



To: All Administrators and Supervisors

From: Maria Contreras-Tanori – Director of Purchasing, Contracts and Risk Management

Date: February 26, 2018

Subject: Purchasing Deadlines for Fiscal Years 17/18 and 18/19

During the last three months of the fiscal year, procurement activity significantly increases with the approach of June 30th and the new fiscal year, please plan ahead as much as possible. The purpose of this memorandum is to provide Departments with information for submitting purchase requisitions (“PR”), for the remainder of the current fiscal year 2017/18 and purchase requisitions for the new fiscal year 2018/2019. To meet your requirements, we are asking for your cooperation in following the guidelines and instructions outlined in this memorandum. **Please share this information with the appropriate administrative staff to ensure these guidelines and dates are followed.**

I want to take this opportunity to remind everyone regarding purchasing expenditures for the balance of this fiscal year, which ends on June 30, 2018, so you can plan accordingly and plan early for purchasing expenditures to be effective July 1, 2018. Each department is responsible to ensure that funds for purchase expenditures are encumbered using the correct FOAP and fiscal year. The information below provides some context as to what needs to be paid close attention to as we approach the end of the fiscal year and the beginning of a new fiscal year.

1. Deadlines to Submit Banner Requisitions

The Table below identifies the Banner requisition submission deadlines to ensure timely processing of 1) current fiscal year requisitions by June 30, 2018, and 2) new Fiscal Year requisitions commencing on or after July 1, 2018.

	<u>Dollar Thresholds by Type</u>	<u>Board Approval Required</u>	<u>FY 17/18 Deadline</u>	<u>FY 18/19 Deadline</u>
<u>Formal Bids or RFPs*</u>				
• Equipment, Materials, Supplies & Services	>\$90,200	✓	March 12	
• Public Projects, Repairs & Maintenance (UPCCAA)	>\$175,000	✓		
<u>Informal Quotes (RFQ Solicitations)</u>				
• Equipment, Materials, Supplies & Services	>\$10,000 - ≤\$90,200 ¹	NA	April 12	
• Public Projects, Repairs & Maintenance (UPCCAA)	>\$45,000 - ≤\$175,000	NA		
<u>Non Competitive Requirements</u>				
• Equipment, Materials, Supplies & Services	≤\$10,000 ²	NA	May 11	
• Public Projects, Repairs & Maintenance (UPCCAA)	≤\$45,000 ³	NA		
<u>Open Orders for Fiscal Year 18/19 (exercise renewal option)</u>				
• Open Orders that need to be established for July 1				May 1
• Open Orders that need to be established for August 1				June 1

*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 Pro-Card in accordance with the ProCard Procedures and user limits (excludes capital equipment, technology >\$100 etc.).

³ Department must contact Purchasing if amount is \$25,000 – \$45,000 for bonding requirements and compliance.

1.1. PO'S for the current fiscal year (FY 17/18):

- 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 internal approval cycle times, especially if multiple approvals are required. Please allow additional time for the internal approval processing times of Banner requisitions.

1.2. Open PO'S that commence on July 1, 2018 (FY 18/19):

- 1.2.1. The new fiscal year is open in Banner. The purchase requisitions for open purchase orders (supplies or maintenance services) should be entered as soon as possible, and approved no later than specified dates in Section 1 above, to allow Purchasing Services sufficient time to obtain quotations and process the open purchase orders. Requisitions received after the dates specified will not be addressed or processed until after July 1.
- 1.2.2. Purchase Requisitions (PRs) for open purchase orders must accurately specify the projected expenditures for FY 18/19 so that the encumbrance amount will be sufficient to pay all associated invoices through June 30, 2019.
- 1.2.3. Important: You must use a Banner transaction date of July 1, 2018 or later. FY 18/19 PRs that are entered with incorrect transaction dates will be subject to delay in processing until mid-July due to year-end financial close activities.

2. PRIORITY OF ORDER OF PROCESSING

Completed and approved PRs that are received in the Purchasing Services department by the date specified in Section 1 Table 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. FY 17/18, PRs that involve grant funds that will be lost if the goods and services are not received by 6/30/18 (Check with District Grants Office – Grants Monitor for details specific to grants);
- 2.2. FY 17/18, PRs for materials, equipment, and supplies;
- 2.3. FY 17/18, PO Change Order requests to increase PO encumbrances to facilitate FY 17/18 payments;
- 2.4. FY 18/19, PRs for services that begin as of 7/1/18.

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 low 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 of why the requisition was not submitted in accordance with the deadlines above, and the reasoning of the importance or impact to Department if 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 cut-off dates; but cannot guarantee that orders received after their respective dates will be processed against the current year funds. PRs for current year received in late May or June may be subject to Purchase Order (PO) encumbrance in the next fiscal year due to the high volume of incoming PRs and increased workload of other Business Services activities related to year-end closure.

Purchasing is looking forward to meeting your purchasing needs. To ensure a successful partnership, please review the information outlined in this memorandum; Attachment 1 to this memo, entitled Department Responsibilities and Helpful Hints; and additional information 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 Responsibility

- 1.1.1. Requestors complete PRs as early as possible and monitor the approval queue status
 - The transaction date of PRs for FY 17/18, it is always the current date.
 - The transaction date of PRs for FY 18/19, must indicate July 1, 2018 or later.
- 1.1.2. The PR should include a clear, non-technical, description of what is requested.
- 1.1.3. Remember to attach appropriate backup such as quote, fully executed contract (except UPCCAA), 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, 2018*, enter a PR as early as possible, particularly if the requested products typically have long lead times. “Lead time” is the amount of time a vendor needs to manufacture and/or deliver the item after receipt of PO.
 - The average delivery time for goods and supplies is 2 ½ weeks after vendor receives PO, if the item is in stock.
 - However, some purchases such as furniture and equipment have a long lead time 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 the 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 Monitors aldanaadriana@fhda.edu or nguyenlana@fhda.edu if you do not know the grant requirements.

1.2. PR Approver’s Responsibility

- 1.2.1. Approvers should monitor the approval queue to ensure that your purchase requisition is approved in a timely manner.

1.3. Open PRs

- 1.3.1. On FY 17/18 open PRs that will continue the existing rental or lease of copiers, mail machines or other equipment; include the previous years’ purchase order number, as well as the 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.) requires that as a matter of board policy, purchases in an amount greater than \$10,000 for equipment, materials, supplies and services be conducted through a public procurement process and Purchasing shall issue a competitive Request for Quotations (RFQ) solicitation through the District's e-procurement system.

<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 and 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 the proposed scope of work is/may be subject to UPCCAA and for further information and guidance regarding these procedures and requirements.

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 and for construction or 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 Pro-Card program is established to streamline small dollar purchases and reduce the acquisition period. The Pro-Card shall be used as a first purchase option for small dollar allowable purchases. 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>