
Policy Title: DISTRICT PROCUREMENT AND PURCHASING

This policy identifies the essential activities and responsibilities of the procurement and purchasing function that are performed by employees assigned outside of the District Business Services Office. All of the responsible staff and their designees or delegates must adhere to this policy and its intent.

This policy complies with the authority, rules, and requirements prescribed in Chapter 38 of the Wisconsin State Statutes, TCS Administrative Code, and District Board policy. District Business Services Office policy will identify the structure and organization of the procurement function and the systems, processes and procedures necessary to perform in an efficient and effective manner. Responsibilities and tasks must be performed in a timely, compliant, consistent, and accurate manner as prescribed by the Business Services employees.

SCOPE

TCS 6 defines procurement as “buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, equipment or construction, and includes any other activity pertaining to obtaining supplies, services, equipment or construction.”

“Service means the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term shall not include employment agreements or collective bargaining agreements.”

Procurement related activities assigned to employees outside the District Business Services Office include:

- Determining needs, specifications, and deliverables.
- Deploying the most appropriate procurement method to determine the best value for the College.
- Evaluating proposals and documenting the rationale for selection.
- Placing orders and establishing terms of delivery and payment.
- Inspection of goods or acceptance of service deliverables for payment approval.

These assigned procurement activities are the responsibility of the designated budget manager but may be delegated to faculty and support staff. Nevertheless, responsibility for compliance remains with the budget manager. The Director, Facilities & Procurement and purchasing department employees will provide direction, guidance, and assistance as needed and requested. Other District Business Services subject-matter-experts will provide direction, guidance, and assistance on matters related to budgeting, accounting, business processes, systems, and reporting. Orientations and general refreshers will be conducted periodically for budget managers and their designees.

CODE OF CONDUCT

Employees involved in procuring goods and services must maintain trust, sound business ethics and standards, and avoid becoming engaged in a conflict of interest. Improper conduct is identified in the Employee Handbook.

APPROVAL LIMITS

Authorization to procure and approve payment for goods and services will depend on the value of the procurement or contract over the term of the agreement, unless it is a noted exception in this policy.

- Prior District Board approval is required for procurements exceeding \$50,000 and proposed public construction expenditures greater than \$25,000
- Vice Presidents can authorize procurements from \$10,000 - \$49,999
- Deans and Directors must authorize procurements above \$5,000 and must secure prior Vice President approval for anything beyond \$10,000.
- Budget Managers can authorize procurements up to \$5,000
- Budget Managers may delegate their authority to direct reports at a level they determine to be appropriate by notifying the purchasing department.

Exceptions not requiring prior Board approval and competitive bids include:

- Emergency procurements
- Materials for resale or equipment purchased for enterprise activities
- Used supplies, vehicles, and equipment available from on the spot sales.

An emergency procurement exists when there is “a threat to the continued operation of the district or to the health, safety or welfare of students, employees or residents of the district”, according to TCS 6. The College President or a Vice President may authorize an emergency procurement which exceeds \$50,000. As a courtesy, notification will be made to the Board Chairperson or Treasurer. The determination and basis for the emergency, and selection of a contractor or vendor shall be documented.

Any special authorization or approval requirements should be incorporated in the departmental lead time, so as not to delay the desired acquisition, and to facilitate prompt procurement.

Contracts and lease execution shall be accomplished at Vice President level or as specifically delegated to the designated dean, department head or the Director of Facilities & Procurement.

PROCUREMENT METHODS

Budget managers or their delegates may order supplies, furniture, equipment, or services valued less than \$25,000 without soliciting quotes or engaging in a competitive process. However, orders must be placed through a WTCS prescribed web-based catalog and ordering system (WTCS Purchasing Consortium /

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purchasing portal), whenever possible. If not available, then they can be obtained from another source based on quality, value, and delivery and the best interest of the College.

If purchase is being made with Federally funded grant dollars, please refer to page 5 of this policy for the further guidelines.

Procurements that are greater than \$25,000 must be obtained through a competitive process, unless noted as an exception below. Nevertheless, all procurements greater than \$25,000 must contain records that identify the following:

- The rationale for the method of procurement.
- The rationale for selection or rejection of any contractor or proposed contractor.
- The basis for cost or price.

Exceptions for procurements exceeding \$25,000 and not requiring a competitive process are:

- Items above which do not require prior Board approval (utility bills, consortium fees).
- Sole source procurements as declared by the Vice President, Finance.
- Purchases made through the purchasing portal.
- Purchases made through a State Contract or another governmental body.
- Purchases made through a consortium or cooperative purchasing association where a contract was previously procured through a competitive process.

Contact the purchasing department for access and special provisions for state contracts and cooperative procurements.

Procurements that are greater than \$25,000 but less than \$49,999 require the solicitation of quotes from at least three prospective suppliers, vendors or contractors. Quotes must be solicited through the purchasing department to ensure that WTCS requirements are met.

Procurements that are greater than \$50,000 shall be accomplished through the use of competitive bids for a firm fixed price or request-for-proposal (RFP) when there are criteria other than a fixed price - unless excused by exception - and shall be solicited through the purchasing department to ensure that WTCS requirements are met.

Certain procurements are exempt, by statute or the Wisconsin Administrative Code, from the competitive bid/quote process.

- Procurements requiring documentation of exception:
 - The item or service is only available from a single source.

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- After solicitation in a competitive environment, competition is determined to be inadequate.
- The purchase is from another governmental body, as provided under 66.0131 of the Wisconsin State Statutes.
- Cooperative purchasing under 16.73 and 66.0301 of the Wisconsin State Statutes is utilized, such as with WILM and the Wisconsin Technical College Insurance Trust.
- The purchase is made through a cooperative purchasing association which has a competitive purchasing process that is substantially the same as the competitive procurement requirements applicable to the WTCS and which has been recognized by the System President.
- The federal grantor agency authorizes noncompetitive negotiations.
- When public exigency or emergency will not permit a delay that would be caused by competitive procurement.
- Procurements not requiring documentation of exception:
 - Real estate leases.
 - Resale items.
 - Purchases of used equipment or scrap material.
 - Copyrighted materials, unless they are available from more than one vendor.

The purchasing procedure and method of procurement shall be dictated by (1) the nature of the purchases, the aggregate cost, the availability of good(s) or services and (2) the urgency of the need(s), and shall be made in accordance with the policies and procedures set forth in Chapter 6 of the WTCS Financial Accounting Manual and the Wisconsin Administrative Code.

Some special WTCS requirements to be confirmed by the purchasing department include:

- Proper disclosure of evaluative criteria for related bids and competitive selection procedures.
- Publication of the notice to accept competitive bids or RFPs.
- Existence of required documentation.
- Compliance with appropriate federal regulations when procurements are federally funded in whole or part.

Facility construction, remodeling, renovation, repair and maintenance, and improvement to grounds have special thresholds and requirements; therefore, should be directed to the Director, Facilities & Procurement.

The College President, or the Vice President, Finance, may provide for competitive selection procedures in lieu of competitive bids for procuring the services of accountants, physicians, lawyers, dentists,

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architects and their providers of professional services where the Vice President, Finance determines that competitive selection in lieu of competitive bids is in the best interest of the district. Competitive selection procedures shall also be administered by the purchasing department.

For purchases made with Federally funded grant dollars

Small Purchase Procedures:

Procurement of less than \$10,000 may be based on informal price quotations obtained from catalogs, telephone, price sheets, etc. Quotation forms may be used. Note: Federal procurements of \$10,000 or less may be procured using the 'micro-purchase' process under Title 2, Part 200.320 (a). This process allows purchases of \$10,000 or less to be awarded without soliciting competitive quotations if the college considers the price to be reasonable.

Procurement of \$10,000 to \$25,000 shall be based on written price quotations obtained from more than one source. Records shall be maintained by initiator for future reference of quotes received. Quotation forms may be used.

For public construction greater than \$5,000 but not exceeding \$25,000, s. 62 15(1), Wis. Stats., requires the publication of a class 2 notice of the proposed construction prior to execution of the contract.

All contracts under Federal awards must include the applicable provisions as required by Title 2, Part 200.326.

AUDIT REQUIREMENTS

A decentralized environment and more distributive purchasing duties and responsibilities are more efficient and effective when they align with the special needs of individual departments, unique to their pockets of knowledge and expertise. Therefore, TCS 6 requires the district to have an audit procedure to ensure that appropriate internal control procedures and safeguards are in place and are being applied consistently throughout the College.

Directing activity through the purchasing department; reviewing the use of purchasing cards, purchasing portal, vendor returns, vendor disagreements, or accounting errors generate closer investigation of the facts and often uncover process problems or errors. This provides an opportunity to improve the process, create a better understanding for all concerned, and if necessary, strengthen internal controls.

Purchasing is also included in the internal control review portion of the annual audit. An independent audit firm conducts a sampling of purchasing records to ensure their proper accounting and compliance with district policy.

ANNUAL REVIEW

A bill listing will be presented to and approved by the District Board monthly and shall include all bills paid the prior month. On or prior to its October meeting, the District Board will review a report of Policy Section: Fiscal Management
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procurements, the aggregate of which by vendor totals more than the bid threshold to determine if a more competitive process should be used in the future.

Adopted: August 2011
Reviewed: January 2021
Revised: January 2021