

**To:** All Administrators and Supervisors  
**From:** Pam Grey – Director of Purchasing Services  
**Date:** February 10, 2014  
**Subject:** Annual Notice of Deadlines for Purchase Requisitions

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**Important Notification – Purchasing Deadlines for FY 13-14**

Please share this memo with all staff members who enter Purchase Requisitions into Banner.

**The deadlines to submit and approve FY 2013-14 Purchase Requisitions are:**

<b>Friday</b>	<b>February 21, 2014</b>	<b>Requisitions for formal bid requests</b>
<b>Monday</b>	<b>April 28, 2014</b>	<b>Requisitions for all other FY 2013-14 purchases</b>
<b>Friday</b>	<b>May 9, 2014</b>	<b>Requisitions for Open POs commencing 7/1/14</b>

The Purchasing Services department regularly experiences significant workload increases as the end of a fiscal year approaches. This is due to a variety of reasons, including:

- Measure C funded construction and equipment bids;
- Purchase requests with “use it or lose it” funds that must be encumbered/spent before year-end;
- Surplus property disposal requests, sales, donations, and recycling;
- An annual rise in purchasing activity that occurs toward the end of every fiscal year.

Approved purchase requisitions that are received in the Purchasing Services department on or before the relevant deadline receive priority processing. *The order of priority for processing requisitions received by the imposed deadline dates will be:*

- Requisitions that involve funds that will be returned if not encumbered/spent before 6/30/14;
- Requisitions for materials, equipment, supplies;
- Requisitions for services that begin in fiscal year 2014-15.

**Any Purchase Requisition received after the established deadlines will be subject to the exceptions process as outlined in this memo.**

See additional pages for details regarding the deadline dates indicated above.

The current deadlines are as follows:

**I. Friday, February 21, 2014:** Requests for Purchases that require a bid process

The (a) and (b) purchases described below involve a lengthy formal bidding process. The formal bid process requires a variable amount of preparation time wherein Purchasing Services and the requester work together to create a finalized bid document, including technical specifications, plus it requires approximately ninety (90) additional calendar days for completion of the bidding process and award by the District's Board of Trustees. Given that many formal bid requests are already in the queue, it is unlikely that Purchasing Services will be able to process additional requests for formal bids quickly enough to meet the final fiscal year 2013-14 Board of Trustees submittal deadline of June 4, 2014 for its June 16, 2014 meeting.

Please contact the Director of Purchasing Services right away if you have concerns regarding 2013-14 formal bids.

This deadline is applicable to the following types of requisitions:

(a) Purchase Requisitions for materials, supplies, equipment, or services, including facility maintenance services as defined in I (b) below, when the total estimated cost including sales tax and freight exceeds \$84,100 or when the estimated cost is less than this amount but the purchase will be funded by a grant that requires formal advertised bidding.

(b) Purchase Requisitions for public project work if the cost will be \$15,000 or more.

"Public project" means any of the following: (1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility or (2) Painting or repainting (other than touch-up) of any publicly owned, leased, or operated facility or (3) Telecommunications cabling and networking.

"Public Project" does not include work that is "maintenance." Maintenance in this context means *routine, recurring, and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility* for its intended purposes in a safe and continually usable condition for which it was designed, improved, constructed, altered or repaired. Maintenance work is subject to the higher bid threshold cited in (a) above which is \$84,100.

**II. Monday, April 28, 2014:** All other general Requests for Purchases – including categorical/grant funds (This is the date by which fiscal year 2013-14 Purchase Requisitions must be *approved and posted* in Banner)

In order to ensure that your purchases will be encumbered against the current fiscal year 2013-14 budget, the Purchasing Services department must receive properly *approved* Banner Purchase Requisitions and the associated back-up materials no later than April 28, 2014. In order to allow sufficient time for all approvers to approve requisitions in Banner, requisitioners should do the following:

- Enter the requisitions to Banner no later than April 4, 2014.
- Alert approvers so they will know they should log into Banner to approve the requisitions.

- Remind approvers that 2013-14 requisitions must be approved no later than April 28, 2014 in order to create a reservation against the 2013-14 budget. If the requisitions are not approved by April 28, 2014, they will be processed in fiscal year 2014-15 against the 2014-15 budget.

This deadline is applicable to the following types of requisitions for all FOAP's including Grant funds and Student Instructional Material Fee funds:

(a) Purchase Requisitions for supplies, materials, equipment, or services, including facility maintenance as defined in part I paragraph (b) above, with a total estimated cost that is less than \$84,100 including sales tax and freight.

(b) Purchase Requisitions to increase Open Order encumbrance balances for the 2013-2014 fiscal year.

(c) Purchase Requisitions for public project work, as defined in I (b) above, if the total cost will be less than \$15,000 (fifteen thousand dollars). If the estimated cost exceeds \$15,000, see the deadline in part I above.

**III. Friday, May 9, 2014 (but sooner is better) for Open Purchase Orders that commence July 1, 2014:** (Fiscal year 2014-15 is now open in Banner. Please immediately begin to enter Purchase Requisitions to Banner for fiscal year 2014-15 Open Purchase Orders for supplies or maintenance services.)

**Important: You must use a Banner transaction date of July 1, 2014 or later.** *If this is not done, Purchasing Services will not process the requisition until after mid-July.*

These Purchase Requisitions should be entered as soon as possible, and approved no later than May 9, 2014, so that Purchasing Services can obtain quotations and create Open Purchase Orders for activity commencing July 1, 2014. Purchase Requisitions for Open Purchase Orders must accurately specify the projected expenditures for fiscal year 2014-2015 so that the Open Purchase Order encumbrance amount will be sufficient to pay all the associated invoices through June 30, 2015.

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## Departmental Responsibilities and Other Helpful Information:

- (1) Prepare Purchase Requisitions early and ensure that they are approved in Banner.
- (2) Follow the procedures for entering a Purchase Requisition that have been established by your campus administrators. If you are unclear about the procedures, contact your campus Furniture, Equipment, Technology (FET) Coordinator or Furniture, Fixtures, and Equipment (FF&E) Coordinator for further instruction.
- (3) For **items that must be delivered prior to July 1, 2014**, enter a Purchase Requisition to Banner as early as possible, particularly if the requested products typically have long lead times (“lead time” refers to the amount of time that the vendor needs in order to manufacture and deliver the item after receiving the Purchase Order). The requisition must be completed and approved prior to the deadline dates indicated above. It is the Department’s responsibility to include comments within the text of the requisition (document text print) that explain the reason for the expedited delivery requirements. If the requisition does not relay the information, then the requisition will be processed in its regular order.

The deadline dates established above assume that the vendor can deliver within 30 days of receiving a Purchase Order, but for some products, such as furniture, typical delivery time may be 60 to 90 days after receipt of a Purchase Order.

- (4) Purchase Requisitions should **include a clear description of what is requested**, i.e., a specification. If you need assistance, please contact the District Buyer assigned to the requested commodity or the Director of Purchasing Services. Please note that the Buyer assignment list is posted on the web at <http://purchasing.fhda.edu/>, however it is subject to change.
- (5) The deadlines in this memo also apply to **all categorical and grant-funded purchases as well as student instructional materials fee funded purchases. Purchasing Services staff will not be responsible for monitoring which FOAPs have deadline requirements.** If the funds must be spent and encumbered by a specific deadline date, then it is the department’s responsibility to relay that information directly in the text of the requisition (document text print) and the requisition must be completed and approved by the deadline dates indicated above.

Contact the Grants Monitor if you do not know the grant requirements. Contact your campus budget administrator if you have questions regarding student instructional materials fee fund requirements and/or balances.

- (6) On requisitions for **FY 14-15 Open Purchase Orders** that will continue the existing rental or lease of copiers, mail machines or other equipment, include the previous years purchase order number, as well as the valid contract numbers, serial numbers, and model numbers of the equipment in the “document text print” field.
- (7) To prevent payment delays, if you have established an **Independent Contractor Agreement (ICA) or Agreement for Services** and will need a Purchase Order to pay for the related invoices, submit a Purchase Requisition by the deadline dates above and the completed signed ICA/Agreement to Purchasing Services before the contractor begins work. See Board Administrative Procedure 3140 at the following link for more information: <http://purchasing.fhda.edu/policies>.

(8) Purchase Requisitions for **purchases of computer hardware and software including peripherals, servers, printers, scanners, and multimedia equipment** must be reviewed and approved by ETS prior to being processed by Purchasing Services.

(9) It can take an average of four to six weeks for Purchasing Services to obtain competitive quotations and create a Purchase Order in Banner after the requisition is *approved* in Banner.

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**Exception Process for requisitions received after the Deadline Dates:**

(This process will be applied to all requisitions<sup>1</sup> received after the established deadline dates in which Purchasing Services is requested to process in the current Fiscal Year)

(1) It is the Department's responsibility to notify the Director of Purchasing Services in writing of the request to process a late requisition for the current Fiscal Year. The request must include the requisition number, any required backup documentation, an explanation of why the requisition was not submitted in accordance with the guidelines above, and the reasoning of the importance to process in the current fiscal year, prior to June 30, 2014. ***Do not contact Buyers directly.***

(2) All requests to process late requisitions will be reviewed between the Director of Purchasing Services and the Vice Chancellor, Business Services. As appropriate, the Vice Chancellor, Business Services may elect to discuss a course of action for the late Purchase Request in a Chancellor's Cabinet meeting.

(3) Only requisitions that have been approved through this process will be completed for FY 13-14.

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Please contact the Director of Purchasing Services at (650) 949-6166 or greypam@fhda.edu if you have questions about any of the above.

Thank you for your cooperation.

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<sup>1</sup> Excluding requisitions to increase FY 13-14 open orders to pay outstanding invoices.