

MURRAY CITY SCHOOL DISTRICT

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Statement of.....

## Policy and Responsibility

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SUBJECT: PURCHASING POLICY

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### Purposes, Authority, and Restrictions

#### Purposes

To provide for the greatest possible economy in district procurement activities.

To foster effective broad-based competition within the free enterprise system and fair treatment of all persons who conduct business with the Murray City School District.

#### Purchasing Authority

By authority of the Board, the Purchasing Agent of the Murray School District shall regulate the purchase of materials, equipment, supplies and services for the School District and may obligate the School District for goods and services duly requisitioned and approved.

#### Restrictions

Orders or commitments by the faculty or staff are binding on the District only when done within the overall purchase approval process. Absent specifically granted authority, individuals, whether employed by the Murray School District or otherwise, cannot obligate the District to any contract or purchase agreement. Individuals placing orders or making purchases in circumvention of purchasing regulations are solely and personally responsible to the seller or vendor for the order or purchase.

The Purchasing Agent is not authorized and will not arrange personal purchases for faculty or staff. The use of the District's name directly or by inference to obtain a reduced price for any product or service being purchased for private use is expressly prohibited.

No purchase order will be initiated unless funds are available in the budget to cover it. If the purchase amount exceeds the requisition amount by more than 5% or \$200, it will be referred back to the building principal or department administrator for acknowledgment of the increased cost.

When a procurement involves the expenditure of federal assistance funds, the district shall comply with applicable federal law and regulations.

Any expenditure not within the current year's programmatic and budget plan in excess of \$20,000 for supplies, equipment, or services or \$80,000 for construction requires prior approval of the board.

## **Purchases Not Requiring Written Bids**

### Small Purchases

The Superintendent may delegate to the head of any school or department the authority to make small purchases up to \$500 for supplies, equipment, materials, and services.

Telephone quotations may be used for purchases estimated at more than \$500 but less than \$2,000. A written record documenting such price solicitation is to be filed with the related purchase documents or receipts.

### Purchasing Under State Contracts

Supplies, equipment, services, or construction items available under statewide contracts shall be procured under such agreements when it is in the best interest of the district. When purchasing under a state contract, the buyer should compare prices among various state contracts covering similar items, but a formal written bid process is not necessary.

## **Purchases Requiring Written Bids**

### Conditions Requiring Bids

An invitation for bids shall be issued when:

1. A purchase exceeds \$2,000, and
2. The item or service is not available under state contract, or
3. When a contract is to be awarded.

No fewer than three sources shall be solicited to submit written bids. The invitation shall include:

1. Description and all contractual terms and conditions applicable to the purchase.
2. Instructions concerning bid submission requirements including closing date and time.
3. The address of the office to which bids are to be delivered.
4. Evaluation factors, delivery or performance schedule, inspection and acceptance requirements, if any.
5. Warranty, bonding, or other security requirements, as applicable.

Any single purchase which exceeds \$20,000, and which is not being made under an existing state contract, shall require a legal notice in a local newspaper of general circulation. When public notice of the invitation for bids is used, it shall be given at least fourteen (14) days prior to the date set forth therein for the opening of bids. In addition, a copy of the invitation to bid shall be made available for public inspection at the district administration office.

The District will place orders locally whenever practical. Quotations are solicited from the widest practical selection of firms with proven performance and from whom the best price can be obtained commensurate with quality and timely delivery.

Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The amount of each bid and any other relevant information, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.

### Bidding Time

Bidding time is the period of time between the date of distribution of the Invitation for Bids and the date set for opening of bids. In each case bidding time will be set to provide bidders a reasonable time to prepare their bids. A minimum of 10 calendar days shall be provided unless a shorter time is deemed necessary for a particular procurement as determined in writing by the Purchasing Agent.

### Late Bids and Mistakes

Any bid or bid modification received at the address designated in the invitation for bids after the time and date set for opening of bids will not be considered.

A bidder may correct mistakes discovered after bid opening but before award of the contract, but only by reason of an inadvertent non-judgmental mistake such as arithmetic error. Mistakes discovered after award of the contract may not be corrected. A request for bid correction made by the bidder must be in writing.

### Bid Evaluation and Award

Except where permitted under this policy, an award is made to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, subject to the terms of this policy. No bid shall be evaluated for any requirements or criteria that are not disclosed in the invitation for bids.

## **Requests for Proposal**

### Use of the Request for Proposal in Lieu of Bids

When the Purchasing Agent determines that the use of competitive sealed bidding is either not practicable or not advantageous to the district, a contract may be entered into or a purchase made by a competitive Request for Proposals (RFP). Requests for Proposal are most appropriately used for professional service contracts, when "state of the art" equipment is being purchased, or a service tailored to the district is being acquired. Public notice of the request for proposals shall be given at least fourteen (14) days prior to the advertised date of the opening of the proposals.

The RFP shall state the relative importance of price and other evaluating factors. Evaluation of proposals shall proceed as described above for bids. Revisions due to mistakes shall be allowed under the same conditions as those described above for bids.

Award shall be made to the person or entity whose proposal is determined to be the most advantageous to the district, taking into consideration price and the evaluation factors set forth in the RFP. No other factors or criteria shall be used in the evaluation.

Subject to the limitations of this section, any type of contract that promotes the best interests of the district may be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to the district than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.

### Required Contract Clauses.

Murray School District reserves the right to include the following provisions in any purchase contract:

The unilateral right of the District to order, in writing, changes in the work within the scope of a contract and changes in the time of performance of a contract that do not alter the scope of the contract work.

## **Responsiveness and Responsibility**

### Responsiveness

A responsive bidder is a person or entity submitting a bid that conforms in all material respects to the invitation for bids and does so on time.

### Responsibility

The factors to be considered in determining whether a bidder is responsible are:

1. Availability of the appropriate financing.
2. Material, equipment, facilities, and personnel resources and expertise adequate to meet all contractual requirements.
3. A satisfactory record of integrity as verified through references.
4. Qualified legally to contract with the District.

## **Legal Compliance**

Any company, agency, or individual doing business with the District must comply with all local, state, and federal laws including the Americans with Disabilities Act, (ADA) in employment practices and the conduct of work. This would include compliance by sub-contractors hired by contracted companies, agencies, or individuals. Evidence to the contrary is grounds for cancellation of contracts or purchase orders.

## **Rejection of Bids and Proposals**

An invitation for bids, request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, when it is in the best interests of the district. The reasons shall be made part of the contract file.

## **Appeals**

Any actual or prospective bidder or contractor who is aggrieved in connection with the solicitation or award of a contract may appeal to the Purchasing Agent. Appeals shall be submitted in writing and will be accepted up to five (5) working days following award of the contract in question.

The Purchasing Agent shall promptly issue a written decision regarding any appeal, if it is not settled by a mutual agreement. The decision shall state the reasons for the action taken and inform the appellant of the right of further appeal to the Board.

### **Conflict of Interest and Ethics in Purchasing**

For purposes of this policy, a conflict of interest exists when an employee's personal interest is placed ahead of or in opposition to the interests of the District, such that the employee or a relative would benefit directly by an action the employee takes under color of District employment. Employees must avoid all situations that create even the appearance of a conflict of interest.

Conflict of interest restrictions shall apply to all members of the Board of Education, officers of the Board, and employees of the District.

No Board member or District employee may participate in the selection, award, or administration of a contract or purchase agreement if the employee has a financial interest in the contract or agreement.

Board members and District employees are prohibited from soliciting or accepting gratuities or favors with more than a nominal monetary value from contractors, potential contractors, sales representatives, or other individuals seeking to do business with the school district.

### **Purchasing from Sole Source**

If the supply, equipment, service, or construction desired is available from only one source, the initiating person shall provide documentation establishing the sole source and shall submit it with a completed requisition form. The Purchasing Agent will determine whether additional sources are available.

### **Architect and Engineer Services**

Architectural and engineering services are qualification-based procurements and are secured by Request for Proposal (RFP). Requests for such services are publicly announced. Contracts are negotiated by the district based on demonstrated competence at fair and reasonable prices.

### **Receiving and Accounting For Purchased Goods**

#### Receiving Ordered Materials

When materials are received, the following steps must be taken to protect the District's interest and assure prompt payment to the vendor:

Any school or department receiving goods must inspect them for obvious damage, irregularities, or discrepancies. If any of these conditions exist, it shall be recorded on all copies of the shipping ticket or bill of lading. If the order is in such condition that it appears there is possible hidden damage, make a written notation to this effect on all copies of the receiving document then sign and date the document and have the delivery vehicle driver do the same. CAUTION: Once received the order shall be opened immediately and checked for any hidden damage.

The requisitioning department is responsible for notifying the Purchasing Agent immediately if any of the above is found. This notification should be made the same day, if possible, and include the following information:

1. The vendor's name and Purchase Order number.
2. Date received.
3. Items damaged and their condition and also condition of the shipping container upon receipt.

### Damaged Goods Procedures

All damaged materials should be preserved in their original condition and shipping containers until any and all claims are resolved. This is very important. Before a claim can be filed, an inspection by the carrier must be made of the packaging and shipping materials as well as the damaged merchandise. It is the responsibility of the receiving school or department to contact the carrier immediately concerning any damage. Contact the Purchasing Agent for assistance.

### Documenting Deliveries

The pink copy of the Purchase Order with an authorized signature and any delivery tickets, invoices, etc., should be sent immediately to Accounts Payable in the district office. Serial numbers, model number and location should be entered on the pink copy of the Purchase Order for equipment before it is sent to Accounts Payable. Cash discounts for immediate payment may be available so delays should be avoided.

### Receiving Deliveries Without a Purchase Order

Employees may accept deliveries ONLY when a purchase order has been processed by the district or a school or when an approved, prepaid credit card purchase is delivered. When such a delivery is attempted, the Purchasing Agent should be notified. Return or exchange of the material will be arranged.

### **Warehouse Orders**

Warehouse orders from Davis School District Warehouse Co-op are consolidated into one large order per delivery location. This consolidation is necessary to increase efficiency of order picking and to reduce the need of packing each stock issue request separately.

When a delivery is made, copies of the stock issue requests will accompany the pick list. A piece count will be marked on the delivery copy. The number of pieces should be verified by the person receiving the order before signing for the delivery.

#### Checking Orders.

Regular orders should be unpacked and each item checked within 24 hours. Any problems must be reported to the Warehouse before the order is distributed.

Requests for correction of mistakes made by Warehouse personnel and replacement of damaged material must be made, by phone, immediately after the order has been checked.

#### Return for Credit

Current Warehouse items that are no longer needed or that were ordered by mistake can be returned for credit. The Davis Warehouse will accept returns on current stock items ONLY.

#### **Guidelines for Credit Card Use**

These procedures shall be followed by anyone authorized to use a Murray School District credit card. Cardholders misusing their cards or failing to comply with these procedures will lose their purchasing privileges and are subject to termination for cause.

The Director of Special Services, District Purchasing Agent, is responsible for designating those employees to receive credit cards. These employees will be delegated limited purchasing authority. The Director of Special Services may also establish the dollar limit per card. Employees issued credit cards are responsible to know and comply with these procedures.

A credit card is issued to a specific employee whose name appears on the card. Under no circumstances shall the card be used by any other individual. Charges made on the card are a District liability, not a personal liability, and each employee shall ensure that the credit card issued is adequately safeguarded from loss or misuse.

#### Intended Use of the Credit Card

The credit card can only be used for District related purchases. Purchase of items for personal use is strictly prohibited and will result in card revocation and is cause for termination. Transactions exceeding \$500 should not be placed on a credit card, but should be requisitioned using established purchasing procedures. The credit card is intended to replace standing orders with vendors and to accommodate small, frequent purchases.

#### Restrictions on Use

Purchase transaction shall not be split or fragmented to avoid the \$500 transaction limit.

Supervisors must ensure that the expenditures under this program are reasonable, necessary, and consistent with established purchasing policies and procedures. The credit card may be used to buy any item or group of items with a total cost under \$500 except:

- Cash advances
- Rental or lease of vehicles, buildings or equipment
- Maintenance agreements on equipment or software
- Hazardous or radioactive materials
- Temporary help agency fees
- Donations, Awards or Remembrances

Services that would be considered either payroll wages or independent contractor payments

Contact the Purchasing Agent at 264-7400 for any special needs or exceptions.

### Sales Tax Exemption

Since transactions on the credit card are the liability of the District, a Utah sales tax exempt status is valid at point of sale. Cardholders should inform merchants prior to the transaction that the purchase is not subject to Utah state sales tax. Cardholders should carry sales tax exemption certificates (State of Utah Form TC-721). When presented to the sales clerk at the time of purchase, it clearly establishes the tax exempt status of the District.

### Recording and Reporting Transactions

1. All transactions should be recorded on the form "Record of Credit Card Transactions."
2. All cardholders must obtain an itemized sales slip and card charge slip for each transaction which should be attached to the "Record of Credit Card Transactions" form.

### Phone or Internet Orders

Internet purchases must always have documentation as well (such as delivery receipts, invoices, confirmation numbers, lists of items purchased, or credit card receipts).

3. Maintenance personnel should note the work order number on all purchases made with the card. Other personnel should note budget number that would pay for each purchase.
4. At the end of the month, the "Record of Credit Card Transactions" form should be signed by the cardholder's supervisor, reviewed (making sure all documentation is attached), and forwarded to the accounting department (except as noted below).
5. Maintenance personnel will forward their forms to the Maintenance Supervisor who will review transactions for appropriateness, and forward all forms to the accounting department.

### Other Procedures

Cardholders are responsible for all returns and credits to their accounts. The District will pay all charges on cardholder statements as billed each month. Therefore, cardholders must work with their vendors to obtain needed adjustments to their accounts.

Lost or Stolen cards are to be reported immediately to the Credit Card Company, Director of Special Services and the Accounting Department.

The Director of Special Services shall be notified immediately of any cardholder who has terminated employment so the credit card can be cancelled. The terminated employee must relinquish the credit card before his final check is released.