



To: All Administrators and Supervisors
From: Maria Contreras-Tanori – Director of Purchasing, Contracts and Risk Management
Date: March 5, 2019
Subject: Purchasing Deadlines for Fiscal Years 18/19 and 19/20

The purpose of this memorandum is to provide departments with information for submitting purchase requisitions (“PR”) for the remainder of the current fiscal year and for the new fiscal year. During the last three months of the fiscal year, procurement activity significantly increases and we are asking for your cooperation in following the guidelines and instructions outlined in this memorandum so that we may best help you meet your requirements.

Each department is responsible for ensuring that funds for purchase expenditures are encumbered using the correct FOAP and fiscal year. Please use the table below as your guideline.

1. Deadlines to Submit Banner Requisitions

<u>Purchase Type</u>	<u>Dollar Thresholds by Type</u>	<u>Board Approval Required</u>	<u>FY 18/19 Deadline</u>	<u>FY 19/20 Deadline</u>
Formal Bids or RFPs*				
<ul style="list-style-type: none"> Equipment, Materials, Supplies & Services Public Projects, Repairs & Maintenance 	>\$92,600 >\$200,000	✓ ✓	March 11	
Informal Quotes (RFQ Solicitations)				
<ul style="list-style-type: none"> Equipment, Materials, Supplies & Services Public Projects, Repairs & Maintenance (UPCCAA) 	≥\$10,000 - ≤\$92,600 ¹ ≥\$60,000 - ≤\$200,000	NA NA	April 11	
Non Competitive Requirements				
<ul style="list-style-type: none"> Equipment, Materials, Supplies & Services Public Projects, Repairs & Maintenance (UPCCAA) 	≤\$10,000 ² ≤\$60,000 ³	NA NA	May 10	
Open Orders for Fiscal Year 19/20 (exercise renewal option)				
<ul style="list-style-type: none"> Open Orders that need to be established for July 1 				May 1
<ul style="list-style-type: none"> Open Orders that need to be established for August 1 				May 31
Current Year Change Orders				
Take into consideration the dollar thresholds listed above to determine deadline dates for current year change orders.			See above	

*Requires Board of Trustee approval if the total cost inclusive of all option years exceeds the above threshold for Formal Bids/RFPs.

¹ Per AP 3140, Purchasing practice is to issue a RFQ to obtain at least three quotes for requirements >\$10K.

² In order to streamline the Purchasing process, low dollar product purchases should be purchased on the ProCard in accordance with the ProCard Procedures and user limits (excludes capital equipment, technology >\$100 etc.).

³ Department must contact Purchasing if amount is over \$22,500 for bonding requirements and compliance.

1.1. POs for the current fiscal year:

- 1.1.1. Some purchases have a long lead-time and the items must be received before the end of the fiscal year.
- 1.1.2. Departments should take into account their respective approval cycle times, especially if multiple approvals are required, and allow additional time for the approval process.

1.2. Open POs that commence on July 1:

- 1.2.1. The new fiscal year is open in Banner System. Requisitions for open purchase orders should be entered as soon as possible, and approved no later than the specified dates in Section 1 above. Requisitions received after these dates will not be processed until after July 1.
- 1.2.2. Purchase Requisitions (PRs) for open purchase orders must accurately specify the projected expenditures for the new fiscal year, so that the encumbered amount will be sufficient to pay all associated invoices through the end of the fiscal year. **Buyers will not close or dis-encumber open POs earlier than the end of the fiscal year.**
- 1.2.3. **Important:** You must use a Banner transaction date of July 1 or later to ensure funds are allocated to the correct fiscal year.

2. PRIORITY OF ORDER OF PROCESSING

Completed and approved PRs received by Purchasing by the date specified in the Section 1 above will be processed in a timely manner and *generally on a first in, first out basis*. The order of priority for processing will be:

- 2.1. Current FY PRs that involve grant funds that will be lost if the goods and services are not received by the end of the fiscal year. (Check with District Grants Office – Grants Monitor for details);
- 2.2. Current FY PRs for materials, equipment, and supplies;
- 2.3. Current FY PO Change Order requests to increase PO encumbrances to facilitate payments;
- 2.4. Next FY PRs for services that begin July 1.

If priority is not identified on the requisition or cannot be established, Purchasing will process requisitions in the following order: 1) requisitions requiring Board approval, and 2) all other requisitions in the order received.

3. LATE REQUISITIONS

To ensure timely processing of purchase requisitions, departments must submit purchase requisitions by the specified deadlines with appropriate documentation. All requisitions received after the deadlines will be given lower priority.

- 3.1. It is the Department's responsibility to plan in advance and allow sufficient time to meet the specified deadlines. Any urgent late requests must be submitted to the Director of Purchasing, Contracts and Risk Management via email and must come from the appropriate Administrator and include the requisition number, an explanation as to why the requisition was not submitted in accordance with the deadlines above, and the justification or impact to the Department if the requisition is not processed in the current fiscal year. **Do not contact Buyers directly.**
- 3.2. All requisitions received after the deadlines are subject to the Director of Purchasing, Contracts and Risk Management approval prior to processing.
- 3.3. Purchasing Services staff will make every effort to process PRs received after the deadline dates, but cannot guarantee the PR will be processed against current year funds.

This memo and additional information are available on the Purchasing website at: <http://purchasing.fhda.edu/>.

For questions, please contact Purchasing Services, at extension 6193. Thank you in advance for your cooperation.

1. PR TRANSACTION DATES AND RESPONSIBILITIES

1.1. PR Requester Responsibilities

- 1.1.1. Requestors complete PRs as early as possible and monitor the approval queue status
 - The transaction date for current FY PRs is always the current date.
 - The transaction date for next FY PRs must indicate July 1 or later.
- 1.1.2. The PR should include a clear, non-technical, description of what is requested on the first line of description entry field.
 - **DO NOT** start description with “see attached agreement”, “see attached quote” or “see attached invoice”.
 - Requestor should succinctly describe the product or service. For example: Roofing Services, Fencing, HVAC, Pest Control Services, Dell Computers, Advertising, Software, Legal Services etc.
- 1.1.3. Remember to attach appropriate backup such as quote, fully executed contract (except Public Works, Repairs and Maintenance Agreement for UPCCAA which are executed by Purchasing), W-9 for new vendors, specifications/scope of services/requirements, etc.
- 1.1.4. Follow the procedures for entering a purchase requisition that have been established by your campus administrators. If you are unclear about the procedures, contact your campus Furniture, Equipment, Technology (FET) Coordinator or Furniture, Fixtures, and Equipment (FF&E) Coordinator for further instruction.
- 1.1.5. For categorical or grant funded *items that must be delivered on or prior to June 30*, enter a PR as early as possible, particularly if the requested products typically have long lead times (the amount of time a vendor needs to manufacture and/or deliver the item).
 - The average delivery time for goods and supplies is 2 ½ weeks after vendor receives PO, if the item is in stock.
 - Some purchases such as furniture or equipment have long lead-times if manufacturing is required to fulfill the order.
- 1.1.6. Purchasing Services staff *are not responsible* for monitoring FOAPs tied to grant-funded purchases. If grant funds must be spent and encumbered by a specific date, then it is the department’s responsibility to submit a timely requisition and relay that information in the text of the requisition (document text print). Contact the Grants Monitor/Sr. Accountant or the Grants Accountant if you do not know the grant requirements. See the Finance/Grants website link for more information. <http://business.fhda.edu/grants/index.html>

1.2. PR Approver’s Responsibility

- 1.2.1. Approvers should monitor the approval queue to ensure requisitions are approved in a timely manner.

1.3. Open PRs

- 1.3.1. Open PRs for the current FY that continue the existing rental or lease of copiers, mail machines or other equipment should include the previous years’ purchase order number, valid contract numbers, serial numbers, and model numbers in the “document text print” field.

2. OTHER THINGS TO REMEMBER:

2.1. Competitive Solicitations

Depending on complexity of the purchase request, it can take two to six weeks for Purchasing Services to obtain competitive quotations and create a PO *after* the requisition is completed and approved in Banner.

Important Reminder: Pursuant to Board Policy BP 3140 and related Administrative Procedure AP 3140 entitled Purchasing Procedures Section I.B, this section requires that as a matter of board policy, purchases in an amount greater than \$10,000 for equipment, materials, supplies and services are to be conducted through a public procurement competitive solicitation process. Based on this requirement, Purchasing shall issue a competitive Request for Quotations (RFQ) solicitation through the District's e-procurement system (unless purchased under a cooperative agreement).

<https://www.boarddocs.com/ca/fhda/Board.nsf/goto?open&id=9TVPXR633F7C>

2.2. Technology

PRs for purchases of non-standard computer hardware and software, including peripherals, servers, printers, copiers, multi-function devices, scanners, and multimedia equipment *are subject to review and approval by ETS* prior to being processed by Purchasing Services. See ETS website for more information at: <http://ets.fhda.edu/>

2.3. Public Projects

PRs for public project work, repairs or maintenance of *any* value must follow the procedures of the Uniform Public Construction Cost Accounting Act (UPCCAA). Contact the persons responsible for facilities maintenance at your campus if you are unclear whether or not the proposed scope of work is subject to UPCCAA.

2.4. Independent Contractor Agreements (ICA) and Agreement for Services

To prevent payment delays, if you have established an Independent Contractor Agreement (ICA) or Agreement for Services and will need a PO to pay for the related invoices, submit a PR in a timely manner along with the completed signed ICA/Agreement to Purchasing Services *before the contractor begins work*.

Note: All services valued at \$1,000 or more will need to comply with insurance requirements. Construction and maintenance/repair services must comply with the prevailing wage requirements as per State of California - Department of Industrial Relations.

2.5. Procurement Card Program

The ProCard program is established to streamline small dollar purchases and to reduce the acquisition period. **The ProCard shall be used as a first purchase option for small dollar allowable purchases of \$1,000 or less.** Please refer to the link below for Pro-Card Rules, Procedures and restrictions.

<http://business.fhda.edu/policies-and-procedures/e-procard-policies-and-procedures.html>