

## PURCHASING

### A. Overview

The purchase of goods and services shall be made for the purpose of furthering the educational mission of the District. The Superintendent or designee is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year.

#### Authorization to Purchase:

Prior to authorizing a purchase, District Purchasing Procedures must be followed as more fully described in this document. Authorization to purchase requires approval by the appropriate budgetary authority and may also require approval by Purchasing or other departments depending upon the type of purchase. Technology equipment must all be approved by our Information Technology Department; therefore, all technology purchases must be submitted via a Purchase Order. Additional approval by Purchasing, is dependent upon the Purchasing Method more specifically described below. All procurement of supplies, materials and equipment and services requires documentation of prior approval by the budget administrator. Any unauthorized obligation of District funds is subject to employee discipline and/or personal liability for the purchase.

Board Policy 6210 states, *“Individuals incurring liabilities that are not properly authorized can be held personally accountable and may be held personally liable for payment.”*

#### Methods for Purchasing:

There are various methods available for the acquisition of goods and services including purchase requisition/purchase order, procurement card, imprest checking account, petty cash and various reimbursement processes. In addition, there are purchasing methods outlined for needed supplies and services available through the Warehouse, Food and Nutrition Services, Transportation, Central Printing and various other school district departments. While the Guidelines for each acquisition method may differ slightly, all methods are required to meet State and Federal procurement laws and District Policy and Procedures. More information about these methods are outlined in the Business Services Procedure Guidebook located on the S-Drive under S://Business Services Procedures and Forms.

Selecting a Vendor (Contractor): The first consideration should be to utilize existing contracts available to South Kitsap School District. Specific information on the major contracts can be found in the Business Services Procedure Guidebook. Additional contract information can be obtained by contacting Purchasing.

Board Policy 6230 states that *“Purchasing decisions shall be made on the basis of objectivity and shall not be influenced by friendships or other personal relationships. Board members, administrators or staff shall not accept a gift or favor from vendors or prospective vendors or other firms or individuals who have had or hope to have transactions with the district.”*

Standardization of Products and/or Services:

All district purchases shall meet established district standards such as technology, furniture, and nutritional services standards established by respective departments. Specific details can be found in the Business Services Procedure Guidebook.

Contractual Service Agreements: Contracts should be pre-approved and signed by the budget administrator or authorized administrator. Contracts that include a financial obligation must be attached to the purchase order, which will subsequently be forwarded to the vendor (contractor). Staff should not directly provide the vendor (contractor) with a signed contract that contains a financial interest, without the approval of Business Services.

Consulting Contracts: It should be first determined if the consultant is independent or should be treated as a temporary employee requiring processing of payment through payroll. (Form 8710) Personnel can assist in making this determination.

Temporary Employee Contracts are processed through Payroll.

Consulting Contracts for Independent Contractors are processed through Purchasing via a Purchase Order. The consultant contract forms should be filled out and signed by the Independent Contractor prior to issuing a purchase order. Once the school/department has obtained the appropriate approvals on the contract, the contract should be attached as a referencing document to the purchase order. Once submitted to Purchasing, the approved purchase order and approved contract will be forwarded to the Independent Contractor to represent a formal binding agreement. Approved contracts should not be sent directly to the Independent Contractor without an attached Purchase Order or without the approval of Business Services. Once the services are received, the Independent Contractor should submit an Invoice to the District for payment of said services.

ASB Purchasing

ASB funds are legally defined as direct public monies, and as such are treated the same as other district public funds. ASB purchasing practices and related documentation must follow state laws and regulations, and district policies and procedures. Authority to purchase must be obtained in advance per ASB guidelines and district procedures. Secondary school ASB purchases require student representative approval. The purchasing process must be a competitive process in harmony with those used by the district.

**B. Washington State Legal Requirements for Purchase of Furniture, Equipment and Supplies**

Washington State law mandates a competitive process for the acquisition of furniture, equipment and supplies that exceed various dollar values. These dollar values are based upon the annual purchases for a given item on a District-wide basis and are not on a site by site value. (i.e. One school may purchase four televisions in a year that total \$2,000. The entire District may purchase 90 televisions that total \$45,000. The law would require a competitive process if the total quantity could reasonably be anticipated.) The following value levels have been defined in RCW 28A.335.190 and include all associated costs such as shipping and handling, and tax. Bid sensitive areas are reviewed on an annual basis by the Purchasing Department. A list of bid sensitive areas is outlined in the Business Services Procedure Guidebook under Designated Bid Vendors.

**Up to and including \$40,000** – No competitive process required, but encouraged as a best practice to ensure the District is receiving the best available pricing. Please reference Board Policy 6210, which states, “It is the policy of the Board to purchase competitively without prejudice and to seek maximum educational value for every dollar expended.”

**Over \$40,000** – Up to and/or equal to \$75,000 – When purchases of furniture, equipment, and/or supplies are expected to exceed \$40,000, but be less than \$75,000 on a District-wide basis, documented impartial competitive quotes must be solicited from at least three different vendors and awarded to the vendor providing the lowest responsible quotation based on the specifications. Schools or departments anticipating an expenditure between \$40,000 and \$75,000 should contact Purchasing for assistance.

**Over \$75,000** - When purchases of like items are expected to exceed \$75,000 on a District-wide basis, formal bids must be solicited and awarded to the lowest responsible bidder meeting specifications. This process is conducted or delegated by Business Services and includes requirements pertaining to public advertisement and awarded by our School Board.

**Exceptions** – Books, certain software applications, equipment/software maintenance contracts and legitimate sole source vendors are exempt from the above requirements.

Professional Services: Washington State law does not define a required competitive process for the acquisition or contracting of professional services (except for architects and engineers per RCW 39.80).

**Emergencies** – In the event of an emergency that meets certain qualifications, the Board has the authority to declare a project exempt from the noted requirements to avoid material injury or damage.

### **C. Public Works Contracts (Building Improvements, Repair and/or Construction)**

Public work is defined as all work, construction, alteration, repair, or improvement that is executed at the cost of the state or other local public agency. *Simply put, if labor is involved to build (on-site) or install an item you are purchasing, it very likely falls within the parameters of public works.*

**Public Works Act** – The Public Works Act is a worker protection act requiring that workers be paid prevailing wages when employed on public works projects. To ensure workers are paid prevailing wages, the State requires that Intent to Pay Prevailing Wages and Affidavit of Prevailing Wages Paid forms be submitted by the contractor to the Labor & Industries office.

*If you suspect the purchase you are considering is a public works, please contact Facilities and Operations for assistance. Facilities and Operations will assist you in meeting the requirements of the State.*

#### **D. Federal Procurement Laws:**

Debarment Verification: When using Federal funds for contracts of \$30,000 or more, verification that the contractor (vendor) is not debarred from doing business with us is required before entering into the contract. **IMPORTANT NOTE**: If using Federal funds as a grant sub-recipient, debarment verification and procedures apply to all contractors, regardless of the dollar amount. The guidelines to verify debarment status are found in the Business Services Procedure Manual.

Federal Quotes: When using Federal funds, both Federal and State purchasing level thresholds apply. When there is a conflict on the threshold amounts, we are audited to the most restrictive level. Federal contracts of \$10,000 or more must be awarded on a documented impartial competitive basis.

Formal Bids: When using Federal funds, formal bid procedures must be followed on the following thresholds.

- ★ When the anticipated expenditures for Furniture, Equipment and Supplies equals or exceeds \$75,000 or more.
- ★ When anticipated expenditures for \*Contractual Services equals or exceeds \$250,000 or more.

*\*Note: Federal Public Works laws differ than State Public Works. Contact the Facilities & Operations office when using federal funds for public works projects.*

To meet the federal purchasing requirements, use of available competitive bids available through the district and/or the State is highly encouraged. Additional information is provided in the Business Services Procurement Guidebook.

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