



NEBO SCHOOL DISTRICT BOARD OF EDUCATION POLICIES AND PROCEDURES

SECTION: D-Fiscal Management
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1. PURPOSE AND PHILOSOPHY

Significant dollars are expended each year on the purchases of goods and services in Nebo School District and having adequate and efficient policies concerning those purchases is critical to the smooth operation of the District and proper stewardship over assets. This policy shall comply with the requirements of the Utah Procurement Code (Utah Code Ann., Section 63-56-101, et seq.) and the Utah Procurement Rules (Utah Admin. Code, R33).

2. DEFINITIONS

- 2.1 References to “**schools**” indicate the school Principal or his/her designee while references to “departments” indicate the department Supervisor or his/her designee.
- 2.2 The Purchasing Department is under the direction of the Operations Director and the Operations Director acts as the Procurement Officer. References to the “**Purchasing Department**” refer to the Procurement Officer or his/her designee.
- 2.3 “**Involvement of the Purchasing Department**” indicates that a requisition must be entered into the District accounting software program and must be approved by the Procurement Officer or his/her designee prior to the purchase being made.
- 2.4 “**Approval of the Purchasing Department**” indicates that purchase details and bids must be compiled and given to the Purchasing Department for review and approval and that written approval from the Purchasing Department is required before proceeding with the purchase.
- 2.5 References to “**maintaining documents or documents being kept on file**” indicate that the documents should be retained consistent with the Utah State Archives and Records Services recommendations for record retention. More information can be found at www.archives.utah.gov.

- 2.6** “**Sole-source**” refers to procurement where the item or items are reasonably available from only one supplier or where substitute items are not acceptable. Reasons to classify a purchase as sole-source could be due to the need for repair or replacement parts, supplementary components of the same manufacturer, physical design or quality requirements, and/or delivery requirements. If an item is determined to be sole-source, the reason for the classification must be documented and maintained by the Purchasing Department.
- 2.7** “**Construction-related**” refers to purchases associated with the construction or improvement of buildings where the expected cost for the entire project will exceed \$50,000.

3. AUTHORITY

- 3.1** The Purchasing Department has the authority to obligate the District for goods and services and has the responsibility to oversee, initiate, conduct, and/or conclude negotiations concerning the procurement of goods and services.
- 3.2** Schools and departments may suggest vendors for goods and services and the Purchasing Department will consider school and department requests whenever it is economically feasible or expedient to do so. However, the Purchasing Department has authority to select vendors and can question the quality, quantity, and kind of goods or services requested and suggest alternatives.
- 3.3** The Purchasing Department has authority to issue standing purchasing orders when the services or supplies are required with some degree of regularity, and the exact quantities are not easily determined. All standing purchase orders expire on June 30th of each year.

4. APPROVALS

- 4.1** All transactions that result in the commitment of District or school funds should be approved by the appropriate school or department responsible for the budget account being charged.
- 4.2** In no instance should the same individual authorize an order, receive that order, and approve payment for that order.
- 4.3** The Purchasing Department is authorized to proceed with purchases of less than \$50,000 and allows purchasing in excess of \$50,000 with the approval of the Board of Education or the Superintendent.
- 4.4** All purchases shall be ratified by the Board of Education through monthly claims approvals and budget adoptions.

5. REQUISITIONS

- 5.1** Requisitions are the primary way of securing purchases and must include the following:
- 5.1.1** An accurate description and specification for each article listed, including catalog number, sizes, color, etc.
 - 5.1.2** Budget account numbers.
 - 5.1.3** Delivery instructions including a location code.
 - 5.1.4** Estimated or actual cost of items.
 - 5.1.5** Copies of bids if required based on purchasing limits. When purchasing items where bids are required but it is not necessary to involve the Purchasing Department, bids must be kept on file with school or department. Otherwise, bids should be sent to and maintained by the Purchasing Department.
 - 5.1.6** Approval of the school administrator or departmental supervisor responsible for the budget account being charged.

6. PRE-AUTHORIZED PURCHASES

- 6.1 The Maintenance and Transportation Departments can use pre-authorized purchase orders with vendors who have been pre-approved by the Purchasing Department.
- 6.2 Purchases with pre-authorized purchase orders are subject to the purchasing limits and associated requirements as set forth in Section 10.
- 6.3 Pre-authorized purchase orders are to be reconciled with receipts and/or invoices and bids, if required, and reviewed and approved by foremen and departmental supervisors before authorizing payments to vendors for items purchased.

7. PURCHASING CARDS

- 7.1 Purchasing cards will be provided to employees approved by the Purchasing Department.
- 7.2 All purchasing card transactions are to be reconciled monthly by the cardholders, reviewed and approved by cardholder supervisors, and accounted for on a monthly basis.
- 7.3 All purchasing card transactions will be in compliance with procedures and practices as outlined in the Purchasing Card Plan, dated January 1, 2007, and are subject to the purchasing limits and associated requirements as set forth in Section 10.

8. STUDENT, TEXTBOOK, STUDENT TRAVEL, AND FUNDRAISING PURCHASES

- 8.1 Many purchases made at the school level are considered student purchases and purchasing requirements depend on whether the student purchase is optional or mandatory.
 - 8.1.1 Optional student purchases are those purchases where the student has the option to waive the purchase without penalty and where the school functions only as a conduit or facilitator for the purchase from the student to the vendor. These purchases may be made without adhering to the requirements set forth in Section 10 provided that the vendor has submitted a statement of qualifications and services to the Purchasing Department and the Purchasing Department has reviewed the statement and included the vendor on a list of approved vendors. Examples of optional student purchases include graduation announcements, graduation caps and gowns, class rings, player packets, yearbooks, and student photos.
 - 8.1.2 Mandatory student purchases are those purchases that are required in order for the student to participate in a school sponsored group or activity. These purchases must adhere to the requirements set forth in Section 10. Examples of mandatory student purchases include, but are not limited to, sports uniforms, choir attire, and cheer and drill team attire.
 - 8.1.3 Any purchases that involve the commingling of school or District funds with the funds contributed from students are not considered student purchases and are therefore subject to the requirements set forth in Section 10.
- 8.2 Textbooks that are included in the approved adoption list or that are to be purchased from a Utah State approved book depository vendor are considered to meet procurement guidelines and schools and departments may proceed with the purchase without adhering to the requirements set forth in Section 10. Otherwise, textbook purchases are subject to the requirements set forth in Section 10.
- 8.3 Schools must follow the requirements of Section 10 in regards to Board of Education approved student travel related purchases (i.e., charter buses, airfare, lodging, etc.) with the exception that any purchase over \$5,000 needs approval of the Purchasing Department as opposed to involvement of the Purchasing Department.

- 8.4 Schools may proceed with fundraising purchases without adhering to the requirements set forth in Section 10 provided that the vendor has been issued a visitation pass by the Purchasing Department and if the activities comply with Policy IGDF, “Guidelines on School Fundraising Projects”. Otherwise, fundraising related purchases are subject to the requirements set forth in Section 10.

9. EMERGENCY PURCHASES

- 9.1 Emergency purchases should be the exception and not the rule. Schools and departments should anticipate purchase requirements as far in advance as necessary to ensure timely delivery of needed materials.
- 9.2 In an emergency, requisitions should be entered in the accounting system and then the Purchasing Department should immediately be notified by the school or department responsible for the budget account being charged. This notification may be by any means deemed appropriate by the Purchasing Department and should include the reason for the emergency, the requisition number, assurance that adequate funds are available for the purchase, and any pricing or vendor information relevant to the purchase.
- 9.3 If bids are not required based on the purchasing limits as set forth in Section 10, the Purchasing Department will assign a purchase order number and the school or department will contact the vendor to arrange delivery. If appropriate, the Purchasing Department may make contact with the vendor to facilitate the purchase.
- 9.4 An invoice cannot be paid until all approvals are completed for the order and until the invoice has been reconciled with the purchase order.

10. PROCUREMENT LIMITS AND ASSOCIATED REQUIREMENTS

- 10.1 Specific procurement requirements are based on the following dollar amounts of purchases unless the purchase is for architectural or engineering services in which case the limits and requirements in Section 10.2 apply.
- 10.1.1 For purchases **up to \$1,000**, schools or departments may select the best source without seeking competitive bids or the involvement of the Purchasing Department. Purchases of furniture or equipment items up to \$1,000 made without the involvement of the Purchasing Department should be inventoried by the school making the purchase.
- 10.1.2 For purchases **over \$1,000 and up to \$5,000**, schools or departments may proceed with the purchase without the involvement of the Purchasing Department after obtaining two (2) or more competitive bids, unless the purchase is for sole-source or furniture or equipment items in which case involvement of the Purchasing Department is required. All bids must be documented and kept on file with the school or department unless the involvement of the Purchasing Department is required in which case the bids must be maintained by the Purchasing Department. See Section 11 for information regarding specific bid requirements and see Section 10.4 for information regarding Utah State contract items.
- 10.1.3 For purchases **over \$5,000 and up to \$50,000**, the purchase must involve the Purchasing Department and two (2) or more competitive bids are required. See Section 11 for information regarding specific bid requirements and see Section 10.4 for information regarding Utah State contract items.
- 10.1.4 For purchases **over \$50,000**, the purchase must involve the Purchasing Department and three (3) or more competitive bids are required. See Section 11 for information regarding specific bid requirements and see Section 10.4 for information regarding Utah State contract items.

10.2 Requirements for architectural and engineering services are based on the following dollar amounts.

10.2.1 For architectural or engineering services that are **less than \$100,000**, the Purchasing Department may select the provider directly from a list of firms who have submitted annual statements of qualifications and performance data, or from other firms if necessary.

10.2.2 For architectural or engineering services that are estimated to **equal or exceed \$100,000**, the vendor may be selected by following Utah Administrative Code, R33-5-540 through 650. These procedures include designating members of a selection committee, providing public notice, making a request for statements of interest, providing definition of scope of work, evaluating statements of interest, selecting firms for discussions and/or interviews, holding discussions and/or interviews, and selecting the most qualified firms.

10.3 Orders must not be artificially split in an attempt to allow the purchase to meet a lower dollar limit category.

10.4 Purchases may be made without bids on items for which a Utah State contract exists. Information on these contracts is available for review in the Purchasing Department or at www.purchasing.state.ut.us.

11. BID REQUIREMENTS

Specific bid requirements are based on the dollar amounts of purchases.

11.1 For purchases **up to \$5,000** requiring competitive bids, bids should comply with the following:

11.1.1 Bids should be solicited from vendors and bids will be awarded to vendors from whom it has been established the best price can be obtained commensurate with quality, availability of stock, required delivery, financial responsibility, service, proven performance, technical competence, proximity, and other considerations deemed applicable.

11.1.2 Bids should be documented and should include the vendor name, vendor address, name of person providing the bid, bid date, description of the products or service along with the quantity and unit and extended prices, and shipping charges.

11.2 For purchases **over \$5,000 and up to \$50,000** requiring competitive bids, bids should comply with the following:

11.2.1 Bids should be solicited from the widest practical selection of vendors and bids will be awarded to vendors from whom it has been established the best price can be obtained commensurate with quality, availability of stock, required delivery, financial responsibility, service, proven performance, technical competence, proximity, and other considerations deemed applicable.

11.2.2 Bids should be provided by the vendors, preferably on their letterhead, and should include the vendor name, vendor address, name of person providing the bid, bid date, complete description of the products or service along with the quantity and unit and extended prices, shipping charges, delivery terms, and payment terms.

11.3 For purchases **over \$50,000** requiring competitive bids, bids should comply with the following:

11.3.1 Advertising as deemed appropriate and sufficient by the Purchasing Department will be made in an effort to solicit bids from the widest practical selection of vendors.

11.3.2 For non-construction related purchases, bids will be opened by at least two (2) people and contracts will be awarded to vendors from whom it has been established the best price can be obtained commensurate with quality, availability of stock,

required delivery, financial responsibility, service, proven performance, technical competence, proximity, and other considerations deemed applicable.

11.3.3 For construction-related purchases, the bidding process will include the following:

11.3.3.1 Bids will be submitted in sealed envelopes and addressed to the Director of Operations.

11.3.3.2 Bids will be opened by at least two (2) people at the time and place specified in the advertisement and all bidders and other interested parties may be present.

11.3.3.3 Contracts will be awarded to vendors from whom it has been established the best price can be obtained commensurate with quality, availability of materials, required delivery, financial responsibility, service, proven performance, technical competence, proximity, and other considerations deemed applicable.

11.3.3.4 The bidder to whom the award is made may be required to enter into a written contract with the Board. In addition, the awardee may be required to submit a bid security amount of at least five percent (5%) of the bid and/or performance and payment bonds equal to one hundred percent (100%) of the bid.

11.4 The District reserves the right to reject any or all bids, waive any formality or technicality in any bid, and accept that bid which appears to be in the best interest of the District.

12. VENDOR RELATIONS

With the school Principal's permission, sales representatives that have been issued a visitation pass by the Purchasing Department may be permitted to solicit students and school staff members at times that will not interfere with educational programs.

13. RECEIPT AND ACCEPTANCE OF GOODS

13.1 The school or department receiving ordered items must inspect them for obvious damage, irregularities, or discrepancies, and is responsible for notifying the vendor immediately of damage, irregularities, or discrepancies. This immediate notification should include the purchase order number, tracking number, date and time received, description of items damaged and condition, condition of shipping container upon receipt, and name of the carrier.

13.2 All damaged materials shall be preserved in their original state and in the original container. If damage is evident, the receiver should refuse the shipment based on that damage or should request the delivery personnel acknowledge the damage by having him/her make a note of this damage on the receiver copies before the shipment is accepted.

14. PROHIBITED CONDUCT

14.1 Any person acting as a procurement officer for the District, or who in any capacity participates in the procurement of any supplies, services, construction, real property, or insurance for the District, shall not ask, receive, or offer to receive any compensation, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization, from any person interested in the sale of such supplies, services, construction, real property, or insurance.

14.2 A person who is interested in any way in the sale of any supplies, services, construction, real property, or insurance to the District shall not give promise thereof, to any person active in the procurement of such supplies, services, construction, real property, or insurance, whether it is given for his or her own use or for the use or benefit of any other person or organization.

14.3 Any person acting as a procurement officer for the District may not make purchases in the District's name for personal purposes or for the benefit of other individuals.

EXHIBITS

None

REFERENCES

None

FORMS

None
