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SECTION 1 INTRODUCTION

Section 1.1 Overview of Department

The Purchasing Department is part of the Division of Business & Finance of the University and reports to the Vice Chancellor of Business & Finance. This department includes Purchasing, Central Receiving, Surplus Property and Fixed Assets.

Purchasing Office
The Purchasing Office is responsible for the purchases of goods and services for the University.

Central Receiving
Central Receiving is responsible for receiving items on purchased through the Purchasing Office at a central location and distributing them on campus. Central Receiving also coordinates merchandise returns.

Surplus Property
Surplus Property is responsible for pick up, storing and disposing surplus property in accordance with rules and regulations of the State of North Carolina and the University.

Fixed Assets
The Fixed Asset Officer is responsible for maintaining a complete inventory of all University owned equipment purchased at an initial cost of $5,000 or more.

Section 1.2 Code of Ethics

Elizabeth City State University, as good stewards of public funds should spend monies allotted to us, regardless of source, in an efficient and effective manner. Elizabeth City State University’s purchasing program is built on the principle of fair and open competition. Where it is not sought, or obtained, the reason must be valid and documented.

The Purchasing Office uses fair, ethical, and legal business practices that promote the University’s mission. It is our responsibility to acquire suitable goods and services at the lowest possible cost. We strive to obtain the maximum value for each dollar spent. We will be fair to the vendor and fair to the University. We will be prompt and courteous to all business partners.

The Purchasing Office will conduct business with potential and current suppliers with honesty and integrity. The Purchasing Office will not accept personal gifts from suppliers.
SECTION 2 PURCHASE AUTHORITY AND AUTHORIZATION

Section 2.1 Purchase Authorization

The administrative head of a department serves as the budgetary head of that department and is responsible for the expenditures of those funds. This authority may be delegated to a fund manager. The manager of a fund is responsible for expenditures from that fund; however, this does not relieve the administrative head from responsibility for the allotted budget. The authority to make purchases for commodities and services from these budgets is given to the Purchasing Office by the electronic signatures on the purchasing requisition through Viking Shoppes.

Different funding sources may have different necessary approvals. One example would be Contract & Grant funds require the oversight of the Special Funds Department. These approvals are set up when the fund is established.

Certain expenditures may also require additional approvals such as information technology, fixed assets, and hazardous materials. These additional approvals are set up in Viking Shoppes according to account code.

Section 2.2 Unauthorized Purchases

Signature authority is delegated by the Chancellor. Only those individuals granted signature authority by the Chancellor are authorized to sign contracts. See University Policy 1000.1 http://www.ecsu.edu/administration/legal/docs/policymanual.pdf. An individual who signs or enters into a contract and is not granted signature authority can be held personally liable for the purchase.

Purchases charged against University funds that are made outside of normal procedures may be unauthorized. These purchases may be the personal responsibility of the person making the purchase.

See policy 400.1.2 http://www.ecsu.edu/administration/legal/docs/policymanual.pdf

Section 2.3 Purchases for Personal Use & Conflicts of Interest

Materials purchased with University funds are the property of the State and not intended for personal use. It is not permitted to use University supplies or equipment for personal use.
Purchasing from or through a state employee may create a conflict of interest. It is considered best practice not to purchase materials or services from State or University employee, unless they have been approved by the NC Division of Purchase & Contract.

See ECSU policy 400.1.3 http://www.ecsu.edu/administration/legal/docs/policymanual.pdf

**Section 2.4 Solicitation by Salesman and Product Demonstrations**

Since policy requires goods and services typically be procured from state term contracts or through competitive bidding, solicitation of business and product demonstrations are of little value to the salesman. Only the Purchasing Department or those employees with designated signature authority can enter into agreements.

Salesmen may visit departments to keep them informed or assist with technical aspects of products. A vendor demonstration in no way obligates the University to purchase or lease the equipment or service. Purchase requests following demonstrations will be conducted in accordance with the normal purchasing regulations of the University and State.

Any expense incurred, as well as insurance on the equipment, will be the responsibility of the vendor. Vendors may be asked to submit a certificate of insurance prior to coming on campus.

**Section 3  PURCHASING DELEGATION AND SPENDING LIMIT REQUIREMENTS**

**Section 3.1 General Purchasing Delegation**

ECSU has a general purchasing delegation of $100,000. ECSU is authorized under this general delegation to acquire commodities and services by purchase, rent, and lease or lease purchase. Purchasing rules, regulations and policies must be followed.

Purchases over $100,000 must be handled through the Division of Purchase and Contract of the State ITS Procurement Office unless otherwise exempt by statute.

Certain items are exempt from oversight of the Division of Purchase and Contract. These items can be found in NC Division of Purchase and Contract Purchasing Manual 1.3.13.

Section 3.2 Spending Limit Requirements

Seeking Competition

The purchasing delegation of each University is determined by the North Carolina Division of Purchase & Contract. For those items not covered under state term contracts, competition must be sought. The competition requirement varies according to the overall dollar amount of the purchase.

<table>
<thead>
<tr>
<th>Purchase</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $4,999</td>
<td>Follow Small Dollar Purchase Policy</td>
</tr>
<tr>
<td>$5,000 - $24,999</td>
<td>Quotes from the Purchasing Office are required</td>
</tr>
<tr>
<td>$25,000 - $99,999</td>
<td>Competition must be sought through the formal bid process and advertised on</td>
</tr>
<tr>
<td></td>
<td>the Interactive Purchasing System (IPS)</td>
</tr>
<tr>
<td>$100,000+</td>
<td>Purchase may require approval of NC Purchase &amp; Contract or State ITS Procurement</td>
</tr>
</tbody>
</table>

When Competition May Not Apply

State Term Contract
The State Division of Purchase & Contract enters into annual contracts with outside vendors to acquire favorable prices for many commonly used items. These contracts have already been competitively bid and therefore additional competition requirements do not apply. The State has contracts with several hundred suppliers, covering several thousand individual items. It is not permissible to purchase items similar to those on contract and designed to perform the same function from a non-term contract source. Each contract has separate terms and conditions and should be reviewed to determine if applicable. Items on State Term Contracts can be found at [http://www.pandc.nc.gov/](http://www.pandc.nc.gov/).

Waiver of Competition
Under certain conditions, and otherwise if deemed to be in the public interest by the State Purchasing Officer or university, competition may be waived. Conditions permitting waiver can be found in NC Admin Code 01NCAC 05B.1401 and the approval and documentation required in NC Admin Code 01NCAC 05B.1402. [http://www.doa.state.nc.us/pandc/admcode.htm](http://www.doa.state.nc.us/pandc/admcode.htm)

Nonprofit Work Centers for the Blind and the Severely Disabled
Competition is not required when purchasing from a nonprofit work center for the blind or severely disabled as long as:

- The purchase of goods does not exceed the agency delegation, and
- The goods or services are not available under a term contract, and
The goods or services must be a suitable price and quality, as determined by the university.

**Department of Correction Products**

Preference should be given to the Department of Correction and those items made available from the Department of Corrections and the private sector should only be purchased from the private sector when the Correction Enterprises product will not satisfy the requirement or will not be available when needed.

**Conditional Grants or Donations**

When a grant or donation is received based upon making a purchase from the grantor, the proposed transaction shall be explained in writing and shall have prior approval of the State Purchasing Officer (SPO). When a donation from private sources covers 100% of the purchase price, the purchase or lease may be made without prior approval from the SPO.

**SECTION 4: OTHER PURCHASES & THINGS TO CONSIDER**

**Emergency or “Pressing Need” Purchases**

Purchases of commodities or services may be needed in cases of emergency or pressing need. A pressing need is one that arises from unforeseen causes included, but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work. Emergencies are defined as situations that endanger lives, property or the continuation of a vital program and which can only be rectified by immediate, on-the-spot purchases or rentals of commodities or services.

- A solicitation document with the standard language, terms and conditions should be requested if time permits.
- Negotiation may be made with the selected vendor.
- If over the university delegation, and time permits, prior approval should be received verbally from NC Purchase & Contract (P&C). Subsequently, whether or not time permits for prior approval, an explanation should be submitted to P&C in writing.

As soon as you become aware of the emergency, you should contact the Purchasing Office and begin your requisition process. An email should be sent as soon as possible to explain the emergency and what action was taken. When time permits, authorization to proceed with the purchase should be obtained from the Purchasing Office prior to making the purchase.

**Buying Used Equipment**

It is generally considered in the best interest of the university to purchase new equipment. In those instances that purchasing used equipment would be most advantageous, competition should be sought whenever possible. Justification will be required.
Purchasing Environmentally Preferable Products

As a component of the environmental sustainability efforts of Executive Order 156 Elizabeth City State University will purchase and use environmentally preferable goods and services whenever practicable.

- When environmentally preferable and recycled-content products are offered that are comparable in quality, availability, and price to products not having recycled content or similar environmental attributes, environmentally preferable products will be purchased.
- Specifications should be written to encourage vendors to offer environmentally preferable and recycled-content products.
- All electronic office equipment, including but not limited to, computers, monitors, printers, scanners, photocopy machines, facsimile machines, and other such equipment shall be Energy Star® compliant.

Sustainable purchases will be reported to the Director of Sustainability annually.

Obtaining Federal Surplus Property

The NC Department of Administration operates a Federal Surplus Department. Departments interested in purchasing Federal Surplus Property should contact the Purchasing Office.

Foreign Source Purchases

All goods shipped in from other countries are subject to United States customs and tariff regulations. Certain products may be subject to special approvals and/or licensing provisions. It is the responsibility of the Department to contact the appropriate federal agency to determine the required approval process. For assistance contact the US Department of Commerce and the Purchasing Office.

Historically Underutilized Business Program (HUB)

The HUB Office was established as a result of Executive Order 150 to increase participation of women, minority and disabled owned businesses in the State’s procurement process. Vendors must register through the state system. ECSU must report the amount of purchases made through these identified HUBs. www.doa.state.nc.us/doa/hub

ECSU encourages all eligible vendors to register and actively seeks out registered vendors.
SECTION 5: CONTRACTED SERVICES

Those purchases considered contract services are: General Contractual Services (including printing), Consultant Services and Maintenance and Service Contracts. Contracted services, whenever possible, should be competitively bid. The same dollar thresholds for competition and delegated authority apply with contracted services as with commodity purchases.

For any contract that requires Legal Review, the “Request for Contract Review/Preparation” form should be completed. A copy of the form can be found on the ECSU website.

Contract Service (Personal and Professional Services)

A contract service is defined as a service performed for the University by an independent contractor requiring specialized knowledge, experience, expertise or similar capabilities. Service contracts should contain the following:

a) The date(s) of service (The contract should not be for more than three years including extensions and renewals, without the prior approval of unusual requirements);
b) Detailed specifications or type and level of work required;
c) What the University shall furnish;
d) What the contractor shall furnish;
e) The method, schedule, and procedures for billing and payments; and
f) Other subject matters bearing on the conduct of the work.

Any contract service totaling one thousand five hundred dollars ($1,500) or less can be executed using the template provided by Legal Affairs in the ECSU Policy Manual, Policy1000.1 Form 1. Any contract service greater than one thousand five hundred dollars ($1,500) must be reviewed by Legal Affairs unless it ties to an existing term contract or master agreement.

Competition must be sought, whenever available, using the same limits as outlined in the General Purchasing Policy (400.1.63).

Consultant Services other than Engineering and Architectural Services

A consultant service is defined as a service performed by an independent contractor that possesses special knowledge, experience, expertise and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services. This includes, but is not limited to, the organization, planning, directing, control evaluation and operation of a program or department.
a) All consultant contracts, regardless of dollar amount, must be approved by the Chancellor.

b) A list of all consultant contracts will be reported annually to the Board of Trustees and the Vice President of Finance at UNC General Administration.

c) Competition must be sought whenever available as outlined in the General Purchasing Policy (400.1.XX).

d) Dollar amount approvals from Legal Affairs are the same as General Contract Services.

UNC GA Policy 600.5.4
http://www.northcarolina.edu/policy/index.php?pg=vb&node_id=s13947

**Maintenance and Service Contracts**

At times, it is most economical to enter into a service or maintenance contract with the manufacturer or service agency of certain specialized equipment. Maintenance Service Contracts can also be established for computer software and electronic on-line data subscriptions. The initial purchase often requires the establishment of a software “license” which usually includes a written agreement.

a) If competition is available, competition should be solicited following the limits as outlined in the General Purchasing Policy (400.1.63)

b) Legal Review may be required for maintenance and service contracts that do not tie to an existing agreement.

**Printing Services**

Printing is handled in the same way a commodity purchase is handled. The bid process will be followed when required. The University encourages the use of Duplicating Services. Projects completed through Duplicating Services do not have to competitively bid. When Duplicating Services is not used, the Department of Correction should be given preference, if they can satisfy the requirement and the price is competitive. When the Department of Correction is not used, the reason should be documented in the purchasing file. Printed materials do not require and independent contract; however, an independent contract should be completed for design services.
SECTION 6: HOW TO MAKE A PURCHASE

Methods of Purchase

There are three methods by which a purchase can be made:

- Purchase Order (recommended method in most instances)
- Direct Payment (used for limited number of purchases)
- P-Card (see P-Card manual for details)

Purchase Orders

Purchases made using purchase orders are the recommended method of purchasing for ECSU. Purchase orders are issued through Viking Shoppes, ECSU’s Procure to Pay system. Instructions on how to use Viking Shoppes can be found in the Viking Shoppes User’s Guide for Requestors.

Standing Purchase Order

A “Blanket Order” is a Purchase Order which has been issued to a vendor, against which purchases may be made. When repeated purchases of the same type of supply item are expected, multiple Purchase Requisitions may be eliminated by submitting one Purchase Requisition to establish a standing order situation. The “open” parts of the arrangement are the timing of individual requests for the type of item covered by the order and the number of items which are requested each time. New purchase orders must be issued after each twelve (12) month period.

Direct Payment Requests

There are some instances when the best method of purchase is by direct payment request also known as a check request.

Direct Payment Request Forms can be used to pay:

- Utility Payments
- Conference Registration
- Subscriptions
- Membership Dues
- Medical Services for athletic injuries
- Postage/Express Mail
- Incidental employee reimbursements, not to exceed $250
- Advertising Expenses (local newspaper advertising when competitive bids are not necessary)
- Stipend Payments to Students
- Honorariums, Artists, Guest Lecturers, Speakers, etc.
- Legal Settlements authorized by University Counsel
- Purchases from other governmental/public entities
- Fees
Direct Payment Request Forms cannot be used to:

- Replace a Purchase Order when a Purchase Order is required
- Pay for services rendered if a preapproved contract is not attached
- Reimburse employees for out-of-pocket expenses that exceed $250.

**Purchase Cards or P-Cards**

Purchase Cards or P-Cards is the University credit card. P-Cards are typically used in instances where the vendor will not accept a purchase order. Information on the P-Card program can be found in the Purchase Card Manual.

**New Vendors**

When a department wants to do business with a vendor the University does not have an established relationship with, a “New Supplier Request” should be completed in Viking Shoppes along with the attached W-9. Incomplete forms will be returned as all information requested is necessary for vendor screening and proper system set up.

**Purchases Requiring Competition**

1. **Solicitation on Orders Less Than $100,000**

Solicitation of bids and quotations on orders less than $100,000, on certain specified items and services has been delegated by Purchasing and Contract to ECSU. With this delegation comes the requirement to solicit, when possible, competitive bids whenever purchases are $5,000 or more. All quotations, including sole source documentation, should not be older than (30) days.

   a. **Competitive Guidelines**
      
      i. Purchases with a total dollar value of 5,000 or less do not require written competition. However, the Purchasing Department will monitor these procurements to guard against abuse of the system and to be sure purchases are not being split in order to avoid competition requirements. Though competition is not required, it is still recommended.
      
      ii. Written competitive quotes are required, for purchases valued at $5,000 - $25,000. Typically these quotes are obtained by the Purchasing Office and are on solicitation documents.
      
      iii. The Purchasing Department and the requesting department must work together to assure a written request for quotes is issued for desired purchases that exceed $5,000, but is less than $25,000. Even in the case of a waiver of competition, if time permits, a written request for a quote should be sent out to the sole source vendor. A permanent copy of the written request for quotes shall be kept on file in the Purchasing Office.
      
      iv. The Purchasing Department and the requesting department must work together to assure a formal solicitation is issued for desired purchases that exceed $25,000. Even in the case of a waiver of competition, if time permits, a written request for a quote
should be sent out to the sole source vendor. A permanent copy of the bids and/or proposals shall be kept on file in the Purchasing Office.

v. The Purchasing Office must document all transactions over $5,000. This includes a record of all quotes received (written or verbal), written justification for an award to any vendor other than the lowest quote, and documentation for waiver and emergency purchases over $5,000.

vi. In all cases, applicable legal requirements, good purchasing practices, and all procedures specified in the North Carolina Department of Administration – Division of Purchase and Contract Manual must be followed, including obtaining reasonable and adequate competition over $5,000, where available.

vii. Purchases may not be divided into smaller orders of $5,000 or less to avoid seeking competition, or into two or more orders under the $100,000 benchmark to circumvent the necessity of the requisition being sent to the NC Division of Purchase and Contract.

viii. All purchasing files, regardless of dollar value, must be retained for a period of five (5) years after their expiration. This includes purchase orders (term contract and non-term contract), quotes (verbal and written), waivers, and emergency purchases. All supporting documentation must be kept in the file during this retention period. (Examples: all quotes received, justifications, waivers or emergency purchase justifications, copy of purchase orders and any pertinent material or correspondences.)

2. Specifications

Generic specifications encourage competition. Whenever possible, requisitions should be supported by a description of need, functional specifications, technical specifications, installation and training requirements, service requirements, and other criteria which will allow vendors to bid their products to suit the particular needs of the user. Do Not Quote Brand Specific Specifications unless the particular requirement can only be met by those exact specifications. Quoting brand specific specifications without reasonable justification deviates from State Statutes and shortchanges the University by unnecessarily restricting competition. If your requirement can only be met by a brand specific specification, a justification statement must accompany the Purchase Requisition.

3. Limited Competition

The Purchasing Department is responsible for ensuring that fair and equitable competition is achieved for all purchases delegated to the University. To accomplish this, items which can be obtained from existing state contracts or negotiated pricing agreements must be obtained from these sources. Any deviation from these sources requires a justification with the requisition. Sole source and/or product specific requisitions for purchases over $5,000 must be accompanied by a justification statement. While a requestor may designate a specific vendor to fill a requisition, the Purchasing Department will search for the most advantageous source, price and other source selection factors considered.

4. Formal Bid Procedures
For requisitions greater than or equal to $25,000 but less than $100,000, the Purchasing Department will use the University sealed formal bid procedure to obtain competitive bids. Requisitions totaling $100,000 or more will be submitted through the Purchasing Department to be bid by the NC Division of Purchase and Contract or State ITS Procurement.

5. Conditions When Competition Can Be Waived

Under certain conditions, and otherwise if deemed to be in the public interest, competition may be waived. Conditions permitting waiver include, but are not limited to, the following:

a. Cases where performance or price competition are not available;
b. Where a needed product or service is available from only one source or supply;
c. Where emergency or pressing need is indicated;
d. Where competition has been solicited but no satisfactory offers were received;
e. Where standardization or compatibility is the overriding consideration;
f. Where a donation predicates the source of supply;
g. Where personal or particular professional services are required (this does not refer to legal counsel) Where a particular medical product or service, or prosthetic appliance is needed;
h. Where a product or service is needed for the blind or severely disabled and there are overriding considerations for its use;
i. Where additional products or services are needed to complete an ongoing job or task
j. Where products are brought for “over the counter” resale;
k. Where a particular product or service is desired for educational, training, experimental, developmental or research work;
l. Where equipment is already installed, connected and in service, and it is determined advantageous to purchase it;
m. Where there is evidence of resale price maintenance or other control of prices, lawful or unlawful, or collusion on the part of companies which thwarts normal competitive procedures;
n. Where the amount of the purchase is too small to justify soliciting competition or where a purchase is being made and a satisfactory price is available from a previous contract;
o. Where the requirement is for an authorized cooperative project with another governmental unit(s) or a charitable nonprofit organization(s);
p. Where a used item(s) is available on short notice and subject to prior sale.

Although competition may be waived for proper cause, competition is required wherever practicable. Where waiver is contemplated, and the expenditure is over the agency benchmark ($100,000) and it is not covered by a delegation or printing authorization, the procurement must be sent to the NC Division of Purchase & Contract or the State ITS Procurement Office for handling.
SECTION 7: AFTER THE PURCHASE

Correspondence with Vendors

Following the transmittal of a purchase order to a vendor, all correspondence, except order tracking should be handled by the Purchasing Office. Any changes that need to be made to an order must be made through the Purchasing Office.

Complaints to Vendors

When a vendor is not upholding the terms and conditions of a particular purchase order or a vendor’s product does not meet the specified standards and warranty provisions, the vendor should be notified as soon as possible. Efforts should be made, by the Purchasing Office, to work directly with the vendor. Correspondence with the vendor should be documented in the purchase order record. Complaints that cannot be resolved by the Purchasing Office should be forwarded to the NC Division of Purchase & Contract by the Purchasing Director.

Receiving and Returning Merchandise

Unless a purchase has unique delivery requirements, all items are received in Central Receiving and then delivered to departments. Upon receipt of items, the Department should inspect the item and complete the receiving procedure. Items that need to be returned must have a Return Merchandise Authorization. For assistance in returning merchandise, contact the Purchasing Office or Central Receiving.

Delayed Receiving/Payment for Special Considerations

Certain items purchased must be inspected by a P&C Quality Acceptance Representative prior to release of final payment. When an inspection is required, it should be stated in the solicitation document.

Repair of In-Warranty Equipment

Manufacturer Warranty
Most equipment is warranted by the manufacturer for a period of time against faulty parts or workmanship. Such equipment is generally supplied with a warranty card which is to be completed by the requisitioning department and returned to the manufacturer as soon as the equipment is received. Unless this warranty card is returned promptly, some manufacturers will not recognize their liability for the repair or replacement of the equipment.

Warranty Service
A request for in-warranty service for all types of equipment should be submitted to the Purchasing Office.
Warranty Period
Most office machines and micro-computers carry a one year warranty. Some warranties are on site and others are taken care of by being returned to the vendor.

Routine Maintenance
If routine maintenance (service needs that are not normally covered by warranty) will be required for equipment while under warranty, the possibility of a service contract should be discussed with the vendor's representative or another service company.

Repair of Out of Warranty Equipment

Service Calls
Request for out-of-warranty service to be performed and not covered by a maintenance contract must be made by a purchase requisition, submitted for approval, to the Purchasing Department.

Return for Service
A department with out-of-warranty equipment which must be returned to the manufacturer or supplier for repair must send a purchase requisition to the Purchasing Department describing the nature of the repair and indicating the name of the supplier and the purchase order number from the original purchase, if available. The department will also furnish shipping instructions and an estimated cost from the vendor.

Changes to Purchase Orders

Purchase Orders Are Binding
When a Purchase Order is written to a vendor by the Purchasing Department in response to an offer by the vendor and is based on acceptable terms and conditions, it becomes a binding order and cannot be broken by either party so long as both parties live up to the terms and conditions of the agreement. To break or cancel the order requires the consent of the other party.

Written Acceptance
When a Purchase Order is written to a vendor but it is not in accordance with the terms and conditions which were previously offered by the vendor, it does not become a binding order until the Purchase Order is acknowledged and accepted by the vendor in writing.

Penalty for Change
Changes to Purchase Orders already accepted by vendors must be requested by the Purchasing Department. Most vendors are willing to make reasonable changes to an order without penalty to the purchaser. Generally, only when a vendor may have expended funds for fabricating special equipment will a charge be made for changing or canceling an order.
Change Orders
Purchasing must issue a Purchase Order change whenever it is necessary to make a change in any existing purchase order to a vendor. Changes that result in a purchase order change include: any increase or decrease in the number of items ordered, cancellation, liquidation, account number change (prior to invoicing), additional encumbrances and returns. These changes require approval from the Budget Office, which can be obtained using the “Comment” function in Viking Shoppes.

SECTION 8: OTHER HELPFUL INFORMATION

Helpful Links

NC Division of Purchase & Contract

http://www.doa.state.nc.us/pandc/index.htm

NC Administrative Code Title 1 Chapter 5

http://www.doa.state.nc.us/pandc/admcode.htm

Information Technology Services Procurement

http://www.its.state.nc.us/ITProcurement/Default.asp