by a University department. The Physical Plant provides credit cards for those vehicles assigned to Western Carolina University through Central Motor Pool. It is not permissible for commercial cards to be used for any service other than those associated with the operation of State owned vehicles. Commercial cards are not to be used when the necessary

services are available from State or University operated facilities. Policies and procedures applicable to purchasing gasoline for use in State vehicles are available from the University Motor Pool.

Procedure

1. Gasoline credit cards may be obtained by submitting a written request for a major oil company or State credit card to the University Purchasing Department. The Purchasing Department will obtain the requested card and maintain a file of all credit card numbers and the departments to whom issued.
2. Monthly invoices received from the issuer of the credit card should be verified by the using department and forwarded to the Purchasing Department with a completed confirmation requisition.

PURCHASE OF PERSONAL COMPUTER EQUIPMENT AND SOFTWARE

Policy - University Policy #67 on Personal Computers requires the review and approval of personal computer equipment and software acquisitions to be administered by the Vice Chancellors. They will approve or deny all purchases, including exceptions to this memorandum, requested within their divisions. The appropriate Vice Chancellor or his designee prior to submission for purchase must sign requisitions for personal computer equipment and software.

PURCHASE OF USED EQUIPMENT

Policy - When a department has special need for a particular item of used equipment, the proposed purchase should be discussed with the Director of Purchasing and the request submitted on a purchase requisition. This requisition will be processed in the same manner as a request for a new item (See [POLICY: PURCHASE REQUISITION](#) and [POLICY: SOLICITATION OF BIDS AND QUOTATIONS](#)). A new equipment warranty should be required on all used equipment purchased except those items purchased from State or Federal Surplus Property. When a used item is available on short notice and subject to prior sale, a waiver of competitive bidding may be requested.

POLICY ON PRINTING AND COPYING

Policy - University Policy #40 on Printing and Copying must be complied with when acquiring printing, copying and copiers. Printing which falls outside the limits of the Print Shop shall be ordered following normal purchasing procedures.

PURCHASES FROM UNIVERSITY BOOK & SUPPLY STORE AND PRINT SHOP

Policy - It is not permissible to routinely purchase office and administrative supplies, or to purchase items available on State Contract from the University Bookstore.

All purchases of supplies from the the University Book & Supply Store and the Print Shop must be submitted to the Controller's Office on the standard purchase requisition form. These requisitions are encumbered directly into FRS and forwarded to the supplying facility. The Purchasing Department does not process these requisitions.

PURCHASES DISALLOWED FROM STATE APPROPRIATED FUNDS

Policy –

Purchase of Refreshments, Sundries, Etc.

Refreshments (coffee, donuts, drinks, etc.) may not be purchased with State appropriated funds except when purchased for breaks related to internal or external conferences. Such purchases are subject to cost limits as described in [University Travel procedures, Section 10](#). Such purchases may be allowed, however, against certain grants, contract or trust funds, or discretionary accounts, providing the funding agency will not disallow the expenditure.

Purchase of Personal Convenience Items

The purchase of personal convenience items may not be made with State appropriated funds. Purchases may only be made against trust funds. Listed below are items normally considered in this category. Should you have questions concerning any item not listed, contact the Purchasing Department.

- Coffee Makers
- Radios, TV's, etc. (Educational use excepted)

Purchase of Alcoholic Beverages

The purchase of alcoholic beverages may not be made with State appropriated funds or University Trust Funds. Purchases of alcoholic beverages may be made from Development Account number 997XXX if approved by the Vice Chancellor for Advancement and External Affairs. All other purchase requests must be submitted to the Chancellor's Office for consideration.

USE OF STATE PURCHASING POWER FOR PRIVATE GAIN

Policy - The purchasing power of the State (University) is not to be used for private advantage or gain. Purchases under contracts made by the State are not to be allowed for personal use out of private funds nor are agencies or institutions to place orders for articles for ownership by employees or other individuals.

PURCHASES FROM OR THROUGH STATE EMPLOYEES

Policy - Every reasonable effort is made to avoid making purchases from or through employees of State government or any of its agencies or of public school administrative units. Any instances which may develop of doing business with such personnel require prior approval through the Division of Purchase and Contract. A request should be submitted to the University Purchasing Department who will determine if a request for approval should be made to the Purchase and Contract Division.

LEASE vs. PURCHASE OF EQUIPMENT

The State/University does not generally lease or rent equipment, although there is no specific rule prohibiting this practice. If equipment is to be required on a continuing basis, it is generally more economical to purchase it.

It may be desirable to rent equipment for a specific requirement of short duration. Rental agreements are similar to lease agreements, except that rental agreements are normally for an indefinite period and can be terminated by the rentee after giving notice, usually thirty days, in advance. The initial cost of some equipment is so great and/or the technology is so rapidly changing; it may be more economical to rent or lease the equipment.

When the cost of a piece of equipment exceeds \$25,000 and the useful life expectancy is less than five years, a lease/rental versus purchase evaluation should be made. Request for bids/quotations should include both options unless acceptable justification is provided on why this is not feasible.

SOLICITATION OF BIDS AND QUOTATIONS

Policy - The Statutes of the State of North Carolina and University Purchasing Procedures require competition for all purchases by State agencies exceeding \$5,000, except as may be provided otherwise by statute or term contracts. Where it is not sought or obtained, the reason must be valid and documented.

A purchase requisition must be submitted (see [POLICY: PURCHASE REQUISITION](#)) before formal bids or quotations will be solicited by the University Purchasing Department.

Procedure

1. Purchases with a total dollar value of \$5,000 or less do not require competition. Purchasing and University departments will monitor these procurements to guard against abuse and to ensure that the dollar value received is commensurate with the dollar amount expended.
2. Request for Quotes (RFQ) will be requested in writing by the Purchasing Department for purchases from \$5,000 to \$25,000. Vendor responses must be in writing and received in the Purchasing Department by the indicated due date. Even in the case of a waiver of competition, if time permits, a written request for quote will be sent to the sole source vendor.

Request for Quotes from \$10,000 to \$25,000 must be posted to Purchase and Contract's Interactive Purchasing System (IPS) for access by any interested vendor.

3. For purchases \$25,000 or greater, formal Invitation for Bids (IFB) will be issued in writing and posted to IPS by the Purchasing Department. All vendor responses must be in writing, sealed and received in the Purchasing Department by the indicated due date and time. The Purchasing Agent issuing the IFB in a secure file will maintain bids received prior to the time of opening. At the time and date indicated, all bids will be publicly opened and each bid price read aloud. In addition to the Purchasing Agent, a witness shall be present at the bid opening. The Purchasing Agent and the requesting department will evaluate bids if necessary, to determine those bids meeting the bid specifications. The award will be made to the lowest bidder meeting the bid specifications. If the lowest bid received is not selected, a letter of justification must be provided explaining how each lower bid failed to meet the required specifications.
4. Statutes require the solicitation of formal bids by the State Purchase and Contract Division when the total purchase is \$100,000 or greater. A Purchase and Contract requisition with detailed specifications will be sent to Purchase and Contract in Raleigh. Formal bids solicited by Purchase and Contract requires approximately thirty to forty-five days. Bids will be tabulated and sent to the Purchasing Department for review with the requesting department. All bids are returned to Purchase and Contract with the University's recommendation for award. This recommendation will be submitted to the State Board of Award and a purchase order issued following their approval.
5. Printing, which is performed by the University Print Shop, is exempt from the state printing requirements.

Direct purchases may not be divided into smaller orders to avoid competition procedures or to circumvent the necessity of the requirement being sent to the Division of Purchase and Contract.

RETURN OF MERCHANDISE TO OFF-CAMPUS VENDORS

Policy - Return of merchandise ordered from off-campus vendors is the responsibility of the ordering department. The supplying vendor and University Purchasing Department shall be contacted prior to shipment of merchandise being returned to an off-campus vendor by a department for any reason.

Procedure

1. Departments desiring to return merchandise to a vendor shall contact the vendor to obtain a return goods authorization and shipping instructions.
2. The department shall contact the Purchasing Department providing the following information:

Vendor name to which the merchandise is being returned

Purchase order number on which the merchandise was ordered

Return goods authorization number if provided by vendor

Reason merchandise is being returned

3. The department shall package and properly label the merchandise for shipment.
4. Arrangements should be made with the Facilities Warehouse for shipments to be made by carrier transport or taken to the University Bookstore for shipments by UPS.

SOLICITATION BY SALES REPRESENTATIVES

Policy - Sales representatives are encouraged to visit departments to keep the departments informed of new items being introduced and to assist departments by providing information on various aspects of their products and services. Receipt of equipment and products for demonstration purposes is permissible provided no obligation is made to the vendor to purchase these items. It is not permissible for a department to receive materials on consignment, pending issuance of a confirming purchase order.

Procedure

1. Vendors requesting that they be allowed to demonstrate a new product line or service must obtain approval from the Purchasing Department if space in a building or parking lot is required.

The vendor will be responsible for all expenses incurred in the demonstration. The University will not accept any responsibility for the safety of the vendor's products beyond normal care and safety.

2. When demonstrations are requested by a department from a vendor, arrangements should be made between the department and the vendor and require no further approval. All expenses incurred from these demonstrations are the responsibility of the vendor. The University will not accept any responsibility for the safety of the vendor's product beyond normal care and safety.
3. The demonstration of products to a department or to an individual in no way obligates the University to purchase or lease the equipment or service. Any purchase requests issued after demonstrations will be handled in accordance with the normal purchasing regulations of the University and the State.
4. When a vendor offers equipment for evaluation and the department is willing to have the equipment installed for evaluation purposes, the department should secure a written agreement using the following basic guidelines:

Equipment must be adequately identified and described, giving model and serial numbers.

All shipping charges are to be paid by the vendor.

Insurance, if any, is the responsibility of the vendor. The University assumes no liability for the equipment. The University may agree to exercise normal operational care and to avoid abuse of the equipment.

At the end of the evaluation period, the vendor will be responsible for crating and shipping by a carrier of the vendor's choice.

The evaluation of equipment for a vendor does not give the vendor permission to use the name of the University in any advertisement or as an endorsement.

The University is under no obligation to purchase the equipment.

COMPLAINT TO VENDOR

1. When University faculty or staff has a problem or complaint concerning a vendor's product or services, they should attempt to resolve the problem directly with the vendor.
2. When informal efforts are unsuccessful in resolving the problem, all the appropriate supporting documentation should be gathered and an official [Complaint to Vendor Form](#) completed. This should contain names, dates, and results (or lack of results) of all efforts to obtain resolution of the problem.
3. The [Complaint to Vendor Form](#) should be forwarded to the Purchasing Department.
4. The appropriate purchasing agent will review the complaint and attempt to resolve the problems with the vendor.
5. If the purchasing agent is unable to satisfactorily resolve the problem, a copy of the complaint will be forward to the vendor, a copy sent to the State Division of Purchase and Contract, and a copy filed in the Purchasing Department.
6. If the vendor does not respond appropriately, the State Division of Purchase and Contract will attempt to resolve the problem through procedures available under North Carolina State Law. In most cases, the State can intervene to negotiate a settlement. When circumstance warrant, the State may debar a particular vendor from future business with the State. In the case of a vendor who has a State Term Contract; the State may revoke or otherwise amend that contract accordingly.

VENDOR DEBARMENT

Policy - When notified by the North Carolina Division of Purchase and Contract or Federal Government that a vendor has be debarred from doing business with that government entity, WCU Purchasing Agents are notified by the Director of Purchasing and purchases from these vendors are suspended until notified that the debarment has been rescinded.

HISTORICALLY UNDERUTILIZED BUSINESS UTILIZATION POLICY

Policy - Western Carolina University has with intent practiced non-discrimination and promoted patronization of historically underutilized businesses in its procurement process. The University has a commitment to continue this practice and to enhance opportunities for HUB vendors to do business with the University in accordance with Executive Order No. 77.

Evidence of the University's commitment to do business with HUB vendors is reflected in the participation of these vendors in University purchases. The University has actively developed a

HUB vendor file and includes these vendors in bid requests when qualified. HUB vendors on State term contracts are used when they are the sole contract vendor, or in the case of multiple vendors, they offer equal or greater benefit to the University than other contract vendors. All new vendors are mailed vendor registration forms, which ask them to designate if they are a HUB business. Those who respond affirmatively are added to the HUB vendor file.

Because of the demographics of the area, local HUB businesses available for utilization by Western Carolina University are limited. The Purchasing Department will seek to identify and patronize HUB vendors locally and those outside the immediate area.

The University will seek additional HUB vendors from the following sources:

1. Asheville Area Black Pages
2. City of Asheville Certified Minority Businesses list.
3. State of North Carolina Special Interest Vendor listing.
4. Solicitation of participation by HUB vendors in supplying University needs to be included in all procurement advertising and on all bid request forms
5. Request from HUB vendors to be added to our vendor file.

It is the intent of Western Carolina University and the University Purchasing Department to continue to increase the percentage of HUB vendors in our vendor file and to maintain a commitment to their utilization. University departmental personnel will be made aware of this commitment and the importance of using HUB businesses by including this emphasis as an important part of periodic purchasing seminars and workshops held throughout campus.

The Director of Purchasing is the University coordinator responsible for the HUB Utilization Plan.

IDENTIFYING NEW SUPPLIERS

University purchasing personnel will seek to identify new suppliers for solicitation and to be added to the bidder's file through the use of the Internet, trade journals, trade shows and other sources that may become available. Inclusion of new sources in the prospective bidder's file is necessary to keep the bid pool active and sufficient to stimulate healthy competition.

UNIVERSITY TERM CONTRACTS

When the frequency of order and volume of purchases of the same or similar items reach a level at which it may be beneficial to the University to establish a term contract, a contract should be established through the bid process. University purchasing agents will monitor their assigned commodities to identify items for which term contracts may be appropriate.

PURCHASE OF CONTRACTUAL SERVICES

CONSULTANT SERVICES

Policy - The employment or securing of services of a consultant requires prior approval of the University Purchasing Department, State Division of Purchase and Contract and the Governor or his designee.

The University shall acquire consultant services only after it is determined that the function for which the consultant is retained cannot be reasonably accomplished by employees of the University; that the use of a consultant is reasonably necessary to the proper operation of the University; that the estimated cost is reasonable as compared with the likely benefits or results; that the funds are available for the contract; and that the contract is in the best interest of the University and the State.

Services of a consultant shall mean work or task(s) 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 operations of a program, agency or department.

Procedure

1. Prior to securing the services of a consultant, the department shall submit to the Purchasing Department written justification for its request for consultant services. This written justification shall explain what services the department desires to secure; why the work to be performed by the consultant cannot be reasonably accomplished by employees of the requesting department; how the work to be performed relates to the proper function of the department; what benefits the department expects to receive from the consultant's services; what the department estimates to be the cost of the services sought; what potential sources of consultant services, if any, the department has identified; and such additional information as may be required. The request and justification must be approved by the appropriate Dean and Vice Chancellor and a letter of endorsement obtained from the Chancellor.
2. Consultant services shall be obtained from other State agencies when the services available from other State agencies substantially meet the reasonable specifications of the requesting department. If the department is requesting authority to contract for consulting services outside of State government, the justification shall also detail what potential sources of those services exist within State government and explain why the desired services were not available from those sources.
3. The documents submitted by the department requesting authority to retain consultants will be reviewed by the Purchasing Department and, upon approval, forwarded to the State Purchase and Contract Division for review. Upon completion of this review the University will be advised, subject to such conditions as may be prescribed by the State, to:

Canvas additional sources within State government

Solicit proposals from private contractors

Execute a negotiated contract(s) without competitive proposals

Abandon the project for being outside the scope of the department's responsibilities or for having insufficient benefit to the State relative to the potential expenditure of funds.

4. Once the University receives approval to solicit proposals for consultant services, the requesting department/Purchasing Department shall:

Prepare a request for proposals (RFP), which must be approved by the Division of Purchase and Contract prior to dissemination among prospective service providers.

Circulate the request for proposals to such sources of consultant services as may be identified by the Division of Purchase and Contract as well as all sources identified by the University. Post all RFP's estimated to exceed \$10,000 to the Division of Purchase and Contract's Interactive Purchasing System (IPS).

Publicly open all proposals received at a date and time set in the request for proposals.

Upon receipt of proposals the University shall submit a copy of each proposal received to the Division of Purchase and Contract.

Review all proposals received on the basis of evaluation criteria significantly related to the function to be performed and equally applied to all proposals received. The University shall submit a memorandum to the Division of Purchase and Contract citing its criteria for selection and recommending a recipient of the contract.

The Division of Purchase and Contract shall evaluate all proposals received in accordance with the University's request. Upon completion of this analysis and approval by the Governor or his designee, the University shall be notified in writing that all proposals have been rejected or that the University is authorized to execute a contract(s) with an approved service provider(s).

5. All contracts for consultant services shall be in writing and in a format approved by the State Division of Purchase and Contract. The contracts must be approved by the appropriate Vice Chancellor, Vice Chancellor of Administration and Finance, Legal Counsel and signed by the Chancellor.

Any consultant contract executed without the approval of the State Division of Purchase and Contract and the Governor or his designee shall be void and no State funds shall be expended pursuant to any such contract. Any employee or official of the State of North Carolina who executes a contract without this approval shall be liable to repay any amount expended pursuant to such contract plus court costs.

CONTRACTUAL SERVICES

Policy - It is the general policy of the University to acquire contractual services by seeking competition. The final decision-making authority in regard to any phase of procurement or performance of any contractual service is the University Chancellor.

A department of the University shall seek to obtain a contractual service only after the following determinations have been made: that funds are available to cover the total cost of the service; that the desired level of quality of the service is adequate and reasonable for the purpose intended; that all rules, regulations and procedures referred to herein have been or will be complied with; and that obtaining the service is in the best interest of the University and the State.

Contractual services shall mean work performed by an independent contractor requiring specialized knowledge, experience, expertise or similar capabilities wherein the service rendered does not consist primarily of acquisition by the State of equipment or materials. For the purpose of clarification, equipment service contracts are contractual services and subject to the rules and regulations herein.

Procedure

For all contractual service contracts over \$5,000, unless an emergency or pressing need exists, the University shall comply with the following:

1. The department shall prepare a task description of the services and desired results. For statewide or multi-agency term contracts, P&C will establish the task description of services and desired results. Task descriptions shall contain all of the following:

The date(s) of service (The contract shall not be for more than three (3) years including extensions and renewals, without the prior approval of the SPO.)

Detailed specifications or type and level of work required

What the University will furnish

What the Contractor will furnish

The method, schedule, and procedures for billing and payments

Other terms and conditions, specifications or procedures bearing on the conduct of the work.

2. Upon completion of the task description and desired results, competition shall be solicited, where available, for expenditures over \$5,000. If over \$5,000, the University must solicit competition by issuing a Written Request for Proposal (RFP), which shall contain the task description and desired results, and specify or provide for all of the following:

Provide for the laws of North Carolina to govern the contract

The contract shall be cancelable upon a specified written notice at any time by the State for unsatisfactory performance or for the convenience of the State

Provide for the option to require a performance bond or other suitable means of ensuring faithful performance when deemed by the State to be necessary

The contract must be in compliance with State and Federal antitrust laws

The contractor shall furnish all workers' compensation, liability insurance, and other insurance as may be required to protect himself and the State from claims which may arise

Provide for a payment schedule

Provide for price adjustments provisions, if any

Identify the agency liaison personnel and any other agency resources that will be available to the contractor

Provide the criteria for evaluation

Request a description of the offeror's qualifications and references

Have the cost of the service broken down by components

Have the offeror identify the proposed methodology for accomplishing the work (if not furnished in the RFP)

3. Request for Proposals \$10,000 or greater must be posted to the IPS.
4. After opening, and completion of the evaluation, the University shall prepare a written recommendation for award, and if over the established benchmark, shall submit a copy of all offers received and their recommendation to P&C for approval of contract and award, or other action deemed necessary by the SPO (Examples: cancellation, negotiation, etc.). Notice of the decision by P&C shall be sent to the agency.
5. All contracts for services shall be in writing and in a format approved by the State Division of Purchase and Contract. The contracts must be approved by the appropriate Vice Chancellor, Vice Chancellor of Administration and Finance, Legal Counsel and signed by the Chancellor unless authority is delegated elsewhere. Contracts for servicing equipment may be executed by the University Purchasing Department. All other delegations of authority will be made in writing from the Chancellor.

The following types of services shall be exempt from adherence to procedures for securing contractual services:

- A. Services provided by individuals by direct employment contracts with the State
- B. Public utility services (gas, water, and electricity)
- C. Telephone, telegraph and cable services furnished by utility companies

D. Services provided which are subject to published tariff rates as established by the Interstate Commerce Commission.

E. Services which are merely incidental to the purchase of supplies, materials or equipment.

F. Contracts for construction of and structural changes to public buildings.

G. Personal services provided by doctors, dentists, attorneys, architects, professional engineers, scientists or performers of the fine arts or similar professions. (A personal service shall be interpreted to be the occasional or temporary use of an individual's professional skills to perform a professional task).

H. 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.

I. Any other service designated to be exempt by the State Purchasing Officer, or his authorized representative.

SERVICE/REPAIR OF UNIVERSITY EQUIPMENT

Policy - Obtaining service for University equipment is the responsibility of the department to whom the equipment is assigned. The department should determine if the equipment is in-warranty, on a service or maintenance contract, or out-of-warranty. Obtaining service and submitting an invoice for payment on a confirming requisition is not permitted.

Procedure

1. When it is determined that service is required on equipment, which is under warranty, the department with the equipment should call the manufacturer to obtain the service.
2. When service is required on equipment, which is under a service, or maintenance contract, the department with the equipment should call contract vendor to obtain the service.
3. When service is required on equipment, which is not under warranty or a service contract, a purchase requisition must be submitted and a purchase order must be issued to obtain the service.
4. Documentation of the nature of all services performed should be maintained by the department possessing the equipment.

PURCHASES UNDER SPECIAL CIRCUMSTANCES

SOLE SOURCE PURCHASES

Policy - When the purchase of highly technical or unique items indicate there may be only one known source or brand specific item that will satisfy the requirement and the purchase exceeds the bid threshold, documentation must be provided justifying the purchase without competitive bidding. The Director of Purchasing must approve these sole source purchases. Please note that "cost" or "urgency" is not a valid sole source justification.

Procedures

1. Requisitions for sole source purchases should be submitted to the Purchasing Department using routine requisitioning procedures. (See [POLICY: PURCHASE REQUISITION](#)).
2. A justification memo for the sole source purchase must accompany the requisition providing the following information: Sole Source Request Form (MS Word 97 Format)

Name and address of the suggested supplier

Technical specifications which make the item unique

Names and addresses of other vendors, which make similar items, and details of the ways such items fail to meet required specifications.

Any other information which supports the uniqueness of the requested item(s).
3. Copies of all correspondence including any vendor quotations received in the selection of the special item should accompany the requisition and memo.
4. If the request is over \$100,000 in cost, the request will be forwarded to the State Purchase and Contract Division for processing. If the State Purchase and Contract Division concurs with the justification for the uniqueness of the item, the request will be presented to the State Board of Award for approval as a sole source.
5. If less than \$100,000, the requisition and justification must be approved by the Director of Purchasing.
6. All documentation for the sole source purchase will be filed with the Purchasing Department copy of the purchase order.

EMERGENCY PURCHASES

Policy - The University is delegated the authority to make emergency purchases \$100,000.00 or less without following the prescribed procedure for routine purchases. Emergency purchases exceeding the threshold for which competition is required and for which bids will not be obtained must be approved by the Director of Purchasing or Associate Vice Chancellor for Administration and Finance. Emergency purchases greater than \$100,000.00 must be approved, by telephone, by the State Purchase and Contract Division, if time permits, before the purchases are made. Emergencies are defined as: "Situations, which endanger lives, property, or the continuation of vital programs and require immediate, on-the-spot purchases of equipment, materials, supplies or services."

Procedures

1. Requisitions for emergency requests for purchases should be brought to the Purchasing Department by messenger or submitted electronically with a justification for the emergency purchase.
2. The Purchasing Department will solicit quotations by telephone or fax machine, if necessary; obtain approval of the State Purchase and Contract Division, if required; and place the order.
3. The Purchasing Department may assign a purchase order number, if necessary, to the transaction and authorize the requesting department to place the order by telephone.
4. If the emergency occurs outside of normal business hours, the Director of Purchasing or one of the Purchasing Agents should be contacted for assistance. If they are unavailable, the purchase may be made, and must be fully documented and forwarded to the Director of Purchasing for review the next working day.
5. Purchases made on an emergency basis outside of competitive/State Term contract guidelines will be reviewed for approval by the Director of Purchasing or Vice Chancellor for Administration and Finance and all documentation maintained in the Purchasing Department.

YEAR END PURCHASES

DELIVERY WITHIN FISCAL YEAR PURCHASE MADE

Policy - The statutes of North Carolina require that unexpended appropriated funds be reverted to the State at the end of the fiscal year unless special permission is given by the State Budget Division to carry them forward to the next fiscal year. University policy requires delivery to be made before payment can be made for the goods or services.

Procedure

1. Since delivery on many equipment items may require as much as six months or more, orders, particularly for equipment, must be placed as early in the year as it is possible to

anticipate the need. This does not preclude placing purchase orders late in the fiscal year, but if delivery cannot be made before June 30, payment will be made from the next fiscal year's budget. Orders cannot be placed contingent upon receipt of the goods prior to the end of the fiscal year.

2. Departments anticipating the need for supplies or equipment to be delivered after July 1 and charged against the next year's budgeted funds may process purchase requests prior to June 30 provided that the requests carry the following statement:

FOR DELIVERY WITHIN NEXT FISCAL YEAR

"TO BE PAID FROM 20__ - __ FUNDS"

ACCOUNTABLE OFFICER

The purchase request will be encumbered against next year's funds immediately after July 1.

FIXED ASSETS AND SURPLUS PROPERTY

FIXED ASSET MANAGEMENT SYSTEM

Policy - A computerized inventory is maintained on all University owned equipment with a purchase cost of \$1,500 or more, except computer equipment which is \$250.00, with an expected life of one or more years. Every item of equipment meeting the criteria above will be assigned a University inventory number for identification and monitoring of its status.

Procedure

1. The following information, when available, is entered on inventory for each equipment listing:

Date of purchase

Complete description (manufacturer's serial number, model number, distinguishable features)

Assigned university inventory number

Budget account from which equipment was purchased (departmental, grant, etc.)

Check number

Purchase order number

Location (building, room, department)

Purchase cost

Department equipment is assigned to

Manufacturer's name

Commodity classification number

Estimated life

Acquisition method (AM) (purchase, donation, transfer, etc.)

Depreciation method (straight-line, etc.)

Valuation method (cost, estimated cost, etc.)

Salvage value

Condition of equipment (fair, good, poor)

2. In those cases where the location of an inventoried item permanently changes, or the item is lost, stolen, or is to be disposed, the department head is required to complete a Movable Equipment - Notice of Disposal or Change in Location Form (see [Exhibit 4](#)) and send the form to the Fixed Assets Coordinator.
3. In order to comply with General Statute 143-49 and directives of the State Auditor's Office, an annual inventory is taken to verify the existence, condition, and location of the University's fixed assets. Each department should complete their inventory within the yearly quarter they have been assigned, and return the completed inventory sheets to the Purchasing Fixed Asset Coordinator. This inventory is then used to update property records and to provide documentation for annual financial reporting.
4. **Prior to separation of a university employee, the employee's supervisor shall inventory all assets associated with the employee to assure these assets are accounted for.**

REMOVAL OF UNIVERSITY ASSETS FROM CAMPUS FORM

SURPLUS PROPERTY

Policy - Fixed Assets become surplus property when the owning department no longer needs them. Surplus property cannot be sold directly to individuals. It can be sold to certain education institutions and non-profit organizations with the permission of the State Surplus Property Agency. Disposal or transfer of surplus property must be handled according to University and North Carolina State Surplus Property procedures.

Procedure

1. Departments having surplus property should notify the Fixed Assets (FAS) Coordinator that the equipment is surplus by memo or by the Movable Equipment - Notice of Disposal on Change of Location Form. It is the responsibility of the owning department to remove any software from computer equipment before it is sent to surplus.
2. The FAS Coordinator forwards the Central Warehouse Manager a copy of the memo or form. The Manager then arranges to have the equipment picked up and stored in the warehouse until it is needed by another department or is sold as surplus.
3. All computer equipment must be evaluated by the Computer Center before it can be sold as surplus. The Computer Center can take the equipment for their use (for parts or extras), leave the equipment in the warehouse for other departments to take, or declare that the equipment should be sold as surplus.
4. If equipment is not usable, if no department has requested that type of equipment, or if the Central Warehouse Manager and FAS Coordinator cannot find a new user, then the equipment is sold as surplus.
5. Departments that have equipment that is to be used as a trade-in should first work out the arrangements with the help of a purchasing agent. After the tentative purchase has been arranged, the details along with the trade-in value are given to the FAS Coordinator who contacts the State Surplus Property Agency for permission to trade. Vehicles cannot be traded-in.
6. The FAS Coordinator groups the surplus equipment into lots at the warehouse or wherever it is located for sale. These lots are listed by item on a worksheet along with the WCU number and the department that turned the equipment in as surplus. The form or memo declaring the equipment as surplus is attached to the back of the worksheet. After all the equipment that is to be advertised for sale is grouped into lots and listed, the Coordinator types a complete list on the Equipment Disposal Form. This form is sent to the State Surplus Property Agency in Raleigh along with a letter and any titles for vehicles being advertised for sale.

NOTE: Equipment that has been listed for bid cannot be withdrawn without permission from the State Surplus Property Agency.

7. If it is feasible and practical, the State Surplus Property Agency will transfer surplus property between and among agencies at values it deems reasonable and appropriate and in the best interest of the State. If other agencies have no need for the asset, the State Surplus Property Agency attempts to sell the asset for the highest price possible. This is generally done by offering the asset (to the public through sealed competitive bids, or a way determined) to be preferable by the State Surplus Property Agency. Transfer may also be made directly to local government agencies, such as county or city agencies, or a qualified non-profit organization at a fair market price based on actual high bids awarded at public bid openings on like surplus property.

- Due to the time it takes to pick up the asset, prepare it for sale, and process bids for a large number of items, it can take anywhere from two to four months to sell the asset and have it removed from the premises.
8. The State Surplus Property Agency sends copies of the current bid list to the FAS Coordinator. The Coordinator then makes extra copies of the list to send to the WCU Surplus Mailing List. WCU employees who request bid lists receive them through campus mail from the Coordinator. All others receive the bid list through regular mail.
 9. Bidders are urged to inspect all surplus property prior to submitting bids. Bids are subject to rejection unless submitted on the bid form and properly executed. Lump sum bids will not be accepted--bidders must bid on individual items. The bids are opened at 1:00 p.m. on the designated date at the State Surplus Property Agency warehouse in Raleigh with the award going to the highest responsible bidder. The State Surplus Property Agency reserves the right to reject any or all bids. No guaranty or warranty is offered as to number, condition or quality of the property offered for sale. All surplus is sold "As Is" and "Where Is", and any cost of weighing, packaging, loading, or hauling shall be assumed by the bidder. After the item is sold, State Surplus Property notifies the owning agency of the selling price and bidder. If the item was transferred, State Surplus Property will notify the owning agency as to which agency received the item and at what cost. All payments must be in the form of a cashier's or certified check or money order made out to State Surplus Property Agency. Payment in full for all property purchased must be made within fifteen (15) calendar days from date of award, and all property purchased must be removed within fifteen (15) calendar days from date of award.
 10. If the purchaser does not remove the property purchased within fifteen (15) calendar days after date of award, the Auxiliary Services Department reserves the right to retain the purchase price and resell the property a second time, keeping any and all proceeds obtained. The WCU Central Warehouse Manager and the FAS Coordinator makes every effort to work with bidders in making arrangements to pick-up surplus property they have bought. Warehouse space is limited and it is in the best interest of the University to have this equipment sold and removed from the premises rather than tie up warehouse space even if it takes a little extra time.
 11. The Central Warehouse Manager and /or FAS Coordinator can accept the proper and complete payment for surplus property from the bidder if that bidder wants to pick up the property right away or right after the bid has been awarded. The Manager or Coordinator will forward the payment to the State Surplus Property Agency in Raleigh by the next workday.
 12. State Surplus Property sends a check at the end of the month for all surplus sold during the month minus five percent. The Coordinator determines how the funds are divided and deposits them into the correct account.

The Coordinator deposits money received for surplus for the departments who have budgeted surplus sales into the departments' account that paid for the asset. If the correct account is not known, then the department's state account is used. There are two

departments at the present time who have budgeted surplus sales--Highlands Biological Station and Physical Plant.

Ttor deposits all other money for surplus that was purchased with state funds o the Purchasing Department A Accountant is contacted in reference to grants and contracts to see if a current account exists. If one exists, then the money is deposited into that account. If one doesn't exist, then the money is deposited into account: 2-25000-0740. Surplus sales for auxiliary Development Foundation are deposited into that current account. When a current account isn't available for known, the University Advancement Office is contacted for the account number. The revenue code for all surplus sales is 0740.

13. Equipment deemed by the FAS Coordinator and Warehouse Manager to be of no value and not sellable shall be referred to the Director of Purchasing for review and approval. Upon approval, the Director of Purchasing will note this on the Movable Equipment – Notice of Disposal or Change of Location Form or e-mail notification and sign. The equipment shall be disposed of at the Jackson Country Waste Disposal Center. Equipment designated to be discarded may not be acquired by any individual or organization, but must be delivered to the County Waste Disposal Center.

EXHIBITS

- **Exhibit 1: Purchase Requisition Form**
- **Exhibit 2: Purchase Requisition Continuation Form**
- **Exhibit 3: Purchase Order Form**
- **Exhibit 4: Movable Equipment-Notice of Disposal or Change in Location Form**
- **Exhibit 5: University Policy #67: Policy on Personal Computers**
- **Exhibit 6: University Policy #40: Policy on Printing and Copying**
- **Exhibit 7: Sole Source Request Form**
- **Exhibit 8: Complaint to Vendor Form**

