



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
H. Martin Lancaster, President

January 7, 2000

IMPORTANT

MEMORANDUM

TO: Business Officers

FROM: Philip V. Albano, Director
Administrative and Facility Services

SUBJECT: Purchasing Flexibility Report

This is a reminder that Purchasing Flexibility Reports are due in our office on February 1 and August 1 of each year. You must submit a report regardless of whether or not you purchased items using the purchasing flexibility authority granted to community colleges by the General Assembly. If you made purchases using this authority, please complete all sections of the form. If you did not make purchases using this authority, you only need to complete the top three lines.

Attached to this memorandum is an explanation of the purchasing flexibility authority and the form to be completed. Should you have questions, please contact Mr. Charles Valrie at extension 240, or me at extension 236.

pva

Attachments

pc: Mr. Kennon Briggs
Presidents
Purchasing Officers

BUS-MAN/PUR-FLEX

CC00-007
E-mail

Purchasing Flexibility

This legislation allows community colleges more purchasing flexibility that will allow the college to “shop state contracts.” This means, if a community college or the Center for Applied Textile Technology can find the same supplies, equipment, or materials that are on a state term contract at a price that is lower than the state contract price, the college can purchase them at the lower price. The procedures are as follows:

1. The item must be exactly the same, the same brand, model, style, etc. For example, a 19-inch Sony TV is not the same as a 19-inch Panasonic TV!
2. The purchase price, including the cost of delivery, must be lower, not equal!
3. The cost of the purchase cannot exceed the college’s delegation.
4. The college must keep a detailed record of all purchases made from non-certified sources. The record will contain the following:
 - a. A descriptive name of the item purchased;
 - b. The purchase order number;
 - c. The state-term contract number for the item purchased;
 - d. The cost of the item had it been purchased under the state-term contract;
 - e. The actual total cost paid (including the cost of delivery but not the cost of taxes) for the item purchased from the non-certified source;
 - f. Savings per unit;
 - g. Number of units purchased; and,
 - h. Total cost.

The reports will be as of December 30 (due February 1) and June 30 (due August 1). Enclosed is a copy of a form that may be used. The college must also maintain in their purchasing file, for a period of three years, the documentation pertaining to these purchases for compliance review by the Division of Purchase and Contract (P&C).

The staff of the Administrative and Facility Services Section will review these semiannual reports, make an annual report to the State Board of Community Colleges (State Board), and furnish P&C with a copy of this report. P&C will study the results of your purchases to determine what changes, if any, should be made statewide and report to the General Assembly. If you report a great deal of savings, P&C will need to study their existing contracts to determine why the State contract price is not the lowest price. They might also decide to initiate more “convenience contracts,” which would allow you to use the contracts only if you want to use them. They also might recommend that other state agencies be allowed to have this same flexibility. So, there is a lot riding on the outcome of your results. by this legislation.