PURCHASING GUIDELINES

See Also: Receiving Procedures

The College's purchasing guidelines have been updated to maintain compatibility with those required by the State of North Carolina, Division of Purchase and Contract:

**Statutory Authority and NC Administrative Code**

Unless we can find a lower price for identical items elsewhere, Cape Fear Community College is required by law to purchase all supplies, equipment, and materials by contracts made by or with the approval of the Division of Purchase and Contract of the Department of Administration. The P&C website is [www.doa.state.nc.us/PandC/](http://www.doa.state.nc.us/PandC/). From the CFCC Intranet start page, click on NC Div. of Purchase and Contract, listed under resources (or the link above).

In the vast majority of cases, the State Contract price will be the lowest available price. In rare instances, we may find the same supplies, equipment, or materials that are on a state term contract at a price (including the cost of delivery) that is lower than the state contract price. The college does have the flexibility to purchase these items at the lower price. (The item must be exactly the same, the same brand, model, style, etc.) The purchasing office must follow specific procedures to document these occasional situations.

The following guidelines pertain to items not available on state contract. (The Purchasing Office will assist you in "navigating" the P&C website to determine whether or not a given item is available on state contract.)

**Purchases <$2500**

Purchases with a total dollar value of $2,500 or less (including taxes and freight) do not require competition. Submit completed requisition form with required approvals to the Purchasing Office.

**Purchases $2500 - $5,000**

Telephone or written competitive quotes are required for purchases valued from $2500 - $5,000. Obtain three quotes from prospective vendors. "Faxed" or written quotes are preferable because they provide vendor documentation of prices. Attach quotes to the approved requisition form and forward to the Purchasing Office.

**Purchases >$5,000 and <$10,000**

For items with an estimated cost exceeding $5,000, please forward your requisition with the required
departmental approvals to the Purchasing Office. We will issue a written request for quotation. Please attach a list of three or more "suggested vendors." Put your cost estimate on the requisition form in the unit price space. Asterisk this number to indicate that it is your estimate. The purchasing office is required to obtain sealed bids for items or services over $5,000.

**Purchases >$10,000**

If the estimated cost of an equipment or supply requisition exceeds $10,000, the Purchasing Office must send the approved requisition to the Division of Purchase and Contract in Raleigh along with all details, such as specifications, possible sources, etc., for Purchase and Contract to advertise and obtain written bids.

**General Guidelines**

College personnel must submit a completed CFCC requisition in order to obtain a purchase order. The approved requisition in advance of the purchase documents financial control. Do not purchase items or services without a requisition number or purchase order number assigned by the Purchasing Office. College funds may not be committed without an approved requisition in advance. Any purchases made by individuals not conforming with college purchasing procedures become the responsibility of the individual who made the purchase. Please do not split any requisition into smaller orders under $2,500 to avoid seeking competition, or into two or more orders under the $10,000 benchmark to circumvent the requirement that the requisition be sent to the Division of Purchase and Contract.

**Competition**

The principle of competition is essential to public purchasing. The importance of seeking competition exists at all levels of expenditure. Cape Fear Community College purchasing personnel will seek some form of competitive solicitation whenever possible, regardless of the size of the purchase. Whenever possible, please call for prices, with a view towards making your budgeted dollars go further.

**Threshold for Equipment**

Effective July 1, 2000, the threshold for the inclusion of fixed assets on the equipment inventory increases from $500 to $1,000. Major Equipment will be those items with a unit cost of $1,000 or more, including tax and shipping cost. All equipment with a value of less than $1,000 will be dropped from inventory. Purchases of equipment with a value of less than $1,000 (including tax and shipping cost) may be charged to Minor Equipment or supplies and materials in the current expense budget. If you would like to track any equipment with a value under the new threshold, please let me know. We can change the fund source code so that designated equipment (such as high theft risk audiovisual items) will continue to show on your inventory printout as "minor."

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