

I. Purpose

The purpose of this policy is to provide clear direction to all College employees regarding the college's purchasing policy; to ensure compliance with applicable local, state, and federal laws and regulations; and to ethically execute the purchasing function to best serve the mission of MCC.

II. Scope

This policy applies to all purchases for materials, supplies, equipment, services, contracts, service and maintenance agreements, and leases. The following are exempted from this policy:

- 1) Banking Services
- 2) Honorariums
- 3) Utility Services
- 4) Federally Funded Purchases (see MCC Purchasing Policy for Federally Funded Purchases)

III. Records

The Purchasing Department shall obtain and keep detailed records of all procurement activity conducted as a matter of public record and to satisfy requirements for auditing agencies.

IV. General Procurement Standards**1) Conflict of Interest**

- a. An employee may not participate in any part of the procurement process, including the selection, award and administration of purchases or contracts, if he/she has a real or apparent conflict of interest. A conflict occurs when the employee or any member of the employee's family, his/her partner, or an organization which employs or is about to employ the employee's family or partner has a financial, tangible, or other benefit from a contractor considered for award.

i. Also refer to Board Policies 5808 Conflict of Interest and 5800 Employee Conduct.

- b. Bids and proposals from potential vendors to conduct business with or perform work for Mott Community College shall be strictly evaluated based upon the merit of requested bid specifications. Decisions to use a vendor or award a contract will be made consistent with Board Policy 4410, Purchasing." While the Office of Institutional Advancement may solicit for philanthropic support from the community and vendors, at no time will contract awards be based on whether or not a contribution is received. Staff involved with the purchasing process will not participate in soliciting vendors for contributions.

2) Requisition

- a. A funded, approved Datatel requisition is required for all purchases before a purchase order (PO) or blanket purchase order (BPO) can be issued.

3) Procurement Types

- a. **PCARD Purchases < \$3,000** – Purchases totaling less than \$3,000 may be purchased with a PCARD, in compliance with the PCard Guidelines. *Exception: Individual items with a unit cost of \$500 or more must be purchased on a purchase order.*
- b. **Direct Buy < \$3,000** – Purchases totaling less than \$3,000 may be directly awarded to the contractor requested by the operating department; competitive solicitation is not required.
- c. **Construction, Renovation or Repair Only < \$5,000** – Purchases for small construction, renovation or repair projects totaling less than \$5,000 may be directly awarded to the contractor requested by the operating department; competitive solicitation is not required.
- d. **Informal Quotes < \$33,000¹** – Purchases that exceed the Direct Buy limits, but do not exceed \$33,000 in total require a minimum of three competitive quotes².

¹ Quote/Bid limits may be adjusted annually per MCC Board Policy 4410 subsection 8.

² If it is not possible to obtain three sources for informal quotes, those quotes obtained may be considered sufficient.

- e. **Sealed Bids > \$33,000** – Purchases totaling \$33,000 or greater will be publicly bid through the use of specifications and sealed bids.
 - f. **Board Approval > \$125,000** – Purchases totaling \$125,000 or greater require prior approval from the Board of Trustees.
 - g. **Sole Source** – Purchases under circumstances where only one source is available to meet the required need. *Requires an approved [Sole Source Request Form](#).*
 - h. **Payment of Students or Employees for Work** – All students and employees performing work for MCC must be paid through Payroll by either creating an Additional Assignment in Datatel or with a Stipend Payment. See [Employee Change Form](#). *Employees cannot be paid using a PO or BPO.*
 - i. **Exemptions**
 - i. **Emergency Purchase using marked emergency funds** – Purchases made using marked emergency funds require the prior approval of the CFO or his/her designee.
 - ii. **Emergency Purchase³ using general funds** – Purchases made using the emergency purchase provision but not requiring the use of emergency funds require the prior approval of the operating department’s Executive Cabinet member or his/her designee.
 - iii. **Ongoing Professional Services (BP 1700)** – The President shall review the status of professional service agreements with the Board every three years and make recommendations regarding whether to seek competitive proposals or to continue with the existing providers.
 - iv. **Architectural Services (BP 4300)** – The President and designated staff will review the performance of the College architectural firm every three years and make recommendations to the Board to either continue the services or seek bids for the service.
 - v. **Consortia Agreements** – Purchases made under a cooperative agreement where the college is a member and where a documented, competitive solicitation process has been followed.
- 4) **Transaction Splitting** – purchases may not be subdivided in separate orders with the intent to avoid purchasing policy. Activity inconsistent with Board Policy, Purchasing Policy and applicable laws and regulations will be reported to the CFO for investigation and disposition.
- 5) **Bonding Requirements (Board Policy 4600)**
For construction or facility improvement projects greater than Board of Trustee approval limits (set in Board Policy 4410, Section 3)
- a. Bid guarantee from each bidder equivalent to 5% of the total bid price
 - i. Acceptable forms include bid bond, certified check
 - b. Performance bond equivalent to 100% of the contract price
 - c. Payment bond equivalent to 100% of the contract price
- 6) **Local Preference**
All factors being equal, contractors paying taxes within the Mott Community College District shall receive a half percent (1/2%) preference. This calculation shall be a reduction of a half percent of the total value of the bid. If this preference, in the evaluation of bids, changes the position of a contractor to the lowest qualified bidder, that contractor may be awarded the bid.
- a. To qualify for local preference, contractors must demonstrate that they pay property taxes on property located within the MCC tax district.
 - b. Any contractor awarded a bid pursuant to local preference will make records available to MCC to establish such eligibility.

³ Purchases made in cases of emergency involving the safety of persons, protection of property, or the immediate restoration of services to minimize interruption of the college’s activities

- c. No bid awarded pursuant to local preference shall be sublet in a manner that permits 50% or more of the dollar value of the contract to be performed by a subcontractor or subcontractors who do not own nor pay property taxes on property located within the MCC Tax district.

7) Contractor Appeal Procedure

Contractors who have submitted a quote, bid or proposal may appeal an award decision. A contractor who submits a "No Bid Response" cannot appeal an award. To appeal an award, a contractor must:

- a. Request an appeal of the award, in writing, to both the buyer listed on the bid and the Purchasing Manager within (48) forty-eight hours of the award.
- b. The appeal should contain the bid number, description of the bid, a clear and concise statement of the reason and supporting evidence for the appeal and the desired remedy that the contractor is seeking.
- c. The following issues are not considered to be appealable issues:
 - i. Failure to properly submit a bid per the bid instructions
 - ii. Failure to submit a bid on or before the due date and time
 - iii. Failure of a bidder to provide the required bid deposit, payment bond, or performance bond by the date and time specified
- d. Following an investigation and review, the Purchasing Manager will provide a written decision

V. Reference Documents

- 1) Mott Community College Board of Trustees Policy 4410 Purchasing
- 2) Mott Community College Board of Trustees Policy 4600 Contractors Affidavits and Guarantees
- 3) Mott Community College Board of Trustees Policy 5800 Employee Conduct
- 4) Mott Community College Board of Trustees Policy 5808 Conflict of Interest

VI. Policy History

Effective May 14, 2013
Revised July 1, 2015
Revised March 15, 2017
Revised August 29, 2017