



**Howard County Junior College District
Purchasing / Property Management
Procedures Manual**

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INTRODUCTION

The policies and procedures outlined in this manual are intended to assist the faculty and staff in understanding the procedures and their responsibilities concerning the purchasing, proper care, and safekeeping of College supplies, equipment and contractual services necessary for the operation of the College.

These policies and procedures are designed to serve the best interest of the College, meet policy requirement of the Howard College Board of Trustees and ensure compliance with the Statutes of the State of Texas. In the event of any omission, the statutes of the State of Texas will apply. In some cases, more conservative limitations have been established in these policies than those found in the State of Texas statutes. In the event local policies are more conservative, then local policies will apply.

You are urged to give your full support to these policies and comply with these procedures. It is recognized that problems and misrepresentation of these procedures may occur and situations will undoubtedly arise which are not fully covered by the procedures stated in this manual. In such instances, the Chief Business Officer is always available to discuss any problem or procedure that serves the best interest of the College.

Dr. Cheryl T. Sparks
President

CODE OF ETHICS

The Howard College Purchasing Department adheres to the following National Association of Education Procurement Code of Ethics:

- a. To give first consideration to the objectives and policies of the institution.
- b. To strive to obtain the maximum ultimate value of each dollar of expenditure.
- c. To decline personal gifts or gratuities.
- d. To grant all competitive suppliers equal consideration insofar as state and federal statute and institutional policy permit.
- e. To conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- f. To demand honesty in sales representation whether offered through the medium of verbal or written statement, an advertisement, or a sample of the product.
- g. To receive consent or originator of proprietary ideas and designs before using them for competitive purchasing purposes.
- h. To make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third part review, insofar as the established policies of the institution permit.
- i. To accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
- j. To foster fair, ethical and legal trade practices.

SECTION 1
PURCHASING PROCEDURES

SECTION 1 PURCHASING PROCEDURES

The objectives of the Purchasing Department are as follows:

- a. To make purchasing agreements before the beginning of the fiscal year where possible.
- b. To purchase the best products and services that represents the best value for the District.
- c. To clear all invoices in time to take advantage of the cash discounts offered.
- d. To offer efficient and timely service to all concerned.
- e. To purchase locally when legal, practical and cost effective.
- f. To build up and maintain minimum inventories of general use items.
- g. To purchase equipment, supplies and services of quality commensurate with use and location.
- h. To purchase using competitive bids whenever possible and practical, or as required by statute or local policy.
- i. To purchase solely from reliable, responsible vendors.
- j. To simplify accounting processes by holding the number of vendors and the number of individual order placed to a minimum.
- k. To achieve standardization whenever possible.
- l. To maintain the highest ethics in business relationships with vendors and their representatives.

SECTION 2
ORGANIZATION AND RESPONSIBILITIES

SECTION 2

ORGANIZATION AND RESPONSIBILITIES

2.1 Purchasing Department Organization

The Purchasing Department is organized to serve the Howard College District as an adjunct to the Business Office.

This manual contains the objectives, general policies and procedures developed to accomplish the procurement process for the College.

2.2 Scope and Responsibility

- a. The Purchasing Department is a service oriented function and its principal contribution to the educational program lies in its ability to secure the desired goods and services through the most efficient expenditure of funds. This service may become more beneficial if all College personnel are familiar with the purchasing routine and participate as full partners.
- b. A purchasing department is necessary to give direction, uniformity, and continuity for a well-rounded procurement program. Departments, however, must share in the administration of many procurement functions such as determining product(s) needed, selecting proper products, preparing complete specifications when required, receiving and inspecting merchandise when delivered to the department.
- c. The primary responsibility of the Purchasing Department is to ensure the proper, prompt and responsive procurement of all supplies, equipment and materials for the various departments in accordance with the statutes of the State of Texas and the policies and procedures promulgated by the Board of Trustees and the College administration. This charge applies to all College funds, be they local, State appropriated or Federal. Therefore, most purchasing activity shall be done either by the Purchasing Department or under its direct order, guidance, supervision or approval.
- d. The College **cannot and will not** be obligated for supplies, equipment or services except those legal obligations created by the proper purchasing procedures. Any commitment incurred otherwise may be a **personal obligation** of that particular employee. The **only exceptions** are contained in the Administrative Policies (Section 3.1.a).

SECTION 3
ADMINISTRATIVE PURCHASING PROCEDURES

SECTION 3 ADMINISTRATIVE PURCHASING PROCEDURES

3.1 General Guidelines

- a. Emergency Purchases – No open charges against the College may be made by any employee except in the case of an emergency. An emergency exists when:
 - i. Human life, health, physical plant or College property is placed in jeopardy, or such a condition appears imminent, due to justified reasons such as mechanical failure or other unforeseen happening.
 - ii. The teaching functions of a class in progress will cease due to lack of supplies, the need for which could not be anticipated through careful planning and/or preparation.

A notice of emergency commitment statement should be included with the Purchase Request as soon as possible following such commitment. In some cases, the Purchasing Department may require additional information and/or justification. An invoice or delivery ticket showing the date of order and pickup as well as the signature of the person receiving the item must be attached. The appropriate documentation setting forth the reason(s) or nature of the emergency requiring deviation from the routine procedure shall be approved by the respective department head and the appropriate Cabinet member.

Most emergency purchases can be handled by using the District Procurement Card.

- b. All purchase orders for Howard College will be issued by the Purchasing Department
- c. No advance purchase order numbers will be issued.
- d. All items to be returned to the vendor will be returned by the most efficient means possible. The Purchasing Department may be contacted for instructions.
- e. The President or authorized designee, as appointed by the President, shall sign all formal maintenance, lease, lease/purchase, service agreements and any other agreement.
- f. Operating within the limits of the budget, as approved by the Board of Trustees, is primarily the responsibility of the Executive Deans, Deans, and/or Department Heads. The use of the term Department Head includes all non-teaching functions such as Library, Maintenance, Purchasing and general administration offices. If budgetary adjustments become necessary, such adjustments should be made in advance of the purchase and within the same section of the budget in which overspending occurs—and only if a budget transfer has been submitted through the POISE DPS chain of authority to the appropriate Executive Dean, Chief Business Officer and President for approval.
- g. The Controller or President may act as the representative of the Chief Business Officer in the case of the latter's absence from the College or incapacitation.

- h. Any change made in the Purchasing Policies and Procedures Handbooks will be submitted in writing and may be considered for adoption by the College.

3.2 Purchasing Authority

The Purchasing Department is the sole purchasing authority for the College. Purchases not authorized in accordance with approved purchasing policies are not legal obligations for the College.

Except in cases of emergency (See 3.1.a), no employee is authorized to obligate the College without encumbering, in advance, sufficient funds to meet the purchase obligation. This practice applies to all purchases regardless of the source of funding.

Emergency purchases are to be processed in accordance with (Section 3.1 (a) and (b)) Purchase Requisition, subject to the required approval and justification.

3.3 Contract Authority

Many contracts contain provisions which are not in the best interest of the College and occasionally contain clauses to which the College cannot be legally bound. Therefore, the review of contracts binding the College to terms other than those associated with the Purchase Order terms and conditions rest with the Chief Business Officer or his delegated authority. All contracts are to be forwarded first to the Chief Business Officer for review and consideration. Contracts may be signed by the President or authorized signee, as appointed by the President, only.

3.4 Unauthorized Purchases

Unauthorized commitments by any member of the faculty or staff are not binding on the College and vendor's invoices covering these commitments may not be honored. These invoices may be the responsibility of the individual making the obligation.

3.5 Conflict of Interest/External Pressures

It is the responsibility of each member of the College staff and of the Purchasing Department to take all appropriate steps to ensure that the College does not knowingly enter into any purchase commitment which would result in a conflict of interest.

No employee, officer or agent shall participate in the selection, award or administration of a contract supported by local, State or Federal funds if a real or apparent conflict of interest would be involved. If the employee, officer, agent, any member of his or her immediate family, his or her partner or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award, a conflicting interest shall be deemed present.

No employee, officer or agent of the District shall solicit nor accept gratuities, favors or anything of monetary value from contractors, or parties to a sub-agreement, or vendors awarded contracts by the District. Any purchasing official of the College subjected to improper pressure by external political or business interests shall report the situation to the Chief Business Officer, the President and/or the Board of Trustees.

Any employee of the District, who knowingly violates Section 3.5 Conflict of Interest/External Pressure, may be terminated.

3.6 Donations of Equipment and Materials

Donations of equipment and materials will be added to the College's inventory if the item donated meets the requirements under Section 6.2 Capital Equipment Definition.

Donations of monies to purchase specific items will be subject to the College's bidding policies. If the donation is designated to purchase specific equipment from a designated company, then the donor and/or donor's entity will be required to purchase the items themselves and donate the item(s) instead of the money.

Donations of material(s) shall be subject to the standards set forth by the District Environmental Protection Agency program and the Chief Business Officer.

3.7 Choosing Items to be Purchased

Providing it is within the framework of budgetary allocations, departments may recommend specifically the kind of equipment and supplies that are required to operate their respective department efficiently. In fulfilling these requirements, the Purchasing Department will adhere to departmental specifications in so far as possible and as approved by the administration, providing specifications are not so as to preclude competition. Laws of the State of Texas forbid the writing of specifications that restrict competitive bidding and require the purchase of the lowest or most valuable bid to the College.

3.8 Specifications and Quality Determination

The writing of specifications and quality determination is a responsibility of both the Purchasing Department and the user. Therefore, final specifications shall be approved by both the Purchasing Department and the user prior to bidding. The respective share of the responsibility of each depends on the nature of the item(s) being purchased and the commodity knowledge of the personnel involved. The Purchasing Department has authority to question the quality, quantity and kind of items requested in order that the best interest of the College may be served.

3.9 Preparation of Specifications

It is the responsibility of the originator of each request to give detailed and complete specifications and/or description of each item requested. The Purchasing Department is available to assist in writing specifications and will review all specifications for clarity and accuracy.

Any vendor participating in the actual writing of the specification may not participate in the bid process. (See DM-940, Attorney General's Opinions)

It is necessary that the originator of the purchase request be specific when writing the description of the item requested. Give the name of the item, description, manufacturer's model number and/or catalog number, and three potential suppliers, if known.

e.g. OPAQUE PROJECTOR. Equipped with optical pointer, vacuum system for copy hold-down, feeding o-matic copy conveyer belt, single knob elevation control, rack and pinion broad

guide focusing system. BEVELER VU-LYTE III #123000. Available vendors: ABC Office, XYZ Office Supplies and MNO Store.

If ordering from a catalog, list the catalog number, date of the catalog and page number. If the item information is taken from an order form or brochure, notate it as such. Include any unique information with the specifications.

3.10 Competitive Bid Process

Good business practice and the responsibility for the expenditure of public funds dictate that the College follow a policy of obtaining competitive bids/quotations. Purchases shall be made on the basis of competitive prices, considering quality, suitability, delivery and service. Board of Trustee policy requires acceptance of the lowest bid and/or best value (See Section 4 Purchasing Procedures).

The competitive bid process is covered in the following documents:

Texas Education Code
Local Government Code
Vernon's Civil Statutes

The Handbook on Competitive Bidding for Texas Public Schools and Junior Colleges published by the Texas Education Agency TEC 44.031 – 44.034, and Local Government Code 271.029 – 271.030.

“A trustee, officer, agent or employee of a school District who violates Subsection (a) or (b) of Section 44.031 of this code (Texas Education Code) or who makes or authorizes split, separate, sequential or component purchases with intent to avoid competitive bidding requirements of those subsections commits an offense. The offense is a Class B misdemeanor and is an offense involving moral turpitude. The conviction of a person other than a trustee under Subsection (a) of this section results in the immediate removal from office or employment of that person. A trustee who is convicted of an offense under this section is considered to have committed official misconduct for purposes of Chapter 87, Local Government Code, and is subject to removal as provided by that article and Article V, Section 24, of the Texas Constitution. For four years after the date of the final conviction, a person removed for an offense under Subsection (a) of this section is ineligible to be employed by or act as an agent for the State, municipality, county, school district, or other political subdivision of this State. This subsection does not prohibit the payment of worker's compensation benefits to the removed person for any injury that occurred before the commission of the offense. This subsection does not make a person ineligible for an office for which the federal or state constitution prescribes exclusive eligibility requirements.”

3.11 Personal Purchases

Due to the tax-exempt status of the College, the Purchasing Office cannot issue purchase orders for personal purchases. Furthermore, College employees may not use this tax-exempt status for personal purchases.

3.12 Items for Personal Consumption

District funds may not be used to purchase items for personal consumption, i.e. coffee, coffee makers, drinks, snacks, tissue, etc.; except for official College functions which are approved.

3.13 Office Decorations

District funds may not be used to purchase decorative items for offices, i.e. pictures, decorative lamps, floral arrangements, etc. Such purchases may be made from District funds for public areas with approval.

3.14 Purchases from Grant Funds

Purchases from special grant funds will be made in accordance with College purchasing policies unless the governing document specifies alternate procedures. It is the responsibility of the Project Director to be aware of any special purchase limitations or requirements applicable to a particular special fund and to certify on the requisition that such special requirements have been met.

3.15 Purchase Request Requiring Prepayment

Departments must initiate a purchase requisition and the purchasing office will issue a purchase order even for those companies not accepting a purchase order in the event that the District Procurement Card is not accepted or applicable. The request must state that a pre-payment is required. If an exact amount is not known, estimate the expense(s).

SECTION 4
PURCHASING PROCEDURES

SECTION 4 PURCHASING PROCEDURES

4.1 Spot Purchases (Below \$5,000.00)

All purchases less than \$5,000.00 in total cost are considered spot purchases and are not subjected to bid/quote procedures. However, the purchaser is charged with obtaining the best price possible. Spot purchases may be rejected during the approval process if it is deemed the best interest of the College is not being served. A purchase order is required to be completed by the Purchasing Office before any purchase is made except when using the District Procurement Card. When appropriate, the District may require comparison shopping and documentation for spot purchases.

4.2 Informal/Formal Quotations (Below \$50,000.00)

- (a) Informal Quotations are required when the purchase is expected to total a minimum of \$5,000.00 but less than \$10,000.00. Informal quotations require at least three (3) quotations from three (3) separate reliable, responsible vendors in the event that the goods and/or services cannot be procured from a vendor that is contracted by the College. The informal quotations may be obtained in writing, catalog pricing, via telephone, email or fax. If by telephone, a complete record listing the vendor, representative's name, phone number and the date of the conversation must be maintained on the purchase requisition. This information will be required with the requisition.
- (b) Formal Quotations are required when the purchase is expected to total a minimum of \$10,000.00 but less than \$50,000.00. Formal quotations require at least three (3) written, emailed or faxed quotations from three (3) separate reliable, responsible vendors in the event that the goods and/or services cannot be procured from a vendor that is contracted by the College. All quotations are to be signed and dated by an individual authorized by the company to offer the quote.

Acceptable Types of Quotations:

- (a) Verbal – Verbal quotations will be obtained for purchases requiring informal quotations (See Section 4.2 (a) Informal Quotations). Prices are to be recorded on the requisition and will serve as backup documentation after the order is placed. Documentation of the company representative's name, phone number and the date the quote was obtained are required.
- (b) Catalog – Catalog pricing must be obtained from three (3) catalogs. When using catalog quotations, be sure to reference the catalog company name, catalog number, catalog date, page number, stock number and price of the item being quoted. This type of quotation can be used with quotations (See Section 4.2 (a) Informal Quotations). Catalog pages or copies may be attached to the Purchase Requisition as additional documentation.
- (c) Telephone – Telephone pricing must be obtained from three (3) separate phone conversations with three (3) separate vendors. When using this type of quotation method, be sure to document the company, representative's name, phone number, any special discounts, quantity breaks, substitutions in products and the date the conversation took

place. This type of quotation is for informal quotations only (See Section 4.2 (a) Informal Quotations).

- (d) Email/Written/Fax – This form of quotation should be used where more permanent documentation is advisable. Complete information should be provided including, but not limited to, quantity, description, delivery requirements, special conditions, drawings, specifications, date information required, etc. If replies are to conform to a certain format, this should be spelled out. Buyers must be thorough and attempt to remove all know variables. These quotations must detail the company name, address, city, state, zip code and have the signature of an authorized representative of the company providing the quotation. This type of quotation can be used for both informal and formal quotations (See Section 4.2 (a) and (b) Informal/Formal Quotations).

General Information on Obtaining Quotations

- (a) When purchasing goods and/or services requiring written request for quotation, the buyer shall solicit prices from three (3) or more vendors. In case of proprietary items, more than one price is often not possible and should be so noted on the requisition.
- (b) Quotations should be solicited only from vendors whom the buyer knows are qualified.
- (c) Answers to technical questions arising during the quotation/bid period should be provided by the requesting department. The buyer should coordinate the reply and ensure all potential suppliers are provided the same information.
- (d) After quotations have been received and examined for completeness, a summary sheet is to be prepared noting all pertinent date and discrepancies. Determination of the low bidder and award of the order shall be made after coordinating the results with the requisitioned. The information gathered shall be filed as backup documentation
- (e) A buyer will not reveal to a vendor at **any time**, any information quoted by another vendor.
- (f) In order to determine vendor response, the buyer will identify on the requisition all vendors solicited and their responses.
- (g) When circumstances warrant the solicitation of quotations inappropriate, the buyer shall document the facts on the requisition and obtain approval from the Chief Business Officer prior to placing the order.

4.3 Formal Advertised Bids

All purchases \$50,000.00 and above in the aggregate cost are subject to formal advertised bid procedures and will be completed by the Purchasing Department. Utility bills, gasoline credit cards, leases, contracts, rentals, bond payments, lease purchases, postage, professional services and other similar items may be exempted.

When a contract or purchase can reasonably be expected to total as much as \$50,000.00 or more, a public notice detailing specifications of items bid, quantity being purchased, time and place of

where bids can be acquired and the time and place where bids are to be received and opened shall be advertised in two (2) successive issues of any newspaper published in the county where the District's central administrative office is located and in any other county's newspaper in which the work is to be performed if the District feels it will benefit the bid process. The bid opening (See Section 4.4 Bid Opening) will then take place two (2) weeks or fourteen (14) days after the last advertisement. The bids will be evaluated according to all District criteria. The recommended vendor will then be presented to the Board of Trustees for approval at a Board meeting.

General Information: Formal Advertised Bids

State law pertaining to the purchasing function (TEC Section 44.031)

State law indicates the College has eight methods of procuring goods and services. The most commonly used methods are the Request for Bid (RFB) and the Request for Proposal (RFP).

There is a vast difference between these methods.

Request for Bid – The request for bid is used when the department knows the type of equipment, goods or services that are required. The quantity is a known fact and will not vary during the fiscal year. Costs are usually readily identified before the process begins and can be guaranteed as stated. This method is the predominate method used in the District to obtain the goods and services required during the fiscal year.

Request for Proposal – The request for proposal method is used when the department does not know the goods or services required. If a project has many different variables or methods, then the RFP method should be used. For example: Insurance, certain types of printing, mainframe services, etc.

Purchasing Department Responsibilities – The Purchasing Department is responsible for maintaining a uniform set of procedures and forms to serve the bid process. This includes mechanisms for vendor notification, bid analysis and summary, bid bonds, competitive invitations, instructions to bidders and advertising.

Bid Award Factors – The following factors in combination, not necessarily listed in their order of importance, may be considered in reviewing bids and awarding contracts:

- (1) Price
- (2) Bidder's previous record of performance and services.
- (3) Ability of bidder to render satisfactory service in this instance.
- (4) Availability of bidder's representative to call upon and consult with using department.
- (5) Quality and conformance to specifications.
- (6) Reference check reports.

Bid Format – Bids should be typed using a standard format provided by the College whenever possible. Complete information should be provided including, but not limited to, quality,

description, delivery, special conditions, drawings, specifications, bid call date, references, etc. The invitation to bid must be thorough and attempt to remove all variables.

Bid Award Procedures – Efforts should be made to obtain at least three (3) bids. The following is a list of other factors to consider:

- (a) In case of proprietary items, acquire bids from competitive models or brands of same specifications and quality or as close as possible for comparison.
- (b) When obtaining bids, consideration shall be given to those vendors who are qualified or can be qualified to meet all requirements.
- (c) Technical questions will first be directed to the Purchasing Department. Answers to technical questions arising during the bidding process should be provided to the requisitioner. The Purchasing Department will coordinate the reply and ensure all potential suppliers are provided with the same information.
- (d) After all bids have been received and examined for completeness, a summary sheet is to be prepared noting all the pertinent data and discrepancies. Determination of the lowest qualified bidder and award recommendations will be made after preference of the requisitioner has been considered.
- (e) A copy of each bid response and other information gathered shall be placed in a bid file folder as backup documentation. The bid file folder and the bid summary sheet will be available in the Purchasing office for the requisitioner to complete the bid evaluation.
- (f) Vendors shall be notified when the bid is closed and awarded.
- (g) In accordance with Section 3.5 Conflict of Interest/External Pressure, bids shall not be solicited from nor any order placed with any such company.

Request for Proposal Procedures – There are several procedures that must be followed, when applicable, when using this method of procurement. The procedures are as follows:

1. Proposals are to be accepted at the advertised date and time. The names of the submitted proposals will be read into record, but will not be opened in front of any attending vendors.
2. The interview team (when applicable) is assembled and instructed in the following area:
 - (a) The interview team will develop a timeline to complete the project. At this initial meeting the interview team will read and develop questions about each proposal submitted.
 - (b) The questions will be routed to the Purchasing Office and will be sent to the proposers with an appointed time to interview.
 - (c) Copies will not be made of the proposals.
 - (d) All proposers will be interviewed and answers will be noted and placed in the proposal file.

- (e) The interview session will be conducted in closed session with the interview team and the vendor.
- (f) The information discussed at the interview will not be divulged or discussed outside of the interview wrap up session.
- (g) If the interview team is asked about the proposals or about the award of the proposal, the interview team may only give out the names of those submitting a proposal.
- (h) After all proposers have been interviewed, a wrap up session will be held to determine the award recommendation.
- (i) The formal recommendation will be routed to the Executive Vice President for approval.
- (j) Once the formal recommendation has been signed and approved, the information becomes an open record and the successful proposer will be notified in writing and a purchase order issued.
- (k) Additional letters are forwarded to the remaining proposers with a tabulation sheet notifying them of the award.

Right of Rejection Clause – The College reserves the right to reject any and all bids and proposals, to waive all formalities and to award the contract in the best interest of the College.

4.4 Bid Opening

Formal advertised written bid procedures by the Purchasing Department are required for purchases totaling fifty thousand dollars (\$50,000.00) or more and are utilized in some cases for purchases of lesser value at the discretion of the Purchasing Department. This procedure generally takes a minimum of twenty five (25) to thirty (30) working days. Additional time is needed to prepare specifications, place required advertisements, tabulate bids, obtain board approval and issue the purchase order. Department Heads requisitioning items should allow sufficient time for the above procedures when anticipating their purchasing needs. Since bids of this size require Board of Trustee approval, Department Heads are advised to familiarize themselves with the Board of Trustee meeting dates so as to coordinate purchases with them. See Section 4.4 (a) and (b) to determine the time needed to complete the bid.

- (a) Sealed bids will be opened in the Purchasing Office, unless otherwise specified, at bid call time. After opening the bid(s), the bid(s) will be tabulated and the entire bid file will be available in the Purchasing Office for the requisitioning department to review, if requested, prior to presentation to the Board of Trustees for consideration and approval. Upon review of the bid file, the Department Head should immediately recommend the low bid or the bid of best value, if requested. If the low bid is deemed unacceptable, the Department Head should write a clear, concise and factual justification for accepting another submitted bid.
- (b) In determining the “**lowest or best value**” bid or proposal, price, quantity and/or other factors should be considered. This would include specifications, delivery, purchase price,

life expectancy, cost of maintenance and operation, operating efficiency, training requirements, disposal value, availability of service, freight and any other factor contributing to the overall acquisition cost of an item. Consideration may be given, but not necessarily limited, to conformity to the specifications, product warranty, the bidder's ability to supply and provide service, delivery schedule and past performance in other contracts with the College.

4.5 Exception to Competitive Advertised Bid Procedure

There are few circumstances and items which are excluded in all or part of the aforementioned bid procedures. Please note that failure to anticipate needs due to poor planning is in effect not an emergency and therefore not an exception. Certain situations which may authorize purchases without bid procedures are as follows:

Emergency Purchases – See Section 3.1 (a)

Purchases from State Contracts and Cooperative Purchasing Programs – The College may participate in these programs by filing with the commission a resolution adopted by the Board of Trustees requesting that the College be allowed to participate on a voluntary basis. All purchases made through said participation in this program meet and/or exceed all State requirements relating to the competitive bidding process.

Professional and Contracted Services – There are many professional services that are exempt from bidding by the State of Texas. Examples of these services are architects, engineers, accountants, surveyors, appraisers and physicians.

The Handbook on Competitive Bidding for Texas Public Schools and Junior Colleges will issue a recommendation that all personnel services are exempt from competitive bidding by issuance of Attorney General's Opinion JM 940. The Attorney General's Opinion and the recommendation from the Texas Education Agency handbook states the following: "...no longer includes only services of lawyers, physicians, or theologians, but also those members of disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence including guest speakers, consultants, writers, and artist." This statement includes that the service performed should be for continuation of an existing project. If the project is a new service or a new construction project then the competitive bid laws will be followed.

The professional service personnel may not provide any products for the project. If projects are provided, then the product must be bid, but not the person providing the service. (DM 114, Attorney General's Opinion and The Handbook on Competitive Bidding for Texas Public Schools and Junior Colleges)

Although competitive bids are not required, purchase requisition and purchase orders are required for all professional services. The College will need the full name of the individual, social security number, address, city, state, zip code and Employer's Identification Number on each requisition.

Utility Service – Exempt from competitive bidding, i.e. electricity, gas or water.

Emergency Repairs – Contracts/purchases for the repair or replacement of school equipment that has been destroyed or severely damaged may be made without resort to

competitive bidding or any of the other purchasing requirements if the Board of Trustees determines that the time delay posed by adhering to those requirements would prevent or substantially impair the conduction of class or other essential College activities.

Purchases of Information Technology Equipment from State Department of Information Resources Vendors – These purchases are exempt from advertised bids. However, the College must obtain formal quotations for this type of purchase.

Interlocal Agreement Purchases – The purchases are exempt from advertised bids. However, price quotations must be obtained and approved in accord with local policies.

Annual Bid Items – Purchases from vendors approved under annual bid procedures are excluded from additional advertised bid requirements.

Purchasing Resources – The College has the ability to purchase from the following contract entities, including but not limited to, which are exempt from advertised bid requirements:

1. Texas Multiple Award Schedule – TXMAS
2. Texas Procurement and Support Services – TPASS
3. Texas SmartBuy
4. Department of Information Resources – DIR
5. BuyBoard
6. The Cooperative Purchasing Network – TCPN
7. US Communities
8. The Interlocal Purchasing System – TIPS
9. NJPA Coop Org.
10. Texas Association of Community Colleges – TACC

4.6 Errors in Bids or Quotations

Vendors are responsible for the accuracy of their quoted prices. In the event of a discrepancy between a unit price and its extension, the unit price will govern. Bids may be amended or withdrawn by the bidder up to the bid opening date and time. After that time, in the event of an error, bids may not be amended, but may be withdrawn prior to the acceptance of the bid. After and order has been issued, no bid may be amended. In the case of a Board of Trustees approved bid, the rescinding of the bid and the awarding to another vendor will require further Board of Trustee action.

4.7 Late Bids

It is the vendor's responsibility to ensure that their bid is received in the proscribed location no later than the appointed hour of the bid opening date as specified on the request for bid. Any bid received after the bid opening time will be rejected and returned to the vendor unopened.

4.8 Confidentiality of Bids and Quotations

Price quotations are given to the College in confidence and shall not be revealed to any other vendor or unauthorized person for any reason. However, in some cases, said documents may become part of an open record and will be treated as such.

4.9 Small Orders

In many instances, the District Procurement Card can be used to accommodate such purchases.

- (a) Small orders made by the Purchasing Department are expensive and should be kept at a minimum. The same amount of clerical time and often more negotiation time is actually spent in handling an order for \$5.00 as for \$100.00 or more. Small orders are quite costly to vendors as well. In many cases, the sales expense of writing up and order, rendering invoices and shipping the merchandise is more than the value of the goods. One of the difficulties in institutional procurement is the great number of relatively small orders in which the Purchasing Department must deal with a large and assorted group of vendors. Every effort is made to cultivate vendors in such a way that they are interested in the total amount of business from the College, so they will handle, without undue complaint, a fair number of small orders which to them are nuisance orders.
- (b) There are a fair number of extremely small orders that are inescapable. Many of these are inherent to budget limitation or class schedules and some are caused by lack of long term planning. However, appropriate planning should be practiced by all departments.
- (c) If materials are going to be used on a continuing basis, even in relatively small quantities, and if the expense is not great, rather than placing an order every few weeks for a relatively small quantity, purchase and stock said items or use the blanket order system.
- (d) Vendors are in business to make a profit by handling items in large quantities. Consequently, it would benefit the College to order merchandise in large quantities and minimize the number of small orders.
- (e) The Purchasing Department issues many purchase orders each year. A much better job could be done in securing better prices and/or better service from the vendors if this number could be reduced. The same amount of merchandise could be ordered with a fewer number of transactions and the business would be more eagerly sought after by vendors.
- (f) Departments are urged not to stock large quantities of items that might deteriorate or become obsolete before they are used. The advantages of lower prices and better service, both from vendors and the Purchasing Department, also benefit individual departments.

4.10 Purchase Order Changes

- (a) Changes in purchase orders concerning quantity, price or specifications regardless of value shall be made in writing to the Purchasing Department.
- (b) Official notification will be made to the vendor by the Purchasing Department if acceptable.

4.11 Purchase Order Cancellation

- (a) Request for cancellation of an outstanding purchase order shall be requested in writing to the Purchasing Department. Such memoranda should include the purchase order number, the vendor's name and the reason for requesting cancellation.

- (b) In the event that a vendor has begun production of a custom made part or product or has secured for delivery to the College an article that the vendor is not likely to sell within the vendor's normal scope of business, or the vendor has incurred costs in preparation for special or custom production, the College shall accept such cost as the vendor may incur as a result of this cancellation. These costs might include payment for all custom-made parts or products already complete prior to cancellation or restocking charges incurred for returnable goods.
- (c) Any charges incurred by the College due to cancellation of an order, such as freight cost and restocking fees, will be charged back to the requisitioning department.
- (d) An official notification will be sent to the vendor by the Purchasing Department.

4.12 Sole Source Procurement

The District Administration recognizes that there may be instances when proprietary or sole source purchases must be made, however, such purchases must be appropriately justified. According to Section 3.09, Article 601b, V.T.C.S., the justification for such purchases must be in writing and must be based upon a need for some feature or characteristic (specification) that is unique to the requested product or service that cannot be provided by any other vendor. The written justification, signed by the requestor or other authorized individual, must be forwarded to the Purchasing Office and must contain the following elements:

- (1) Identification of the unique feature(s) or characteristic(s)/specification(s) of the requested product or service that will serve as the basis for proprietary/sole source justification.
- (2) An explanation of the need for the unique specifications. This explanation must address the critical importance of the unique specifications to the intended use of the product or service.
- (3) A reason stating why a competitor's product is not satisfactory. This section must relate to the explanation of need for the unique specifications and should serve to support a finding that the stated need cannot be met with competing products. Sufficient detail must be included to show that the marketplace has been canvassed to locate acceptable competitive products.
- (4) A statement that clearly articulates the effects on the program if the goods or service were to be obtained elsewhere.
- (5) A letter from the company stating that the product or service is exclusively sold by them and cannot be purchased from any others.

The written justification is not a justification to purchase. The law does not require that the decision to purchase products or services be justified. It is a justification of the need for something that is unique about the product or service that precludes competition. It is important to note that the price of a product is not acceptable justification for a proprietary purchase. Price is determined through competitive bidding. If there are two or more products that are acceptable, preserving the competitive bidding environment will help ensure that the District receives the best price.

The proprietary purchase procedure is a valuable tool that should be used whenever appropriate. If a proprietary purchase is justified, the request should be processed accordingly, rather than by soliciting “competitive” bids and then attempting to disqualify bids received on other products.

Because purchasing files are subject to the Open Records Act, the use of proprietary/sole source purchase procedures is an overt act that must withstand critical scrutiny. Justification must be objective and must avoid statements that cannot be substantiated. *The justification cannot be that competing products are not satisfactory. Statements regarding product quality that may be subjective should not be used.* It is recognized that many purchases are based upon extensive investigative work done by the requisitioner before submitting the purchase request and that there are good reasons why one product or service will work and another may not. Remember, however, that the proprietary/sole source purchase procedure is an exception to competitive bidding requirements to be used whenever appropriate. It is not a mechanism for avoiding such requirements.

4.13 Impermissible Practices

A Trustee, employee or agent shall not, with criminal negligence, make or authorize separate, sequential or component purchases to avoid the quotation/bid requirements set forth in the District bid policies.

Sequential Purchasing – The time period for which sequential purchases of \$10,000.00 or more in the aggregate must be combined for requesting competitive bids is not well defined. Depending on the individual circumstances and the type of property being purchased, the District’s best interest may be better served by requesting bids for a quantity of items sufficient for a few months or an entire year (this also applies to construction, repair or renovation work). The Texas Attorney General’s Office has taken a conservative position that, if purchases will be or are reasonably anticipated to be \$50,000.00 or more during the entire year, then the District is to request competitive bids. Purchasing officers should determine an amount that is \$50,000.00 or more was allocated in the budget for certain categories of items, or for like or related types of work. “The Handbook on Competitive Bidding for Texas Public Schools and Junior Colleges” published by Texas Education Agency, Austin, Texas 1990.

Component Purchasing – “If the competitive bidding law applies to the aggregate purchase, Districts are not to circumvent the bidding law by purchasing under separate purchase orders related items (component parts) that cannot serve in and of themselves the purpose and function for which the purchase is being made, such as, a refrigerator shell, a freezer shell and a compressor equipment for food storage.” “The Handbook on Competitive Bidding for Texas Public Schools and Junior Colleges” published by Texas Education Agency, Austin, Texas 1990.

Purchasing without a Purchase Order – An employee or agent of the District shall not make or authorize the purchase of any equipment, supplies or services without a purchase order, except when using a District Procurement Card or in the case of an emergency (See Section 3.1 (a)).

4.14 District Procurement Card Program

The District Administrative Cabinet authorizes the use of a District Procurement Card for certain full-time employees for purchasing small dollar supplies, materials and services. Complete District Procurement Card policies and procedures may be found in the *Howard County Junior College District Employee Handbook under Policy Number 4.1* and in the *District Procurement Card Manual*.

4.15 Miscellaneous Purchasing Policies

Rental, Leasing, and Lease/Purchase – All rental, leasing, and lease/purchase agreements require prior approval of the Chief Business Officer. Some rentals, leases and lease/purchases require a contract to be signed. Please refer to Sec. 3.3 Contractual Authority before signing any agreement. Proposed written agreements should be forwarded to the Purchasing Department for attachment to the Purchase Order. In those instances where need has not been previously established and reasons for rental are not obvious, a memorandum of justification should accompany the proposed agreement.

Preview Policy – Merchandise, such as film or videotapes, requested for preview and possible purchase shall be requisitioned in the same manner as any other purchase. This requisition should be clearly notated "FOR PREVIEW."

Consignment Policy – Departments are requested not to accept merchandise or equipment on approval or consignment basis. Any request for demonstration or samples of products should be requested through the Purchasing Department. The College will in no way be obligated to pay for or purchase equipment left on consignment.

Correspondence with Vendors – All correspondence concerning bids shall be documented either on the purchase requisition or by a written quote/bid on the vendors' letterhead. At no time shall price, discounts, or any other information given by one vendor be discussed with the vendor's competitor.

Adjustment Negotiations and Damage Claims – The Purchasing Department will conduct all adjustment negotiations. All claims concerning delivered items, whether apparent or concealed damages, should be reported to the Purchaser as soon as possible. It is the responsibility of the Purchasing Department to file damage claims. In no instance should the department contact the vendor, the manufacturer, or the carrier unless asked to do so by the Purchasing Department.

Returns for Credit – When a vendor has shipped items as specified on a purchase order, they have legally complied with their part of the contract and are under no obligation to accept for credit any of those items delivered as specified. Acceptance of a return by the vendor is by no means automatic, and a restocking charge may be incurred. This charge will be assessed to the requisitioning department. Requests for permission to return supplies or equipment to the vendor for adjustment or credit must be cleared through the Purchasing Office. Credit memos received by a department should be handled in the same manner as approving an invoice for payment. Return adjustment which affect the encumbered amount of the purchase order should be processed through the Purchasing Department.

Complaints – It is preferred that no one ever complain about the College; however, it is understood that is not going to happen. Things are going to go wrong occasionally, and there is always something that can be done to improve services. Since complaints cannot be avoided, they

will be dealt with in a positive manner and used to analyze the problems and learn from them.

If you have a complaint about a particular product, manufacturer, or vendor please tell us about it. Be specific about your complaint and include a description of the item, the manufacturer, and model or number of the product, if known.

Fiscal Year-End Procedure – Requisitions for commodities to be paid from the current fiscal year's funds must be in the Purchasing Office by mid-July. The exact date will be determined each year and departments notified approximately one month in advance of this date. Any item(s) received after August 31, will be credited to that departments next year's budget.

Copyright – Most tests, publications and software are copyrighted, printing or reproducing these materials, including reproduction onto a computer medium, is prohibited by law. The purchase of copyrighted materials does NOT grant a right to print or reproduce additional copies of such materials for any purpose.

Furthermore, no adaptations, modifications, or special versions may be made without permission in writing from the publisher.

Reimbursement Policy – There are some situations where it is beneficial for the District to allow an employee to pay for items that do not require quotes/bids out of their personal funds. (i.e. meals for players, single item supplies that must be made from multiple vendors due to lack of vendor supply, etc.). In these situations, the District will require pre-approval. It is the responsibility of the employee to acquire a tax-ID-form so they will not be charged tax. If tax is charged, the District will not reimburse the tax and the cost will be that of the employee.

Organizational Memberships/Certifications – Any membership or certification that is required of you personally to perform your job (example CPA certifications, Nursing license, Dental Hygiene license, etc.) will not be reimbursed or paid for with District funds unless approved by the President.

Clothing Material Purchases – Clothing and shoe items may be purchased from District accounts with prior approval from the Chief Business Officer if the items purchased are used solely in the performance of the employees job function (i.e. lab coat, rubber gloves, security guard uniforms, dental hygiene uniforms, etc.) Clothing items purchased under this policy will remain the property of Howard College; any personal name monogrammed on items must be purchased by the employee themselves.

Clothing for Community/Recruiting Activities – Clothing may be purchased from District funds for employees and/or students for advertising/recruiting purposes with prior approval from the Chief Business Officer.

SECTION 5
PURCHASE ORDER PROCEDURES

SECTION 5

PURCHASE ORDER PROCEDURES

5.1 Overview

The purchase order is a crucial element in the College's purchasing and budgeting process. This process makes it possible to track all purchases and assure that the budget is followed. Purchases made outside of these procedures may cause College budgets to inadvertently overrun or in some cases may leave the ordering party liable personally for the purchase(s).

5.2 Purchase Order Policy

No purchases of any merchandise or services are to be made without prior approval on a purchase requisition and the issuance of the official purchase order by the purchasing department. Any purchases made without a purchase order may be returned to the vendor and payment denied or if the merchandise is received and insufficient budget exist to pay for said merchandise, the ordering party may be held financially liable for payment of said merchandise.

5.3 Purchase Requisition

The following sections of the purchase requisition must be completed by the requestor in order for the purchasing department to process it:

1. Request Type – Regular Requisition (RR) or Direct Pay (DP)
2. Vendor Identification – Use existing vendor identification number or input TBA and provide vendor details in the notes
3. Date Purchase Order is needed
4. Instructions for forwarding Purchase Order to vendor, i.e. fax, mail, email, etc.
5. Delivery Method – Ship, Deliver, Pick Up, etc.
6. Vendor Contact – Vendor's representative name
7. Vendor Fax Number
8. Requested By – Individuals name inputting the requisition and/or who will be receiving the goods and/or services
9. Account Number and Proper Object Code
10. Catalog Code – Manufacturer's and/or Vendor's Item #
11. Description of Product and/or Services – Must be descriptive and use information provided on quotes including Quotation #'s and/or Contract #'s
12. Quantity Requested
13. Unit Category
14. Cost per Unit
15. Notes – Please use the notes to include quotations, vendor information, specific instructions, etc.

5.4 Purchase Order

After completion of the purchase requisition, the Purchasing Department will process the purchase order once the requisition has been approved by all parties in the approval chain and the purchase order is then generated using a sequential purchase order number. The Purchasing Department will generate the purchase order and forward to the vendor as appropriately requested.

5.5 Receiving Report

Once goods and/or services have been received, the requesting party shall update the receiving report and forward to the District Accounts Payable Department. If the requesting party only receives a partial shipment and the balance will not be received within 5 days, said party shall update the receiving report notating actual quantity received and forward to the District Accounts Payable Department.

5.6 Invoices

Vendors should send all invoices to the District Accounts Payable Department. However, if the requesting party receives an invoice for goods and/or services ordered, a copy should be sent to the District Accounts Payable Department immediately, either electronically or by fax and the original forwarded.

SECTION 6
PROPERTY MANAGEMENT PROCEDURES

SECTION 6 PROPERTY MANAGEMENT PROCEDURES

6.1 Fixed Asset Policy Objectives

The purpose of the fixed asset policy of the College shall be to:

- a. Comply with generally accepted accounting principles as promulgated by the Texas Higher Education Coordinating Board.
- b. Comply with Federal regulations pertaining to grant application requirements.
- c. Maintain appropriate stewardship of the location and value of fixed assets.
- d. Avoid unnecessary purchases by identifying assets that can be shared or reallocated to other departments.

6.2 Capital Equipment Definition

Capital equipment includes all personal property having all of the following characteristics:

- a. An expected useful life in excess of two (2) years.
- b. An identity which is not altered materially through use.
- c. A unit cost of \$5,000.00 or greater.

6.3 Departments Subject to Property Management Procedures

- a. All departments and employees of the Howard County Junior College District.

6.4 Property Manager's Responsibilities

The Property Manager shall:

1. Maintain a complete and accurate set of centralized records.
2. Issue a manual of instructions containing rules and regulations concerning the college's inventory and make available the necessary records, reports and forms needed to maintain the college's inventory.
3. Ensure that all items inventoried by the college are permanently labeled with the assigned inventory number.
4. Coordinate a physical inventory of all inventoried items at least once every two years or as specified by other requirements.
5. Determine procedures whereby items on inventory are transferred, changed, added or deleted on the inventory system, consistent with college, Federal and State guidelines..

6. Supervise the inventory records of each department in order to assure that such records accurately reflect the inventory currently assigned to each department.

6.5 Department Heads' Responsibilities

The Department Head shall:

1. Be responsible for the proper care, custody, maintenance and safekeeping of the college's inventory possessed by their department.
2. Shall acknowledge possession of all property entrusted to the Department Head and to their department during the physical inventory.

6.6 Responsibility of All Employees

It is each employee's responsibility to use the college's personal property for only college purposes and to exercise reasonable care for its safekeeping. The term "reasonable care" means that, at a minimum, steps have been taken to maintain the upkeep of any asset in an acceptable manner, ensure the security of any asset, ensure that the asset can be located at any time requested and ensure that the person responsible for the asset is known.

6.7 Change in Responsibility for Assets

No employee is relieved of responsibility for property in their area of responsibility until the outgoing employee has delivered a receipt for said property to the incoming Department Head who, in turn, upon verification and signature, shall forward the completed form(s) immediately to the Property Manager. This receipt shall state as follows:

"I understand that I am under financial liability for loss or damage to this (these) item(s) if the loss or damage results from my negligence, intentional act or failure to exercise reasonable care, safeguard, maintain and/or service it (them)."

Signature _____ Date _____

6.8 Tracking and Securing Assets

- a. Each department is responsible for ensuring that assets are tracked and secured in the manner that is most likely to prevent any loss of property.
- b. Each responsible person must know where all assets entrusted to them are located at all times, should have a method for locating any inventory item whether on-site or off-site under their control and should be able to locate a given item upon request.
- c. Each person should be diligent to assure building security at all times. The college should ensure that individuals in charge of security apprise the Property Manager of violations or weaknesses in security that could subject personal property to misuse or theft.
- d. Property that is checked out to employees must be used for college purpose only and the responsibilities of stewardship and care of the property are the employees' responsibility. Before any college property can be checked out by an employee of the college, said employee

must complete and sign a Liability Agreement for Equipment Use Form. This form must state as follows:

*As the representative of my organization/department, I, (Name), assume full responsibility for the following equipment checked out in my name from Howard College. I understand and accept the responsibility that if the equipment checked out to me becomes damaged or lost due to any negligence on my part, I will be held responsible and agree to pay all charges for repair or replacement at current value prices for the equipment that is lost or damaged. **I also understand and agree that the equipment will be used solely for college use and that any other use of the equipment for personal gain is illegal and may result in termination.***

6.9 Transferring Inventory

Transferring property from one location to another without first completing an Inventory Transfer form is prohibited, except in emergency situations where a college function would cease due to a piece of equipment breaking down. In an emergency situation, the transfer from must be completed and submitted to the Property Manager within 24 hours.

The following information and procedures must be completed by the Department Head with the equipment before any transfer is to take place:

- a. Complete an Inventory Transfer Form indicating where the equipment is and where it is being transferring to.
- b. Have both the releasing and receiving Department Head sign and date the Inventory Transfer Form.
- c. Submit the Inventory Transfer Form to the Property Manager so that the property is transferred in the fixed asset system.

IF AN ITEM WITHIN YOUR DEPARTMENT OR CARE IS TRANSFERRED AND YOU CANNOT ACCOUNT FOR THAT ITEM, THEN THE ITEM WILL BE REPORTED MISSING OR STOLEN AS PER SECTION 6.10 OF THIS MANUAL.

6.10 Reporting Missing or Stolen Property

Definitions of Missing and Stolen:

- a. Missing – Any personal property for which the disappearance is not explained.
 - b. Stolen – Any personal property missing by known theft, whether by forced removal, burglary, theft by employees and/or other criminal acts.
1. The Department Head entrusted with property that is missing or stolen shall notify the Property Manager within 24 hours. If there is substantial evidence to believe the property was stolen, then the local law enforcement agency is to be called by the Department Head immediately and a report filed.
 2. The Property Manager must notify the Chief Business Officer upon being notified of the loss or theft of personal property.

3. Property that meets the criteria for missing or stolen property may be deleted from the college inventory system only after first acquiring the approval from the Chief Business Office. Any item filed as missing will remain on the college inventory system for a minimum of two (2) physical inventories and/or two (2) calendar years from the time the item is determined to be missing. Stolen items may be removed before two (2) years if approval is given.
4. The procedure for reporting missing or stolen property are:
 - i. Determine if the property is missing or stolen. If you believe it to be moved and not stolen, attempt to locate it. If the missing item cannot be located within 48 hours, then the local law enforcement agency are to be called and a report filed. However, if it is obvious that a theft has occurred, then a theft report should be filed immediately.
 - ii. All property maintained on the college inventory system which is found to be missing or stolen must be reported within 24 hours of identification to the Property Manager on a Missing or Stolen Property Report, along with a copy of the filed theft report if there is evidence of theft.
 - iii. In the event of employee theft or negligence, the responsible employee may be held financially liable for the replacement of the property.

6.11 Liability for Property Loss

Each employee entrusted with property must exercise, at a minimum, reasonable care for its safekeeping. The term reasonable care means that steps have been taken to maintain the upkeep of any asset in an acceptable manner, to ensure the security of any asset and to ensure that any asset can be located at any time requested.

If there is reasonable cause to believe that the property is missing, destroyed or damaged through the negligence or fault of an official or employee of the college, then said official or employee may be held financially liable for the item(s).

The liability proscribed by this section may be attached on a joint basis to more than one person in a particular instance. A person could be deemed liable for the loss if:

1. Property disappears as a result of the failure of the Department Head or employee entrusted with the property to exercise reasonable care for its safekeeping;
2. Property is damaged or destroyed as a result of an intentional wrongful act or of a negligent act of any college employee.

Loss due to a negligent or intentional act may result in the responsible party being held financially liable.

6.12 Fixed Asset System

The fixed asset system is maintained by the Property Manager.

A. Data maintained includes:

1. Inventory Tag Number – The specific identifier assigned to the respective item.

2. Description of the Item
3. Model Number
4. Serial Number – If applicable.
5. Vendor ID – Vendor from whom the item was purchased.
6. Cost – Purchase price including freight and any other expenses incurred to make the equipment operational or other established value for the item such as fair market value as in the case of donated equipment.
7. Date Acquired – Date the item was received by the college.
8. Campus Code – Location of which campus purchased it item.
9. Building and Room Numbers – Location of item deployed.
10. Purchase Order Number
11. Account Number – Account used to purchase the item.
12. Class Code – Commodity classification of the item.

B. Items are added to the fixed asset system by the Property Manager if:

1. The item(s) purchased meet all of the criteria listed in Section 6.2 Capital Equipment Definition.
2. The item(s) is transferred from another institution or agency.
3. The item(s) is fabricated on campus. This item would be place on inventory at the cost of materials plus labor.
4. The item(s) is donated. Donated equipment is added at the fair market value of the equipment at the time of donation.
5. The item(s) is electronic equipment with a purchase price of \$500.00 or greater.
6. The item(s) has been identified by the department or Property Manager as an asset that should be tracked.

6.13 Fixed Asset Deletion

Howard College – Items may be deleted from the fixed asset system only after receiving approval from the Chief Business Office, President and/or the Board of Trustees.

6.14 Trade-In of Equipment

Equipment that has become inadequate for the needs of the department may be used as a trade-in towards the purchase of new equipment when the Department Head determines that such action is in the best interest of the college. The department shall notify the Property Manager prior to the trade-in. The amount allowed for the equipment used as a trade-in must be shown on the request to have the equipment deleted from inventory.

6.15 Declaration of Surplus

1. Equipment which is carried on departmental inventories will be reported by Department Head to the Property Manager.
2. Upon receipt of the request, the equipment will be transferred to the surplus property inventory where it will be available for transfer to other departments on a non-reimbursable basis. During the time that the equipment is available for transfer, it will be kept at the campus' designated surplus area.
3. Equipment which is carried on inventory (\$500.00 or more) may be transferred at no cost to any college department upon.
4. Equipment which is not carried on inventory (less than \$500.00) and does not have any management controls placed upon it may be transferred to any department at no cost.
5. Property from SWCID may not, under any circumstance, be transferred to Howard College.

6.16 Sale or Disposal of Surplus Property

Surplus property, after it has been determined that the equipment cannot be used by any other department, may be sold by sealed bids or through a public auction or, in the case of electronic equipment, may be disposal of at a e-waste processing center upon receiving approval from the President and/or Chief Business Officer. The Property Manager will determine which method is the most beneficial to the college and present a detailed list of property to be sold to the President and/or Chief Business Officer.

- a) Sealed Bid Sales – Surplus property sold by sealed bids will be advertised in a local newspaper at least two (2) times. Sealed bids will be received by the Chief Business Officer two (2) weeks following the last running of the advertisement at which time the bids will be opened and awarded to the highest bidder.
- b) Public Auction Sales – Surplus property may be sold through an auctioneer or through silent bids once the sale has been advertised in a local newspaper. If an auctioneer is used, said auctioneer is responsible for advertising. The Property Manager will keep records of this advertising plus documentation of equipment sold.

DISCLAIMER – Where bids are solicited for the sale of surplus property, the college shall, in all instances, reserve the right to reject any and all bids and waive any or all formalities.

ENCLOSURES

**HOWARD COLLEGE
AND
SOUTHWEST COLLEGIATE INSTITUTE FOR THE DEAF
LIABILITY AGREEMENT FOR EQUIPMENT USE**

As the representative of my department/organization, I, _____
assume responsibility for the following equipment checked out in my name from Howard College/State
of Texas. Repair costs for any damages to the equipment during this checkout period could be my/our
responsibility. I and/or my department/organization will be liable for the current replacement cost of any
parts missing or stolen from the equipment listed below. I understand and agree that the equipment will
be used solely for State of College use and that any other use of the equipment for personal gain is
ILLEGAL.

Equipment checked out includes the following:

Inventory #	Description	Serial Number

Name of Borrower

Department/Organization Name

Phone Number

Loan Authorized By

Date

Signature

Date Returned

**HOWARD COLLEGE
AND
SOUTHWEST COLLEGIATE INSTITUTE FOR THE DEAF
STATE PROPERTY LIABILITY AGREEMENT**

I understand that I am under financial liability for loss or damage to all equipment entrusted to me if the loss or damage results from my negligence, intentional act or failure to exercise reasonable care, safeguard, maintenance and service to the item(s).

Department Head Name

Department Head Signature

Date

Signature(s) of other person(s) responsible

Date

**HOWARD COLLEGE
AND
SOUTHWEST COLLEGIATE INSTITUTE FOR THE DEAF
INVENTORY TRANSFERS**

Request to transfer the following equipment from

Please  one:

_____ Building _____ Room/Office _____ to

This transfer is:

_____ Building _____ Room/Office _____ on

_____ Permanent

_____ Date

_____ Temporary

_____ Name of Department Head Releasing Equipment

_____ Signature

_____ Date

Inventory #	Description	Serial Number

The above listed equipment was received in the following building: _____

Room/Office _____ on _____.

_____ Name of Department Head Receiving Equipment

_____ Signature

_____ Date

**HOWARD COLLEGE
AND
SOUTHWEST COLLEGIATE INSTITUTE FOR THE DEAF
MISSING OR STOLEN PROPERTY REPORT**

Campus _____

Place of Occurrence _____
Address City State Zip Code

Law Enforcement Agency Notified _____ Report Number _____

Estimated Value at Date of Loss _____ Serial Number _____

Fixed Asset ID(s) _____

Description of Item(s) _____

Location of Item(s) _____

Person(s) Responsible for Asset(s) _____

Report in detail: _____

Please one:

<p>_____ Our investigation of the circumstances surrounding the disappearance of the State property listed herein indicates reasonable cause to believe that the loss, destruction or damage to this property was through negligence of the person(s) charged with the care and custody of this property and is, therefore, being reported as required by Texas Government Code Ann. Sec. 403.276 (a) and (b).</p>	<p>_____ Our investigation of the circumstances surrounding the disappearance of the State property listed herein indicates that the person(s) charged with the care and custody of this property was (were) not negligent to the extent indicated in Texas Government Code Ann. Sec. 403.276 (a) and (b).</p>
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This form should be signed and dated by the department head or designated representative.

Signature _____ Date _____ Position _____

**HOWARD COLLEGE
AND
SOUTHWEST COLLEGIATE INSTITUTE FOR THE DEAF**
REQUEST FOR AUTHORITY TO REMOVE EQUIPMENT
(For Broken, Obsolete, Unserviceable or Surplus Property)

Department _____ Date _____

I request that the item(s) listed and described below be removed from the inventory of this department and/or the institution:

Inventory #	Description
Value	Building Location & Room #
I have personally examined the item(s) and request the deletion for the following reason:	
Disposition Suggestion:	
Estimated value of parts, if known:	

Inventory #	Description
Value	Building Location & Room #
I have personally examined the item(s) and request the deletion for the following reason:	
Disposition Suggestion:	
Estimated value of parts, if known:	

Inventory #	Description
Value	Building Location & Room #
I have personally examined the item(s) and request the deletion for the following reason:	
Disposition Suggestion:	
Estimated value of parts, if known:	

Inventory #	Description
Value	Building Location & Room #
I have personally examined the item(s) and request the deletion for the following reason:	
Disposition Suggestion:	
Estimated value of parts, if known:	

Department Head Signature

Date

Property Manager

Date