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# **LAKE-SUMTER COMMUNITY COLLEGE**

## **2010 PURCHASING MANUAL**

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## Introduction

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This purchasing manual, developed by the purchasing department of Lake-Sumter Community College (LSCC), will aid all employees directly or indirectly associated with the functions of purchasing. Since rules and regulations are necessary for the proper operation of the public purchasing function, it is essential that all who are involved be well informed. This manual will explain and facilitate understanding of the functions, policies and procedures of the purchasing department. It shall also serve as a tool in personnel training regarding acquisition of goods and services.

The purchasing department will maintain and update the purchasing manual, as well as post all official updates and applicable forms on the LSCC website [www.lsc.edu](http://www.lsc.edu).

The purchasing function involves the purchase of Materials, Supplies, Equipment and/or Services at the lowest possible cost, consistent with the quality needed to meet the required standards established and approved by the Lake-Sumter Community College District Board of Trustees (DBOT). This function is the sole responsibility of the purchasing department. Our goal is the promotion of the best interests of LSCC through intelligent action and fair dealings.

### ***The mission of the purchasing department***

- Deal fairly and equitably with all vendors expressing an interest in doing business with LSCC.
- Provide professional procurement services for all departments throughout LSCC.
- Assure adherence to all laws, regulations, and procedures.
- Maximize competition for all procurements.
- Obtain maximum savings through innovative buying and application of value analysis techniques.
- Administer the contracting function with internal efficiency.
- Purchase goods and services at the lowest price, consistent with quality, performance and delivery requirements from capable vendors meeting LSCC's requirements.

### ***The purchasing process at LSCC***

- LSCC departments determine their requirements for goods & services and communicate needs to their budget managers & purchasing department via the BANNER requisition system.
- The purchasing department obtains competitive pricing, maintain vendor contacts, and select sources of commodities and services.
- Selection of vendors
- The purchasing department issues purchase orders, and change orders if deemed necessary.
- Central receiving receives & delivers materials to ordering department.
- Accounts payable processes payment to the vendor once department fills out and submit RR to Accounts payable.

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## Authority

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### ***General***

The District Board of Trustees of Lake-Sumter Community College (LSCC) shall be responsible for establishing the policies for the purchase of commodities and services for LSCC in accordance with:

- State of Florida Board of Education Administrative Rule 6A-14.0734 - Procurement Requirements
- Florida Statutes, Chapter 287 - Procurement of Personal Property and Services
- LSCC Board Rule 6.09
- LSCC Administrative Procedure 6.09

The District Board authorizes the President or designee to approve purchases within the limits of the Category IV threshold amount (currently \$195,000) and as shown in Section 287.017, Florida Statutes.

The college has established the following approval limits:

#### **Purchasing Authority**

- Coordinator/Advisor (up to \$500)
- Budget Manager (up to \$1,000)
- Dean/Director (up to \$5,000)
- Vice President for Academic and Student Affairs (up to \$10,000)
- Vice President for Business Affairs (up to \$15,000)
- President (Thru Category IV)

The College President or designee reserves the right to reject any or all offers submitted in response to the College's solicitation for purchases less than amount specified in Section FS 287.017 Category Four and the right to solicit new offers as deemed in the College's best interest. Recommendations for awards exceeding the Category Four threshold as specified in FS 287.017 shall be approved or rejected by the District Board of Trustees.

The College President or designee shall be authorized to waive solicitation requirements in emergencies when there is an imminent threat to students, employees or public safety or in cases when necessary to prevent damage to the facilities caused by an unexpected circumstance.

#### ***Applicability / approval***

The procedures contained herein are applicable to all LSCC employees for all procurements of goods and services. The president's cabinet has reviewed and approved this purchasing manual.

#### ***Authorized purchases***

A fully executed purchase order or LSCC Credit Card is required prior to placing an order, delivery, pick up of goods, or performance of services.

#### ***Unauthorized purchases***

It is a violation of college policy to obtain goods and/or services before the purchase order is processed and approved. The Office of the Auditor General is extremely critical of departures from policy.

Requests for payment for unauthorized purchases require a written statement explaining the reason(s) for the departure from procedures. The budget manager must include a signed written statement on the direct pay form. Excessive abuse of the policies and procedures is brought to the attention of the appropriate vice president. Any unauthorized purchases will be brought to supervisor's attention.

The financial obligation resultant of the unauthorized purchase is and remains the personal responsibility of the person who made the purchase.

Any employee found to have violated any policy of the college may be subject to disciplinary action.

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## **Responsibilities and functions**

#### ***Responsibilities of the purchasing department***

- Drafting, updating, and administering purchasing policies
- Dealing fairly with all potential sources of supply or service
- Obtaining goods and services in an efficient and businesslike manner

- Consolidating purchases of like or common items
- Obtaining fair prices for materials, equipment, supplies and services
- Defining how to affect cost savings and coordinate purchasing and contracting procedures for LSCC
- Purchase goods and services at the lowest price, consistent with quality, performance and delivery requirements by selecting vendors meeting LSCC's requirements.

The primary function of the purchasing department is to purchase supplies, materials, equipment and services required and to ensure that maximum value to LSCC for each dollar spent.

#### ***Specific duties and functions of the purchasing department***

- **Policies and procedures:** Develop purchasing objectives, policies, programs and procedures for the purchase and contracting for all materials, supplies, equipment and services. Prescribe, maintain, and publish a standard purchasing manual for LSCC. The purchasing department is responsible for posting and maintaining the purchasing manual in its entirety on the LSCC website.
- **Representation:** Act as LSCC's representative on all matters pertaining to purchasing and contracts.
- **Coordinate:** Coordinate the procurement of commodities and services for all LSCC departments.
- **Specifications:** Review, assemble, finalize specifications, and technical requirements in cooperation with LSCC departments which are subsequently included in invitations to bid, requests for proposals, and/or requests for quotations. The purchasing department shall also assist LSCC departments in ascertaining the appropriate quality, quantity, and kind of materials requisitioned.
- **Consolidation of purchases:** Consolidate requisitions and purchases of like or common items to obtain the maximum economical benefits, cost savings, and explore the possibilities of buying "in bulk" to take full advantage of quantity discounts. Such consolidations may include requirements of a single department, or be multi-departmental.
- **Standardization:** Work with departments to establish standardization of materials, supplies and equipment where practicable within a competitive environment.
- **Ensure competition:** Maintain and develop sources of supply to ensure that LSCC departments have an adequate number of vendors from which to obtain goods and services. Secure competitive pricing when possible to obtain maximum value from the expenditure of LSCC funds.
- **Formal procurements:** Administer all formal procurements and assist LSCC departments with managing any subsequent contracts that result. A formal procurement is any publicly advertised procurement; i.e., competitive sealed bidding, requests for qualifications, and competitive sealed proposals.
- **Quotation support:** Secure competitive bids when possible to obtain maximum value from the expenditures of college. The purchasing department may assist this function, if the LSCC departments do not provide quotes.
- **Expediting:** Expedite the delivery of purchase of Materials, Supplies, Equipment and/or Services to LSCC departments when requested.
- **Vendor relations:** Promote goodwill between LSCC and its vendors. Encourage full and open competition wherever possible. Ensure fair and equitable business dealings with all vendors. All vendors are afforded equal opportunity to quote and compete in public bidding.
- **Vendor performance:** Ensure that LSCC buys only from vendors who are financially stable, have high ethical standards, and have a record of adhering to specifications, maintaining shipping promises, and giving a full measure of service.
- **Complaints:** Handle complaints regarding purchases, and negotiate the return of merchandise and/or other settlement.
- **Disqualification of bidders:** Identify vendors who default on their contracts with LSCC; make no purchases from said vendors for a period of up to three (3) years (suspension of vendor) unless the District Board of Trustees (DBoT) expressly waives this prohibition.
- **Purchasing analysis:** Keep informed of current developments in the field of purchasing, including but not limited to prices, market conditions and new products, and secure for LSCC the benefits of research conducted in the field of purchasing by other public jurisdictions, national technical societies, trade associations, and private businesses and organizations.
- **Compliance with laws:** Ensure that all purchases are made in compliance with applicable statutes, rules, regulations and policies.

- **Training:** Train department personnel regarding purchasing and contract procedures, and the BANNER system as needed.

**Rules governing the procurement of goods and services**

- All requests for goods and/or services, and all purchases will be made through and by the purchasing department except as otherwise exempted by the purchasing manual. Authority to request price quotes for purchases, less than Category 3 (*Florida Statute 287.017*) may be delegated to LSCC departments.
- It is **prohibited** for a LSCC employee to purchase any materials, supplies, equipment, contractual services, or make any contract other than through the purchasing department without prior written authority, or as specifically delegated herein. Any purchase, contract, or order made contrary to the provisions herein shall not be approved and LSCC may not be bound.
- **Fulfill the needs:** Ensure that the commodities and services requested are specified to meet the precise needs of the LSCC departments. The Financial Services department will review all requisitions to ensure that commodities and services requested are consistent with the purpose for which the funds were appropriated.
- **Volume purchasing:** Purchases shall be combined, when appropriate, for bidding and quantity discount pricing. Examples: office supplies, copying and printing services.
- **Split orders:** No contract, purchase, or group of requisitions shall be subdivided to avoid bid and quotation requirements. Splitting requisitions, which entails inputting separate requisitions from the same department for the same vendor for goods or services of similar nature over a period of one month is not allowed. The financial services & purchasing departments shall strive to ensure that orders are not “split” to circumvent the requirement for obtaining competitive prices.
- **Blanket purchase orders:** Each blanket purchase order shall include the total annual anticipated expenditure for that specific vendor for the LSCC department. Monitoring and auditing of the utilization of blanket purchase orders will be conducted by purchasing and accounts payable staff.

**Deviations**

Deviations from the procedures prescribed herein shall not be made without prior approval from the VP Business Affairs and/or designee.

**Ethics**

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**Conflict of interest**

Florida Statute 112.313, Doing Business with One’s Agency, outlines the standards for LSCC employees. No employee of an agency acting in his or her official capacity as a purchasing manager, or public officer acting in his or her official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for his or her own agency from any business entity of which the officer or employee or the officer’s or employee’s spouse or child is an officer, partner, director, or proprietor or in which such officer or employee or the officer’s or employee’s spouse or child, or any combination of them, has a material interest. Nor shall a public officer or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to the officer’s or employee’s own agency, if he or she is a state officer or employee, or to any political subdivision or any agency thereof, if he or she is serving as an officer or employee of that political subdivision.

No college employee shall disclose or use information not available to members of the general public and gained by reason of his or her official position for his or her personal gain or benefit or for the personal gain or benefit of any other person or business entity.

No college employee or District Board of Trustees member, who has financial interest in a vendor company, shall knowingly recommend purchases from such a company.

No employee or other college representative will give written or oral endorsement in the name of the college to any product or service for personal gain.

Purchasing department personnel shall exercise sound business judgment and maintain the highest ethical and moral standards in the conduct of LSCC business and personal affairs.

Purchasing department personnel must discharge their duties impartially to assure fair and open competition between responsible vendors. Moreover, they must conduct themselves in such a manner as to foster confidence in the integrity of LSCC.

**Florida Statute 112.313, Standard of Conduct for Public Officers, Employees of Agencies, and Local Government Attorneys**, outlines the standards for LSCC employees. No public officer, employee of an agency, local government attorney, or candidate for nomination or election shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the public officer, employee, local government attorney, or candidate would be influenced thereby.

Employees at all levels are responsible for exercising due diligence and control to prevent, detect, and report such inappropriate conduct. College employees are expected to conform to Florida Statutes regarding *Codes of Ethics*, to include the legislative intent expressed in Section 112.311(6). It is the responsibility of all employees to conduct their College business in an honest and ethical manner. Employees must also be alert to the possibilities for fraud and be on guard for any indications that improper or dishonest activity is taking place.

### ***Gifts***

No person employed by the College shall accept any gratuity of any value, or proceeds from any merchandise sold on College property or on College time, to College personnel or to students; or from the sale to College personnel or students of any commodity required in fulfillment of their employment or scholastic obligations. The acceptance of gratuities may, upon substantiation, be a basis for termination of employment and the termination of any business relationship by the College with any person, agency, or organization that may be involved.

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## **Budgetary responsibilities**

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### ***Budget sources***

College funds must be handled in accordance with college policy. Although budgetary units are allocated funds in their budgets for the fiscal year, this allocation is only an authority to ***requisition, not to purchase***.

### ***Account numbers***

Account numbers are assigned in accordance with the "State Accounting Manual for Florida's Public Community Colleges."

### ***Budget supervisor responsibility***

It is each budget manager's responsibility to monitor their budget and expenditures. This responsibility will include balances for expenses and outstanding encumbrances, ensuring that items are charged to the correct general ledger (GL) codes and to submit change orders or budget amendments whenever necessary and appropriate.

Budget amendments are necessary whenever a budget is not adequate for a desired expenditure. Budget reallocations are used to move funds from one department to another or from one GL code to another within a department. Funds cannot be moved between personnel, current expenditures, and capital outlay functions without prior approval of the president.

# Requisitions

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## *General*

Fulfillment of a Purchase Requisition may be performed in the following ways:

- Purchase Order (PO)
- Blanket purchase order (encumbered for a set amount per fiscal year)

The Purchase Requisition serves to:

- inform the Purchasing Department of the LSCC Department's needs
- to correctly and completely identify the item(s) or service(s) required
- provide certification that funds have been budgeted to meet the need
- signify authority to charge a specific account number(s)

## *Input of requisition*

Requisitions are initiated by the LSCC department via input into Banner system using the Purchase Requisition Screen. All requisitions will be assigned a requisition number automatically by the BANNER system when the data is entered. The requisition number must not be given to the vendor; it is used by college staff only.

The requisition must include the following:

- Choose correct account number(s) (**FOAPAL**)
- Complete requestor/delivery information, price, quantity
- Full description of item(s) or services being purchased
- Shipping fee, if applicable (**include \$0.00 for free shipping as item desc**)

It is the responsibility of the budget manager to ensure that the requisition is for a proper and necessary purchase, that the correct department code(s) and GL code(s) are used, and that the budget is adequate.

All approvals are electronically approved in Banner before the purchasing manager will issue a purchase order. Requisitions for restricted fund 2 (grants) and fund 7(capital outlay) will have additional review and approval by the appropriate financial services personnel.

Requisitions should be prepared far enough in advance to avoid creating an emergency. This will allow adequate time for the purchasing department to:

- Review it for completeness and clarity
- Notify the LSCC department if the information provided is inadequate
- Recommend changes in specifications, and/or substitutions of functionally equivalent items available that may better perform the job
- Secure competitive prices for the best material, at the right price, and in time to meet the anticipated need.

It is the purchasing department's responsibility to procure the requisitioned material and or services in a timely, efficient and cost effective manner using the information supplied by the requisitioning department. If more information is needed and/or the items requested are not available, the purchasing department will contact the requisitioning department for direction. LSCC departments will work with the purchasing department to place order in timely & efficient manner.

# Purchase orders

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## **General**

A purchase order is a legally binding contract that authorizes the vendor to ship and invoice for the materials and/or services as specified. The purchase order formalizes all the terms and conditions of a transaction, and includes:

- Date of order
- Vendor name and address
- Full description of the item(s) or services being purchased
- Quantity and unit of measure.
- Unit price, extended prices, and total price
- Deliver-to location.
- Specific terms and conditions, when applicable.
- FOB (free-on-board) point. Every effort will be made to obtain “FOB destination” terms. Only if such an arrangement cannot be obtained, should other FOB points be considered. The FOB point is the place at which ownership changes from the vendor to LSCC.
- Billing instructions.
- Authorized signature (only on the original faxed or mailed to vendor).
- Shipping fee, if applicable (**include \$0.00 for free shipping as item desc**)

## **Purchasing Limits**

Vendors within and outside the college district will be notified and afforded the opportunity to submit bids, respond to requests for proposals, or submit quotations. The following price information must be obtained for purchases in the amount indicated:

- Up to \$5,000.00 – A catalog or verbal price approved by the President or designee;
- \$5,001.00 through \$10,500.00 – Two written quotations
- \$10,501.00 through \$25,000 or legal bid/proposal amount – Minimum of three written quotations requested by the purchasing office or exempt to the three-bid requirements may be substituted for the written bids, if approved by the President or designee.
- \$25,000+ legal bid/proposal amount – Formal written bids or proposals requested by the purchasing office or exempt to the three-bid requirements below may be substituted for the written bids, if approved by the President.
- Category IV (\$195,000) and above need Board approval

## **Routing of purchase orders**

The original signed purchase order may be mailed, emailed, or faxed to the vendor by the purchasing department. Department copies will be distributed as appropriate.

**Do not** sign any forms, contracts, agreements, etc. provided by a vendor. In accordance with District Board of Trustees rules, only the president and/or his designee have the authority to sign these legal documents.

## **Who issues**

Only the purchasing department shall issue purchase orders. The purchasing department shall transmit all purchase orders to the vendors unless other special arrangements are made through the purchasing department.

## Blanket purchase orders

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### **General**

Blanket Purchase Orders(BPO) are used for the purchase of indeterminable or numerous miscellaneous items for example: materials, supplies, parts, etc. over a specific time period (usually **one fiscal year**). Line item pricing is not included.

Blanket purchase orders are used for the purchase of equipment repair, office supplies, radio and newspaper advertising, books, utilities, educational, maintenance supplies, and other miscellaneous items over a specific time period (usually one fiscal year). Line item pricing is not included.

- Blanket Purchase Orders -should be used to eliminate many small repetitive orders or to encumber funds for on-going contracts which require monthly payments. Blankets should also be issued for on-going non-professional services contracts, such as repairs. Items may be purchased as needed by the LSCC Department against the BPO number for the term of the BPO, or until the dollar amount is reached.
- The BPO should be issued at the beginning of the service period for the entire amount that is expected to be spent through the current fiscal year, ending June **30th**. Blankets will not be issued for time periods that extend beyond the fiscal year, unless grant funded and/or approved by financial services/controller.
- After a Blanket is issued, the Department is authorized to place orders using blanket order number via telephone, Email, fax, or in person, directly with the supplier. The Department shall be responsible for acknowledging receipt of goods, and by completing RR and forwarding to Accounts payable for approval of payment.

A BPO will not be issued for items or work that is specific, i.e.; items or services for which quotes have been or could be received. Example: Quotes should be received for specific work such as *“installation of a new air conditioning system for an on-site storage building”*.

### **BPO request**

A BPO is initiated by inputting a requisition into Banner. At a minimum, the BPO should include:

- The verbiage: **“BPO for \_\_\_\_\_”** (indicate a general description of the goods/services that the vendor sells). *Example:* misc. repairs, office supplies, toner cartridges, copying and printing, utilities, advertising, etc.
- Specific period of time (ex. July \_\_ to June \_\_ )
- The maximum expenditure for the entire fiscal year (this may be increased or decreased via change order, if needed.)
- Persons authorized to place orders
- Reference the invitation to bid (ITB) number that the BPO is issued against, when applicable

### **Procedure**

**Placing orders:** After a blanket purchase order is issued, the LSCC ordering department shall place orders directly with the vendor when needed, via internet, e-mail, or fax. The LSCC ordering department shall be responsible for acknowledging receipt of goods, and thereby, completing RR for approval of payment.

**Monitoring by financial services staff:** The financial services department may monitor purchases to ensure adherence to LSCC procedures. Appropriate action may be taken should the LSCC department not strictly adhere to LSCC purchasing procedures.

**Payment:** Partial payments are made as items are purchased against the BPO until the dollar amount encumbered for that BPO is reached. LSCC departments must complete RRs in timely manner upon receipt of goods in order for accounting department to pay invoices. The accounting department will process invoices for received materials or services so that any discounts may be obtained. LSCC departments should monitor the status of the BPO for discounts taken and freight charges applied.

**Monitoring by LSCC department:** The department will closely monitor all BPO expenditures to ensure compliance, as encumbered amounts or funds cannot be exceeded.

## **VISA Credit Card Purchases**

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Certain LSCC Staff members have been issued LSCC Vendor Credit Cards. All cardholders are responsible to comply with College Purchasing Policy 6.09.

Prior to using a LSCC Credit Card, purchase of goods and/or services must be pre-approved by Budget Manager/Designee.

A LSCC VISA Credit Card may be used for the following:

- Purchasing items on the Internet, especially software to be downloaded from a supplier's website
- Small miscellaneous purchases with a value of less than \$750
- When a supplier will not accept a purchase order
- Items which must be procured in an expeditious manner (Example: textbooks or materials for a class, and the items must be received in less than three (3) working days.

## **Vendor Credit Card Purchases**

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- The Office of the Vice President of Business Affairs is authorized by the President to secure (Vendor) Credit Cards in the name of the College. All applications for (Vendor) Credit Cards must be approved by the Office of the Vice President of Business Affairs.
- All (Vendor) Credit Cards will be either checked out through the Purchasing Department and immediately returned once transactions are complete or permanently assigned to a specific employee/department and returned before transferring to another department or separation from LSCC.
- Before a (Vendor) Credit Card is issued to any employee/department, a Vendor Credit Card Request Form must be completed and approved by the budget manager for that department. The card will also be limited to College business and only for expenditure categories specified by the College. Pre-determined spending limits will be set at daily transaction limits of \$500 and monthly limit of \$1500.

## **Receiving**

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In order to ensure the vendor is paid in a timely manner, accounts payable must be notified when materials and/or services are physically received. Complete and return Receiving Report (RR) to Financial Services as soon as any part of order is received. The department that ordered/received materials and/or services is responsible for getting RR to Financial Services.

- Referencing attached list is accepted
- Agreed prices for services or products of blanket POs must be provided
- The receiving report notifies accounts payable that the specific ordered item(s) have been received, inspected, and are satisfactory. Notation should be made on the receiving report, when final shipment is received so that the purchase order may be closed.

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## Liquidation of Purchase Order

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The department should first check in Banner to ensure that there are no outstanding orders, which need to be paid against the purchase order.

To request that a purchase order be liquidated (unspent/encumbered funds be “released” and the purchase order closed) send an e-mail to the purchasing department.

A change order can be requested by the department to liquidate a line of the purchase order.

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## Change orders

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### **General**

The purpose of a change order is to amend the original purchase order. A change order usually is issued to revise the quantity, include shipping, or make approved changes in pricing. If changes are needed, please send email to Purchasing Department stating PO number, amount of increase, Indicate the exact item(s) that are changed, Attach all backup documentation, and clear and concise reason(s) for the change(s) must be included.

### **When required**

- Changing needs or product/service availability
- The department code(s) or GL code(s) require changing
- The quantity/price has changed

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## Direct Pay (DP )

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When to use Direct Pay (DP) rather than PO

- Professional organizations and membership fees
- Emergencies: (such as natural or other disasters as declared by the President)
- Travel: hotel, conference registration, transportation
- Office periodical subscriptions(not library)
- Financial aid awards (scholarships and loans)
- Postage
- Licenses and permits
- Payroll deductions
- Clubs/Organizations

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## Contracts and agreements

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### **Consultants/Professional Agreements, and Other Contracts**

The President or designee is hereby authorized to enter into consulting/professional contracts and approve change orders and other contracts when the cost of such contracts does not exceed the Category IV threshold amount. This includes, but is not limited to, contracts for maintenance of equipment, contracts for service, etc. Contracts for which the annual cost exceeds the Category IV threshold amount shall require approval of the District Board.

- **Please Note:** Follow HR Rules for Independent Contractor

*Purchase Order shall be issued once contract is signed and approved by all parties.*

### ***Vendors' standard contracts***

It is in the best interest of LSCC to refrain from signing maintenance, sales, and licensing or service agreements written by the vendor, whenever possible. Vendor's standard contracts generally include unfavorable language, such as

- Venue in a place other than Lake or Sumter Counties, Florida
- LSCC must indemnify the vendor
- Inadequate insurance requirements
- Unacceptable payment terms
- Contract is to be governed by the laws of a state other than Florida

Vendor's standard contracts often exclude verbiage important to LSCC, such as

- Termination clause (allowing LSCC to cancel the contract at-will)
- Term (specific dates when the contract starts and ends)
- Clear unit prices and maximum expenditure
- Payment terms of Net 30 days
- Various standard terms and conditions pre-approved by our legal counsel
- Special terms and conditions relevant to the specific contract

### ***Signature authority***

- LSCC staff should **never** sign a contract, agreement, amendment, addendum, or attachment to a contract/agreement, including whenever the contractor specifically includes the staff member's signature on the contract execution page (these contracts should be returned to the originator for revision).
- All contracts transmitted to LSCC's president and/or his designee should first be executed by the other party, in duplicate.
- Certain public entities/companies have an enforced policy that "the other party must first sign all contracts", which would, therefore, make LSCC unable to contract with said parties, therefore, under these circumstances, and when there are other acceptable circumstances, or due to time constraints, it is acceptable to be the first signatory on a contract.
- It is preferred that all signatures on a contract be original signatures. When necessary, due to time constraints, facsimile or photocopied signatures are acceptable.

## **Vendors**

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All potential new Vendors should refer to our Doing Business with LSCC guideline located at [www.lsc.edu/purchasing](http://www.lsc.edu/purchasing) to become acquainted with our purchasing policies and procedures and to help you present your goods/services to the Purchasing Department. If you should have any additional questions, please contact the Purchasing Department directly at 352-365-3502.

The department may request a new vendor be established. The department must provide purchasing with the following information: Company name, address, contact person's name, phone number, and email address.

The purchasing department will request a Vendor Registration form and W-9 form from the vendor. These forms are also available on the LSCC website at [www.lsc.edu/purchasing](http://www.lsc.edu/purchasing)

Upon receipt of the necessary information, the purchasing department will add the vendor to BANNER.

# Vendor relations

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## ***General***

Vendors shall be encouraged to make all contacts through the purchasing department. Direct contact with LSCC departments may be necessary from time to time but will not be the normal business practice. Sales representatives are encouraged to arrange appointments with purchasing staff. Drop-in visits will be discouraged.

The purchasing manager may visit vendor plants and business facilities to improve mutual understanding and to assist in the selection of vendors.

Purchasing personnel shall establish and maintain good vendor relations. The following practices are expected

- Grant equal opportunity to all qualified vendors;
- Keep competition open and fair;
- Decline taking advantage of seller's honest errors;
- Observe strict truthfulness in all transactions;
- Show consideration for seller's difficulties and extend cooperation when possible;
- Vendors shall be afforded cordial and friendly consideration;
- Keep completely free from personal obligation to vendors;
- Respond promptly to communications;
- Keep an open mind in relation to new methods and materials;
- Cultivate and maintain genuine and business-like association with vendor representatives that is based upon mutual need, trust, and confidence;
- Maintain a high code of personal and professional ethics, backed up by both good judgment and conscience.
- Alternative or multiple sources of supply shall be maintained as a means of insuring quality service, minimizing costs, and creating a favorable competitive environment for the procurement of goods and services.
- Continuing competition stimulates and improves vendor products and ideas.
- Payment Term Net 30
- Provide Purchase Order number on invoice.
- Deliver invoice directly to Accounts Payable via email, fax, and/or mail.

## ***Purpose***

The key to improving unsatisfactory vendor performance is documentation. Any difficulties due to poor service, poor performance, poor quality, or materials, which do not meet specification requirements, will be reported to the purchasing manager.

## ***How to report***

A properly prepared report of unsatisfactory materials and/or services must contain the following information:

- Purchase order number;
- Contract number (when applicable);
- Vendor name, address, and phone number;
- LSCC department, contact person, and phone number;
- Budget head signature;
- Brief explanation of *exactly* what the problem is, and why the product or service is unacceptable (care should be taken to provide *only* objective information);
- All available documentation shall be attached.

### ***Follow-up***

The purchasing department will contact the vendor requesting a written response to the report. The purchasing department shall notify the LSCC department as to the vendor's response and any action to be taken by purchasing.

The purchasing department may determine that a meeting should be held to resolve the problem(s). The purchasing department shall notify the LSCC department of said meeting, and ensure that a representative of the LSCC department attends.

## **Minority/women business enterprises (M/WBE)**

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### ***General***

The District Board of Lake-Sumter Community College is committed to encourage utilization of (M/WBEs) Minority and Women Business Enterprises for the procurement of good and/or services that are competitively priced and who provide high quality service and performance; in accordance with applicable Florida statutes.

1. The District Board recognizes the importance of fair and open competition in public procurement which reduces the appearance and opportunity for favoritism and inspires public confidence that contracts are awarded both equitably and economically. The policies and bid specifications that the District board uses to determine with whom to transact business have been developed to provide for free, fair and open competition.
2. LSCC endeavors to identify M/WBE's which are eligible for certification in all areas of providing services, supplies, materials, equipment, and construction and inform them as to how to gain assistance from the State of Florida's Office of Supplier Diversity regarding certification.
3. Whenever appropriate, LSCC may utilize the State Purchasing Vendor Bid System to advertise Invitations to Bid, Requests for Proposals, Requests for Quotes and other solicitations to increase M/WBE participation. LSCC participates in workshops, trade shows and programs sponsored by community colleges, Federal, State, County or Municipal governments which are intended to educate, certify and/or promote greater participation of M/WBE.

### ***Non-Discrimination***

The college will not discriminate in the awarding of contracts on the basis of race, color, sex, religious affiliation, age, national origin, marital status, or any qualified handicap.

The District Board authorizes the President or his designee to develop a Minority Business Plan. This plan shall provide standards to provide quality goods and services for the college at the lowest possible prices from contractors and providers who reflect the diversity of our college and our community. This Plan shall indicate the college's commitment to aggressively promote the equality of opportunity in our procurement process for commodities, services and construction. Further, this Plan shall emphasize that the goal of the college is not merely to maximize the opportunity of minority participation but the achievement of participation.

*The Minority Business Plan shall form a part of this District Board Rule and may be revised from time to time as approved by the President with further District Board approval.*

LSCC encourages all segments of the business community to participate in its purchasing program. In compliance with State requirements, LSCC will honor certification of vendors made by the State of Florida's Office of Vendor Diversity.

### ***Procedures***

To facilitate increased participation from Minority/Women-owned Business Enterprises (M/WBE) the purchasing department may:

- Solicit a quote from at least one (1) M/WBE when requesting written quotes between \$15,000 and Category 3 of Florida Statute 287.017) and bids (over Category 3 of Florida Statute 287.017) whenever possible.
- Endeavor to identify M/WBE's which are eligible for certification in all areas of providing services, supplies, materials, equipment, and construction and inform them as to how to gain assistance from the State of Florida's Office of Vendor Diversity regarding certification.
- Assist M/WBE companies regarding participating in the procurement process.
- Participate in workshops and programs sponsored by community colleges, federal, state, county or municipal governments that are intended to educate, certify and/or promote greater participation of M/WBE companies.
- Whenever appropriate, utilize the State Purchasing Vendor Bid System to advertise invitations to bid, requests for proposals, requests for quotes and other solicitations to increase M/WBE participation.
- In support of the vendor bid system, a link to State Purchasing Vendor Registration application shall be available on the purchasing department's website.

## **Invitation to bid**

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### ***General***

If you anticipate spending over \$25,000 on any goods and/or services, you may be required to go through a bidding process.

Please note the Frequently Asked Questions below.

Prior to starting the Bid process please review the Bid Requirements located on [www.lsc.edu/purchasing](http://www.lsc.edu/purchasing) for specific details or contact the Purchasing Department. The requester & the Purchasing manager shall jointly prepare Bid specifications. The Purchasing manager will prepare bid packages and issue the Invitations to Bid (ITB) or Request for Proposal (RFP) in accordance with SBE Rules & Florida Statutes.

No bid shall be issued until a properly completed Purchase Requisition has been submitted to the Purchasing Department and funds have been established.

### ***Frequently Asked Questions:***

#### ***Q: When must a department have a bid process?***

**A:** At LSCC, all contracts for the purchase of commodities or contractual services in excess of twenty-five thousand (\$25,000) shall be awarded by competitive sealed bidding; unless otherwise authorized by law.

*Exceptions to the three-bid requirements can be viewed at [www.lsc.edu/purchasing](http://www.lsc.edu/purchasing).*

#### ***Q: Who handles the bid process?***

**A:** The initiator of a purchase of \$25,000 or more shall present bid specifications to the Purchasing Department. The purchasing department shall prepare and issue (ITB) bid invitations which include coordinating and defining minimum technical specifications for the item(s) to be procured, information concerning quantities and delivery requirements, and due dates for bids. At least three bidders are solicited.

The purchasing department will be responsible for overall Bid review, evaluation, tabulation, and Board recommendations.

***Q: What is the difference between an Invitation to Bid (ITB) and a Request for Proposal (RFP)?***

**A:** *Request for Proposal (RFP)* is a formal solicitation for sealed competitive proposals with the title, date and hour of the public proposal opening designated. A Request for Proposal (RFP) is usually used in soliciting more complex products or services where pricing and certain methodologies and approaches to a project must also be evaluated. The RFP does not rely solely on the lowest price where typically an Invitation to Bid (ITB) relies very heavily on costs as the main point of emphasis and award.

An RFP shall be used for procurements in excess of the bid threshold, when the Purchasing Manager determines that the Invitation to bid is not appropriate.

***Q: Who handles the RFP process?***

**A:** The Purchasing Manager shall prepare the Request for Proposal (RFP) and an appropriate contract (when applicable) for inclusion in the RFP package. The LSCC department shall work closely with the purchasing department to develop the specifications and/or scope of work for the RFP.

A request for qualifications (RFP) may be utilized as the solicitation document when procuring professional services, as defined by Florida Statute 287.055 or other special needs (as determined by the VP Business Affairs and/or Purchasing Manager).

***Q: How are Bids and Request for Proposals awarded?***

**A:** In the case of an Invitation to Bid, the lowest price (or highest income) from a bidder is the main determining factor for award. The College shall accept the lowest or best bid. The President/District Board shall have the authority to reject any or all bids and request new bids. If other than the lowest bid is accepted, a written justification approved by the President will be entered into the file.

In the case of an RFP, the Request for Proposals shall be evaluated on the following criteria factors:

- Price
- Qualifications
- Technical soundness of the proposal
- Understanding LSCC's needs
- Financial resources
- Evidence of insurance capacity
- Location – weight of 5% for the written proposal
- Previous contracting experience with LSCC

After all criteria is tabulated, the purchasing department will issue award recommendation to VP Business Affairs and/or Designee

***Q: What are Bid and Request for Proposals Advertising limits?***

**A:** The solicitation of competitive bids and proposals shall be publicly advertised at least one (1) time in a newspaper distributed in Lake & Orange Counties at least 21 days prior to the established bid opening and at least 5 days prior to any scheduled prebid conference.

Additionally the solicitation of competitive bid and proposals shall be posted on the purchasing department's website, [www.LSCC.edu/purchasing](http://www.LSCC.edu/purchasing).

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## Tie bids and quotes

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### *Procedure*

In the event two (2) or more vendors submit the exact dollar amount as their quote/bid offer, or should two (2) or more firms be deemed equal during a request for proposal (RFP) selection process, and unless said request for quotation, invitation to bid or request for proposal stipulates criteria for determination of award for tie bids, the following criteria, in order of importance, shall be used to break said tie:

- Drug free work place, in accordance with Florida Statute 287.087 (*delineated by inclusion of drug free work place form with their submittal*);
- Vendor's place of business is within Lake or Sumter Counties (address on purchase order);
- Vendor's place of business is within the State of Florida (address on purchase order);
- M/WBE
- Prompt payment discounts.
- Failure to acknowledge addenda (unless all changes are not materiel);
- Failure to provide required submittals/documentation (adequately);
- Submission of a late proposal;
- Proposer does not meet minimum requirements.

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## Common terms used in public purchasing

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**Acknowledgment:** A communication indicating that something has been received or understood. In purchasing, it usually refers to a form that is received from a supplier that accepts or sometimes modifies the purchase order.

**Addendum:** A written addition or supplement to a document; e.g.; items or information added to a procurement document.

**Advertising:** The act of preparing and distributing advertisements that calls attention to a contemplated purchase.

**All or None:** A bid submitted in response to an invitation to bid, in which the bidder states he will not accept a partial award, but will accept only an award for all the items, services, etc. This qualified bid may be accepted, only if provided for in the invitation to bid.

**Annual Requirement Contract:** A contract under which a supplier agrees to provide goods and/or services for a specified time, at an agreed upon price, on an as needed basis. (Aka, term contract)

**ANSI:** American National Standards Institute; an organization established to promote the knowledge and voluntary use of approved standards for industry, engineering, and safety design.

**Apparent Low Bidder:** Bidder offering the lowest price, but responsiveness and responsibility has not yet been determined.

**Arbitrary:** A determination made willfully by whim or caprice; unreasonable, changeful, and tyrannical; used as in "arbitrary and capricious action" to express irrational disregard of facts or circumstances.

**Back-door Selling:** Unofficial, irregular, devious buying or selling, or unauthorized actions.

**Bid:** An offer submitted in response to an Invitation to bid issued by a public agency; can become a contract upon acceptance by the entity.

**Bid Bond:** A written agreement by which a third party (surety) guarantees that a bidder will accept a contract as bid, if it is awarded.

**Bid Security:** A sum of money, which can be in the form of a bid bond, cashier's check or certified check submitted with a bid, when required, which guarantees that the bidder will accept a contract, if awarded, or forfeit the security.

**Bid Opening:** The public opening of bids that are recorded and made available for public inspection.

**Bid Tabulation:** The recording of bids (or quotes) and related information in response to an invitation to bid (or request for quote) for purposes of evaluation, price comparison, analysis, and record keeping.

**Bill of Lading** – Describes the contents of a shipment and is a receipt by the carrier for the goods. It provides proof that a shipment was made and is evidence of ownership.

**Blanket Purchase Order (BPO):** A contract under which a supplier agrees to provide goods or services to a purchaser on an as needed basis; the BPO provides a not-to-exceed (NTE) amount and the period covered, usually through the fiscal year, shipments are to be made as required by the purchaser. It should include a termination statement, and a list of persons authorized to place orders. Quantities and specific items are not specified. Capital items may not be purchased through a BPO.

**Bona fide:** In good faith.

**Business Office:** Certain departments under the direct supervision of the vice president of administration and finance, specifically: purchasing, accounts payable, accounts receivable, budgeting, payroll, and grants. **Buyer of Record:** The purchasing staff member who performed all purchasing related duties for a specific purchase order.

**Capital Items:** Items purchased which have a purchase price of \$1,000 or over, and have a useful life of at least one year. These items must be assigned and labeled with a LSCC decal number, and inventoried on a regular basis.

**Category:** Florida Statute 287.017 created the following purchasing "categories"/threshold amounts for public purchasing:

|                 |           |
|-----------------|-----------|
| Category One:   | \$20,000  |
| Category Two:   | \$35,000  |
| Category Three: | \$65,000  |
| Category Four:  | \$195,000 |
| Category Five:  | \$325,000 |

**Clayton Act (1914):** Prohibits price discrimination between different purchasers if such discrimination substantially lessens competition or tends to create a monopoly in any line of commerce.

**Commodity:** A good or service

**Contingent Fee:** A commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a contract. See Florida Statute 287.055.

**Contract:** A legal document that defines the terms and conditions governing the procurement of goods and/or services; an agreement between individuals or organizations. For a contract to be legally enforceable, the parties must be capable in a legal sense, there must be an offer, there must be an acceptance, and there must be consideration (something given in return for something else, such as goods or services).

**Cooperative Purchasing:** The combining of requirements of two or more governmental entities in order to obtain the benefits of volume purchases and/or reduction in administrative expenses. LSCC is a member of COPP (Committee of Purchasing Professionals) which includes representatives from all 28 Florida community colleges, which cooperatively bid items including, but not limited to: office supplies, transportation services, and banking services.

**DBoT:** The District Board of Trustees of Lake Sumter Community College.

**Default:** Failure by a party to a contract to comply with contractual requirements.

**Descriptive Literature:** Information, furnished by a bidder as part of a bid, which shows the objective characteristics based upon facts, of a product: e.g.; charts, illustrations, drawings, brochures, etc. Only information needed to determine the acceptability of an item should be included.

**Equal items:** Items offered must be "exact" as to size, function, basic design type, quality of material, method of construction and fully compliant with "all" required specifications.

**Equivalent items:** Items offered must be "similar" as to size, function, basic design type, quality of material, method of construction and "most" specifications.

**Express Warranty:** The assurance as to certain facts written by a seller; a guarantee in the precise words of the seller.

**Expediting:** The application of pressure on suppliers to get them to either meet the original delivery timelines or deliver ahead of schedule.

**Financial Services Office:** Certain departments under the direct supervision of the vice president of administration and finance, specifically: purchasing, accounts payable, accounts receivable, budgeting, payroll, and grants.

**FOB:** Free on board; without charge for delivery to and placing on board a carrier at a specified point, determines the point at which title for the shipment passes from vendor to purchaser. LSCC's commonly used delivery (pre-printed on the purchase order) is FOB Destination: a shipment to be delivered to the destination designated by the purchasing manager; usually the point at which LSCC accepts the shipment.

**Indemnification:** To protect against hurt or loss; to exempt from incurring penalties or liabilities; to compensate or pay for damage.

**Invitation to bid (ITB):** A formal solicitation for sealed competitive bids with the title, date and hour of the public bid opening designated. An Invitation to bid is used when the lowest price (or highest income) from a responsive and responsible bidder is the determining factor for award. The statement of work and/or specifications must be clearly defined and not subject to alternate approaches. Bids are not subject to negotiation following bid opening unless only one bid is received. The term includes all documents that are attached, or incorporated. Aka, invitation for bid, invitation to tender, request for bid. Also, refer to *Request for Proposal* below.

**Jobber:** A dealer who buys goods from a manufacturer or importer in large quantities and sells smaller quantities as a retailer.

**Joint Venture:** Two or more persons or firms entered into a single effort; partners working together for mutual benefit.

**Liability:** In accounting, it is what a company owes. In law, it is an obligation to do or refrain from doing something; a duty that eventually must be performed; an obligation to pay money.

**Market Survey:** An attempt to ascertain whether qualified sources capable of satisfying the entity's requirement exist. This testing of the marketplace may range from written or telephone contacts with knowledgeable experts regarding similar requirements and to other sources, e.g., technical/scientific journals, or solicitations for information or planning purposes. Additionally, they are utilized to determine appropriateness of a sole source, and appropriateness of rebidding an annual contract rather than extending for additional term(s).

**May:** Denotes preferred or requested items, but non-mandatory.

**Merchantability:** Quality and condition of the item to be sold must fulfill the requirements of the purchaser. If it must be used in a certain way, only, its fitness for use in that particular way is implicitly warranted.

**Must:** Denotes a mandatory requirement.

**No Bid:** A response to an invitation to bid by a respondent who does not wish to submit an offer. It usually operates as a procedure to prevent suspension from the bidders list for failure to submit bids.

**Packing Slip:** Information prepared by the supplier about the contents of a shipment.

**LSCC Department:** A general term to include all departments within Lake-Sumter Community College that the purchasing department supports by providing procurement services.

**Performance Bond:** A contract of guarantee, executed subsequent to award by a successful bidder to protect LSCC from loss due to the bidder's inability to complete the contract as agreed.

**Pre-Bid Conference:** A meeting of prospective bidders, arranged and chaired by purchasing department, to help potential bidders understand the requirements of the invitation to bid.

**Public Purchasing:** The process of obtaining goods and services for public purpose, following procedures implemented to increase competition and protect public funds from being expended extravagantly or capriciously.

**Purchase Order (PO):** A formal, written offer to a vendor to purchase commodities, equipment and/or services containing all terms and conditions of a proposed transaction. A purchase order is a legally binding contract when it signed by the vendor or when the work proceeds.

**Qualified Products List:** A list of products that, because of the length of time required for test and evaluation, are tested in advance of procurement to determine which suppliers comply with specification requirements.

**Quotation:** A statement of price, terms of sale, and description of goods or services offered by a seller to a prospective buyer.

**Request for Information (RFI):** A written request for information to determine market availability and/or credentials used to create a list of prequalified potential contractors. No award is made following issuance of an RFI since it is typically the first step in a two-step solicitation process leading to the issuance of request for quote, invitation to bid, or request for proposals.

**Request for Proposal (RFP):** A formal solicitation for sealed competitive proposals with the title, date and hour of the public proposal opening designated. The term includes all documents that are attached, or incorporated. The RFP differs from the Invitation to Bid, as the ITB is usually for less complex projects where a price is needed for a clearly determined project. The RFP is used when project methodologies and approaches need to be evaluated, other than just the best price are involved. An RFP may address and award criteria points for numerous requirements in addition to dollar amount and best value. For example, points may be awarded for the contents of a sample design submitted by the proposer, proposer's experience with institutions of higher education, etc. The RFP should identify the requirements for the respondent to address. Proposals are subject to negotiation.

**Request for Quote (RFQ):** An informal solicitation or request for information (a minimum of 3 in standard cases), where oral or written quotes are obtained from vendors without formal advertising or receipt of sealed bids. Used only where statutes do not require formal sealed bids, such as small or emergency purchases, but price competition is desired. It is considered good business practice to establish price competition.

**Requisition:** An electronic form by which a funded department sends to the purchasing department details of materials required to meet its needs, and approval for purchase of said item. Requisitions are input into the BANNER system electronically (via computer).

**Responsible Bidder:** A bidder whose reputation, past performance, business and financial capabilities are such that the bidder would be judged by appropriate authority to be capable of performing a specific contract.

**Responsive Bidder:** A bidder whose bid does not vary from the specifications and terms set out in the Invitation to bid.

**Shall:** Denotes a mandatory requirement.

**Sherman Anti-Trust Act (1890):** Prohibits contracts, conspiracies, or combinations that act in restraint of trade, or attempt to monopolize.

**Should:** Denotes preferred or requested items, but non-mandatory

**Single Source:** Vendor selection determined by objective business decisions such as; leveraged volume purchase contracts, standardization programs/systems, part/service provided by “original equipment manufacturer”, consistency of quality/batch control, “just in time” delivery requirements, etc.

**Sole Source:** Exists when a single seller controls the supply of products or services in a defined market. These situations are usually the product of market conditions such as; technology leadership, patent protection, limited/exclusive franchise distributorships, mergers and acquisitions, etc.

**Specification:** There are three types of specifications. Functional specifications define function, duty or role of the goods or services. Performance specifications define the purpose of the goods or services in terms of how effectively it will perform, that is, in capability or performance terms. Technical specifications define the technical and physical characteristics and/or measurements of a product, such as physical aspects (for example, dimensions, color, and surface finish), design details, material properties, energy requirements, processes, maintenance requirements and operational requirements. All three types may be combined to form one specification.

**State Contracts Website:** State purchasing website that was established for state agencies and other public/governmental entities to access and download information on state contracts and agreements.

**Terms and Conditions** – The legalities that govern the procurement of a good and/or service.

**Term Contracting:** A purchasing technique in which a source or sources of supply are established for a specified period, usually characterized by an estimated or definite minimum quantity, with the possibility of additional requirements beyond the minimum, all at a pre-determined unit price.

**Terms and Conditions:** A phrase generally applied to the rules and stipulations that all bids and contracts must comply.

**Title:** The instrument or document whereby ownership of property is established.

**Vendor**– Company who supplies goods and/or services to LSCC (aka supplier or seller).

**Vendor Bid System:** State purchasing website includes the “Vendor Bid System”, which is available as a resource to post/advertise invitations to bid. This Internet-based system automatically notifies registered suppliers of potential opportunities to sell their products and/or services to member governmental/public entities within the State of Florida and all state agencies. LSCC utilizes this website’s services to advertise invitations to bid, requests for proposals, and requests for quotations when it is deemed appropriate.

**Waiver of Mistake or Informality:** The act of disregarding minor errors or minor technical nonconformities or errors in a bid that do not substantially alter the bid, and will not adversely affect the competition between bidders.

**Warranty:** The representation either expressed or implied that a certain fact regarding the subject matter of a contract is presently true or will be true. Not to be confused with “guarantee,” which means a contract or promise by one person to answer for the performance of another person.

**Will:** Denotes a mandatory requirement