Gaston College
Purchasing Procedures Manual

Office of Purchasing
Revised March 31, 2014
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Section 1: General Information
Section 1.1
Purchasing Mission Statement

It is the goal of the Gaston College Purchasing Department to procure all goods and services at the best prices, terms, and conditions to support all the needs of the facility, staff and students, to insure the compliance of the regulations set forth by State Government related to Purchasing, and to foster positive relations with all vendors, while maintaining the highest level of ethics.
Section 1.2
Introduction

The purpose of the Gaston College Purchasing Manual is to provide guidance related to the College’s procedures for procurement of all goods and services. Not every policy or procedure from the North Carolina Division of Purchase and Contract could be listed in this manual; however, all major topics have been covered for routine purchases.

The Gaston College Purchasing program is based on sound competitive purchasing procedures. It is very important that Gaston College seeks competition at all levels of expenditure. While lowest price is an important consideration in seeking competition, other factors such as terms and conditions, delivery, lead times, the type and degree of service required, inspections and testing procedures, transportation cost, and warranties may also be considered.

All Community Colleges are required by General Statute 115D-58.5 to purchase all supplies, equipment and material by contract made by or with the approval of the North Carolina Department of Administration Division of Purchase and Contract (P&C).

This manual supersedes the August 9, 2010 manual. There have been a number of revisions to procedures by P&C since the last manual was issued. Please review this new manual and keep it handy as a quick reference. Feel free to contact Purchasing with any questions.
Section 1.3
Ethics

The Gaston College Purchasing Department is cognizant of the necessity for ethical behavior. Purchasing personnel and all other campus personnel are held accountable to the following principles:

- The need to avoid the intent and appearance of unethical behavior in dealing with vendors is paramount in purchasing ethics.

- The purchasing power of Gaston College shall not be used for personal purchases and ownership of goods or services.

- *All personnel* are to refrain from accepting or soliciting gifts, money, entertainment, favors or services from current or potential vendors.

- No one involved in the bid process, either Purchasing Department personnel, Faculty or Staff, is to discuss any cost information, trade secrets, or confidential information involving a bid or bidder(s).

- No friends or close family member should be considered when selecting a vendor for Gaston College.
Section 1.4
Acronyms

BAFO- Best and Final Offer
DOA- Department of Administration
G.S. - General Statute
HUB- Historically Underutilized Business
IFB- Invitation for Bids
IPS- Interactive Purchasing System
ITS- Information Technology Services
NCAC- North Carolina Administrative Code
NIGP- National Institute of Government Purchasing
P&C- Division of Purchase and Contract
QPL- Qualified Product List
RFI- Request for Information
RFP- Request for Proposals
RFQ- Request for Quotes
SCO- State Construction Office
SITP - Office of Statewide IT Procurement
SPO- State Purchasing Officer
ADDENDUM: Form used to make changes or corrections to a bid solicitation or answer vendor questions submitted prior to the closing date of the bid solicitation.

AGENCY: All departments, institutions, boards, commissions, universities, or other units of the State (including the Division of Purchase and Contract), and community colleges and local school administrative units, unless specifically exempted herein by reference.

AGENCY SPECIFIC TERM CONTRACT: A term contract for use by a specific agency. Depending on the dollar value of the contract, it may be handled by P&C or the agency.

BEST AND FINAL OFFER (BAFO): BAFO is a formal document that is used to finalize negotiations with a vendor. Negotiations can be used in single source situations or with the best value trade-off method of procurement.

BEST VALUE PROCUREMENT: The terminology used in G.S. 143-135.9 to identify the method required for purchasing technology commodities and services.

COMMODITY: Any equipment, materials, or supplies, also referred to in this manual as goods and items. It does not include services or printing.

COMPETITION: The fair and open solicitation of offers from more than one source; the receipt of offers from more than one source. Competition must be reasonable and adequate for the amount of the expenditure and the specific requirement.

CONSTRUCTION PROJECTS: These are divided into two groups:

- **Formal projects** are construction projects requiring the estimated expenditure of $500,000 or more for construction contract, design fee, and construction contingency.

- **Informal Projects** are construction projects where the authorized funding or the total project cost is realistically estimated at less than $500,000 for construction contracts, design fee, and construction contingency.

CONSULTANT SERVICE: Work or task performed by State employees or independent contractors possessing specialized knowledge, experience, expertise and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services. This includes, but is not limited to, the organization, planning, directing, control, evaluation, and operation of a program, agency, or department.
**CONTRACTUAL SERVICE**: Service performed by an independent contractor that requires specialized knowledge, experience, expertise or similar capabilities for a State agency with compensation from agency funds. The services may include (by way of illustration, not limitation) maintenance of buildings or equipment, auditing, film production, employee training and food service. If the contractual service is primarily for review, analysis or advice in formulating or implementing improvements in programs or services, this service is a consultant service and governed by a consultant contract.

**GENERAL DELEGATION**: The authority granted by the State Purchasing Officer for an agency to handle purchases made under a certain dollar amount (benchmark or threshold), in accordance with the guidelines in this manual.

**SPECIAL DELEGATION**: The authority granted by the SPO for an agency to handle a specific or special purchase, where it would serve no practical purpose for the purchase to be handled by P&C.

**EQUIPMENT**: An item that represents an investment of money that can be capitalized. The “stand-alone” item retains its original shape and appearance with use and does not lose its identity through incorporation into a different or more complex unit or substance. The state defines a piece of equipment as being a tangible item of substantial cost that may reasonably be expected to have a useful life exceeding one year. The state classifies equipment as capitalized or non-capitalized. A *capitalized* piece of equipment has a cost of $5,000 or more and useful life of two years or more. *Non-capitalized* assets are those assets costing below $5,000; they are not capitalized nor depreciated for financial reporting purpose and may be considered high or low risk items.

**EMERGENCY**: A situation which endanger lives, property, or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services (also see Pressing Need).

**HISTORICALLY UNDERUTILIZED BUSINESS (HUB)**: Any one of the following minority-owned businesses: Black, Hispanic, Asian American, American Indian, Female, Disabled, and Disadvantaged (See NCGS 143-128.4).

**INFORMATION TECHNOLOGY (IT)**: Electronic data processing goods and services and telecommunications goods and services, microprocessors, software, information processing, office systems, any services related to the foregoing, and consulting or other services for design or redesign of information technology supporting business processes.

**INTERACTIVE PURCHASING SYSTEM: (IPS)** P&C Interactive Purchasing System that contains solicitation for most of the state agencies. It is where most bid requests are posted.

**INSTALLMENT PURCHASE**: A contract in which the agency’s established periodic payments are applied to fulfill the payment obligations for ownership of the commodity. Used when ownership of commodity at time of possession is intended.
INVITATION FOR BIDS (IFB): A formal solicitation document, used to seek competition for easily defined goods and simple services. This document is required to be used for competitive procurements over $10,000. An RFP is used to seek competitive bids over $5,000.

LEASE: A contract conveying from one to another the use of a commodity for a designated period of time in return for established periodic payments. This does not contain an option, or an obligation, to purchase.

LEASE-PURCHASE: A contract conveying from one to another use of a commodity for a designated period of time in return for established periodic payments, with an option or obligation to purchase the commodity. Used when outright ownership is uncertain or when it is the intent to delay ownership.

NEGOTIATION: The act of making a purchase when all offers have been rejected, or when there is justification for waiving the competitive process, or when an emergency or pressing need arises.

OFFER: This term may refer to a bid, proposal or offer submitted in response to an Invitation for Bids, Request for Proposals, Negotiation, or Request for Quotes.

OFFEROR: Company, firm, corporation, partnership, individual, etc. submitting a response to a solicitation document or in response to a negotiation.

OPEN MARKET CONTRACT: A contract for the purchase of a commodity or contractual service not covered by a term contract, usually for a definite quantity on a single order.

PERSONAL SERVICE: 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, scientist, or performer of the fine arts and similar professions. A service is not classified as a personal service if the individual is using his/her professional skills to perform a professional task; in which case consultant contracting procedures shall be followed.

PRESSING NEED: A need arising from unforeseen causes including, but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work, and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services (also see Emergency).

PURCHASE: The solicitation of, and acceptance of, an offer to (1) provide a service, or (2) lease or rent a commodity, or (3) sell a commodity outright, or (4) sell a commodity through a lease purchase or installment purchase contract.

QUALIFIED PRODUCT LIST (QPL): A type of specification which may be adopted as a standard by P&C. The essential characteristic of this procedure is the examination and prequalification of brands and models of products on the basis of samples and tests.
RENTAL: A contract for the right to use a commodity or product for a period of time, usually with payments made at intervals over the period of use, and normally providing for short notice of cancellation.

REQUEST FOR INFORMATION (RFI): The RFI is an informal document used to request information from vendors about products or services when an agency does not have enough information readily available to write an adequate solicitation document. The RFI should provide as much information as possible to define the type of information that is being sought. While information gathered from vendors’ responses to the RFI may be used to enhance the agency’s future procurement, the RFI should state that it is not a request for offer and that no award will result. Since the RFI is not a solicitation for procurement, the State’s terms and conditions should not be included in the document.

REQUEST FOR PROPOSALS (RFP): A formal solicitation document typically used for seeking competition and obtaining offers for more complex services or a combination of goods and services used for competitive bids over $5,000.

REQUEST FOR QUOTES (RFQ): A solicitation document normally used for non-advertised competitive procurements (may include e-Quote).

RESPONSIBLE OFFEROR: An offeror who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability to assure good-faith performance.

RESPONSIVE OFFEROR: An offeror who has submitted an offer which conforms in all material respects to the solicitation document.

SERVICE CONTRACT: Any agreement in which an independent contractor performs services requiring specialized knowledge, experience, expertise or similar capabilities for a state agency for compensation involving an expenditure of public funds. The services may include (by way of illustration, not limitation) as maintenance of buildings or equipment, auditing, film production, employee training and food services. If the contractual service is primarily for review, analysis or advice in formulating or implementing improvements in programs or services, this service is a consultant service and governed by a consultant contract.

SMALL PURCHASE: The purchase of a good or service for $5,000 or less.

SINGLE SOURCE: When an item or service is available from only one source of supply.

SOLE SOURCE: Procurement methods utilized when procuring goods or services where one or more of the “waiver of competition” conditions defined under 01 NCAC 05B.1401 and 09 NCAC 06B.0901 policies are met. This method requires justification documentation for the file.

SOLICITATION DOCUMENT: A written Request for Quotes, Request for Proposals, Invitation for Bids, or a Request for Information as required for the level of expenditure.
STATEWIDE TERM CONTRACT: A contract issued by P&C, or the Statewide IT Procurement Office for all agencies, unless exempted by statute, rule, or special term and condition specific to that contract.

SUB-RECIPIENT: A non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A sub-recipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

TERM CONTRACT: A binding agreement between purchaser and seller to buy and sell certain commodities, printing, or services at certain prices and under stipulated terms and conditions. A contract generally intended to cover all normal requirements for a commodity or contractual service for a specified period of time based on estimated quantities only. Term contract is sometimes referred to as a “requirements contract” or an “indefinite quantity contract”.

TERM CONTRACT – AGENCY SPECIFIC: Agencies may handle agency specific term contracts for use by their agency if the expenditure over the term of the contract is under their benchmark or delegation, and the commodity, printing, or service is not covered by a statewide term contract.

VENDOR: A dealer, distributor, merchant or other seller providing goods or services required for the conduct of business by State agencies or programs. These goods or services may be for an organization’s own use or for the beneficial use of State agencies or programs.
Section 1.6
Statutory Authority, Executive Order, and North Carolina Administrative Codes

This section includes many of the administrative codes that directly affect all Purchasing Operations in North Carolina.

G.S. 115D-58.5. Accounting System

(a) “Each institution shall establish and maintain an accounting system consistent with procedures as prescribed by the Community Colleges System Office and the State Controller, which shows its assets, liabilities, equities, revenues, and expenditures.”

(b) “Each institution shall be governed in its purchasing of all supplies, equipment, and materials by contracts made by or with the approval of the Purchase and Contract Division of the Department of Administration except as provided in G.S. 115D-58.14. No contract shall be made by any board of trustees for purchases unless provision has been made in the budget of the institution to provide payment thereof. In order to protect the State purchase contracts, it is the duty of the board of trustees and administrative officers of each institution to pay for such purchases promptly in accordance with the contract of purchase. Equipment shall be titled to the State Board of Community Colleges if derived from State or federal funds.”

(c) “The operations of each institution shall be subject to oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes.”

Additionally; with centralized purchasing, conflict of interest, budget, and legal compliances can be closely monitored for adherence through internal controls.

The guidelines and procedures for identifying, categorizing, and purchasing each item are contained in the "Purchasing Manual" published by the NC Division of Purchase and Contract http://www.pandc.nc.gov/documents/wholeapm.pdf and the "Equipment Procedures Manual" published by the Administrative and Facility Services Section of the NC Community Colleges System http://www.nccommunitycolleges.edu/Facility_Services/administrative_services.htm. Both of these publications are periodically updated.

PURCHASING FLEXIBILITY

G.S. 115D-58.14 - Purchasing Flexibility

a) Community Colleges may purchase supplies, equipment, and materials from noncertified sources that are available under State term contracts, subject to the following conditions:

- The purchase price, including the cost of delivery, is less than the cost under the State term contract; and
- The cost of the purchase shall not exceed the bid value benchmark established under G.S. 143-53.1; and
- The items are the same or substantially similar in quality, service, and performance as items available under State term contracts.

Substantially similar is defined as having comparable, but not identical characteristics in terms of quality, service and performance as items available under State term contracts.

The State Board of Community Colleges adopted the amendment in 23 N.C.A.C. 02C .0505 “Noncertified Source Purchases” to comply with House Bill 490 / Session Law 2009-132. 23

It is the responsibility of the Purchase Order Originator to complete the required Flexibility Form to be turned in to Purchasing. This form will become part of the Flexibility Report to be forwarded Purchase and Contract.
DEPARTMENT OF CORRECTIONS

G.S. 148-134 - Statement of Preferential Procurement from Correction Enterprises and Exemption from Competitive Bidding

“All departments, institutions, and agencies of this State shall give preference to Department of Correction products in purchasing articles, products, and commodities which these departments, institutions, and agencies require and which are manufactured or produced within the State prison system and offered for sale to them by the Department of Correction, and no article or commodity available from the Department of Correction shall be purchased by any such State department, institution, or agency from any other source unless the prison product does not meet the standard specifications and the reasonable requirements of the department, institution, or agency as determined by the Secretary of Administration, or the requisition cannot be complied with because of an insufficient supply of the articles or commodities required. The provision of Article 3 of Chapter 143 of the General Statutes respecting contracting for the purchase of all supplies, materials and equipment required by the state government or any of its departments, institutions or agencies under competitive bidding shall not apply to articles or commodities available from the Department of Correction..."

A complete listing of all products and services available from the Department of Corrections is available at the following site: http://correctionenterprises.com/

HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

G.S. 143-48.a - State policy; cooperation in promoting the use of small minority, physically handicapped and women contractors; purpose; required annual reports.

"Policy – It is the policy of this State to encourage and promote the use of small contractors, minority contractors, physically handicapped contractors, and women contractors in State purchasing of goods and services. All State agencies, institutions and political subdivisions shall cooperate with the Department of Administration and all other State agencies, institutions and political subdivisions in efforts to encourage the use of small contractors, minority contractors, physically handicapped contractors, and women contractors in achieving the purpose of this Article, which is to provide for the effective and economical acquisition, management and disposition of goods and services by and through the Department of Administration.”

Listings of these "Historically Underutilized Businesses" or "HUB" vendors and their products and services are available in the Business Office and on the Internet at the Division of Purchase and Contract web site: http://www.doa.nc.gov/hub/searchhub.aspx

“HUB” vendors can be searched on via company name or commodity code. To search on company name, simply type in the name of the company in the field provided and click on search. To search on commodity code, scroll down to the commodity code field and click on the down arrow. Choose the first three numbers (or category) of the commodity code then click search. A listing of vendors will then be provided.

Please refer to these lists when selecting vendors for purchases. BCC is required to file quarterly reports with the State showing the total purchases from “HUB” vendors.
G.S. 130A-309.14
(b) "The Department of Administration shall require the procurement of reusable, refillable, repairable, more durable, and less toxic supplies and products to the extent that the purchase or use is practicable and cost-effective, as well as require the purchase or use of remanufactured toner cartridges for laser printers to the extent practicable."

RECYCLED OR RECYCLED CONTENT PRODUCTS

G.S. 143-58.2
(a) "It is the policy of this State to encourage and promote the purchase of products with recycled content. All State departments, institutions, agencies, community colleges, and local school administrative units shall, to the extent economically practicable, purchase and use or require the purchase and use of, products with recycled content."

G.S. 143-58.3 - Purchase of recycled paper and paper products

"In furtherance of the State policy, it is the goal of the State that each department, institution, agency, community college, and local school administrative unit purchase paper and paper products with recycled content according to the following schedule:
(4) At least fifty percent (50%) by June 30, 1997, and the end of each subsequent fiscal year, of the total amount spent for the purchase of paper and paper products during that fiscal year."

Cooperation is greatly needed in helping us comply with these statutes and meet future goals. A list of recycled-content products on State Contract can be viewed at: www.doa.state.nc.us/PandC/recycled.aspx

In conjunction with the State policy, it is the policy of BCC to encourage the purchase of products with recycled content whenever feasible. The Business Office will send notifications as new recycled-content items become available on State Contract.

EXECUTIVE ORDER NO.50 (PRICE-MATCHING PREFERENCE)

Pursuant to North Carolina General Statute § 143-59 (G.S. § 143-59) and Executive Order No. 50 issued by Governor Perdue on February 17, 2010, entitled “Enhanced Purchasing Opportunities for North Carolina Businesses,” a price-matching preference may be given to North Carolina resident bidders on contracts for the purchase of goods. This preference will allow a qualified North Carolina resident bidder to match the price of the lowest responsible nonresident bidder, if the North Carolina resident bidder’s price is within five percent (5%) or $10,000, whichever is less, of the nonresident bidder’s price. If the resident bidder requests and qualifies for the price-matching preference, the resident bidder will first be offered the contract award and will have three (3) business days to accept or decline the award based on the lowest responsible nonresident bidder’s price.

PURCHASING PROCEDURES MANUAL Executive Order #50 applies to procurements from the Governor’s Office, Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, and Transportation), Universities and Community Colleges and all procurements handled by the Division of Purchase and Contract. All other State Agencies are encouraged to implement the requirements of the Executive Order #50 and vendors should contact these State Agencies to determine whether they have adopted and implemented Executive Order #50.
EXECUTIVE ORDER NO.24 GIFT BAN

It is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Office of the Governor and Governor’s Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, and Transportation). This prohibition covers those vendors and contractors who:

(1) Have a contract with a governmental agency; or

(2) Have performed under such a contract within the past year; or

(3) Anticipate bidding on such a contract in the future.

Executive Order 24 also encouraged and invited other State Agencies to implement the requirements and prohibitions of the Executive Order to their agencies. Vendors and contractors should contact other State Agencies to determine if those agencies have adopted Executive Order 24.

EXPENDITURE OF FUNDS FROM DIFFERENT SOURCES
01 NCAC 05B .1505

(a) “All public funds irrespective of source, whether special, federal, local, gifts, bequests, receipts, fees or State appropriated, used for the purchase, rental, lease, installment purchase and lease/purchase of commodities, printing and services shall be handled under the provision of Article 3 of G.S. 143 and in accordance with rules adopted pursuant thereto by the Division of Purchase and Contract.”

(b) “Rules applying to service, rental, lease, and printing contracts do not apply to local school administrative units or community colleges.”

PURCHASING FROM OR THROUGH AGENCY EMPLOYEES
01 NCAC 05B .1509

“Every reasonable effort shall be made to avoid making purchase from or through employees of any agency. Prior written approval from the SPO is required in any instance which may develop of doing business with such personnel. In deciding whether to grant approval, the SPO shall consider the type item or service needed, the prevailing market conditions, whether competition is available, the cost involved, and the effects of doing business with the employee.”

PURCHASING PROCEDURES MANUAL Gaston College Vendors cannot be an agency employee or immediate family member of an employee, living in the same household. It is considered a conflict of interest for an employee to be a vendor. If a Gaston College employee is aware of a violation of this statute, please report it to the Director of Purchasing immediately.

PURCHASING POWER FOR PRIVATE GAIN
01 NCAC 05B .1510

“The purchasing power of the state or the agency shall not be used for private advantage or gain. Purchase under contract made by the state or the agency, except those in accordance with G. S.
143-58.1 shall be not allowed for personal use out of private funds nor shall agencies place orders for articles for ownership by employees or other individuals.”

College employees may not make purchases through the College with the intent of reimbursing the College. State Term Contracts and other agreements are expressly for use by Gaston College.

REMOVAL OF CERTAIN ITEMS FROM GENERAL CONSTRUCTION
01 NCAC 05B .0701

Every agency shall review the items being included in a construction/renovation project and remove any items that it considers are non-related to the actual construction/renovation of the building. Items that are considered commodities or just furnishings, and that would complete the project for use by the agency, shall be handled in accordance with the rules of this chapter. Items that are usually removed for construction/renovation projects include carpet, office panel systems, food service equipment, and furniture. If an agency determines that one of these items, or any item that is normally handled as a commodity purchase, is best suited for inclusion in the construction/renovation project, the agency's justification shall be documented in writing for public record.

WAIVER OF COMPETITION
01 NCAC 05B .1401

Under certain conditions, and if deemed to be in the public interest, competition may be waived. To view the list of conditions permitting waiver, but are not limited to, please click on the following link: http://www.pandc.nc.gov/admcode.htm#P817_46714

If a waiver of competition is being requested for one of the reasons below, the justification must be entered in unprinted comments on the requisition or an e-mail may be forwarded to the Business Office referencing the requisition number. The Business Office reserves the right to seek additional justification for any request for Waiver of Competition.

WAIVER OF COMPETITION:
Under certain conditions, and otherwise if deemed to be in the public interest, competition may be waived. Conditions permitting waiver include, but are not limited to, the following:

1. Cases where performance or price competition are not available;
2. Where a needed product or service is available from only one source of supply;
3. Where emergency or pressing need is indicated;
4. Where competition has been solicited but no satisfactory offers received;
5. Where standardization or compatibility is the overriding consideration;
6. Where a donation predicates the source of supply;
7. Where personal or particular professional services are required;
8. Where a particular medical product or service, or prosthetic appliance is needed;
9. Where a product or service is needed for the blind or severely disabled and there are overriding considerations for its use;
10. Where additional products or services are needed to complete an ongoing job or task;
11. Where products are bought for "over the counter resale;"
12. Where a particular product or service is desired for educational, training, experimental, developmental or research work;
13. Where equipment is already installed, connected and in service, and it is determined advantageous to purchase it;
14. Where items are subject to rapid price fluctuation or immediate acceptance;  
15. Where there is evidence of resale price maintenance or other control of prices, lawful or unlawful, or collusion on the part of companies which thwarts normal competitive procedures;  
16. Where the amount of the purchase is too small to justify soliciting competition or where a purchase is being made and a satisfactory price is available from a previous contract;  
17. Where the requirement is for an authorized cooperative project with another governmental unit(s) or a charitable non-profit organization(s);  

<http://www.pandc.nc.gov/QuickReference.html> (September 2011)

EXEMPTIONS

01 NCAC 05B:1601

It is not mandatory for the items and services listed in this Rule to be purchased through the Division of Purchase & Contract. To view a list of these items and services, please click on the following link:  
<http://www.pandc.nc.gov/admcode.htm#P1089_71567>
Overview Of State Procurement Process

Agency Determination Of Need

Available through internal resources
- Correction Enterprises
- PO issued by agency
  - Delivered, received, and paid

Available on Statewide Term Contract
- PO issued by agency
  - Delivered, received, and paid

Available on Agency Specific Term Contract
- Below $5,000?
  - YES
    - eQuotes / Confirm Pricing
      - Contract awarded:
        - P&O issued by agency
          - PO issued by agency
            - Delivered, received, and paid
  - NO
    - Competition is sought by agency
      - Request sent to P&C and assigned to purchaser

Available on Open Market Bid
- Over agency's delegation?
  - YES
    - Request sent to P&C and issued by agency
  - NO
    - P&C purchaser seeks competition
      - P&C sends bids to P&C for evaluation

Available from Sole Source Waiver Of Competition
- Written justification provided by user
  - Request For Quote issued by agency
    - Supplier agrees to RFQ Terms & Conditions
    - Within agency's delegation?
      - YES
        - Request sent to P&C for approval
      - NO
        - PO issued by agency
          - Delivered, received, and paid

Certification sent to agency and contractor
- Contract awarded by P&C / Board of Award
  - PO issued by agency
    - Delivered, received, and paid
Section 2: Purchasing Procedures
Section 2.1
Where to Buy

Gaston College is required by state law to make purchases from the following sources. When preparing a requisition, first check to see if North Carolina Correction Enterprise can provide the needed product. This vendor is operated by the State to help the prison population gain skills needed to make a future for themselves after moving back to the general population. The online catalogue can be viewed at www.correctionenterprises.com/products/. A large variety of goods are provided and there is no limit as to the amount to be purchased.

North Carolina State Contract is the second source. The state maintains a large number of State Contracts on many product lines. Visit the state website www.doa.state.nc.us/PandC/keyword.aspx to view the contracts, as suppliers may change over time. The state contracts provide minimum and maximum order amounts along with pricing and other ordering information. State Contract includes both general products (P&C), along with electronic products and services (ITS). There are 16 state contracts vendors listed with “punch-out catalogues” (see vendor list below) for access in E-Procurement. Use the “punch-out catalogue’ for correct pricing. Do not use the vendor’s website for pricing because products on the vendor’s website site are listed at retail.

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Punchout Availability</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carolina Biological (493C)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Carolina Imaging (615A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Correction Enterprises (001A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Dell (204A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>En Pointe Technologies Academic (208H)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Fisher Science Education (493C)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Fisher Scientific (493A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Forms &amp; Supply, Inc (915A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Future Tek, Inc. (924A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>IBM (204A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>MyOfficeProducts (615A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Piedmont Office Suppliers (615A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Sargent Welch (493C)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>SHI Government (208H)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>VWR International, LLC (493A)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>WW Grainger (445B)</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

If the required products or services cannot be located utilizing the above preferred sources, then the following guidelines must be utilized.
Section 2.2
Gaston College Benchmarks

Like all North Carolina Community Colleges, Gaston College utilizes benchmarks, which establish the dollar level thresholds where bidding is required. Products and services can be divided further into products and equipment handled by P&C, or software, IT services and computer related products handled by ITS, also known as SITP. **Bidding is required at certain benchmarks and only if the needed product or service cannot be ordered from Correction Enterprises or an existing State Contract vendor.**

Section 2.3
Purchase and Contract (P&C) Bidding Policies

There has been a significant change in the purchase order bidding policy from P&C.

**Products costing less than $5,000,** no formal bids required, however, competitive pricing is encouraged for items costing between **$2,500 and $4,999** to ensure the College is receiving the best value. The requisitioner should document and send copies of any quotes to the Purchasing Director to be attached to the purchase order as evidence of competitive pricing.

**Product or service costing $5,000 to $9,999** must be bid by the Gaston College Purchasing Department on the State IPS website. The goal is to receive three or more bids. The bid can be completed using the state RFQ, RFP, or IFB bid templates. The RFQ is used for non-advertised, competitively priced goods and services. The RFP is used for complex goods and services. The IFB is used for easily-defined goods and simple services. The requisitioner is responsible for the development of the specifications required for the bid, and is also responsible for the data that goes into any addendums that may be required after the bid is posted. Purchasing is available to assist with the bid process.

**Product or service costing in excess of $10,000** must be forwarded to P&C for bid processing. This is a similar process in that the requisitioner is required to prepare the needed product specifications, acquire proper approvals from the area supervisor, and a letter from the College President addressed to P&C stating the need and approval of the bid product or service. The letter from the President should also state the **fund source** for the purchase. Purchasing will collect this information and forward it to P&C for bid posting on the state IPS site.

After the bids are returned to Purchasing from P&C, a small committee consisting at a minimum of the Purchasing Director and the requisitioner, will meet to review the bids and determine the awardee. Please allow at least 60 days for this bid process, since P&C handles many bids for all community colleges, universities, and other state agencies.
Section 2.4

Purchasing Electronic Products and Services via ITS (SITP)

As of November 2013, the College is authorized to purchase non-state contract technology products and services \textit{up to $9,999} with no bids. Non-state contract technology products include electronic science equipment, wiring services, and audio visual equipment. From \textit{$10,000 \text{ up to } $25,000}$, non-state contract technology products and services bids will be handled by the Gaston College Purchasing Department and follow the same process as the bid process for $5,000 to $9,999 general purchase. Send bid specifications to Purchasing to be posted on the state IPS site.

For bids \textit{over $25,000} for non-state contract technology products and services, develop the required specifications and Purchasing will send the bid package to ITS/SITP for approval and legal review. Once approved by ITS/SITP, the bid package is forwarded to College Purchasing for IPS bid posting. After close of the bid, the bids must be reviewed by a College committee and bid results are then forwarded to ITS/SITP for final approval. After the award approval by ITS/SITP, the bid is returned to Gaston College for product purchase. Due to multiple steps and agencies involved, please allow at least 60 days lead time for these bids.

Any technology product or service on state contract \textit{under $100,000} does not require a bid. This includes computers, monitors, software, cell phone service, pager service, radio (two-way) service, servers and telephone systems. Follow state contract purchasing guidelines.
Section 3: Additional Purchasing Procedures
Section 3.1
Equipment Committee

Gaston College has an equipment committee that must review and preapprove any equipment purchase over $5,000. The Business Office coordinates the activity of this committee. Once a year, Faculty and Staff are notified to submit needed equipment requests to the committee for review.

Section 3.2
Electronic Purchases

All purchases of electronic equipment and services, no matter the dollar value, must have prior approval from the Chief Technology Services Officer before purchase is allowed.

Section 3.3
Dividing Purchase Orders

Purchase Orders are not to be divided into separate orders to avoid the bidding process.

Section 3.4
Pre-Bid Meeting

If appropriate, the College will hold pre-bid meetings as part of the bid process to help bidders have a better understanding of bid requirements and to answer any relevant questions. Any important bid change or modifications will be posted to IPS as an addendum.

Section 3.5
Internal Vendors

At this time Gaston College has only one internal vendor, the College Bookstore. Printing needs utilizing the College’s Print Shop are requested via Print Shop procedures. State guidelines suggest that purchases from the College Bookstore be kept to a minimum since the Bookstore marks up all items, whereas State contracts offer discounted pricing. The current rule is a department may buy up to $100 per order from the bookstore. All other purchase should be from an external vendor, i.e. state contract No. 615A.

Section 3.6
Blanket Purchase Orders

There has been a significant change in the blanket purchase order policy from P&C. Only one blanket purchase order is permitted to a vendor for no more than $5,000 per year. After the
$5,000 blanket purchase order is exhausted, standard E-Procurement purchase orders will be required for the remainder of the year for that vendor. There is an option to dual source products in some cases, thus giving another $5,000 blanket order with another vendor for the same product. Blanket purchase orders should be submitted from the first of the business year (July) through the end of April the following year on all non-essential orders. Essential blanket purchase orders that are needed to keep the College operating can extend through mid-June. When writing blanket orders, insert a start date and an ending date (e.g. July 1, 20xx through April 30, 20xx) in the title of the requisition. For essential blanket purchase orders, specify the same start date and a mid-June closing date. In estimating requirements for the coming year, please be realistic about purchase order amounts keeping in mind that the funds are encumbered until the blanket order is complete. Overestimating will result in unused funds at year-end that could have been used for other purposes.

**Section 3.7**
**Manual Purchase Orders**

Manual purchase orders are to be held to a minimum. All vendors, with very few exceptions, will be required to utilize the state E-Procurement system. Vendors who refuse to join e-procurement will be required to complete special forms that must be forwarded to P&C.

**Section 3.8**
**Contract Number on Requisitions**

It is a state requirement to include the **State Contract number** in the title of each requisition that is to be purchased with a state contract. Any requisition that does not have the contract number will be returned to the requisitioner for correction, per P&C policy.

**Section 3.9**
**Commodity Codes**

It is **very important** that the **proper commodity code** be selected when preparing the requisition. This is a P&C policy requirement. Commodity Codes can be found at [http://www.doa.state.nc.us/PandC/](http://www.doa.state.nc.us/PandC/) (P&C home page). The State uses the standard NIGP code system.

**Section 3.10**
**P-Cards**

A very limited number of State P-Cards will be issued for emergency purchases. Please refer to the separate P-Card Manual for regulations related to P-Card usage.
Section 3.11  
E-Procurement

E-Procurement is a state operated purchasing system used by all state agencies and all North Carolina Community Colleges. The State established E-Procurement as a train the trainer system. Easy to follow online training is available. Contact Purchasing for assistance with the training.

Section 3.12  
Non-Contract Items

Any items not purchased via State Contract are considered non-contract and are to be purchased through the state E-Procurement system. Please encourage all non E-Procurement vendors to join the state E-Procurement system. Vendors are charged a small fee of 1.75% for each purchase order placed. These funds are used to fund State E-Procurement System operations.

When speaking with new or potential vendors please explain the E-Procurement System to them. It is the responsibility of the vendor to register their company in the State E-Procurement system. Vendors can call 888-211-7440, option #2. New vendors must remit a W-9 form to Gaston College Purchasing for invoice processing. It is extremely important that vendors enter the correct mail to and remit to addresses when setting up their E-Procurement account. The E-Procurement system cannot purge bad addresses, therefore if addressing is incorrect, orders and invoice payment checks will be forwarded to the wrong vendor address. If the vendor’s address changes, it is the responsibility of the vendor to correct their address using their E-Procurement login and password.

Purchases of $10,000 or more (before tax) require a bid through P&C. Purchases of $5,000 to $9,999 require a bid and are processed through Gaston College Purchasing. Purchases under $5,000 will be processed by the Gaston College Purchasing Department.

Technology purchases over $25,000 are processed by ITS/SITP. Technology purchases of $10,000 to $25,000 require a bid and are processed through Gaston College Purchasing. Technology purchases below $10,000 are processed through Gaston College Purchasing.

Section 3.13  
Contract Items

The College is required by law to purchase supplies, equipment, and various other materials from vendors listed on the term contracts approved by P&C (the only exception is flexibility). All contract items are to be purchased using E-Procurement.
Section 3.14
Term Contracts

Term contracts are bid and maintained by the P&C to serve all agencies, including community colleges. These contracts are established through competitive bidding procedures. The contracts are legally binding agreements between the State and the awarded vendor to sell certain items at certain prices for a specific period of time (usually 36 months). Before any goods are purchased, please consult these contracts first. These contracts can be found at www.doa.state.nc.us/PandC/keyword.asp.

**Flexibility:** As of May 1, 2010, community colleges may purchase the same, or substantially similar supplies, equipment and material from non-certified sources as provided in GS115D-58.5(b) and GS 115D-58.14. Any state term contract listed items purchased from another source must be **fully documented and a report filed with P&C.** Pricing must be **less than** state contract pricing. Before making such purchases, please consult with Purchasing to obtain the needed forms. Form requirements include the state contract/contract number and price and the new vendor and price. The savings must be documented.

Section 3.15
G.S 143-3 Funds from Different Sources

All funds, State, County, Special, Federal, or any other source used for purchase of goods and services shall be processed under the provisions of Article 3 of Chapter 143 of the General Statutes and in accordance with procedures established pursuant thereto by the Division of Purchase and Contract. Currently, the only exceptions are the Textile Technology Center proprietary funds and the Gaston College Foundation. Purchases made by the Textile Technology Center using funds generated from fees for services provided to the textile industry are not subject to the provisions of Article 3 of Chapter 143 of the General Statutes.

Section 3.16
G.S. 143-48 HUB State Policy

HUB is the acronym for Historically Underutilized Business. The state’s mission is to promote economic opportunities for these businesses. This policy pertains to the use of minority, physically handicapped and women-owned vendors and contractors, and applies to both goods and services and to all new construction and renovation projects. It is College policy to use these vendors whenever possible.

Gaston College is required by the state to complete quarterly HUB reports on all goods and services purchased by the College during said period.
Construction HUB reports for both formal and informal projects are completed at the end of each construction project. HUB construction participation goals are set at 10% of the project cost if possible. For more detailed information about state HUB rules, please consult the state HUB web site at www.doa.state.nc.us/HUB/.

Section 3.17
G.S. 143-58.1 Use of State Purchasing Power for Private Gain

The purchasing power of the State shall not be used for private advantage or gain. Purchases under contracts made by the State are not allowed for personal use using private funds, nor are agencies or institutions to place orders for articles for ownership by employee or other individuals. A violation of this section is a misdemeanor, punishable by fine, imprisonment up to two years, or both, at the discretion of the court.
Section 4: Basic Order Process
Section 4.1
Requisitions

To initiate a purchase, a College employee completes a requisition. The requisition form can be found on the College’s intranet website under forms.

As the requisition is completed, stop to verify if the items to be purchased are available from NC Correction Enterprise (www.correctionenterprises.com/products/) or from a state contract source. The state contract website is www.doa.state.nc.us/PandC/keyword.asp. Utilizing the website, look up the items needed in the keywords alphabetical listing. State Contract also maintains “punch out catalogues”. There are currently 16 suppliers with punch out catalogues. The suppliers listed for punch out catalogues can be accessed through E-Procurement at http://eprocurement.nc.gov/Buyer/Punchout_Catalog_Status.html. To receive the special negotiated pricing for these suppliers, access through E-Procurement. Do not use the vendor’s web site to obtain prices, since vendor websites list retail prices.

Enter the exact state contract number for the E-Procurement purchase in the title or comment box or the body of the order when using state contract. Record a full description of the goods or services to be purchased along with the proper commodity code. Verify the selected budget code for accuracy and enter the proper account code for the items being purchased. Incorrect account codes may cause processing delays.

Once the requisition is completed, please obtain approvals from the area Supervisor, Director, Dean or VP, depending on the value of the requisition. The Supervisor/Director approval level is $500, Dean $2,500 and Vice Presidents/President unlimited. Once approval is obtained, please forward the requisition to the area E-Procurement designee.

The E-Procurement order entry designee (as assigned by each department) must enter their name in the E-Procurement comment box, so that a copy of the purchase order can be forwarded to them. When placing E-Procurement orders, all items ordered must be of the same budget codes for that particular purchase order. E-Procurement will only accept one vendor per order.

It is not the responsibility of the E-Procurement designee to ensure compliance with the above outlined procedures. The responsibility rests with the requisitioner. After the E-Procurement designee processes the requisition and it moves through the electronic approval flow, the Purchasing Director reviews and approves or rejects the requisition. If approved, the requisition is then forwarded to the Business Office for account code verification. If this is a large dollar requisition, it is forwarded to the Vice President of Finance, Operations and Facilities for final approval. At any point in this process, the requisition can be rejected and forwarded back to the requisitioner.
After the requisition is approved by the Business Office and Vice President, a “Requisition Creation-Success Notification” notice is e-mailed to the E-Procurement designee. The designee must forward a copy of the e-mail to Purchasing Director in order for a purchase order to be generated from that requisition. **Failure to send this information to the Purchasing Director stops the order from being processed.**

If the order is rejected by Purchasing, Accounting, or the Vice President, depending on the reason, there may be an opportunity to withdraw, correct and resubmit the requisition.

Once the order has been processed by Purchasing, it is electronically forwarded through the E-Procurement system to the central E-Procurement operation center in Raleigh and forwarded to the vendor, usually by email. The vendor processes the order and ships to the College. The order arrives at the Gaston College Shipping and Receiving Department on the Dallas campus. The only exception to this rule is in the case of hazardous chemicals used at the Kimbrell Campus Textile Technology Center. For safety reasons, these chemicals are shipped directly to the Textile Technology Center.

**Section 4.2**  
**Shipping and Receiving**

Once the product is received, the Shipping and Receiving Department processes the product for campus delivery. For the Dallas campus, delivery may occur in less than 24 hours. Deliveries to Lincoln Campus are on Thursdays and to Kimbrell Campus on Tuesdays. However, special circumstances may require special deliveries. Special arrangements can be made through the Shipping and Receiving Department.

The Shipping and Receiving Department will send all packing slips and invoices to Purchasing for payment. Please notify Purchasing of any items that need to be returned. In most cases, return shipment of a product may need a **Return Authorization Number** from the vendor.

**Section 4.3**  
**Invoices and Packing Slips**

Purchasing verifies and processes invoices and packing slips. Invoices are then passed to Accounts Payable for payment. **Remember, if a product is shipped directly, please sign the invoice and forward it along with the packing list to Purchasing for payment. Failure to do will delay payment and could result in poor vendor relations.**
Section 4.4
Expediting
(i.e. contacting vendors for current delivery information)

Purchasing strives to expedite all orders every other week. However, for rush orders, please contact Purchasing to provide special attention to rush orders.

Section 4.5
Blanket Purchase Orders

Gaston College allows the use of blanket orders. These orders should be completed at the beginning of the fiscal year (July) and expire at the end of April for all non-essential blanket orders. Essential blanket orders are required to keep the College operating and will be cancelled by mid-June. In estimating requirements for the coming year, please be realistic in estimates for blanket orders. Review past history and estimate the amount of funds needed for the blanket order. Funds are encumbered until the blanket order is complete. State guideline limits blanket orders to a maximum of $5,000 per blanket order. Once the blanket order has expired, regular purchase orders in e-Procurement on a per-order basis must be completed for the balance of requirements from that vendor.

Section 4.6
Bid Process

The use of State Contracts in the ordering of products requires no bidding. Usually the maximum order is very high. There is also a minimum order for many State Contract items. This is usually $50 to $100. If the order falls below the minimum, the requisitioner can purchase from any source. Please review the State Contract to determine the minimum and the maximum order level for the item required.

Section 4.7
Benchmarks

The current Gaston College benchmark delegation from P&C is $10,000, and $25,000 for ITS. This means that any item with an expected cost of over $10,000 must be forwarded to P&C for bids. Any technology equipment or software with an expected price over $25,000 must be forwarded to ITS/SITP in for bid approval. Normally with P&C bids, the lowest bid is accepted. ITS bid can be bid as “lowest bid” or “best value”. This criteria has to be established before the ITS bid is posted. The norm is that if the bid is for standard equipment or service it is done as “lowest bid”. If the bid is for a “project” utilizing specialized or custom equipment, services, or
software the bid is posted as “best value”. Contact Purchasing for assistance with the bid process.
Section 5: Quick Reference Guide
Section 5.1
Purchasing Authorization

All purchases made for Gaston College must have a purchase order. The authority to make purchases for Gaston College lies with the Director of Purchasing and the Vice President of Finance, Operations and Facilities. However, with proper pre-approval, others can be designated by the Purchasing Director to make pre-approved purchases under pre-determined circumstances. Those with yearly blanket orders will be allowed to make purchases and certain emergency buys after seeking Purchasing approval.

If anyone makes unapproved purchases, they can be held personally liable for the entire cost of the order (see Gaston College Policy and Procedure Manual Sections 6-5 and 6-5.1).

Section 5.2
Purchases for Personal Use by Employees

Gaston College and State Purchasing policy forbids any purchase for personal use under all circumstances

Section 5.3
Solicitation for Bids (IFB), Quotes. (RFQ), Proposals (RFP), & Information (RFI)

All bids are to be processed by the Gaston College Purchasing Department. In order to start the bid process, detailed specifications about the product or service will need to be forwarded to Purchasing.

Bids will be processed according to the College’s benchmarks. Bids ranging from $5,000 to $9,999 for goods and services and $10,000 to $25,000 for technology related goods and services will be processed by the College. All bids over the benchmark of $10,000 for goods and services will be processed by P&C. All bids over $25,000 for technology equipment or services will be processed by ITS.

Section 5.4
State Term Contract Purchases

At this time, all products that are covered by state term contract will be purchased from the related State Contracts with very few exceptions. Exceptions are defined under the Purchasing Flexibility section and require special documentation (see page 15).
Section 5.5  
**Purchasing Flexibility - Noncertified Source Purchase**

As of May 1, 2010, Gaston College may purchase the same or substantially similar supplies, equipment, or materials from noncertified sources as provided in GS 115D-58(b) and GS 115D-58-14. It is very important that Purchasing is consulted before a purchase of this type is completed. *All purchases of this type must be reported to P&C* and must be of lower cost than the state term contract.

Section 5.6  
**Small Order Policy - Below $5,000**  
*(If not available from Correction Enterprise or State Contract)*

Orders under $5,000 require no bids. However, to ensure best value to the College, requisitioners are encouraged to obtain informal bids via E-Quote, telephone, e-mail, online/internet for orders between $2,500 and $4,999.

Section 5.7  
**Emergency or Pressing Needs - Products, Services, Contractual Services, Consultant, Printing, Maintenance, & Other**

Any emergency purchases for goods or services must be fully approved by the Director of Purchasing and the Vice President of Finance, Operations and Facilities, in addition to the area Dean and/or Vice President. If possible, an E-Procurement order will be issued to the vendor. If the vendor is not on E-Procurement, a manual order will be issued.

Section 5.8  
**Direct Payments**

Direct payments are utilized in certain circumstances. All utilities are paid directly by the Accounts Payable department and do not require a purchase order. Large construction projects over $500,000 are paid directly by Accounts Payable, based upon contractual terms.

Section 5.9  
**Blanket Orders**

Gaston College issues yearly blanket orders for various products and services. The maximum blanket order amount is $5,000. Blanket orders are usually submitted in July and terminate at the end of April, except those essential blanket orders needed to keep the College functioning, which expire in June. Once a blanket order has reached its original dollar value, the blanket...
order will be closed. No increases are allowed. All additional purchases must be completed as regular E-Procurement orders for requirements from that vendor.

Section 5.10  
Solicitation by Sales Representatives

All sales representatives are expected to initially call on Purchasing to determine if the represented products or services are needed by the College. With purchasing approval, the sales representative can call on faculty and staff members.

Section 5.11  
Product and Service Demonstrations by Vendors

Purchasing requires that any product or service demonstrations be pre-approved by the Purchasing Director. A representative from Purchasing should be in attendance at the demonstration.

Section 5.12  
Goods on Consignment (from Vendors)

Purchasing must approve all goods accepted on consignment from a vendor. Purchasing will maintain records related to receipt of goods and return of goods. Please coordinate any consignment arrangements with Purchasing.

Section 5.13  
Evaluation of Equipment

Any equipment accepted for evaluation purposes should be reported to Purchasing. Copies of any written evaluations should be forwarded to Purchasing for further evaluation and retention.

Section 5.14  
Returning of Merchandise

Any defective products or incorrect orders should be reported to Purchasing. The vendor will be contacted about the problem and, if needed, a return authorization will be obtained. Return authorization and the product must be returned to the College’s Shipping and Receiving Department for return of the product to the vendor. In some cases, if product is ordered incorrectly and a period of time has elapsed, a restocking fee (usually 25-30%) may apply.
Section 5.15
Purchase from College Bookstore
(General office supplies)

Departmental purchases from the bookstore are permitted up to a maximum of $100.00 per order. All purchases over $100.00 should be completed through the State Contract office supply vendor.

Section 5.16
All Unauthorized Purchases

Purchases not in compliance with purchase policy are considered unauthorized purchases and may be the personal liability of the purchaser. This is in accordance with Gaston College and State policy. An “After-The-Fact” purchase memorandum (Appendix A) will be completed and forwarded the area supervisor for proper action. Audit documentation (Appendix B) for “After-The-Fact” purchases will be completed and kept on file in Purchasing.

Section 5.17
Surplus Property- State, County and Federal

Surplus property is a function of the Controller’s office.

Section 5.18
Purchase of Used Equipment

Under certain circumstances, a need may arise where it is fiscally prudent to purchase used equipment. Following state rules, purchases below $10,000 will be processed by Purchasing. All purchases above $10,000, including quote information and other necessary data, will be forwarded to P&C for approval before a purchase order can be issued.

Section 5.19
Rental/Lease of Equipment

The rental or lease of any equipment must be processed by Purchasing. Forward all needed requirements and approvals to Purchasing for evaluation. Bids may be required.

Section 5.20
Purchase of Books

Generally, all books purchased for sale by the College are handled by the Bookstore. Purchasing can order single copies or very small lots of books for evaluation under certain circumstances.
Section 5.21
Purchase of Subscriptions

The Library manages its subscription needs, and issues purchase orders as required. Subscriptions for faculty and staff are processed by Purchasing via an E-Procurement order, if possible.

Section 5.22
Purchase of Window Treatments

All requirements for blinds should be coordinated with the Director of Facilities first, and then Purchasing. Purchasing will contact the State Contract vendor to complete the proper measurements and submit a quote for the job. The quote will be returned to the requestor for order entry into E-Procurement.

Section 5.23
Purchase of Copiers

Purchase requests for small copiers or printers must be approved by the Chief Technology Services Officer. Since all major copiers are leased, requirements will be determined by the Printing Director.

Section 5.24
Acquisition of New and Used Autos

To purchase an automobile, the request should be submitted and approved by the College’s equipment committee. Once approved by the proper Director, Dean and Vice President, the requisitioner must review the State Contract to determine availability. These purchases usually have long lead times.

If the request is for a used vehicle, the request must be reviewed by the Supervisor and the area Vice President. Once the type of vehicle has been determined, Purchasing will help with the search from local dealerships. After one or two vehicles have been selected, Purchasing will help establish the purchase price.

If the final purchase price is over $10,000, vehicle information is forwarded to P&C for approval. If the price is below $10,000, the College will make arrangements for the purchase.
Section 5.25
Auto Rentals

There are several companies on State Contract for auto rental. This requisition can be processed at the department level, or contact Purchasing to use the Purchasing P-Card for holding the vehicle. The actual rental is paid by the requisitioner and claimed for reimbursement per travel procedures.

Section 5.26
Auto Service and Repair

All College vehicles are under the care of the Maintenance Department. A blanket order is issued to a local garage to complete required vehicle maintenance. The only exceptions are the Fire Training and Police Training programs, who issue yearly blanket orders for their vehicle maintenance.

Section 5.27
Purchase of Fuel (Gasoline) for College autos

Gaston College fleet autos are fueled from the College’s fuel pump located in the Maintenance Department area. To buy fuel while traveling in a College vehicles, gas credit cards are available through Accounts Payable.

Section 5.28
Purchase of Airline Tickets

Airline tickets may be purchased through AAA Carolinas on the College account or may be purchased by the traveler and submitted for reimbursement per travel procedures.

Section 5.29
Minor Construction and Repairs

Any request related to minor construction or repairs requires a Vice President or President approval. The Maintenance Department will review and prioritize the request for the College. In most cases bids will be required. After bidding is completed, a purchase order will be issued to the contractor. Capital projects under $500,000 are managed by the College.

Section 5.30
Complaints to Vendors

Please send Purchasing written complaints about a vendor concerning products or services including vendor name and purchase order number. Purchasing will contact the vendor about
the problem. Please note that the State maintains a debarred vendor list, which will need to be consulted prior to placing an order, if not using State Contract vendors. See http://www.doa.state.nc.us/PandC/Default.aspx for the debarred vendor list.

Section 5.31
Purchase of Carpeting

Carpet requests for an office or other rooms must be pre-approved by the area Dean or Vice President. The request is then submitted to the Maintenance Department for review and prioritized with other College needs. Once the request arrives in Purchasing, a bid is completed if required using the normal benchmarks. State Contract requires all agencies to use carpet on the state QPL. If the price is below the state contract’s minimum order of $2,500, then local companies can bid the project.

Purchasing keeps a number of State Contract carpet samples for use in carpet selection. Keep in mind that in most cases the carpet must be ordered by the vendor, and it may take a few weeks to complete the job.

Section 5.32
Purchase of Air Conditioning Units

This request should be pre-approved by a Director, Dean and Vice President. A request is then forwarded to the Maintenance Department for review and prioritization with other College needs. Once approved, a bid request is forwarded to Purchasing to initiate the bid process.

Section 5.33
Purchase of Radiation-Producing Equipment

Traditionally, x-ray machines are the only equipment that fall under this category that are purchased by the College. Because this is an equipment purchase, proper approval from the equipment committee is required. Detailed specifications should then be forwarded to Purchasing for bidding by P&C.

Section 5.34
All Furniture Purchases

All furniture purchases must be approved by a Director, Dean, or a Vice President according to the dollar amount of furniture to be purchased. Furniture purchases should also be submitted to and approved by the Equipment Committee. All furniture is purchased from State Contract. Contact Purchasing for assistance on products and pricing. When purchasing a large lot of new furniture submit plans to Purchasing regarding the disposal of the old furniture, since the College has no storage space for displaced items.
If used furniture is requested, once located, a price is established, and if under $10,000, a purchase order can be issued. If over $10,000, the request will be forwarded to P&C for final approval.

**Section 5.35**
**Brand Specific Products or Services**

Traditionally the state requires bids to have generic data in order to be bid by a wider range of vendors. However, there are times when brand specific products or services are required. If this is the case, Purchasing must have written justification for the situation from the requisitioner (Appendix C). The justification will be evaluated and if reasonable, the purchaser will be allowed to buy, or, a bid will be processed with the justification attached to the purchase order. In the case a bid is over the College benchmark ($10,000), the justification will be forwarded to P&C with the bid package.

**Section 5.36**
**Qualified Products List (QPL)**

QPL is a list of State approved products such as carpet and furniture. Most vendors are required to submit products to the P&C Engineering Department for testing and approval before they are added to the QPL.

**Section 5.37**
**Standard Specifications**

Standard specifications should be used whenever possible when preparing a requisition or bid. This allows the College to easily match products that are already in use on campus.

**Section 5.38**
**Excise and Sales Tax**

Gaston College is **not** tax exempt, except for Federal excise taxes.

**Section 5.39**
**Compressed Gas Cylinders and Other Returnable Containers**

Gaston College utilizes a number of gases in its daily operations. The gases are stored in cylinders in the classrooms in which they are used, or in the Maintenance area. Most are covered by rental agreements with State Contract vendors.
Section 5.40  
Storage Units
Gaston College utilizes various trailer/storage units on campus. Contact Purchasing for storage unit needs.

Section 5.41  
Trade-in Allowances
After proper approvals are received, contact Purchasing with written information about any new/used equipment to be purchased including the trade-in allowance. A bid may be required if the adjusted price is above the benchmark level. If only one vendor offers a trade-in allowance and it is below the benchmark, the Director of Purchasing and the Vice President of Finance, Operations and Facilities will meet to assess the fair value of trade-in allowance offered.

Section 5.42  
Repair of In-Warranty Equipment
Contact Purchasing with any College equipment failures that are under warranty. Purchasing will review records and contact the vendor for repair or replacement.

Section 5.43  
Repair of Out-of-Warranty Equipment
Please send written information about equipment in need of repair that is out of warranty. An assessment will be made of whether to repair or scrap the equipment. If repair is possible, Purchasing will search for a suitable repair facility. All maintenance contracts should be evaluated by Purchasing and the Vice President of Finance, Operations and Facilities before annual release.

Section 5.44  
Foreign Source Purchase/Vendors
Please consult with Purchasing prior to making any purchases from foreign vendors. Foreign purchases must be tracked and reported to the state.
Section 5.45
Equipment Demonstrations, Arrangements, Expenses

Gaston College maintains no obligation to purchase any equipment demonstrated on campus, nor will Gaston College accept any cost for demonstrations, or shipping cost to or from Gaston College.

If equipment demonstrated is acceptable, there are other considerations to review before purchasing. Product costs, delivery costs, and product warranty will be considered. The cost will be reviewed in relation to College benchmarks and other similar products.

Section 5.46
New Equipment

All equipment purchases must be pre-approved by the equipment committee before purchase. All equipment requiring electrical connections must have prior approval from the Maintenance Department before purchase for safety and code reasons.

Section 5.47
Writing Equipment Specifications

Once the equipment committee has approved an equipment request, it is the responsibility of the requestor or other knowledgeable parties to develop the equipment specifications needed to purchase or bid the equipment.

Section 5.48
Justification Memorandum
(Waiver of competition, brand specific, sole source)

Waiver of competition is possible if Gaston College is matching existing equipment or equipment that has been bid and purchased recently. Waiver of competition is also possible in emergency requirements or if a product is proven to be a sole source item. Other than these exceptions, all goods and services above $4,999 not purchased via State Contract must be bid.

Section 5.49
Receiving Items

Receiving is a function of the Gaston College Shipping and Receiving department on the Dallas Campus. Once products are properly received, the packing slips and invoices are forwarded to Purchasing for processing. This includes all E-Procurement, manual, and P-Card orders.
Section 5.50
Printer Cartridges

When ordering replacement printer cartridges, first reference the **State Contract** to obtain the current state cartridge remanufacturer. If for some reason the State Contract vendors do not carry the cartridge, then seek the cartridge from the State Contract office supply company or the printer’s manufacturer. The cartridge must be ordered through E-Procurement.

Section 5.51
All Computers, Printer and Other Related Technology Equipment

All computers, printers and other related electronic equipment must be reviewed and approved by the College’s Technology Department. This includes software, specific software written for the College or other specialty software.

Section 5.52
Equipment Tags

Equipment tagging is a function of the College Equipment Coordinator in the Business Office.

Section 5.53
Inter-Department transfer of equipment or furniture

Inter-department transfer of equipment or furniture is a function of the College Equipment Coordinator in the Business Office.

Section 5.54
Inter-Agency Transfer

Inter-agency transfer is a function of the College Equipment Coordinator in the Business Office.

Section 5.55
Foundation Funds

Purchases made with foundation funds purchases are not treated as standard purchases and are not required to follow state purchasing procedures.

Section 5.56
Requisition Forms

Purchase requisitions can found on the College intranet website under forms.
Section 5.57
Cannibalized Equipment

Cannibalized equipment is a function of the College Equipment Coordinator in the Business Office.

Section 5.58
Equipment Reporting

Equipment reporting is a function of the College Equipment Coordinator in the Business Office.

Section 5.59
Inventory Control

Inventory control is a function of the College Equipment Coordinator in the Business Office.

Section 5.60
Property Trade-ins

Property trade-ins are a function of both Purchasing and the Equipment Coordinator.

Section 5.61
College Credit Card

Gaston College is in the process of implementing state P-cards. Several key personnel will be issued a state P-card for use in emergency situations. P-Cards can be used in situations where a vendor will not take a purchase order and requires a credit card to place the order. See the P-Card Manual for specific rules regarding P-Card usage.

Section 5.62
End-of-the-Year Cut Off

The fiscal budget year is from July 1 through June 30. The State requires that the College have all purchase orders completed before the June 30 close-out.

In order for Purchasing to meet this requirement, a Purchasing cutoff date is established each year. All outstanding orders will be expedited to ensure receipt prior to the start of the close-out process. All orders that will not make the cutoff date will be cancelled and new orders can be entered after purchasing activity resumes in early July. The term “roll over” does not mean the purchase order rolls over but the funds for the new purchase order rolls over or continues into the next year whereas with other orders the funds terminate at the end of the last year.
A similar close-out process applies for blanket purchase orders. Blanket orders will be cancelled by late April each year for standard blanket orders and late June for essential blanket orders needed to continue operations.

**Section 5.63**

**Bids**

In a standard bid situation, completed either by Gaston College, P&C, or ITS/SITP, generally the lowest bidder is selected. The only exceptions are if the lowest bidder has a documented problem or if ITS/SITP sets “Best Value” as the bid criteria for large projects. Documented problems may include a poor or substandard product or a product with known service issues. These situations will be assessed by the College. The lowest bidder has the right to protest the bid if not selected. This situation can become a legal issue involving a number of procedures and processes and involving both the College and P&C or ITS/SITP.

ITS offers two bidding options. The College can establish on the front end of the bid request to accept the “lowest bid” for a standard product or “best value” for major purchases, software package, or custom designed system. Accepting the lowest bid is not mandatory in best value purchases. Selection is based on products or services that best fit the College’s needs.

Bid requests forwarded to P&C must include general specifications to encourage a larger number of vendors to bid the product. Once the bidding process is complete, P&C will send the bid package to College Purchasing for review and approval. If the lowest bidder is not selected, a written statement justifying the College’s selection will be forwarded to P&C. If P&C does not accept the justification, further discussions are held and the College may be required to accept the lowest bidder or rebid.

After resolution of the bid, P&C will send final approval to the College giving permission to purchase from the selected vendor via e-Procurement. Please keep in mind the bid process with either P&C or ITS/SITP can take a number of weeks to complete. Please allow adequate lead time for this process.

**Section 5.64**

**State Inspections**

Any equipment or furniture purchase over $10,000, with a few exceptions, must be inspected by the State Inspector before the invoice can be paid. The state of North Carolina requires that all equipment with any electrical components have UL standards or other state approved certification attached to the equipment. CE certification is currently not accepted by the state. If a product is from a foreign source and has CE standards or no certification, be prepared to pay to have it UL (or other state approved certification) certified. Certification must be
completed before a state inspection is performed and the product invoice is paid. There is a specific exception to this requirement for Textile Technology Center equipment.
Section 6:  
Construction Versus 
Standard Purchasing Determination
Section 6.1
Construction Projects

Any and all construction related activities at any College location must be coordinated through the Director of Facilities and the Vice President of Finance, Operation and Facilities.

Gaston College shall review the items being included in a construction/renovation project and remove any items considered non-related to the actual construction/renovation of the building. Items that are considered commodities, or furnishings required to complete the project for use, shall be handled in accordance with normal purchasing rules. Items that are usually removed from construction/renovation projects include carpet, office panel systems, food service equipment, and furniture. If the College determines that one of these items, or any item normally handled as a commodity purchase, is best suited for inclusion in the construction/renovation project, the justification shall be documented in writing.

Section 6.2
Formal Projects

Any project requiring the estimated expenditure of $500,000 or more for construction contracts, design fees, and construction contingency monies, regardless of the source of funds, will be considered a “formal” project and must have the approval of the State Board and the State Construction Office (SCO). More detailed procedures for obtaining approval for formal projects are explained in the section entitled “Procedures for Completing a Capital Improvement Project” of the State Construction manual. Formal bidding procedures as per G.S. 143-129 must be followed for these projects. Note, in cases of special emergencies involving the health and safety of the people or property, the bidding procedures in G.S. 143-129 may be waived. Contact the Assistant Director of the Design Review Section at the SCO for approval to proceed under a special emergency situation.

Section 6.3
Informal Projects

Any project where the authorized funding or total project cost is realistically estimated at less than $500,000 for construction contracts, design fees, and construction contingency, is considered an “informal” project. If the economy is in a period where the costs of construction materials and services are rapidly rising, and the estimated total project cost is close to the $500,000 threshold, the College is strongly encouraged to consider treating the project like a formal project. This rationale is because if the project is bid under the informal bidding procedures and the lowest bid or set of bids received are over $500,000, general statutes may not allow the College to award a contract. Several general statutes require that certain actions be taken prior to awarding a contract and some of these actions must be included in the bid documents for the bidders to consider when compiling their bid(s). Four examples that are triggered by the $500,000 threshold are:

1. G.S. 143-129(b) requires that no bid can be considered unless it is accompanied by a bid deposit or bid bond of five percent of the bid.
2. G.S. 44A-26(a) requires performance and payment bonds in the amount of one hundred percent of the bid for all contractors who have contracts over $50,000.

3. G.S. 143-128.2(j) requires contractors on projects costing over $500,000 to make specified good faith efforts to recruit minority participation as detailed in G.S. 143-128.2.

4. G.S. 133-1.1(a) (1) requires an architect or engineer registered in North Carolina to prepare the plans for repairs to a building with no structural changes in framing or foundation. If an architect or engineer did not prepare the plans, the College is required to reject the bid or bids. **Any informal project that uses state funds must be submitted to the State Board of Community Colleges for approval before the College enters into any design or construction contract.** Informal projects that do not use state funding are not required to be submitted to the State Board for approval. No informal project has to be submitted to the SCO for approval unless the College desires the oversight of the SCO. If an informal project is submitted to the SCO, the project must also be submitted to the State Board for approval, and both agencies will treat the project the same as a formal project. Informal projects that are not submitted to the SCO may follow either the informal bidding procedures in G.S. 143-131 or the formal bidding procedures in G.S. 143-129. The single prime or separate-prime methods for bidding can be used.

Informal projects must have the proper approval and permits from the local building inspector and must comply with all state and local building codes and regulations. The College or the designer must submit the building plans for all projects over 10,000 gross square feet to the NC Department of Insurance, Engineering and Building Code Division to assure code compliance (See the list of “Contacts and Websites” for the name and address in the state construction manual). **Approval must be secured in order to obtain a building permit from the local building inspector.**

The General Statutes do not address bidding procedures for projects under $30,000. Theoretically, a College could contact several contractors by phone for projects under this threshold. Each College should develop their own policies and monetary thresholds as to how, when, and where to seek bidders for all informal projects under $500,000.

To obtain competitive bids, the College must have some form of plans and/or specifications for the project so all bidders are bidding on the exact same materials and components. Depending on the size and type of project, the College may be required by G.S. 133-1.1 to employ a designer. See the section “Beginning any Capital Improvement Project” for more information.

If a College decides to accept informal bids, it is highly recommended that the College secure at least three bids. The General Statute, states that an award can be made “after informal bids have been received.” By using the plural form of bid, it implies that more than one bid must be secured. While advertising in a newspaper is not required for informal bids, it may promote local goodwill. The College may place an advertisement on the P&C IPS website. If the College makes a genuine effort to solicit bids from three or more contractors and only one contractor submits a bid, an award can be made to the one bidder. The College should keep records of all bids and bidding efforts for three years.

G.S. 143-131(b) requires that the College solicit minority participation for its’ informal projects (those from $30,000 to less than $500,000). It also requires the College to provide documentation to the Department of Administration, Office for Historically Underutilized Businesses (HUB Office), as to the type and dollar value of the project, contractors solicited, dollar value of minority business
participation, and the **good faith efforts made to seek minority contractors**. The College should meet this reporting requirement as they enter their data for this project into the HUB SCO reporting system. The SCO has forms for informal contracts that could be edited and used by the College. The SCO’s design contract, with editing, could also be used as it provides more protection to the College than the American Institute of Architects’ (AIA) contract. If the SCO documents are used, any reference to the State of North Carolina or the SCO must be removed.

**Section 6.4**  
**Modular, Mobile, or Pre-Engineered Buildings**

P&C does **not** handle the acquisition modular of buildings, mobile buildings, pre-engineered buildings, or pre-fabricated buildings. The acquisition of these buildings is referred to the respective agencies that oversee construction projects, like the SCO and the System Office. Thus, if the cost of purchasing and erecting one of these buildings is $500,000 or more, the project would be considered a formal construction project and would fall **completely** under the rules for formal projects and the SCO. This would require employing a designer to design the building and seeking competitive bids for the construction and erection of the building. These requirements may negate any perceived savings in acquiring such a building.

If the cost of purchasing and erecting a modular, mobile, or pre-engineered building is less than $500,000, the project would fall under the rules for informal projects. As per G.S. 133-1.1(a) (3), if the cost is over $135,000, the plans would need to be prepared by an architect or engineer registered in North Carolina.
In order to address the situation of orders being placed or buying/picking-up goods without prior Purchasing approval, the following letter will be completed by Purchasing with a copy forwarded to the respective supervisor.

“AFTER-THE-FACT” PURCHASE MEMORANDUM

TO:

FROM: Director of Purchasing

SUBJECT: “After-the-Fact” Purchase

DATE:

Sound purchasing practices dictate that all requests for materials and services be fully approved before any commitment is made on behalf of the College. A requisition should be completed and a purchase order processed before the purchase of goods or services. Otherwise, the College is not obligated to make payment.

The requisitioner purchased _______________________________ for $_______________ without prior approval. Please complete and sign the attached form. Before returning the completed form to Purchasing, please make a copy for personal records.

Contact Purchasing with any questions.
MEMORANDUM OF “AFTER-THE-FACT” PURCHASE

**Documentation for Compliance Audit**

Reference: Vendor: ___________________________ Amount: ________________

Invoice No: ________________________________________________________________

Description: ___________________________________________________________________

Sound purchasing practices dictate that all requests for materials/services be approved by the Director of Purchasing or the Vice President for Finance, Operations, and Facilities and in some circumstances the President. A requisition should be completed and a purchase order process BEFORE the purchase goods or services. Otherwise, the College is **not obligated to make payment**.

I am aware of Gaston College’s purchasing policy and will take corrective action to prevent a reoccurrence.

Employee_________________________________________________________ Date_______________

Employee’s Vice President: __________________________________________ Date_______________

VP for Finance, Operation, Facilities _________________________________ Date_______________

CC: Gaston College President___________________________________________
SPECIFICATION GUIDANCE

(To be prepared by end-user)

1. What is being purchased? This should include: An accurate description of the item, item numbers, model numbers, quantity needed, and list of additional components needed to complete the system.

2. Is this a sole source? Why? If yes, obtain letter stating such from the vendor.

3. Are there specifications? These specifications are to be typed and not photocopied.

4. If it is brand specific, why? What brand?

5. Is installation needed? If yes, must be included in bid or order.

6. Is training needed? Major training or general instruction to user?

7. Does the purchase involve special delivery? What is the deadline for delivery? Is this an inside delivery?

8. What kind of warranty is provided or required?

9. Is a maintenance contract required for this kind of item?

10. Would used, refurbished or demo equipment be acceptable?

11. What kind of service agreement is required for the equipment?


13. For purchases greater than $25,000 review the Request for Quote Form, Standard Paragraphs on the P&C Website http://www.doa.state.nc.us/PandC/divforms.htm for an idea of the specifications to be added or view http://www.doa.state.nc.us/PandC/splist.htm for an example.
There is additional purchasing detailed information that was not included in the manual. As of the writing of this manual there are ongoing changes with P&C and ITS. As these changes become finalized, Purchasing will send out a campus wide e-mail in order to keep this content up to date. Please call Chuck Wray at 704-922-6432 or Debra Payseur at 704-922-6434 with any purchasing related or procedural questions.

Notes:
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704.922.2323 (f)

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