

# Montgomery Community College Purchasing Parameters

**NOTE:** These Purchasing Parameters are intended to give the MCC employee insight into the process used to procure materials and/or equipment for use in their classrooms, laboratories, and/or offices at MCC. For full exposure to purchasing processes, please refer to the MCC Purchasing Manual and/or the North Carolina Procurement Manual, which is a comprehensive compilation of purchasing procedures, as outlined by The Division of Purchase and Contract (P&C), Raleigh, NC.

## Definitions:

**Supplies** - Items costing less than \$5,000.00 and have a projected life expectancy of less than two years are considered supplies. They are typically consumed within weeks or months. Items in this category include, but are not limited to: class demonstration materials, library books, items from central supply, and hand-held tools.

Note: Computer software purchased to enhance operation of the computer, (not operating system software), is typically purchased from supplies.

Purchases of commodities where the **total order** exceeds \$5,000.00 shall include three written quotes.

**Minor Equipment** - Items ranging in cost up to \$5,000.00 and have a life expectancy of two or more years may be classified as Minor Equipment or, depending on availability of funds, may be classified as supplies. Computers, desk-top printers, power tools, etc., are included in this category. Items, which are subject to a high rate of theft, such as laptops, tablets, TV's, etc., may be maintained on the Fixed Asset Equipment Inventory records system.

**Major Equipment** - Items costing more than \$5,000.00 and have a projected life expectancy of two or more years are typically categorized as Major Equipment. Complete computer systems, servers, stationary units in shops/labs, GPS systems, vehicles, etc. are included in this category. Items classified as Major Equipment are maintained on the Fixed Asset Equipment Inventory records system.

Note: Computer software, when purchased as part of the operating system, is typically included in the initial cost of computer hardware (as an accessory), and is categorized as Major Equipment.

Major Equipment items are to be requested via submittal of the department's Operational Outcomes Assessment Report (OARS), prior to purchase.

Items costing \$5,000.00 or more (not including freight and taxes) must be capitalized.

Purchases of commodities where the **total order** exceeds \$10,000.00 must be forwarded to P&C for processing. Note: Certain *NC State Term Contracts* allow a higher threshold limit allowing a direct purchase under the contract. The Purchasing Officer shall prepare the State Requisition Form (RFP, RFQ, etc.) for submittal to P&C.

**State Term Contracts** - The State of North Carolina, Purchase and Contract Division establishes *State Term Contracts*. These contracts are in place to assist state agencies in the procurement of many commodities, many times offering lower pricing than the individual state agency could obtain.

The Purchasing Officer shall be responsible for keeping abreast of *State Term Contracts* and shall, in the daily processes of making purchases for MCC employees, consult these contracts for availability of products and for pricing.

**Non-Certified Purchases** - The State of North Carolina, Purchase and Contract Division has, also, made provisions for all state agencies to purchase items that are located on *State Term Contracts* from Non-Contract Vendors. When it is determined a commodity (meeting the same or similar specifications as a state term contract commodity) is being offered at a lower price than the stated state term contract price, the state agency has permission to purchase from a Non-Contract Vendor. It is necessary for the state agency, making the purchase, to complete a *Purchasing Flexibility Report*, recording these purchases and the subsequent savings. This report is to be submitted by February 1 of each year.

**NC E-Procurement** - NC E-Procurement is an electronic process state agencies use to purchase commodities and/or services from its vendors. Many vendors have elected to “register” with the NC E-Procurement System as suppliers of commodities and/or services while some have not. In order for MCC to purchase from the “registered” vendors, the E-Procurement system must to be used. MCC employees are encouraged to purchase commodities and/or services from “registered” vendors. Electronic requisitions are created in the Purchasing Department and are submitted to the vendor (electronically) for fulfillment.

**Purchasing Procedure** - When in need of supplies, materials, equipment, etc., one must complete a Purchase Requisition Form in Etrieve. Once the Purchase Requisition form is completed, submit it for approvals and processing.