Purchasing: Policy & Procedures

LEWIS CLARK
STATE COLLEGE

Policy and Procedures

- LC State 4.111 Purchasing Policy - posted on the [Policy website](#).

- Purchasing Procedure Manual and P-Card Procedure Manual posted on the [Purchasing site.](#) These documents contain detailed instructions on purchasing.

- See the [Purchasing Website](#) for more information.

- Contact Purchasing at 208-792-2288 or [Purch@lcsc.edu](#)

Purchase Orders & P-Card

- Purchase Orders and the Purchasing Card (P-Card) are the only authorized means to acquire goods and services. This provides protection for the college as well as our vendors from individuals claiming to represent LC State who may place orders fraudulently.

- College employees should not place an order or receive goods or services without being able to give the vendor a Purchase Order number or Purchasing Card number. This procedure gives our suppliers the assurance they have a bona fide order.

Authorized Purchases

- No person is authorized to obligate the college without encumbering, <u>in advance</u>, sufficient funds to meet the purchase obligation.

- This means that a requisition must be entered in Jaggaer, routed for approval, and PO generated <u>before</u> placing an order.

- Each department has employees authorized to approve requisitions and P-card expenses. Generally, the department head is the first approver. All purchases at or above $2,000 require next level approval.

  - Jaggaer Workflows automate this process

Purchase Orders

- A Purchase Order is created by entering a Requisition into the Jaggaer eProcurement system to route for approvals.
- Requisitions flow through an approval process of individuals and departments who are responsible for verifying accuracy, completeness, and availability of budget or funds to support the acquisition.
- The requester and approvers are responsible for determining and ensuring funds are available and properly budgeted for the acquisition.
- When the final approval is made on the requisition, the Purchase Order will be automatically generated and submitted to the vendor.

P-Card

- The P-Card program is designed to establish a more efficient, cost-effective method of purchasing and paying for smaller transactions.
- All purchases made with the P-Card must comply with the P-Card Policy 4.121 and the P-Card Procedure Manual
- Each P-Card purchase must have a valid business objective relevant to the college.
- Contact Purchasing at Purch@lcsc.edu for P-Card training.

Dollar Thresholds

- Purchasing requirements by dollar threshold
  - **$100 or less; $1,999.99 or less**
    - To facilitate efficient purchasing and payment, P-Cards are required to be used for all purchases of $100 or less and highly encouraged to be used for all purchases of $1,999.99 or less, with the exception of the Punchout vendors listed on the Jaggaer website.
      - If a vendor does not accept a P-Card, a Purchase Order can be used.

  - **Under $20,000 Purchase**
    - Solicitation not required; departments are encouraged to obtain quotes and use good judgement. Use state contracts or Jaggaer punchouts when applicable

Dollar Thresholds

- **Small (Informal) Purchases** - **$20,000 to $249,999**
  - Purchasing Department will solicit quotes
- **<u>Federally Funded</u> Small (Informal) Purchases** - **$10,000 to $249,999**
  - Purchasing Department will solicit quotes
- **Large (formal) Purchases - $250,000 or greater**
  - Purchasing Department will issue a Request for Proposal or Invitation to Bid

- [Procurement Method determination document](#)

Bid Process Turnaround Time

- Time is the most critical component in the purchasing process. Informal purchases may take approximately 2-6 weeks.

- Formal purchases can take from 2 to 5 months or longer, depending on the dollar value and complexity of the solicitation.

- Involve the Purchasing Department early in the planning process to help with timelines, estimated costs, and potential vendors.

- [Procurement Method Determination Guide](#)

Exempt from bid process

- There are some exceptions to the purchasing process for goods and services that may be unique or do not lend themselves to acquisition by solicitation (bid process).
- Contact Purchasing to review the good or service you need for specific instructions.
- Some examples include:
    - Purchases from Correctional Industries
    - Interagency contracts
    - Situational acquisitions (college employee training, used goods, educational discount, etc.)

Sole Source

- In most circumstances, LC State will purchase material, equipment, supplies, and services via competitive means.
- However, the college may forgo the competitive/solicitation process and approve sole source procurements provided the end-user can adequately demonstrate only one vendor that can provide the good or service.
- Contact Purchasing for information

    See the Sole Source Request form on the [Purchasing Forms](#) page

State Contracts & Jaggaer Punchout

- Check State contracts & Jaggaer Punchouts first
  - Jaggaer Punchouts are cooperative contracts or state contracts
- Jaggaer Punchouts include Amazon, Grainger, Office Depot, Staples, etc.
- List of state contracts at the Idaho Division of Purchasing site
- Contact Purchasing with any questions or to review if your purchase may be available on a state contract
- Use of statewide contracts for personal use is prohibited.

State Contracts & Jaggaer Punchout cont.

- If you find a good or service elsewhere, that is <u>equal or less</u> than the contract price, there is a procedure to document and obtain approval.

- If the value of the single, one-time acquisition **is less than $20,000**, the requester must include the comparison documentation (quotes, pdf of website, etc.) of the contract and non-contract price. Ensure the comparison documentation shows all applicable amounts, such as shipping and any other fees.
  - For P-Card purchases, documentation must be retained with the P-card transaction.
  - For PO purchases, documentation must be attached to the internal attachments on the requisition in Jaggaer.

- If the value of the purchase is $20,000 or greater, complete the <u>Exemption from Utilizing State Contract Request form</u>, and submit with all comparison documentation to Purch@lcsc.edu

- **Excludes Information Technology and Office Furniture purchases.**

Sales Tax

- Purchases of goods for official college business that are physically received in the State of Idaho are exempt from Idaho sales and use tax.
- A copy of the ST101- Tax Exemption Form is posted on the Purchasing Department website.
- Form may be taken or sent to vendor.
- Purchasing Forms page

Invoices

- Vendors are required to submit all invoices to the Controller's Office.

- Coap@lcsc.edu.

- In the event that a vendor sends an invoice to a department, the department is required to submit the invoice to the Controller's Office immediately.

  - How to submit:

    - Invoices should be uploaded to Jaggaer. See the Jaggaer Resource site for process guides on uploading invoices.

    - AP will also accept the invoice emailed to coap@lcsc.edu

  - Account Payable site

  - Contact AP at 208-792-2205

Special Purchasing Procedures

- **Information Technology Purchasing**
  - IT purchases include, but are not limited to, all present and future forms of desktop and mobile computing devices, software and applications, and third-party services related to automation or telecommunications
  - Computer-related purchases (any computer equipment, multimedia hardware, communications-related equipment, peripherals [ex. keyboards, mice, screen protectors, flash drives] over $100, software, or online services) require the Information Technology Director's approval. Jaggaer automatically routes requisitions for this approval.

- **Alterations/Renovations of Facilities**
  - Requests for alterations or renovations shall be directed by the Physical Plant Director and acquisition of goods or services will be coordinated with the Purchasing Department.

Sponsored Funds

- Sponsored (Grant) funding purchase requirements can be more restrictive than requirements for the State of Idaho.
- See the [Code of Federal Regulations, 2 Part 200, Subpart D, Procurement Standards](#)

Sponsored Funds

- The Office of Grants and Contracts (OGC) must be included in the grant purchase authorization workflow. It is the responsibility of the purchase originator to obtain the authorization of the OGC.
  - Jaggaer automatically routes requisitions for Grant approval
- For additional guidelines, see [Policy 1.111 Grants and Contracts](#)
- Assets purchased with sponsored funds shall be managed in accordance with applicable institution, state and federal policies.

Leases

- The Purchasing Department can assist with a lease for goods.
  - Contact Purchasing at Purch@lcsc.edu.
- Requests for leases for office space, storage, residence, etc. shall be directed to Administrative Services.
  - Contact Administrative Services at VPFinanceAdmin@lcsc.edu

Trade-In

- Trade-in of existing equipment prior authorization from the LC State Purchasing Director. Once this approval is obtained, the trade in process must be part of a solicitation or exemption.
- The solicitation will give vendors an opportunity to put a dollar value on the equipment to be traded in and provide pricing for new equipment. This process gives the data to determine net cost.
- **Contact Purchasing for more information**

Disposal

- No state property shall be disposed of without prior approval of the Vice President for Finance and Administration and the college Purchasing Director.
- Surplus Property instructions and the required online Surplus Property form are located on the [Surplus Property Disposal page](#).
- The State Personal Surplus Property Policy and Procedures are at https://www.sco.idaho.gov.
- All employees of the college are prohibited from participating in the acquisition of the college's surplus property.

Vendors

- Purchasing is responsible for vendor management and determining if a vendor is suspended, debarred, or otherwise excluded from participating in purchases with LC State.

- PaymentWorks is the platform used to onboard, verify and validate vendors.

- All vendors must register with PaymentWorks in order for LC State to issue a PO.

Vendors

- How does this impact you?
    - If a vendor is not available in Jaggaer to enter a Requisition for, they have not yet registered with PaymentWorks.
    - You will submit a simple request form in Jaggaer, the Supplier Request, with the vendor's name and contact email.
    - Purchasing will invite them to PaymentWorks.
    - Once the vendor is registered in PaymentWorks, you will receive an email notification.
    - How to request a PaymentWorks registration invite
- It is helpful to check in Jaggaer for any vendors who you might do business with in the coming months. If they are not available to use in Jaggaer, you can submit the Supplier Request in advance so that the vendor record is ready when you need it.

PaymentWorks

- LC State uses PaymentWorks, a digital vendor management and payment security platform, to streamline vendor onboarding and facilitate electronic payments.
- PaymentWorks is vendor management platform that provides the following services:
  - Collection and update of vendor information
  - Validation/Verification of vendor information, including:
    - Banking information
    - Addresses
    - Tax Identification Numbers (EIN or SSN)
  - Vendor verification checks to ensure compliance with federal grant and Idaho statutes
- [PaymentWorks site](#)

Overview of Jaggaer

- Jaggaer is our eProcurement system, used for the full procure to pay cycle.
- Provides workflow, automation, reporting, and process efficiency.
- Shop directly with Punchout Catalogs with negotiated contract pricing.
- Approvers can approve via email and assign a substitute when they are out of office.

Overview Cont.

- Jaggaer supports shopper, requester and approver roles.
- Faculty and staff can be assigned the shopper role to shop, build a cart, and assign to a requester.
- Requesters have access to department/division cost centers and place orders into the approval workflow.
- Requests for access to cost centers are routed to the Controller's Office.

General Process

- All non-P-card purchases must be entered as a requisition in Jaggaer, prior to placing order/receiving the goods or services.
  - Use Payment Request for identified exceptions
- Requisitions are routed through the approval workflow, and POs auto generated after last approval
- Enter receipts to confirm goods received/services rendered/invoice "OK to pay"
  - Receipts required for all PO's, except:
  - Check request, payment request and Team Travel Advance request

Types of Requests

- Purchase of goods or services from vendors
  - Punchout
  - Non-Catalog
  - Payment Request
  - Independent Contractor Payment (ICP) request
- Payment to non-vendors (staff, students, position candidates)
  - Check Request
  - Team Travel Advance Request
- Supplier Request
  - Request to invite Suppliers to PaymentWorks

General reminders

- Refer to [Jaggaer resource page](#) & Organizational Message at the top of the Jaggaer home screen for information, procedure guides and reminders

Thank you. Questions?

Purchasing Department

2288

purch@lcsc.edu