

Ozarks Technical Community College



Purchasing & Distribution Procedures Manual

Updated October 2023

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Overview

The purpose of the Ozarks Technical Community College Purchasing & Distribution Procedures manual is to provide clarity and instruction for procuring the supplies, equipment, and services necessary to provide quality instructional programs for Ozarks Technical Community College. All individuals purchasing goods or services on behalf of the college must adhere to the procedures contained herein.

The procedures may be revised and supplemented as needed. The most current updates to [Policy 6.02 Procurement](#) and the Purchasing & Distribution Procedures Manual shall be available on the [college procurement webpage](#).

Consistent and/or repeated failure to comply with, or flagrant abuse of, established procedures may result in action up to and including termination of employees' authority to expend college funds and/or termination of employment.

Procurement shall enhance the proficiency and stature of the purchasing profession by acquiring and maintaining current technical knowledge and the highest standards of ethical behavior.

General Information

The Procurement Department facilitates the procurement of all necessary products and services for the college and complies with all college policies, and other applicable Federal, State, and Local requirements and policies. The Procurement Department adds value to the college by serving as a strategic partner to our vendors and being good stewards of college funds.

The following information is provided to assist in understanding the procedures that govern the purchasing activities of the college. This document is intended to be a general overview. Information and assistance with purchasing requirements may be obtained by contacting the Procurement Department at 417-447-4820 or purchasing@otc.edu.

All college purchases should be made utilizing the college's tax-exempt status. If an individual makes a purchase without utilizing the college's tax-exempt status, the individual making the purchase is responsible for obtaining refunds of any taxes incurred that the college was exempt from paying. If a refund is not obtained from a vendor for taxes paid in error, the employee who made the purchase is responsible for reimbursing the college for the amount of the taxes paid.

Purchases from state and federal funds may be subject to more restrictive requirements for grant agreements and any applicable state and federal regulations. Federal procurement transactions must be conducted in a manner as to provide full and open competition consistent with the standards of [2 CFR Part 200 Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards, "Procurement Standards 200.317 to 200.326"](#).

The chief financial officer and/or their designee may establish additional written purchasing guidelines for each grant source and communicate those requirements to the appropriate department vice chancellor. With all grant purchases, the more restrictive procedures and requirements will be followed.

Types of Purchases

- Non-competitive Purchasing (up to \$4,999.99)
 - Procurement cards (p-cards) may be used for the payment of purchases of less than \$2,000.00 and must be made in accordance with [Policy 6.04 Procurement Cards](#). Invoices for purchases of \$2,000.00 through \$4,999.99, which do not include a fixed asset ([Policy 6.05 Capital & Fixed Assets](#)), may be submitted to finance for payment once approved by the dean or vice chancellor/campus president and/or their designee of the requestor's department. **Requests for purchases that include a fixed asset must be submitted as a purchase requisition.**
- Competitive Purchasing (\$5,000.00 to \$49,999.99)
 - Purchases of products and services of \$5,000.00 through \$49,999.99 shall be purchased on a competitive quotation basis and must be submitted as a purchase requisition or service agreement requisition. For these purchases, a minimum of three electronic or written quotes must accompany the purchase requisition. The quotes must detail the item(s) or service(s) requested and include all product descriptions or scope of work, make/model numbers, and the quantities requested. Each vendor should carefully examine their proposal(s) prior to submission. Failure to do so is at the risk of the vendor(s). The vendor(s) is responsible for any errors therein. Claim of oversight is not a basis for permitting withdrawal of a proposal after acceptance. There will be no erasures in any proposal. Any changes must be made by striking the portion to be changed with the change noted above the deleted portion, initialed by the contractor(s), and dated. Approval for vendor selection shall be granted by the vice chancellor/campus president of the requestor's department. The quote from the lowest responsible vendor will be awarded.
- Competitive Purchasing (\$50,000.00 and above)
 - Purchases of \$50,000.00 and above require competitive formal bids which will be bid by the procurement department and/or their designee. Requisitions must be received by the college director of procurement and/or their designee no less than 30 calendar days prior to being presented for approval. Bidders may be given the option to submit a bid by electronic submission or by mailing a physical copy as specified by the solicitation for bids.
 - Purchases \$50,000.00 and above must be:
 - Publicly posted on the college's website and through an electronic sourcing platform available to the general public for at least five (5) business days prior to bid opening; and

- Solicited by electronic or surface mail, or other reasonable methods generally available to the public when such methods are deemed more advantageous for the supplies to be purchased; and
- Opened and tabulated by the college director of procurement and/or their designee. The lowest responsible vendor will be recommended to cabinet and the chancellor for approval; and
- Presented to the board of trustees, after approval from cabinet and the chancellor, for final review and approval.

Purchases may not be split for the purpose of reducing the dollar amount to circumvent the college's competitive purchasing requirements.

Any purchase exceeding 3% of the total project cost previously approved by the Board of Trustees will be submitted for ratification at the next regularly scheduled board meeting.

Exceptions to Competitive Purchasing

Purchases of \$5,000 and above may be exempt from the competitive purchasing procedures described above if the purchases are required in the following circumstances:

Emergency and Exigency Purchases – Except as may otherwise be prohibited by the requirements and guidelines for a state or federal grant source, the chancellor may waive the requirement of competitive bids or proposals for products/services in emergency or exigency situations where the need for required products/services will not permit a delay resulting from competitive procurement solicitations. Any emergency or exigency purchase that is \$50,000 and above will be presented to the Board of Trustees for ratification at the next regularly scheduled board meeting. Emergency and exigency purchases may be necessary when one or more of the following occurs:

- A threat to life, property, public health, or public safety;
- Immediate procurement will protect against further loss, loss of, or damage to college property;
- Immediate procurement prevents or minimizes serious disruption of college services or operations;
- Immediate procurement ensures the integrity of college records;
- Immediate procurement ensures that required products or services, which are in short supply, are able to be purchased in the most economical manner.

Single Feasible Source – Purchases must be justified by the department requesting the purchase by completing the single feasible source form and attaching it to the requisition. The Procurement Department will evaluate the single feasible source justification prior to purchasing. If the single feasible source designation is not justified, it will be rejected. Single feasible sources exist when:

- Supplies are proprietary and only available from the manufacturer or a single distributor;

- Products or services have no competitive alternatives available on the market and are available from only one source;
- Based on past procurement experience, it is determined that only one distributor services the region in which supplies are being needed;
- Supplies are available at a verified discount from a single distributor for a limited period of time.

Existing and Cooperative Contracts – The college may use previously bid contracts, cooperative contracts, or contracts or programs created by statute and/or administrative regulations that are applicable and desirable to the product or service.

Retail Auxiliary Inventory – Purchase of products for the purpose of resale to the public in food operations or auxiliary services.

Real Estate – Purchases, leases, and other transactions in which the college receives real property.

Professional Services – See [Policy 6.35 Selection of Professional Services](#).

Other Exempt Goods and Services may include:

- Advertising and subscriptions (including magazine, newspaper, online, etc.)
- Apple purchases (Apple purchases are made through the Apple Education program which offers deep discounts to public education)
- Contracts for government regulated items/services
- Cooperative purchases/piggyback contracts (must be pre-approved by Procurement)
- GSA Contracts (must be pre-approved by Procurement)
- Election fees payable to state and local governments
- Entertainment (musicians, performing artist, park admission, etc.)
- Governmental surplus
- Fundraisers
- Insurance handled by a contracted third-party administrator, including claims
- Insurance which has a standard premium set by the State of Missouri
- Lease/rental agreements (for property)
- Legal services including but not limited to paralegal services
- Licenses, permits and other government fees
- Payroll (payroll-related deductions at rates previously approved by the Board, including related withholdings)
- Postage
- Professional organizational memberships and dues
- Public utilities and electric cooperatives

- Purchases between the State of Missouri and its political subdivisions or other governments, or between local governmental bodies, school districts or higher education institutions
 - Registration and tuition fees for conferences/seminars
 - Reverse auctions
 - Risk management claim settlements
 - Specialized training including but not limited to speakers and professional development
 - Travel expenses such as commercial airplane, hotel, meals, parking fees, rental car, etc. (District staff must use their due diligence to ensure fair pricing)
 - Used personal property
 - Works of art to adorn public buildings

Cooperative Purchasing

The college attempts to participate in cooperative purchasing programs to the extent that items purchased meet the college's specifications and needs. The bids taken by these cooperatives shall satisfy the college's bidding requirements for the period of time the cooperative bid is valid.

Determining Purchase Method (see Decision Tree flow chart in Exhibit A)

Purchases under \$2,000 that include a fixed asset:

Purchases of products or services that include a fixed asset must be submitted as a purchase or service agreement requisition. The requisition should be submitted to the procurement department and routed for approval by the dean or vice chancellor/campus president and/or their designee of the requestor's department.

Purchases under \$4,999.99 that do not include a fixed asset:

Procurement cards (p-cards) may be used for the payment of purchases of less than \$2,000.00 and must be made in accordance with [Policy 6.04 Procurement Cards](#). Invoices for purchases of \$2,000.00 through \$4,999.99 should be submitted to the finance office for payment after approval by the dean or vice chancellor/campus president and/or their designee of the requestor's department.

Purchases between \$5,000.00 and \$49,999.99

Purchases of products and services of \$5,000.00 through \$49,999.99 shall be purchased on a competitive quotation basis and must be submitted as a purchase or service agreement requisition. For these purchases, a minimum of three electronic or written quotes must be taken. The quotes must detail the item(s) or service(s) requested and include all product descriptions or scope of work, make/model numbers, and the quantities requested. Approval for vendor selection shall be granted by the vice chancellor/campus president of the requestor's department. The quote from the lowest responsible vendor will be awarded.

Purchases of \$50,000 and above

Purchases \$50,000.00 and above must be:

- Publicly posted on the college's website and through an electronic sourcing platform available to the general public for at least five business days prior to bid opening; and
- Solicited by electronic or surface mail, or other reasonable methods generally available to the public when such methods are deemed more advantageous for the supplies to be purchased; and
- Opened and tabulated by the college director of procurement and/or their designee. The lowest responsible vendor will be recommended to cabinet and the chancellor for approval; and
- Presented to the Board of Trustees, after approval from cabinet and the chancellor, for final review and approval.

Quotation and Bidding Procedures Quotations

A quotation (quote) is a written price furnished by a vendor on an official form or company letterhead and includes the date the quote is issued, detailed product information, delivery date, and quote expiration date if applicable. Written quotes must be obtained when the projected expenditure of all items is between \$5,000.00 and \$49,999.99. Items may not be purchased separately to avoid quote thresholds. Purchases \$50,000 or greater shall be bid by the procurement department in accordance with guidelines previously identified.

When requesting quotes, the requestor/purchaser shall provide identical specifications to the competing vendors in writing. Quotations submitted shall specify the time period for which they are valid.

In the event two or more bids, quotes, or offers to supply a commodity and/or service are equal in all evaluation criteria, including cost, such bids, quotes, or offers shall be awarded in the following order:

- First to the bidder with offices within Springfield city limits;
- Next, to bidders within Greene County;
- Next, to bidders located in the adjacent counties (recommend listing those counties here to avoid confusion/interpretation);
- Then, to other Missouri bidders.

If a tie bid situation still exists after the application of these criteria, then the bid shall be awarded by drawing lots or flipping a coin. The college may also, unless the terms, conditions and specifications of the solicitation state to the contrary, elect to divide the contract award between two or more bidders, if it deems such action to be in its best interests, in the exercise of its sole discretion.

Bids are requested, instead of quotes, when the projected expenditure is \$50,000 or greater and can only be released by the procurement department. A solicitation will be prepared by the

procurement department for potential bidders to respond to via our e-bidding system. Suppliers of any type are invited to register with the bidding system to receive bid notifications.

Purchase Orders and Service Agreements

After a purchase requisition or service agreement has been approved, the procurement department will generate a purchase order or service agreement and submit it to the vendor for processing.

A purchase order or service agreement grants authority from the college to move forward with the purchase and must be obtained PRIOR to an order being placed or a service beginning.

Once a purchase order or service agreement is issued, a file will be kept including signed requisitions, bid/quotes, invoices, and any additional documentation needed.

Standing purchase orders may be used in certain instances when the college has an agreement, contract, or lease for recurring purchases from the same vendor in the course of a fiscal year. A standing purchase order which removes the need for multiple requisitions may be appropriate when a monthly charge does not vary from month to month or varies very little. When a standing purchase order has been approved, payment is made from an approved invoice instead of a requisition.

Purchasing Process

The following are the responsibility of the requestor:

- Identify the product or service needed.
- Identify the appropriate purchasing method.
 - Purchases under \$2,000 that include a fixed asset
 - Purchases under \$4,999.99 that do not include a fixed asset
 - Purchases between \$5,000.00 and \$49,999.99
 - Purchases of \$50,000 and above
- Identify the purchasing type and follow guidelines previously identified.
 - Non-competitive Purchasing (up to \$4,999.99)
 - Competitive Purchasing (\$5,000.00 to \$49,999.99)
 - Competitive Purchasing (\$50,000.00 and above)
- Complete the purchase requisition form with attached documentation.
- Send the form and documentation to purchasing@otc.edu.

The following are the responsibility of the Procurement Department:

- Receive the requisition and documentation from the requestor.
- Review the bids and list of vendors for clarity and consistency with the procurement policy.
- Advertise the competitive purchases of \$50,000.00 and above as per Policy 6.02, if needed.

- Send the requisition through DocuSign for approvals.
- Check to make sure the vendor is not debarred.
- If \$50,000 and above, submit a memo for the purchase to go to the next scheduled board meeting for approval.
- Once the requisition has appropriate approvals, enter the purchase order into Colleague.
- Place order with vendor.
- Email requestor and Shipping and Receiving a copy of the purchase order.
- Save signed requisition, purchase order, and all documentation in the vendor files on the R: Drive where they will be retained in accordance with the Retention Schedule of the State of Missouri.
- Enter information into the master spreadsheet in the purchasing folder.

Amazon Purchases

Employees should only use the Amazon Business account for college purchases. Personal charges are not to be made on the Amazon Business account.

Orders placed on the Amazon Business account will be automatically set up with tax-exempt status.

Only college purchasing cards (p-card), or a purchase order may be used as a payment method on your Amazon Business account. Do not associate a personal credit card with this account. All delivery addresses should be to college locations. No home deliveries are allowed.

Sam's Club Purchases

All college purchasing procedures must be followed. This includes purchasing card (p-card) procedures.

A college purchasing card (p-card), or purchase order is required for payment. Personal credit or debit cards are not allowed to be used with the college membership.

The Sam's Club business card must be used to check out at Sam's. Please contact the procurement department to check out the Sam's Club business card.

You will be asked to verify the purchase is for college business prior to the checkout process. It is critical the cashier has coded the transaction as tax-exempt prior to processing the transaction on the register.

Non-Allowable Purchases

Purchases of goods or services for personal purposes are not allowed. Gifts or flowers sent by the college are permissible only in conjunction with a building, department, or college sponsored or another approved event.

Technology-Related Purchases

The college's Information Technology Department outlines college standards related to technology, including specifications of equipment and software to be purchased and supported at each site. Information Technology has the responsibility of enforcing these standards, as well as providing necessary technical support for approved equipment. Therefore, **all technology purchases must be approved by the chief technology officer and/or their designee.**

Vendor Rebates

No gift cards, rebates, reward points, or vouchers may be individually received by college employees. Rebates must be remitted to the procurement department.

Debarment

Vendors and contractors who have failed to perform per the college contract and/or have proven to have violated local, state, or federal law, rules, policies and procedures will be placed on the college's debarment list. Debarred vendors are not allowed to perform work for the college. The college will not do business with vendors on the Federal debarment list.

Shipping and Receiving Hours and Location

Shipping and Receiving is located in the receiving, purchasing, and mailing (RPM) building at 933 E Central Street Springfield, MO 65802.

Receiving hours are 8 a.m.- 3 p.m. Monday through Friday.

Receiving Goods

All goods, unless otherwise directed by receiving personnel, shall be delivered to the designated receiving facility or college location.

All goods delivered through UPS, FedEx, DHL, or any other carrier shall be received, inspected for obvious damage, and logged into the daily receiving log.

All goods shall be checked against the packing slips and the purchase order for accuracy and to identify items on back order.

All goods shall be delivered to the appropriate location as designated on the purchase order, usually within 24 hours of arrival. Live, perishable, or potentially hazardous items shall be delivered as soon as possible, with end users contacted immediately to coordinate delivery.

All goods delivered must be signed for upon internal delivery by the end user or their designee, and delivery time shall be recorded in the delivery log.

All delivery and receiving logs shall be electronically filed on a daily basis, and the records shall be kept in accordance with the applicable State of Missouri record retention schedule.

End users must notify the shipping and receiving department about damages or discrepancies with the goods received within five business days.

Items identified as fixed assets should be tagged per [Policy 6.05 – Capital & Fixed Assets](#).

Returning Goods

If the end user discovers reasons for goods to be returned, they must repack the goods to be returned and, when possible, the goods should be returned in original shipping containers.

The vendor should be contacted when the defect is discovered by the appropriate college personnel.

All returned goods should be coordinated with shipping and receiving personnel. Whenever possible, return freight shall be charged to the vendor for defective or damaged goods.

Once the item is returned, a copy of the credit memo must be electronically filed in the appropriate purchasing order folder.

Conflict of Interest

All college employees and officers (and their immediate family members) shall not solicit or accept gratuities, favors, or anything of monetary value from contractors, vendors, or parties to sub-agreements and shall not participate in the selection, award, or administration of any contract if a real or apparent conflict of interest would be involved. Employees who violate this policy will be subject to disciplinary action up to and including termination. If the conduct resulting in discipline also involves a violation of state or federal law, the college will refer the matter to the appropriate authorities for prosecution.

Ethics

All college personnel and vendors are expected to conduct business in accordance with the following Code of Ethics statements:

- Give first consideration to the policies, regulations and goals of the college.
- Strive to obtain the maximum value for each dollar of expenditure.
- Conduct business in good faith; demanding honesty and ethical practices from all participants in the purchasing process.
- Decline personal gifts or gratuities from present and potential vendors and contractors since this can influence or appear to influence procurement decisions.
- Grant all competitive suppliers equal consideration as state or federal statute and college policy permit.
- Promote positive vendor and contractor relationships by providing vendor representatives courteous, fair, and ethical treatment.

Contracting

The college will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions detailed by the college.

All contracts and agreements must be appropriately reviewed and signed by the vice chancellor of administrative services or their designee.

Central Office Supply

The college maintains and operates a central office supply that stocks commonly used office supplies. Orders can be placed online by selecting the Central Office Supply link at <https://services.otc.edu/adminservices/procurement/>. This link will direct you to sign in with your OTC credentials and take you to the order form where you will select your items to purchase, your delivery location, and the budget code to be charged. Once the order is placed, the procurement department will send it to shipping and receiving for delivery. Monthly charges will be sent to the finance office at the end of each month and posted to the specified budget code.

Disposal of Surplus Property

College surplus property may not be sold, traded-in, salvaged, scrapped, donated or otherwise disposed of without prior approval from the vice chancellor for administrative services and chief financial officer or their designees. Special standing arrangements exist for hazardous materials, as outlined below.

To dispose of college surplus property, the [Surplus Property Disposal Form](#) must be completed and signed by the disposing department's vice chancellor then forwarded to fixed assets in the finance office. The Surplus Property Disposal Form must include the asset tag number (if assigned), manufacturer, model, a brief description of the item(s), and functioning status. The finance office will review items listed for stipulations on disposal of property purchased with grant funds. If required, the college director of procurement will obtain two fair market values for the identified property.

Once college surplus property is identified and a completed Surplus Property Disposal Form is reviewed by the Finance Office, the college director of procurement will confer with other college departments to determine if there is an internal need for property prior to the proposed disposal. If there is no transfer request, the vice chancellor for administrative services or their designee will initiate disposal alternatives.

College surplus property that is no longer needed by the college will be recycled, discarded or sold at public auction. In addition, donations may be made to other governmental bodies (e.g., public schools, other public colleges and universities, etc.) at the discretion of the vice chancellor for administrative services or their designee.

College surplus property may be auctioned through GovDeals or any online public auction service. This provides the college the opportunity to dispose of surplus items on an ongoing basis and ensures the best possible price is received for surplus property. An in-person public auction may also be utilized.

Hazardous waste and universal waste shall be eliminated under the direction of the Environmental Safety Coordinator to ensure compliance with the Environmental Protection Agency (EPA) and the Missouri Department of Natural Resources (MoDNR) requirements.

Biological waste shall be eliminated under the direction of the Environmental Safety Coordinator to ensure compliance with Department of Labor Occupational Safety and Health Administration (OSHA) regulations.

Electronic waste shall be disposed with a certified electronic recycling facility. If it is determined by the Vice Chancellor of Administrative Services or their designee that an item will be donated, a donation form must be attached to the Surplus Property Form and forwarded to the Finance Office for approval and processing.

Trade-In Equipment

If existing equipment is to be trade-in on the purchase of new equipment, that trade-in must be accomplished through the procurement department. The asset number and description of the equipment to be traded-in must be listed on the Surplus Property Disposal Form, which will accompany the letter of intent and purchase requisition for the new equipment.

Transferred Equipment

When equipment is transferred to another department or location, an [Equipment Transfer Form](#) must be completed by the transferring department and forwarded to fixed assets in the finance office. If approved, the form will then be forwarded to facilities and grounds to relocate the equipment.

Federal Awards

Unless there is a more restrictive college policy or procedure, disposition of equipment acquired under a federal award will be processed in accordance with [2 CFR Part 200 Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Awards 200.313](#).

Definitions

Competitive bid is defined as a buyer receiving multiple bids from vendors and evaluating those bids before choosing a vendor.

Formal bid is defined as written or electronic bid that is completed in conformance with established specifications and submitted in a sealed envelope or file to be opened on a specific date and time.

Professional services are defined in policy 6.35 Selection of Professional Services.

Purchase order is defined as a legal binding document between a vendor and a buyer.

Purchase requisition is defined as a document used as part of the accounting process to initiate a merchandise or supply purchase.

Service agreement requisition is defined as a document used as part of the accounting process to initiate a service purchase.

Ratification is defined as approval by the Board of Trustees after the procurement transaction has been initiated by the college.

Emergency is defined as a situation that requires immediate action due to an immediate threat to life, public health, public safety or property.

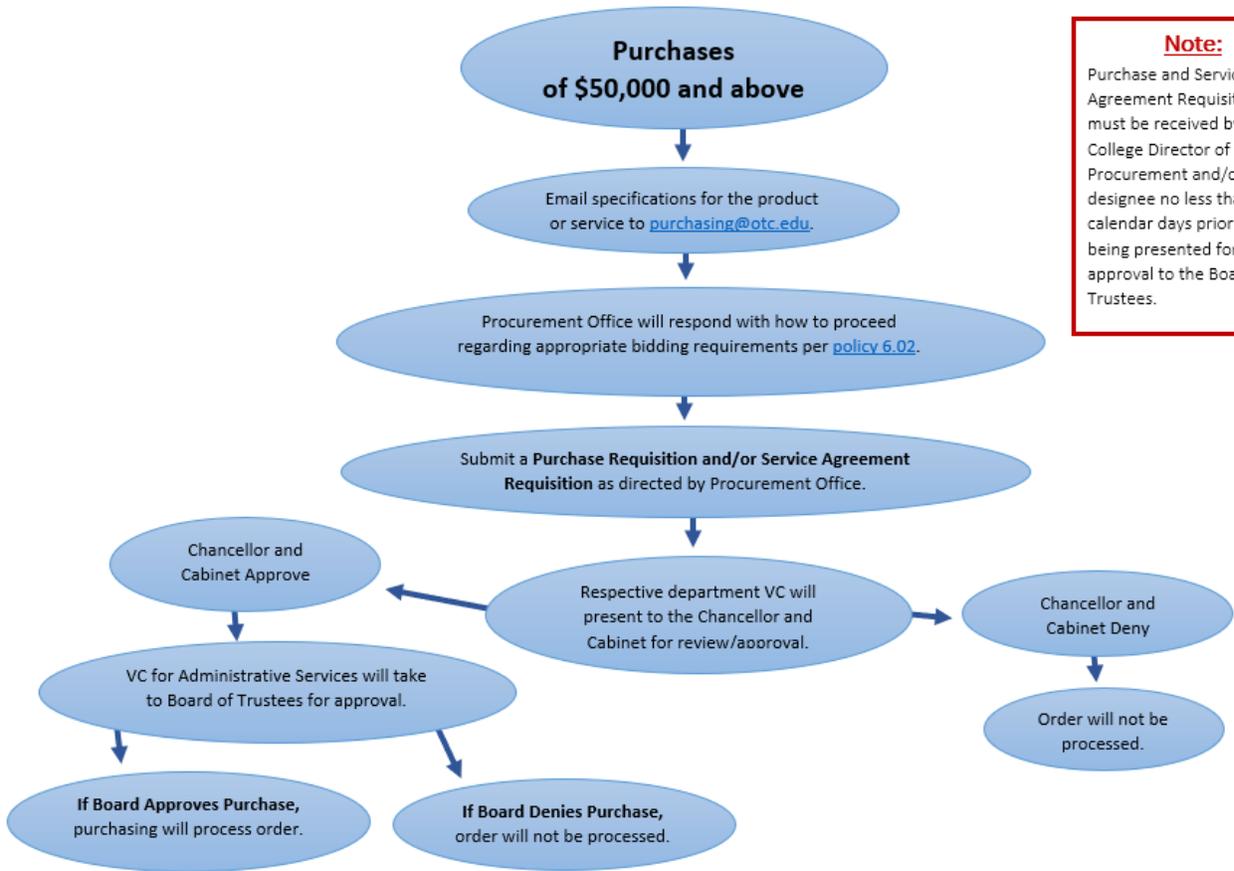
Exigency is defined as an urgent need that does not constitute an emergency but requires a rapid decision for the optimal operation of the college.

Exhibit A

Procurement Decision Tree

Note:
Please be sure to review [Policy 6.04 Procurement Cards](#) and [Policy 6.05 Capital & Fixed Assets](#) before purchasing.





Note:
 Purchase and Service Agreement Requisitions must be received by the College Director of Procurement and/or their designee no less than 30 calendar days prior to being presented for approval to the Board of Trustees.