I. OVERVIEW

This section outlines the various methods and types of procurement transactions regularly handled by the procurement functional areas identified in the preceding policy section. Generally, these types of procurement transactions fall under three broad categories of procurement: (1) competitive; (2) non-competitive and (3) miscellaneous.

II. METHODS OF PROCUREMENT

A. Competitive Procurement

1. Definition – The solicitation of quotes, bids, proposals or statements of qualifications (SOQs) from more than one supplier, for the purpose of selecting the least expensive or most advantageous offer, prior to vendor selection and purchase. Whether quotes, bids, proposals or SOQs are solicited depends on what is being procured and how much the item is expected to cost.

Generally, quotes and bids are solicited for equipment, furniture, materials, supplies and routine services other than construction or professional services. Quotes are employed for purchases less than the bid threshold; sealed bids are solicited for acquisitions above that amount. Requests for proposals (RFPs) are used for professional services and some technology purchases. Request for Qualifications (RFQs) are used for architectural and engineering services.

Whatever method is used, care must be taken to: (1) provide the same information to all suppliers participating in the competition; (2) eliminate any personal conflicts of interests for those employees involved in the procurement process; and (3) maintain a “blind bid” environment by not exposing any supplier’s price or other competitive information to other participating suppliers before sealed bid opening or proposal award.

Splitting of Orders – It is a violation of District policy to split quantities or dollar amounts of orders for the purpose of evading the dollar thresholds that separate the procurement authorities for colleges, college procurements specialists and the District Office. It is unlawful, pursuant to Public Contract Code section 20657, to split quantities or dollar amounts
of orders for the purpose of evading the requirements for competitive bidding.

2. **Quotes** – Used when what is being purchased can be described and specified to a degree that low price, alone, can reasonably be used to determine which supplier is selected, and the price is reasonably estimated before solicitation to be less than the statutory threshold for sealed bidding, as specified in Public Contract Code section 20651. Quotes may be conveyed by suppliers through catalog prices, oral commitments (via telephone or in person), or electronic media such as email, or hard-copy documents delivered personally or sent by mail, courier or fax.

3. **Bids** – Used when (a) what is being purchased can be described and specified to a degree that low price, alone, can reasonably be used to determine which supplier is selected, and (b) the price is reasonably estimated before solicitation to be equal to or greater than the statutory threshold for sealed bidding, as specified in Public Contract Code section 20651. Examples are equipment, furniture, materials, supplies, or routine services other than construction or professional services.

Also known as “formal advertising,” a request (or invitation) for bids (RFB or IFB) must be advertised in a newspaper of general circulation i.e. L.A. Times or Daily Journal, and bids are to be received and opened, in accordance with Education Code section 81641. Notices of bids also should be advertised on the District’s Website and may be advertised in trade journals or other publications targeting vendors that supply the item to be purchased. Notices, or the RFB/IFB itself, also may be sent to prospective bidders that are known to the District.

Bids are to be submitted sealed, are to be time and date-stamped in by the District, and must remain sealed until opened in a public opening at (or after) the time specified at the designated location. Bids submitted after the specified deadline or at a different location are to be rejected by the District.

4. **Proposals** – Used when what is being purchased cannot be described or specified to a degree that low price, alone, can reasonably be used to determine which supplier is selected. Examples are technology products listed in Education Code section 81645 and special services and advice in financial, economic, accounting, engineering, legal, or administrative matters as referenced in Government Code section 53060. Requests for proposals for technology issued pursuant to Education Code section
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81645 must be administered in the same manner as requests for bids as described above in section II.A.3

5. **Statements of Qualifications (SOQ)** – Used when soliciting engineering or architectural services. See Facilities sections 06-00 – 06-08-01.

B. **Non-Competitive Procurement**

1. **Definition** - These types of transactions are identified by statutory authority as not requiring the solicitation of quotes, bids or any other form of competitive submittal prior to purchase.

2. **Cooperative Purchases** – Generally, the District may, pursuant to Public Contract Code section 20652, procure personal property (but not services) under the authority of contracts awarded by other public corporations or agencies. In addition, the District may, pursuant to Public Contract Code section 20653 and Government Code section 10298, procure personal property and services under contracts awarded by the California Department of General Services. The authority for transacting cooperative purchases corresponds to the price thresholds set forth above for small, medium and large purchases.

3. **Educational Materials** – In accordance with Education Code section 81651, the LACCD may purchase educational materials without taking any estimates or advertising for bids. “Educational materials” are defined as instructional materials or supplies utilized by students to support their instructional curriculum.

4. **Food/Cafeteria Supplies** – In accordance with Public Contract Code section 20660, the District may purchase perishable food stuffs and seasonal commodities needed in the operation of its cafeterias and food services. Based on Board Rule 7102.14, the College President or his/her designee may negotiate directly with a food supplier for the cafeteria program without the need to engage in competitive procurement.

5. **Single Source** – No statutory authority exists to support a single source justification for purchase of equipment, materials or supplies, except for the items identified above.
6. **Emergency Contracts** - In an emergency, as defined by Public Contract Code 20654, a contract may be awarded on behalf of the District by the Chancellor, Deputy Chancellor, Executive Director of Facilities Planning and Development, Director of Facilities Planning and Development, Director of Business Services, or their designees, for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids. Such contracts shall be reported to the Board of Trustees at the earliest possible date and in all circumstances within thirty (30) days after issuance.

C. **Miscellaneous**

1. **Loan or Donation of Equipment/Educational Materials** – These items may be acquired through loans or donations from public or private entities or individuals. Any item donated shall be subject to the donation guidelines established by the LACCD. Cash donations are handled through the Office of the Chief Financial Officer. However, board authorization for acceptance of cash donations are processed in the Business Services Office.

2. **Authorization to Pay** – An Authorization to Pay is a procedure developed to purchase items that do not need to be competitively procured and is utilized in limited circumstances. Items procured and paid for by an Authorization for Payment may include the purchase of library books, pamphlets, motion picture film, testing materials and audio-visual materials. These transactions are strictly regulated at the College and District Office.

3. **Purchasing Card** - A purchasing card is a business credit card that can be used for small-dollar purchases of goods and services by authorized employees of the District. Use of a purchasing card for District purchases is authorized by Board Rule 7100 and Administrative Regulation B-19 and is subject to the policies and procedures set forth in the Purchasing Card Policies and Procedures Manual. Purchases of assets (e.g., equipment or furnishings) may not exceed $250 if charged to a purchasing card.

4. **Confirmation Orders** – Orders issued to a vendor or entered in the procurement database after services have been performed or receipt of goods, supplies or equipment has occurred are generally
prohibited, except in very limited circumstances. These circumstances include emergencies as defined by Public Contract Code section 20654.

5. **Authorized Payment** – Purchases of goods or services made by, or on behalf of, a District employee for which no procurement transaction was generated are generally prohibited and reimbursement by the District shall not be authorized except as (a) recommended in writing by the Chancellor, Deputy Chancellor, College President, Vice President of Administrative Services, Executive Director of Facilities Planning and Development, or Director of Business Services, and (b) authorized by the Board of Trustees.

### III. TYPES OF TRANSACTIONS

**A. Micro-Purchases** – These transactions involve procurement of supplies, equipment or services up to $2500. No quotes are required for this purchase amount. However, solicitation of quotes is recommended and is considered best business practice.

**B. Small Purchases** - These transactions involve procurement of supplies, equipment or services (non-professional) greater than $2500 and less than $5,000. Small purchases are handled by the College Purchasing Office or Plant Facilities Office on campus. Procurement policy requires that informal quotes must be obtained from three or more potential suppliers prior to selection of a specific vendor. Quotes solicited or received must be documented in the college’s transaction files.

Generally, these transactions are entered in the LACCD financials and procurement database as (CO) contracts or purchase order (PO) document types.

**C. Medium Purchases** – These transactions involve procurement of supplies, equipment or services (non-professional) from $5,000 or up to the Large Purchase threshold and are typically handled by the college procurement specialist. Procurement policy requires that written quotes be solicited from three or more potential suppliers prior to selection of a specific vendor. Original written quotes are kept on file with the College.

College procurement specialists may also undertake other forms of competitive procurement to obtain best pricing and quality vendors.
Generally, transactions are entered into the financials and procurement database as (PR) purchase requisition and RFC (Request for Contract) document types.

D. Large Purchases – These transactions involve procurement of supplies, equipment or services (non-professional) which are equal to or greater than the annually updated statutory bid threshold prescribed by California Public Contract Code section 20651. These transactions require sealed bidding and are handled by the Contracts or Purchasing Sections at the District Office.

Generally, these procurement transactions are entered into the financials and procurement database as PR and RFC document types.

E. Special/Professional Services – These transactions involve procurement of “special services” as described in Government Code section 53060. Special services or professional services include financial, auditing, legal, architectural/engineering, insurance brokerage, payroll issuance and preparation services, and administrative matters if such person is specially trained and experienced to handle these matters. These transactions are to be procured through a request for proposals (RFP) or request for qualifications (RFQ) process and are handled by the college, college procurement specialist or District Office corresponding to the price thresholds stated in the preceding sections and the division of authority set forth in Administrative Regulation B-19.

F. Rentals, Leases and Licenses (not involving real property)

a) Rental or lease of equipment or furnishings – Equipment or furnishings may be procured through a lease or lease-purchase transaction in accordance with Education Code section 81550, et. seq.

A lease of equipment occurs for a fixed term of greater than one year but less than 10 years. Agreements for one year or less are considered rentals. In a lease transaction, the supplier or assignee maintains title ownership to the equipment, but the lessee has physical possession of the equipment throughout the lease period.

The difference between a lease and a license is that a lease provides exclusive possession of the equipment or furnishing to the lessee for a definite period of time in exchange for
rental payment. A license does not provide exclusive possession but allows a privilege of use which can be more easily revoked by the owner of the property.

The process for procuring equipment or furnishings through a rental agreement or lease, and the authority to transact such procurements, are the same as those for purchasing the items, except that any leases, regardless of the underlying dollar value of the equipment or furnishings, are handled by the District Office.

A lease may be either a capital lease or an operating lease. Generally, a capital lease culminates in the purchase of the asset at lease-end, while an operating lease concludes with the return of the asset to the lessor. For further detailed information, please see sections 04-11.

A lease for equipment is entered into the finance and procurement database as an RFC document type.

b) Software Licenses and other Information Technology –
In accordance with Education Code section 81645, electronic data processing systems and equipment, electronic telecommunication equipment, supporting software, and related materials goods and services may be procured from a supplier that submits one of the three lowest competitive bids or competitive proposals. A software license transaction involves the grant of a permit to the licensee to infringe upon the software licensor’s product patent or copyright for an agreed upon period of time in exchange for payment.

IV. LEGAL AUTHORITY AND CITATIONS

Public Contract Code sections 20650-20660
Education Code sections 81550 et seq, 81651
Government Code sections 10298, 53060
Board Rules 7100 and 7102.14
Administrative Regulation B-19