LOS RIOS

COMMUNITY COLLEGE DISTRICT

Revised January 2022

Purchasing Department

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Introduction…

This handbook is a resource containing information, procedures and forms required for procuring materials, services and equipment through the Los Rios District Purchasing Department. The information that follows is essential to your understanding of the purchasing process and various types of purchases.

The purchasing process not only involves Purchasing, but also impacts Receiving, Accounts Payable and Asset Management. If you have any questions pertaining to purchasing procedures, contact either your College Business Services Office or the District Purchasing Department.

All purchasing forms, documents and resources are on the Purchasing webpage.

Los Rios Purchasing Team 2022

NAME	AREA OF RESPONSIBILITY
Paula Gordon	Purchasing Supervisor
Suzy Rouiller – Buyer III	American River College
Jackie Kaldani – Buyer III	District Office/Ethan Way/Cosumnes River College
Brenda Haney – Buyer III	Folsom Lake College/Sacramento City College
Kim Carrillo – Senior Buyer/Contract Specialist	Facility Management/Public Works Bids

Purchasing Code of Ethics

The Los Rios Community College District subscribes to the following Code of Ethics for the procurement of goods and services as developed by the National Association of Educational Buyers, Inc.

1. Give first consideration to the objectives and policies of our institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designee before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of the institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with government and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with purchasing associates and promote a spirit of unity and a keen interest in professional growth among them.

Designee Responsibilities

Board of Trustees	Establish purchasing policies and regulations to ensure that goods and services are purchased in a cost-effective and legal manner.
Chancellor	Establishes District purchasing procedure to ensure that all purchases receive the proper review and approval.
Individual Staff Member	Identifies a need, initiates the purchase of goods or services and obtains approval of the area dean/unit supervisor. Follows established purchasing procedures and conflicts of interest.
Program Director/Coordinator	Certifies the purchase is in compliance with the requirements of the Categorical Program Grant or Special Project.
Area Dean/Unit Supervisor	Reviews requisitions for completeness, checks for appropriate budget and availability of funds, authorizes the request and submits requisition to the campus business office for approval.
Vice President of Administration	Reviews requisition for correct budget and adequate funding. Review requisition for overall appropriateness, approve and forward to the District purchasing department.
District Purchasing Department	Has sole authority to prepare and issue District purchase orders for goods and services. May obtain quotes in addition to those supplied by work location.
	Ensures legality of all purchases.
	Interviews vendors and identifies sources for products and services.
	Coordinates comparative quotes and formal bids.
	Establishes purchasing standards and specifications.
Director of Accounting Services	Reviews and approves District purchase orders over the bid limit.
Purchasing Supervisor	Reviews and approves District purchase orders under the bid limit.
Receiving Department	Verifies quantity of goods or services received and enters receiving transactions in the District financial system.
District Accounting Department	Pays vendor for materials or services received once appropriate documents are in place.

Board Policy

Billions of dollars are spent annually by state and local governmental agencies for the purchase of goods and services. As of fiscal year 2021, Los Rios Purchasing Department issued almost seven thousand purchase orders annually valued at close to two hundred ten million dollars.

In order to ensure that these expenditures are proper, competitive and without conflict of interest, a variety of State laws and Los Rios Board Policies and Regulations have been enacted.

These laws and policies are too voluminous to be addressed here. Applicable state laws are found in the California Education Code and Public Contract Code (See Applicable State Legal Codes). A complete list of Los Rios Community College District Board Policies and Administrative Regulations is available online.

Procurement Applicable Policies and Regulations

Board Policy

- P-8321: Contracts and Contract Procedures
- P-8323: Bidding and Quotation Procedures
- P-8315: Authorization of Signatories
- P-8335: Service Agreements and Consultant Services

Administration Regulations

- R-8321: Contracts and Contract Procedures
- R-8323: Bidding and Quotation Procedures
- R-8315: Authorization of Signatories
- R-8335: Service Agreements and Consultant Services

Section 1 – Purchasing Process

Authorization to commit District funds is only allowed by individuals that have been given the delegation of authority by the Board of Trustees, Board Regulation 8315, 3.1. Purchases made in the name of the District without an authorized purchase order can be considered the obligation of the person making the purchase and not the obligation of the District. For a list of authorized signers, see Authorized Signers List.

Vendors

Purchasing maintains an extensive vendor database in PeopleSoft. New vendors that want to do business with Los Rios Community College District can be referred to Become a Vendor on the Los Rios website.

All new vendors must complete the online vendor application packet or the PDF vendor application.

If you need assistance in locating a vendor, Purchasing has available resources to help with vendor selection.

Purchasing should be notified of any changes in vendor name, address or contact information so that updates can be made to the vendor record in the Financial System.

Purchase Requisition / Purchase Order

The purchase requisition is the initial document in the Purchasing process. A purchase requisition is required to initiate the purchase of goods and services valued at $1,000 or greater (inclusive of tax and shipping). Purchases less than $1,000 may use a Limited Purchase Order. See Evolution of a Purchase Order.

Purchase requisitions are created using the PeopleSoft Financials online application. Each campus has designated individuals that have been trained for input/entry. If you are the designated entry person and need help with the online Requisition, refer to the User Guide for Requisitions. To minimize delays, accurate and complete information should be provided. Include product/services description, stock numbers, color, size, etc. Vendor information should be provided if known. If it is a new Vendor, you may send them the link to complete the Vendor Packet or request that purchasing do so. Once a purchase requisition is entered and approved by an authorized approver, it is electronically batched overnight to the assigned Buyer in the Purchasing Department. Upon Buyer review, the Buyer initiates the purchase order. Refer to Purchasing System Overview.

Limited Purchase Order (LPO)

A Limited Purchase Order (LPO) is a fillable Form #GS32 and may be used for the purchase of goods or services (with the exception of service agreements) totaling less than $1,000, including tax and shipping. The LPO is used in place of the online requisition purchase order process. These forms are available on the purchasing forms webpage and managed through your College Business Services Office. **LPO's cannot be used for service agreements or for equipment purchases.**

LPO's require the same level of authorization as the online purchase requisition (see Authorized Signer List). Once approved you may place your order and/or pick up merchandise. When the LPO is approved, the requester provides the vendor with the original copy of the form. If you elect to pick up the merchandise, you are responsible for processing the receiving and providing a copy to the College Business Services Office.

Blanket Purchase Orders (BPO)

A blanket purchase order (BPO) is used for making multiple purchases (typically 6 or more) from the same vendor throughout the fiscal year; it is an open/standing purchase order. Limited by dollar amount, time period and type of goods and services ordered, it is distinguished from other types of purchase orders by a preceding "**B**" to the purchase order number.

Blanket purchase orders cannot be used to purchase furniture or equipment.

Blanket purchase orders are intended for use with vendors from whom you make frequent supply purchases or use throughout the year for unscheduled service. All BPO's terminate at the end of the fiscal year. The due date on the BPO is the date that the purchase order expires. Most blanket purchase orders are assigned a due date of May 1. Terminating the blanket purchase order in May allows time for the Accounting Department to process the final payment by the end of the fiscal year. Only blanket purchase orders for services or supplies that cannot be ordered in advance, will be given an ending date of June 30.

Areas must submit a new online purchase requisition for blanket purchase orders they wish to renew each year. The online requisitions have the capability to copy from the prior year if you provide the prior year BPO number to your site requisition entry person.

Blanket purchase orders cannot be received online; therefore, a Blanket Order Release Form #GS 105 must be processed to authorize the Accounting Department to make payments for your individual purchases.

Confirming Purchase Orders

Confirming purchase orders can be used in an emergency situation in which there is an urgent need for services or supplies.

The Vice President of Administration or site manager has the responsibility to make the final determination regarding when it is appropriate to request a confirming purchase order number. The following steps must be used when requesting a confirming purchase order:

1. The requester determines the need for a confirming order and submits request for an online requisition. If the purchase totals $1,000 or more, comparative pricing requirements apply. You may obtain the required price quotations or request purchasing to do so. The quotes must be attached to the online requisition before a purchase order number can be released.
2. Upon authorized signer approval of the online requisition, the Business Services Supervisor or designee can contact the Purchasing Department requesting a confirming purchase order number.
3. The Purchasing Department will review the purchase requisition and if approved will respond to the Business Services Supervisor or designee with a purchase order number.

Prepayments

Some vendors do not accept purchase orders and require payments in advance of shipping an order. These purchases are called prepayments because the payment is made prior to receipt of the goods or services, i.e., subscriptions.

Follow the same procedure of submitting an online requisition and submit all required documentation from the vendor stating that prepayment is required. The invoice must be attached for preorder. The documentation from the vendor must state the total cost of the order, including sales tax and shipping and/or handling charges if any. Requisition must clearly state "PREPAYMENT REQUIRED". After the purchase order is processed, Purchasing gives it and the required back-up documents to the Accounting Department to issue a check and mail it with the vendor copy of the purchase order.

Change Orders

When a change or cancellation of an existing purchase order is required, the Purchasing Department issues a change order to the vendor. Typical changes include a change in quantity, price or description of merchandise, canceling or adding an item to the order.

To initiate a change order, complete a Change Order Request and submit it to the College Business Services Office. Change Orders require the approval of an Authorized Signer and are then forwarded to Purchasing.

Sales Tax

Not all vendors located outside of California collect California sales tax. Even though the vendor does not collect the sales tax, the District must pay the tax to the State of California. The purchase order will include the applicable sales or use tax. See California Sales/Use Tax Rates.

Merchandise Return Memorandum

Whenever merchandise is returned to the vendor, the Merchandise Return Memorandum Form GS 14 must be completed by either the Receiving Department or the requester. Check with your Business Services Office for the specific procedures for your work location. Regardless of who is responsible for filling out the form, you need to inform your Receiving Department of your intent to return merchandise.

Many vendors require a return merchandise authorization number. Check with the vendor prior to any return to inquire about their return procedure.

The Merchandise Return Memorandum identifies the item(s) being returned, the reason for the return and whether the item is to be replaced, repaired or if the District is to receive a credit for the item(s). The form is completed by the person initiating the return.

When returning equipment items, you must remove the LRCCD asset tag from the item and attach it to the Merchandise Return Memorandum. If the asset tag cannot be removed from the item, write the LRCCD asset tag number on the Merchandise Return Memorandum. Fixed asset records must be modified anytime the vendor elects to replace rather than repair equipment. Notify the Purchasing Department if the item is to be replaced and the Purchasing Department will issue a new asset tag for the replacement item.

Categorical Funds

Categorical funds are monies received from external agencies to be expended for specific purposes. These funds primarily use fund code 12 and are sometimes referred to as restricted, grants or special program funds. The approver is responsible to make sure the Categorical Certification is complete before submitting the requisition to Purchasing. Some of the major categorical programs in the District are Perkins 1C, DSPS, CARE, EOPS, Student Success, Student Equity (SSSP), TANF, CalWORKS, and State Instructional Equipment Fund (SIEF).

*FEDERAL FUNDS: Purchases made with federal funds are subject to additional guidelines. You may view these guidelines on the purchasing website by selecting this link: Using Federal Funds.

State Object Codes

In the District's accounting system, expenditures are classified by both activity and object codes using the PeopleSoft program and account chartfields, respectively. In PeopleSoft, these chartfields are called Account Codes. Account Codes are used to distinguish the type of expenditures such as supplies or equipment. The accounts used by Los Rios are in accordance with the California Community Colleges Budget and Accounting Manual and are an expansion of the basic state object code reporting requirements mandated by the State.

The correct classification of expenditures by account is important since many financial reports are formatted to reflect expenditures or budgets by account.

The first character of the account represents the major expenditure classification. The succeeding characters represent sub-classifications within the major category. The major expenditure classifications for non-salary and benefit expenditures are:

4000 - Supplies and Materials
5000 – Other Operating Expenses and Services
6000 – Capital Outlay
7000 – 9000 Other Outgo

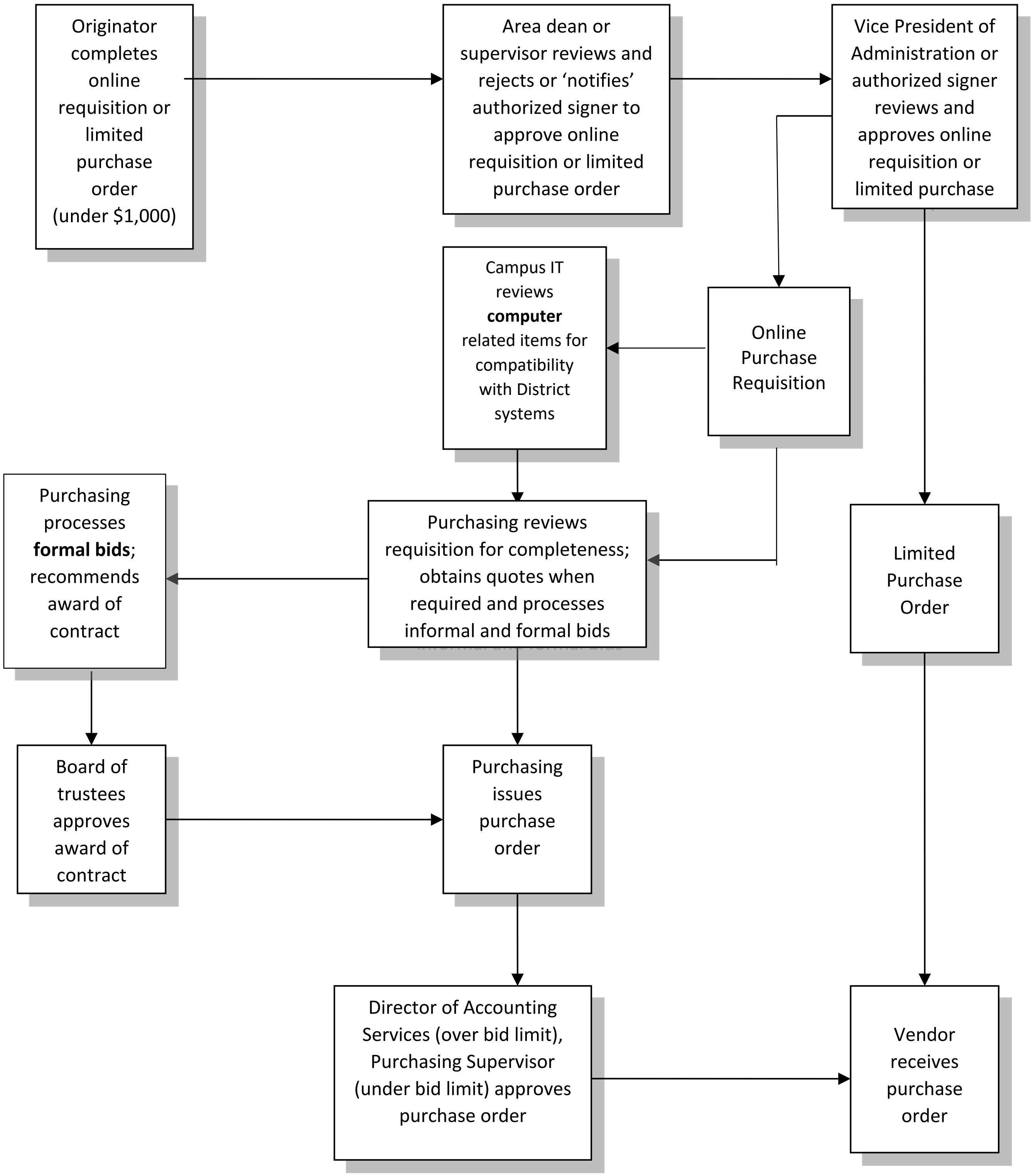
Determining the appropriate account may require consideration of how the goods or services will be used.

Summary of Common Account Codes

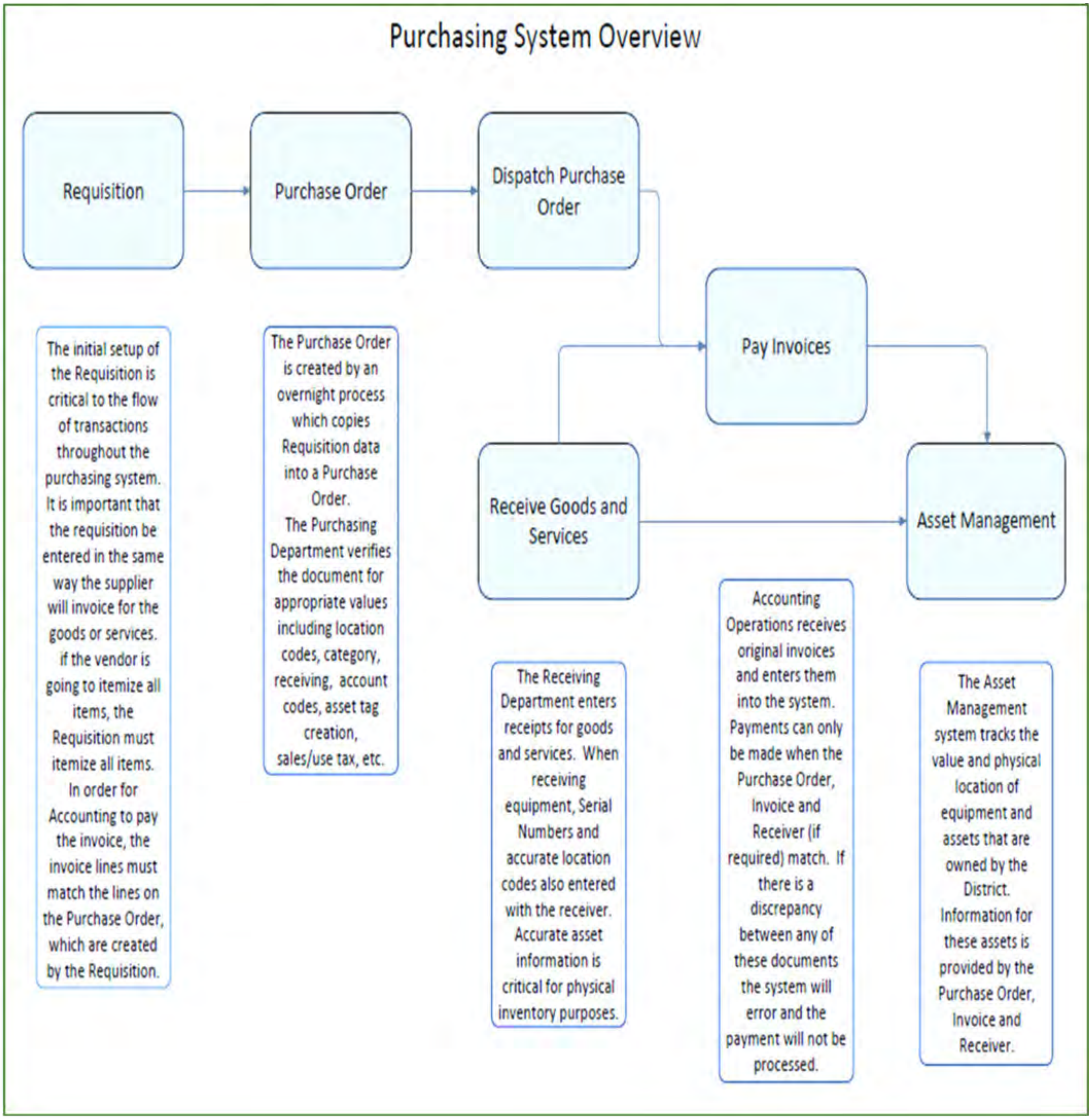
4100 Textbooks (Training Src Only)	5100 Contracts – Personal Service	6100 Land and Site Acquisition Cost
4300 Instructional/Media Materials	5200 Travel & Conference	6120 Site Improvements
4301 Instructional - Printing Costs	5201 Mileage – In District	6200 Buildings
4302 Instructional – Automotive Tec	5300 Dues and Membership	6210 BLDG – Leasehold Improvements
4303 Instructional – Software	5400 Insurance	6300 Library Books and Other Media
4304 Instructional Books/Periodical	5415 Insurance Deduct	6350 Collectibles
4500 Non-instr Supplies & Materials	5500 Utilities & Housekeeping Svcs	6410 Film Capitalized
4501 Non-instr Printing Costs	5600 Repairs/Software Maintenance	6480 Equipment/Replacement
4502 Tools	5601 Rents/Leases/Software Licensing	6490 Equipment/Capitalized Software
4503 Non-instr Software	5603 Instructional Software License	6493 Instructional Software
4504 Non-instr Books and Periodicals	5700 Legal, Election & Audit	6495 Lease Purchase Agreements
4507 Uniforms – PERS Reporting	5800 Other Costs – Special Programs	9220 Prepaid expense
4509 Non-Instr-Supplies-Contra	5808 Admin Cost – Special Programs	
4790 Food Purchases	5810 Postage	
	5890 Other Operational Expense	

Go to State Object Codes for a detailed explanation of the above.

Evolution of a Purchase Order



Purchasing System Overview



Section 2 – Comparative Pricing

Comparative Pricing

To ensure purchase of materials and services at the most advantageous price, District procedures require comparative shopping prior to making purchases. Combining the purchase of goods and services and standardizing whenever possible can prove to be cost effective. See Comparative Pricing Requirements chart.

Informal Quotations

Purchases with a unit cost ranging in value from $1,000 to $4,999 require documentation of informal written, telephone or internet quotations from three separate sources. The requester should obtain the quotations prior to submitting the purchase requisition. The purchasing staff can assist with this process when needed. If price quotations have been obtained by the requester, this information needs to be forwarded with the purchase requisition to prevent delays in processing the order and duplication of efforts by the purchasing staff. Purchasing staff may require quotes for items under $1,000 when appropriate.

Formal Quotations

Purchases priced from $5,000 to $99,100 for materials and services or $5,000 to $59,999 for public works projects (construction/renovation/erection/alteration/improvement/demolition/maintenance other than routine, recurring work) require three written quotations. Public works projects require quotes from approved CUPCCAA contractors. Public works projects $25,000 and greater require payment and performance bonds from the contractor.

The requester should obtain formal written quotations from vendors or purchasing will obtain them. All quotations must be on a quote form or company letterhead and must be provided by an authorized representative of that vendor. If price quotations have been obtained by the requester, forward the information with the purchase requisition to prevent delays from purchasing staff obtaining the same quotes. **All public works projects must be coordinated with the Facilities Management Department.**

Advertised Bids

All purchases that equal or exceed the current legal bid limit ($99,100 for equipment, services and materials, or $200,000 for public works projects) must go through the legally required formal bid process. Contract award must then be approved by the Board of Trustees. All formal bids are coordinated by the Purchasing Department. The Purchasing Department will work with the requester to develop specifications to assure the desired standard of quality and conformance with District policies and procedures. The formal bid process takes six to eight weeks from the date your request is received by the District Purchasing Department to contract award.

Contact the Purchasing Supervisor for direction on bids/requests for proposals for equipment, services and materials. To assist with the bidding guidelines for public works (CUPCCAA) a Public Works Bidding Procedure Matrix is located on the Purchasing website.

Applicable State Legal Code Reference

Education Code (EDC)

EDC 81550 Authority to Lease Equipment

EDC 81551 Provisions Applicable to Contracts

EDC 81152 Terms of Leases

EDC 81644 Duration of Continuing Contracts for Services and Supplies

EDC 81645 Acquisition, Procurement, or Maintenance of Electronic Systems and Materials, Goods and Services

EDC 81651 Purchase without Estimates or Bids

EDC 81450 Sale of Personal Property (Surplus)

Public Contract Code (PCC)

PCC 1101 Public Works Contract

PCC 22030 Public Projects: CUPCCAA Alternative Procedure

PCC 22032 Public Projects: CUPCCAA Alternative Procedure

PCC 22034 Public Projects: CUPCCAA Alternative Procedure

PCC 20651 Letting Contracts; Necessity of Bids

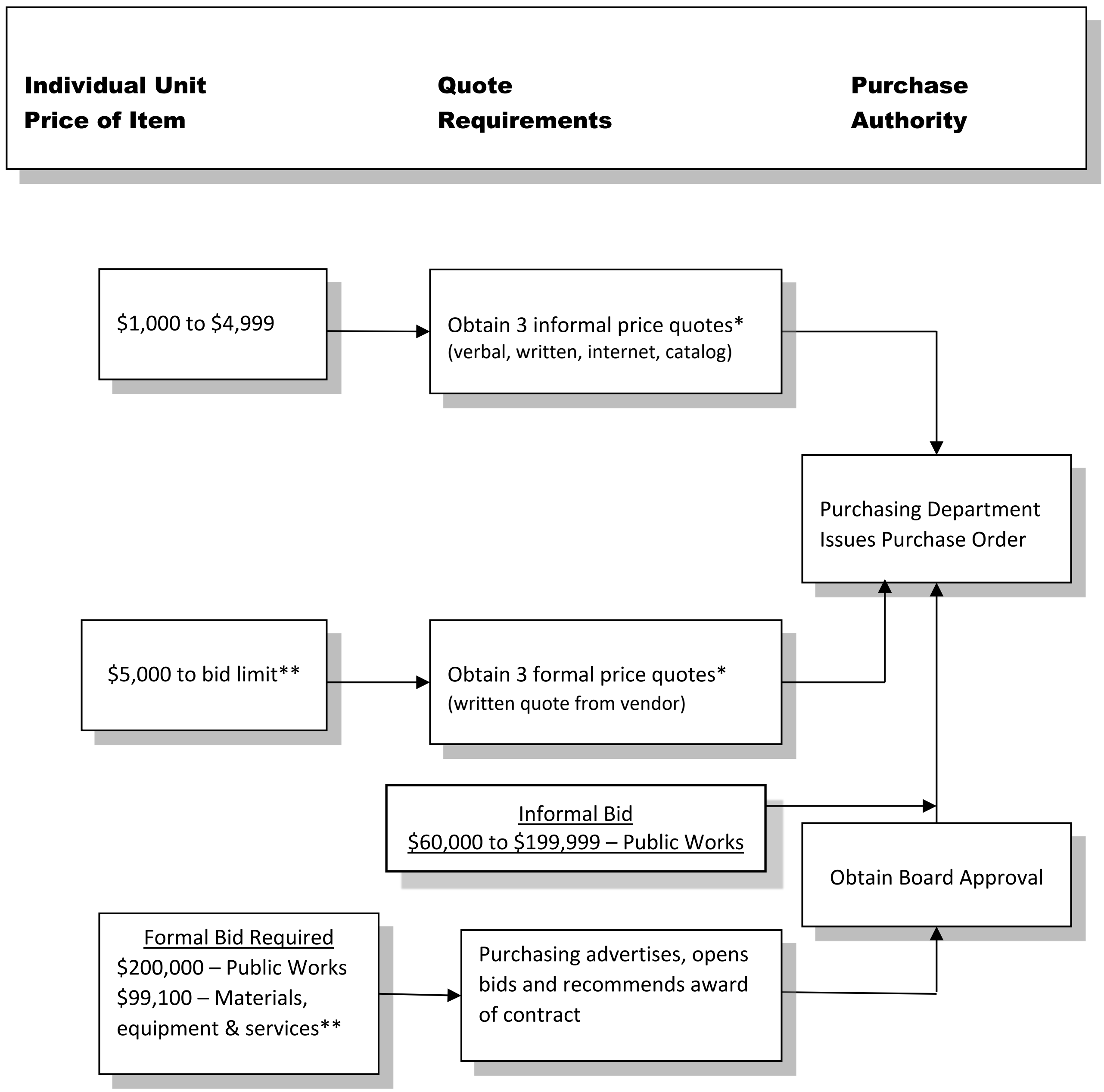
PCC 20652 Purchase through Public Corporations without Advertising for Bids

PCC 20654 Emergency Work; Contracts without Bids

PCC 20657 Unlawful to Split Work Orders or Projects

PCC 20118.2 Technology Related Equipment, Software, and Services

Comparative Pricing Requirements



*Additional quotes are not required when purchasing from contracts, which have been publicly bid (i.e. CMAS, WSCA, FCCC, E&I, etc.). **It is the discretion of the Purchasing Department to obtain quotes in addition to those provided by the requesting department**.

**Cumulative orders

Section 3 – Types of Purchases

Supplies

Supply purchases are the most common type of purchases and range from individual items purchased on an as-needed basis to large combined, one-time purchases. Supplies are items that are expendable and quickly consumed or easily broken or damaged with a typical lifetime of less than one year. A supply purchase $1,000 or greater, including sales tax and shipping charges, requires an online purchase requisition to be submitted. Supply purchases less than $1,000, including sales tax and shipping charges, can use a Limited Purchase Order.

Software

Coding of expenditures for software can vary depending on the specifics of the purchase. For a more detailed list, see Software Account Codes.

1. Purchases below $5,000 use account code:
   - 4303 - instructional software
   - 4503 - non-instructional software
2. Capital outlay initial cost of $5,000 or more:
   - 6490 – license, maintenance, implementation
   - 6493 – instructional software
   - 6303 – online access for student library books
3. For maintenance and licensing:
   - 5600 – maintenance or maintenance and licensing combined
   - 5601 – non-instructional licensing only
   - 5603 – instructional licensing only
   - 5890 – online access, no actual software or license is purchased

Services

Contracting for services include routine services, rentals, leases, equipment, maintenance, personnel and professional services. The purchase of services over $1,000 requires an online requisition to be submitted. Include on the requisition the details of the type of service and frequency. State how often the service will be provided and the cost for each occurrence. If the service to be provided is on an as-needed basis, a Blanket Purchase Order can be issued for a maximum dollar amount to be used throughout the fiscal year.

A limited purchase order can be used for routine services less than $1,000.

Service Agreement (SA/Short Form)

Professional services are delivered by an independent contractor (individual, entity or firm) that offers its services to the public. These services are unique, specialized and/or technical and are of a specific project nature. Such services are paid on a fee basis and usually considered temporary or short-term, non-complex, easily identifiable services under $15,000. Professional services do not include routine services/activities necessary for the function of District programs. It is a conflict of interest and not permitted to contract with employees of the District.

The IRS has established criteria to determine whether a person should be an employee or independent contractor. The District has developed a checklist that must be used when independent contractor status is chosen.

How to process an independent contractor – If you believe that an individual can be classified as an independent contractor, the following actions need to be taken:

The requestor completes these forms and attaches to the online requisition:

- Service Agreement (short form GS 78).
- Independent Contractor vs. Employee Checklist, Form GS 79.
- Service Agreement Certification Form GS 154.
- Conflict of Interest Form GS 152.
- New vendor application (if applicable).

Completing the service agreement:

1. Payment terms must be clearly stated on the service agreement form or an attached vendor document. Contract amount must be on the service agreement. Services to be rendered must be noted on the service agreement or an attachment. The service provider cannot change the terms of the service or add additional terms.
2. The requisition and above attachments are forwarded through the usual approval process to the Vice President of Administration (VPA) or authorized designee for approval. If the documentation is complete and acceptable, the VPA or authorized designee approves the online requisition, which then routes to District Purchasing for review and purchase order processing.
3. The Director of Accounting Services or Purchasing Supervisor reviews the documentation for appropriateness. If there are any questions about the nature of the independent contractor relationship, additional information will be requested from the VPA or designee. If there is still uncertainty about whether the individual should be an independent contractor or employee, the transaction will be referred to General Counsel for final determination. When the documentation is determined to be complete and the transaction appropriate, the Director of Accounting Services or Purchasing Supervisor signs the purchase order.
4. Approved purchase orders are then distributed by the Purchasing Department. When the contractor receives the approved copy of the purchase order, a contractual relationship exists and the contractor may begin work. **Work may not begin until the contractor receives an authorized purchase order.**

Professional Services Agreement (PSA/Long Form)

District employees should never, under any circumstances, accept or sign a contract. The authority to sign contracts is limited to those included in the Authorized Signers List. See Administrative Regulation R-8315 for more information.

If a contractor or consultant begins work before a fully executed contract is in place, the District risks significant liability. Therefore, never, under any circumstances, should work for the District begin before a fully-executed contract is in place.

Contract Approval and Routing Form Procedures[1]

1. Before routing the Contract Approval Sheet and Routing Form, the **College Requestor**[2] completes the following:
   - ✓ Ensure the vendor completes a Vendor Application (new vendors only). This should be submitted to purchasing prior to the requisition so the vendor is added to PeopleSoft.
   - ✓ Prepare the requisition (submitted online in PeopleSoft.) The purchase order will not be signed until the contract is fully executed.
2. **College Requestor** completes and saves the Contract Approval Sheet and Routing Form before attaching it to an email[3]
3. **College Requestor** also ATTACHES to the email the following supporting documents:
   - ✓ Scope of Work. At a minimum, ensure the Scope of Work contains the necessary information to complete the attached Professional Services Agreement (PSA.)
   - ✓ Insurance documents. If insurance has been requested and not received yet, please note so on the routing form with contact email so Purchasing can follow up.
   - ✓ If this is a professional service delivered by an independent contractor, complete the Independent Contractor vs. Employee Guidelines GS-79
   - ✓ Contract/Agreement (if applicable). See **"Contracts/Agreement Types"** below.
4. **College Requestor** sends the email to the **Area Manager/Supervisor** for approval
5. **Area Manager/Supervisor** APPROVES[4] and **FORWARDS** the email to **VPA**
6. **VPA** APPROVES and **FORWARDS** the email to the **Contract Administrator** @ contracts@losrios.edu[4,5]
7. **Contract Administrator** completes the process and routes the contracts for signature.

[1]Refer to the **"Contracts/Agreement Types"** below for the major types that are included and excluded from this procedure.

[2]The College Requestor is the person that is initiating the contract request.

[3] Each College might have a process to review and approve the contract approval sheet and routing form before it is routed for VPA signature. Each College should individually develop their procedures for their processes that happen before and between step 1-4.

[4] Make sure to included "APPROVED" in the body of the email as evidence of approval. Also, make sure to FORWARD (not reply) to keep the email sting to maintain sufficient audit evidence and to ensure the attachments remain. We are not requiring a wet OR digital signature on the PDF. Email approval is deemed sufficient at this time.

[5] The Chancellor authorized the VPAs to approve contracts via the authorized signer list. VPA approval is required before an authorized signer can sign a college contract. Any requests that are not routed via the VPA must be rejected. The College President is also authorized to approve.

Other Types of Contracts/Agreements

- **Modified PSA or 3rd party contract (not a district contract)**. Only under exceptional circumstances will we entertain modifications to our standard agreements. Modifications significantly slow down the process and may expose the District to additional liability. The expectation is that the colleges will start with our standard template agreements. The service provider cannot change the terms of our services or add additional terms unless approved by General Counsel. If the vendor declines to use our standard PSA, the college should attach the proposed modifications to our PSA or 3rd party contract (not a district contract). The VPA is to review, approve and send it with comments to the Contract Administrator to explain the modifications. Contract Administrator reviews with District General Counsel for approval.
- **Amendments**. You do not need to complete the amendment. The Contract Administrator will prepare the amendment using the routed information provided. Please ensure all necessary information to complete the amendment is included in the additional/revised Scope of Work.
- **MOUs/Zero Dollar** (understandings with other educational agencies to provide educational services). Please ensure all necessary information to complete the MOU is included in the Scope of Work. Zero dollar contracts and agreements are presented separately to the board so they must be tracked diligently.
- **SaaS agreements** (requires added approvals): The Campus IT lead is the approver in the Area Manager/Supervisor section of the routing sheet. The VPA forwards to the DO-IT AVC for additional approval before it is forwarded to DO Contracts. Please connect with your Campus IT lead for more details.
- **Facilities use agreements** (used when we rent off campus facilities). Go through the same process as the PSA, with the added step of District Office ordering insurance as required by the agreement.
- **OTHERS that DO NOT follow these routing procedures:**
  - **Grants** (cash inflow). Please follow the Grant Submission & Acceptance Form procedures and connect with your business analyst for more details regarding how to route a grant for approval.
  - **Allied Health Agreements for Clinical Placement**. Please connect with your college Allied Health educational program for more details regarding how to route these agreements.

Note that there may be unique contracts/agreements that might not fit into the standard procedures. Please contact your VPA if you have such a situation. Your VPA can work with the Contract Administrator to determine the best way to proceed.

Equipment

Equipment, also referred to as "fixed assets" and "assets", is defined as tangible property which can be used for more than one year without material change in form or appreciable deterioration of its physical condition **and** purchase price total cost of $5,000 or more. An item's total cost is determined by its purchase price, including sales tax, shipping/freight and other applicable fees (i.e. installations, e-waste, etc.).

The District maintains an inventory of fixed assets, which contain the description, model, serial number, cost, date of purchase and location processed under a 64xx account code.

Items that meet the above definition with a cost of $5,000 or more will be issued a fixed asset tag. This tag captures information used to identify and track the item for inventory purposes and is affixed to the asset. The tag ID number is twelve characters long and populated as follows:

- Example – tag ID #106629600101
- First seven characters are the purchase order number without the leading zeros (1066296),
- the next three are the line number on the purchase order (001),
- and the last two represent the quantity number (01).

In some instances, computer components and equipment will be considered a kit and tagged accordingly.

A fixed asset tag should be placed in a conspicuous place on the item, not on the back or underneath where it is difficult to access. Examples of placement for asset tags are:

- Bookcases, desk and file cabinets – any one of the front corners of the asset.
- CPU'S, printers, monitors – near/next to the power button.

The more consistent, specific and uniform the placement, the easier it will be to locate the tag.

Vehicles are not tagged. However, the District's fixed asset system will contain the VIN number and location of the vehicle.

Fixed asset records contain location information (site, building and room). If equipment is moved to a different room, department or building an Equipment Transfer Record Form GS 104 must be completed.

Computer Equipment

Standards for computer equipment have been established to maintain levels of quality and functionality throughout the District. Request for computer hardware, software and related items require approval of the computer specialist at your work location. In addition, all computer server equipment must be approved by the Information Technology Department at the District Office before being processed by the Purchasing Department. Please see Information Technology Expenditure Review Process for additional reporting requirements.

Electronic Waste Recycling Fee

The purchase of covered electronic devices (CED) is subject to an electronic waste recycling fee. These devices include computer monitors, laptop computers, tablets, OLED and LCD TV's and portable DVD players. When submitting your purchase requisition for any of the covered electronic devices you will need to add the Electronic Waste Recycling Fee (updated January 2017) for each device as a separate line item. The fee varies depending on the size of the screen measured diagonally as follows:

- $5.00 when the screen is larger than 4", but smaller than 15"
- $6.00 when the screen is larger than 15", but smaller than 35"
- $7.00 when the screen is larger than 35"

Leases and Rentals

Leases fall into two categories:

1. **Operating lease -** typically a monthly rental of equipment or facilities. Monthly payments are paid as rent expense (account #5601).
2. **Capital lease** - is essentially a contract to purchase, one in which the District/college takes title to the asset at the end of the lease term for little or no cost. An asset obtained through a capital lease must be tagged and recorded in the fixed asset inventory. One of the following criteria must be met for the transaction to be classified as a capital lease:
    a. At the end of the lease, the lessee owns the property being leased.
    b. At the end of the lease, the lessee can purchase the property for a bargain purchase option.
    c. The lease term exceeds 75% of the estimated economic life of the leased property.
    d. The present value of all lease payments is equal to 90% or more of the value of the asset.

    If the transaction is determined to be a capital lease, it must be accounted for as though the asset was purchased (capital outlay) and a debt was incurred to finance the purchase. Contact General Accounting for specific information on how to budget these types of transactions.

Furniture

The District has standardized furniture that includes panel systems, modular desk systems and conventional furniture in order to maintain consistency in appearance and interchangeability of parts. Contact the College Business Services Office or District Purchasing for the preferred product line, contract, vendor and pricing information.

Public Works Projects

On April 11, 2019, the Los Rios Community College District Board of Trustees adopted the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Public Contract Code, Section 22030).

In accordance with CUPCCAA, the District maintains a list of qualified contractors identified according to specific categories of work. All general and prime contractors must be qualified to bid on public works projects. Projects from $60,000 to $200,000 will be bid by an informal process. Qualified contractors will be notified of public projects for which they are licensed to perform. Public works projects $200,000 and greater will be bid through the formal bidding procedure.

A public works project is defined as the erection, construction, alteration, repair or improvement of any public structure, building, road or other public improvement of any kind and must be paid prevailing wage. All public works projects are initiated with Senior Buyer and Facilities Management.

Follow these steps to process public works requests:

1. **All public works projects including the development of specifications must be coordinated through Facilities Management. (State law regulates the bidding process, refer to Los Rios Board Policy P-8323: Bidding and Quotation Procedures and Regulation R-8323: Bidding and Quotation Procedures).**

2. **Projects under $60,000:**
   Public works projects under $60,000 may be performed by Facilities Management staff or through a negotiated contract and purchase order. The District may make repairs and perform maintenance by day labor or force account whenever the total number of hours on the job does not exceed seven hundred fifty (750) hours or when the cost of materials is twenty-one thousand dollars ($21,000.00) or less. Projects to be performed by an outside contractor costing between $5,000 and $59,999 require three written quotations obtained from contractors on the District's Contractors List (refer to Comparative Price Requirements). These quotes may be obtained by campus personnel or by District Purchasing, at the direction of Facilities Management. If quotes are obtained by campus personnel, the respective quotes must be submitted with the purchase requisition to prevent duplication of effort.

3. **Projects $60,000 to $199,999:**
   Public works projects of $60,000 to $199,999 will require an invitation to informal bids using the District's established Contractors List and facilitated by Facilities Management. Additional advertising in trade journals is optional as desired.

4. **Projects $200,000 and above:**
   Public works projects costing $200,000 or more must be processed according to legal bidding requirements (see Comparative Price Requirements). Formal bids for public works are handled by the Purchasing Department and Facilities Management in compliance with Applicable State Legal Codes. When developing specifications, the Purchasing Department will work with Facilities Management to assure the desired standard of quality. The bidding process may take six to eight weeks from the time the request is received in the Purchasing Department to the final approval of contract award by the Board of Trustees.

Small Business Exception ($5,000 - $249,000)

Small business exception may be utilized for goods and services (equipment, materials and services) with an estimated value greater than $5,000 up to $249,999. Obtain two or more written quotes from **certified** small business or disabled veteran business enterprises.

Section 4 – Equipment Transfer/Disposal

When equipment items are moved to a different location, the inventory record must be updated. When moving equipment, complete the Equipment Transfer Record Form GS 104.

Relocation of Equipment within a Department

The Department Manager should authorize the relocation of the equipment and forward the Equipment Transfer Record to the Vice President of Administration or designee for final approval. The form should be sent to the designated campus department with the responsibility to update the equipment profile in the PeopleSoft Asset Management System (AMS). Once the system is updated, follow the instructions for the distribution of copies.

Transferring Equipment Between Departments (Same Campus)

The Department Managers releasing and acquiring the transfer equipment should authorize the transfer and forward the Equipment Transfer Record to the Vice President of Administration or designee for final approval. The form should be sent to the designated campus department with the responsibility to update the equipment profile in the Asset Management System (AMS). Once the system is updated, follow the instructions for the distribution of copies.

Transferring Equipment Between Colleges / Sites

The releasing Department Manager should authorize the equipment transfer and forward the Equipment Transfer Record to their Vice President of Administration or designee for release approval. The acquiring Department Manager should authorize the transfer and forward the form to their Vice President of Administration or designee for final approval. The form should be sent to the acquirer's designated campus department with the responsibility to update the equipment profile in the AMS. Once the system is updated, follow the instructions for the distribution of copies.

Surplus Equipment

In accordance with Ed. Code 81450, equipment may be declared surplus property when it is no longer needed for program purposes, becomes obsolete, broken or is unsafe to use. Contact your College Business Services Office or site manager for the procedures used for disposal of surplus equipment at your work site. If replacement equipment is being purchased, consideration should always be given to trading the item for credit on the replacement equipment purchased.

The Declaration of Surplus Equipment Form GS 1 is completed by the area responsible for the equipment. The form requires approval from the Vice President of Administration or designee. Once approved, copies are forwarded to the Purchasing Department and the General Accounting Department at District Office. General Accounting will use its copy to delete the equipment from the Asset Management System.

Purchasing reviews the surplus list in preparation of a Board Agenda item to officially declare the equipment surplus. Once the Board of Trustees approves the list, the Purchasing Department will make arrangements with an approved surplus vendor or auctioneer for pick up and removal of the items.

Surplus of District Vehicles

Vehicles and trailers are listed on Form GS 1 Declaration of Surplus Equipment and require the same approval authorizations and distribution process as listed above.

Section 5 – Receiving

Receiving Merchandise and Services

The Receiving Department at each college or work location has the responsibility of receiving all merchandise, checking it for damage and delivering to the area that requested the merchandise. Receiving staff marks specific line items as "received" in the PeopleSoft Financial System, which is verification to Accounting that the merchandise has been received or services have been rendered and payment can be released to the vendor. The requester may be contacted to confirm receipt of all or partial items by the Business Services Office or Receiving Department.

Original invoices should be emailed to District Office Accounts Payable Department for payment if the original invoice is included with the package or arrives at the requester's location. Payments are delayed when Accounting does not receive the original invoice. If encumbrance has not been cleared, contact Accounts Payable.

Fixed Assets

The identification and tracking of fixed assets is a collaborative effort between the Receiving Department, Purchasing Department and General Accounting. Purchasing produces one (1) tag for each asset and satisfies the fixed asset classification outlined in **Section 3**. Receiving will apply the asset tag in an easily accessible place on the fixed asset. Responsibility for identifying and tracking fixed assets is described below:

Purchasing Responsibilities:

1. Asset Tag Generation: Generate asset tags for all items meeting the District's fixed asset requirements.
2. Asset Tag Delivery: Deliver the asset tags to the appropriate receiving department.

Receiving Responsibilities:

1. Recording: (see Receiving Manual for details)
   a. Asset Tag Number: Enter asset tag ID numbers into PeopleSoft Financials for all items that meet the tagging requirements. If an item cannot be tagged, enter "NA" as the item's tag number.
   b. Serial Numbers: Enter serial numbers into PeopleSoft Financials for all items that meet the tagging requirements. If the item cannot be tagged, but has a serial number, enter the serial number. If an item does not have a serial number, enter "NA".
   c. Location Codes: Confirm the item was delivered to the location indicated on the purchase order. If the location code is incorrect, it is receiving staff's responsibility to update the location code (e.g., if the PO states the item is to be delivered to the IT building, but was delivered to the English building, the location code should be changed to the English building). It is not the Receiving staff's responsibility to update the location code after initial delivery of the item to the requesting areas.
   d. Corrections: An email should be sent to General Accounting to update or correct tag/serial numbers of items that have been received and recorded. Contact the college designated department to update location codes that have been recorded in PeopleSoft Financials.

2. Tagging: Tag all fixed assets that meet the tagging requirements and/or tags were provided for.
   a. Visibility: Affix asset tag in a conspicuous place on the item where it can be easily accessible for inventory inspections. For example, computers should be tagged next to the power button.
   b. Accuracy: Affix asset tag on the correct asset. Multiple asset tags may be provided for purchase orders with multiple quantities. It is important to identify the asset with a specific asset tag.
   c. Non-Taggable Items: If tags are received for assets that cannot be tagged because the asset is too small or the tag will not adhere to the outer material, update the tag number to "NA" within PeopleSoft Financials to indicate the item is not taggable. If the tag number has already been entered, send an email to General Accounting to correct the tag number. If there is a serial number, enter the serial number. The unused tag should be sent back to General Accounting.
   d. No Asset Tags: If no asset tag is received for an item that should be tagged, request a new asset tag from Purchasing.
   e. Damage/Lost/Replacement Tags: If asset tags are damaged, lost, incorrect, tagged on wrong asset or tagged in an obscure place, request replacement tags from Purchasing.