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| Book | Administrative Procedures |
| Section | Chapter 6 - Business and Fiscal Affairs (including former Article 3 - Business, Operations, Systems and Facilities) |
| Title | Purchasing |
| Code | AP 6330 |
| Status | Active |
| Legal | Education Code Sections 81641-81656<br>Labor Code Sections 1770 et seq.<br>Public Contract Code Section 20103.7<br>Public Contract Code Section 20650 and 20651<br>Public Contract Code Sections 20651-20662<br>Public Contract Code Sections 22000 et seq. |
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## 1. PURPOSE

District Purchasing Services will support and enhance the education of students by purchasing goods and services requested by District staff based upon an impartial, open, competitive vendor selection process that complies with applicable laws and District policies and achieves the lowest available acquisition cost consistent with the specified features, functions, quantity, quality, level of service, and required delivery time.

## 2. RESPONSIBILITY

District Purchasing Services is the central purchasing department for the Foothill-De Anza Community College District and its colleges, administered by the Director, Purchasing, Contracts, and Risk Management, who reports to the Vice Chancellor of Business Services. Purchasing Services solicits competitive bids and issues Purchase Orders based on approved requisitions. Budgeters managing specific budget accounts, may approve Purchase Requisitions but may not obligate the District or colleges by entering into contracts or signing Purchase Orders, except where expressly delegated authority by Board resolution and only within the limits set by District or college administration. The Board of Trustees may also delegate purchasing authority to other District or college officials by resolution, and those officials are fully responsible for their purchase transactions, including the receiving function. District Purchasing Services does not approve or troubleshoot purchases made outside its processes, and District Shipping & Receiving only accepts deliveries for purchases made under District Purchase Orders.

## 3. AUTHORITY

Pursuant to Education Code § 81656, the Board of Trustees has delegated the responsibility for the procurement of materials and services necessary to carry out the programs and operations of the District to the Vice Chancellor, Business Services or designee. Only these designees are authorized to commit funds in the name of the District. All purchases shall comply with District, state, and federal policies and regulations. Requirements related to competitive bidding, thresholds, exemptions, and contract awards are governed by AP 6340, Bids and Contracts.

**4. REQUIRED COMPLIANCE WITH CONFLICT OF INTEREST REGULATIONS**

Government Code sections 1090-1099 prohibit any employee or officer from having any financial interest in any contract made by them in their official capacity or by any board or body of which they are members; this applies to personal financial interest and that of family members. It also prohibits employees or officers from being “purchasers at any sale or vendors at any purchase made by them in their official capacity.” Furthermore, it is a crime for a public employee to influence the award of a contract in which they have an economic interest.

Government Code Section 1126 prohibits any employee or officer from engaging in any activity for compensation which is “inconsistent, incompatible, in conflict with or inimical to” their duties as an employee or officer or with the duties, functions or responsibilities of their employer.

For legal and ethical reasons and to avoid actual or apparent conflict of interest, District and campus employees or officers who substantially influence the award of contracts or who exercise contractual authority must avoid the acceptance of gifts, gratuities, offers of employment, commissions, fees, travel, or other personal economic gain from vendors or contractors who want or have a buyer-seller relationship with the District or its colleges.

**5. STATEMENTS OF ECONOMIC INTEREST**

District and campus employees, officials, or consultants who substantially influence the award of contracts, exercise contractual authority, or otherwise make or assist in making decisions that may have a material effect on the financial interests of the District or colleges are required to file an annual Statement of Economic Interests Form 700 in accordance with Board of Trustees policy and the California Code of Regulations, Title 2, Section 18730.

**6. PURCHASE REQUISITIONS**

All requisitions are entered by the initiating department in the District’s Enterprise Resource Planning (ERP) system through the established online process with electronic approvals. Once entered, the requisition routes electronically to the next approver, and once approved, Purchasing processes the order consistent with applicable bid and contract requirements pursuant to AP 6340.

Requisitions must be accompanied by a valid written quote or proposal no more than 30 days old (unless otherwise stated on the quote) that includes shipping, handling, tax, and all other charges; website quotes are not acceptable unless pre-approved by Purchasing. The requisition must match the quote exactly, except for differences in tax percentage or omission of tax on an out-of-state purchase. All backup documentation must be included before processing. Complete documentation must include all relevant quotes, insurance, fully executed agreements (when applicable), W-9 forms, and vendor contact information. Each receivable item must be listed as a separate line item, including any charges such as shipping, handling, or surcharges. All receivable items must be charged California Santa Clara County Sales & Use Tax in the requisition, regardless of whether the vendor charges tax.

Requisitions for capital equipment valued at $5,000 or more must be processed through District Purchasing Services, and such items will be tagged and inventoried under the District’s fixed asset procedures. All computer hardware, software, and related technology purchases must comply with District-wide technology standards established by Educational Technology Services (ETS).

**7. PURCHASE ORDERS**

A Purchase Order is a document created by District Purchasing Services after it receives a requisition, conducts necessary bidding, and selects a vendor. District Purchasing Services creates Purchase Orders online in the District's Finance Module (currently, Banner). A Purchase Order is a contract to purchase goods or services from a vendor. When District Purchasing creates the Purchase Order it establishes an encumbrance against the accounts listed on the requisition. The encumbered funds will be used to pay for the purchase after it is received and invoiced.

**8. DOCUMENT MANAGEMENT**

All documentation that is necessary to complete a purchase order must be attached using the District's document management system. This includes quotations, proposals, contracts, certificates of insurance, notes to Purchasing, or any product information.

**9. ADVANCE PAYMENT**

The District may pay in advance for postage stamps; permits; conference registration, airfare, and hotel expenses; subscriptions to or purchases of software licenses, rentals of newspapers, magazines, periodicals, single copies of books, films, filmstrips, recordings, and other publications; for the maintenance of equipment under agreements not exceeding one year. Furthermore, the District may pay in advance for leases of real property when such action results in a decrease in the cost to the District; or may pay in advance for other goods or services when such goods or services cannot be secured without payment in advance. Such prepayments for other goods or services are discouraged and need prior approval in writing by the Vice Chancellor, Business Services or designee.

**10. UNAUTHORIZED PURCHASES**

Only Authorized Purchasing Designees may enter into purchase contracts or create procurement obligations for the District. Individuals who lack this authority, including those who allow vendors to perform services without a fully executed District contract, are in violation of District policy. Such unauthorized actions are strictly prohibited and may result in the individual incurring personal financial responsibility for any costs or obligations incurred. The District is under no obligation to reimburse unauthorized purchases or commitments, including faculty or staff purchases made without express, written District approval pursuant to established procedures.

Firms doing business with the District must ensure all purchases are supported by an official District purchase order prior to rendering goods or services. Any exception to this process is unauthorized and may result in non-payment.

Any unauthorized purchase must be fully documented. The responsible individual must submit a formal ratification request, including written justification of price reasonableness and a corrective action plan, to the Vice Chancellor, Business Services or designee. The District may, at its discretion, deny ratification; if ratification is denied, the individual responsible remains personally liable for the unauthorized obligation. For example, permitting a vendor to commence services without a District-approved contract is considered an unauthorized purchase and may result in personal financial liability for the employee or supervisor involved.

**11. ALTERNATIVE PAYMENT METHODS**

The District may authorize the use of an alternative payment method, up to a maximum of $5,000 per transaction (unless otherwise excepted in this procedure), in lieu of standard purchase order processes under specific, limited circumstances through a Direct Pay Request (DPR) and in accordance with the District Direct Pay Request Policy. DPRs shall not be used for the procurement of goods or services that require a contract, Board approval, or compliance with public works requirements. All direct pay requests must be accompanied by supporting documentation and adhere to District approval and audit procedures.

**Restrictions.** This alternative payment method may not be used to circumvent standard purchasing and contracting procedures. Segmentation of transactions to remain below dollar thresholds, also known as "split transactions," is strictly prohibited. Furthermore, all payments must comply with the District's conflict of interest policies, IRS reporting requirements, and documentation retention standards.

**12. REQUIRED RECORDS AND AUDIT**

Regardless of whether Purchasing Services or another authorized official makes the purchase, all purchases must be in writing and shall be reviewed by the Board within 60 days or as otherwise provided by law. The records must document compliance with this Board administrative procedure and all other applicable Federal, State, and Local laws as well as District policies. Any official who exercises purchasing authority is required to maintain their own written records of all Budgeter purchase requests, vendor quotations, contracts or order documents, and receiving reports for a minimum of three years after completion of the purchase or contract, and such records are subject to audit. Additionally, to facilitate the Accounts Payable process, purchase documents must be sequentially numbered, and vendors must be instructed to show the appropriate purchase document number on related invoices.

**13. FINAL AUTHORITY**

It shall be the responsibility of the Purchasing Department to determine whether or not a requisition is in accordance with District policy and procedures. If disputes arise that cannot be settled by mutual agreement, the Vice Chancellor, Business Services or designee shall make the final decision.

**14. PROCUREMENT CARDS**

The District is authorized under Education Code section 81656 to issue procurement cards (ProCards) for limited purchasing purposes. ProCards may be used only in accordance with the District’s Procurement Card Policy and related procedures, as maintained and updated by Purchasing Services and Business Services.

Employees issued a ProCard must follow all requirements, restrictions, and documentation standards outlined in the Procurement Card Policy. This includes compliance with authorization limits, purchasing restrictions, receipt retention, audit requirements, and all applicable District policies and procedures.

Misuse of a ProCard, including violations of purchasing restrictions or failure to provide required documentation, may result in suspension or revocation of card privileges and disciplinary action, consistent with the Procurement Card Policy and District personnel procedures. All ProCard activity is subject to review and audit by the District. Continued use of a ProCard constitutes acknowledgment of and agreement to comply with the District’s Procurement Card Policy, as amended.

*See Board Policy 3140 Purchasing Policy*

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