

# **Richmond Community College Purchasing & Equipment Manual**

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**Order of Precedence:**

1. North Carolina General Statutes, <http://www.ncleg.net>
2. North Carolina Administrative Code, <http://www.ncpandc.gov/admcode.htm>
3. Richmond Community College Purchasing and Equipment Manual

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## INTRODUCTION

This section is intended to provide you with the general rules needed to prepare a purchase requisition. It applies to the acquisition of all equipment, materials, supplies, printing, and services, through outright purchase, rental, lease, or lease-purchase. All community colleges are required by General Statute 115D-58.5 to purchase all supplies, equipment and materials by contracts made by or with the approval of the Division of Purchase and Contract (P&C) of the Department of Administration except as provided in G.S. 115D-58.14 PURCHASING FLEXIBILITY. The State's purchasing program is based on sound competitive purchasing procedures. The importance of seeking competition exists at all levels of expenditure. Fostering competition is an attitude more than a procedure. It is reflected in the way specifications are written, in searching for new sources of supply, in attempting to make procurement documents simple and inviting, and in everyday courteousness shown to prospective suppliers and contractors. Where competition is not sought, or obtained, the reason must be valid and documented. Price is not the only consideration in seeking competition. Other factors include: terms and conditions, delivery schedules, lead times, types and degrees of service required, inspection and testing procedures, transportation and delivery costs, warranties and guarantees required, etc. Award criteria must be stated in the solicitation document, and followed in the award of the contract.

**NOTE: Price is only one factor considered in seeking competition.**

## DEFINITIONS

**AGENT:** A person who, by express or implied agreement, is authorized to act for the institution in business dealings with a third party.

**AGREEMENT:** "Meeting of the minds" resulting from an offer and an acceptance.

**BUYER:** Authorized agent of the institution to buy, purchase or enter into contract with a supplier.

**COMMODITIES:** Any like group of equipment, materials, or supplies.

**COMPETITION:** The fair and open solicitation of offers from more than one source; the receipt of offers from more than one qualified source.

**EMERGENCY:** A situation which endangers lives, property, or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services.

**EQUIPMENT:** An item that represents an investment of money that can be capitalized. The "stand-alone" item retains its original shape and appearance with use and does not lose its identity through the incorporation into a different or more complex unit or substance.

**The State categorizes a piece of equipment as being one single item totaling over \$1,000 per item, all in-cost, which includes purchased price, applicable tax and shipping charges.**

RCC separates equipment into 2 categories:

1. Major Equipment = over \$1,000 for each individual item
2. Minor Equipment or Supplies = under \$1,000 for each individual item

**INVITATION FOR BID (IFB):** The formal advertised written solicitation document used by the Division of Purchase and Contract for seeking competition and obtaining offers.

**LEASE:** A contract conveying use of a commodity for a designated period of time in return for established periodic payments.

**LEASE-PURCHASE:** (Conditional Sales Contract) A contract in which the established periodic payments are applied to fulfill the payment obligations for ownership of the commodity.

**NEGOTIATION:** The act of making a purchase, lease, lease-purchase, or rental agreement, by an authorized agent of the institution under the following conditions:

- ◆ When all offers have been rejected,
- ◆ When the use of the standard solicitation document is not appropriate,
- ◆ When there is a sole source,
- ◆ When an emergency or pressing need arises.

**NOTE:** Negotiations are required to be conducted in writing, and shall include standard language and terms and conditions issued by the Division of Purchase & Contract. 01 NCAC 05B.0503 NEGOTIATION.

**OFFER:** The term may refer to a proposal, quote, or bid submitted in response to a Request for Proposal, Request for Quotation, Invitation for Bid, or Negotiation.

**OPEN MARKET CONTRACT:** A contract for the purchase of a commodity or contractual service not covered by a term contract.

**PRESSING NEED:** A need arising from unforeseen causes including, but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work, and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services.

**PURCHASE:** The act of acquiring a needed item or service by an authorized agent of the institution. The acceptance of an offer to sell, lease, lease-purchase, or rent. An item or contractual service acquired as a result of a valid agreement between an authorized agent of the institution and a seller.

**PURCHASE ORDER:** An document issued by an authorized agent of the institution to formalize a purchase transaction with a supplier. The purchase order should contain statements as to the quantity, description, and price of the goods or services ordered; applicable terms as to payment discounts, date of performance, transportation, and other factors pertinent to the purchase and its execution by the supplier. Acceptance of a purchase order constitutes a contract.

**RENTAL:** A contract for the right to use a commodity for a period of time, usually with payments made at intervals over the period of use, and normally providing for short notice of cancellation.

**REQUEST FOR PROPOSALS:** An alternate acquisition method to the IFB. Customary to use for quotations for services. May be a two-step process (Technical and Cost proposal).

**REQUEST FOR QUOTE:** An informational written procurement document used for seeking competition and obtaining offers. Includes e-Quote.

**SOLE SOURCE:** When an item or service is available from only one source.

**NOTE:** An item or service may be brand specific (i.e. HP printer), but not vendor specific (i.e. many suppliers of HP printers).

**STATEWIDE TERM CONTRACT:** A term contract handled by the Division of Purchase and Contract for all agencies and institutions of the state, unless exempted by statute, rule, or special terms and conditions specific to the contract.

**TERM CONTRACT:** A contract established by the Division of Purchase and Contract required to be used by all agencies as defined by NCAC T01: 05B .0112 unless exempted by statute or rule.

## ACRONYMS AND ABBREVIATIONS

**ASAP** As soon as possible

**ARO** After arrival of order

**BOM** Bill of Material

**EOQ** Economic Order Quantity

**HUB** Historically Underutilized Business

**IFB** Invitation for Bid

**P&C** Purchase and Contract Division

**QPL** Qualified Products List

**RFQ** Request for Quote

**RFP** Request for Proposals

**STC** State Contract

**SOW** Statement of Work

**SPO** State Purchasing Officer

**TC** Term Contract

**U/M** Unit of Measure

## **PURCHASING BEHAVIOR**

Ethical practices are a major concern in the realm of public purchasing. While laws and rules mesh to provide a mechanism for public purchasing, only people can make it work. Impediments to the process must be detected early and safeguards provided at all levels.

### **ETHICS**

All public, purchasing personnel shall be entirely cognizant of the necessity of ethical behavior.

Everyone involved in the purchasing process is held accountable to the following principles and standards of purchasing practice (this applies to every person who engages with a supplier at any level, for any reason):

1. The purchasing power of the State shall not be used for personal advantage or gain. Employees or other individuals will not process institutional orders for personal ownership.
2. Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.
3. Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of the institution.
4. Refrain from soliciting or accepting money, loans, credits or prejudicial discounts and acceptance of gifts, entertainment, favors, or services from present or potential suppliers which might influence, or appear to influence purchasing decisions.
5. Do not discuss with suppliers: trade secrets as determined by North Carolina law or information relative to the development of a contractual document (RFQ, IFB, RFP, Waiver of Competition, Negotiation, Specification development, etc.).

### **INTEGRITY**

Fairness and impartiality in all phases of the process are an essential ingredient in public purchasing. Integrity is manifested through fairness, openness, honesty, objectivity, and impartiality.

Similar to other service organizations, the Purchasing Agent's justification is the quality of the service it renders. The purchasing process cannot be both effective and self-serving; the two are incompatible. Fairness is required in expending public funds. No matter how strongly a user may prefer a particular product or service to others, equivalent products and services must be given every reasonable consideration.

### **RESPONSIBILITY**

According to state statute, if any institution contracts for the purchase or lease of any commodity, printing or service *contrary to state statutes or rules*, such contract/purchase shall be void and of no effect. In addition, anyone making such illegal purchases is personally liable for the costs incurred.

## DELEGATIONS

### Dollar Level of Authorization

#### IT Purchases:

##### Procurement Rules

Title 9 of the NC Administrative Code contains the Information Technology Procurement Rules developed in response to Senate Bill 222. The rules are mandatory for use by Executive state agencies and recommended for use by other government entities when procuring IT goods and services.

**\$25,000 delegation** subject to the rules of the Statewide IT Procurement Office,  
<http://www.its.state.nc.us/ITProcurement/Rules/Default.asp>

#### Non-IT Purchases:

Title 1, Chapter 5 of the NC Administrative Code contains the rules at the following link:  
<http://reports.oah.state.nc.us/ncac.asp?folderName=\Title%2001%20-%20Administration\Chapter%2005%20-%20Purchase%20and%20Contract>

**\$10,000 delegation** subject to the rules of the Division of Purchase and Contract at:  
<http://www.ncpandc.gov/admcode.htm>

**\$10,000+ purchases must be referred to the Division of Purchase and Contract for an Invitation for Bids or requests for waiver by the Purchasing Agent. (PURCHASES > \$10,000 excluding tax)**

These purchases must be referred to the Division of Purchase and Contract (P&C) for an Invitation for Bid or request for waiver of competition, generated by the purchase department. P&C are authorized by Administrative Rule to inquire into the need for, and the level of quality of, the items and services requested.

#### 1. *Invitation for Bid (IFB)*

- ◆ When the Division of Purchase and Contract receives the purchase requirements, specifications are reviewed for completeness and accuracy. Minimum IFB cycle time is 45 days. This cycle time, depending on the completeness of specifications or complexity of requirements, could easily be extended 6-8 months.
- ◆ After bids are opened and tabulated by P&C, they are forwarded to RCC Purchasing for review. Depending on the commodity, the RCC Purchasing Agent will recommend a supplier for contract award or contact the using department for input.
- ◆ Once RCC recommends a supplier for contract award a written request goes before the State Board of Award for approval.

#### 2. *Request for Waiver of Competition*

- ◆ Depending on the circumstances, a written request for waiver of competition can be sent to the State Board of Award for approval. It is imperative that a strong case be drawn before such request is forwarded. The RCC Purchasing Agent makes the final decision whether a request for waiver is constituted before sending the request to the Division of Purchase and Contract to present to the Board of Award.

**\$5,000-\$9,999 purchases require written solicitation of competition. These written solicitations, or requests for quotations (RFQ), must be generated by the Purchasing Agent. (PURCHASES \$5,000 to \$9,999 excluding tax)**

This dollar purchase requires a written Request for Quotation (RFQ). This written solicitation must be generated by the RCC Purchasing Agent and must include terms and conditions applicable to the requirement. Once bids are received, the RCC Purchasing Agent reviews and analyzes the results. Depending on the commodity, the RCC Purchasing Agent can either submit the request for purchase or may contact the using department for input. All transactions must be documented. This includes a record of all quotes received, written and verbal, and written reason for award to other than low quote. Written reasons for waiver, emergency and pressing need transactions shall also be made a matter of record. The final decision for contract/purchase award rests with the RCC Purchasing Agent. E-Quote meets the written requirement with the Division of Purchase and Contract standard language, including terms and conditions.

**\$2,500-\$4,999 purchases require written quotes required by either fax, email or letterhead. These written quotes must be generated by the Purchasing Agent. (PURCHASES \$2,500 to \$4,999 excluding tax).**

This dollar purchase requires a written quote. This request for quotes is generated by the RCC Purchasing Agent. Once quotes are received, the RCC Purchasing Agent reviews and analyzes the results. Depending on the commodity, the RCC Purchasing Agent can either submit the request for purchase or may contact the using department for input. All transactions must be documented. This includes a record of all quotes received and written reason for award to other than low quote. Written reasons for waiver, emergency and pressing need transactions shall also be made a matter of record. The final decision for contract/purchase award rests with the RCC Purchasing Agent.

**\$1,000-\$2,499 purchases require telephone solicitation of competition. The end user should generate these verbal solicitations; however, orders are placed by the Purchasing Agent. (PURCHASES \$1,000 to \$2,499 excluding tax)**

These purchases require a verbal quote. This verbal solicitation should be generated by the end user and should specify terms and conditions to be made part of the contract. Supplier must be informed the purchase order will be issued through the E-Procurement System, and the E-Procurement terms and conditions apply. Including, but not limited to: The contractor shall register for the Statewide E-Procurement Service within two (2) business days of notification of award in order to receive an electronic purchase order; and includes a 1.75% transaction fee on the total dollar amount. It is recommended that the successful company be required to send by mail or facsimile, their quote in writing. If the using department solicits the verbal quotes, the RCC Purchasing Agent will not process the requisition until all quotes are received, either by mail, facsimile, or in writing. All transactions must be documented. This includes a record of all quotes received, written and verbal, and written reason for award to other than low quote. Written reasons for waiver, emergency and pressing need transactions shall also be made a matter of record. The final decision for contract award rests with the RCC Purchasing Agent.

**\$999 or less, competition should be sought whenever possible.  
(PURCHASES < \$1,000 excluding tax)**

Competition should be solicited wherever possible and documented on the face of the requisition. No written quotations are required; however, all transactions must be documented. Written reasons for an emergency or pressing need shall also be made a matter of record by attaching a written explanation. The final decision for contract award rests with the RCC Purchasing Agent.

**NOTE: According to state law, purchase *requirements cannot be divided* in order to keep them *under* the established expenditure delegation amount.**

**NOTE: According to state law, *no one* may purchase any supplies, materials, equipment or services covered by a statewide term contract *from any other sources*.**

## SPECIFICATIONS

The primary purpose of a *purchase specification* is to provide a basis for obtaining a product or service that will satisfy a particular need at an economical cost. ***Specifications are defined as a detailed and exact written statement of particulars, prescribing materials, dimensions, or workmanship for something to be built, installed or manufactured.*** Specifications should be written to encourage, not discourage competition consistent with seeking overall economy for the purpose intended.

There are two general types of specifications:

1. A **standard specification** is originated and developed by the Standards Section of the Division of Purchase and Contract (P&C). It is comprehensive in nature and intended for repeated use. When a specification is adopted as a standard by the State Purchasing Officer, it becomes applicable to all purchases. Standard Specifications can be found at: <http://www.ncpandc.gov/splist.asp>
2. The institution originates the other type of specification. Specifications can be functional or design specifications.

### QUALIFIED PRODUCTS LIST (QPL)

The Division of Purchase and Contract also has an approved qualified products list (QPL) that identifies products approved after an evaluation procedure. The essential characteristic of this procedure is the examination and pre-qualification of brands and models of products on the basis of samples and tests. Manufacturers are invited to submit products for evaluation and inclusion to the list. Only manufacturers with products on the QPL list can be solicited for offers of those specific products. QPL list: <http://www.ncpandc.gov/qplist.asp>

## PURCHASE REQUISITION

Completed purchase requisitions must include the following information:

1. **REQUESTED BY:** The person initiating the requisition.
2. **DATE:**
3. **SUPPLIER:** Must include supplier name, street address, city, state, zip, phone number and fax number.
4. **CHARGE TO NUMBER:** Department budget code.
5. **SHIP TO:** Check the appropriate box and remember to **INCLUDE** the name of the person to whom RCC Receiving Agent should deliver the package.
6. **VENDOR #1, #2, #3:** Required on all requisitions over \$999. If competition is sought complete this information along with quoted prices before submitting the requisition.
7. **QUANTITY:** Amount you need to have purchased.
8. **UNIT:** Unit of measure (U/M) = each, box, carton, pounds, etc.  
QUANTITY u/m must equal PRICE u/m

**Example:**

3 each @ 1.25 each

NOT

3 each @ 12.50 box

9. **COMMODITY NUMBER:** Complete if known, referenced on state contracts. Commodity Codes can be found at: <http://www.ncpandc.gov/nigpnum.htm>
10. **DESCRIPTION:** What you are requesting to have purchased. Along with description include: color, size, model number, catalog number, and any other information to describe the item requested for purchase.

If, by your description, the RCC Purchasing Agent cannot identify **WHAT** you have requested or **WHY**, your requisition will be returned for more information.

11. **UNIT PRICE:** Price per unit of measure ordered, see item #8.
12. **TOTAL PRICE:** (Extended unit prices) price per unit **X's** quantity ordered.
13. **SUBTOTAL:** Total of all extended costs of requisition
14. **SALES TAX:** *Applicable for all items* purchased, except subscriptions and labor.
15. **SHIPPING CHARGE:** Required information.

When requesting prices, ask about shipping charges. If shipping charges do not apply, fill in "N/C" – no charge. FOB - Destination

**16. APPROVALS:**

All **supply requisitions** require signature of:

Individual initiating the Requisition

Departmental Director

Area Vice President

Executive Vice President

All **equipment requisitions** require signature of:

Departmental Director

Area Vice President

Director of Information Technology (for Technology related purchases)

Executive Vice President

**NOTE:**

- ◆ Without required signatures your requisition is unauthorized.
- ◆ If you are submitting an unauthorized requisition **AFTER** the purchase, you could be held personally financially liable for payment.
- ◆ After the fact requisitions (i.e. Confirming Orders) require a written, dated and signed justification why the order was an emergency or pressing need in conformance with NCAC T01: 05B .1602 EMERGENCIES.

## EMERGENCY/PRESSING NEED PURCHASES

There are some instances that require making a FAST purchase – without waiting for a requisition to make its way through the purchase order process. The State defines these types of purchases to be Emergency Purchases or Pressing Need Purchases.

**Emergency:** A situation which endangers lives, property, or the continuation of a vital program and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services.

**Pressing Need:** A need arising from unforeseen causes including, but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work, and which can be rectified only by immediate on-the-spot purchase (or rental) of equipment, supplies, materials, printing, or contractual services.

The State allows agencies to make FAST emergency purchases if the following procedures are followed:

1. FAST purchases have to be authorized by the RCC Purchasing Agent. Call the RCC Purchasing Agent for a verbal, emergency purchase order number.
2. FAST purchases should receive prior approval from the Area Vice President by the requisitioner.
3. FAST purchases, after the purchase, still have to be channeled through the requisition process.
4. FAST purchases must be documented on the face of the requisition; by the requisitioner, as to why this purchase was considered an emergency or pressing need purchase.
5. ALL RECEIPTS, invoices, and packing slips must be attached to the requisition.

NOTE: **Anyone making a FAST purchase can be held PERSONALLY LIABLE for the cost of said purchase.** The RCC Purchasing Agent can refuse to process any questionable FAST request. The RCC Purchasing Agent can refuse to process for payment any questionable follow-up requisition or payment request. The State Auditor can refuse the use of state, county, and special funds for FAST purchase, after-the-fact, requiring the requisitioner to “pay back” the institution.

**\*RESERVED\***

**THIS SECTION WILL BE UPDATED WHEN THE PROCUREMENT CARDS ARE IMPLEMENTED AT RCC. A SEPARATE MANUAL IS BEING WRITTEN AT THIS TIME.**

## SOLE SOURCE VENDORS

**Definition:** A sole source vendor is a company or person who sells a product or service that meets the unique needs of the purchaser. **Sole source** means the one and only source for the product or service in the United States (minimum). If a manufacturer has dealers or distributors anywhere in the country, it is not a true sole source; having regional, state, or area dealers or distributors do not constitute sole source.

**Examples:** The following are examples of sole source vendors:

- ◆ A new computer software company sells software that they developed and that can only be purchased from them.
- ◆ A piece of equipment the College has breaks down and the required parts and repair service can only be obtained from the one local company authorized by the manufacturer to sell and service in this state/country.

**Documentation:** Any knowledge of or justification for using a "sole source" vendor must be noted on the requisition for consideration by the Purchasing Agent. If technical specifications are the justification, note them in detail for comparison to existing products and sources. If possible, attach the following documentation to the requisition:

- ◆ sole source letter from manufacturer
- ◆ descriptive literature
- ◆ photographs
- ◆ diagrams
- ◆ technical data, etc.

**Waiver of Competition Justification must be in accordance with NCAC T01:05B .1401.**

**Approval:** If the purchase is properly justified, approved, and within the College's \$10,000 delegation, it can be processed without submitting to the N.C. Division of Purchase and Contract.

**NOTE:** If the purchase exceeds Richmond Community College's \$10,000 delegation, it will be forwarded to the N.C. Division of Purchase and Contract with all accompanying data for evaluation. If the purchase is approved, the College may proceed with the order.

## PROFESSIONAL SERVICE AGREEMENTS & CONTRACTED SERVICES

All Professional Service Agreements (PSA's) and Contracted Service Agreements must be processed through the RCC Controller/Business Office. The PSA form is to be submitted for both professional service and contracted service agreements. The PSA itself suffices as the purchase requisition. Rather than having to process the usual requisition and a PSA, the original PSA with all information, including budget code and approval signature, is forwarded to the RCC Controller/Business Office where it will be approved and a purchase order issued. This change in procedure is necessary to facilitate tax reporting for independent contractors and to encumber budget allocated for contractors as soon as we are aware of the obligation.

NOTE: All contracted service suppliers are required to provide the RCC Controller/Business Office with proof of insurance prior to beginning work.

**Contracted Services:** Generally, terms of service contracts should not exceed a one year term; however, an exception to this rule occurs where a vendor must make a significant investment in equipment to perform the service. In these cases, a contract term with an initial one-year term, with renewals up to five years may be considered.

Community College services are exempt from the Division of Purchase and Contract per NCAC T01:05B .0102 SCOPE. As a result, RCC is responsible to set policy for purchase of services. The following is the policy adopted by RCC:

Under G.S. 115D-58.5(a) community colleges are governed by State Purchase & Contract in the purchasing of supplies, equipment, and materials. There is no reference in the General Statutes as to how community colleges are to acquire services. Given this lack of statutory authority, RCC elects to acquire services patterned after those procedures for purchasing supplies.

## **CHECK TO ACCOMPANY ORDER**

Some suppliers require payment prior to the shipping of product. This is known as a “check to accompany order” request. Documentation requesting prepayment should be included on the face of the requisition.

After typing items to be purchased on the requisition, type “CHECK TO ACCOMPANY ORDER” in capital letters. Dropping down a few lines on the requisition, briefly describe why prepayment is required. The RCC Purchasing Agent, after processing a purchase order, will forward the supplier a copy of the order to the RCC Business Office where check will be issued and mailed with the purchase order.

## **CHANGES TO PURCHASE ORDERS**

Changes to purchase orders already accepted by a supplier, must be requested by or made with consent of the RCC Purchasing Agent. Most suppliers are willing to make reasonable changes to orders without penalty to the purchaser.

A purchase order written to a supplier represents acceptance of an offer and is considered a binding contract. Breaking the contract in order to make changes to or cancel an order requires consent of both parties.

Once both parties consent to the changes, a Purchase Order Change Form is issued by the RCC Purchasing Agent describing necessary changes. Copies of the change form are distributed to all necessary parties, and a copy placed in the procurement file.

## **EQUIPMENT/SERVICE DEMONSTRATIONS**

The RCC Purchasing Agent must be notified prior to any equipment/service demonstration. This is required for the financial protection of the department and institution. The Department head must approve equipment demonstrations.

The supplier, in all cases, is held responsible for all expenses incurred prior to, during and after the demonstration. RCC will not accept any responsibility for the safety of the supplier or the supplier's equipment.

RCC is in no way obligated to purchase or lease the equipment or service after demonstration. *The department requesting or receiving the demonstration is not authorized, either expressed or implied, to commit RCC to purchase any equipment or service demonstrated.*

Any contract for demonstration coverage, permission/release sheet, or receipt of goods slip must be reviewed and, if deemed appropriate, signed by the RCC Purchasing Agent. Any purchase requisition issued as a result of demonstrations will be held in accordance with the normal purchasing procedures and regulations of the institution and the State.

## EVALUATION OF EQUIPMENT

The RCC Purchasing Agent must be notified prior to any installation of supplier's equipment for the purpose of evaluation. This is required for the financial protection of the department and institution.

If a supplier offers equipment to be installed for evaluation, the following criteria applies:

1. RCC is in no way obligated to purchase or lease the equipment after evaluation.
2. The department receiving the equipment for evaluation is not authorized, either expressed or implied, to commit RCC to purchase or lease the equipment after evaluation.
3. Equipment must be adequately identified as belonging to the supplier during the evaluation period.
4. Any evaluation contract, permission/release sheet, or receipt of goods slip must be reviewed, and if deemed appropriate, signed by the RCC Purchasing Agent.
5. The supplier is responsible for all costs incurred prior to, during, and after the evaluation. Equipment insurance is the responsibility of the supplier. RCC assumes no liability for the equipment.
6. At the end of the evaluation period, the evaluating department is responsible for crating and shipping the equipment back to the supplier. The supplier is responsible for furnishing all crating/packing material and return freight charges.
7. Suppliers cannot use the name of RCC or the evaluating department of RCC in any advertisements or endorsements.

## RETURNING PRODUCT TO SUPPLIERS

The RCC Purchasing Agent must be notified prior to returning any product to a supplier. Permission to return must be granted by the supplier. Information required to obtain return authorization *includes*, but is not limited to:

1. Purchase order number
2. Item number on the purchase order
3. Description of item to be returned
4. Quantity to be returned
5. Reason for return
6. Replacement or refund requested.

## MAINTENANCE/SERVICE CONTRACTS

- ◆ Service or maintenance contracts are usually the most economical method of maintaining equipment
- ◆ The original manufacturer or their service agency best maintains specialized critical equipment. It is advisable to consider having this type coverage.
- ◆ Parts and supplies are not generally covered by maintenance contracts; however, the cost of labor, travel and service calls can usually justify this type of contract.

A service/maintenance contract is initiated by submitting a letter of request to the RCC Purchasing Agent. Any parts and supplies not covered by the maintenance contract require a separate confirming requisition at the time of the actual service request. Call the RCC Purchasing Agent to receive a FAST verbal purchase order number before returning any equipment, covered by a maintenance contract, for service. The PO number can act as a tracing, confirmation, verification number for your equipment. *Service is requested directly to the manufacturer or service agency by the department requiring service.*

**NOTE: Copiers are covered by a maintenance contract negotiated and administered by the RCC Purchasing Agent. Computers are not generally covered by maintenance contracts as we have our own in-house staff trained for computer repairs.**

Equipment not covered by a service/maintenance contract that needs to be sent off campus for repair must be recorded on an Equipment Transfer Request. This procedure applies to both major (>\$1000) and minor (<\$1000) equipment. RCC Purchasing Agent keeps all repair log sheets. No equipment item should leave a RCC campus without notifying the Purchasing Agent.

The following information must be submitted to the RCC Purchasing Agent:

- ◆ State tag number (866-XXXXXX)
- ◆ Serial number
- ◆ Brief item description
- ◆ Equipment location
- ◆ Repair facility
- ◆ And reason for repair

Once the Purchasing Agent receives this information, a FAST repair purchase order number will be issued to you. *It is the using department's responsibility to make arrangements for repair, shipping, and for notifying the Purchasing Agent when the item is returned to RCC.*

## ADVERTISING

RCC must advertise bids for purchases of commodities greater than \$10,000. Advertising is accomplished via posting to the State Purchase and Contract web-site or via local advertisement methods. In addition, RCC may advertise non-required Quotes on the P&C web-site but must follow P&C rules. To view the State Purchase & Contract Purchase Manual go to: <http://www.doa.state.nc.us/PandC/advertis.pdf>. Advertising should be coordinated through the Purchasing Agent.

## **PROTEST PROCEDURES**

When a party to a solicitation wants to protest a contract award, the protest must be submitted in writing to the RCC Purchasing Agent. This protest must be received by RCC within thirty (30) consecutive calendar days from the date of the contract award, and must contain specific sound reasons and any supporting documentation for the protest.

In order to avoid end-user disputes after receipt of goods or services, the Purchasing Agent will work closely with the end-user to be sure that product descriptions, specifications, etc. will meet the needs of the end-user. The Purchasing Agent may, at its discretion, elect to have the end-user review quotes or bids received to provide input prior to the actual award of the contract.

In the event that the end-user does have a dispute, the end-user will notify the supplier and the Purchasing Agent of the problem. The end-user will make every effort to resolve the issue directly with the supplier. In the event that no resolution is reached, the end-user will request the Purchasing Agent to become involved. This request must include the purchase order number, the supplier name, contact name, a description of the problem and an outline of what has taken place to date. Purchasing will then take the lead in reaching a resolution that is in the best interest of RCC.

## **CONSTRUCTION VERSUS STANDARD PURCHASE DETERMINATION**

RCC shall review the items being included in a construction/renovation project and remove any items that they consider are non-related to the actual construction/renovation of the building. Items that are considered commodities, or just furnishings, to complete the project for use, shall be handled in accordance with the normal purchasing rules. Items that are usually removed from construction/renovation projects include carpet, office panel systems, food service equipment, and furniture. If the college determines that one of these items, or any item that is normally handled as a commodity purchase, is best suited for inclusion in the construction/renovation project, their justification shall be documented in writing for public record.

## EQUIPMENT

Equipment is defined as any stand-alone item, which represents an investment of money, which can be financially capitalized. The item retains its original shape and appearance with use and does not lose its identity through the incorporation into a different or more complex unit or substance.

Purchases of equipment or maintenance contracts requiring new funding should be requested through the Annual Planning process.

The state defines a piece of equipment, for inventory tracking purposes, as one single item totaling over \$1,000 per item, including tax and shipping charges.

RCC separates equipment into 2 categories:

1. Major Equipment = over \$1,000 for each individual item
2. Minor Equipment = under \$1,000 for each individual item

Equipment, *regardless of the fund source*, is recorded, tagged, tracked and inventoried. All equipment items should have a state identification tag beginning with an 866- prefix. RCC's recorded inventory includes donated items with an estimated cost of at least \$1,000 in its present donated condition.

Each month, RCC is required to report all additions, changes, deletions, location transfers, etc., of equipment inventory to the NC Community College System Office.

## DONATED EQUIPMENT/PROPERTY

In accordance with the Richmond Community College Board of Trustees/Richmond Community College Foundation *Joint Gifts and Grants Policy*, all gifts of property and equipment will be accepted by the RCC Foundation for transfer to the College. The RCC Foundation will provide appropriate receipts and recognition to the donor as well as maintaining records of all such gifts. Approval of the President of the College or Dean of Development must be obtained prior to a staff or faculty member or other agent of the College accepting, or committing to accept, donated equipment or property. For guidance on the types and disposition of gifts of tangible property as well as authorities to accept donations, see the RCC/RCC Foundation *Joint Gifts and Grants Policy* or contact the Development Office. Receipt and acceptance of all property from the Foundation by the College will be coordinated with the RCC Purchasing Agent through the Executive Vice President. The estimated value of donated equipment/property will determine if equipment/property will be tagged and added to the official College inventory records.

**All donated equipment/property must be reported to the RCC Development Office.**

## DISPOSAL

Surplus equipment must be disposed of in accordance with State procedures. Surplus equipment is any extra equipment or equipment needing disposal. It is illegal to cannibalize excess equipment without prior approval of RCC Chief Financial Officer or designee. The RCC Purchasing Agent should be contacted for instructions of disposal of all surplus equipment or cannibalization of equipment.

**Service requests should be submitted to the RCC Purchasing Agent for requests to dispose, remove, or store all surplus equipment.** The Purchasing Agent will coordinate the movement and disposition of equipment in accordance with approved procedures and State regulations.

If you have equipment you desire to cannibalize and use for parts, you must request permission of the Purchasing Agent who in turn has to request permission from the Department of Community Colleges Inventory Department. The URL to the State's Surplus Property is: [http://www.doa.state.nc.us/pandc/agpurman.htm#P1030\\_116144](http://www.doa.state.nc.us/pandc/agpurman.htm#P1030_116144).

## **MOVEMENT OF EQUIPMENT**

The RCC Purchasing Agent must be notified whenever equipment is moved or transferred. This can be accomplished by submitting a completed **Equipment Transfer Request Form** (See Appendix).

Equipment Transfer Request Forms must be completed with the following information: state tag number, (866-XXXXXX), serial number, brief item description, "from" location, moved "to" location.

**NOTE: Notify the RCC Purchasing Agent prior to moving any equipment to another room, building or campus.**

## **PHYSICAL INVENTORY**

A 100% physical inventory of major equipment items must be conducted each fiscal year. Every item on record has to be located and identified each year. This complete physical inventory usually takes place between January-June. Each year, state auditors schedule time to audit our inventory. A random sample of inventory items is chosen and each item must be physically located.

It is the responsibility of every employee to maintain control of college equipment. Department heads are responsible for assuring all assigned equipment can be accounted for by physical location or properly approved relocation or disposal.

Any equipment that cannot be located through physical inventory will be reported to the attention of the department head/manager. Priority must be given to locating the piece(s) of equipment. All missing equipment will be reported to the Executive VP of Administrative Services and the President for additional review and search. A final listing of any missing equipment is reported to the NC Community College System Office each July.

## **EQUIPMENT REPAIRS**

### **UNDER WARRANTY REPAIRS OF EQUIPMENT**

New equipment is usually under warranty by the manufacturer for a limited period of time against faulty parts or workmanship.

A request for repair/service for items "under warranty" should be referred to the supplier by the using department. Along with your repair/service request, furnish the serial number of item and the nature of the problem. *Inquire about the costs, if any, to be paid by RCC.*

The manufacturer is legally responsible for replacement or repair if the defective equipment is returned to an authorized repair center. Depending on the warranty, some repairs are performed at no charge; some require the cost of labor. Regardless of whether work is

performed at no charge or with labor charges, the RCC Purchasing Agent must be notified prior to repairs being made. The Purchasing Agent will issue a FAST verbal purchase order number, to authorize, document, and verify the repair. Whether no charge is involved or labor charges only, this PO number will be used for tracking purposes. *Any freight or service charges not paid by the supplier will be billed back to the department after the transaction is completed.*

**NOTE: Before sending any equipment off campus for repair, notify the Purchasing Agent, for approval. The Purchasing Agent will log out the equipment on a repair log sheet. This procedure applies to both major (>\$1000) and minor (<\$1000) equipment. No equipment should leave a RCC campus without approval from the Purchasing Agent.**

The following information must be submitted to the Purchasing Agent:

- ◆ State tag number (866-XXXXXX)
- ◆ Serial number
- ◆ Brief item description
- ◆ Equipment location
- ◆ Repair facility and reason for repair

**Notify the Purchasing Agent when the repaired equipment item is returned to RCC.**

#### **OUT-OF-WARRANTY REPAIRS OF EQUIPMENT**

A request for repair for items “out-of-warranty” should be referred to the supplier by the using department. Along with your repair request, furnish the serial number of item and the nature of the problem. ***Inquire about the repair costs and return freight to be paid by RCC.*** Based on the repair cost you may determine it is more advantageous to buy a new one verses repair. The RCC Purchasing Agent **must** be notified, prior to returning equipment for repair.

After the RCC Purchasing Agent has issued the PO and notified the using department, the equipment to be repaired should be returned to the supplier/manufacturer by the department in accordance with the supplier’s shipping instructions. Out-of-warranty repairs are billed back to the using department after the transaction is completed. Budget will be transferred to the department for properly approved repairs.

The supplier/manufacturer repairing the out-of-warranty equipment should return the equipment directly back to the using department. Be sure to provide the supplier with your complete address including, building name, room number, and contact person. A Maintenance Contract is recommended for critical equipment.

**NOTE: Before sending any equipment off campus for repair, notify the Purchasing Agent, for approval. The Purchasing Agent will log out the equipment on a repair log sheet. This procedure applies to both major (>\$1000) and minor (<\$1000) equipment. No equipment should leave a RCC campus without approval from the Purchasing Agent.**

The following information must be submitted to the RCC Central Services Department Purchasing Agent:

- ◆ State tag number (866-XXXXXX)
- ◆ Serial number
- ◆ Brief item description
- ◆ Equipment location
- ◆ Repair facility and reason for repair

**Notify the Purchasing Agent when the repaired equipment item is returned to RCC.**

# APPENDIX

## REQUIRED REPORTING

- ◆ Historically Underutilized Business Report – Quarterly - Due Nov 1, Feb 1, May 1, and Aug 1. (<http://www.doa.state.nc.us/hub/>)
- ◆ Purchasing Flexibility Report – Semi-Annually – Due Feb 1 and Aug 1.
- ◆ Conflict of Interest Form – Annually (required by RCC)
- ◆ Recycle Report – Annually – Due Nov 15th (<http://www.p2pays.org/>)
- ◆ Office of Information Technology Services (due early June contact [Robert.Buckenham@ncmail.net](mailto:Robert.Buckenham@ncmail.net) or call 919-981-5555).

## RESOURCES

- ◆ NC Community College System: <http://www.ncccs.cc.nc.us/>
- ◆ NC Community College System Purchase Manual: [http://www.nccommunitycolleges.edu/CIS\\_Docs/docs/FINANCIALS/Purchasing/CIS\\_CF\\_UG\\_Purchasing\\_TOC.pdf](http://www.nccommunitycolleges.edu/CIS_Docs/docs/FINANCIALS/Purchasing/CIS_CF_UG_Purchasing_TOC.pdf)
- ◆ NC Purchase & Contract: <http://www.doa.state.nc.us/PandC/>
- ◆ NC P&C Purchasing Manual: <http://www.doa.state.nc.us/PandC/agpurman.htm>
- ◆ NC P&C – State Contract Search: <http://www.ncpandc.gov/StateWideContracts.htm>
- ◆ NC P&C - Locate HUB Vendors: <http://www.ips.state.nc.us/ips/Vendor/srchven.asp>
- ◆ NC P&C – Specification Examples: <http://www.doa.state.nc.us/PandC/splist.htm>
- ◆ NC P&C IT Procurement: <http://www.its.state.nc.us/ITProcurement/>

### END USER RESPONSIBILITIES (Maintenance and Service Contracts)

1. End User will identify all Service and Maintenance Contracts used by his/her Department. Typically, a blanket PO is prepared annually for services supported by a contract.
2. Notify the Purchasing Agent of all Service and Maintenance arrangements. Purchasing should have copies of all contracts.
3. End User will contact Vendor to obtain Vendor Contract (signed and dated by the vendor). Any contract supplied by the vendor must contain the following statement “The attached North Carolina General Contract Terms & Conditions are considered part of this agreement and supersede vendor terms and conditions”. A copy of these Terms & Conditions is located in the Appendix.
4. End User reviews the Vendor Contract for accuracy. For example – Is RCC still using the services provided in the contract? Is the equipment listed under the maintenance agreement still used by RCC? Does the Vendor’s current year invoice bill us the amount stated (agreed upon) in the Vendor Contract?
5. End User will forward a copy of the Contract and Requisition to Purchasing for processing. The Contract will be held in the Service and Maintenance Contract File. Retain a copy of the Vendor Contract for your files. Purchasing will not process Requisitions unless a Contract is on file in the Purchasing Office.

6. Purchasing signs Vendor Contract on behalf of RCC and forwards signed copy to Vendor along with official Purchase Order.
7. Requisitions for Service/Maintenance Contracts, including software support, should be coded to account # 535400 in the Department benefiting from the service. Budget to cover the expenditure will need to be identified and transferred to cover the cost.
8. Purchasing verifies that a Vendor Contract is on file before processing the Requisition. The Contract Inventory excel file is helpful for this verification process.
9. Periodically, Purchasing will distribute the Service and Maintenance Contract Inventory List to End Users. End Users may find the list useful for the following:
  - ◆ Annual Purchase Order preparation process.
  - ◆ To identify expiring contracts and possibly seek another vendor for service, if applicable.
  - ◆ Identify aged contracts that need to be updated
  - ◆ Avoid unnecessary repair costs for assets covered under maintenance contracts.
10. Purchasing and Finance will use the Inventory List to perform the following:
  - ◆ Identify opportunity for cost savings (volume discounts) where multiple departments may be using the same vendor.
  - ◆ Calculate prepaid expenses.
  - ◆ Comply with accounting standards, which requires a copy of the Contract to be on file to support expenditures.
11. End User should notify Purchasing in writing if dissatisfied with service for any reason. Many of these contracts require up to a 90 day advance written termination notice.

### **SPECIFICATION GUIDANCE**

(To be prepared by End-User)

1. What are you buying? This should include: An accurate description of the item, item numbers, model numbers, quantity needed, and list of additional components needed to complete the system.
2. Is this a sole source? Why? If yes, obtain letter stating such from the vendor.
3. Are there specifications? These specifications should not be photocopies from literature but typed specifications that you can use.
4. If it is brand specific, why? What brand?
5. Is installation needed? If yes, must be included in bid or order.
6. Is training needed? Major training or general instruction to user?
7. Do you have any special delivery needs? Deadline for delivery? Inside delivery?
8. What kind of warranty is provided or required?
9. Do you need a maintenance contract for this kind of item?
10. Would used, refurbished or demo equipment be acceptable?
11. What kind of service do you need for the equipment?

12. Is there a suggested vendor? Who? Provide contact information.
13. For purchases greater than \$10,000 (\$25,000 IT items), review the "Standard Paragraphs" on the P&C Website <http://www.doa.state.nc.us/PandC/divforms.htm> to see if any should be added to your specifications, or view <http://www.doa.state.nc.us/PandC/splist.htm> for example specifications.

### **HISTORICALLY UNDERUTILIZED BUSINESSES (HUBs)**

A Historically Underutilized Business is a business which is majority owned or managed by one or more minority persons, women, or disabled persons. RCC's objective is to increase the college's expenditures for the purchase of goods and services from HUB vendors while maintaining the integrity of sound financial practices and complying with state purchasing and contracting laws and policies. Please consider HUB vendors in all of your purchases. You may locate HUB vendors at the Purchase and Contract's website: <http://www.ips.state.nc.us/ips/Vendor/srchven.asp>.



## Equipment Transfer Request Form

Date of Request: \_\_\_\_\_

Description of Item: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

State ID Number (866-XXXXXXX): \_\_\_\_\_

Serial Number (If Applicable): \_\_\_\_\_

Current Location (Before Move): \_\_\_\_\_  
(Include Campus/Building/Room)  
\_\_\_\_\_

New Location (After Move): \_\_\_\_\_  
(Include Campus/Building/Room)  
\_\_\_\_\_

Requested By: \_\_\_\_\_  
Name/Title

Approved By: \_\_\_\_\_  
Name/Title

**NOTE:** This form must be approved by a Vice President. The completed form must be forwarded to the RCC Purchasing Agent.

## NORTH CAROLINA GENERAL CONTRACT TERMS AND CONDITIONS (Contractual and Consultant Services)

**NOTE: For “Agency”, substitute “Department”, “University”, etc., as applicable.**

1. **GOVERNING LAW:** This contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina.
2. **SITUS:** The place of this contract, its situs and forum, shall be North Carolina, where all matters, whether sounding in contract or tort, relating to its validity, construction, interpretation and enforcement shall be determined
3. **INDEPENDENT CONTRACTOR:** The Contractor shall be considered to be an independent contractor and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with the Agency.
4. **KEY PERSONNEL:** The Contractor shall not substitute key personnel assigned to the performance of this contract without prior written approval by the Agency’s Contract Administrator. The individuals designated as key personnel for purposes of this contract are those specified in the Contractor’s proposal.
5. **SUBCONTRACTING:** Work proposed to be performed under this contract by the Contractor or its employees shall not be subcontracted without prior written approval of the Agency’s Contract Administrator. Acceptance of an offeror’s proposal shall include any subcontractor(s) specified therein.
6. **PERFORMANCE AND DEFAULT:** If, through any cause, the Contractor shall fail to fulfill in timely and proper manner the obligations under this agreement, the Agency shall thereupon have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items under this contract prepared by the Contractor shall, at the option of the Agency, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials. Notwithstanding, the Contractor shall not be relieved of liability to the Agency for damages sustained by the Agency by virtue of any breach of this agreement, and the Agency may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the Agency from such breach can be determined.

In case of default by the Contractor, the State may procure the services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The State reserves the right to require a performance bond or other acceptable alternative performance guarantees from successful offeror without expense to the State.

In addition, in the event of default by the Contractor under this contract, the State may immediately cease doing business with the Contractor, immediately terminate for cause all existing contracts the State has with the Contractor, and de-bar the Contractor from doing future business with the State. Upon the Contractor filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Contractor, the State may immediately terminate, for cause, this contract and all other existing contracts the Contractor has with the State, and de-bar the Contractor from doing future business

Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

7. **TERMINATION:** The Agency may terminate this agreement at any time by *30 days* notice in writing from the Agency to the Contractor. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Agency, become

its property. If the contract is terminated by the Agency as provided herein, the Contractor shall be paid for services satisfactorily completed, less payment or compensation previously made.

8. **PAYMENT TERMS:** Payment terms are Net not later than 30 days after receipt of correct invoice(s) or acceptance of services, whichever is later, or in accordance with any special payment schedule identified in this RFP. The using agency is responsible for all payments to the Contractor under the contract. Payment by some agencies may be made by procurement card and it shall be accepted by the Contractor for payment if the Contractor accepts that card (Visa, Mastercard, etc.) from other customers. If payment is made by procurement card, then payment may be processed immediately by the contractor.
9. **AVAILABILITY OF FUNDS:** Any and all payments to the Contractor are dependent upon and subject to the availability of funds to the Agency for the purpose set forth in this agreement.
10. **CONFIDENTIALITY:** Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Agency.
11. **CARE OF PROPERTY:** The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished it for use in connection with the performance of a contract and will reimburse the College for loss of damage of such property.
12. **COPYRIGHT:** No deliverable items produced in whole or in part under this agreement shall be the subject of an application for copyright by or on behalf of the Contractor.
13. **ACCESS TO PERSONS AND RECORDS:** The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. The Contractor shall retain all records for a period of three years following completion of the contract.
14. **ASSIGNMENT:** No assignment of the Contractor's obligations nor the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may:
  - a) Forward the Contractor's payment check(s) directly to any person or entity designated by the Contractor, or
  - b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check(s). In no event shall such approval and action obligate the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.
15. **COMPLIANCE WITH LAWS:** The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.
16. **AFFIRMATIVE ACTION:** The Contractor shall take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin, or disability.
17. **INSURANCE:** During the term of the contract, the Contractor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the contract. As a minimum, the Contractor shall provide and maintain the following coverage and limits:
  - a) Worker's Compensation - The Contractor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$150,000.00, covering all of Contractor's employees who are engaged in any work under the contract. If any work is subcontracted, the Contractor shall require the subcontractor to provide the same coverage for any of its employees engaged in any work under the contract.
  - b) Commercial General Liability - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$500,000.00 Combined Single Limit. (Defense cost shall be in excess of the limit of liability.)

- c) Automobile - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the contract. The minimum combined single limit shall be \$150,000.00 bodily injury and property damage; \$150,000.00 uninsured/under insured motorist; and \$1,000.00 medical payment.

Providing and maintaining adequate insurance coverage is a material obligation of the Contractor and is of the essence of this contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Contractor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the contractor shall not be interpreted as limiting the contractor's liability and obligations under the contract.

18. **ADVERTISING:** The offeror shall not use the award of a contract as part of any news release or commercial advertising.
19. **ENTIRE AGREEMENT:** This contract and any documents incorporated specifically by reference represent the entire agreement between the parties and supersede all prior oral or written statements or agreements. This Request for Proposals, any addenda thereto, and the offeror's proposal are incorporated herein by reference as though set forth verbatim.
- All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.
20. **AMENDMENTS:** This contract may be amended only by written amendments duly executed by the Agency and the Contractor. The NC Division of Purchase and Contract shall give prior approval to any amendment to a contract awarded through that office.
21. **TAXES:** G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors if the vendor or its affiliates meet one of the conditions of G. S. 105-164.8(b) and refuse to collect use tax on sales of tangible personal property to purchasers in North Carolina. Conditions under G. S. 105-164.8(b) include: (1) Maintenance of a retail establishment or office, (2) Presence of representatives in the State that solicit sales or transact business on behalf of the vendor and (3) Systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. By execution of the proposal document the vendor certifies that it and all of its affiliates, (if it has affiliates), collect(s) the appropriate taxes.
22. **YEAR 2000 COMPLIANCE/WARRANTY:** Vendor shall ensure the product(s) and service(s) furnished pursuant to this agreement ("product" shall include, without limitation, any piece of equipment, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interfaces therein) which perform any date and/or time data recognition function, calculation, or sequencing, will support a four digit year format, and will provide accurate date/time data and leap year calculations on and after December 31, 1999, at the same level of functionality for which originally acquired without additional cost to the user. This warranty shall survive termination or expiration of the agreement.
23. **GENERAL INDEMNITY:** The Contractor shall hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Contractor in the performance of this contract and that are attributable to the negligence or intentionally tortuous acts of the Contractor provided that the Contractor is notified in writing within 30 days that the State has knowledge of such claims. The Contractor represents and warrants that it shall make no claim of any kind or nature against the State's agents who are involved in the delivery or processing of Contractor goods to the State. The representation and warranty in the preceding sentence shall survive the termination or expiration of this contract.
24. **OUTSOURCING:** Any vendor or subcontractor providing call or contact center services to the State of North Carolina shall disclose to inbound callers the location from which the call or contact center services are being provided.

If, after award of a contract, the Contractor wishes to outsource any portion of the work to a location outside the United States, prior written approval must be obtained from the State agency responsible for the contract.

Vendor must give notice to the using agency of any relocation of the vendor, employees of the vendor, subcontractors of the vendor, or other persons performing services under a state contract outside of the United States.

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By submitting and signing these North Carolina General Contract Terms and Conditions, the Contractor certifies the following:

- ◆ Terms and Conditions are signed by an authorized representative of the company.
- ◆ Contractor has read and understands the conditions set forth in the Terms and Conditions and agrees to them with no exceptions.
- ◆ Contracts are subject to the Terms and Conditions outlined herein. All responses shall be controlled by such Terms and Conditions and the submission of OTHER Terms and Conditions and/or other documents will be waived and have no effect. Contractor specifically agrees by signature to the North Carolina General Terms and Conditions.

SIGNATURE: \_\_\_\_\_

PRINTED SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_