



2022/23 Budget Forum #7
March 17, 2022
Breakout group discussion

The purpose of the breakout discussion was to:

- Provide an opportunity for growth and understanding of the College's purchasing process (questions 1, 2, 3);
- Encourage discussion and an exchange of knowledge (questions 4, 5);
- Discuss best practices regarding use of department budget (question 6);
- Allow staff to gauge the College community understanding of how departments are provided materials & services budget (questions 7, 8);
- Provide a format which allows for smaller group interactions.

After discussion of the questions shown below, participants were asked to provide anonymous responses via the Padlet web tool launched during the meeting. The Padlet with responses may be found [here](#).

1. How would you describe the Colleges purchasing model (centralized, decentralized, hybrid, other)? Please explain.
2. What do you feel is the ideal model for purchasing equipment, supplies, contracting for other services, etc.? Why?
3. If you were president, would you alter the purchasing model? Why?
4. What is the College's purchasing policy? ([BP 6330 Purchasing](#)).
5. Do you feel there are areas of the College where you believe we are 'bleeding' funds related to materials and services?
6. Should a department spend its general fund budget before spending its grant budget? Why or why not?
7. Suppose a department does not spend its general fund budget. Will its budget in the following academic year be reduced/removed automatically?
8. Can a department ask for additional budget for Materials and services during the budget process? How about after the academic year has started?

After reviewing the responses, we determined follow-up information would be appropriate. The following certainly does not address every response but attempts to identify recurring themes or areas where resources could be shared.

- I. We would consider the College's purchasing model to be a hybrid. The Contract and Procurement Office is responsible for ensuring we follow the items established in [AP 6330 – Purchasing](#) and that all statutory requirements are met. For this reason, some purchases are handled in a centralized fashion by the Contract and Procurement Office, and not by a department of the College. However, the process is also decentralized as departments do have independence in ordering many of the items, or services specific to them, to meet their needs.

- II. A common theme emerged for a possible centralized purchasing process for items used in many areas of the College, such as office supplies, to obtain the best pricing, establish institutional standards and save staff time. Currently contract pricing is negotiated with the state or purchasing cooperative through a formal solicitation. The State of Oregon Department of Administrative Services requirement for purchasing is to complete due diligence and attempt to gather the lowest price without creating an unfair advantage to other vendors. This is either a 3-quote process for all purchases, an RFP (Request for Proposal formal process), or using a state or purchasing coop.
- III. Can we pool our purchases for a better cost (economies of scale)? The answer to that is complicated because using the 3-quote process for all purchases, an RFP (Request for Proposal formal process), or using a state or purchasing coop processes accomplishes the same result. The area where the responses agreed money could be saved is in staff time and local travel. This would be accomplished by streamlining processes and continued use of Zoom for meetings to reduce travel time and mileage costs. It is also important to note the continued use of Zoom would support the College's core value of sustainability and the President's Climate Commitment.
- IV. The following outlines the College's typical process for the initial determination of General Fund, department materials & services budget:
 - a. At the start of each new biennium the College realigns General Fund departmental materials and services. We perform a 4-year analysis, by department, to determine if the average spending supports a budget increase or warrants a budget decrease. The budget provided should be considered a starting point when determining the appropriate materials and services (M&S) budget that supports your department's goals.
 - b. During the second year of the biennium, the College has historically identified each department's current budget as of December 31st of the fiscal year and applied an adjustment based on the recommendation of Senior Leadership. This is typically around a 3% increase.
 - c. Also taken into consideration to adjust department materials & services budgets, as appropriate, are funding requests, inflation, and other events or processes which may have an impact.
- V. There is an opportunity during the budgeting process, as well as throughout the year, for a department to request additional funds. The Department Materials & Services Funding Request is to support the budget needs of departments to serve students and staff at sufficient funding levels. Examples of circumstances a department may choose to request additional funding could be due to changes in price, state or federal mandate, existing equipment failure, the addition of new equipment or a significant enrollment increase. A request may be submitted for consideration by Executive Team via the [Funding Request Form](#).