

## **PURCHASING POLICY**

The purchasing function shall be under the direction of the Executive Director of Finance.

The purchasing function is intended to administer and facilitate the purchasing program in accordance with local, state, and federal regulations and good purchasing practices.

**Cross References:** Purchasing Procedures, 672-Rule 1  
Fixed/Capital Assets and Property Inventory Procedures,  
672-Rule 2  
Insurance Requirements, 672-Exhibit 1 & 2  
Uniform Grant Guidance Manual (UGG)

**Legal References:** Wisconsin State Statutes 120.10 and 120.16

**Adoption Date: November 26, 1990**

**Amended Date: June 27, 2016**

**Revised: November 27, 2023**

## PURCHASING PROCEDURES

### 1. RATIONALE

The purpose of a purchasing procedure is to ensure the School District funds are appropriately spent in the most cost-effective manner and that the purchase has been approved by the required administrative hierarchy. The procedure will also assist District employees in understanding the purchasing process.

### 2. DEFINITIONS

Skyward is the financial accounting software that the School District uses for all business accounting.

Request for Purchase Order is the initial purchase request that an employee submits to their principal or department head. Once the request for a purchase order is approved, it is entered into the Skyward system or sent down to the Business Office to be processed.

Purchase Order (PO) is a document issued by the School District that authorizes a purchase transaction. The PO sets forth the descriptions, quantities, prices, discounts, dates, and other terms and conditions.

P-Cards are also used to make purchases. These requests are made verbally, emailed, or requested on a p-card request form to the principal or department head. Once approved, the principal or department head or an appointed person will proceed with the purchase.

### 3. ACCEPTABLE METHODS OF PROCUREMENT

***The following three methods are acceptable methods of procurement.***

A. Micro-purchase supplies and services of \$10,000 or less do NOT require quotes to be received. An effort should be made to distribute these purchases evenly to qualified suppliers. Purchase orders and P-Cards can be used for micro-purchases.

B. **Small purchases** from supplies or other property and services in excess of \$10,000 and do not exceed \$250,000 may use the micro-purchase method or if practical and prudent do quotes but NO pricing analysis. If used, price or rate quotations must be obtained from an adequate number of qualified sources. The \$250,000 threshold is inflation-adjusted periodically

and could change in the future. Purchase orders can be used for small purchases.

C. **Large purchases:** purchases of \$250,000 or greater. Use one of the three methods which will be most effective.

**1. Competitive Sealed Bids: Invitation for Bid (IFB)**

- The procurement value is expected to be \$250,000 or more
- The product or service can be completely described in the agency's bid specifications
- The award of a contract can be made primarily based on price alone.

**2. Competitive Proposal: Request for Proposal (RFP)**

- Procurements are expected to be over \$250,000 and are of such a complex and technical nature (i.e., consulting, research and development, etc.) that they cannot be fully described in bid specifications.

-The award of the contract must be based on evaluation factors other than price, but the price must be a primary evaluation factor.

- Evaluation factors must be clearly described in the agency's bid specifications; in the case of a competitive proposal, this is called a Request for Proposal (RFP).

- Agency requests the respondent details how the objective can best be attained. Therefore, in addition to a cost proposal, a respondent to an RFP also submits a technical proposal that describes the methods the respondent will employ in carrying out the project described in the RFP. It also relates these methods back to their underlying costs, as described in the respondent's cost proposal.

**3. Noncompetitive proposals** (sole source) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source
- A public emergency for the procured goods or services will not permit a delay resulting from a competitive bidding process
- The Federal or State Agency authorizes the contracting agency to use noncompetitive procurements in response to its written request

- After solicitation, only one bid or proposal is received, and/or competition is determined inadequate
- Use of an existing contractor/vendor may be considered if the proprietary vendor has been used within the last three years on a similar large project at the district.

#### **4. ADDITIONAL PROCUREMENT ITEMS**

- Bid bonds and performance bonds may be required at the discretion of the Executive Director of Operations for any large contracts.
- Providers of contracted services shall furnish certificates of insurance for Worker's Compensation insurance and adequate property and casualty insurance appropriate for minimal or large exposures.
- Contracts for services such as legal, banking, insurance, pupil transportation, food service auditing, and cleaning may be let for terms not to exceed five (5) years and may be renewed or extended for (1) year terms at the discretion of the Executive Director of Finance.
- All lease/purchase agreements for items of equipment that exceed five (5) years in duration must have Board approval.
- Fixed/Capital Assets – any single item of furniture, fixtures, equipment or project that adds value to a fixed asset - reference the Fixed/Capital Assets and Property Inventory Procedures.

#### **5. PURCHASE ORDER PROCESS**

- Teachers and staff create the request for purchase order using the district's form or the system.
- All requests are approved by the building principal, department head and if applicable, the grant administrator who will also review for allowability.
- Request for purchase order is sent down to the Business Service to approve the allowability and the account number.
- After the request for purchase order is approved, the business office will process.
- It is up to the requester to make sure that the item is received.
- When the product or services are received, the receiver checks off the items received on the packing slip against the PO.
- An invoice will come into Business Services with the PO number listed.
- Payment will be processed by Business Services.

#### **6. P-CARD PROCESS**

- Teachers and staff request the use the p-card through their administrator or designee.

- The designee will then purchase the item(s) or service or sign the p-card out to the staff member to purchase in person.
- When the item(s) or service is received/complete, the staff member will forward the paperwork to the designee to process.
- Once processed, the p-card statement and all applicable documents will be sent down to the Business office for final approval and processing.

## **7. DEBARMENT AND SUSPENSION**

Non-federal entities are prohibited from contracting with or making subawards under “covered transactions” to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include procurement contracts for goods and services awarded under a grant or cooperative agreement that are expected to equal or exceed \$25,000.

All non-procurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

This verification may be accomplished by:

- Checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA). EPLS is no longer a separate system; however, the OMB guidance and agency implementing regulations still refer to it as EPLS and is available at <https://www.sam.gov/portal/public/SAM/>, or
- Collecting a certification from the entity, or
- Adding a clause or condition to the covered transaction with that entity. The subrecipient cannot make a contract to parties listed on the EPLS through the System for Award Management (SAM). SAM contains the list of names of parties debarred, suspended, or otherwise excluded by federal agencies.

## FIXED/CAPITAL ASSETS AND PROPERTY INVENTORY PROCEDURES

The District shall maintain a continuous inventory of all District-owned equipment and supplies, including computing devices every two (2) years and Generally Accepted Accounting Principles (GAAP) reporting requirements.

It shall be the duty of the Director of Business Services and the Business and Auxiliary Services Specialist to ensure that inventories are recorded systematically and accurately, and property records of equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

For purposes of this procedure:

Equipment: tangible personal property (including information technology systems) having a useful life of more than one (1) year and a per-unit acquisition cost which equals or exceeds \$100,000 unless purchased with federal dollars, then the per-unit acquisition cost equals or exceeds \$5,000.00

Capital assets: include equipment as well as the following:

- A. land, buildings (facilities), and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases
- B. additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance)

Supplies: for inventory purposes, no items will be counted whose total acquisition cost is less than \$100,000.00

Computing devices: machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories for printing, transmitting and receiving, or storing electronic information. Examples of computing devices include laptops, smartphones, tablets, etc. Computing devices are classified as equipment if their acquisition cost meets the above-mentioned equipment threshold. Computing devices that do not meet the acquisition cost threshold are considered supplies. Regardless of whether a computing device is classified as an equipment or supply, it must be counted during the inventory.

Equipment and computing devices acquired under a Federal award will vest upon acquisition to the District shall align with Part 200, §200.313 Equipment for the purchase and disposal of assets as stated:

A. The property shall be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.

1. When no longer needed for the original program or project, the property may be used in other activities in the following order of priority: (1) activities under a Federal award from the Federal awarding agency which funded the original program or project; then (2) activities under Federal awards from other Federal awarding agencies.

2. During the time that property is used on the project or program for which it was acquired, the District must also make the property available for use on other projects or programs currently or previously supported by the Federal program, provided that the use will not interfere with the work on the original project or program.

B. The property shall not be encumbered without the approval of the Federal awarding agency or the passthrough entity.

C. The property may only be used and disposed of in accordance with the provisions of the Federal awarding agency or the pass-through entity and Policy 7300 and Policy 7310 and AG 7310.

D. Property records shall be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), title entity, acquisition date, cost of the property, percentage of Federal participation in the project costs for the award under which the property was acquired, the location, use, and condition of the property, and ultimate disposition data, including date of disposal and sale price of the property, in accordance with this policy.

E. A physical inventory of the property must be taken and results reconciled with property records at least once every two (2) years, in accordance with this policy.

F. A control system shall be developed to provide adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft shall be investigated.

G. Adequate maintenance procedures shall be implemented to keep the property in good condition.

Adoption Date: November 26, 1990

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**INSURANCE REQUIREMENTS  
FOR APPLETON AREA SCHOOL DISTRICT**

**“Minimal Exposure Jobs”**

It is hereby agreed and understood that the insurance required by the Appleton Area School District is primary coverage and that any insurance or self-insurance maintained by the Appleton Area School District, its officers, board members, agents, employees or authorized volunteers will not contribute to a loss.

I. General Liability Coverage

A. Limits and Form of Coverage

1. Commercial General Liability

- (a) \$2,000,000 general aggregate
- (b) \$1,000,000 products – completed operations aggregate
- (c) \$1,000,000 personal injury and advertising injury
- (d) \$1,000,000 each occurrence limit
- (e) Coverage must be an occurrence form

B. Appleton Area School District shall be named as additional insured.

**NOTE: Appleton Area School District requires 30-day written notice of cancellation, non-renewal, or material change in the insurance coverage.**

C. A copy of the Certificate of Insurance must be on file with the School District. An updated certificate must be sent each year upon policy renewal.

D. Must include Premises and Operations Liability.

E. Must include Broad Form Property Damage including Completed Operations

F. Requirements from Contractors:

- 1. Must include Independent Contractors Coverage (Owners & Contractors protective)
- 2. If used in the course of work, coverage for Owned, Hired, or Non-Owned Snowmobile Liability.
- 3. If used in the course of work, coverage for Owned, Hired, or Non-Owned Watercraft Liability.



4. Must include coverage for any liability or claim that may be incurred under U. S. Longshoremen's and Harbor Worker's Act, Admiralty (Jones) Act, and Federal Employee Liability Act, when applicable.
5. Must include Explosion, Collapse and Underground Coverage
6. Must include Broad Form Blanket Contractual
7. Must include Personal Injury (Group A, B, C) and delete Employment exclusion
8. Must include product and completed Operations Coverage for 2 years after final payment.

## **II. Umbrella Coverage for Construction Contractors:**

### A. For Construction Contractors:

1. Limits: \$5,000,000 each occurrence / \$5,000,000 aggregate
2. \$10,000 self-insured maximum retention
3. Appleton Area School District shall be named as additional insured.
4. Coverage must be an occurrence form
5. A copy of the Certificate of Insurance must be on file with the Business Office. An updated certificate must be sent each year upon policy renewal.
6. Must cover over all legal and assumed liability for personal injury, property damage (direct or consequential), and advertising liability, anywhere in the world. Also, must cover over at least the General Liability, Comprehensive Automobile Liability, and Employers' Liability.
7. Must include Explosion, Collapse and Underground Coverage
8. Must include Broad Form Blanket Contractual
9. Must include personal Injury (Group A, B, C) and delete Employment exclusion
10. Must include product and completed Operations Coverage for 2 years after final payment
11. General aggregate must apply separately to each project/location

**NOTE: Appleton Area School District requires 30-day written notice of cancellation, non-renewal, or material change in the insurance coverage.**

### B. For all other vendors:

1. Limits: \$2,000,000 each occurrence / \$2,000,000 aggregate
2. \$10,000 self-insured maximum retention
3. Appleton Area School District shall be named as additional insured.
4. Coverage must be an occurrence form.

5. A copy of the Certificate of Insurance must be on file with the Business Office. An updated certificate must be sent each year upon policy renewal.
6. Must cover over all legal and assumed liability for personal injury, property damage (direct or consequential), and advertising liability, anywhere in the world. Also, must cover over at least the General Liability, Comprehensive Automobile Liability, and Employers' Liability.

**NOTE: Appleton Area School District requires 30-day written notice of cancellation, non-renewal, or material change in the insurance coverage.**

### **III. Comprehensive Automobile Coverage**

- A. Limits: \$1,000,000 combined single limit for Bodily Injury and Property Damage each accident.  
OR  
Limits: \$100,000 each person / \$300,000 each accident for Bodily Injury and at least \$10,000 for Property Damage – only if personal automobile.
- B. Must cover any auto including Owned, Non-Owned and Hired automobiles.
- C. Appleton Area School District shall be named as additional insured.
- D. A copy of the Certificate of Insurance must be on file with the Business office. An updated certificate must be sent each year upon policy renewal.

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### **IV. Workers Compensation and Employers Liability**

- A. Must carry coverage for Statutory Workers Compensation and Employers Liability limit of: \$100,000 each Accident / \$500,000 Disease Policy Limit / \$100,000 Disease/Each Employee
- B. Must include coverage for occupational disease, sickness, and death
- C. Must include Broad Form All States Endorsement/other states endorsement
- D. A copy of the Certificate of Insurance must be on file with the Business Office. An updated certificate must be sent each year upon policy renewal.
- E. Appleton Area School District shall be named as additional insured.

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## **V. Aircraft Liability (including Helicopter) – Owned, Non-owned, or Hired**

- A. If this exposure shall exist, the limits must be at least \$8,000,000 combined single limit for bodily injury (including passenger liability) and property damage.
- B. Appleton Area School District shall be named as additional insured.
- C. Any liability exclusions relating to slung cargo must be deleted.
- D. A copy of the Certificate of Insurance must be on file with the Business Office. An updated certificate must be sent each year upon policy renewal.

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## **VI. Builder's Risk/Installation Floater**

- A. Appleton Area School District will not assume responsibility for loss, including loss of use, for damage to property, materials, tools, equipment, and items of a similar nature which are being either used in the work being performed by the contractor or are to be installed or erected by the contractor, unless otherwise agreed to by both parties.

If coverage is desired for this exposure, the contractor may, at his own cost, procure insurance to cover same or the Appleton Area School District may choose to procure this coverage.

If the Appleton Area School District purchases the coverage, the contractor will assume the Appleton Area School District's deductible per loss.

- B. If coverage is purchased by the contractor:
  - 1. Appleton Area School District shall be named as additional insured
  - 2. A copy of the certificate of insurance shall be on file with the school district.
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- B. If coverage is purchased by the contractor:
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