This document is intended to be for general informational purposes to guide and assist divisions/programs in the operation of their purchasing program. It is not intended to play any role in any protest or legal proceeding. All protests and other legal proceedings relating to purchasing matters are governed by the appropriate sections of the General Statutes and the North Carolina Administrative Code.

Portions of this purchasing manual may contain excerpts from the Department of Administration, Division of Purchase and Contract Purchasing Manual. Grateful appreciation is acknowledged to the Department of Administration, Division of Purchase and Contract for permission to reprint material. Any questions concerning purchasing processes should be directed to Tommy Kirby at (919) 707-8529.
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INTRODUCTION

The purpose of this manual is to be both informative and instructive to those individuals responsible for acquiring commodities and services for the numerous divisions/programs within the Department of Environmental Quality (DEQ). Various programs/services offered through the Department of Administration, Division of Purchase and Contract (DOA P&C) are identified. Several examples of instructional “how to” information is included in this manual, as well as pertinent legal information, such as General Statutes. Also, URL links are used throughout this document to condense this manual without omitting important information.

It is the general policy of DEQ Purchasing (1) to solicit competitive pricing, (2) to purchase commodities and services at the best price, (3) obtain the quality needed, (4) procure in a timely manner, (5) conduct on-going training for users, and (6) conduct periodic compliance reviews. Historically Underutilized Businesses (HUB) are to be used in procurement of commodities and services.

DOA P&C and the DIT are responsible for processing solicitations exceeding DEQ authority. DOA P&C handles solicitations without competition over $10,000 and those with competition over $25,000. This does not include technology related purchases, real property agreements, nor construction related transactions. DIT handles technology goods and services exceeding $25,000. The State Construction Office administers construction services exceeding DEQ authority while the State Property Office handles all real property agreements exceeding $15,000.

Purchasing procedures are supplemental to Chapter 143 of the North Carolina General Statutes, Part I-VII of the North Carolina Administrative Code. The North Carolina General Statutes related to purchasing are primarily found in Chapter 143, Article 3 and 3C. The North Carolina Administrative Code, Title 1, Chapter 5, http://reports.oah.state.nc.us/ncac.asp?folderName=%5CTitle%20%20-%20Administration%5CChapter%20%20Purchase%20and%20Contract sets forth rules for purchasing.

ETHICS AND INTEGRITY

Ethics is a major concern in the realm of public purchasing today. N.C.G.S. 138A State Government Ethics Act deals with matters of ethical conduct and conflicts of interest. Statutes, administrative law, rules and regulations mesh to provide a mechanism for public purchasing; however, only people can make it work. In purchasing, as in all professions, there are values of pride and worth, standards and ideals, specifics of conduct and performance. Impediments to the process must be detected early and safeguards provided at all levels. This applies both to purchasing personnel and the vendor community as well as the end-user.

All DEQ personnel involved in purchasing are to be cognizant of the DEQ code of professional conduct. NC General Statute 133-32 outlines basically the same provisions for any contractor, subcontractor or supplier or for any officer or employee of a governmental agency. See:
Fairness and impartiality in all phases of the procurement process are essential ingredients in public purchasing. Transactions with vendors, divisions/programs and peers must be open, honest and objective.

**COMPETITIVE BIDDING**

Competition is the cornerstone around which public contracting is built. In its best form, it is a mirror of a free and open economy. North Carolina’s purchasing program is built on the principle of competitive bidding. When it is not sought or obtained, the reason must be valid and documented. Refer to the list of waivers of competition found in DOA P&C's North Carolina Procurement Manual https://files.nc.gov/ncdoa/pandc/Documents/Contract-Administration-and-Monitoring-Guide/Procurement_Manual_5_8_2013_interactive.pdf.

The importance of seeking competition exists at all levels of expenditure. Below the $10,001.00 threshold, the competitive element is important and encouraged through some form of informal quotation or e-quotes. All public purchasing personnel must maintain an awareness of the need for competition in procurement transactions.

Price alone should not be considered as the sole criteria for evaluation of competition. The lowest responsive and responsible bid prices are the benchmark in North Carolina's purchasing program. The lowest responsive and responsible price allows consideration of many factors, such as compliance with terms and conditions, delivery schedules, specification compliance, types and degrees of service required, inspection and testing procedures, transportation costs, market conditions, warranties and guarantees required, etc. The purchaser's responsibility is to evaluate all the factors to determine the lowest responsive price from all quotes received.

**HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM**

As a result of Executive Order 25 https://files.nc.gov/ncdoa/hub/documents/EO25-Governors-Advisory-Council-on-Historically-Underutilized-Businesses.pdf?vRdJqf4OOWsB63m3dRv4yR6nQTy7dnvC the Governor's Advisory Council on Historically Underutilized Businesses was established to encourage increased participation by minority, women, and disabled business enterprises in the State's procurement process. Each cabinet agency has the aspirational goal of making 10% of its expenditures with HUB firms. All purchases are to be made in accordance with applicable General Statutes.

**CORRECTION ENTERPRISES**

(https://correctionenterprises.com/)
North Carolina has a preference statute (G.S. 148-134) that controls the sale of prison industry products and prohibits their sale to the private sector.

In accordance with G.S. 148-134, all departments, institutions, and agencies of this State shall give preference to Division of Adult Correction of the Department of Public Safety products in purchasing articles, products, and commodities which these departments, institutions, and agencies require and which are manufactured or produced within the State Prison System and offered for sale to them by Correction Enterprises.

A generic list of products available from Correction Enterprises can be found on the Correction Enterprises webpage. Products available from the private sector, including those on term contracts, shall be purchased only when it is determined that the Correction Enterprises product will not satisfy the requirement or will not be delivered within the time frame required. Correction Enterprises is required to keep the price of products substantially in accord with that paid by governmental agencies for similar products of equivalent quality.

AGENCY/VENDOR COMPLAINT SERVICE

FOR TERM CONTRACT AND PURCHASES $25,000.00 AND ABOVE - A centralized agency complaint service has been set up within the DOA P&C to handle problems that arise between agencies and vendors. When a problem arises with a vendor, whether it is late delivery or incorrect commodities shipped, etc., the first step is to contact the vendor directly to resolve the problem. If the problem is not resolved satisfactorily within a reasonable time or it becomes a recurring problem, then this problem will be reported by DEQ Purchasing to the DOA P&C for their involvement in seeking resolution.

Complaints on purchases concerning vendor performance are to be communicated to DEQ Purchasing.

The Complaint to Vendor Form [http://ncadmin.nc.gov/government-agencies/procurement/bid-forms](http://ncadmin.nc.gov/government-agencies/procurement/bid-forms) is the proper vehicle for reporting complaints against vendors. The form is sent to DEQ Purchasing who will prepare a file and forward it to DOA P&C. Once this information is received by DOA P&C, it will be logged into the system and directed to the appropriate purchasing group. A purchaser will then work with the vendor and the agency to resolve the complaint. DOA P&C will be in contact with the purchaser at the agency for additional information or to report progress in resolving the complaint.

QUALITY INSPECTION

(1) In accordance with NCAC 05B .0901 DEQ will inspect all materials, supplies, and equipment upon delivery to insure compliance with the contract requirements and specifications.
(2) The Invitation For Bid (IFB) and Request For Quote (RFQ) contract templates from the DOA P&C’s website will contain an optional quality inspection standard paragraph indicating that agencies are responsible for inspection prior to payment processing.

(3) DOA P&C and DEQ Purchasing will determine when the quality inspection standard paragraph will be included in contract solicitations.

(4) When the quality inspection paragraph is included in the contract it will read as follows: “It is the responsibility of the receiving agency to inspect all materials, supplies and equipment upon delivery to insure compliance with the contract requirements and specifications. INVOICES MAY NOT BE PAID BY THE USING AGENCY UNTIL AN INSPECTION HAS OCCURRED AND THE GOODS ACCEPTED.”

(5) Certain state term contracts require a quality inspection. Currently that includes #360A Floor Covering and Installation Service, #515B Grounds Maintenance Equipment, $578A Forestry Equipment, and #760H Construction Equipment.

(6) If an employee is not comfortable with doing the inspection, then they can consult with DEQ purchasing for guidance.

(7) The employee(s) performing e-procurement receipt and requesting payment will not take these actions until product has passed inspection by a knowledgeable division employee.

COMMODITY SPECIFICATIONS

Specifications identify what is needed. The preparation of suitable specifications is constant and ongoing. Specifications are to reflect what is available in the market and is acceptable. There are several types of specifications as indicated below:

- **Performance** - where function and use of the product needed are the basic requirements.

- **Design** - where particular dimensions and physical requirements of the product and their arrangement are the basic requirements.

- **Brand Name** - where the bidding is limited to a single product and only that product will meet an intended need for certain reasons which must be justified and documented.

- **Brand Name or Equivalent** - where one or more products have the characteristics of the item desired.

Generally speaking, performance type specifications are desirable. They tend to be less restrictive, encourage design and production ingenuity on the part of the manufacturer and involve a value analysis role in relating cost to function.
By definition a specification can be construed as a restriction; that is, it both includes and eliminates by setting limits on what is acceptable. A specification, however, cannot be unduly restrictive. Usually more than one make, brand or model is satisfactory for a need. Therefore, in seeking competition on products which are designed and marketed by the sellers, the buyer must determine a level of suitability which establishes the minimums and maximums of acceptability. In this sense a specification is likely to be imperfect – an approximation – such that analyses and judgments must be made after bids are received and the products and prices offered are compared. Too much detail, just as not enough detail, in purchase specifications can impair competition and result in incorrect conclusions. The product or service ultimately acquired and the supplier of it are a result of purchasing decisions made through the evaluation of competitive proposals and of compliance with specifications.

**RECIPROCAL PREFERENCE LAW**


Each solicitation document used to obtain contracts for equipment, materials, supplies, and services that exceed twenty-five thousand dollars ($25,000) in value shall include space for a bidder to give their principal place of business address if it is different than the address given in the execution section of the solicitation document. This shall not prevent the agency that issued the solicitation document from investigating this information and concluding that the principal place of business is different, according to their interpretation of G.S. 143-59(c).

A reciprocal preference shall not be used when procurements are being made under G.S. 143-53(a)(5) and G.S. 143-57. Examples include negotiation, reverse auctions, electronic bids, and transactions to address an emergency or pressing need.

Session Law 2001-240 went into effect January 1, 2002, to discourage other states from applying in-state preferences against North Carolina's resident bidders. Accordingly, the Secretary of Administration has adopted rules pertaining to reciprocal preference.

The law requires that all agencies apply a reciprocal preference, when required (see North Carolina Administrative Code 1NCAC 5B.1522) on all contracts for equipment, materials, supplies, and services that exceed $25,000.00 in value when that state has an in-state preference law. This shall be done for the purpose of determining the lowest bidder.

North Carolina General Statute 143-59(b), requires all departments, institutions, and agencies of the State to use this list when evaluating bids $25,000.00 and more. For the purpose only of determining the low bidder on all contracts for equipment, materials, supplies, and services valued at over $25,000.00, a percent of increase shall be added to a bid of a non-resident bidder that is equal to the percent of increase, if any, that the State in which the bidder is a resident adds to bids from bidders who do not reside in that State.
The reciprocal preference law is not to be confused with Executive Order 50 Price matching. Refer to Price matching FAQs at this link: http://www.doa.state.nc.us/PandC/Documents/NC-Preference-FAQs.pdf.

ENVIRONMENTAL POLICY

The North Carolina Environmental policy Act (SEPA) was originally adopted in 1971. This policy encourages wise, productive and beneficial use of the state’s natural resources. The policy also encourages maintaining a healthy environment, preserving the state’s natural beauty and creating public awareness of the environment through education.

SPECIAL DELEGATIONS

There are two varieties of special delegations: state special delegations and agency special delegations. State special delegations can be found in section 1.1.2 of the DOA P&C Procurement Manual https://files.nc.gov/ncdoa/pandc/Documents/Contract-Administration-and-Monitoring-Guide/Procurement_Manual_5_8_2013_interactive.pdf. An example for DEQ is purchasing carp for aquatic weed control. Competition is to be sought when available; there is no dollar constraint.

Agency delegations are granted by P&C on a case by case basis to an agency when P&C cannot add any value to the process beyond what the agency can achieve. Currently DEQ has a special delegation for purchase and transportation of natural shells including oyster, clam, and scallops. This delegation is price specific for each cost element and is limited to the Division of Marine Fisheries.

EXEMPTIONS

It is not mandatory for certain items and services to be purchased through P&C. The list of exempt items can be found in section 1.3.13(a) in the P&C Procurement Manual http://www.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf. Examples include services provided by an agency of the State, federal or local government.

COMPUTER PURCHASES

The NC Department of Information Technology (DIT) computer order is solicited once each year. DIT collects estimated yearly orders from each of the NC state departments, then solicits that quantity. Once they have awarded the contract to vendor(s), they send the award to the agencies and allow them to order computers as needed throughout that fiscal year. Purchase orders are processed through the State’s electronic procurement system known as e-procurement.

REQUEST FOR EXCEPTION (RE) TO PURCHASE- IT ONLY
The RE approval process should be used for all IT purchases except those that are noted within this document.

Software licenses:

- Enterprise software (Microsoft, Adobe, Laserfiche, etc.) or server-based software such as Oracle or SQL on a state term contract or agency contract does not require a RE but should be requested through IT. Please provide funding information and user names when requesting the software through DOTS.
- Any IT related software purchase exceeding $25,000 is to be requested through the RE process
- Non-standard software (non-standard software is any software that is not being used currently by DEQ) will require approval through the RE Process regardless of price, even free. This allows DIT to review the software for known security vulnerabilities and ensure the purchase is not in conflict with existing licensing requirements. Refer to the DEQ IT page @ https://ncconnect.sharepoint.com/sites/deq/RE/SitePages/Home.aspx.

Hardware:

- All computers must be purchased through the annual contract awarded by DIT (Master Award) for PC Purchasing and entered in e-procurement. From there IT will approve it.
- Printers and copiers are on state contract and should be processed through e-procurement.
- Minor accessory purchases for flash drives, mouse pads, mouse, laptop case, cables, etc. do not require the RE Process. Refer to the section addressing Small Purchases up to $5000.
- Servers: All DEQ servers are hosted by DIT in either the Eastern Data Center (EDC) or the Western Data Center (WDC). Therefore, all servers for DEQ are provisioned from DIT@DEQ Infrastructure.
- Any non-standard hardware (non-standard hardware is any hardware that is not being used currently by DEQ) and/or hardware requiring attachment to the network should follow the RE process.
- Any IT related hardware purchase exceeding $25,000 is to be requested through the RE process.
- Voice over IP telephones must be purchased through DIT.

The IT RE process is as follows:

- The division purchaser puts in the request with their name, their supervisor’s name and the division director name (Please use the address book and search using last name, first name)
- Choose a description (software or hardware)
- Enter a brief but clear description of the item to be purchased
- Enter a Justification of the purchase- Please explain why the item is needed to be purchased. Include the following if applicable: Operating System Details, Version Information, Vendor, and any other pertinent information relating to this product
• Enter the Estimated Cost. **DO NOT** enter special characters such as $ or commas (,). Example 5400.87
• If the estimated expenditure exceeds $25,000 then the approval flow will include FSD Budget group and DEQ Purchasing.
• DEQ Purchasing will identify the solicitation requirement in the comments section.
• Choose Save or Submit. **Save** saves your work and does not start the Approval Process. **Submit** – Saves your work and Starts the Approval Process.

Click on the Save or Submit Button

**PURCHASING DEFINITIONS – CONTRACTUAL SERVICES**

**Agency Specific Term Contract:** A contract administered by an agency that enables the end user to purchase goods and services at a set price for a pre-determined period of time. An Agency Specific Term Contract results from a contract awarded on the basis of the competitive bidding process. Most Agency Specific Contracts are for a 12-month period but can be awarded for longer or shorter periods of time. Contracts under DEQ authority are limited to three years; when exceeding three years DOA P&C must approve. If the contract value exceeds $25,000.00, it has to be approved by DOA P&C.

**Consultant Contract** refers to a contract to have work or task(s) performed by state employees or independent contractors possessing specialized 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 may include (by way of illustration, not limitation) the organization, planning, directing, control, evaluation and operation of a program or agency. Consultant contracts must be approved by DOA P&C and the Governor’s Office both prior to solicitation and prior to award.

**Contract Administrator** (CA) refers to the contract manager or person knowledgeable about the technical aspects of a contract (i.e., requirements/deliverables/timetable/additional work required, etc.).

**Contract Amendment** refers to any modification or alteration to the terms and conditions of a fully executed contract, Memorandum of Agreement or Memorandum of Understanding.

Examples of a modification or alteration include (by way of illustration, not limitation) no-cost time extensions, increases in services, and increases or decreases in the contract amount. **Once a contract’s expiration date has passed, the contract cannot be amended because that contract no longer exists.**

**Contract with Waiver of Competition** refers to a contract that has not been competitively solicited. Refer to section 1.3.10 Waiver of Competition in the P & C manual for the list of justifications for waiver. Waiver requests where the total value of the contract exceeds $10,000.00 will have to be approved by DOA P&C prior to contract
issuance. If contract value does not exceed $10,000 it will be approved by DEQ Purchasing.

**Convenience Contract** refers to an agreement used by state agencies to acquire goods and services and is administered by DIT or P&C.

**Department** refers to the Department of Environmental Quality.

**Division of Purchase and Contract** (DOA P&C) refers to a Division of the Department of Administration responsible for administering the State’s procurement program for acquisition of goods and services.

**Effective Dates of Contract** refers to the date services being contracted for are to begin (the date the contractor is to begin work) and the date the work is to be finished. The total time period of a contract may not exceed three (3) years without prior approval (before the contract is entered into by DEQ) from DOA P&C. A contractor must not begin work until a fully executed contract is in place. Likewise an amendment is needed to continue work after the expiration date. Note special appropriations require interpretation of the law or intent of the law to determine effective contract dates.

**Emergency or Pressing Need Contract:** Contracts issued for the purchase of commodities, printing or services in the open market in cases of emergency or pressing need. For this purpose, a pressing need is one arising from unforeseen causes including, but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work while emergencies are defined as situations which endanger lives, property or the continuation of a vital program and which can be rectified only by immediate, on-the-spot purchases or rental of commodities, printing or services. Transactions of this nature are to be reported to P&C.

**Grant Contract** refers to a contract issued as a result of an award of a Request for Proposal conducted by the DEQ Division who has been awarded the grant funds and was given grant making authority by the funding source. In comparison to a service contract, a grant contract is not legally binding. One party grants funds to another party to do something in reasonable hopes that the task can be accomplished. If the task is not accomplished there are most likely no legal ramifications.

**Grant Request for Proposals** refers to a solicitation document issued by a DEQ Division to applicable entities as defined by the funding source (i.e. government, non-profit, university, for profit, etc.) requesting proposals to address specific issues required to meet the specifications of a grant.

**Information Technology Contracts:** A contract for goods or commodities or services related to information technology. Services are defined as any process of providing services requiring specialized knowledge, experience, expertise, professional qualifications, or similar capabilities for any aspect of information technology including, but not limited to, work or task performance, review, analysis, and advice in formulating or implementing improvements in programs or services. All contracts exceeding $25,000.00 are forwarded to DIT for processing.

**Maintenance Contract** refers to arrangements for routine servicing of equipment.
**Master Agreement** is the agreement between the University of North Carolina and DEQ that facilitates and simplifies the contracting process by identifying terms and conditions, definitions, and guidelines to permit the application of task orders for processing transactions between the two parties.

**Memorandum of Agreement** refers to a legally binding instrument negotiated between the Department and other agencies of state, federal and local governments and private non-profit entities to provide for an exchange of services or to describe the conditions under which one agency will provide services for another in return for payment.

**Memorandum of Understanding** refers to a binding instrument as a statement of understanding or collaboration with same characteristics as a memorandum of agreement.

**Open Market Contracts:** Any contract where the requirement is openly advertised and whose award is based upon the competitive bidding process where offers are solicited, received, evaluated and awarded.

**Personal Service Contract** refers to a contract to secure a professional service on a temporary or occasional basis, including (by way of illustration, not limitation) those provided by a doctor, dentist, attorney, scientist or performer of the fine arts and similar profession. A Personal Service contract is issued to an individual only; individual cannot be a current state employee or an employee reduced in force (RIF) within the past 12-months. Generally speaking a personal services contract is to be processed in similar fashion as a services contract. Compared to a consultant contract the personal service contract tends to have a narrower scope and is more specific to the point of being task oriented.

**Service Request for Quotation (RFQ-S)** refers to the DEQ purchasing approved solicitation document to solicit competitive bids from vendors for non-complex services estimated not to exceed $10,000.00. The Scope of Work defines the exact task(s) or service(s) to be provided, when, where, how often, etc. (e.g., non-complex lawn maintenance; non-complex janitorial services; etc.). Award is based on lowest quote meeting RFQ-S specifications.

**NOTE:** At no time should there be any discussions between the requesting Division and any of the vendors who have furnished quotes until after the procurement process has been completed.

**Service Request for Proposals (RFP 1-step - Cost Offer only)** refers to a sealed solicitation document seeking competitive bids for a more complex service(s) required to be provided to a Division. Expenditure is expected to exceed $10,000. The Scope of Work defines the exact task(s) or service(s) to be provided, where, when, how often, etc. (e.g., complicated lawn maintenance, complicated janitorial services).

**NOTE:** At no time should there be any discussions between the requesting Division and any of the vendors who have furnished Request for Proposals responses until after the procurement process has been completed.
Service Request for Proposals (2-step - Technical proposal and Cost offer) refers to a sealed solicitation document seeking competitive bids for a service(s) required by a Division. The Scope of Work outlines the exact task(s) or service(s) to be provided, where, when, how often, etc. or the outcome expected by the requesting division.

A technical proposal, in a “sealed envelope”, is submitted by the offeror, detailing how or what method the offeror will utilize to provide the required service. A cost proposal in a “sealed envelope” is submitted by the offeror indicating the cost to provide the required service(s). Technical proposals are reviewed before Cost Proposals are opened. Once the division has reviewed the Technical Proposals, they will notify Purchasing, in writing as to which proposals met the specifications and which did not. The document must be specific with regards to why those not meeting specifications failed to do so. Purchasing will then give the offeror(s) whose bids were deemed technically acceptable a three day notification of the “Cost Proposal “opening date/time. Then at the appointed date/time the “Cost Proposals” will be opened and tabulated.

NOTE: At no time should there be any discussions between the requesting Division and any of the vendors who have furnished Request for Proposals responses until after the procurement process has been completed.

Service Contract refers to a contract for work to be performed by an independent contractor requiring specialized knowledge, experience, expertise or similar capabilities wherein the service rendered does not consist primarily of acquisition by the Department of equipment and materials. The services may include (by way of illustration, not limitation) janitorial services, film production, keypunching data entry, employee training, etc. A task description of services required and desired results is needed.

Secretary refers to the Secretary of the Department of Environmental Quality.

Task order is the form used by DEQ and the University of North Carolina (UNC) under the guidelines of the master agreement that sets out the elements deemed generally appropriate to establish meaningful and prudent contractual relationships which collectively constitute an obligation for DEQ to pay up to the amounts described therein and for UNC to perform the work defined.

PURCHASING DEFINITIONS - COMMODITY PURCHASING

  Accounting by Line item – Company, account, and cost center at the bottom of the Purchase Requisition designating the funding source.

  Blanket Purchase Order – Purchase orders for a period of one year or less are limited by quantity or dollar value whichever is reached first. Blanket purchase orders have a very limited use; an example is fuel oil.
**Bulk Order Purchasing** – Orders for a particular item are combined together and bid out to several vendors in order to obtain discount prices.

**Brand Specific Justification** – A detailed explanation stating reason(s) your particular commodity (ies) must be produced by a particular manufacturer. The explanation should give specific examples of why an equivalent commodity meeting the same specification will not meet your needs.

**Catalog** – Refers to a vendor catalog in e-procurement for a state term contract item

**Certification Number** – Term contract number assigned by the DOA P&C or DIT.

**Change Order** – A revised purchase order generated within e-procurement used to change quantity, commodity, price, or date.

**Commodity** - Any equipment, materials, or supplies. Also referred to separately in this manual as a good and item(s).

**Commodity Number** – Pre-assigned numbers adopted by the National Institute of Governmental Purchasing for all goods and services. This methodology forms the basis for e-procurement fees charged to vendors and allows statewide agencies to determine the value of state term contracts for a given good or service.

**Complaint to Vendor Form** – Form completed by DEQ detailing problems encountered (quality, delivery, service, etc.) with items noted on specific purchase orders. Refer to this link to access form: [https://ncadmin.nc.gov/government-agencies/procurement/bid-forms](https://ncadmin.nc.gov/government-agencies/procurement/bid-forms).

**Contract Certification** – Document used by DOA P&C and DIT, to inform a vendor and DEQ that a contract has been awarded. A purchase order is issued when this contract certification document is received in DEQ Purchasing.

**EQuote** – EQuote is a tool within e-procurement that can be used to solicit and review quotes from multiple suppliers for a good or service. The tool can be used for DOA P&C based purchases not exceeding $10,000 or DIT purchases not exceeding $25,000.

**Executive Order 50 (EO50)** - The North Carolina Business Preference is a price matching option for North Carolina businesses bidding on contracts. This preference provides an opportunity for North Carolina businesses (if the business requests the preference) who are not the lowest bidder to match the out of state bidder’s response if the North Carolina business is within 5% or $10,000.00 (whichever is lower) of the lowest out-of-state bidder’s response.

**FOB Destination** – Term used to indicate freight charges are included in the vendor’s quoted price to your location.

**General Delegation**- The authority granted by the State Purchasing Officer (SPO)
for an agency to handle purchases made under a certain dollar amount.

**Historically Underutilized Business (HUB)** – A business owned/or with majority control (51% or greater) by Black, Hispanic, Asian American, American Indian, Female, Disable Owned, Disabled Business Enterprise, Non-Profit Work Center, and Socially and Economically Disadvantaged persons.

**Interactive Purchasing System (IPS)** – System used by DIT, DOA P&C, and State Construction Office (SCO) for posting formal solicitations, tabulating results, and awarding contract.

**Justification for Waiver of Competition** – A well-defined explanation by the requesting division stating why a particular commodity or service should not be competed on the open market.

**Non-catalog Item** – An item for which there is no vendor catalog in e-procurement.

**Non-contract Item** – Commodity available in the open-market arena that is not covered by an existing term contract.

**Open Market Solicitation** – The fair and open solicitation of offers for the purchase of a commodity or service not covered by a term contract.

**Prepay and Add** - Term used to indicate the vendor has not included freight charges in their quoted price.

**Procurement Card (P-card)** - A credit card issued to employees in the Department which enables the user to purchase goods and services without the issuance of a purchase order and without using the direct payment process.

**Department of Administration, Purchase and Contract, (DOA P&C)** – A Division of the Department of Administration responsible for administering the state’s program for the acquisition and management of goods and services. This span of control does not include commodities and services administered by DIT, SCO, or the State Property Office (SPO).

**Request for Quotation for Commodities (RFQ-C)** – Form used to obtain written prices from vendors for commodities.

**Special Delegation** - The authority granted by the SPO for an agency to handle a specific purchase, where it would serve no practical purpose for the purchase to be handled by DOA P&C.

**Specifications** – A detailed list indicating all technical data (dimensions, weight, color, etc.) for a particular commodity.

**Term Contract** – A contract with a defined time period. Term contracts can be agency specific or statewide for all agencies.
**Vendor Link** - A free online vendor registration system for formal solicitations which enables registered vendors to receive next day notification of procurement opportunities for products and services in the areas they have selected. Refer to North Carolina Vendor Portal to request vendors to register: https://vendor.ncgov.com/vendor/login.

**Vendor Number (Federal ID)** – A nine digit number assigned to a vendor by the Federal Government (also referred to as tax ID number). The vendor number is noted on Request for Quotation for Commodities form (RFQ-C), and Request for Quotation for Services form (RFQ-S).

**Written Quotation** – Prices obtained from vendors utilizing the Request for Quotation for Commodities form (RFQ-C) and the Request for Quotation for Services form (RFQ-S).

**THE IRAN DIVESTMENT ACT**

Pursuant to G.S. 147-86.59, any person identified as engaging in investment activities in Iran, determined by appearing on the Final Divestment List created by the State Treasurer pursuant to G.S. 147-86.58, is ineligible to contract with the State of North Carolina or any political subdivision of the State. The list of prohibited vendors can be found at: https://www.nctreasurer.com/inside-the-department/OpenGovernment/Reports/2017-05-16%20Iran%20Final%20Divestment%20List.pdf.

**RECORD RETENTION**

Except where law provides to the contrary, after the award of a contract, the purchasing records are public documents; these documents shall be maintained for a period of five (5) years after the expiration date of the contract. Each file shall be identified individually so it can be readily located and referenced either through the NC E-Procurement @ Your Service system or hard copy files.
Note it is recommended that the contract for capital equipment purchases and for goods that may have a useful life or warranty exceeding five years, be retained by the Agency for that time period.

**COMMODITIES PURCHASING**

**CORRECTION ENTERPRISES PURCHASES**

1. Is the item available from Correction Enterprises? (http://correctionenterprises.com/)

2. Procurement can be made via a p-card or a purchase requisition (purchasing request) entered into N C E-Procurement for processing. (http://eprocurement.nc.gov/ )
3. Purchase requisition routed through internal division approval path for review/approval and signature.

4. Purchase requisition is received in DEQ Purchasing through NC E-Procurement for review.

5. Purchase requisition is reviewed for compliance/accuracy and processed into a purchase order by DEQ Purchasing.

6. Purchase order is sent to Correction Enterprises. The requestor will receive an e-mail notification from the NC E-Procurement System once the requisition has been fully approved.

7. Purchased item(s) received by division (customer). Division must enter receipt and forward required documentation to the Financial Services Division (FSD) for payment to be made to Correction Enterprises.

TERM CONTRACT COMMODITIES

1. When goods are not available from Corrections Enterprises then determine if they are available on state term contracts at http://www.pandc.nc.gov/keywordListing.aspx.

2. Another resource is agency specific contracts at NC Open Book http://data.osbm.state.nc.us/pls/openbook/dyn_openc_browse_r2.show?p_arg_names=deptno&p_arg_values=20. This website was developed by the State to provide more transparency to the public by listing agency contracts.

3. DEQ Purchasing staff is available for assistance when required.

4. E-procurement purchase requisition (purchasing request) is routed through internal division approval path for review and approval.

5. Purchase requisition is received via E-Procurement for review.

6. Purchase requisition reviewed for term contract compliance/accuracy and processed into a purchase order by Purchasing.

7. Purchase order is sent to the vendor. The requestor will receive an e-mail notification from the NC E-Procurement System once the requisition has been fully approved.

8. Purchased item(s) received by division. Division must enter e-procurement receipt and forward required documentation to FSD for payment to be made to the vendor.

SMALL PURCHASES UP TO $5,000.00 OTHER THAN CORRECTION ENTERPRISES OR TERM CONTRACT PURCHASES (DOA P&C)
This section addresses both commodities and services under P&C guidelines. Guidelines are outlined below for all divisions who have purchasing delegations in place.

- For transactions not exceeding $2500 within a 12-month period competition is encouraged but not required. Divisions are to ensure process integrity and value received in accordance with amount expended.
- Transactions amounting to $2501 - $5000 within a 12-month period- Competition is to be sought from three sources whenever practical via fax, email, internet, postal mail, hard copy delivery, etc. A waiver of competition is acceptable when warranted. All information received is to be kept confidential until an award is made.
- Event contracts- **All event contracts exceeding $2500 are to be solicited from three sources**
- Divisions are cautioned to consider safety issues and the potential of placing the Department at risk if someone is injured on state property while providing services to the Department and no formal document exists in which the provider has agreed to provide independent insurance coverage for its employees.
- Small purchase exceptions- These guidelines do not apply to personal services contracts, consultant contracts, or grant contracts.
- P-card- $2500 or less per transaction
- When Corrections Enterprises cannot meet the requirements in terms of specifications or delivery, a written exemption is to be obtained from them before sourcing elsewhere.
- Related party transactions- Every attempt should be made to avoid a conflict of interest or perception of a conflict of interest. If the good or service is something that can be provided by a member of the employee’s family or other related parties, the employee is to recuse himself/herself from the process and allow the transaction to be processed by someone else in the division.
- DEQ Hub purchases goal is 10% of all procurement; this includes small purchases.
- Documentation- Divisions are responsible for maintaining all records including but not limited to sole source letters, justifications for waiver of competition, quotes, and any warranty and maintenance information. Note the information is to be retained for audit and compliance purposes. DEQ record retention policy is to be followed as it relates to this documentation.
- Vendor's terms and conditions- In general it is poor practice for any DEQ employee to sign a vendor agreement or service plan with the exception of event agreements signed by the purchasing director. When another option is not available be sure to read the fine print to determine that the offeror’s terms and conditions are not in conflict with those of the State of North Carolina. Include a copy of the State’s general contracts terms and conditions with the agreement. Automatic renewals are not to be included in any contract. Contract term is not to exceed 36 months inclusive of extensions and renewals. Forward questionable transactions to DEQ Purchasing before signing. Be mindful that if the Department cannot accept the vendor’s terms and conditions approved by an employee, the employee could be held responsible for any cost associated with the action taken.
• Division of requirements - Transactions are not to be divided to circumvent procurement rules.

• Recurring purchases - Recurring purchases are allowed as a part of the small purchase procedure. Twelve month cost is not to exceed $5000; the term of recurrence cannot be beyond 12 months. Two additional twelve month renewal options may be included; however each twelve month period must have the same specifications, pricing, terms and conditions, and not exceed $5000 for each period.

• Purchasing rules - All purchasing rules are in effect. Confirm the vendor has not been debarred at the State level [https://ncadmin.nc.gov/government-agencies/procurement/contracts/debarred-vendors](https://ncadmin.nc.gov/government-agencies/procurement/contracts/debarred-vendors) nor at the federal level [https://www.sam.gov/portal/SAM/?portal%3AcomponentId=8299f805-1104-477a-a974-ec7ce34f9a65&interactionstate=JBPSN_R0ABXcwABBBfanNmQnJpZGdlVmlldOlkAAAAAQAPL2pzZi9mb290ZXIuanNwAAdfX0VPRl9f&portal%3Atype=action##1](https://www.sam.gov/portal/SAM/?portal%3AcomponentId=8299f805-1104-477a-a974-ec7ce34f9a65&interactionstate=JBPSN_R0ABXcwABBBfanNmQnJpZGdlVmlldOlkAAAAAQAPL2pzZi9mb290ZXIuanNwAAdfX0VPRl9f&portal%3Atype=action##1).

• Reporting - Divisions are responsible for submitting a monthly report detailing all small purchases made during the month to sharepoint/agency intranets/DEQ/Divisions/Financial Services/Purchasing/Completed Forms. Blank forms can be found at sharepoint/agency intranets/DEQ/Divisions/Financial Services/Resource Links/Finance Forms and Documents/purchasing forms/monthly small purchase spreadsheet. Note the special instructions provided relating to administrative functions on the instructions tab of the spreadsheet. The report is due by the 15th of the following month and subject to audit and compliance review.

• Consequences - Failure to follow policies regarding small purchase procedure may result in the division losing its delegation.

SMALL PURCHASES UP TO $5,000.00 OTHER THAN CORRECTION ENTERPRISES OR TERM CONTRACT PURCHASES (DIT)

This section addresses both commodities and services under DIT guidelines.

• The small purchase delegation is not to be used for computers, laptops, tablets, or printers where a state term contract is in effect.

• Refer to the RE IT procedure when non-standard software is involved.

• All other IT purchases shall follow current DEQ purchasing procedures.

DIRECT PAYMENTS

Competition is encouraged but not required for purchases with the direct pay authorization limit up to $2500 (including freight charges). Divisions are to review before submitting for payment.

Competition is to be sought when available for open-market/purchases valued between $2501 - $5000. Three written quotes are to be solicited when reasonable.
Quotes and requested quotes without a response are to be attached to invoices submitted for approval.

Exceptions should be submitted to DEQ purchasing.

**OPEN-MARKET COMMODITIES $5,001-$10,000**

1. Can the item be obtained from Correction Enterprises (http://correctionenterprises.com/)? If you are unsure an item is available from Correction Enterprises, consult with Correction Enterprises.


4. Launch purchase requisition in NC E-Procurement for processing. (http://eprocurement.nc.gov/)

5. DEQ purchase requisition is routed through respective internal division e-procurement approval path for review/approval and signatures.

6. DEQ purchase requisition is reviewed by DEQ Purchasing.

7. If written quotations or eQuotes are invalid or not provided and there is no justification for an exception, purchasing will not approve the transaction and division will need to revisit. Purchasing will communicate via e-procurement denial, email, or phone.

8. Purchasing reviews transaction leading to issuance of purchase order through E-Procurement.

9. Purchase orders are forwarded electronically to the vendor. The requestor will receive an e-mail notification from the NC E-Procurement System once the requisition has been fully approved.

10. Purchased item(s) are received by the division, and they must perform an e-procurement receipt as appropriate forwarding the required documentation to FSD for payment to be made to the vendor.

**OPEN-MARKET COMMODITIES-$10,001- $25,000.00**

All open-market requisitions totaling $10,001 up to $25,000 (all-inclusive price), are to be posted on the Interactive Purchasing System (IPS) by DEQ Purchasing. The end user is required to submit all pertinent specifications and approvals for the solicitation to
be created and posted. A bid opening date is specified and once opened and tabulated on IPS; the bid package is forwarded to the division for review and recommendation. The complete package including a letter of recommendation is sent back to DEQ Purchasing; an award is made in accordance with the award method and criteria defined in the solicitation document.

1. Can the item be obtained from Correction Enterprises (http://correctionenterprises.com/)? If you are unsure an item is available from Correction Enterprises, consult with Correction Enterprises.


3. Online purchase requisition entered into the NC E-Procurement System for processing. (http://eprocurement.nc.gov/)

4. DEQ purchase requisition is routed through respective e-procurement internal division approval path for review/approval and signatures.

5. DEQ purchase requisition is received through NC E-Procurement System.

6. Bids are received in DEQ Purchasing. The responses are tabulated and entered on IPS.

7. Responses are routed to the division for review and recommendation.

8. DEQ Purchasing reviews recommendation package from the division leading to issuance of purchase order through NC E-Procurement System.

9. Award information is posted on IPS.

10. Purchase order is issued and forwarded electronically to the vendor. A file copy with supporting documentation is maintained in the Purchasing file. The requestor will receive an e-mail notification from the NC E-Procurement System once the requisition has been fully approved.

11. Purchased item(s) received by division. Division will enter receipt in e-procurement as appropriate and forward required documentation to FSD for payment to be made to the vendor.

12. Closure of purchasing process.

**OPEN-MARKET COMMODITIES GREATER THAN $25,000.00**

All requisitions totaling more than $25,000.00 with all pertinent specifications and approvals are forwarded to DOA P&C by DEQ Purchasing. P&C personnel are responsible for creating an open-market Invitation for Bid and posting that bid on the IPS. On the specified bid opening date, the bids are opened and tabulated on the IPS.
The bid package is forwarded to DEQ Purchasing where a review of the package takes place, and it is forwarded back to the division for review and recommendation. Note: If other than low bidder(s) is recommended the division must explain thoroughly why the low bidder(s) is not recommended for award.

1. Can the item be obtained from Correction Enterprises (http://correctionenterprises.com/)? If you are unsure an item is available from Correction Enterprises, consult with Correction Enterprises.


3. A purchase requisition is entered into the NC E-Procurement System for processing (http://eprocurement.nc.gov/).

4. DEQ purchase requisition is routed through respective e-procurement internal division approval path for review and approval.

5. DEQ purchase requisition is received in DEQ Purchasing through E-Procurement.

6. Specifications are reviewed by DEQ Purchasing.

7. DEQ Purchasing submits requisition to oversight agency, DOA P&C or DIT (whichever is appropriate), for review and processing.

8. The oversight agency handles the bid process through IPS and forwards all bid responses/packages to DEQ Purchasing for review by end user.

9. Bid responses/packages are forwarded to requesting division/program for review and recommendation.

10. Lowest responsible/responsive bid meeting specifications should be recommended unless the award is made under Executive Order 50 criteria. If other than low bid is recommended, a detailed explanation must be included indicating what requirements the low bid failed to meet. The division sends the bid package(s) with proposed vendor recommendation letter to DEQ Purchasing. DEQ Purchasing routes bid response package to P&C for evaluation.

11. Oversight agency authorizes in writing a contract certification or contract award letter to DEQ Purchasing leading to issuance of purchase order through E-Procurement.

12. Purchase orders are forwarded electronically to the vendor. A file copy with supporting documentation is maintained in DEQ Purchasing. The requestor will receive an e-mail notification from the NC E-Procurement System once the requisition has been fully approved.
13. Purchased item(s) is received by the division. Division must enter online receipt as appropriate and forward required documentation to FSD for payment to be made to the vendor.

**Note:** For planning purposes, divisions should incorporate a 4 – 6 week processing interval after request is made to the oversight agency.

**SURPLUS PROPERTY**
(http://www.doa.state.nc.us/ssp/)

The Department of Administration is responsible for administering the sale and disposal of surplus equipment, materials and supplies for agencies. The State Surplus Property Office is responsible for State surplus property and will determine the means for disposal or transfer of all State owned property.

DEQ Purchasing is to consult with the Division of Surplus Property before pursuing any recycling option other than the State Surplus system.

**CREATING / APPROVING / CHANGING / RECEIVING / AN E-PROCUREMENT REQUISITION**

Purchase requisitions are created through the NC E-Procurement System (http://eprocurement.nc.gov/). Instructions on creating, approving, changing, or receiving are available under the user training tab on the e-procurement home page.

**REQUEST FOR COMMODITIES QUOTATION WITH LIMITED COMPETITION**

Request for Quotation Forms with the correct State of North Carolina Terms and Conditions can be found on the DEQ Purchasing webpage. Instructions for completing the RFQ-C can also be found at this webpage.

It is important to note that there are several RFQ forms listed on the webpage. Please choose the one for commodity purchases.

1. All written RFQ-Cs sent out by agencies are to include standard State of North Carolina terms and conditions, including the E-Procurement language, applicable to the requirement.

2. Quotes received that include conflicting or unacceptable terms and conditions are to be rejected. The State of North Carolina terms and conditions will supersede the vendor's terms and conditions.

3. All written RFQs or RFQ-Cs provide space for a signature of an authorized company representative to certify that the quote was submitted without collusion.

4. Allow approximately fourteen calendar days for the return of written quotes using US Mail and seven calendar days if using email.
5. Please be advised that all divisions/programs are to use the DEQ Purchasing RFQ-C form when seeking written quotation. The RFQ-C must legibly include your division/program name and FOB destination address, **(this must be the city, state and zip code where delivery is required)**, a clear description of the item(s) needed, the "return by" date, the State of North Carolina's terms and conditions, a signature section for the company to complete, a space for delivery time to be offered and all other specific requirements applicable to the purchase.

**ROLE OF THE DIVISION PURCHASING CONTACT INDIVIDUAL**

In order for divisions to obtain goods and services to support operations and maintain a high level of compliance, it is essential to have a primary point of contact for purchasing transactions.

- have knowledge about DEQ purchasing policies/procedures to be followed by staff when the purchase of a commodity or service is necessary
- are able to locate NC General Statutes, NC Administrative Code, NC Purchasing Manual, and DEQ purchasing manual when needed
- can navigate the term contracts (using the DOA P&C webpage and the E-procurement System catalog search function) to determine if items requested by end users are covered by existing term contract
- should be able to interpret terms, conditions and instructions for using term contracts and specifications
- able to assist end users with procedures on how to use term contracts
- should know the policies/procedures for making direct purchases and Pcard purchases
- should know what is considered a valid quotation package and how to obtain valid RFQ
- can advise end users when a waiver of competition, justification/brand specific justification letters and RE are required
- understands the requirements for purchasing (i.e. Correction Enterprises preference, Historically Underutilized Business)
- verifies all necessary support documentation has been forwarded to Purchasing for requisitions entered into the E-procurement System
- can serve as the liaison between their division personnel and DEQ Purchasing
• follows up regarding delivery of goods ordered or handling problems which occur
  with delivery. If the purchasing contact feels they are not making progress in the
  resolution of the program, they can contact DEQ Purchasing.

• is responsible for communicating all purchasing issues/updates with appropriate
  division staff

• is able to obtain equotes for division personnel, or training division personnel to
  obtain equotes.

PROCUREMENT CARD (PCARD) PURCHASES

P-cards are available for a number of transactions with a limit of $2500 for a single
transaction. Guidelines for its use can be found
at http://portal.ncdenr.org/group/ooc/home on the Financial Services Division website
under p-card policy. Scroll down to the p-card folder to access forms and policy.

**NOTE: DESKTOPS, LAPTOPS AND PRINTERS MAY NOT BE PURCHASED WITH
THE PCARD.

EMPLOYEE DIRECT PURCHASE REIMBURSEMENT

Employees will not be reimbursed for any direct purchases made with personal funds
without prior approval from the Financial Services Division. Employees may use the
Procurement Card for any allowable purchase or allowable use of the card.

PRINTED MATERIAL PROCEDURES

Before any printed material requests are made, a Publication Review Form from
Environmental Education and Public Affairs must be completed and sent to the Director
of Creative Services for review. This process serves to ensure effective and consistent
communication from the Department. Upon the director's written authorization the
request for printing and quotes shall be submitted to DEQ Purchasing on an e-
procurement requisition. Refer to the link to the form

1. Correction Enterprises is DEQ’s primary source for printing. (G.S. 148.134
   Statement of Preferential Procurement from Enterprise and Exemption from
   Competitive Bidding). Can the item be obtained from Correction Enterprises
   (http://correctionenterprises.com/)? If you are unsure an item is available from
   Correction Enterprises contact them.

2. Contact Correction Enterprises for an estimate and further instructions on
   submitting files and other job documents.

3. If Correction Enterprises cannot perform the printing, an exemption is to be
   obtained. The end user is to supply detailed specifications, artwork,
Environmental Education and Public Affairs approval and an exemption from Correction Enterprises when applicable.

4. When obtaining information for any type of printing project your Request for Quotation should include detailed specifications and a sample when possible to ensure the vendor completely understands the scope of the print job.

5. P-cards can be used for payment to Correction Enterprises within allowances of DEQ p-card policy.

**SERVICE CONTRACTING**

Purchasing is the only section authorized to issue a contract, memorandum of agreement (MOA), memorandum of understanding (MOU), inter-agency agreement, or co-op agreement.

**CONSULTANT CONTRACT**

Refer to this link for P&C definition at 1.2.2b Consulting Services (https://files.nc.gov/ncdoa/pandc/Documents/Contract-Administration-and-Monitoring-Guide/Procurement_Manual_5_8_2013_interactive.pdf)

**Division:**
1. Submit via Contract Process System (CPS)
2. Proposal or Scope of Work Requirements:
   a. Introduction/Background
   b. Tasks to be provided
   c. Milestones to be met with dates
   d. Deliverables to be provided with dates
   e. Detailed Budget
   f. Environmental/Regulatory Constraints, state interfaces, etc. applicable for required service
   g. Federal, State, Local stipulations regarding funds; i.e. the award document from the funding agency such as EPA, NOAA, etc.
   h. Reporting Requirements
   i. Federal Certifications (to include, but not limited to, Lobbying/Debarment/Drug-Free/Tobacco Smoke Free) (if federally funded service)
   j. Other Attachments as necessary (i.e., IRS Non-Profit status [501(c)(3)] verification letter; Conflict of Interest)

**DEQ Purchasing:**

1. Reviews Contract Process System information to confirm solicitation qualifies as consulting
2. Submits Consultant request to DOA P&C which seeks Governor’s Office approval
3. Receives authorization to proceed from DOA P&C
4. Prepares solicitation document and releases
5. Collaborates with division for evaluation
6. Forwards award recommendation to DOA P&C which seeks Governor’s Office approval
7. Governor’s Office approves award
8. DOA P&C authorizes DEQ to award contract
9. DEQ Purchasing awards contract and encumbers funds

GOVERNMENT AGENCY (federal/state/local) (no competition required)

Division:
1. Submit via CPS
2. Proposal or Scope of Work Requirements:
   a. Introduction/Background
   b. Tasks to be provided
   c. Milestones to be met with dates
   d. Deliverables to be provided with dates
   e. Detailed Budget
   f. Environmental/Regulatory Constraints, state interfaces, etc. applicable for required service
   g. Federal, State, Local stipulations regarding funds; i.e. the award document from the funding agency such as EPA, NOAA, etc.
   h. Reporting Requirements
   i. Federal Certifications (to include, but not limited to, Lobbying/Debarment/Drug-Free Workplace/Tobacco Smoke-Free) (if federally funded service)
   j. Other Attachments as necessary

DEQ Purchasing:
1. Reviews CPS information for contract issuance
2. Prepares agreement and releases to government agency
3. Upon receipt of signed agreement from agency, obtains signature from DEQ Purchasing Director
4. Issues contract to government agency and encumbers funds

PERSONAL SERVICE (with an individual only)

Division:
1. Submit via CPS
2. Scope of Work Requirements:
   a. Introduction/Background
   b. Tasks to be provided
   c. Milestones to be met with dates
   d. Deliverables to be provided with dates
   e. Cost or Cost per deliverable
   f. Environmental/Regulatory Constraints, state interfaces, etc. applicable for required service
g. Federal, State, Local stipulations regarding funds; i.e. the award document from the funding agency such as EPA, NOAA, etc.

h. Reporting Requirements
i. Federal Certifications (to include, but not limited to, Lobbying/Debarment/Drug-Free Workplace/Tobacco Smoke-Free) (if federally funded service)
j. Other Attachments as necessary

3. Completed Form 319 (use only the last 4 digits of the Social Security Number on this form.

4. Resume or vitae (do not include the social security number on the resume or vitae.)

5. Justification statement of individual’s unique qualifications to perform service.

DEQ Purchasing:

1. Reviews CPS information for contract issuance
2. Prepares solicitation document and releases
3. Collaborates with division for evaluation and award recommendation
4. Prepares agreement and releases to vendor
5. Upon receipt of signed agreement from vendor, obtains signature from DEQ Purchasing Director
6. Issues contract to vendor and encumbers funds

PRIVATE FOR PROFIT SERVICE CONTRACT (Competition Required)

REQUEST FOR QUOTATION FOR SERVICES $2,501 $10,000

Using Division Obtains Written Quotations

Division:
1. Develop Request for Quotation for Services (RFQ-S)
2. Scope of Work Requirements:
   a. Introduction/Background
   b. Tasks to be provided
   c. Milestones to be met with dates
   d. Deliverables to be provided with dates
   e. Payment Schedule
   f. Pre-proposal Conference/Site Visit (if applicable)
   g. Renewal Option (if applicable)
   h. Environmental/Regulatory Constraints, state interfaces, etc. applicable for required service
   i. Federal, State, Local stipulations regarding funds; i.e. the award document from the funding agency such as EPA, NOAA, etc.
   j. Reporting Requirements
   k. Federal Certifications (to include, but not limited to, Lobbying/Debarment/Drug-Free Workplace/Tobacco Smoke-Free) (if federally funded service)
   l. Evaluation Criteria
   m. Other Attachments as necessary
3. Send RFQ-S to a minimum of three (3) viable vendors
4. Receive RFQ-S responses from vendors
5. Review responses for award recommendation
6. Submit via CPS
7. Select: Request a New Contract
8. Complete Contract Process System requirements

**DEQ Purchasing:**

1. Review CPS information for contract issuance
2. Prepare solicitation document and release
3. Collaborate with division for evaluation and award recommendation
4. Obtain signature from DEQ Purchasing Director
5. Issues contract to vendor and encumbers funds

**DEQ Purchasing Obtains Written Quotations**

**Division:**
1. Submit via CPS
2. Select: Request a new RFQ (Request for Quotation)
3. Scope of Work Requirements:
   a. Introduction/Background
   b. Tasks to be provided
   c. Milestones to be met with dates
   d. Deliverables to be provided with dates
   e. Payment Schedule
   f. Pre-proposal Conference/Site Visit (if applicable)
   g. Renewal Option (if applicable)
   h. Environmental/Regulatory Constraints, state interfaces, etc. applicable for required service
   i. Federal, State, Local stipulations regarding funds; i.e. the award document from the funding agency such as EPA, NOAA, etc.
   j. Reporting Requirements
   k. Federal Certifications (to include, but not limited to, Lobbying/Debarment/Drug-Free Workplace/Tobacco Smoke-Free) (if federally funded service)
   l. Evaluation Criteria

**DEQ Purchasing:**
1. Review CPS information for RFQ-S issuance
2. Send to the Division via the CPS a draft of the RFQ-S to be issued.

**Division:**
1. Review the draft RFQ-S in CPS. If acceptable, confirm with DEQ Purchasing. If changes are needed, work with DEQ Purchasing.

**DEQ Purchasing:**
1. Release the approved RFQ-S
2. DEQ Purchasing receives quotes from vendors
3. DEQ Purchasing forwards quotes to division for review and recommendation via CPS

Division:
1. Submit via CPS recommendation to award (if recommendation is for other than low offer meeting specifications, recommendation must detail why other than low offer meeting specifications is recommended) via CPS
2. Select: Request New Contract
3. Select: Based on previous RFQ Number
4. Complete CPS requirements

DEQ Purchasing:
1. Review CPS information for contract issuance
2. Obtain signature from DEQ Purchasing Director
3. Issues contract to vendor and encumbers funds

REQUEST FOR PROPOSALS (1 STEP - COST) – OVER $10,000

Division:
1. Submit via CPS
2. Select: Request a new RFP (Request for Proposals – 1 step, cost only)
3. Scope of Work Requirements:
   a. Introduction/Background
   b. Tasks to be provided
   c. Milestones to be met with dates
   d. Deliverables to be provided with dates
   e. Payment Schedule
   f. Pre-proposal Conference/Site Visit (if applicable)
   g. Renewal Option (if applicable)
   h. Environmental/Regulatory Constraints, state interfaces, etc. applicable for required service
   i. Federal, State, Local stipulations regarding funds; i.e. the award document from the funding agency such as EPA, NOAA, etc.
   j. Reporting Requirements
   k. Federal Certifications (to include, but not limited to, Lobbying/Debarment/Drug-Free Workplace/Tobacco Smoke-Free) (if federally funded service)
   l. Evaluation Criteria
   m. Cost Proposal format (if other than one cost)
   n. Other required attachments

DEQ Purchasing:
1. Reviews CPS information for posting of RFP on to IPS
2. Send to the Division via the CPS a draft of the RFP to be issued

Division:
1. Review the draft RFP in CPS. If acceptable, confirm with DEQ Purchasing. If changes are needed, work with DEQ Purchasing.
DEQ Purchasing:
1. Posts RFP on IPS unless exceeds $25,000 in which case DOA P&C will review before posting
2. Receive offers from vendors
3. Forwards responses to Division for review and recommendation via CPS

Division: (Recommended award does not exceed $25,000.00)
1. Via CPS submit recommendation to award to DEQ Purchasing (if recommendation is for other than low offer meeting specifications, recommendation must detail why other than low offer meeting specifications is recommended)
2. Select: Request New Contract
3. Select: Based on previous RFP Number
4. Complete CPS requirements

DEQ Purchasing
1. Reviews CPS information for contract issuance
2. Obtain signature from DEQ Purchasing Director
3. Issues contract to vendor and encumbers funds

Division: (Recommended award greater than $25,000)
1. Submit via CPS recommendation to award to DEQ Purchasing (if recommendation is for other than low offer meeting specifications, recommendation must detail why other than low offer meeting specifications is recommended)

DEQ Purchasing:
1. Reviews CPS information award recommendation
2. Submits award recommendation to DOA P&C or DIT for award authorization
3. Receives award authorization
4. Via CPS notifies division of award authorization

Division:
1. Submit via Contract Process System
2. Select: Request New Contract
3. Select: Based on previous RFP Number
4. Complete CPS requirements

DEQ Purchasing:
1. Reviews CPS information award recommendation
2. Obtain signature from DEQ Purchasing Director
3. Issue contract to vendor and encumber funds

REQUEST FOR PROPOSALS (2 STEP, TECH + COST) - OVER $10,000.00

Division:
1. Submit via CPS
2. Select: Request a new RFP (Request for Proposals – 2 step – Tech. + Cost)
3. Scope of Work Requirements:
   a. Introduction/Background
   b. Tasks to be provided
   c. Milestones to be met with dates
   d. Deliverables to be provided with dates
   e. Payment Schedule
   f. Pre-proposal Conference/Site Visit (if applicable)
   g. Renewal Option (if applicable)
   h. Environmental/Regulatory Constraints, state interfaces, etc. applicable for required service
   i. Federal, State, Local stipulations regarding funds; i.e. the award document from the funding agency such as EPA, NOAA, etc.
   j. Reporting Requirements
   k. Federal Certifications (to include, but not limited to, Lobbying/Debarment/Drug-Free Workplace/Tobacco Smoke-Free) (if federally funded service)
   l. Evaluation Criteria
   m. Other Required Attachments
   n. Cost Proposal format (if other than one cost)
   o. Other attachments

DEQ Purchasing:
1. Reviews CPS information for RFP issuance
2. Send to the Division via the CPS a draft of the RFP to be issued.

Division:
1. Review the draft RFP in CPS. If acceptable, confirm with DEQ Purchasing. If not work with DEQ Purchasing.

DEQ Purchasing:
1. Posts RFP utilizing IPS unless exceeds $25,000 in which case DOA P&C will review before posting
2. Receives offers from Vendors
3. Opens Technical Proposals
4. Forwards Technical proposals to Division Contract Administrator for review and recommendation

Division:
1. Via CPS submits memo documenting offers meeting technical specifications including those that do not and why

DEQ Purchasing
1. Notifies the offerors whose bids have been deemed technically acceptable of the Cost Proposal Date/time opening (minimum of 3-day notice required)
2. Opens Cost offers of technically acceptable offers
3. Via CPS DEQ Purchasing submits to division cost offers

Division: (Recommended award does not exceed $25,000)
1. Submit via CPS
2. Select: Request New Contract
3. Select: Based on previous RFP Number
4. Complete CPS requirements

DEQ Purchasing:
1. Reviews CPS information for contract issuance
2. Obtain signature from DEQ Purchasing Director
3. Issue contract to vendor and encumber funds

Division: (Recommended award exceeds $25,000)
Submit via CPS recommendation for award (if recommendation is for other than low offer meeting specifications, recommendation must detail why other than low offer meeting specifications is recommended)

DEQ Purchasing:
1. Reviews CPS information for award recommendation
2. Submits award recommendation to DOA P&C or DIT for award authorization
3. Receives award authorization
4. Via Contract Process System notifies Division of award authorization

Division:
1. Submits via CPS
2. Select: Request New Contract
3. Select: (Based on previous RFP Number)
4. Complete CPS requirements

DEQ Purchasing:
1. Reviews CPS for contract issuance
2. Obtain signature from DEQ Purchasing Director
3. Issue contract to vendor and encumber funds

COMPETITION WAIVED

Division:
1. Submit via CPS
2. Justification Memo documenting waiver of competition
3. Request for Quotation for Services (RFQ-S)
4. Scope of Work Requirements:
   a. Introduction/Background
   b. Tasks to be provided
   c. Milestones to be met with dates
   d. Deliverables to be provided with dates
   e. Payment Schedule
   f. Budget (cost per deliverable)
   g. Environmental/Regulatory Constraints, state interfaces, etc. applicable for required service
   h. Federal, State, Local stipulations regarding funds; i.e. the award document from the funding agency such as EPA, NOAA, etc.
i. Reporting Requirements
j. Federal Certifications (to include, but not limited to, Lobbying/Debarment/Drug-Free Workplace/Tobacco Smoke-Free) (if federally funded service)
k. Other attachments as necessary

DEQ Purchasing: (Recommended award does not exceed $10,000)
1. Review CPS information for solicitation preparation
2. Process draft RFQ
3. Send the division a draft of the RFQ to be issued

Division:
1. Review the draft RFQ. If acceptable, confirm with DEQ Purchasing. If not work with DEQ Purchasing.

DEQ Purchasing:
1. Release the approved RFQ
2. DEQ Purchasing receives quote from vendor
3. DEQ Purchasing forwards quote to division for review and recommendation

Division:
1. Evaluates quote and sends DEQ Purchasing award recommendation

DEQ Purchasing:
1. Review award recommendation for contract issuance
2. Obtain signature from DEQ Purchasing Director
3. Issue contract to vendor and encumber funds

DEQ Purchasing: (Recommended award exceeds $10,000)
1. Review CPS information for solicitation preparation
2. Process draft RFQ
3. Send the division a draft of the RFQ to be issued

Division:
1. Review the draft RFQ. If acceptable, confirm with DEQ Purchasing. If not work with DEQ Purchasing.

DEQ Purchasing:
1. Forward the RFQ and justification to DOA P&C for processing
2. DOA P&C returns processed RFQ to DEQ Purchasing
3. DEQ Purchasing forwards quote to division for review and recommendation

Division:
1. Evaluates quote and sends DEQ Purchasing award recommendation

DEQ Purchasing:
1. Review award recommendation for contract issuance
2. Obtain signature from DEQ Purchasing Director
3. Issue contract to vendor and encumber funds
DIVISION OF WATER RESOURCES (DWR) SERVICE AGREEMENTS

1. Water Resources development grants
   (a) grants will be accompanied by a letter from the DWR director
   (b) these projects will be entered in the Contract Processing System by the division
   (c) refer to appropriate grant contract template to ensure compliance

2. Natural Resources Conservation Service (NRCS) grants
   (a) Environmental Quality Incentives Program (EQIP) project grants will be
      accompanied by grant letters signed by the DWR director
   (b) these projects will be entered in the Contract Processing System by the division
   (c) Ensure appropriate template cycle is selected for application

3. Shallow Draft Navigation Channel Dredging And Lake Maintenance Fund
   (a) these projects will be entered in the Contract Processing System by the division
   (b) Water channels involving dredging are predominantly federal controlled channels
      where the State Construction Office guidelines have no bearing due to the
      constraint that property must belong to the State. DEQ Property Manager
      involvement in this case is based upon e-procurement commodity assignment for
      dredging and will be treated as a pass-through transaction.
      (c) When spoil arises from dredging federal controlled channels resulting in deposit
         on state property, the Division of Coastal Management will provide a Coastal Area
         Management Act (CAMA) permit as they deem appropriate, and the DEQ Property
         Manager will review for compliance

4. United States Army Corps of Engineers (USACE) Project Participation Agreements
   (PPA)/ Memorandums of Agreement (MOA) with State
   (a) Projects are handled via MOAs and PPAs with USACE where the State is a non-
       federal sponsor
   (b) These agreements will be processed via e-procurement purchase orders with the
       agreement attached as they qualify for a P&C exemption
   (c) Harbor improvements and maintenance are examples along with improvement in
       channels

5. United States Army Corps of Engineers (USACE) Project Participation Agreements
   (PPA)
   (a) Projects are handled via PPAs with units of local government (ULG) as a non-
       federal sponsor
   (b) These agreements will be processed as direct payments
   (c) This process overrides any existing policy or procedure in DEQ Purchasing
   (d) DWR will attach appropriate session law to the invoices
   (e) When capital improvement (CI) funds are in effect, DWR will provide the cost
       centers. Storm damage reduction is often involved in these expenditures

6. Aquatic Weed Eradication Program
   (a) These projects are processed according to estimated dollar expenditures
       consistent with previous section guidelines
   (b) They are frequently less than $10,000 and are solicited.
UNIVERSITY OF NORTH CAROLINA SYSTEM CONTRACTS

Division:
1. Submit via Contract Process System
2. Prepare UNC Task Order (DO NOT OBTAIN ANY SIGNATURES)
3. UNC Signed Proposal/Scope of Work Requirements
   a. Introduction/Background
   b. Tasks to be provided
   c. Milestones to be met with dates
   d. Deliverables to be provided with dates
   e. Payment Schedule
   f. Detailed Budget
   g. Environmental/Regulatory Constraints, state interfaces, etc. applicable for required service
   h. Federal, State, Local stipulations regarding funds; i.e. the award document from the funding agency such as EPA, NOAA, etc.
   i. Reporting Requirements
   j. Federal Certifications (to include, but not limited to, Lobbying/Debarment/Drug-Free Workplace/Tobacco Smoke-Free) (if federally funded service)
   k. Other Attachments as necessary

DEQ Purchasing:
1. Reviews Contract Process System information for contract issuance

GRANT CONTRACTS (Grants Awarded by DEQ)
Division is to provide DEQ Purchasing with a copy of the federal grant agreement that gives the division "grant-making authority". Include this documentation as an attachment in the Contract Processing System.

Division:
1. Develop Request for Proposals or Application for Grant Awarded by DEQ
2. Introduction
3. Background
4. Purpose of Grant Program
5. Evaluation Process
6. Environmental or Regulatory Constraints, State Interfaces, etc. Applicable for Required Service
7. Federal, State, Local Stipulations Regarding the Grant Funds (to include Federal Grant Award Letter to DEQ which includes Administrative & Programmatic Conditions and all amendments to the Grant Award)
8. Match Requirements
9. Required Reporting
10. Required Monitoring
11. Contract Period
12. Requirements for Applicant’s Response to Request for Proposal or Application for Grant Awarded by DEQ
   a. Awarded Narrative Description of project and how it relates to the purpose of the funding being awarded
b. Task(s) to be performed
c. Milestone(s) to be met and a date indicating when milestone(s) must be met
d. Product(s) and/or Deliverable(s) to be provided and when will be provided
e. Project Budget
   (1) Amount of DEQ funds requested and awarded
   (2) Amount of Grantee Funds committed to the project (in-kind and/or cash, etc.)
   (3) Other Funds committed to project (type and provided by)
   (4) Direct Costs breakdown & justification
      (a) Detailed Line item Project Budget
      (b) Justification, including method of calculation of line item budget; must include position title, salary, fringes and percentage of time for all personnel to be charged to the project from any funding source.
   (5) Indirect Costs
   (6) Total Project Costs
f. Project Time Period (after execution of contract by both parties)
g. Project and Payment Schedule (must agree with deliverables received and accepted by Contract Administrator)
h. Certification of No Overdue Tax Debts
i. Federal Funds
   (1) Federal Department's Certifications:
   (2) Lobbying
   (3) Suspension & Debarment
   (4) Drug-Free Workplace
   (5) Environmental Tobacco Smoke (in-door project with potential for tobacco smoke exposure to children)
j. IRS Federal Tax Exempt Letter or 501(C) (3) Verification Form
k. Conflict of Interest Statement Certified/Approved by Board for 501(C) (3) Non-Profit Grantees

13. Receive Applicant's Responses to RFP or Application
14. Review and Select Projects
15. Obtain from Applicant a revised Proposal or Application for the actual project selected for award (NOTE: if only part of a project is selected, the Division must have the Applicant submit a complete, revised Proposal or Application for the portion of the project being funded).
16. Prepare Award Letter for Selected Project with authorized signature (Note: award letter must include statement that project cannot begin until a fully executed grant contract has been received by the Grantee from the Purchasing Director, and the Grantee will not receive DEQ grant funds for work conducted prior to the Grant Contract start date.).
17. Submit via Contract Process System
18. Select Request a New Contract
19. Select Contract Type: Grant Contract
20. Complete Contract Process System requirements

**Purchasing:**
Review CPS information for Grant Contract issuance
CONTRACT AMENDMENTS

Examples of a contract amendment include no-cost time extension, change in contract administrator, revised budget, increase in services, and increase or decrease in contract amount.

Form 6100 DEQ Contract Form is to be used for DOA P&C and DIT based agreements while Form 3000 DEQ Internal Contractual Form is to be used for State Construction Office based agreements. Both forms are available on the Financial Services Division website http://portal.ncdenr.org/group/ooc.

Contracts should not be amended after the current expiration date passes. There is NO contract after the expiration date.

The Division Contract Administrator is notified via e-mail by DEQ Purchasing every 90/60/30 days that a contract is scheduled to end for DOA P&C and DIT based agreements. Note there is no notification for amendments to a contract amendment. The Contract Administrator will be notified if the contract was issued through CPS. It is the responsibility of the Contract Administrator to notify DEQ Purchasing if further action is required on a contract.

Requests for Contract Amendments are to be submitted to Purchasing at least 30 days (45 days if a DOA P&C contract award) before contract ending date.

CHECKLIST

Requesting Division submits Form 6100 to Purchasing for DOA P&C and DIT based agreements:

1. No-cost time extension requirements:
   a) Completed contract transmittal Form 6100, signed by division director and budget officer;
   b) Memo to DEQ Purchasing explaining why the extension is required;
   c) Letter from contractor explaining why work was not completed as specified in the original contract;
   d) The “new” requested ending date;
   e) A revised scope of work or proposal which contains a new time line for contract accomplishments.

2. Increase in Contract Dollar Amount requirements:
   a) contract transmittal form 6100 signed by division director and division budget officer/business officer;
   b) Memo to DEQ Purchasing explaining why the original contract amount needs to be increased;
   c) Revised scope of work/Proposal for the additional services to be added to the contract.

3. Increase in Scope of Work requirements:
   a) Contract Transmittal Form 6100 signed by division director and budget officer/business officer;
b) Memo to Purchasing explaining why the contract scope of work/proposal must be changed;
c) Revised scope of work or proposal providing the additional services to be included in the contract, i.e., tasks, schedule, deliverables, milestones, payment schedule, etc.

4. Decrease in contract Amount requirements:
   a) contract transmittal form 6100 signed by the division director and budget officer/business officer;
   b) Memo to DEQ Purchasing explaining why the contract amount is to be decreased.
   c) If the contract is still active (has not ended) and there is a decrease in the contract amount payable, a revised scope of work/proposal also will be needed.

5. Send Form 6100 directly to the drop box SVC_DENR_Purchasing-Amendments.

6. Unencumber completed contract:
   a) Signed contract transmittal form 6100 sent to DEQ Purchasing to unencumber any remaining balance on a contract for which all the work has been completed satisfactorily and was completed under the budget amount.
   b) A copy of the contract close-out or completion letter sent to contractor/grantee;
   c) DO NOT SUBMIT UNENCUMBRANCES UNTIL ALL INVOICES HAVE BEEN PAID.

Requesting Division submits Form 3000 to Property Management Section for State Construction Office based agreements:

1. Document identity: contract #, SCO #, e-procurement requisition number, e-procurement purchase order #, contract administrator and points of contact, contractor name and points of contact, vendor name as registered in e-procurement
2. Type of action requested by contract administrator- breakdown type of contract if new one, also breakdown if a change in existing contracts, identify number for any change. Provide title, location, action purpose, and signature
3. Budget section- Include original amount, dollar change, and revised amount; fiscal year, company #, account #, and fund #; budget officer review and signature, contract coordinator review, points of contact, and signature
4. Division director review, comments, and signature
5. Budget, Planning, and Analysis review, comment, and signature
6. Property manager review, comments, and signature

**EQUIPMENT MAINTENANCE**

Guidelines for servicing office equipment and communication systems (excluding copiers) requiring routine preventive service are outlined below. This includes any equipment under warranty. It does not include state term contracts.

Divisions/Programs/Offices are permitted to continue maintenance agreements with the supplier, manufacturer or current vendor of office equipment and communication systems.
For services with a cost of $10,000.00 or less for a 12-month period, requesting division submits an e-procurement requisition with a quote attached unless the transaction qualifies for a direct payment with a cost not exceeding $5000.

For services with a cost of more than $10,000.00 for a 12-month period, a formal solicitation will need to be processed (RFQ or RFP). Division/Programs/Offices are encouraged to seek competition in securing maintenance requirements.

It is the division’s responsibility to determine that adequate funds are properly budgeted to cover the requested payment.

NOTE: REQUESTING DIVISION IS NOT TO SIGN VENDOR AGREEMENTS. If a vendor requests signature, send the agreement to DEQ Purchasing for review.

ROLE OF THE CONTRACT ADMINISTRATOR

CONTRACT ADMINISTRATOR (CA) is the contract manager or person knowledgeable about the technical aspects of the contract (i.e., requirements, deliverables, timetable, additional work required, etc.)

Contract Administrator should develop/provide the necessary documentation for issuance of a contract by DEQ Purchasing. The contract request must be entered into the CPS as described earlier in this manual. CA should ensure that funds are budgeted internally prior to request for contract. Include unexpended balance in year-end “carry forward” request, as appropriate. Any change in contract administrator is to be processed via processing Form 3000 for a State Construction Office based agreement or Form 6100 for DOA P&C or DIT based agreement.

CA attends pre-bid conferences, preselection interviews and evaluation sessions for contractor recommendation.

CA should be familiar with the contract document - terms and conditions, scope of services, all expected deliverables, significant dates (particularly the contract termination date) and payment terms.

CA is responsible for approving the invoice and completing Form 2481 Contract Expenditure Report found on the Financial Services Division’s website under accounts payable forms and ensuring the payment requested is commensurate with work performed. Payments for contract work must be paid against the contract number and must be paid only by FSD. No direct payments are permitted for contracts.

CA is responsible for reviewing and approving draft reports/time driven deliverables from contractor.

CA is responsible for submitting an amendment request to DEQ Purchasing at least 30 days (45 days for DOA P&C awards) prior to contract ending date, all requests for contract amendments should include supporting documentation such as a “no cost time extension request; a revised Form 6100 for any change in funds, or a Revised Scope of
Work if additional services are being requested). Form 3000 is to be initiated by the contract administrator when a State Construction Office based agreement is involved.

CA is not to commit to contractor extensions without approval from DEQ Purchasing (DOA P&C approval is necessary if over DEQ dollar delegation; allow at least two/three weeks for DOA P&C internal review. DOA P&C approval is requested only by DEQ Purchasing.

CA is responsible for dealing with the contractor on any problems that arise and should notify DEQ Purchasing when an impasse is reached.

CA should document (in a timely manner) any performance problems encountered and utilize in preparing final evaluation.

CA should prepare a final evaluation of the contractor once the contract has been closed out and submit to DEQ Purchasing.

**RENTALS/LEASES:**

**Operating Lease:**

Contracts for the rental or lease of commodities where there is no option for ownership shall be handled under the same guidelines as applying to purchasing commodities.

**Lease Purchase Contract:**

Term used when outright ownership is uncertain or when it is the intent to delay ownership. Contract must provide for an option or obligation to purchase. Third party financing is not used. Ownership transfers only if the option to purchase is exercised, or when the time for the obligation to purchase is reached. The contract may include an option to upgrade the item during the lease period, which may be exercised without rebidding the contract. The same rules applying to outright purchases shall be applied for lease-purchase contracts.

**ENCUMBRANCES**

The following guidelines are to be applied when encumbering funds for projects that are expected to last beyond the current fiscal year.

1. Every effort should be made to determine the expenditure by dollar amount and fiscal year, multiple line items are to be entered in e-procurement identifying both the dollar amount and fiscal year in the line item description field.

2. When there is a high degree of uncertainty regarding expenditure by dollar amount and fiscal year a request can be made to the DEQ Purchasing Director to allow a single line item is to be entered in e-procurement identifying both the dollar amount and fiscal years in the line item description field. The intent here is to minimize the need for change orders.

3. The multi-year indicator field as defined in e-procurement is not to be used; the default for this field is “unspecified” and should be applicable across the board
(4) The DEQ Purchasing Manager can be contacted for transactions falling under Division of Purchase and Contract and Department of Information Technology jurisdiction.

(5) The DEQ Purchasing Director can be contacted for transactions falling under State Construction Office jurisdiction.

**UNENCUMBRANCES BY DEQ PURCHASING**

The division will submit an approved Form 6100 to DEQ Purchasing requesting the unencumbrance of funds. The procurement specialist adds notes in the comment field of the e-procurement purchase requisition. The notes entered include the amount requested to be unencumbered and why the funds need to be unencumbered. These same notes are entered on the PCM screen in NCAS. Once all the notes have been entered, the line(s) is closed to invoicing in NCAS. Printed/scanned documents are then filed in the DEQ Purchasing file and attached in the CPS (if unencumbering service contracts/grant contracts) or the NC eProcurement System (whichever is appropriate).

**IMPORTANT WEB SITES**

Purchasing Policies and Procedures are constantly changing. For more accurate updates and more general information, please go to the websites below.

DEQ Purchasing Manual:  
[http://portal.ncdenr.org/group/ooc/home?p_p_id=110_INSTANCE_t41X&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&110_INSTANCE_t41X_struts_action=%2Fdocument_library_display%2Fview&110_INSTANCE_t41X_folderId=12505340](http://portal.ncdenr.org/group/ooc/home?p_p_id=110_INSTANCE_t41X&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&110_INSTANCE_t41X_struts_action=%2Fdocument_library_display%2Fview&110_INSTANCE_t41X_folderId=12505340)

N.C. Administrative N.C. Code Title 1 Chapter 5:  

DOA P&C Purchasing Manual:  

ITS Procurement:  

NC General Statutes:  
[http://www.ncleg.net/gascripts/Statutes/StatutesTOC.pl](http://www.ncleg.net/gascripts/Statutes/StatutesTOC.pl)

**FORMS AND CONTACT INFORMATION**

Please go to SharePoint or the following web site for a copy of the forms used in DEQ Purchasing and for a list of Administration Contacts.  
[http://portal.ncdenr.org/web/ps/forms](http://portal.ncdenr.org/web/ps/forms)