

PURCHASING PROCEDURES

I. Responsibility for Purchasing

The superintendent and chief financial officer shall have the over-all administrative responsibility for all purchasing of supplies, materials, equipment and services. Purchasing is the responsibility delegated to the purchasing agent.

A. Purchase Orders may be issued as confirming orders only in cases of immediate need. Schools and departments are advised to plan and to use the confirming order procedure only in rare cases of immediate need. Abuse of this procedure may be cause for cancellation of this privilege.

1. Confirming Orders, not to exceed \$1,000 may be issued by directors of transportation, business services, data processing, facilities, printing and food service for items that are needed immediately. However, they are to be transmitted to the purchasing agent for counter signature and processing. The procedure for using confirming purchase orders is:
 - a. The director or the director's representative, will contact at least three competitive vendors and will secure quotations either oral or written for the required item(s). Written quotations are required for all requisitions of \$2,500 to \$5,000. If competitive quotations are not possible, the director will annotate the purchase order with a justification for not seeking competitive quotations (i.e., dollar amount under \$500 sole source explanation, emergency needs).
 - b. Directors will annotate on the purchase order the oral quotations received and the appropriate purchase order message. Written quotations from vendors will be submitted by directors to the purchasing agent with a requisition and request for a confirming purchase order. Upon approval, the purchasing agent will issue a confirming purchase order number to the director.
2. Confirming orders not to exceed \$1,000 may be requested by principals for items which are needed immediately.
 - a. The principal or the principal's representative, will contact at least three competitive vendors and will secure quotations either oral or written for the required item(s). Written quotations are required for all requisitions of \$2,500 to \$5,000. Written quotations from vendors will be submitted by principals to the purchasing agent with a requisition and request for a confirming purchase order. Upon approval, the purchasing agent will issue a confirming purchase order number to the principal. If competitive quotations are not possible, the principal will annotate the requisition with a justification for not seeking competitive quotations (i.e., dollar amount under \$500, sole source explanation, emergency needs).
 - b. The principal, or the principal's representative, will acquire a confirming purchase order number from the purchasing agent, after first printing out a computerized requisition for the item.

- c. The principal or the principal's representative will place the order with the vendor, giving the confirming purchase order number.
- d. The principal will sign the requisition and submit it to the purchasing agent for counter signature and processing.

B. Blanket Orders

Blanket purchase orders with a total dollar amount not to exceed \$1,000 may be issued to individual vendors by the purchasing agent after the receipt of a requisition from a director or principal. This procedure may be used for recurring, small dollar amount purchases such as spare parts which are needed immediately. The blanket purchase order eliminates the need for an individual purchase order number each time an item is purchased from a vendor, thereby reducing the administrative costs. Blanket orders will be audited by the principal or director in December and May of each year. The purchasing agent will specify which items should be removed from blanket orders and be put out for bid. When deemed appropriate, the Superintendent, or designee, may approve blanket purchase orders for amounts in excess of \$1,000.00.

C. Requisitions

1. All other requests for purchases will be signed by principals and directors on computerized requisitions and will be submitted to the purchasing agent with the required quotations.
2. Requisition numbers may not be used to confirm purchases. Requisitions may not be used to pick up merchandise. Only purchase orders may confirm purchases and obligate the district. Individuals who use requisitions to confirm or obligate merchandise must assume personal liability for the purchase.
3. The responsibility for screening, compilation, grouping and submittal of approved requisitions for supplies and materials is that of the principals and directors of support services. The purchasing agent may request that recurring items be categorized and put out for formal bid.

D. Student Activity Account

1. The approval of items that are ultimately to be purchased by students or parents, if under the auspices of the school, is the responsibility of the principal. This responsibility includes the maintenance of various student activity accounts. The district purchasing policy and procedures will be used in purchasing for student activity accounts.

The business office will receive all proceeds derived for deposit in specific student activity accounts. Proceeds will be delivered by lock bag to the business office at the Learning Center. Funds will not be kept overnight in any district school office. The business office will return copies of deposit receipts for all funds received and will credit the appropriate student activity account.

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2. Activities requiring purchase of goods or services will be requested by the sponsor through the principal to the purchasing agent's office. All purchases will be made by district purchase order issued by the purchasing agent. Student activity accounts will be subject to internal audit by the director of business service not less than twice each school semester. Results of internal audit will be furnished through chief financial officer to the building administrator. Internal audits will use ledger and receipt data maintained by the activity sponsor as source documents. Building administrators are responsible for prescribing explanatory notes in the activity ledger with each containing at least the record of income received, date(s) of deposit and a record of expenses incurred.

E. Textbooks

The responsibility for approval of requests for purchase of textbooks, library books, reference materials, etc., is that of the Assistant Superintendent, Curriculum/Instruction. Approved requisitions will be transmitted to the purchasing agent for administrative processing.

F. Budget Requests

Principals and directors shall provide the full description, including size, color, model, quantity, catalog number or brochure, or scope of work of the budget requests. The purchase of equipment and district-wide services shall be the responsibility of the purchasing agent.

G. Reimbursements

Employees may be reimbursed for out of pocket district purchases, less sales tax, in an amount not to exceed a daily amount of \$100, if the purchase has been pre-approved by the principal. Out of pocket expenditures that exceed \$100 will only be reimbursed if a pre-approved purchase order has been signed by the principal. The preferred method of purchase is to issue a purchase order to a vendor for these expenses. Abuse of reimbursement procedures may result in suspension of this privilege.

II. Quality

The standard of quality shall be established so that the purchasing funds will provide the product required for the intended purpose, which in the course of its use in time, will be the most economical and efficient.

- A. All items requested must have a catalog number/brochure or some means of identification which will give a full description.
- B. All items requested must be selected on the basis that they meet the standards set forth for intended use.
- C. If substitute items are available, consideration will be given to a comparison, and, all things being equal, the most economical purchase will be made by the purchasing agent. Departments or schools may consider, review, or test, an alternate product when requested by the purchasing agent.
- D. The economy and efficiency of the item will be the deciding factors in making awards in the best interest of the district.

III. Scheduling

Purchases shall be scheduled to provide the goods and services without undue delay in delivery and with reasonable cost, taking into consideration current market conditions, and particularly, the time the product is needed.

- A. It is the responsibility of the requesting school or department to initiate a requisition in time for supplies to arrive.

IV. Quantity of Purchase

The quantity of items to be purchased is dependent upon the need, shelf-life, security of storage space, amount of storage space, degree of standardization and pricing affected by volume procurement.

- A. District warehousing, except for food service supplies and custodial supplies, is not available.
- B. Volume purchasing, therefore, is limited to one-point delivery to the district, is broken down and dispersed immediately to school storerooms, or drop-shipped directly to schools. The purchasing agent shall make that decision, and write the specifications accordingly.
- C. Buy-outs for miscellaneous items are permitted, limited by other provisions of the purchasing policy, and when, in the judgment of the purchasing agent, it is in the best interest of the district.
- D. Expensive items, when the security of storage facilities is minimal, shall be maintained at a low stock level and purchased as needed.

V. Vendors and Contractors

The term vendor shall be defined as vendor, contractor or subcontractor. No person officially connected with or employed by the district shall be an agent or be in any way pecuniarily or beneficially interested in, or receive any compensation from, a vendor or contractor for the sale of supplies, materials, equipment or services to the district.

No favoritism shall be extended to any vendor or contractor. Each order shall be placed on the basis of quality, price and delivery. Past service shall be a factor if all other considerations are equal.

- A. Vendors are to be identified by a vendor number which is assigned by the business office.
- B. Any request to be a vendor to the district shall be given full consideration.
- C. Vendors desiring to bid on a given set of items shall request in writing that their names be added to the district's master list, which is to be maintained in the purchasing agent's office.
- D. All orders, bids and contracts shall be placed through the purchasing agent. All conflicts and variances from required performance of the vendor must be first explained in writing to the purchasing agent who will take the appropriate action.

E. Individuals shall not obligate the district with direct ordering contrary to the district's purchasing policies and procedures.

F. Disqualification of Vendors

1. At the discretion of the purchasing agent a review may be undertaken regarding the suitability of a contractor or subcontractor for performance of future contracts with the district. The purchasing agent may review the performance of such contractor or subcontractor in performing prior contracts with the district. In determining whether a vendor should be disqualified from receiving any district contracts for a period of time, the purchasing agent may consider any of the following:
 - a. Whether the vendor incorporated materials into the work or provided supplies or services which were not in accordance with or equal to those specified by the district.
 - b. Whether the vendor performed any work on the contract without the insurance required by the district.
 - c. Whether the vendor performed in a timely manner.
 - d. Whether the vendor obtained all permits required by law, and whether the vendor observed all required safety precautions.
 - e. Whether the vendor concealed substandard work or materials from inspectors.
 - f. Whether the vendor falsified test results.
 - g. Whether the vendor repaired all property damaged in the course of doing the work.
 - h. Whether the vendor paid suppliers.
 - i. Whether the vendor complied with law relating to equal opportunity in employment.
 - j. Whether the vendor disposed of hazardous or regulated waste only in those locations and in the manner which have been approved as provided by law and, if applicable, in the contract.
 - k. Whether the vendor pays the wage rates, including appropriate fringe benefits, as prescribed in the contract, and includes provisions in subcontracts that such wage rates, including appropriate fringe benefits, shall be paid.
 - l. Whether the vendor permits a subcontractor or any employee to violate any of the requirements listed herein.
 - m. Whether the vendor withdraws a valid bid after the date and time set for receipt of bids.
2. If violations are found, the purchasing agent shall determine whether the bidder should be disqualified and the period of such disqualification. In determining whether a vendor should be disqualified and the period of disqualification imposed by the purchasing agent, if any, following such a review of past performance of a contractor or subcontractor, the purchasing agent shall consider the seriousness of the violation, whether the violation was intentional, and whether the contractor had been previously disqualified from contracts with the district. The period of disqualification under this section shall not exceed three (3) years.
3. Failure of the purchasing agent to disqualify a vendor under the provisions of this section shall not stop the purchasing agent from determining that a bidder is not the "lowest responsible bidder" or from retaining bid/ performance deposits or from terminating the agreement for default.

G. Withdrawal of Bids after Bid Opening

Bidders who withdraw bids received after the date and time set for receipt of bids may be disqualified from receiving any district contracts for a period not to exceed three years if the purchasing agent determines that the vendor should be disqualified in accordance with paragraph F, Disqualification of Bidders. Failure of the purchasing agent to disqualify a vendor under the provisions of this section shall not stop the purchasing agent from applying the additional remedies of retaining bid/performance deposits or from exercising the district's rights under termination for default.

H. Bid List Procedures

The purchasing agent will maintain a master bidders list in the district purchasing office. The bid list will be categorized by commodity. Any vendor may request that their name be added to the bid list. The vendor's request will be by letter to the purchasing agent and will detail the commodities or services that the vendor provides. The purchasing agent may rotate names on the bid list, add or delete vendors for a particular bid mailing list. The district is not required to send an invitation for bid to every vendor in the commodity category. The purpose of the bid list is to provide public access to district business, secure better pricing through increased competition and lower processing costs. The purchasing agent may notify vendors of invitations for bid via postcard, single page notices or by mailing an invitation for bid. Vendors may be deleted from the master list for non-participation, disqualification, or for withdrawal of a bid after bid opening.

VI. Requisitions and Purchase Orders

In order to facilitate the process of securing required materials and services, requests must be submitted on the appropriate requisition form or purchase order. Requisitions shall be approved by the principal or the support services director prior to submittal to the purchasing agent. The printed requisition form is considered a requisition until a number is assigned to it, and it is signed by the purchasing agent, director of business services and/or chief financial officer.

The purchase order is a four-part form.

- A. The white copy (original) is sent to the vendor/contractor.
- B. The yellow copy is retained in the business office.
- C. The pink and goldenrod copies are returned to the building from which the request came.

VII. Payment for Goods and Services

The payment process for goods/services, etc., will be implemented when a district purchase order signed by the purchasing agent, director of business services and/or chief financial officer is on file to document the purchases.

The process to pay for goods and services is:

- A. An itemized invoice is rendered in triplicate to the business services department for processing of payment.
- B. An invoice audit control ticket is attached to the invoice and sent to the originator of the purchase for authorization that all goods were delivered and acceptable, or that the service has been completed satisfactorily.
- C. After the invoice with the signed audit ticket is returned to the business services department, it will be placed on the bill list for Board of Education approval.
- D. Board approved invoices are paid once a month after the regularly scheduled second Tuesday board meeting. Some invoices will be paid weekly after meeting established guidelines. Approved guidelines are: staff out of pocket expenses, 60 days past due, student activity accounts, discounts, travel related expenses and utility bills.

If the vendor's invoice differs in any way from the purchase order terms (i.e., unit price, extension, discount terms, destination point), the business office will forward the invoice to the purchasing agent for investigation before payment.

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