

SCHOOLCRAFT COLLEGE
18600 Haggerty Road, Livonia, Michigan 48152-2696

PURCHASING PROCEDURE

ARTICLE 1—PHILOSOPHY OF PURCHASING

The Purchasing Department is the College department responsible for procuring all supplies, equipment, material, and services necessary for the operation of the College and its various departments. Such procurement should be done at the lowest price commensurate with available quality.

Prices should be balanced against factors of quality, compatibility, quantity, service, and timing. The purchasing responsibility goes beyond the single act of making a purchase; it involves planning and scheduling, policy decisions, research and selection as to the material and to the service, as well as the source of supply, follow-up to insure proper delivery, plus inspection where needed to ascertain quantity and quality prior to acceptance.

The fundamental objectives of the purchasing program are summarized as follows:

- a. Maintain continuity of supply to support the educational program.
- b. Maintain a minimum investment in materials and inventory, avoid duplications, thus eliminating waste and obsolescence.
- c. Establish and maintain a standard of quality in materials based on suitability for use.
- d. Procure materials at the lowest cost consistent with quality and service required.
- e. Obtain maximum value for the purchase price.

It is the responsibility of the Purchasing Department to remember purchasing is not done solely for that department. Careful study and planning must be done to implement other phases of the educational program; therefore, ultimate responsibility for the type of materials to be bought must rest with those who use them and are responsible for the end results. In this sense, the "using departments" are in reality customers for the Purchasing Department. The "using department" is responsible for an accurate definition of the product and/or service

required; whereas the Purchasing Department is responsible and has authority for the selection of the vendor.

When the Purchasing Department has been advised a need exists, the following purchasing privileges are maintained within the department for fulfilling the need:

- a. Selection of the supply source.
- b. Establishing and maintaining contacts with vendors and their representatives prior to and after issuing contracts or purchase orders.
- c. Complete jurisdiction of the commercial aspects of the purchasing contract or purchase order.

In the foundation for successful buying, the educational welfare of the student is the foremost obligation—plus the understanding, confidence, and cooperation among all concerned participants.

ARTICLE 2—STAFFING AND ORGANIZATION

SECTION A—DIRECTOR OF PURCHASING AND BUSINESS OPERATIONS

The Director of Purchasing and Business Operations, under the direction of the Vice President and Chief Financial Officer, shall have immediate and direct jurisdiction over the College purchasing function including leases. He/she shall review and evaluate purchasing procedures periodically.

SECTION B—DIRECTOR OF PURCHASING AND BUSINESS OPERATIONS

- 1) The Director of Purchasing and Business Operations shall be under the direct supervision of the Vice President and Chief Financial Officer.
- 2) The Director of Purchasing and Business Operations shall continually strive to meet the following objectives:
 - a) To solicit a reasonable number of bids or quotations whenever feasible and/or use group purchasing organizations (GPO) already competitively bid contracts.
 - b) To establish and maintain good College/vendor relationships.
 - c) Minimize costs of purchasing, warehousing, and distribution.

- d) Maintain a reasonable inventory of the most frequently used supply items on the campus.
- e) Maintain a supply of spare and replacement parts consistent with College requirements.
- f) Establish and maintain efficient property management practices.
- g) Conduct the purchasing function in accordance with sound business practices, to insure a sound financial trusteeship and to promote a reputation of complete honesty and reliability.

ARTICLE 3—RESPONSIBILITY

SECTION A—PURCHASING AUTHORITY

The Purchasing Department has been delegated the authority to commit College funds for supplies, material, movable equipment, and services. Prior to commitment, such funds must be officially budgeted and available as "unencumbered" for expenditure. All other purchases made by individuals will be considered personal orders and not College obligations.

SECTION B—SPECIFICATIONS

The Purchasing Department shall identify for the vendor (in terms of a reasonable description/specifications) the type of material or service to be purchased. This guarantees that the material or service purchased is suitable for the College operation.

SECTION C—DETERMINE METHOD OF PROCUREMENT

The Purchasing Department shall procure by outright purchase, quotation, or bid (whichever method, in the opinion of the Director of Purchasing and Business Operations, is to the best advantage of the College and within the Purchasing Policy No. 5110 as adopted by the Board of Trustees), in order to secure the best possible materials and services at fair prices.

SECTION D—ISSUANCE OF PURCHASE ORDERS

The Purchasing Department shall commit College funds designated for movable equipment, supplies, services, or materials through the issuance of College purchase orders, except as noted in Article 5 of this document.

SECTION E—RECEIVING

The Purchasing Department shall receive all supplies and materials through the Receiving Dock (certain exceptions are listed in Article 5) and shall maintain a minimum warehouse operation for storage and distribution of office, instructional, and maintenance supplies which are used consistently by College departments.

SECTION F—PROPERTY CONTROL AND RECORDS

Business Services shall maintain inventory records on all capital assets. Such records will show, among other items, the following information: department budget center, building, vendor, fund, year of purchase, quantity, description, serial number, purchase order number, and cost at time of purchase.

SECTION G—CAPITAL PROPERTY DEFINED

Capital assets are all movable properties of a permanent nature. The term excludes items which are consumed or used up in normal operating functions and excludes land, buildings, and library books which are capitalized elsewhere.

In order to qualify as a capital asset and be purchased from a 2800 series account number, an item must have a minimum cost of \$1,000 and meet the following conditions:

- 1) Substantially retains its original shape and form.
- 2) The item has a useful life of more than three years. (See Procedure 5110.14 for detailed description.)

ARTICLE 4—BASIC CONSIDERATIONS

SECTION A—QUOTATIONS AND BIDS

- 1) The Purchasing Department shall use its best judgment in procuring materials and services at the fairest prices and shall maintain the prerogative (within policies) to buy outright, to secure quotations, use group purchasing organizations (GPO) already competitively bid contracts or call for bids—whichever method in the opinion of the Director of Purchasing and Business Operations serves the best advantage of the College.
- 2) The College welcomes all vendors to submit bids and quotes as long as they can meet the specifications of goods or services required by the College.

- 3) Purchasing will use the State of Michigan buying contract when lower prices for the specified goods and services are not available from other vendors.
- 4) The College will advertise for bids when major construction or remodeling contracts equal or exceed \$1,000,000.

SECTION B—BID LIMITS

- 1) Whenever multiple sources make it possible and feasible, competitive prices are to be secured.
- 2) Contemplated purchases of \$30,000 or more shall be procured through sealed bids if multiple sources are available, and purchases will be awarded by the Board of Trustees.
- 3) Purchase orders in amounts of \$20,000 to \$29,999 will be reported to the Board of Trustees each month as information items.
- 4) Generally purchases of more than \$10,000 but less than \$40,000 will be secured by written quotations, emailed, faxed or sealed bids.
- 5) Minor purchases of \$10,000 or less may be purchased at the discretion of the Director of Purchasing and Business Operations from the list of registered suppliers.
- 6) Travel payments for student groups where the College acts as a fiduciary agent will not require Board action.
- 7) Certain other expenditures, by their nature, will not require Board action, such as: utilities, items purchased for resale in the Bookstore, food purchased by Culinary Arts or Food Service, library books, contracted instruction, and maintenance agreements/renewals for software and equipment.

SECTION C—SUPPLY SOURCES

Selection of the supply source (vendor) shall be a matter left to the discretion of the Director of Purchasing and Business Operations.

SECTION D—BUDGET LIMITATIONS

In no case are purchases to be made if they exceed the budgeted funds available.

ARTICLE 5—PROCEDURES

SECTION A—REGULAR COLLEGE PURCHASING PROCEDURE

- 1) Any employee, with the approval of his/her immediate supervisor, may originate a requisition for the purchase of supplies, materials or services.
- 2) Such requisitions must be approved by the appropriate administrator. Requisitions exceeding \$500 must have an executive administrator's approval. This approval indicates that the item or service is needed, is appropriate, and has budget allocations.
- 3) When the Purchasing Department issues a purchase order in accordance with policies covered in this manual, funds will be encumbered.
- 4) All materials ordered will be received at the Receiving Dock and processed in accordance with policies covered in this manual and delivered to the originator of the requisition.
- 5) The originator must sign for receipt of all materials delivered. Deliveries must be coordinated with the scheduled work hours so deliveries are properly received and acknowledged.
- 6) The receiving personnel will forward all receiving documents, including delivery receipt, to Accounts Payable for payment.

SECTION B—PURCHASING FOR BOOKSTORE

The Bookstore Managers are authorized to issue special purchase orders for all resale items in accordance with procedures recommended by the Director of Purchasing. (Refer to Article 5, Section A, of this Procedure.)

Equipment, furniture, and operating supplies must be ordered through the Regular College Purchasing Procedure.

SECTION C—PURCHASING FOR FOOD SERVICE/CULINARY ARTS

The Executive Chef, Banquet & Catering Services and the Culinary Arts Department Chair are authorized to purchase all items for resale (foods and operational) under a special procedure approved by the Director of Purchasing and Business Operations. These purchases are delivered directly to the food receiving areas and do not require regular College purchase orders. The following is illustrative and not necessarily inclusive:

- 1) Foods, supplies, materials
- 2) Custodial supplies; i.e., soaps, cleaning supplies and disinfectants
- 3) Laundry and miscellaneous related expenses

All other purchases will be obtained through the Regular College Purchasing Procedure. (Refer to Article 5, Section A, of this Procedure).

Office supplies may be ordered by the Warehouse Requisition Procedure as defined in Section F. (Refer to Article 5, Section F, of this Procedure).

SECTION D—PURCHASING FOR LIBRARY

The Learning Resources Department is authorized to purchase:

- 1) Library books
- 2) Rental audio visual materials; i.e., films and tapes
- 3) Catalog cards
- 4) Subscription renewals

The above are purchased directly from approved vendors by issuing confirming purchase orders and approving all vendor invoices before payment.

All other supplies and equipment will be obtained through the Regular College Purchasing Procedure. (Refer to Article 5, Section A, of this Procedure).

SECTION E—PURCHASING THROUGH ANNUAL ORDERS

- 1) Common well-established and defined instructional, office, and operational supplies (and in some cases equipment) may be ordered on a scheduled annual basis by the Purchasing Department.
- 2) Formats and calendars for annual orders will be developed by the Purchasing Department after carefully considering (among other things) the most economical ordering lot, the annual volume needed, levels of existing inventories, acceptable descriptions and/or standards, and availability of storage space.
- 3) The items to be included in these annual orders will be determined by the Purchasing Department in consultation with the ordering departments.

- 4) Annual Orders will be formulated by common areas or grouping. Illustrations of these common areas are: chemicals, scientific glassware, paper goods, stationery items, art supplies, waxes and cleaners.

SECTION F—WAREHOUSE REQUISITIONS

- 1) A catalog of all available stock material will be established and maintained by the Purchasing Department. Minimum levels will be established by the Purchasing staff.
- 2) The warehouse will distribute supplies upon proper requisition to the various departments of the College. The warehouse will be operated by the appropriate personnel, under the direction of the Executive Director of Facilities Operations. Perpetual stock records shall be maintained at the warehouse.
- 3) All distribution of supplies and materials from the warehouse to the various departments on campus will be made not less than three (3) times weekly, according to the posted work schedule of the Receiving Department, and all supplies and materials must be signed for at the time of delivery.
- 4) The Shipping & Receiving Operations Supervisor or his/her designated agent shall be responsible for the checking and inspecting of all materials received at the Receiving Dock. Notification will be sent to the Purchasing Department of all damaged and unacceptable materials upon receipt, and they, in turn, must notify the requisitioning department of the nature and length of delay.
- 5) The Shipping & Receiving Operations Supervisor shall work with the Inventory Supervisor to record capital property on the proper records.

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