

Purchasing Guidelines

August 24, 2011

I. Purchases

All purchases of equipment and supplies shall

- Be approved by your direct supervisor
- Have a completed requisition
(<http://www.ncdot.org/doh/preconstruct/traffic/safety/reports/TSI/requisition.xls>)
- Be charged to your cost center or a WBS element
- Have a Unit Head signature (for purchases of \$250 or less)
- Have the State Traffic Engineer's signature (for purchases greater than \$250)

All items to be purchased shall be procured from the following sources in the order they are listed

1. Central Inventory
2. State Contract
3. Non-Contract Items or Vendors

II. Central Inventory

A. Overview

NCDOT's Central Inventory should be checked for needed equipment or supplies prior to purchasing items anywhere else, including items on state contract. This is generally because these items have already been purchased in bulk or using state contracts and items purchased from Central Inventory can provide a significant reduction in cost.

B. Material Groups

Items located in Central Inventory are assorted by material groups. The most frequently used material groups are as follows:

- 108 – Hardware and Building Supplies (sandpaper, survey stakes, duct tape, etc.)
- 130 – Hand Tools and Accessories (pliers, surveyor/level rods, screwdrivers, socket sets, measuring tapes, tool boxes, wrenches, etc.)
- 134 – First-Aid Supplies (first aid kits, first aid kit items, insect sprays and repellants, poison ivy barriers, tick removers, etc.)
- 135 – Safety Equipment and Supplies (back support, boots, fire extinguishers, caps/hats, safety glasses, gloves, hard hats, safety vests, etc.)
- 136 – Stick-On Labels and Decals (triskelions for vehicles, fire extinguisher tags, EXIT decals, etc.)

- 137 – Miscellaneous (alkaline batteries, flashlights, flags, masking tape, flagger tape, etc.)
- 155 – Accessories – Equipment (strobe light kits, etc.)
- 161 – General Office Supplies (print cartridges, pens/pencils, forms, handbooks, bond paper, toner, training guides, etc.)

C. Transactions and Codes

Transactions used in SAP to search for items, availability, and cost are as follows:

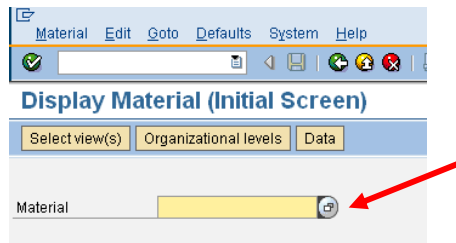
MB52	–	List of Warehouse Stocks on Hand
MM03	–	Display Material Master
ZMB19	–	Inventory Query: IVBA

Codes used in SAP for Central Inventory in Raleigh are as follows:

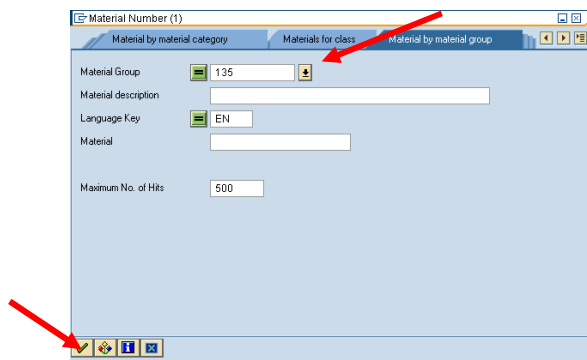
Plant:	1560
Storage Location:	0373
Warehouse Number:	999
Storage Type:	005

D. SAP Procedures

1. Open transaction MM03 (Display Material Master) and click on the search button.

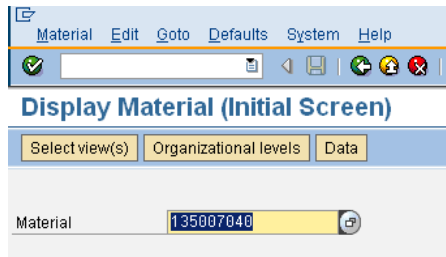


2. Enter the material group of the item you are searching for, or select a material group from the list, and click “Start Search” (green check).

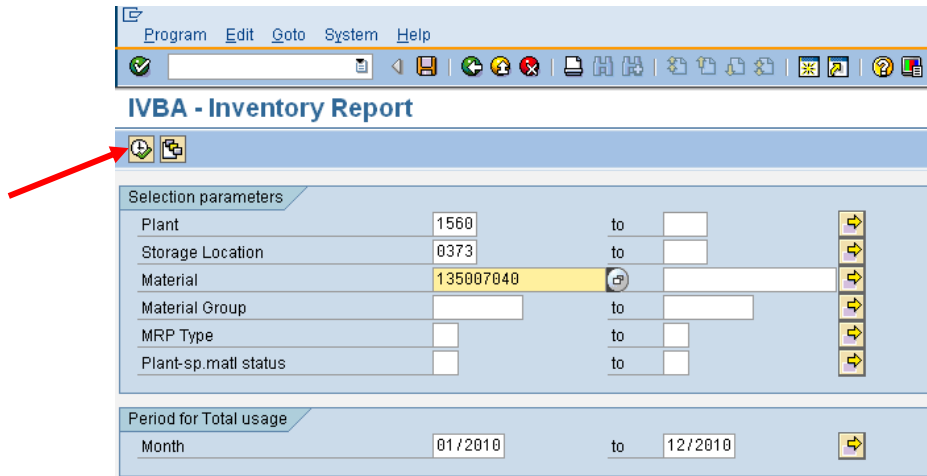


3. Double-click on the item you are searching for (do NOT click on numbers beginning with “MPN”).

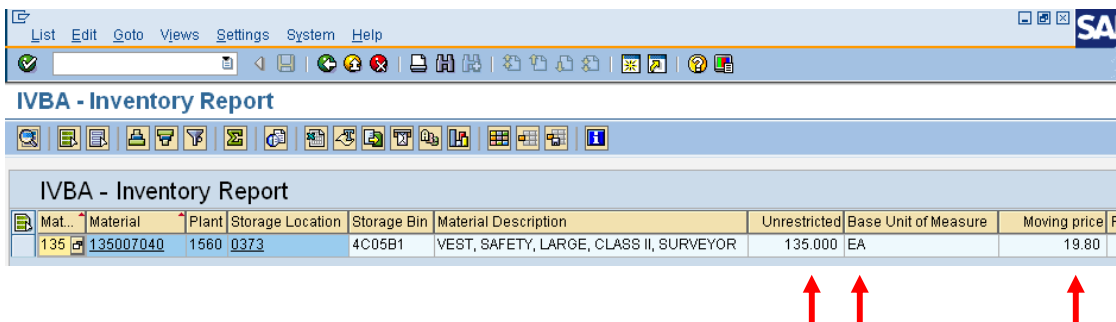
4. Highlight and copy the material number (ctrl+C) and exit transaction MM03.



5. Open transaction ZMB19 (Inventory Query: IVBA) and paste (ctrl+V) the material number, enter the plant number for Central Inventory (1560), the storage location for Central Inventory (0373), and click on “Execute”.



6. The following screen will indicate how many of the items are in stock (“unrestricted”), what the cost per item is (“moving price”), and the base unit of measure.



III. State Contracts

The Division of Purchase and Contract (P&C), in the Department of Administration (DOA), negotiates statewide contracts for the purchase of services and goods for the state, and these contracts are applicable to all state agencies:

<http://www.doa.state.nc.us/PandC/StateWideContracts.htm>

If an item is on state contract, then it must be purchased from the vendor on contract for the contract price. If multiple vendors are under the same contract then the item may be purchased from any vendor and it does not necessarily need to be the lowest price. All state agencies are tax exempt, but shipping charges may apply (depending on the contract or the amount ordered). Some contracts have minimum order amounts, and some contracts charge extra for delivering to a location inside a facility (inside delivery charge) instead of to the front door. Any contract stating FOB (freight on board) means that shipping charges do not apply.

IV. Non-Contract Items or Vendors

A state agency's "delegation" is the maximum amount an agency can spend to procure a commodity or service without going through P&C (DOT's delegation is currently \$25,000). However, all goods or services that exceed DOT's delegation must first be approved by the Chief Operating Officer (see Daniel H. DeVane's "Addendum to October 17, 2008 Purchasing Memo" issued on October 22, 2008). All items exceeding \$2,500 require a "Request for Commodity/Service Procurement" form (see Donnie Thorne's "Update for Approval of Procurement Request Form" NCDOT Employee News distribution issued on August 10, 2011). All items exceeding DOT's delegation must be put out to bid by P&C. Items not exceeding DOT's delegation may be purchased as follows:

\$0.01 - \$250	Unit Head written approval
\$250 - \$2,500	State Traffic Engineer written approval (written quotes recommended)
\$2,500 - \$5,000	State Traffic Engineer written approval (written quotes recommended) Chief of Staff written approval "Request for Commodity/Service Procurement" form required
\$5,000 - \$25,000	State Traffic Engineer written approval (written quotes required) Chief of Staff written approval "Request for Commodity/Service Procurement" form required (may also require written approval by the Chief Operating Officer)

Note 1 – DOT Purchasing and P&C should be consulted on any purchases approaching DOT's delegation (\$25,000).

Note 2 – All directives from the Governor, the Office of State Budget Management (OSBM), the Secretary of Transportation (or other management) supersede the above generic information, where applicable.

Note 3 – All state agencies are tax exempt, but shipping charges will apply.