



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
R. Scott Ralls, Ph.D.
President

August 16, 2010

IMPORTANT!

MEMORANDUM

TO: Presidents

FROM: Jennifer Haygood
Vice President of Business and Finance
and Chief Financial Officer

SUBJECT: Procedure for Requesting a Purchasing Delegation Increase

Reference: Numbered Memo CC10-031
23 NCAC 02C .0506

Section 1(c) of S.L. 2009-132 (H490) states, “The State Board of Community Colleges, in consultation with the Department of Administration, shall review the purchasing process for community colleges and may increase or decrease the purchasing/delegation benchmark for each community college based on the college’s overall capabilities, including staff resources, purchasing compliance reviews, and audit reports.” This memo outlines the procedure that a college must follow if it elects to request an increase to its purchasing delegation.

Each college will be identified through a four-tiered structure as described below and corresponds to its current delegation.

Tier 1	Tier 2	Tier 3	Tier 4
\$10,000	\$25,000	\$50,000	\$100,000

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A college **may** request an increase in delegation to the **next tier**. If approved, the new delegation will be effective for two years, assuming the college does not receive a negative compliance review or demonstrate any other problems managing the increased delegation. At the end of those two years, the college may request an increase up to the next tier.

The process for requesting an increase in purchasing delegation will require the college to submit the following package to the Vice President of Business and Finance.

1. Formal request from the college President requesting the next tier delegation.
2. Request for Increase in Purchasing Delegation (NCCCS Form 490).
3. Internal Purchasing Manual with policy/procedures for all transaction types.
4. Recent copy of a bid posted on IPS.
5. Recent copy of a posted E-Quote.
6. Compliance Review summary from the Division of Purchase and Contract (P&C):
 - The compliance review must have been conducted within the prior 12 months.
 - If any finding(s) is noted in the compliance review, the college must provide documentation that issue(s) has been rectified.
 - If a college receives an unfavorable compliance review, the delegation amount will be reviewed and could be reassessed.

After receipt of all documents required for consideration, the review committee will conduct its review (within 30 business days) and provide the Vice President of Business and Finance an evaluation and recommendation based on a college's submission. If the Vice President of Business and Finance agrees with the evaluation and recommendation, a package with the recommendation will be submitted to P&C for their review and concurrence. P&C will have up to 60 days for their review process.

With the concurrence of the recommendation (approve or deny) from P&C, an agenda item for review and consideration by the Finance and Capital Needs (F&CN) Committee of the State Board will be prepared. If the action is approved by the F&CN Committee, the State Board will be asked to take action. If the State Board approves the action, the requesting college will receive official notification for the System Office. The approval will have an "effective" date of the first day of the month following approval. This should allow sufficient time to notify all parties.

Should you have any questions or concerns, please direct them to Sharon Rosado, Manager for Administrative and Facility Services, at (919) 807-7087.

JH/sr

Attachment

pc: Business Officers
Purchasing Officers
Karen Kelly
Sharon Rosado
James D. Staton, Jr., State Purchasing Officer

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REQUEST FOR INCREASE IN PURCHASING DELEGATION

The college President or Designee (CFO) must complete the **Request for Increase in Purchasing Delegation** (NCCCS Form 490) form and submit all required documentation to the Vice President for Business and Finance, North Carolina Community College System Office.

The community college understands and accepts the responsibility of assuming an increase of Purchasing/Delegation Benchmark. The college is committed to following the policies and procedures provided by the Division of Purchase and Contract by designation of a qualified Agency Procurement Officer to perform the duties of purchasing all supplies, materials, equipment and services required for the operation of the college. It is also understood that any abuse of this authority by procurement personnel could result in a reduction or elimination of the colleges purchasing authority. It is extremely important that college procurement personnel understand the protest procedures for contract awards by a community college as set forth in the North Carolina Agency Purchasing Manual.

Community College:	Community College	Phone:	
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- Current Delegation? **Tier** ____ **\$**____
- Requested Delegation? **Tier** ____ **\$**____

College Procurement Officer:	Signature:	Date:
CFO:	Signature:	Date:
President:	Signature:	Date:

Return required documentation to:

North Carolina Community College System
 Attn: Vice President for Business and Finance & Chief Financial Officer
 200 West Jones Street
 Raleigh, North Carolina 27603

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I. Policy and Procedures

- a. Provide the name and title of individuals that have the primary responsibility for the overall purchasing function?

- b. Who at your college is responsible for monitoring changes in purchasing policies and procedures as they become available on the P&C web site?

- c. Does your college have an internal purchasing procedures manual?
____ Yes ____ No

If yes, please submit a copy of the manual.

- When was this manual last updated? _____
- Is this manual available to all personnel involved in purchasing?
____ Yes ____ No
- Is this manual available on your college's web site? ____ Yes ____ No
- Are the policies/procedures for ALL transaction types included?
____ Yes ____ No

II. Delegation

- a. Do you have written delegation agreements on file from the Division of Purchase and Contract for any special delegations? ____ Yes ____ No

If yes, please provide copies of any delegations.

- b. List the name(s) of personnel at your college who are authorized to approve purchase orders.

- c. Does your college utilize blanket purchase orders? ____ Yes ____ No

If yes, what type of purchases do you use blanket purchase orders? _____

- d. Are blanket purchase orders monitored? ____ Yes ____ No

If yes, what type of process is used? _____

If no, explain? _____

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e. Who may authorize releases on blanket and open purchase orders?

____ Purchasing Personnel

____ Others

Please list names of others

Position Title

f. What, if any, controls have been established for small, immediate or pressing need emergency purchases? _____

g. Are these controls documented in your purchasing procedures manual?

____ Yes ____ No

h. Does your college have Procurement Cards (P-Card)?

____ Yes ____ No

If yes, what is the policy for use?

Is the policy documented in your purchasing procedures manual?

____ Yes ____ No

i. Does your college have a Direct Pay policy? ____ Yes ____ No

If yes, what types of transactions warrant a Direct Pay?

III. Agency Benchmark

a. What is your college's benchmark for small purchases (no competition)?

Below \$_____

b. What is your college's benchmark for telephone quotations?

From \$_____ To \$_____

c. What is your college's benchmark for written quotations?

From \$_____ To \$_____

d. If more than \$5,000, are state Terms and Conditions required?

e. Are the State's Terms and Conditions used with written quotations?

____ Yes ____ No

f. Are these benchmarks documented in your internal purchasing procedures manual?

____ Yes ____ No

IV. Training

Does your Procurement staff attend external/internal training classes and/or conferences to stay apprised of the most current purchasing rules and regulations? If yes, provide the information below for training/conferences attended during the prior two fiscal years.

Name:	Title	Training Course:	Date Attended:

V. Personnel

Provide the names and titles of all Procurement Officers, Buyers, and Procurement Clerical Support Personnel at your college and the years of purchasing experience for each tier delegation. (Example: John Smith, Director of Purchasing, 10 years experience at \$10,000 delegation; John Smith, Director of Purchasing, 6 months experience at \$25,000 delegation). **A current organizational chart for the division that includes purchasing personnel must be attached to this form.**

Name:	Title:	Purchasing Experience (Years):	Tier Delegation Associated with Experience:

VI. Purchasing Volume

a. Provide the total annual (prior fiscal year) purchasing volume (in dollars) processed for your college through the Division of Purchase and Contract?

\$_____

b. Provide the total annual (prior fiscal year) number of Contract Certifications processed through the Division of Purchase and Contract?

c. Based on your records, how many open-market purchases over \$10,000 were issued in each of the last two fiscal years? ****Please include an Excel spreadsheet outlining the purchase order number, product description and total dollar value. ****

FY_____ Quantity_____

FY_____ Quantity_____

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- d. Please provide a statement regarding what type of training, if any, the purchasing personnel would require to handle the additional requirements involved with an increase in delegation.

VII. Bid Procedures

- a. Have purchasing personnel at your college been assigned a User ID and password necessary to post bids and quotes utilizing Purchase and Contract's Interactive Purchasing System (IPS)? Yes No

- b. Does your purchasing personnel regularly post solicitations on the IPS?
 Yes No

Please submit copies of the most recent bid/quote posted to IPS.

- c. Does your college use any additional advertising methods for solicitations?
 Yes No

If yes, please describe the methods.

- d. What security measures do you follow to ensure the integrity of proposals, quotations, and bids received prior to the opening date?

- e. Describe your evaluation procedures and award criteria used to evaluate telephone and written quotes.

- f. Describe how your college handles requests from the general public pertaining to specific procurements both before and after award of contract.

- g. Does the college have a date/time stamp in a public area for receiving and opening written bids?

Yes No

If no, briefly outline procedure used.

- h. Does your college have legal counsel on staff? Yes No

If no, please provide procedures for securing legal advice.

- i. Have personnel at your college been trained to handle a bid protest?

Yes No

- j. Do you have written procedures in place to handle a bid protest?

Yes No

If yes, please provide a copy of those procedures.

- k. Are these procedures documented in your purchasing procedures manual?

Yes No