



ONLOW COUNTY SCHOOLS

PROCUREMENT MANUAL

Table of Contents

Part I – Introduction	Page 1
Part II– Contacts & Responsibilities.....	Page 2
Part III – Purchasing Rules & Regulations.....	Page 5
Part IV – Competition.....	Page 8
Part V – Procurement Procedures.....	Page 10
Part VI – Special Purchasing Situations.....	Page 13
Part VII – Federal Uniform Guidance Procurement Requirements.....	Page 14

PART I

INTRODUCTION AND PURPOSE

INTRODUCTION

Local Boards of Education are delegated authority to purchase goods and services and to enter into contracts by the North Carolina General Assembly. Therefore, school systems' procurement operations and procedures are controlled by North Carolina General Statutes. Areas not specifically addressed by the General Statutes are regulated by administrative procedures, regulations and locally adopted policies.

The Department of Administration through the Division of Purchase and Contract is charged with jurisdiction and control over the specifications and purchase of supplies, equipment, and materials related to student transportation. Under the requirements of G.S. 115c-522, it is the duty of local boards of education to purchase or exchange all their supplies, equipment, and materials in accordance with contracts made by or with the approval of the Department of Administration unless items are available from other sources at a lesser cost. Public school districts may contract directly for any services required.

PROCUREMENT GOALS

The goal of the Procurement and Materials Management Department of Onslow County Schools is to provide the best products and services available at the most reasonable cost, with all consideration to be in the best interest of the individual schools, the Department of Financial Services and the entire school district while providing a climate of fair and open competition for all qualified vendors.

The procurement function includes the entire process of securing goods and services to encourage and accomplish:

- obtaining maximum benefits from and proper use of the school system's funds for the staff and students.
- executing the procurement process in the best interest of the school district by preventing fraud, waste and abuse where public funds are used to purchase apparatus, supplies, materials, equipment, and services for the Onslow County Board of Education and taxpayers of Onslow County.
- conducting all purchasing in accordance with N.C. General Statutes, local Board of Education policies, and recognized professional purchasing practices.

Procurement processes shall be in accordance with:

- various requirements of the N.C. General Statutes (NCGS)
- applicable federal law and the Uniform Guidance (2 C.F.R. § 200.318(a))
- regulations of the State of N.C., Division of Purchase and Contract (P&C)
- policies of Onslow County Schools (OCS)
- procedures outlined in this manual

PART II

PROCUREMENT and MATERIALS MANAGEMENT CONTACTS & RESPONSIBILITIES

- **Sherri Barnhardt, CLGPO, CPPB**
- **Director**
- sherri.barnhardt@onslow.k12.nc.us – 910-455-2211 ext. 20603
- *Bids & Procurement Support for:
 - Superintendent 's Office
 - Finance
 - Architect, Engineering, Surveying & New Construction
 - Miscellaneous Service Contracts

- *Policy Monitoring and updates
- *OCS Procurement Manual updates
- *Bid Forms and Templates
- *Legislative Updates

- **Linda Bassett, CLGPO**
- **Purchasing Agent I**
- Linda.bassett@onslow.k12.nc.us – 910-455-2211 ext. 20650
- *Bids & Procurement Support for:
 - Operations & Facilities
 - Career & Technical Education (CTE)
 - Digital Learning Technology (DLT)
 - Information Technology (IT)
 - School Nutrition

- *Liaison for schools:
 - Bell Fork Elementary
 - Clyde Erwin Elementary
 - Hunters Creek Elementary
 - Jacksonville Commons Elementary
 - Morton Elementary
 - Northwoods Elementary
 - Onslow County Learning Center
 - Onslow Early College
 - Queens Creek Elementary
 - Sandridge Elementary
 - Silverdale Elementary
 - Swansboro Elementary

- *Bus Charters
- *Amazon Business Account Administration & Order Approvals
- *Staples Online System
- *GovDeals (surplus items to be sold)

- **Heather Grissett, CLGPO**
- **Purchasing Agent I**
- Heather.grissett@onslow.k12.nc.us– 910-455-2211 ext. 20652
- *Bids & Procurement Support for:
 - Athletics
 - Exceptional Children (EC)
- *Liaison for schools:
 - Dixon High
 - Dixon Middle
 - Hunters Creek Middle
 - Jacksonville Commons Middle
 - Jacksonville High
 - New Bridge Middle
 - Northside High
 - Northwoods Park Middle
 - Regional Skills Training Center
 - Richlands High
 - Southwest High
 - Southwest Middle
 - Swansboro High
 - Swansboro Middle
 - Trexler Middle
 - White Oak High
- *NC Department of Instruction Liaison
- *Survey Equipment (work orders for disposal)
- *Purchase Order Edit Approval (alternate when Director is absent)

- **Schelaine Parnell**
- **Purchasing Agent I**
- Schelaine.parnell@onslow.k12.nc.us– 910-455-2211 ext. 20653
- *Bids & Procurement Support for:
 - Federal Projects
 - Human Resources (HR)
 - Instructional Supplies
 - Library and Media Supplies
 - Print Shop
 - Safety and Security
- *Liaison for schools:
 - Blue Creek Elementary
 - Carolina Forest Elementary
 - Dixon Elementary
 - Heritage Elementary
 - Meadowview Elementary
 - Parkwood Elementary
 - Richlands Elementary
 - Southwest Elementary
 - Stateside Elementary
 - Summersill Elementary
 - Thompson Early Childhood Center
- *Purchasing Website Management & Monitoring

- *Print PO Edit Reports (daily)
- *PO Prints (daily)
- *Warehouse Office Supply Stock
- *Finance Office Supply Ordering
- *Procurement Office Supply Ordering

- **Robert Drewry**
- **Warehouse Supervisor & Buyer**
- Robert.drewry@onslow.k12.nc.us - 910-455-2211 ext. 20654
- *Bids & Procurement Support for:
 - Maintenance
 - Transportation

- *Warehouse & Distribution – supervision of (6) warehouse staff
- *Inventory Control
- *Mail Room/Courier Service
- *Supply Deliveries
- *Warehouse Stock Supply Ordering

PART III

PURCHASING RULES & REGULATIONS

RULES AND REGULATIONS

G.S. 115c-522 states: It shall be the duty of local boards of education to purchase or exchange all apparatus, supplies, materials, or equipment and these purchases shall be made in accordance with Article 8 of Chapter 143 of the General Statutes. It is the responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based.

All purchases must be approved through the purchase order process which includes approvals from Procurement and Finance. Any exception to the purchase order process (including employee reimbursements) must be preapproved by the Chief Financial Officer or the Executive Director of Financial Services.

No contract shall be awarded to a vendor or contractor who is suspended or debarred by either the Federal or State government.

Below are summaries of policies affecting purchasing by school administrative units and individual schools. Please refer to the policy in its entirety for more details.

Policy 6420 – Contracts with the Board

- No contract requiring the expenditure of funds may be agreed upon unless the budget resolution adopted pursuant to board policy 8110, Budget Resolution, authorizes the expense and there is a sufficient unencumbered balance to pay the amount to be disbursed.

Policy 6430 – Purchasing Requirements for Equipment, Materials, and Supplies

- Formal bids – purchases equal to or exceeding \$90,000
- Informal bids:
 - Administrative departments – purchases between \$5,000 and \$90,000
 - Individual schools – purchases between \$5,000 and \$90,000
- Exceptions to the formal and informal bidding requirements

Policy 6450 – Purchase of Services

- Competitive bidding is not required for the purchase of services; however, contracts for services will be made under conditions which foster competition among potential providers when feasible and after careful consideration. Procurement and Materials Management Department should be consulted.

Policy 9120 – Bidding for Construction Work

- Informal bids – construction and repair contracts between \$5,000 and \$300,000
- Formal bids – construction and repair work requiring the estimated expenditure of \$300,000 or more

ETHICAL PROCUREMENT AND CONFLICTS OF INTEREST

The Procurement and Materials Management Department will conduct business in accordance with Board policy 6401 and 7730 and follow ethics and integrity guidelines outlined in the State of North Carolina Agency Purchasing Manual and the Federal Uniform Guidance. Procurement is committed to fairness and impartiality in all phases of the procurement process.

A conflict of interest may be considered to exist in those instances where the actions or activities undertaken by an employee on behalf of the school district involves obtaining an improper personal gain or advantage or has an adverse effect on the interest of the school district. NC G.S. 14-234 prohibits any public officer or employee who is involved in making or administering a contract from deriving a direct benefit from the contract.

In addition, NC G.S. 14-234 prohibits a public officer or employee from soliciting or receiving any gift, reward, or promise of reward in exchange for recommending, influencing, or attempting to influence the award of a contract by the public agency he or she serves. No Onslow County Schools employee should solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

Conflicts of Interest related to Federal Fund Grant Administration or Expenditures include a broader definition of conflict of interest to include (1) the employee, (2) any member of his or her immediate family, (3) his or her partner or (4) an organization which employs or is about to employ any of those parties.

SPECIAL CONDITIONS

“Emergency purchase means purchases warranted by unforeseen and unavoidable circumstances in which human life, health, or public property is in immediate jeopardy; and the expenditure is necessary to preserve life, health, or public property.” *In all circumstances related to a potential “emergency purchase”, the Procurement and Materials Management department should be consulted.*

For this manual, emergencies are defined as situations that endanger lives, property, or the continuation of an important program, and which can only be corrected by immediate on-the-spot purchases or rental of equipment, supplies, materials, or services.

According to G.S. 143-129(e)(2), competitive bidding is not required in cases of special emergencies involving the health and safety of people or their property. For an emergency to exist under the statute, the following factors must exist: (1) the emergency is present, immediate and existing; (2) the harm cannot be averted through temporary measures; and (3) the emergency was not self-created by the school system. The following procedures should be followed when there is a need for an emergency purchase:

- Each School Administrator or Department Director should furnish the Director of Procurement and Materials Management with a list of designees authorized to facilitate emergency purchases.
- The School Administrator, Department Director or designee must sign the requisition or request and clearly mark as “EMERGENCY.” Documentation must be attached describing the need for the emergency purchase.
- The Director of Procurement and Materials Management should verify that funds are available before continuing. If funds are not available, the Director of Procurement and Materials Management should contact the Chief Finance Officer, or the Executive Director of Financial Services, for direction before continuing with the placement of the order.
- If an emergency or pressing need occurs after normal working hours, the appropriate School Administrator, Department Director or designee may obtain needed rental of apparatus, supplies,

materials, equipment or services to resolve the issue with notification to the Director of Procurement and Materials Management as soon as possible.

Open “Blanket” Purchase Order (Administrative Departments only)

Open “Blanket” purchase orders are meant to provide users with better service by being the least restrictive method of purchasing while maintaining accountability. The total amount of an open purchase order for a non-contract vendor shall not exceed \$5,000 (fuel is an exception) for the fiscal year. If a contracted vendor is used, an open purchase order may be encumbered for an amount up to your budgeted allowance. Open purchase orders are issued only by approval of the Director of Procurement and Materials Management or their designee. Non-contract vendors should be selected that provide verified discounts. Open purchase orders are to be used only when the department will purchase repetitive, specified services or items, or categories of items from the same vendor.

Open purchase orders should NOT be used when:

- no benefit will be obtained over a regular purchase order
- prices are unknown at ordering time, or subject to change without notice
- quality of vendor or services is questionable
- control over school system purchases would be weakened significantly
- no single item(s) over \$500.00 should be purchased using an open “blanket” Purchase Order

An open purchase order is prepared using the standard requisition process and must include the following information:

- sales tax is shown as a separate item
- brief description of items and/or categories of items (i.e. building supplies, repair parts)
- list of personnel authorized to charge materials

At each stage of the open purchase order process, Department Directors or their designee should closely examine transactions to ensure that all legal mandates are being met and purchases have not exceeded encumbered amounts.

Federal Grant Administration

All purchases for property and services made using Federal funds must be conducted in accordance with all applicable federal, state and local laws and regulations, the Uniform Guidance (Part VII, page 14), and the school system’s written policies and procedures.

LEASE/PURCHASE

Lease purchase contracts, contracts that include options to purchase, and leases for the life of equipment all must be bid consistent with the requirements of G.S. 143-129 and 143-131. In order to ensure compliance, the Director of Procurement and Materials Management must be contacted prior to committal. The Director of Procurement and Materials Management will ensure that such contracts meet the legal requirements and the provisions of board policy 6420, Contracts with the Board.

HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM

The Procurement and Materials Management Department shall actively seek and identify qualified minority (MBE), disabled (DBE), and women-owned business enterprises (WBE) and offer them the opportunity to bid on items. Applicable bid opportunities are posted to the NC HUB website (<https://ncadmin.nc.gov/businesses/hub>) by the Procurement and Materials Management Department. The school district is required by General Statutes to report all bids extended to and purchases made from DBE’s, MBE’s and WBE’s to the Division of Purchase and Contract quarterly for inclusion in a consolidated report to the General Assembly.

PART IV

COMPETITION

All transactions must be conducted in a manner providing full and open competition. To ensure objective contractor/vendor performance and eliminate unfair competitive advantage, contractors/vendors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

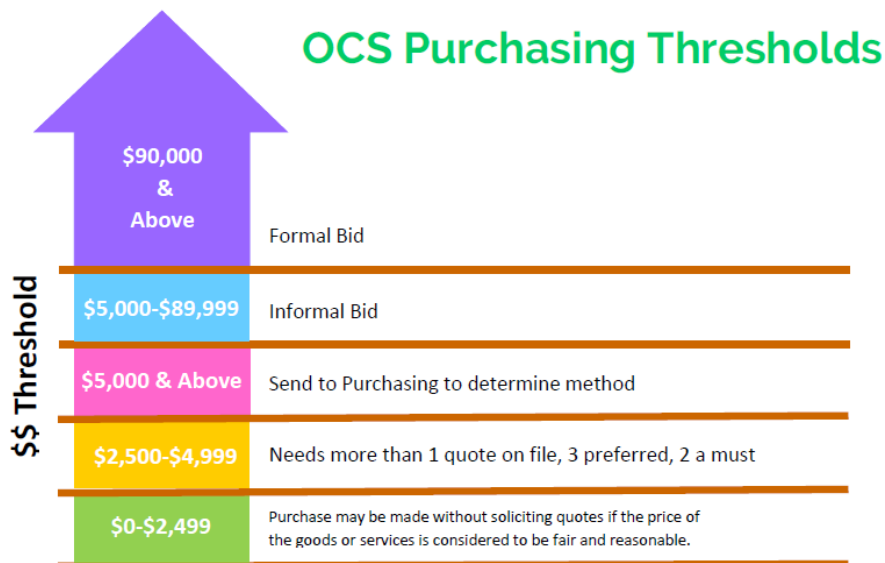
1. Placing unreasonable requirements on firms for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Noncompetitive pricing practices between firms or between affiliated companies;
4. Noncompetitive contracts to consultants that are held on retainer;
5. Organization conflicts of interest;
6. Specifying only a 'brand name' product instead of allowing 'an equal' product to be offered by describing the performance or other relevant requirements of the procurement; and
7. Any arbitrary action in the procurement process

Procurements must be conducted in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal, State or local statutes expressly mandate or encourage geographic preferences. Nothing in this section preempts state licensing laws. When contracting for architectural or engineering services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

COMPETITION PLATFORM – “BidNet.com”

In an effort to improve service and efficiency, effective April 1, 2019, Onslow County Schools began using BidNet’s North Carolina Purchasing Group (www.bidnetdirect.com/north-carolina) for soliciting bids and quotes from vendors. This system provides convenient online access to all formal and informal bid opportunities from Onslow County Schools as well as from other government agencies who join and use the platform in North Carolina.

Below is the OCS Purchasing Thresholds chart outlining when to contact Procurement as well as when Informal and Formal bids are necessary:



*Non-Federal Money

PROCUREMENT WORKFLOW TIMELINES

Purchases with an aggregate cost less than \$2,500.00 – do not require advertising nor competitive bidding. While bidding is not required, Onslow County Schools encourages departments to solicit quotes. These purchases may be entered into the AS400 Purchase Order Entry module. Purchase Order edits are generally processed within 1-3 days if all required documentation is received by the Procurement Director, or their designee (if applicable). This applies to purchases of goods or services.

Purchases with an aggregate cost between \$2,500.00 and \$5,000.00 – do not require advertising but do require competitive quotes. Onslow County Schools encourages departments to solicit quotes; or, you may contact Procurement to assist with solicitation of quotes. These purchases may be entered into the AS400 Purchase Order Entry module. Purchase Order edits are generally processed within 1-3 days if all required documentation is received by the Procurement Director, or their designee (if applicable). This applies to purchases of goods or services.

The Timeline Chart below shows estimated processing times for Informal and Formal bids by Procurement:

OCS Bid Timeline



These are estimated timelines. The timelines outlined below do not begin countdown until Procurement has received all required information. Timelines may be affected by lack of the proper specifications, necessary Board approval, etc. Other factors may include (but not be limited to) the type of bid and project complexity, observed Holidays, the end users approval upon closing of the bid, and the priority of the bid.

Project Complexity	Develop Solicitation <i>determine bid type, obtaining specifications, drawing up bid</i>	HUB <i>formal bids & federal funds</i>	Newspaper Ad <i>formal bids</i>	Q&A Period	Site Visit <i>if applicable</i>	Bid Posting	Total Approximate Time
LOW	1-Day	12 Days	1-Day within the 12 days with HUB	1-Day	1-2 Days	Informal- 5 days Formal- minimum 13 days	Informal- 6 days Formal- 13 days
MEDIUM	3-5 Days	12 Days	1-Day within the 12 days with HUB	1-Day	1-2 Days	Informal- 5 days Formal- minimum 13 days	Informal- 8-11 days Formal- 17 days
HIGH	7 Plus Days	12 Days	1-Day within the 12 days with HUB	1-Day	1-2 Days	Informal- 5 days Formal- minimum 13 days	Informal- 12+ days Formal- 19+ days

PART V

PROCUREMENT PROCEDURES

PURCHASE ORDER ENTRY – Request for Purchase

A purchase order must be issued for all apparatus, materials, supplies, equipment, services, construction or repair projects. All schools and departments should take steps to avoid the purchase of unnecessary or duplicative items.

The purchase order entry (edit) is the first step in the routine purchasing cycle. It is used to specify products or services needed and delivery requirements. It is the source document from which the purchase order is prepared. The purchase order entry (edit) should be completed by the school or department desiring to purchase goods or services. This is an electronic process done within the AS400/SunPac accounting software.

The purchase order entry (edit) must contain the following information for detailed purchase orders:

- Originating School or Department
- Approval of School Administrator or Department Director
- Appropriate budget code with sufficient funds
- Vendor Name and Address
- Quantity of item(s) requested
- Unit of Measure (each, box, pkg, case, etc.)
- Detailed description of requested items (must include item numbers when known). *Please Note:* It is very important to proofread your entries specifically for correct model or item numbers; and correct descriptions. Correct spelling is also extremely important. *Proofread, Proofread, Proofread....*
- Discount, if offered
- Estimated Shipping
- Sales Tax, as applicable. *Onslow County Schools is **not** tax exempt.* (Onslow County Schools must pay North Carolina sales tax on all purchases of commodities. Sales tax must be added even if items are ordered from out of state vendors. Sales tax should be calculated based on the subtotal plus the estimated freight.)

Any supporting documents should be submitted via email to the Procurement and Materials Director, or their designee.

PURCHASE ORDERS

Purchase orders serve as a vehicle to encumber funds. State law requires that funds be encumbered for each purchase **before** placement of the order.

The Onslow County Board of Education is not responsible for the payment of invoices for orders placed without authorization and without being assigned a purchase order number.

The following procedures apply to purchase orders issued and approved by the Procurement and Materials Management Department for all schools and departments in the system using the Onslow County Board of Education funds.

1. Purchase orders are prepared directly from information gathered from the approved purchase order entry submitted by schools or departments.
2. After purchase order entries have been reviewed by the Procurement and Materials Management Director or their designee for completeness and accuracy; and, the Financial Services Department has determined sufficient funds are available and account coding is correct, the purchase order is released and distributed to the vendor.

3. After approved purchase orders are released, purchase orders are printed, and copies are distributed appropriately.

RECEIVING PROCEDURES

The purpose of this section is to stress the importance of the procedures that must be performed between the time that goods and services are purchased and when payment is made.

Purchasing is the first step in the entire acquisition process that begins with the requisition of goods and services. After purchasing, goods and services must be physically received, and the receipt documented. The goods must then be stored or delivered to the appropriate location.

Timely and accurate receiving procedures are essential for assurance that goods and services have been received prior to processing payment. Persons signing to acknowledge receipt of goods and services must be aware that in doing so they are authorizing the expenditure of school district or individual school funds. Under no circumstances should any Onslow County Schools employee sign for goods or services that they have not physically viewed. All relevant data should be verified such as item number, part number, description, quantity, and quality.

The bill of lading and packing lists along with the signed receiving copy of the purchase order must be forwarded to the Financial Services Department/Accounts Payable Division immediately after receipt is verified. Onslow County Schools is obligated to pay invoices promptly to maintain good credit and to avoid finance charges due to late payments.

If items received are incorrect, contact the vendor and arrange for the return of incorrect items and subsequent shipment of the correct item(s) ordered.

If a partial shipment is received, note on the receiving copy of the purchase order those items received and remit to Accounts Payable for a partial payment. The school or department should maintain additional copies of the receiving purchase order to remit to Accounts Payable when the final shipment is received.

THE DISTRIBUTION CENTER

The Distribution Center (warehouse) is responsible for the following: deliveries, mailroom (including UPS and FedEx), janitorial supplies, and maintenance/repair parts.

Deliveries: The Distribution Center handles all types of freight. Sometimes that freight is for a particular school. The Distribution Center personnel will examine the incoming freight and paperwork to determine where and for whom the freight is intended. The freight is then scheduled for delivery to the appropriate location.

Materials printed by the Print Shop are also delivered by the Distribution Center.

Mailroom: The Mailroom handles all types of material.

USPS – Letters, packages, certified mail – anything you can do at the post office we can do in the OCS Central Office mailroom except for selling stamps.

Courier - Central Office Mail is generated by the Central Office personnel and distributed by the Distribution Center to all schools and departments; School Mail is picked up from each school site every Monday, Wednesday and Friday during the school year – During the Summer, school mail pickup/deliveries occur on Monday and Wednesday. Once the school mail is picked up and arrives back at the Distribution Center, it is sorted and distributed to the respective Central Office departments. If there is mail to be picked up and distributed to a specific school site, it will be done on the next (courier) school mail day.

UPS (United Parcel Service) & FedEx (Federal Express): The Distribution Center handles all incoming and outgoing packages for the school district. UPS & FedEx packages are received by Distribution Center personnel. They sign for bulk deliveries, meaning all packages for that day once scanned by the delivery driver. The Distribution Center personnel does not sign for individual items.

Janitorial Supplies: Janitorial Supplies are distributed to all schools Monday through Thursday, each week.

All schools are requested to turn in their individual requests by Friday @ 1:00pm. This allows the truck to be loaded for the upcoming week. Schools are asked to order on an “as needed” basis. Stockpiling janitorial supplies at school locations is discouraged.

Repair Parts and Materials: The Distribution Center stores repair parts and materials for the Maintenance Department. Materials are issued with the appropriate work order as submitted to Maintenance. If you need repairs, please submit a Maintenance Work Order.

PART VI

SPECIAL PURCHASING SITUATIONS

Purchases for OCS Employees

The purchasing power of Onslow County Schools shall not be used for private advantage or gain. Purchases under contracts made by Onslow County Schools (or any State entity) are not allowed for personal use out of private funds, nor are schools or departments to place orders for articles for ownership by employees or other individuals.

Complaints to Vendors

Occasionally problems with a vendor may arise regarding late delivery, incorrect quantities received or improper substitutions of requested merchandise. For items ordered through term or convenience contracts negotiated by the Onslow County Schools Procurement and Materials Management Department, a [Complaint to Vendor Form](#) is used to file a complaint with a vendor.

When complaints arise about purchasing transactions with other vendors who are not selling merchandise from contracts negotiated by the Onslow County Schools Procurement and Materials Management Department, it is the duty of the schools and departments to notify the Director of Procurement in writing of the complaint. Purchasing will resolve the complaint directly with the vendors.

Assets

Fixed assets are tangible assets having a useful life of one year or more owned by the school system. Categorized as: land, buildings, improvement other than buildings, equipment, and vehicles (buses, trucks, and vehicles would be separate from equipment). Purchases of all buildings, improvements, equipment and vehicles having a cost basis of \$5000 or more are capitalized.

Purchases of all equipment having a cost basis between \$500 and \$4,999 are inventoried. Each school and department are required to perform a count of all capitalized and inventoried items annually.

Subscription and Periodical Orders

Requisitions for a subscription should be requested, where possible, so that subscription runs from July 1 through June 30 of each fiscal year. A subscription can only be for one year, multiple-year subscriptions are not permitted since funds can only be encumbered for the current year. Subscriptions will be sent directly to the school or department. Subscriptions paid for with state or local funds will not be sent to teachers' or administrators' home address.

Information Technology (IT) Purchases

Requisitions for IT-related equipment, software and/or services must be approved by the Chief Technology Officer or their designee. If a department or school has received prior approval for an IT-related purchase, please forward the appropriate documentation to the Director of Procurement and Materials Management – prior approval and notification to the Procurement Director may expedite your IT-related purchase order.

PART VII

FEDERAL UNIFORM GUIDANCE PROCUREMENT REQUIREMENTS

PURPOSE

The purpose of this section is to establish guidelines that meet or exceed the procurement requirements for purchases of goods (apparatus, supplies, materials, and equipment), services, and construction or repair projects when federal funds are being used in whole or in part to pay for the cost of the contract. *If a single dollar of federal funds is incorporated into any purchase, Federal Uniform Guidance Procurement Requirements must be followed.*

POLICY

Application of Policy

This policy applies to contracts for purchases, services, and construction or repair work funded with federal financial assistance (direct or reimbursed). The requirements of this Policy also apply to any sub-recipient of federal funds.

All federally funded projects, loans, grants, and sub-grants, whether funded in part or wholly, are subject to the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) codified at 2 C.F.R. Part 200 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds.

Compliance with Federal Law

All procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in 2 C.F.R. § 200.317 through § 200-326 unless otherwise directed in writing by the federal agency or state pass-through agency that awarded the funds. Onslow County Schools will follow all applicable local, state, and federal procurement requirements when expending federal funds. Should Onslow County Schools have more stringent requirements, the most restrictive requirement shall apply so long as it is consistent with state and federal law.

Contract Award

All contracts shall be awarded only to the lowest responsive, responsible bidder possessing the ability to perform successfully under the terms and conditions of the contract. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

No Evasion

No contract may be divided to bring the cost under bid thresholds or to evade any requirements under any policy or state and federal law.

Contract Requirements

All contracts paid for in whole or in part with federal funds shall be in writing. The written contract must include or incorporate by reference the provisions required under 2 C.F.R § 200.326 and as provided for under 2 C.F.R. Part 200, Appendix II.

Contractors' Conflict of Interest

Designers, suppliers, and contractors that assist in the development or drafting of specifications, requirements,

statements of work, an invitation for bids or requests for proposals shall be excluded from competing for such contracts.

Approval and Modification

The administrative procedures contained in this manual are administrative and may be changed as necessary at the staff level to comply with state and federal law.

GENERAL PROCUREMENT STANDARDS AND PROCEDURES

Either the Procurement and Materials Management Department or the requesting school or department shall procure all contracts in accordance with the requirements of this Section of the Policy.

Necessity

Purchases must be necessary to perform the scope of work and must avoid the acquisition of unnecessary or duplicative items. The Procurement and Materials Management Department and/or the requesting school or department should check with the federal surplus property agency before buying new items when feasible and less expensive. Strategic sourcing should be considered with other departments and/or agencies that have similar needs to consolidate procurements and services to obtain better pricing.

Clear Specifications

All solicitations must incorporate a clear and accurate description of the technical requirements for the materials, products, or services to be procured, and shall include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals. Technical requirements must not contain features that restrict competition.

Notice of Federal Funding

All bid solicitations must acknowledge the use of federal funding for the contract. In addition, all prospective bidders or offerors must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.

Compliance by Contractors

All solicitations shall inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding source (grant).

Fixed Price

Solicitations must state that bidders shall submit bids on a fixed price basis and that the contract shall be awarded on this basis unless otherwise provided for in this Policy. **Cost-plus percentage of cost contracts are prohibited.** Time and materials contracts are prohibited in most circumstances. Time and materials contracts will not be used unless no other form of contract is suitable and the contract includes a "Not to Exceed" amount. A time and materials contract shall not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.

Use of Brand Names

When possible, performance or functional specifications are preferred to allow for more competition leaving the determination of how to reach the required result to the contractor. Brand names may be used only when it is impractical or unfeasible to write a clear and accurate description of the requirement(s). When a brand name is listed, it is used as reference only and “or equal” must be included in the description.

Lease versus Purchase

Under certain circumstances, it may be necessary to perform an analysis of lease versus purchase alternatives to determine the most economical approach.

Dividing Contract for Minority (M/WBE/HUB) Participation

If economically feasible, procurements may be divided into smaller components to allow maximum participation of small and minority businesses and women business enterprises. The procurement cannot be divided to bring the cost under bid thresholds or to evade any requirements of any policy.

Documentation

Documentation must be maintained by the Procurement and Materials Management Department and/or the requesting school or department detailing the history of all procurements. The documentation should include the procurement method used, contract type, basis for contractor selection, price, sources solicited, public notices, cost analysis, bid documents, addenda, amendments, contractor’s responsiveness, notice of award, copies of notices to unsuccessful bidders or offerors, a record of protests or disputes, bond documents, notice to proceed, purchase order, and contract. All documentation relating to the award of any contract must be made available to the granting agency upon request.

Cost Estimate

For all procurements classified as “Sealed Formal Bids”, the Procurement and Materials Management Department and/or requesting school or department shall develop an estimate of the cost of the procurement **before** soliciting bids. Cost estimates may be developed by reviewing prior contract costs, online reviews of similar products or services, or other means by which a good-faith cost estimate may be obtained. Cost estimates for construction and repair contracts may be developed by the project designer.

Contract Requirements

The Procurement and Materials Management Department must prepare a written contract incorporating the provisions referenced at:

<https://www.fema.gov/media-library-data/1483976790556-96bfcf3bf2c64e94d6f63dd4169a7d2c/RequiredContractClauses2C.F.R.200.326and2C.F.R.Part200AppendixII10917.pdf>

Debarment

No contract shall be awarded to a contractor included on the federally debarred bidder’s list. (Sam.gov)

Contractor Oversight

The Procurement and Materials Management Department, or the requesting school or department receiving the federal funding, must maintain oversight of the contract to ensure that the contractor is performing in accordance with the contract terms, conditions, and specifications.

Open Competition

Solicitations shall be prepared in a way to be fair and provide open competition. The procurement process shall not restrict competition by imposing unreasonable requirements on bidders, including but not limited to unnecessary supplier experience, excessive or unnecessary bonding, specifying a brand name without allowing for “or equal” products, or other unnecessary requirements that have the effect of restricting competition.

Geographic Preference

No contract shall be awarded based on geographic preference.

SPECIFIC PROCUREMENT PROCEDURES

Either the Procurement and Materials Management Department or the requesting school or department may solicit bids/quotes in accordance with the requirements under this Section of the manual based on the type and cost of the contract.

Micro-Purchases *(solicitation may be completed by Procurement and Materials Management or requesting school or department)*

Service Contracts (except for Architect/Engineer/Surveyor professional services), **Purchase Contracts and Construction and Repair Contracts costing less than \$5,000** shall be procured using the Uniform Guidance “micro-purchase” procedure (2 C.F.R. § 200.320(a)) or the Onslow County Schools Board Policy 6430, whichever is most restrictive, as follows:

- The contract may be awarded without soliciting pricing or bids if the price of the goods or services is considered to be fair and reasonable.
- To the extent practicable, purchases should be distributed among qualified suppliers.

Small Purchase Procedure *(solicitation must be completed by Procurement and Materials Management)*

Service Contracts (except for Architect/Engineer/Surveyor professional services) **costing \$5,000 up to \$90,000**, **Purchase Contracts costing \$5,000 up to \$90,000** & **Construction and repair contracts costing \$5,000 up to \$90,000** shall be procured using the Uniform Guidance “small purchase” procedure (2 C.F.R. § 200.320(b)) or the Onslow County Schools Board Policy 6430, whichever is most restrictive, as follows:

- Obtain price or rate quotes from an “adequate number” of qualified sources (a federal grantor agency might issue guidance interpreting “adequate number,” so the requesting department should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued).
- Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
- Cost or price analysis is not required before soliciting bids. Although for construction and repair, price estimates may be provided by the project designer.
- Award the contract on a fixed-price basis (a not-to-exceed basis is permissible for service or construction and repair contracts when obtaining a fixed price is not feasible).
- Award the contract to the lowest responsive, responsible bidder.

Sealed Formal Bids *(solicitation must be completed by Procurement and Materials Management)*

A. **Service Contracts** (except for Architect/Engineer/Surveyor professional services) **costing \$90,000 and above** *(also see option B)* and **Purchase Contracts costing \$90,000 and above** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required before soliciting bids.

2. Complete specifications or purchase descriptions must be made available to all bidders.
3. The bid must be formally advertised in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for "sound documented reasons."
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as required under 2 C.F.R. § 200.321.
5. Open bids at the public bid opening on the date, time, and location noticed in the public advertisement. All bids must be submitted sealed. A minimum of 2 bids must be received in order to open all bids.
6. Award the contract to the lowest responsive, responsible bidder on a fixed-price basis. Governing board approval is required for purchase contracts unless the governing board has delegated award authority to an individual official or employee. Any or all bids may be rejected only for "sound documented reasons."

B. **Service Contracts** (except for Architect/Engineer/Surveyor professional services) **costing \$90,000 and above** may be procured using the Uniform Guidance "competitive proposal" procedure (2 C.F.R. § 200.320(d)) when the "sealed bid" procedure is not appropriate for the particular type of service being sought. The procedures are as follows:

1. A Request for Proposals (RFP) must be publicly advertised. Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from an "adequate number" of qualified firms.
2. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
3. Identify evaluation criteria and relative importance of each criterion (criteria weight) in the RFP.
4. Consider all responses to the publicized RFP to the maximum extent practical.
5. Must have a written method for conducting technical evaluations of proposals and selecting the winning firm.
6. Award the contract to the responsible firm with the most advantageous proposal considering price and other factors identified in the RFP.
7. Award the contract on a fixed-price or cost-reimbursement basis.

C. **Construction and repair contracts costing \$90,000 up to \$500,000** shall be procured using the Uniform Guidance "sealed bid" procedure (2 C.F.R. § 200.320(c)) or state formal bidding procedures (G.S. 143-129) or the Onslow County Schools Board Policy 6430, whichever is most restrictive, as follows:

1. Cost or price analysis is required before soliciting bids (this cost estimate may be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Publicly advertise the bid solicitation for a period of time sufficient to give bidders notice of opportunity to submit bids (formal advertisement in a newspaper is not required so long as other means of advertising will provide sufficient notice of the opportunity to bid). The advertisement must state the date, time, and location of the public bid opening, and indicate where specifications may be obtained.
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and location noticed in the public advertisement. All bids must be submitted sealed. A **minimum of 3 bids** must be received in order to open all bids.

6. A 5% bid bond is required of all bidders. Performance and payment bonds of 100% of the contract price is required of the winning bidder (when the cost exceeds \$300,000).
7. Award the contract on a firm-fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Any or all bids may be rejected only for “sound documented reasons.”

D. **Construction and repair contracts costing \$500,000 and above** shall be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 C.F.R. § 200.320(c)) and state formal bidding procedures (G.S. 143-129) as follows:

1. Cost or price analysis is required before soliciting bids (this cost estimate should be provided by the project designer).
2. Complete specifications must be made available to all bidders.
3. Formally advertise the bid in a newspaper of general circulation for at least seven full days between the date of the advertisement and the date of the public bid opening. Electronic-only advertising must be authorized by the governing board. The advertisement must state the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the governing board the right to reject any or all bids only for “sound documented reasons.”
4. Take affirmative steps to solicit price quotes from M/WBE vendors and suppliers as provided under 2 C.F.R. § 200.321.
5. Open the bids at the public bid opening on the date, time, and location noticed in the public advertisement. All bids must be submitted sealed and in paper form. A **minimum of 3 bids** must be received in order to open all bids.
6. A 5% bid bond is required of all bidders (a bid that does not include a bid bond cannot be counted toward the 3-bid minimum requirement). Performance and payment bonds of 100% of the contract price is required of the winning bidder.
7. Award the contract on a firm-fixed-price basis.
8. Award the contract to the lowest responsive, responsible bidder. Governing board approval is required and cannot be delegated. The governing board may reject all bids only for “sound documented reasons.”

E. **Construction or repair contracts involving a building costing \$300,000 and above** must comply with the following additional requirements under state law:

1. Formal HUB (historically underutilized business) participation required under G.S. 143-128.2, including local government outreach efforts and bidder good faith efforts, shall apply.
2. Separate specifications shall be drawn for the HVAC, electrical, plumbing, and general construction work as required under G.S. 143-128(a).
3. The project shall be bid using a statutorily authorized bidding method (separate-prime, single-prime, or dual bidding) as required under G.S. 143-129(a1).

F. **Contracts for Architectural, Engineering, and Surveying Services costing under \$250,000** shall be procured using the state “Mini-Brooks Act” requirements (G.S. 143-64.31) as follows:

1. Issue a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). **Price (other than unit cost) shall not be solicited in the RFQ.**
2. Evaluate the qualifications of respondents based on the evaluation criteria developed by the Procurement and Materials Management Department and/or Requesting Department.
3. Rank respondents based on qualifications and select the best-qualified firm. Price cannot be a factor in the

evaluation. Preference may be given to in-state (but not local) firms.

4. Negotiate fair and reasonable compensation with the best-qualified firm. If negotiations are not successful, repeat negotiations with the second-best qualified firm.
5. Award the contract to the best-qualified firm with whom fair and reasonable compensation has been successfully negotiated.

G. Contracts for Architectural, Engineering, and Surveying Services costing \$250,000 or more shall be procured using the Uniform Guidance “competitive proposal” procedure (2 C.F.R. § 200.320(d)(5)) as follows:

1. Publicly advertise a Request for Qualifications (RFQ) to solicit qualifications from qualified firms (formal advertisement in a newspaper is not required). **Price (other than unit cost) shall not be solicited in the RFQ.**
2. Take affirmative steps to solicit responses from M/WBE firms as provided under 2 C.F.R. § 200.321.
3. Identify the evaluation criteria and relative importance of each criteria (the criteria weight) in the RFQ.
4. Proposals must be solicited from an “adequate number of qualified sources” (an individual federal grantor agency may issue guidance interpreting “adequate number”).
5. Must have a written method for conducting technical evaluations of proposals and selecting the best-qualified firm.
6. Consider all responses to the publicized RFQ to the maximum extent practical.
7. Evaluate the qualifications of respondents to rank respondents and select the most qualified firm. Preference may be given to in-state (but not local) firms provided that granting the preference leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project.
8. Price cannot be a factor in the initial selection of the most qualified firm.
9. Once the most qualified firm is selected, negotiate fair and reasonable compensation. If negotiations are not successful, repeat negotiations with the second-best qualified firm.
10. Award the contract to the best-qualified firm with whom fair and reasonable compensation has been successfully negotiated.

EXCEPTIONS

Non-competitive contracts are allowed only under the following conditions and may require the written approval of the federal agency or state pass-through agency that awarded the federal funds:

Sole Source

A contract may be awarded without competitive bidding when the item is available from only one source. The Procurement and Materials Management Department and/or Requesting Department shall document the justification for a lack of available competition for the item. A sole-source contract **must be approved by the governing board**. Pursuant to G.S. 143-129(e)(6) the authority to award sole source contracts cannot be delegated.

Public Exigency

A contract may be awarded without competitive bidding when there is a public exigency. A public exigency exists when there is an imminent or actual threat to public health, safety, and welfare, and the need for the item will not permit the delay resulting from competitive bidding.

Inadequate Competition

A contract may be awarded without competitive bidding when the competition is determined to be inadequate after (at least two) attempts to solicit bids from a number of sources as required under this Policy does not result in a minimum of (3) bids received from the first attempt.

Awarding Agency Approval

A contract may be awarded without competitive bidding with the express written authorization of the federal agency or state pass-through agency that awarded the federal funds so long as awarding the contract without competition is consistent with state law.