

Billings School District 2

FINANCIAL MANAGEMENT

Purchasing

Authorization and Control

The Board authorizes the Superintendent to direct expenditures and purchases within limits of an annual detailed budget for the District. The Board must approve purchase of items when the aggregate total of a requisition exceeds Eighty Thousand Dollars (\$80,000), except that the Superintendent is authorized to make purchases without advance approval of the Board when necessary to protect District interests or the health and safety of staff or students. The Superintendent will establish requisition and purchase order/procurement card procedures to control and maintain proper accounting of expenditures. The District will hold staff personally responsible for payment of obligations made without proper authorization.

All purchases for goods and services must be limited to authorized vendors only. Vendors are required to follow established procedures for the acquisition and purchase of goods and services specified by the District which are intended to ensure conformity in the purchasing process.

Purchases from any private business or venture in which any employee of the District has a direct or indirect financial or ownership interest shall not be allowed unless written approval of purchase has been obtained from the Superintendent prior to issuance of the purchase order.

Bids and Contracts

The District will call for formal bids by issuing public notice, as required and specified in statute, whenever the cost of any supplies, equipment, or work will exceed Eighty Thousand Dollars (\$80,000). The Superintendent is responsible for seeing that specifications are prepared and are made available to all vendors interested in submitting a bid. The District will award a contract to the lowest responsible bidder, although trustees may choose to reject any or all bids. The District, in making a determination as to which vendor is the lowest responsible bidder, will take into consideration not only the amount of each bid, but it also will consider the skill, ability, and integrity of a vendor to perform faithful, conscientious work and to fulfill promptly a contract according to its letter and spirit. The District realizes that bidding requirements under § 20-9-204, MCA, do not apply to services provided by a registered professional engineer, surveyor, real estate appraiser, or registered architect; a physician, dentist, pharmacist, or other medical, dental, or health care provider; an attorney; a consulting actuary; a private investigator licensed by any jurisdiction; a claims adjuster; or an accountant licensed under Title 37, Chapter 50.

The Board requires, as dictated by law, that an advertisement for bid be made once each week for two (2) consecutive weeks and that a second (2nd) publication be made not fewer than five (5) nor more than twelve (12) days before consideration of bids.

The Board adopts the provisions of §18-4-303, MCA, which allows the District to negotiate an adjustment of the bid price if all bids exceed available funds. The Business Office may negotiate with the lowest responsible bidder if the original bid did not exceed available funds by more than 5 percent. This provision does not apply to construction contracts.

The Superintendent will establish bidding and contract-awarding procedures, recognizing that some bid procedures may be waived as specified in statute. The Superintendent will see that an invitation or advertisement for bid includes language to the following effect:

In making a determination as to which vendor is the lowest responsible bidder, if any, the District will take into consideration not only the pecuniary ability of a vendor to perform a contract, but it also will consider the skill, ability, and integrity of a vendor to do faithful, conscientious work and to fulfill promptly a contract according to its letter and spirit. A vendor submitting a bid must provide references that will be consulted. The District further reserves the right to consult others with whom a vendor has conducted business, in addition to those listed as references, in making a determination whether a vendor is the lowest responsible bidder. Additional information or inquiries into a vendor's skill, ability, and integrity are set forth in the bid specifications.

Cooperative Purchasing

The District may choose to enter into cooperative purchasing contracts with one or more districts or local or state governments for procurement of supplies or services. A district participating in a cooperative purchasing group may purchase supplies and services through the group without complying with the provisions of 20-9-204(3), MCA if the cooperative purchasing group has a publicly available master list of items available with pricing included and provides an opportunity at least twice yearly for any vendor, including a Montana vendor, to compete, based on a lowest responsible bidder standard, for inclusion of the vendor's supplies and services on the cooperative purchasing group's master list.

Cross Reference: 7320-F1: Invoice for Independent Contractor
7320-P1: Expense Authorization Reimbursement
7320-P2: Procurement Card Purchasing Procedure
7320-P3: Guideline for Independent Contractor Agreement
7320-P4: Request for Proposal
7320-P6: Sole Source Purchasing
7320-P7: Petty Cash Accounts

Legal References: §§ 18-1-101, et seq., MCA Preferences and General Matters
§§ 18-1-201, et seq., MCA Bid Security
§ 18-4-303, MCA Competitive sealed bidding
§ 20-9-204, MCA Conflicts of interest, letting contracts, and calling for bids

Debcon v. City of Glasgow, 305 Mont. 391 (2001)

Policy History:

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