

# **Purchasing**



**GREAT FALLS  
COLLEGE**

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**MONTANA STATE  
UNIVERSITY**

# **Guidelines**

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## SUMMARY

**This document is provided as a guide to purchasing procedures currently in effect at Great Falls College MSU (GFC MSU). Please refer to this document when purchasing supplies or contracting outside services for your department or area of responsibility.**

### PURCHASING DEFINED

Purchasing is the process used to identify, define and fulfill supply (goods, materials, and equipment) and outside service needs of Great Falls College MSU at the **lowest possible cost**.

### AUTHORITY

The State of Montana Department of Administration (DOA) is responsible for purchasing, including maintenance of policies and procedures for procurement of goods and services, for all State Agencies.

Periodically by formal agreement, DOA delegates certain portions of its purchasing authority to State Agencies such as The Office of the Commissioner of Education (OCHE) and units of The Montana University System such as Montana State University (MSU). MSU, in turn, has delegated purchasing authority up to \$25,000 to Great Falls College MSU.

### COMPLIANCE

As an agency of The State of Montana, Great Falls College MSU must comply with various government regulations pertaining to purchasing. Failure to abide by these regulations could result in the loss of purchasing privileges at the campus level.

### PURCHASING STAFF

The Budget and Purchasing Analyst is the primary contact between Great Falls College MSU and its vendors, MSU Purchasing, and the State Purchasing Bureau. The Budget and Purchasing Analyst is available to help purchasers comply with procedures and, at the same time, complete purchases in a timely and cost-effective manner.

**Under \$5,000:** This position answers questions concerning vendor payments and purchasing card transactions.

**Over \$5,000:** Coordinates/authorizes purchase in compliance with guidelines.

**Over \$25,000:** Coordinates/authorizes requisition and coordinates purchase with MSU Purchasing or the State Purchasing Bureau.

**Special Requirement Purchase:** Coordinates/authorizes purchase as required.

## PURCHASING PROCEDURES

### 1. LEVELS OF PURCHASING AUTHORITY

Based on progressive dollar amounts of purchasing, listed below are summary purchasing procedures. **Purchases are not to be artificially divided or sequenced so as to avoid using competitive quote or bidding procedures.**

#### UP TO \$4,999

**All Departments** have authority to complete purchases up to \$5,000 without requesting competitive quotes. However, to get the best value for each dollar expended, departments are strongly encouraged to “shop around” on all purchases.

**Exception:** See Special Requirement Purchases

#### \$5,000 UP TO \$24,999

Based upon a *Purchasing Request Form*, the Budget and Purchasing Analyst has authority to complete purchases (*Departmental Purchase Order*) after a **minimum of three competitive quotes** (*Limited Solicitation Form/Limited Solicitation Summary Sheet for Phone Quotes*) have been obtained. Under limited circumstances, as documented on a *Sole Source Brand/Justification*, the Department may request a purchase from a single vendor.

#### \$25,000+

Based upon a *Purchasing Request Form*, the Budget and Purchasing Analyst has authority to submit a *Purchase Requisition* to MSU Purchasing who has authority to complete the purchase (*MSU Purchase Order*) after solicitation (*Invitation for Bid (IFB) or Request for Proposal (RFP)*) and the evaluation of bids or proposals. Under limited circumstances, as documented on a *Sole Source Justification or a Sole Brand Justification*, the Department may request a purchase from a single vendor.

### 2. IDENTIFY NEED

Criteria:

- Absolutely necessary, and
- Used for the total benefit of Great Falls College MSU and the State of Montana, and
- There is proper authority of law and sufficient balance in accounts to be charged, and
- Such purchase will not result in request for additional funds from the Legislature.

No purchases are authorized for personal use or benefit.

Examples: (not inclusive)

Office Party Supplies (Refreshments, decorations, etc.)

Gifts for coworkers and/or student workers

Going-away Party Supplies (Refreshments, decorations, etc.)

Personal apparel

Personal subscriptions or memberships

Contact the Business Office if you have questions on these types of purchases. If an impermissible purchase is made, you may be responsible for payment.

No state-controlled funds may be used for the purchase of alcoholic beverages.

### **3. DEVELOP SPECIFICATIONS**

Develop specifications for products or services that will meet the need. Before the Budget and Purchasing Analyst or MSU Purchasing can issue a *Limited Solicitation, Invitation for Bid, or Request for Proposal*, it is important that specifications are provided. Specifications should be worded as generically as possible (i.e. do not favor one brand or vendor) to ensure fair competition and satisfaction of the need, but be specific enough to assure the level of quality and desired function. A Purchasing Request form is available on the Intranet to help gather necessary information.

Information required:

- Full Description
- Date Required
- Quantity
- Size, Physical Dimensions
- Color
- Speed
- Processing Capability
- Compatibility
- Engineering or Architectural Drawings/Blueprints
- Operating Tolerances (temperature, humidity, electrical, etc.)
- Delivery, Handling, Installation, Warranty and Service

### **4. PURCHASES EXEMPT FROM PURCHASING PROCEDURES**

Listed below are items which may be purchased without purchasing documentation or PO number. However, to ensure payment, please:

Instruct vendor to include department number or name on invoice

Ensure invoice is delivered to **Attention: Great Falls College MSU Accounts Payable**

- Advertising
- Boiler, safety, and scale inspections
- Computer charges
- Copy charges for copyrighted sheet music
- Copyrighted films and video tapes
- Correspondence courses and tests
- Dues to regional and national associations; some restrictions apply
- Fax charges
- Fees
- Freight
- License agreements for electronic publications including licensed library materials, journals (scientific, technical, or medical) journal articles, periodicals, and course packs
- Message Service
- Postage and standard Postal Service customer charges including PO Box rental

Produce  
Royalties  
Taxes  
Telecommunication charges  
Telegrams  
Telephone rental, tolls, and installation  
Training  
Travel and per diem (covered by Travel Procedures)  
Utilities, Public (electricity, natural gas, water, cable TV)  
Wire Service

## **5. SPECIAL REQUIREMENT PURCHASES**

Listed below are items that require special purchasing procedures.

### **FILING SYSTEMS**

To purchase filing systems, a *Purchasing Request Form* must be submitted regardless of dollar amount. The Budget and Purchasing Analyst submits an *Agency Purchase Requisition* to MSU Purchasing who issues a *State of Montana Purchase Order*. **These restrictions do not apply to file cabinets.**

### **OFFICE SUPPLIES**

Purchases may be made (optional) through State of Montana **Central Stores**. Access to the online ordering site requires that an account be set up for each user. Please contact the Business Office for information.

### **TERM CONTRACTS (TC's)**

The State and MSU Purchasing negotiate contracts with certain vendors for purchase of selected items during a specified period (contract term). Term Contracts are listed on the web at <http://gsd.mt.gov/apps/termcontracts/default.aspx> . The TC Number must be specified to vendor and on purchasing documents. Otherwise, normal purchasing procedures apply.

In some instances, a vendor is designated an **EXCLUSIVE** provider of selected items during the Term Contract period. If purchase of such items is made from another vendor, you become **liable for penalty/payment** of the same amount to the exclusive supplier, in effect paying for the same item twice.

## **6. REQUISITION (less than \$5,000)**

For most purchases (**up to \$4,999**), departments have authority to make purchases after completing a *Requisition Order Form*. The completed *Requisition Order Form*, with all required signatures, must be forwarded to Accounts Payable in the Business Office.

### **Vendor Relations**

- During inquiries (or receiving free advice) concerning products and prices, make it clear to the vendor that you are not committing to purchase.

- Do not sign a vendor contract or agreement; contact the Business Office for review of terms and conditions beforehand.
- Contact the Budget and Purchasing Analyst if you have any problems with vendors and their products or service.
- Do not rely on vendors for advice on Great Falls College MSU, MSU or State of Montana purchasing procedures.
- If possible, utilize vendors with whom there is an established account. If it is necessary to establish an account with a new vendor, the Business Office can assist with new account credit applications and furnish applicable tax exemption certifications.

### **7. LIMITED SOLICITATION (\$5,000 up to \$24,999)**

- Purchasing completes this purchase after at least three written competitive quotes are obtained.
- Submit a completed *Purchasing Request Form*, with approval signature of the department head, to the Budget and Purchasing Analyst. Include detailed specifications. (Submit an approved *Sole Brand/Source Justification* to the Business Office if you think there is only one vendor or brand meeting your need.)
- The Budget and Purchasing Analyst requests a minimum of three quotes from vendors, using the *Limited Solicitation Form*.
- Quotes are compared to each other and to the specifications required.
- The Budget and Purchasing Analyst issues an *Agency Purchase Order* to the vendor with the lowest quote to complete the purchase.

### **8. INVITATION FOR BID (IFB) (\$25,000+ )**

- Submit a completed *Purchasing Request Form*, with approval signature of the department head, to the Budget and Purchasing Analyst. Include detailed specifications. (Submit an approved *Sole Brand/Source Justification* to the Business Office if you think there is only one vendor or brand meeting your need.)
- The Budget and Purchasing Analyst submits a *Purchase Requisition* to MSU Purchasing.
- MSU Purchasing prepares and issues a formal Invitation for Bid.
- Bids are documented and compared to each other and to specifications.
- MSU Purchasing issues an *MSU Purchase Order* to vendor with the lowest bid to complete the purchase.

### **9. REQUEST FOR PROPOSAL (RFP)**

An RFP is prepared by MSU Purchasing and is used (instead of an IFB) for purchase of goods or services of higher complexity and for which price is not the primary determining factor in selection of the supplier.

The RFP document should define, as completely as possible, what is expected from suppliers. In response, supplier proposals must include how goods and services will be provided and what support the supplier will require from Great Falls College MSU.

### **10. RECEIVING**

Please include specific delivery address instructions (name/room) on all purchasing documents in order to insure that you will be promptly notified after your merchandise is received.

## **11. PAYMENT**

For all purchases, please ask the vendor to:

### **Send invoices to:**

Accounts Payable  
Great Falls College MSU  
2100 16<sup>th</sup> Avenue South  
Great Falls, MT 59405-4909

To be considered for payment, a *Requisition Order Form*, signed by the department head must accompany all invoices.

## **12. ETHICS**

Employees of Great Falls College MSU, an agency of The State of Montana, have a fiduciary responsibility to ensure all purchases are completed in an open and forthright manner, without favoritism toward any particular vendor, above reproach, and not subject to accusations of impropriety.

Employees may not solicit or accept gifts, gratuities, favors, or other items of value from suppliers, contractors, parties to sub-agreements, or other persons known to have current or future business dealings with Great Falls College MSU. Under no circumstances may an employee accept a gift or any other consideration which may influence a purchase. Acceptance of the following items by an employee may be considered a conflict with the ethical standards of Great Falls College MSU:

### **Gifts and Gratuities**

Passes or tickets for recreation or entertainment events. Consumable goods such as food, beverages, and tobacco.

### **Promotional Merchandise**

Coupons or certificates good for discounts or free merchandise or services.

#### **Exceptions:**

Items of insignificant (\$50 or less) value such as pencils, note pads, calendars; items won from a random drawing at seminars/conferences offered by or on behalf of public agencies or employees.

### **Discounts**

Discounts offered to Great Falls College MSU are not for personal purchases of employees unless such discounts are offered to all public employees.

### **Trips**

Expense-paid trips offered by current or prospective suppliers or contractors.



**Bid or Proposal Evaluation and Selection**

Any employee having current or prospective employment or financial interest with a bidding vendor must not have any involvement in this process with respect to such vendor.

**Compliance**

**Return** impermissible gifts or gratuities to vendors as soon as possible.

**Report** receipt and return of gifts in writing to your department head.

**Forward anonymous gifts** to the Controller, Business Office; cash gifts go to the General Fund, non-cash gifts go to departments who can use them to offset purchases or sold at public auction if Great Falls College MSU is unable to use them.

