

UNIVERSITY OF NORTH CAROLINA

SCHOOL
OF THE
ARTS

Purchasing Guidelines

Purchasing Services
Division of
Finance and Administration

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SECTION 1 GENERAL INFORMATION

Section 1.1 – Organization of Purchasing Department

Campus Purchasing Services is a part of Finance & Administration of the University and reports to the Vice Chancellor for Finance and Administration. Offices are located in the Central Receiving & Storage Warehouse at 65 East Acadia Avenue.

Mission Statement

Campus Purchasing Services strives to provide direct support to the educational mission of the school. It assists departments by processing and expediting orders in a timely and efficient manner within the constraints of state purchasing requirements, UNCSA policies, and the highest ethical standards.

Campus Purchasing Services is the only agency on the School of the Arts campus, which may authorize acquisition of products or services to be paid from university accounts. As with all State agencies, UNCSA is bound by the contracts negotiated by the Purchase and Contract Division of the North Carolina Department of Administration. Paragraph 58 of North Carolina General Statute #143 states that if purchases are made in violation of the rules and regulations of the State and/or agency, **the persons responsible may be held personally liable for any financial commitment made.**

Purchasing Department Office

Campus Purchasing Services is responsible for making all purchase contracts for the University. The University employs a Director of Purchasing, Contract, and Auxiliary Services, Associate Director of Auxiliary Services, Associate Director of Purchasing, Purchasing Specialist, Warehouse Manager, and a Warehouse Technician.

Surplus Property Warehouse

The Surplus Property Warehouse is a service agency of Campus Purchasing Services and is responsible for disposing surplus materials in accordance with rules and regulations of the State of North Carolina and the University. Surplus property is stored in the lower level of the Central Receiving & Storage Warehouse.

Section 1.2 – Code of Ethics

UNC School of the Arts Purchasing Code of Ethics

Campus Purchasing Services' personnel exercise sound business judgment and maintain the highest ethical standards in the conduct of university business.

- Foster fair, ethical, and legal business practices that promote the University's mission.
- Grant all competitive offers equal consideration to the extent State regulations and the established policies of University of North Carolina School of the Arts permit and regard each transaction on its own merit.
- Cooperate with trade and industrial associations, governmental and private agencies that are engaged in the promotion and development of sound business methods.
- Conduct business with potential and current suppliers in an atmosphere of mutual confidence and integrity.
- Demand honesty in sales representation whether offered through verbal or written statements, advertisements, or product samples.
- Be prompt and courteous to all business partners.
- Strive to obtain the maximum value for each dollar spent.
- Decline personal gifts or gratuities.

SECTION 2 WHO MAY PURCHASE?

Section 2.1 Purchase Authorization

Departmental Funds

The University designates budgetary allotments to colleges, departments, and its agencies. The administrative head of the department serves as the budgetary head and is responsible for the expenditures of the allotment.

In some cases, the budgetary head delegates the authority to approve charges written against the department's budget. This delegated authority does not relieve the budgetary head from responsibility for the allotted budget.

Make a purchase

A purchase requisition must be completed via the Banner Financial System. This authorizes Campus Purchasing Services to issue a purchase order for the materials on behalf of the ordering department.

Section 2.2 Unauthorized Purchases

Campus Purchasing Services has the exclusive responsibility for maintaining the approved contracts entered for the University.

Purchases charged against university funds that are made contrary to University policies will be the personal responsibility of the individual placing the order.

Section 2.3 Purchases for Personal Use or Convenience of Employees

State and University policy prohibits the Purchasing Department from entering into any purchase contracts for employees. All materials purchased by or in the name of the University remain the property of the State until consumed or disposed of by public sale through surplus property procedures. All Purchase Orders issued by Campus Purchasing Services must be for official use by the University departments or agencies.

Personal Use

Materials purchased with university funds are the property of the State and not intended for personal use. Therefore, it is not permissible to use University supplies or equipment for personal use.

Section 2.4 Contract Signing Authority

University personnel are not authorized to sign any contract documents. All school Purchasing contracts must be submitted to the purchasing inbox for review and routing to obtaining signatures for the contract.

Additional information regarding Contracts and Authority to sign may be found on the UNCSCA Policy Portal. Policy #109 details the Signatory Authority of individuals on campus.

SECTION 3 ANTICIPATING A PURCHASE

Section 3.1 Conflict of Interest

General

All purchasing functions are delegated to the University by the State. The University considers that the same restraint of the law for officials of the State Purchase and Contract Division explicitly referenced in the state statutes also apply to any University personnel involved in a Purchasing action.

State Statutes

The three state statutes which describe conflict-of-interest situations appear in the "Conflict of Interest" section of this statement.

University Policy

The University's normal policy is not to purchase materials or services from State or University employees.

In compliance with North Carolina General Statute 133-32, no official or employee of the University shall accept any gift, favor, or thing of value that may tend to influence such employee in the discharge of the employee's duties or grant in the discharge of duty any improper favor, service or thing of value.

Conflict of Interest

The three North Carolina Statutes prohibiting conflicts of interest by public officials are General Statute Sections 14-234, 14-236 and 133-32.

14-234 - Director of Public Trust Contracting for His Own Benefit

If any person, appointed or elected a commissioner or director to discharge any trust wherein the State or any county, city, or town may be in any manner interested, shall become an undertaker, or make any contract for his own benefit, under such authority, or be in any manner concerned or interested in making such contract or in any profits thereof, either privately or openly, singly or jointly with another, he shall be guilty of a misdemeanor.

Provided, that this section shall not apply to public officials transacting business with banks or banking institutions in regular course of business. Provided further, that such undertaking or contracting shall be authorized by said governing board.

14-236 - Acting as Agent for Those Furnishing Supplies for Schools and Other State Institutions

If any member of any board of directors, board of managers, board of trustees of any of the educational, charitable, eleemosynary or penal institutions of the State, or any member of any board of education, or any county or district superintendent or examiner of teachers, or employee of such boards, shall have any pecuniary interest, either directly or indirectly, proximately or remotely in supplying any goods, wares or merchandise of any nature or kind whatsoever for any of said institutions or schools; or if any of such officers, agents, managers, teachers, or employees of such institution or school or State or county officer shall act as agent for any manufacturer, or author for any article of merchant, dealer, publisher or author for any article of merchandise to be used by any of said institutions or schools, he shall be forthwith removed from his position

in the public service and shall upon conviction be deemed guilty of a misdemeanor and fined not less than fifty dollars nor more than five hundred dollars and be imprisoned, in the discretion of the court.

133-32 - Gifts and Favors Regulated

North Carolina 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 to give gifts or favors to any employee of a governmental agency who is charged with preparing plans, specifications, or estimates for public contracts, awarding or administering such contracts, or inspecting or supervising construction.

- a. It shall be unlawful for any contractor, subcontractor, or supplier who:
 1. Has a contract with a government agency; or
 2. Has performed under such a contract within the past year; or
 3. Anticipates bidding on such a contract in the future to make gifts or to give favors to any officer or employee of a governmental agency who is charged with the duty of:
 - i. Preparing plans, specifications, or estimates for public contract; or
 - ii. Awarding or administering public contracts; or
 - iii. Inspecting or supervising construction.

It shall also be unlawful for any officer or employee of a government agency who is charged with the duty of:

4. Preparing plans, specifications, or estimates for public contracts; or
 5. Awarding or administering public contracts; or
 6. Inspecting or supervising construction willfully to receive or accept any such gift or favor.
- b. A violation of subsection (a) shall be a Class 1 misdemeanor.
 - c. Gifts or favors made unlawful by this section shall not be allowed as a deduction for North Carolina tax purposes by any contractor, subcontractor or supplier or officers or employees thereof.

Executive Order No. 25 – Addresses Gifts to State Employees. Please use this link. <http://www.pandc.nc.gov/documents/ExecutiveOrder24GiftBan.pdf>

Section 3.2 Solicitations / Distributions

State policy requires that supplies and materials be obtained from State contracts or by competitive bidding, therefore solicitation by vendors should be conducted on an as needed basis.

Vendor

- Vendors may visit departments to keep them informed of new items being introduced.
- A vendor demonstration 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.
- Vendors are responsible for all expenses incurred during these demonstrations.
- The University will not accept any responsibility for the safety of the vendor's equipment beyond normal care and safety.

Departments

- Departments may request a vendor of a particular piece of equipment do a demonstration. In these instances, the arrangements are worked out between the department and the vendor and require no further approval.
- Departments may not receive materials on consignment without issuance of a confirming Purchase Order.

Receipt of equipment for demonstration purposes is permissible provided no obligation is made to the vendor to purchase the equipment.

Section 3.3 Evaluation of Equipment for Vendors

Vendors may request a department to evaluate equipment without obligation to purchase. When the department is willing to have the equipment installed for evaluation purposes, the department should secure a written agreement using the following basic guidelines:

- Permission to demonstrate the equipment does not obligate the University to purchase the item
- 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.
- Equipment must be adequately identified and described with 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 packing and shipping the item.

Section 3.4 Correspondence with Vendors

Following the transmittal of a Purchase Order to a vendor, all correspondence in connection with the fulfillment of the order or contract should be conveyed to the Purchasing Department.

Departments should notify the Purchasing Department of any situations that require a change to the Purchase Order.

Section 3.5 Historically Underutilized Business (HUB) Program

Promoting and encouraging HUB participation in procurement opportunities is central to the economic growth and stability of the state. The State of North Carolina encourages all state agencies to expend up to 10% of their total Purchasing dollars with HUB vendors. This program is intended to stimulate the economic development of minority, women-owned, and physically disabled businesses.

The Purchasing Department of the University of North Carolina School of the Arts places orders with HUB vendors whenever appropriate, and strongly encourages University departments to procure through HUB vendors. UNCOSA conducts purchasing in accordance with State laws to ensure the taxpayer receives full value for each dollar spent. The University's purchasing procedures conform to open, ethical, and sound Purchasing policies. Suppliers are encouraged to compete for the University's business, which consists of a variety of goods and services.

The HUB Business Directory is maintained by the Division of Purchase and Contract. These directories list HUB vendors alphabetically, by commodity number, and by construction industry number. Please visit the website to register with the State of North Carolina. University bids are listed using the Interactive Purchasing System (IPS).

A Historically Underutilized Business is a business:

- a. In which at least 51 percent of the business, or the stock in the case of a corporation, is owned by one or more minority persons, women, or disabled persons, and
- b. Of which one or more minority persons, women, or disabled persons control the management and daily business operations.

(Reference Executive Order 150)

Historically Underutilized Businesses (HUB's) consist of minority; women and disabled business firms that are at least fifty-one percent owned and operated by an individual(s) of the aforementioned categories. Also included in this category are disabled business enterprises and non-profit work centers for the blind and severely disabled.

The term "minority person" means a person who is a citizen or lawful permanent resident of the United State and who is:

- a. Black, that is, a person having origins in any of the black racial groups in Africa.
- b. Hispanic, that is, a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race.
- c. Asian American, that is, person having origins in any of the original peoples of the Far East, Southeast Asia, and Asia, the Indian subcontinent, or the Pacific Islands.
- d. American Indian, that is, a person having origins in any of the original Indian peoples of North America.
- e. Female.

The term "**socially and economically disadvantaged individual**" means the same as defined in 15 U.S.C. 637.

We sincerely hope you will have an opportunity to work with us in establishing a sound business relationship that provides the highest quality of goods and services delivered to the University at a fair and reasonable price. It is our goal to ensure that all HUB Contractors have an opportunity to participate in projects at UNCOSA. We need your involvement to reach that goal successfully. If you have questions or concerns, please contact the Purchasing Department at 336-770-3319.

SECTION 4 TYPES OF PURCHASES

Section 4.1 What to Do When

Goods and services for the University may be procured in two ways; Purchase Order, and P-Card. These are the approved means to procure items for the University.

The two methods listed are outlined in detail below for your information.

A Purchasing Quick Reference Guide is available here for your reference and to assist in the process.

Purchase Orders

Purchase Orders should be used when:

1. Vendors will not accept our P-Card.
2. The vendor will charge a fee for Pcard use.
3. The purchase will be over the \$5000.00 P-Card Transaction limit.
4. The good / service is not an allowable P-Card purchase.
5. Tracking for the purchase(s) is needed.

P-Card

The P-Card should be used on Purchases that fall within the guidelines outlined in the P-Card User's Manual. No purchase should exceed the \$5000.00 transaction limit. For additional information on P-Card Policies and Procedures, please refer to the UNCSA P-Card Manual, which can be found on our website.

Direct Pay Request:

Direct Pay Requests are used for:

- Registration fees
- Membership fees
- Bank Fees
- Postage Fees
- Student Emergency Checks
- Refunds for Deposits
- Legal Fees/Audit Fees
- Insurance
- Any other instance where pre-payment is required
- UNCSA PSA – 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.

Section 4.2 State Term Contracts

The State enters into annual contracts with outside vendors to acquire favorable prices for many commonly used items. The State has contracts with several hundred suppliers, covering several thousand individual items.

All State agencies including the University are required to purchase items from vendors that have State Contracts.

- It is **not permissible** to purchase items similar to those on contract and designed to perform the same function from a non-contract source, unless you get prior permission from the Director of Campus Purchasing Services.

Information of the items on contract is found at:

<https://ncadmin.nc.gov/government-agencies/procurement/statewide-term-contracts>

In situations where an item on contract does not have the features needed, the Sole Source Checklist / Waiver of Competition Form must be filled out and sent to the Purchasing Department.

SECTION 4.3 Recycled Materials

As outlined in the North Carolina Administrative Code and pursuant to the State of North Carolina Executive Order #156, persons are encouraged and promoted to purchase products containing recycled content.

Section 4.4 Solicitation of Bids and Quotations

For Items not covered on State Term Contracts:

Spending Guidelines for Goods and Services Including Consulting Services

The following are the spending guidelines and purchasing regulations for goods and services, including consulting services for the University of North Carolina School of the Arts. Even though competition is not required for purchases below \$31,000, all departments are reminded and encouraged that they can still seek competition, in order to continue to get the best value for their dollars.

It is the policy of the University of North Carolina School of the Arts that, except in the case of a documented pressing need, the school will not honor any vendor invoices for goods and service which do not have an executed purchase order *prior* to the good and services being contracted for, and that obligation becomes the *personal* liability of the individual violating the State and School policy.

Purchases of Goods and Services at or below \$31,000.00

- No solicitation required
- End user must provide ONE quote on Vendor letterhead that identifies the company.
- Quote must be itemized and include shipping cost and total cost.

Purchases of Goods and Services exceeding \$31,000 - \$100,000

When a department is making a purchase that exceeds \$31,000 to \$100,000 that is **NOT** on State Term Contract, Campus Purchasing Services will handle the Purchasing. The department must submit the following to Campus Purchasing Services to initiate the process:

- Departmental Bid Form
- Detailed specifications in WORD or EXCEL format
- A Brand – Specific Waiver (if required)

- Search results for HUB Vendor

Once all items have been received in the purchasing inbox, Campus Purchasing Services will issue an IFB or RFQ to 3 vendors listed on the departmental bid form for pricing.

Purchases of Goods and Services exceeding \$100,000

When a department is making a purchase that is above \$100,000 that is **NOT** on State Term Contract, the department must submit the following to Campus Purchasing Services to initiate the process:

- Departmental Bid Form
- Quote from a vendor for the Items / Service needed
- Detailed specifications in WORD or EXCEL format.
- A Brand – Specific Waiver (if required)

Once all items have been received in the bid inbox, Campus Purchasing Services will process an IFB for posting. For complex services or services where the vendor is required to provide what means they will utilize to provide the service, an RFP will be used.

If the **FUNDING** source is at least **30% State Funds**, Purchasing Services will send a draft of the IFB or RFP to the NC Department of Purchase & Contract for review and pre-approval, prior to posting on the IPS, which is open to all vendors.

The bid is submitted back to Campus Purchasing Services, typically, within 21 to 30 days after being placed on IPS. Once the Purchasing process has started, no department other than Campus Purchasing services can communicate with vendors regarding the solicitation.

The Contract Award will be made to the vendor who provides the “Best Value” to the University, after our award recommendation is approved by the oversight agency.

You are required to seek HUB vendors for all purchases. Promoting and encouraging HUB participation in procurement opportunities is central to the economic growth and stability of the state. Certified HUB vendors can be found <https://ncadmin.nc.gov/businesses/historically-underutilized-businesses-hub> and searched by commodity or by using the NC eProcurement Vendor Search function.

Consulting Services over \$100,000 – See Consultant Services Section 4.10 below.

Note: It is not permissible to divide requisitions to keep amounts under \$31,000.00 to avoid the bidding process.

Section 4.5 Sole Source Purchases

For some items or services only one source may be available. To purchase these items or services without competitive bidding, the Sole Source Checklist / Waiver of Competition Form must be completed and accompany the Purchase Requisition.

If the request exceeds \$100,000 in cost, it will be forwarded to the UNC System Office / State Purchase and Contract Division for processing. If justified, the request will be certified as "Single Source" and purchased without formal bidding.

If the Single Source request is under \$100,000 and properly justified, it will be processed by the University Purchasing Department without further off campus review.

Please note that this process is rare since generally competition is available for most equipment or supplies used at the University.

If you feel the item or service, you require meets the conditions above, then please fill out the Sole Source Checklist / Waiver of Competition Form and forward it to the University Director of Business Services.

Information needed for the Checklist:

- The item and its function
- The name and address of the suggested supplier
- The reason for requesting a sole source purchase
- The reason why the product or service is the only product or service that can satisfy your requirements
- The name and address of other vendors who make similar equipment, and why it fails to meet your specific needs.

Upon receiving the Sole Source Checklist / Waiver of Competition Form the Purchasing Department will review the checklist and inform you of its status.

Section 4.6 Waiver of Competitive Bidding

If performance or price competition is not available and it's deemed to be in the public interest, competitive bidding may be waived. Please see the Sole Source Purchases section for more information.

Conditions permitting waiver include, but are not limited to:

- Performance or price competition is not available.
- Necessary product or service is available from only one source.
- Emergency or pressing need is indicated.
- Competition has been solicited with no satisfactory offers received.
- Standardization or compatibility is the overriding consideration.
- A donation establishes the source of supply.
- Personal or particular professional services are required.
- Particular medical product or service is needed.
- Particular prosthetic appliance is needed.
- Product or service is needed for the disabled and there are overriding considerations for its use.
- Additional products or services are needed to complete an ongoing job or task.
- Products are bought for "over the counter" resale.
- Product or service is desired for educational, training, experimental, developmental, or research.
- Items are subject to rapid price fluctuation or immediate acceptance.
- Amount of the purchase is too small to justify soliciting competition.
- Purchase is being made and satisfactory price is available from a previous contract.
- Required for an authorized cooperative project with another governmental unit(s) or a charitable non-profit organization(s).
- Used item(s) is available on short notice and subject to prior sale.
- Available from another governmental agency.
- Determined advantageous to purchase already installed, connected, and working equipment.
- Evidence of resale price maintenance or other control of prices, lawful or unlawful, or collusion on the part of companies which stand in the way of normal competitive procedures.

Although competition may be waived, it is required wherever possible. When a waiver is considered, agencies may negotiate with a potential vendor to acquire the best quality, price, delivery, and terms and conditions.

If you feel you meet the requirements to waive Competitive Bidding, please fill out the Sole Source Checklist / Waiver of Competition Form and return it to the Purchasing Department.

Upon receiving the Sole Source Checklist / Waiver of Competition Form the Purchasing Department will review the checklist and inform you of its status.

Section 4.7 Standing Purchase Orders

A Standing Purchase Order is a Purchase Order that has been issued to a vendor for a specified period of time so that purchases can be made directly by the ordering department.

A Standing Purchase Order must be requested for a specific amount of departmental funds. When the standing Purchase Order is issued, the funds are encumbered upon the establishment. Outstanding encumbrances on standing purchase orders written against State Funds revert to the State at the end of the fiscal year, so request only sufficient funds to cover your anticipated purchases.

Standing purchase orders are issued for services and supply items.

- Service-related standing purchase orders such as copiers and other maintenance related items must be renewed on a fiscal year basis.
- Service requisitions should be renewed through Banner prior to the expiration of the contract.
- Items cannot be shipped against a Standing Purchase Order beyond the period indicated.
- Items cannot be shipped in excess of the dollar amount, without authorization from the Purchasing Department.
- Items are invoiced when delivered.

To establish a standing purchase order:

Complete one Purchase Requisition in Banner.

Purchasing Department creates a Purchase Order.

- If the order will exceed \$31,000.00 in annual expenditures, competitive bidding is required unless a sole source justification is approved, or the item will need to be on a State or UNC System Office Contract.
- Indicate on the requisition that it should be a “Standing Order”.

Contact the Purchasing Department:

- To increase the amount of a standing purchase order.
- To decrease the amount or terminate a standing purchase order.
 - Any remaining balance will be liquidated and returned to the ordering department to be used for other purposes.

Section 4.8 Emergency Purchases

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.

Emergency purchases more than \$100,000 must be approved by the State Purchase and Contract Division, if time permits, before the purchases are made.

The University is authorized to make emergency purchases not exceeding \$100,000 without following regular purchasing procedures. The Purchasing Department has the sole authority for entering into contracts to secure emergency materials.

1. Emergency requests for purchases should be sent to the Purchasing Department with an explanation of the reason for the emergency purchase.
2. The Purchasing Department will
 - a. Solicit quotations (if required).
 - b. Obtain approval of the State Purchase and Contract Division (if required).
 - c. Once approval is granted, department will need to process a requisition.

If the situation warrants, the Director of Business Services may approve the transaction and authorize the requesting department to place the order by telephone and then submit a Purchase Requisition the next business day or as soon as possible.

If the emergency occurs outside of normal business hours, the purchase may be made, and must be fully documented the next working day. The end use must process a requisition, submit a quote from vendor and provide documentation justifying the emergency purchase.

Section 4.9 Computer Hardware and Software Purchases

All computer hardware and software (including any peripherals) must be approved by the IT Department prior to purchase.

- Decide what type of items are needed
- Contact IT to obtain a quote from an approved State Contract / UNC System Office Contract vendor, if available, and authorization to proceed.
- Make purchase with P-Card, if P-Card eligible, and attach quote and authorization from IT to your Invoice or Complete a requisition in the BANNER System and forward your Quote and authorization from IT to the Purchasing Inbox for attachment to the requisition.

Section 4.10 Contractual Services

Contractual Services means work performed by an independent contractor that requires specialized knowledge, experience, expertise, or similar capabilities and does not primarily use State---owned equipment, or materials. For the purpose of clarification, this policy also designates equipment service contracts as contractual services and subject to these rules and regulations.

It is the general policy of the University to require competition when obtaining contractual services. The final

decision-making authority in regard to any phase of Purchasing or performance of any contractual service lies with the Director of Purchasing.

Instructions for Contracted Services

1. The department must complete the following:
 - a. Submit the Independent Contractor Certification Form 303 electronically for required signatures.
 - b. Submit the Professional Services Agreement (PSA) to vendor for signature.
 - c. Assure that funds are available to cover the total cost of the service.
 - d. Assure that the desired level of quality of the service is adequate and reasonable for the purpose intended.
 - e. Comply with all rules, regulations, and procedures.
 - f. Determine that obtaining the service is in the best interest of the University.
2. Once all parties have approved the Form 303, it is forwarded to the department which authorizes processing a Purchase Requisition via Banner. The form 303 and PSA should be sent to the Purchasing Inbox prior to the official start date of the contract.

Exceptions

The following types of services are exempt from regular purchasing procedures:

1. Services provided by individuals with direct State employment contracts.
2. Public utility services (gas, water, and electricity).
3. Telephone, telegraph, and cable services furnished by utility companies.
4. Services provided that are subject to published tariff rates as established by the Interstate Commerce Commission.
5. Contracts for construction of and structural changes to public buildings.
6. Personal services provided by doctors, dentist, attorneys, architects, professional engineers, scientists, or performers of the fine arts.
7. 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.
8. Any other service designated to be exempt by the State Purchasing Officer, or his authorized representative.

Section 4.11 Purchasing Used Equipment

Often companies will offer used equipment at special prices under new warranty conditions. Offers of this type are usually satisfactory. All used equipment should carry a warranty except those items purchased from State or Federal Surplus Property.

When a department needs used equipment:

1. Contact the Purchasing for approval.
2. Complete a requisition form on Banner and submit to Purchasing Department a quote for the used item from the vendor and a quote for an identical item that is brand new.
 - a. If the offer is competitive and subject to prior sale, Purchasing may approve immediate purchase.
 - b. Otherwise, a bid for used equipment will be issued.
3. Purchasing will issue a Purchase Order.

Section 4.12 Renting and Leasing Equipment

Lease agreements are for definite period of time, usually one to three years and cannot be cancelled during

the life of the lease. Most leases contain an option to purchase the equipment. If the equipment will be needed on a continuing basis, it is usually more economical to purchase the equipment, provided funds are available.

Rental agreements are like lease agreements, except those rental agreements which are normally for an indefinite period and can be terminated by the renter after giving notice – usually thirty days in advance. The cost of some equipment is so great that it may be more economical to rent on a continuing but indefinite basis.

Total dollar value of the rental or lease determines if competitive bidding is required.

1. All requests for renting and leasing should be forwarded to the Purchasing Department for review.
2. Once reviewed and approved by Purchasing, the agreement must be forwarded to the University General Counsel for review.
3. After University General Counsel approves, the agreement is then forwarded to the rental/lease company for signatures. The signatures must be original and then emailed to the Purchasing Office with a contract routing form, for signature routing.
4. Once all parties have signed, a copy of the agreement is sent to the end user. Purchasing will maintain the original agreement.
5. The end user will then process a purchase requisition via Banner Financial System.
6. The Purchasing Department will then process the purchase order.

SECTION 5 AFTER THE ORDER HAS BEEN PLACED

Section 5.1 Changes to Purchase Orders

When a Purchase Order is written in response to an offer by the vendor and is based on acceptable terms and conditions, it becomes a binding contract and cannot be broken by either party so long as both parties honor the terms and conditions of the agreement. To break or cancel the contract requires the consent of the other party.

When a Purchase Order is written to a vendor which is not based on a specific quote by the vendor, it does not become a binding contract unless the Purchase Order is acknowledged and accepted by the vendor in writing or shipment is made and accepted.

Changes to Purchase Orders must be approved by the Purchasing Department. Most vendors are willing to make reasonable changes to an order without penalty to the purchaser. Generally, only when a vendor has expended funds for fabricating special equipment or made shipment will a charge be made for changing or cancelling an order.

Any department desiring to make a change to a Purchase Order should advise Campus Purchasing Services, via the Purchasing Inbox, by email. The request for a change must include:

The Purchase Order number, vendor name, description of changes to be made, and supporting documentation.

- Examples: Item(s) no longer available, add shipping, increase/decrease price or quantity.

If the change request is acceptable to all parties, a Change Order will be issued. Copies of the completed Change Order are distributed to the department which received the original Purchase Order copy.

Section 5.2 Expediting, Follow up, and Transaction Inquiries

When a Purchase Order is placed with a vendor, the vendor must acknowledge receipt of the order and indicate an expected shipping schedule.

If the vendor does not acknowledge receipt of the Purchase Order or does not ship according to the estimated or quoted schedule, the issuing department contacts the vendor. Circumstances may require earlier expediting. This need should be noted on the Purchase Requisition.

Section 5.3 Merchandise Returns

No supplies or equipment should be returned to a vendor for whatever cause without first obtaining the vendor's permission and shipping instructions.

Departments desiring to return materials to a vendor should submit, in writing, to the Purchasing Department the fact that the merchandise was returned and the reason so that it can be denoted on the Purchase Order.

Some of the reasons that merchandise can be returned include:

- In-warranty or out-of-warranty repairs
- Incorrect or defective materials
- Over shipment

The financial responsibility will depend on the reason for the return.

Generally, when materials are defective, freight charges and other costs involved are the responsibility of the vendor; otherwise, the returning department is responsible for the cost involved.

Most vendors will charge at least 10% restocking fee when merchandise is returned as a result of an over-purchase or where the University erred in requesting materials.

SECTION 6 HOW TO PURCHASE

Section 6.1 **Printing**

Campus Purchasing Services is the only department that can issue a bid and authorize a purchase for any kind of printing. Strategic Communications should be contacted for business cards.

All stationary, business cards, forms, and envelopes must be printed through our preferred printer, Wallace Printing <https://www.orders-online.biz/~wallace/Custom/008/login/> .

Executive Business Cards are through:

Kelly Rule, Account Manager
230 Charlois Blvd. W-S, NC 27103
Direct: 336-778-7436
www.sharpeco.net

Campus Purchasing Services must bid any quote above \$31,000.00 out to at least three vendors including the preferred printer. Out of state ordering of any item that can be obtained in North Carolina is discouraged per legislative mandate 143-59.

Section 6.2 Refreshments

Food and refreshments are not an allowable expense utilizing State funds.

Certain discretionary accounts, grant, contract, or trust funds may allow these purchases.

Section 6.3 Repairs and Renovation to State-Owned Facilities

The Associate Vice Chancellor of Facilities Management is responsible for approving the need for repairs and renovations to all state-owned facilities.

A written approval statement from Facilities Management must accompany all Purchase Requisites that result in modification of any University property.

Section 6.4 Minor Construction and Building Repair / Renovation

Most minor construction, building repair, and renovations are handled through Facilities Management. The University requires any physical changes to buildings be approved by the Associate Vice Chancellor of Facilities Management. Facilities Management personnel must either perform the actual work or supervise work performed by contracted commercial companies.

- Service Requests must be sent directly to Facilities Management for an estimate of the cost and time involved for completing the work.
- Detailed specifications should accompany the request for the estimate.

If it is determined that the department shall absorb costs involved:

- Facilities Management returns an estimate to the department.
- After requesting department approves the estimate, Work Request is---sent to the Facilities Management, along with the specifications.

If Facilities Management determines that the work is to be performed by an outside contractor, they will forward a Purchase Requisition to Campus Purchasing Services.

Section 6.5 Office, Lounge and Institutional Furniture

The State maintains State Term Contracts for purchasing furniture for offices and lounge areas. All University furniture purchases should be from these contracts. If departments are in need of items not listed on State Contract, then they must contact the Purchasing Department to discuss alternatives for the purchase of the needed items.

The Purchasing Department has personnel to assist departments in navigating these State Term Contracts and should be contacted when assistance is needed.

SECTION 7 SERVICE CONTRACTS

Section 7.1 Repair of In-Warranty Equipment

Most equipment is warranted by the manufacturer for a period of time against faulty parts or workmanship. Such equipment is generally supplied with a warranty card which is completed and returned by the requesting department to the manufacturer as soon as the equipment is received. Unless this warranty card is returned promptly, some manufacturers will not recognize their liability for the repair or replacement of the equipment.

Generally, a manufacturer is responsible for replacement or repair with the freight prepaid, only if the defective equipment is returned to an authorized repair center. Sometimes the defective part is replaced at no charge. Replacement labor costs may be charged to the customer.

Usually, the University makes purchases from companies that have service centers or engineers in North Carolina and will perform repairs on location without charges.

- For in-warranty service performed on campus the department should contact the vendor and set up a service call.
- For in-warranty service performed off, the department should notify the Purchasing Department that the merchandise is being sent off site for repair to be noted on the Purchase Order.

Section 7.2 Repair of Out-of-Warranty Equipment

Manufacturer service repair of out-of-warranty equipment is paid for by the requesting department on a per call basis. The rates can vary greatly depending on equipment, time, etc. It is generally recommended that, if funds are available, equipment be carried under a maintenance contract.

On Campus Service

- For out-of-warranty service that is performed on campus, call department should contact a vendor and set up a service call.
- The department should submit a requisition for the repair – denoting on the requisition that it is an estimated amount for repair. It is important to remember that Bid Thresholds must be maintained during this process. If the amount is expected to exceed \$31,000.00, then a bid will need to be completed for the repair.
- The service technician should leave a work order / invoice with your department describing the provided services.
- The Purchase Order can then be modified to match the existing work order / invoice.

Off Campus Service

- For out-of-warranty equipment service that must be returned to the manufacturer or supplier for repair complete a Purchase Requisition in Banner and forward a completed Return Goods Notice.
- The Return Goods Notice should describe the nature of the problem and should indicate the name of the supplier and the Purchase Order number from the original purchase, if available. It should also include an estimated cost for repair and shipping instructions.
- The equipment to be returned for service will be picked up and returned to the company in accordance with the shipping instructions.
- Incoming freight charges will be paid by the company and added to the repair invoice.

SECTION 8 ASSET MANAGEMENT

Section 8.1 Surplus Property

UNDER NO CIRCUMSTANCES CAN STATE-OWNED PROPERTY BE DONATED. TO TRADE-IN, OR SALE TO ANOTHER ENTITY, PLEASE CONTACT PURCHASING TO OBTAIN APPROVAL FROM THE STATE SURPLUS PROPERTY OFFICE.

School equipment that is no longer needed by a department cannot be thrown away or discarded. If not transferred directly to another school department, all school equipment, regardless of cost, must be sent to the Surplus Property Office for disposal.

What is Surplus Property?

Surplus Property is defined as any property which a department or office determines is no longer needed to continue its operation. This encompasses all school property no longer in use by a department. Departments should transfer all property and equipment to Surplus Property as soon as it is determined that it is no longer needed. Surplus property may not be discarded, given away, or converted to personal use.

Order of Priority in Disposition

UNCSA has a priority for the disposition of all State-owned property. Surplus must be made available to other departments on campus. If it is not needed on campus, then it is made available to other State agencies, political subdivisions, or non-profit tax-exempt organizations within the state. Only after it has been thru these processes can it be sold to the public using the public bid system.

UNCSA Department Transfer

Surplus property which may be of value to another campus department may be transferred to that department using the Inventory Action Form. Once both departments have signed this form, it should be submitted to the Surplus Coordinator.

Available Surplus Property may be viewed online at UNCSA's Surplus Property Shop. A link is available on the UNCSA Purchasing Website.

Trade-In of Equipment

Some equipment, such as office machines may have a trade-in value on the purchase of new or similar equipment. When equipment is used for trade-in, the responsible department should submit a request to the Purchasing Department who must get approval from the State Surplus Agency. Once approval is received from the State Surplus Agency, the requesting department will be notified. A notation should be made on the Purchase Requisition detailing the equipment to be traded in.

How to Surplus Property and Arrange Pick-up

A Transfer/Surplus Property form must be completed **prior** to sending any items to our Surplus Property Warehouse **or** to another department. The Inventory Action Form must be signed by the Dean or Department Head - if the item is a Fixed Asset (no exceptions). The original surplus form needs to be emailed to the Surplus Property Inbox. Once the form is received, Warehouse staff will coordinate the pick-up with the requesting department.

Multiple items that do not contain a serial or model number may be listed on one Inventory Action Form when declared surplus property. For example, if you are sending 20 student chairs to surplus just put “20 student chairs” in the description.

Fixed Asset items and electronic equipment should be listed separately on the Inventory Action Form.

If you are delivering surplus directly to the warehouse, all necessary paperwork must be completed prior to scheduling an appointment to deliver items.

Recycle

Surplus is committed to recycling as many items for the UNCSCA campus as possible. We meet this goal by having items that are declared surplus available for other departments to use. We are currently recycling most of our electronic equipment. This helps keep obsolete and broken equipment out of our landfills.

Surplus Property Sales to the Public through Bids

Surplus property not needed by departments is listed with the State Surplus Property Agency in Raleigh, which advertises it for public bid. Interested parties may view bid sheets, states classifieds, vehicles list, and place bids online at <http://www.doa.state.nc.us/ssp/>.

SECTION 9 MISCELLANEOUS

Section 9.1 Year End Purchases

The University fiscal year is from July 1 – June 30.

- Lead time on many items is extensive, particularly for equipment; therefore, orders must be placed as early in the year as possible.
- Delivery must be completed before payment can be made for goods or service.
- Orders placed must be received and paid for prior to the end of the fiscal year in which they were budgeted.
- The Associate Vice Chancellor for Finance and Administration determines the cut-off date for year-end spending.

Section 9.2 Explanation of Expenditure Accounts and Fund Coding

When completing Purchase Requisitions, departments must indicate proper account numbers. For example: equipment must come from the equipment account, supplies from a supply account, etc.

If you have questions concerning budget codes, or if there is not a proper departmental account set up to cover your request, please contact the Director of Budget in Financial Services.