

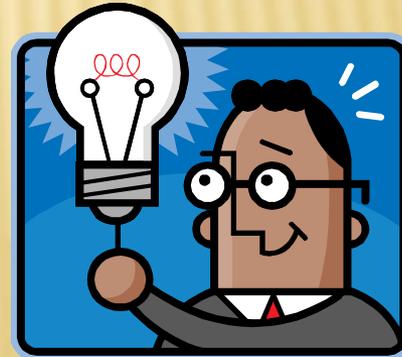
The Purchasing Process from Cradle to Grave

# **ACC PURCHASING 101**

January, 2015

# PURPOSE

- ✘ To ensure compliance with State of Colorado Fiscal Rules, Procurement Code, Personnel Rules, System Policies and Procedures
- ✘ To ensure that every procurement is documented accordingly
- ✘ To abide by the State of Colorado Code of Ethics
- ✘ To work smarter not harder



# PROCUREMENT CODE & LIABILITY OF EMPLOYEES



## ✘ COLORADO PROCUREMENT CODE

- ✘ Articles 101 and 112 of Title 24, Colorado Revised Statutes and the Procurement Rules promulgated there under govern all procurements, except architectural and engineering consultant contracts, done on behalf of Arapahoe Community College.

## ✘ Please note: CRS 24-109-404. LIABILITY OF PUBLIC EMPLOYEES.

- ✘ IF ANY GOVERNMENTAL BODY PURCHASES ANY SUPPLIES, SERVICES, OR CONSTRUCTION CONTRARY TO THE PROVISIONS OF THIS CODE OR THE RULES PROMULGATED PURSUANT THERETO, THE HEAD OF SUCH GOVERNMENTAL BODY AND THE PUBLIC EMPLOYEE, WHICH FOR THE PURPOSES OF THIS SECTION INCLUDES ELECTED OFFICIALS, ACTUALLY MAKING SUCH PURCHASE SHALL BE PERSONALLY LIABLE FOR THE COSTS THEREOF. IF SUCH SUPPLIES, SERVICES, OR CONSTRUCTION ARE UNLAWFULLY PURCHASED AND PAID FOR WITH STATE MONEYS, THE AMOUNT THEREOF MAY BE RECOVERED IN THE NAME OF THE STATE IN AN APPROPRIATE CIVIL ACTION.
- ✘ DO NOT PLACE ANY ORDER FOR GOODS OR SERVICES WITHOUT A COMMITMENT/ENCUMBRANCE DOCUMENT. ORDERS FOR GOODS MAY NOT TAKE PLACE OR SERVICES MAY NOT BEGIN UNTIL THE PURCHASE ORDER HAS BEEN ISSUED BY PROCUREMENT.
- ✘ PLAN ACCORDINGLY AND ALLOW ENOUGH TIME TO COMPLETE THE PURCHASE ORDER PROCESS.

# 3 PHASES IN PURCHASING

- ❑ **Planning:** What questions should you ask yourself?
  - Types of purchases: Travel, goods, services
  - Rules and requirements
  - Back-up documents
- ❑ **Execution:** Processes
  - Purchase Requisitions
  - Payment Authorizations for Services
  - Solicitations
  - Allow plenty of time.
- ❑ **Payment**
  - Invoices
  - PCards



# IS THIS PURCHASE TRAVEL RELATED?

- ✘ Travel related purchases would be placed on a travel card, not a P-Card
- ✘ Individuals pay the Travel Card bill and then submit a Travel Expense Reimbursement form.
- ✘ Travel Forms are available on MYACC
- ✘ Submit Approved Travel Authorization form to Fiscal Services.
- ✘ No personal purchases permitted.
- ✘ Subject to Fiscal Rule 5-1
  - + Meals generally not allowed for single day travel



# PLANNING – IS THIS PURCHASE IT RELATED?



- ✘ All IT related purchases must be made through the IT department
  - + Includes software, hardware, keyboards, iPads, computer accessories and peripherals
- ✘ Include as much detail as possible – software version, make, model
- ✘ IT will either
  - + Generate a PR for the order, bring to you for signature, and process the order
  - + Send an email as approval for you to place the order. Be sure to attach a copy of the approval as backup.
- ✘ Submit a request by contacting the IT Tech Support Manager, ext 5241

# PLANNING

- ✘ General considerations
  - + Do I have the authority to purchase?
    - ✘ I am Org code owner or have delegation
  - + Do I have the approvals I need?
    - ✘ Email approval for non-delegated orgs
  - + Are sufficient funds available?
  - + Am I getting a fair, reasonable price?
  - + Am I buying goods or services?



# PLANNING

- ✘ How much am I spending?

	< \$5,000	>\$5,000	> \$10,000	>\$25,000
Goods	PCard or Pay Direct	Purchase Req	Need to bid	
Services	Personal Svcs/HR forms	Purchase Req		Need to bid

- ✘ Plan ahead, Contact Purchasing for Bidding.
- ✘ State Awarded Price Agreement may be used in lieu of a formal solicitation (bid). Check State Price Agreements.

# PLANNING – GOODS VS. SERVICES

- ✘ What is a good (aka commodity)?
  - + A material manufactured product.
  - + Includes off the shelf software, office supplies, cleaning supplies, groceries, furniture, lab equipment, tractors, etc.

# PLANNING – GOODS VS. SERVICES

## ✘ What is a service?

- + Anytime you ask a person to do something for you.
- + A purchase can begin as a good and end up as a service: For example; Design and build special cabinets, including parts and materials needed to build and install the cabinets.
- + Includes advertising, repairs including parts, printing, catering, background checks, repair work.
- + Web based services for research, information storage.

# PLANNING – INDEPENDENT CONTRACTORS VS EMPLOYEES

## ✘ Employees

- + Perform duties dictated or controlled by others.
- + Receive state resources/tools to perform the work
- + Are given training for work to be done.
- + Work for only one employer.
- + Receive benefits such as insurance, pension, paid leave.



# PLANNING – INDEPENDENT CONTRACTORS VS EMPLOYEES

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- × Independent Contractors
- × ACC does not direct or control how work is done.
- × Operate under a business name.
- × Invoice for work done - Paid on a fixed or contract basis.
- × May have more than one client.
- × Control the business aspects of their business
  - + Have their own tools and sets their own hours (ACC does not provide telephone or computer)
  - + Keep their own business records
  - + Supply their own supplies and services
  - + Pay their own expenses
  - + Provide their own workers comp and unemployment insurance
  - + May realize a profit or incur a loss

# INDEPENDENT CONTRACTOR OR EMPLOYEE?

## ✘ PERA RETIREES

- + Are the duties the same or similar to the duties carried out prior to retirement?
- + Are they within 6 months of the date of retirement?

If yes to either of these questions they are an employee and must be a 9 month temp or part-time permanent position!

Contact HR for guidance



# ACC COLLEGE EMPLOYEE

- + Permanent employee or temporary adjunct?
- + Performing same or similar duties?
- + Prior college or system employee (duties, length of separation)?

**Probably an employee and if currently employed an MOU is required.**

**If project/work is to be completed over multiple fiscal years – complete separate MOU for each fiscal year**

## MOU NOT REQUIRED (Contact - HR for guidance)

Person performing the work	Action Needed	Process to use
Temporary employee, part-time employee, instructor (adjunct) of CCCS system office or college	Hire the person as an employee	Personnel Requisition
Faculty or full-time employee hired as adjunct/ instructor.	Hire the person as an employee	Personnel Requisition
Employee of an independent business	Hire the business	Purchase Requisition & Personal Services Agreement/Certification Process
Person who meets definition of an independent contractor	Hire as contractor	Purchase Requisition & Agreement/Certification Process

# PLANNING – WHAT DOCUMENTS DO I NEED?

- ✘ W-9 Tax Identification Number
  - + Required to have on file for ALL vendors except P Card purchases.
  - + A W-9 is required when using a vendor or individual contractor for the very first time. The W-9 form is available on MYACC website. Many vendors have a completed form they will send upon request.
  - + Sole Proprietors, Individuals and Single-owned businesses– will need to complete the Affidavit of Illegal Alien Status Form and sign Independent Contractor Exhibit
  - + M/WBE (Minority/Women Business Enterprise) information is preferred for our state reporting - but not required
  - + If you have a foreign vendor, contact Purchasing before processing the transaction

**Request for Taxpayer  
Identification Number and Certification**

**CCCS**  
Give form to the  
requester. Do not  
send to the IRS.

Legal Name

Business name, if different from above

Check (1) Legal Entity:

Individual/ Sole Proprietor     Corporation     Partnership     Other   
 LLC filing as Sole     LLC filing as Corporation     LLC filing as Partnership     Exempt from backup withholding

Address (number, street, and apt. or suite no.)

City, state, and ZIP code.

List Account number(s) here (optional)

Provider of Medical Services?     Yes     No

Provider of Legal Services?     Yes     No

Phone Number:

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Social Security number								

Note: If the account is in more than one name, see the chart on page 3 for guidelines on whose number to enter.

Employer identification number								

**Part II Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 3.)

Sign Here      Signature of U.S. person      Date

**Minority and Women-owned Businesses (M/WBEs) Self Certification (Please check all boxes that apply)**

In an effort to track levels of participation by women and minorities doing business with the State of Colorado, the following information is requested. Please indicate the appropriate category of ownership for your company. "Owned" in this context means a business that is at least 51 percent owned by an individual(s) who also control(s) and operate(s) it. "Control" in this context means exercising the power to make policy decisions. "Operate" means actively involved in the day-to-day management. If your business is jointly owned by both men and women or is a large publicly held corporation, please check the box labeled "Not Applicable."

Gender Information:

Female-Owned     Male-Owned     Not Applicable

Owner Ethnicity Information

African American     Asian/Pacific American     White (non-Hispanic)     Not Applicable  
 Hispanic American     Native American     Other

Small Business Information

Small Business (a business that is organized for profit, is independently owned and operated, and has 25 or fewer full time equivalent employees.)  
 Yes     No

# PLANNING-PURCHASE REQUISITIONS(PR)

- ✘ PURCHASE ORDERSs must be in place before the purchase.
- ✘ Goods
  - + PR is required for purchase order processing, and mandatory for purchase \$5,000 and above.
  - + Purchase less than \$5,000 may use Direct Pay Authorization Form or Pcard (within P Card rules and dollar limits). Include invoice and FOAP.
  - + Complete PR including quantity, unit cost, item description, FOAP, vendor contact info with email address.
  - + Attach any applicable quotes, SOWs, and approvals
  - + PR signed by appropriate ORG owner and delegated authority according to the amount of purchase.
  - + Be sure to include complete shipping info.



# PLANNING-PURCHASE REQUISITIONS (PR) CONT

## × Services

- + Complete all PR boxes and fields including vendor contact info with email address
- + Provide full FOAP, including org code and commodity code.
- + Call Purchasing if you aren't sure of the correct commodity code. A list of commodity codes is located on MYACC.
- + Perkins – when using roll forward dollars, must obtain sign off from Fiscal Services.
- + Follow HR approval process and review for services prior to submitting purchase request to Purchasing.

# PLANNING-PURCHASE REQUISITIONS (CONT)

- ✘ Services (con't)
  - + Consider how the vendor will be paid
    - ✘ Regular POs – quantity times rate. For example, Vendor will bill by the hour at a rate of \$x.xx, and/or deliverables (completed phases of a project, final report, etc).
    - ✘ Standing POs – billing amount fluctuates. For example, Vendor bills for multiple phases at different rates. Remember, the PO amount is a not too exceed amount. Payment is tied to actual goods or services received. Commonly used for services provided by the same vendor throughout the fiscal year or specified period of time.
    - ✘ When submitting purchase requisitions, attach all relevant documents. Approvals must be signed by the ORGs authorized approver based on dollar amount and signature authority. Blanket POs can be set up for frequently used vendors – A bid is required over \$25,000 within the fiscal year.
    - ✘ Catering does not require a separate PR submission

# PLANNING – WHAT DOCUMENTS DO I NEED?

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- ✘ Scope of Work (SOW) – used for services and attached to the PO as an exhibit.
  - + Used to set out the details of the work to be performed in the absence of a formal contract. Fill in the sections summarizing the work being performed, timeline, billing and payment information.
  - + Includes PERA Retiree certification
  - + Includes payment and billing details
  - + Travel expenses are not normally included for independent contractors, however, the SOW should indicate travel must have prior approval by the Org's contact person.
  - + Advance payments (deposits) are considered to be a risk to the State and ACC. However, Fiscal Rules do allow for advance payment under certain situations. Typical advance payments outlined in Fiscal Rules may be; insurance, maintenance agreements, software licenses/maintenance, and deposits for guest speakers. Other advance payment requests must have Fiscal Services approval.

Scope of Work

Name of Contractor (Person or Agency Rendering Service):

Address:

Phone:

Email:

The following section must be completed by Contractor:

1. Is the Contractor currently employed at ACC, CCCS, CCCCOnline, or at any of CCCS's community colleges? \_\_\_\_ Yes \_\_\_\_ No  
1a: If yes, where? \_\_\_\_\_ Note: A MOU must be completed if contractor is employed at any of the State Community Colleges and payment will be made by the appropriate college through the CCCS payroll system. If employed at CCCS, MOU not required.
2. Has the Contractor previously been employed at ACC, CCCS, CCCCOnline, or at any of CCCS's community colleges? \_\_\_\_ Yes \_\_\_\_ No  
1a: If yes, where? \_\_\_\_\_ Dates: \_\_\_\_\_
2. Is the Contractor a PERA retiree? \_\_\_\_ Yes \_\_\_\_ No  
2a: If yes, is the Contractor either a sole proprietor/individual or employed by a business entity that is owned or operated by a PERA retiree? \_\_\_\_ Yes \_\_\_\_ No Note: If yes to 2a, purchase requisition must include a completed, original Retiree Working for a PERA Employer form. Once work begins, each individual invoice submission must include a Disclosure of Compensation form.

The Contractor is required to produce in a satisfactory manner the following:

As full payment for services rendered, the contractor shall be paid:

Proposed Travel Expenses must be approved by the Fiscal/Purchasing Department before the SOW is signed by the Department Dean/Director. Reimbursement for travel expenses, if approved, must be consistent with applicable IRS and Colorado State Travel and Fiscal Rules and must receive prior approval by the System Designee. (Any approved mileage will be reimbursed at the current state rate of \_\_\_\_ and is subject to change to match the prevailing state rate at time of invoicing. Any other approved travel expenses will be reimbursed upon submission of an invoice including original itemized receipts, not to exceed the established Colorado State per diem rates in effect at the time of invoicing.)

Expenses that will be considered for reimbursement:

By signing below, Contractor agrees to perform described services for the agreed upon price and to the terms and conditions on the reverse side of this document.

Payment request should be submitted by monthly invoice to:

\_\_\_\_\_  
Typed/Printed Name of Contractor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Last 4 digits of SSN

\_\_\_\_\_  
AND

\_\_\_\_\_  
S# OR Tax ID #

\_\_\_\_\_  
Department Dean/Director Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# PLANNING – WHAT DOCUMENTS DO I NEED (CONT)?

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## ✘ Personal Services Contract Review

### ✘ CONTRACT PROCESS AND REQUIREMENTS

- + Departments must insure compliance with all personal services review requirements. This includes developing plans that identify how the internal review process will be conducted and having processes in place to ensure compliance with statutory requirements and the Director's Rules.
- + Departments must have at least one HR professional with a certificate in the Personal Services Contracts modules of the Personnel Certificate Program to conduct personal services reviews.
- + The review includes all contracts, purchase orders, and solicitations
- + An HR professional must ensure completion of all personal services documents, such as certification forms and pre-approvals.

# PLANNING – WHAT DOCUMENTS DO I NEED?(CONT)

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- ✘ Personal Services Agreement Form
- ✘ Personal Services Waiver
- ✘ PERA Retiree Questionnaire for Personal Services Contracts
- ✘ Exhibit C - Independent Contractor – used for services
  - + Required by Attorney General's office to aid in differentiating independent contractors from employees
  - + Required for all single entity owners regardless of dollar amount – could include LLCs and corporations
  - + New Exhibit is required for each PO issued – cannot be kept on file and reused
  - + \*if no Purchase Order, then the exhibit is signed and kept of file.

# PERSONAL SERVICES AGREEMENT (PSA) FISCAL SERVICES REVIEW PROCESS

- ✘ Single and multiple engagements of an individual providing services on campus (Speakers, Instructors, Presenters, Consultants, etc) must have HR review and approval **BEFORE** submitting to Fiscal Services.
  1. Complete and sign the Certification of Personal Services Agreement\* for the fiscal year (through June 30), or for single engagements. When submitting the PSA for the fiscal year, and the total amount is unknown at the beginning of the fiscal year, then provide a reasonable estimate.
  2. Include the Personal Services Waiver\* and note the waiver condition that applies to services being performed. Waiver may not apply to all services.
  3. Complete SOW\* form for contractor signature.
    - ✘ For classes by semester(s), list all known dates, and rate of pay, for each date (e.g; \$75 per class or \$25 per hour). When adding dates submit an “AMENDED” SOW within the same FY. If the initial PSA approved by HR does not reflect the additional dates being scheduled, then submit an amended PSA to HR for approval. Reference the amended PSA and SOW by the assigned HR log-in number or Purchase Order number.
  4. Independent Contractor Exhibit (IE)/Illegal Alien Affidavit
    - ✘ SOWs and PSAs submitted to HR and Fiscal Services/Procurement must use the SOW with Terms and Conditions on the back of the form signed by the contractor.

# PLANNING – PERSONAL SERVICES REVIEW (CONT)

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## 5. Contractor Services less than \$5,000 per FY:

- + PSA packet including SOW w/Terms and Conditions approved by HR may be submitted for direct pay authorization, with invoice and approval to pay. Should the dollar amount exceed \$5,000 within any given FY, then submit as a purchase request for purchase order processing. Fiscal Rules require the purchase order be in place **BEFORE** work may begin.
- + Procurement will file the PSA by the number HR assigned to the initial PSA packet for the period covered by the PSA and approved by HR.
- + After the contractor has performed, then submit an approval to pay with invoice to Fiscal Services. Submit as a Direct Pay Authorization with approved PSA (single engagements) or reference the PSA log in number (multiple engagements) and invoice.

## 6. Contractor Services over \$5,000 per FY.

- + If the dollar amount will exceed or is anticipated to exceed \$5,000 within the FY, then a purchase order is required. Submit a purchase requisition, SOW and approved PSA packet. Invoices may be submitted following the date of performance with approval to pay and reference the PO#.
  - × \* Documents located on MYACC/employees/purchasing .

# PLANNING – PERSONAL SERVICES REVIEW (CONT)

## ✘ Waiver of Personal Services Review

- + HR administrators may issue internal personal services review waivers, in accordance with C.R.S. 24-50-511, for services provided that a detailed analysis is conducted that demonstrates his or her knowledge of the department's contracting activity.
- + Departments must document this process and any personal services review waiver issued internally must be submitted to HR for review prior to execution.

## ✘ Types of Services Included on the Waiver

- + Catering/Coffee Services
- + Internet/Cell Phone
- + Temporary Services
- + Advertising
- + Guest Lecturer
- + Consultants
- + Construction
- + Building and Grounds Services



# PLANNING – WHAT DOCUMENTS DO I NEED (CONT)?

- ✘ Unauthorized Immigrant Certification – used for services
  - + State Requirement under CRS 24-76.5-101
  - + Required for all “public contracts for services” including POs
  - + Internal policy is to require the form for all individuals/sole proprietors
  - + Only need to submit once - Certification forms are kept on file for future use

# PLANNING – WHAT DOCUMENTS DO I NEED?



## ✘ Insurance

- + State requires certain levels of insurance
- + Risk based assessment – what is our level of risk when purchasing services?
  - ✘ High risk – trades people, IT related
  - ✘ Low risk – caterers, off-site consultants/contractors, guest speakers
- + Purchasing department will assist with a risk assessment.

# PLANNING - VENDOR AGREEMENTS

- ✘ The State Controller and Fiscal Rules prohibit signing Vendor Agreements that may conflict with State terms and conditions required by Statute and Fiscal Rules.
- ✘ However, Vendor Agreements may be incorporated into a Purchase Order as an exhibit, and after thorough review of vendor terms and conditions. Check with Purchasing for review of Vendor Agreements.

# PLANNING – PRICE AGREEMENTS

- ✘ Is there a State Awarded Price Agreement for this purchase? <https://www.colorado.gov/pacific/dfp/price-agreements>
- ✘ Office supplies, cleaning supplies, computer software and hardware, toner and ink cartridges, paper, temp services
- ✘ Colorado Corrections Industries (CCI) may be contacted for office furniture. Alternatives may be considered when CCI is unable to meet the need or competitive pricing.
- ✘ Price agreements were solicited and may be used for any purchase amount. For services, follow the HR process.
- ✘ PO still required for purchases over \$5,000 for the fiscal year.

# PLANNING – OFFICIAL FUNCTIONS

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- ✘ Official Functions
- ✘ Official Function form and approval required for purchases of food and refreshments served at staff functions and meetings.
  - + An Official Function approval should be submitted to the Fiscal Services Department **two weeks** prior to the function date. Approval from a Dean, Officer, Vice President or President should be documented on the form prior to submission to Fiscal Services.
  - + If revision is needed, make changes on a copy of the original, mark it as a revision, submit to Fiscal Services for final approval at least 2 weeks prior to the event.
- ✘ May be goods or services – Catering, or snacks purchased at the grocery store.

# OFFICIAL FUNCTIONS FORM

Submit Form to – Fiscal Services after obtaining required Org approvals



## Official Function Form

*For All Food Purchases*

Please contact the Fiscal Services Department at x5641, with questions about this form and how to fill it out.

Accounting Use Only:  
 Authorization #1 - \_\_\_\_\_  
 Official Function:  Training Function:

Requesting Individual:		Date of Event:
Event Location:		Start Time:
Type of Event/Meeting:		End Time:
Department:	FOAP:	
Vendor Name:		

Please refer to the Official Function and Training Function Policy located on myACC.

**General Information About the Event:**

1. Explain business purpose and justification for the event. State Fiscal Rule 2-1 states that "All expenditures by state agencies and institutions of higher education shall meet the following standards of propriety. 01 Are for official state business. 02 Are reasonable and necessary under the circumstances."
  
2. Estimated Total Number of People Attending:
 

a. From ACC:	c. Outside Organizations/Agencies:
b. Other CCCS Colleges:	d. Board Members:
  
3. Estimated Total Costs (Include Labor and Delivery) of the Event (Attach quote if available):
 

a. Amount of Meal Per Employee (Cannot exceed State's allowed per diem rate per meal – Breakfast \$11.00, Lunch \$16.00, Dinner \$34.00):	
b. Amount of Meal Per Non-Employee:	

How payment for event be issued? :  P-Card     Direct Pay A/P     Reimbursement

**Upon completion of the event, route this signed form along with the following items to the Fiscal Services Office:**

1. List of attendees.	3. Original Receipts
2. Meeting/Training Agenda	4. Direct Pay Form

**Requesting Individual's Certification**

By checking this box I am certifying that I have read and understood the terms specified in the Official Function Policy AND that the activity being requested meets the criteria outlined in the Policy.

Requestor's Signature	Printed Name	Date
<b>Approvals</b>		
President/VP/VPAS/Officer/Dean Signature	Printed Name	Date
Accounting Authorization Number Sent By:	Printed Name	Date

Fiscal Services Form, Update 10/29/13

# FISCAL'S PROCESS

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- ✘ Purchase request is reviewed for compliance with procurement and ACC guidelines; including appropriate forms completed and signed, and any other prior approvals necessary to proceed with the purchase.
- ✘ Check for required documents – follow up with requestor or vendor as needed
  - + W-9
  - + Purchase Requisition
  - + Scope of Work
  - + PSA
  - + PERA Retiree information & forms
  - + Unauthorized Immigrant Certification
  - + Exhibit C – Independent Contractor
  - + Certificate of Insurance

# FISCAL'S PROCESS (CON'T)

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- ✘ Check for appropriate org and commodity code
- ✘ Check that the approver has appropriate authority/delegation for the dollar amount
- ✘ Obtain sign off from **Fiscal Services** for use of Perkins funds
- ✘ HR approval for personal services

# FISCAL'S PROCESS (CON'T)

- ✘ Can a Direct Pay Authorization be submitted for payment when no purchase order is required?
  - + Direct Pay Authorization form is signed by the Org's approver(s) and submitted to Accounts Payable with the correct FOAP, and original invoice for direct pay.
- ✘ Is a PO required?
  - + Submit completed Purchase Requisition with required documentation to Purchasing for Purchase Order processing.
  - + POs are scanned and emailed to both the vendor and the requestor

# PAYMENTS



- ✘ General requirements – all types
  - + Sign off on invoice as “received” and “okay to pay”(include PO#).
  - + Check to be sure that the vendor’s math is correct and that the bill amount is correct (as agreed)
  - + Provide org and commodity code if no PO or Authorization is attached
  - + Be sure all necessary back up documents and invoices are attached – could be approved Official Function, Catering Authorizations, list of attendees for meetings

# PAYMENTS (CON'T)

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## ✘ Purchases on a PO

- + Check that the billing method matches the PO (regular or standing)
- + Break down invoice by line, if needed
- + Attach copy or reference the PO# on the invoice – each time an invoice is submitted for payment against a purchase order.
- + Goods under \$5,000
  - ✘ PCard within your single purchase limit
  - ✘ Invoice and Direct Pay Authorization Form

## ✘ Services under \$5,000

- + Invoice and HR approval for services when paying by direct pay authorization.

# SOLICITATIONS

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## × For Goods

### + Documented Quote (DQ)

- × Between \$10,000 and \$150,000 (Construction up to \$500,000)
- × Post a minimum of 3 days – prefer 1 week or longer to ensure adequate competition.

### + Invitation for Bid (IFB)

- × Over \$150,000 (Generally used for goods)
- × Post a minimum of 14 days
- × Requestor works with Purchasing to provide specs for DQ/IFB
- × Award to apparent lowest cost, responsible (has the resources and ability to provide the goods or services), and responsive (meets all the requirements outlined in the bid) vendor.

# SOLICITATIONS (CON'T)

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## × For Goods and Services

### + Documented Quote (DQ)

- × Between \$25,000 and \$150,000
- × Used when specs are known and clear
- × Some subjective criteria may be allowed for quality, and experience. However, quality and experience must be justified and outlined in the bid document as part of the specifications.
- × Post minimum of 3 days – prefer 1 week or longer to ensure adequate competition.
- × Allow time to work with Purchasing to develop specs, post bid, evaluate, award and issue a PO or Contract.
- × Price is primary consideration but may consider other factors

# SOLICITATIONS - CONT

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- ✘ For Services
- ✘ Request for Proposal (RFP) a/k/a Competitive Sealed Proposals
  - ✘ Over \$150,000
  - ✘ RFP describes the general scope and requirements of needed services. Vendors will submit proposals offering their approach to meeting those requirements.
  - ✘ Post for a minimum of 30 days
  - ✘ Total time line can be as long as 6 months - including time to develop the Statement of Work/Requirements, Posting, Evaluating, and preparation of a contract.
  - ✘ Formal process – Competitive Sealed Proposal responses are received and evaluated by a review team. Cost/Price is considered and may not be the lowest, but are evaluated to be reasonable, within budget, and tied to the requirements.

# SOLICITATION

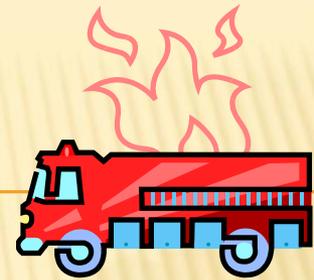
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## ✘ Sole Source



- + Used when there is only one known source for the required goods or services. Sole sources may also consider replacement parts that are deemed proprietary, and only provided by the manufacturer, or single designated re-seller.
- + Complete and sign a Sole Source Justification form for review by purchasing.
- + Not enough time to bid is NOT considered justification for a sole source.
- + Purchasing will post a notice on our public website notifying the vendor community and public of our intent to issue a sole source. Purchasing will determine if any challenges to the sole source are in fact an indication of competition.
- + Any legitimate challenges will most likely require a formal solicitation.

# EMERGENCY PURCHASES



- ✘ An emergency condition, as defined by R-24-103-206-01 of the Colorado Procurement Rules and Fiscal Rule 2-2, is a situation that creates an immediate threat to public health, welfare, or safety, the functioning of State government or preservation or protection of state property, such as may arise by reason of floods, epidemics, riots, equipment failure, or such other reasons as may be proclaimed. Such conditions create an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement methods.
- ✘ Only the quantity of goods or services necessary to alleviate the emergency may be purchased under emergency conditions.
- ✘ Poor planning or insufficient time to follow appropriate procurement and fiscal rules does not meet the criteria for an emergency purchase.

# UNAUTHORIZED PURCHASES (STATUTORY VIOLATIONS)



- ✘ The State Controller has issued a policy with regard to incurring an obligation without an approved commitment voucher (state contract or Purchase Order), which violates state statutes. This policy outlines the State Controller's authority to approve obligations made/paid without an approved commitment document (Purchase Order or State Contract) in violation of C.R.S. 24-30-202(3) -obligations incurred prior to execution of a commitment document. C.R.S. 2430- 202(1) , and/or - disbursements made prior to execution of a commitment document.
- ✘ For Purchases: If a purchase is made without a purchase order or other appropriate encumbrance incurs a state obligation for goods or services that exceeds \$5,000, the obligation will not be paid without the approval of the State Controller.
- ✘ Any invoice or bill totaling over \$5,000 which has no commitment document associated with it and is received by Accounts Payable Offices in the Department shall not be paid without proper approval obtained pursuant to this policy. This includes after the fact purchase order requests.
- ✘ The impact of Statutory Violation is that the individual who caused the violation may be held personally responsible for it. This further creates a hardship to a vendor as payment may be delayed due to the time it takes to process approvals.
- ✘ Finally, an employee's failure to follow state statute and rules when procuring goods or services is unacceptable job performance. Violation of statute and state rules can be grounds for corrective action against the employee committing the violation.

# FINAL THOUGHTS

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- ✘ This is the state of purchasing today.
- ✘ As we all know, changes happen. When they do, we will communicate via email or update our forms on MYACC.
- ✘ For particularly complex or significant process changes, we will schedule meetings
- ✘ Please do not hesitate to contact any of us in the fiscal area. We are only too happy to provide answers and guidance when needed.

# QUESTIONS?

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