

## **PURCHASING PROCEDURES**

### **A. Purpose and Scope**

To establish procedures for expending funds and procuring goods and services, controlling the procurement process by maintaining documented procedures, and retaining appropriate records to satisfy requirements of the education code, other district policies, and the district strategic plan.

The procurement function is one of the major responsibilities of the superintendent or his/her designee.

These duties have been centralized by our governing board within the Materials Management Department.

The Materials Management Department staff is familiar with and performs all purchasing activities within the limitations prescribed by law, legal opinions, and in accordance with our governing board policies.

Four fundamental functions of the purchasing department are as follows:

1. Authorize the purchase of the proper product required.
2. Have the product available when needed.
3. Order the proper amount of the product.
4. Secure competitive pricing.

The Board of Education requires every transaction between a buyer and a seller involving transfer of property, equipment, supplies or services be by purchase order or formal contract. These purchase orders, and other purchase obligations, are to be signed by the superintendent or designee. The specified items to be procured will utilize a pre-numbered purchase order system in all transactions where a formal legal contract is not required. In addition, the district will continue enforcing the following purchasing practices:

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**B. General**

Insofar as possible, goods and services purchased shall meet the needs of the person or department ordering them at the lowest price consistent with standard purchasing practices. Maintenance costs, replacement costs and trade-in values shall be considered when determining the most economical purchase price.

The purchasing process exists in support of the following initiatives:

1. Compilation and processing of information to ensure timely delivery of goods, and monitoring and improving of supplier performance.
2. Purchasing of goods and services for the district which is intended to meet the needs of the person or department requesting them, yet will permit the efficient and effective use of public funds.
3. Setting customer service standards through surveys and to benchmark customer service performance against the best in the business.
4. Any purchase of supplies, equipment, services or any action that leads the district to be financially obligated and made by staff members without a purchase order approved by the business office may not be paid for by the district. Reimbursements are not an acceptable business practice for procurement of items needed by the district.
5. Any order delivered to the warehouse without a purchase order may not be accepted until a purchase order is issued.
6. Employees spending funds without proper authorization and who expect reimbursement must be aware that reimbursement will most likely be denied.

Every transaction between a buyer and a seller involving transfer of property, equipment, supplies or services shall be by Purchase Order, Travel and Conference Form, and/or by formal contract. These purchase orders, and other purchase obligations, are to be signed by the Superintendent or by a designee specified in writing and submitted to the San Joaquin County Office of Education. Except in the case of Travel and Conference expenditures, all materials and services items to be procured will utilize a pre-numbered purchase order system in all transactions where

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a formal legal contract is not required. All services will supplement the requisition document with a formal contract.

In addition, the district will enforce the following purchasing practices:

1. Any purchase of supplies, equipment, services or any action that leads the district to be financially obligated and made by staff members without a purchase order approved by the business office may not be paid for by the district. Reimbursements are not an acceptable business practice for procurement of items needed by the district.
2. Any order delivered to the warehouse without a purchase order may not be accepted until a purchase order is issued.
3. Employees spending funds without proper authorization and who expect reimbursement must be aware that reimbursement will most likely be denied.
4. Employees expending funds with legal or regulatory restrictions or special reporting requirements shall ensure the expenditure is made within the parameters of the limiting program.

Recycled Materials

Whenever recycled products of equal fitness and quality are available at no more than the cost of recycled products, the district shall purchase recycled products. The district also may give preference to the suppliers of recycled products.

Preference for California Products

Price, fitness and quality being equal, the district shall give preference to supplies manufactured, grown or produced in California, and shall next prefer supplies partially manufactured, grown or produced in California.

Preference for Food Grown or Processed in the United States

When purchasing food, the district shall give preference to produce grown in the United States and/or processed in the United States insofar as this is economically feasible considering the total cost, quantity and quality of the food.

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### C. Forms Used and Additional References

- a. Attachment A: Purchasing Authorization Decision Flowchart
- b. Tracy Unified School District - Purchase Requisition
- c. San Joaquin County Schools - Purchase Order
- d. Warehouse Requisition
- e. Office Supply Stockless Form
- f. Procurement Card Handbook

### D. Procedure

#### Expenditure Authorization

To be valid or to constitute an enforceable obligation against the district, education code 17604 requires that all contracts must be approved and/or ratified by the board of trustees. Yet, a number of variables govern the appropriate steps included in the approval process, and the ultimate process by which approval is granted.

**Attachment A is a Purchasing Authorization Decision Flowchart which details the specific steps and the approval procedures given each set of variables.** In general, the approval requirements vary according to the object code which describes the expenditure, and the value of the expenditure. Therefore, the board approval process will be met in several different ways.

Routine requisitions less than \$5,000 are ratified on the consent calendar when the board approves the warrants list. Except when specific exceptions are detailed in board policies and procedures, requisitions greater than \$15,000 are submitted as action items for board pre-approval.

Routine requisitions between \$5,000 and \$15,000, and requisitions greater than \$15,000 which meet specific criteria, may be ratified on the consent calendar by board approval of a summary list, more detailed than the warrants listing. This may also include ratification of "Notice of Completion" of construction projects.

Requisitions which do not meet the criteria detailed in Attachment A for approval by consent, will be approved as action items by the board.

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Standard Forms

Employees of the district are not authorized to purchase goods or services without following standard procedures and obtaining standard documentation. All expenditures must be authorized by a signature on a standard district form, signed by an authorized budget manager.

There are four types of forms used to requisition materials, supplies, and services:

1. Warehouse Form for purchases from the District Warehouse Catalogue;
2. Stockless form for purchases from Office Depot;
3. Requisition form for general purchases.
4. Travel and Conference form.

All requisitions for materials or services less than bid limits, other than requests for travel and conference, shall be ordered by use of a district requisition form. In addition, requests for Dues and Membership shall be accompanied by subscription application documents. These shall be approved by the board as described in attachment A, and submitted to the Materials Management Department for processing.

Requests for Travel and Conference will be made by completing a Travel and Conference Form, submitted to the Financial Services Department.

When a scenario exists which does not match the definition of an Emergency described below, but in which case action is required to permit the continuance of existing classes, or to avoid danger to life or property, and if electrical or plumbing services or equipment rental is required:

Emergency Requisitions

Emergencies may exist which may preclude the district from taking routine purchasing steps. An "Emergency" is defined by Public Contract Code 1102, as a "sudden, unexpected occurrence that poses a clear and imminent danger requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or mitigate the loss or impairment of life, health, property, or essential public services.

In these rare occurrences, the Superintendent or his designee, may contact the San Joaquin County Office of Education Superintendent to obtain

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permission to repair or replace a facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.

Regular purchasing steps will be taken if staff is available and time permits, Otherwise, minimal maintenance or construction purchases may be made within the constraints described in attachment A without a requisition. When this option is used, however, all normal requisition documents will be completed within 72 hours.

**Bidding Requirements**

As governed in Administrative Regulation 3310.3, Public Contract Code Section 20111(a) requires school district governing boards to competitively bid and award any contracts for expenditures described therein.

**Open Purchase Orders**

An open purchase order is a Purchase order which has been issued to a vendor, against which specified purchases may be made for a specified period of time. When repeated purchases of the same type of supply items are expected, multiple purchase requisitions may be eliminated by submitting one purchase requisition to establish a standing/open order.

Open purchase orders are issued for supply type items and services only and ~~are~~ approved may be approved by the Purchasing Department, provided they are sufficiently justified.

To ensure compliance with bid limitations, the value of an Open Purchase Order will not exceed bid limits.

- E. Reports Required**
- F. Record Retention**  
Various
- G. Responsible Administrative Unit**  
Business Services
- H. Approved By**

Assistant Superintendent for Business Services

Reviewed by Board:      January 10, 2006  
February 14, 2012

Purchasing Authorization Decision Flowchart  
Attachment A

Effective as of 9/23/05 2:48 pm

