



Purchasing Manual

INTRODUCTION

In accordance with the authority stated in G.S. 115C-522, it is the duty of the Hoke County Schools to purchase supplies, equipment, services and materials as necessary for their operation. Individual schools and departments must comply with the statues of the State of North Carolina and the local purchasing policies of the Hoke County Board of Education. It is the responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based.

PURCHASING

This purchasing policy and procedures manual is intended for use as a guide to the Hoke County Schools' purchasing methods and practices. When used properly and with common sense, the policies and procedures established herein will enable the school system to obtain needed materials, equipment and services efficiently and economically.

The understanding and cooperation of all employees is essential if the Hoke County Schools is to obtain the maximum value for each tax dollar that is spent. While this manual does not answer all questions related to purchasing, it does provide a foundation for a sound purchasing system.

The basic goals for the Hoke County Schools purchasing program are:

1. To comply with the legal and ethical requirements of public purchasing and procurement.
2. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the Hoke County School system.
3. To receive maximum value for each dollar spent by awarding purchase orders to the lowest responsible bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors.
4. To provide the individual schools and departments of Hoke County Schools the required goods, equipment and services at the time and place needed and in the proper quantity and quality.
5. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers, negotiations, commitment, follow-up and adjustments.
6. To promote good and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

7. To effect maximum feasible standardization of products used within and among departments, to minimize stock levels and to obtain better pricing.

If the procedures and guidelines established in this manual are followed, each school and department can efficiently manage, control and plan its available resources to meet present and future needs.

EMERGENCIES

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

When circumstances require such action, verbal approve should be obtained from the finance officer. All emergencies must be documented in writing and made a matter of record.

PURCHASING REGULATIONS

These regulations are intended to be an aid to those involved in purchasing. Use of these regulations will accomplish the following:

- Compliance with state purchasing statues and local board policies concerning purchasing
- Compliance with good business practices
- Control expenditures for each account
- Standardize purchasing practices

PURCHASES LESS THAN \$2,500

The purchase of an individual item totaling less than \$2,500 may be made without acquiring competitive quotations. It is, however, important to keep in mind this procedure is not to be used to circumvent normal purchasing practices. It is also important to remember the purpose of purchasing: to obtain the best product or service at the most reasonable cost.

Competitive bidding of the required items is the only way to achieve this.

HOKE COUNTY SCHOOLS REQUIRES COMPETITIVE BIDDING ON ALL ITEMS FOR WHICH THERE ARE AT LEAST TWO (2) POSSIBLE SOURCES.

Quotations may be obtained either verbally or in writing. A copy of the quotation must be available for inspection and attached to a copy of the purchase order.

PURCHASES OF \$2,500 TO\$5,000

Competition must be solicited for any individual purchase between \$2,500 and \$5,000. Obtaining the quotations may be done verbally, but a written quotation must be attached to all requisitions. Complete details of the proposed transaction including quantity, price, delivery and the name of the person entering the quotation must be noted.

PURCHASES OF \$5,000 TO \$20,000

Written quotations must be obtained for the purchase of all individual items between \$5,000 and \$20,000. The following information must be included: item being requested, date quotation requested, length for which quotation is valid, quantity, price, delivery terms (FOB delivered or FOB place of shipment) and the person entering the quotation.

All purchasing files must be retained for a period of three (3) years after the expiration of the purchase order. All documents, such as quotations, letters, phone conversations, etc. must be kept with the purchase order. If an order is from a single vendor, a purchase from someone other than the low bidder or if an emergency purchase is necessary, a written explanation must be attached to the purchase order.

SPECIFICATIONS

Specifications must not be written to restrict competitive bidding. In developing specifications, an attempt must be made to specify the quality required rather than referencing a particular make or brand. Usually, more than one make or brand of a product is available which will be satisfactory. Emphasis must be placed on performance, function, utility and economy. "Quality for price" should be the direction of the specifications. Public funds are not intended to provide "deluxe" levels of quality.

PURCHASE ORDER REQUIREMENTS

A purchase requisition must be submitted to the finance department prior to an order being placed. This directive applies to all individual schools and departments of the Hoke County School system.

PERSONS NOT ACQUIRING A PURCHASE ORDER PRIOR TO THE DELIVERY OF AN ORDERED ITEM OR PERFORMANCE OF A SERVICE WILL BE PERSONALLY RESPONSIBLE TO THE VENDOR FOR THE TOTAL COST OF THE REQUESTED PRODUCT OR SERVICE.

ENCUMBERING FUNDS

State law requires that funds be encumbered for each purchase prior to the actual placement of the order. By encumbering the funds prior to the purchase, the purchasing and finance departments have insured:

1. Sufficient funds are available for the requested purchase.
2. The funds are taken from the correct account.
3. The requested purchase meets the established guidelines for a purchase order.
4. The authorized person responsible for the account has signed the requisition for purchase.

THE HOKE COUNTY BOARD OF EDUCATION WILL NOT BE RESPONSIBLE FOR THE PAYMENT OF INVOICES OR SERVICES PERFORMED WITHOUT MEETING THE CRITERIA AND WITHOUT AN APPROVED PURCHASE ORDER.

ORDERING ON APPROVAL

It becomes necessary at times for products, such as videos, books, etc. to be ordered for preview prior to their purchase. The following procedures must be followed when a requisition for preview is submitted to the finance department:

1. The school submitting the requisition for purchase must first verify that the company with whom the order will be placed will accept an order for preview of materials.
2. The requisition for purchase must clearly indicate the requested products are or preview only.
3. The length of time allowed for the preview process must be specified on the requisition.
4. The finance department is notified by the school or department that the items ordered on preview will be kept or returned.

IF NOTIFICATION OR REFUSAL OF THE PRODUCTS ORDERED IS NOT RECEIVED BY THE FIANACE DEPARTMENT AFTER THE PREVIEW TIME ALLOWED BY THE VENDOR HAS EXPIRED, THE INVOICE WILL BE SUBMITTED FOR PAYMENT. RETURN OF THE MATERIAL AND RECEIPT OF CREDIT FOR THE RETURN WILL BE THE RESPONSIBILITY OF THE ORDERING SCHOOL OR DEPARTMENT.

CONTRACT SERVICES

INSTRUCTIONAL SERVICES

The Hoke County Board of Education is the sole agency authorized to execute formal contracts between the school district and any firm or person offering to provide materials, equipment or services to the school district. The Hoke County School Board may chose not to honor contracts made without proper authorization by designated school or school district

officials. The following procedures must be followed when entering into a contract service agreement with a vendor.

1. The department that is requesting contract services must complete a Hoke County contract service form listing the services that are to be performed and the vendor that will be providing the services.
2. Upon completion of the form, the form is then submitted to Finance for approval. The Hoke County contract service form may be approved by the Superintendent or the Finance Officer.
3. The contract service form is then returned to the originating department to obtain the signatures of the vendor providing the services.
4. Once the contract has been approved by all parties, then a requisition must be completed to encumber the funds.
5. The requisition is submitted to Finance and upon approval of the requisition a purchase order is generated and returned to the originating department.
6. Once an invoice is received for contract services, it should be reviewed for accuracy, make sure that the dates of service are within the dates of the contract service and ensure that there is proper documentation for services rendered.
7. Then the invoice should be submitted to Finance for payment.

CONSTRUCTION CONTRACTS

The contract services that relate to construction are required to have the board attorney review the contract services prior to any action is taken on them. These contracts have many levels of attorney approval and the Board's attorney is involved on all aspects of these contracts. Once these contracts have been approved, the funding process for these projects is handled through the Hoke County Board of Commissioners.

LEASE-PURCHASE

In accordance with G.S. 115C-528 the school board may enter into a lease purchase agreement for the following items: automobiles, school buses, mobile classroom units, photocopiers, computers, computer hardware, computer software, and related support services.

IN THE HOKE COUNTY SCHOOL SYSTEM, ONLY THE FINANCE OFFICER AND SUPERINTENDENT MAY ENTER INTO ANY LEASE PURCHASE AGREEMENT ON BEHALF OF THE HOKE COUNTY BOARD OF EDUCATION. LEASE PURCHASE AGREEMENTS ENTERED INTO BY EMPLOYEES OTHER THAN THOSE NAMED ABOVE WILL NOT BE VALID, CONSIDERED VOID AND NOT HELD AS THE RESPONSIBILITY OF THE HOKE COUNTY BOARD OF EDUCATION.

LEASES

Lease or rental contracts are not subject to the policies of the Department of Administration and therefore may be entered into for any item deemed appropriate. These agreements must contain the following information:

1. A description of the item and quantity to leased or rented.
2. The length of the lease or rental contract.
3. The monthly or yearly payment required.
4. The contract may be terminated if the terms of the contract extend into a new fiscal year and the funds are not available.

FOR THE PURPOSE OF THE HOKE COUNTY SCHOOLS, ONLY THE FINANCE OFFICER AND SUPERINTENDENT MAY ENTER INTO ANY LEASE AGREEMENT ON BEHALF OF THE HOKE COUNTY BOARD OF EDUCATION. LEASES ENTERED INTO BY EMPLOYEES OTHER THAN THOSE NAMED WILL NOT BE VALID, CONSIDERED VOID AND NOT HELD AS THE RESPONSIBILITY OF THE HOKE COUNTY BOARD OF EDUCATION.

PURCHASE OF PRODUCTS WITH RECYCLED CONTENT

In accordance with the Governor's Executive Order #8, which mandates State Government to reduce landfill solid waste by 50% by increasing the use of products with recycle content, the Hoke County Schools will purchase products of recycled content when the products meet the need specified and where they are economically feasible. As mandated by State Statute, yearly purchase of products containing recycled contents will be increased in attempts to reach yearly goals set by the state.

SURPLUS PROPERTY

When property owned the Hoke County Board of Education becomes surplus or undesirable for continued ownership, the authority to dispose of the property is granted by G.S. 115C-518 and under the procedures described in G.S. 160A Article 12. Disposition of real or personal property must be done through one of the following methods:

1. Advertisement for sealed bids, with advertisement for the opening of the bids placed in a newspaper of general circulation for thirty (30) days prior to the opening of the bid. G.S. 160A-268
2. Negotiated Offer and Advertisement for Upset Bids. G.S. 160A-269
3. Public Auction

Real Property must be advertised for the auction with a notice being published at least once no less than thirty (30) days prior to the date of the sale. G.S. 160A-270a

Personal Property must be advertised for auction with a notice being published at least once no less than ten (10) days prior to the date of the sale. G.S. 160A-270b

The Board of Education may conduct auctions of real or personal property electronically by authorizing the establishment of an electronic auction procedure or by the use of existing private or public electronic auction services. Notice may be published in a newspaper of general circulation in the political subdivision or electronically. G.S. 160A-270c

4. Exchange to Property G.S. 160A-271
5. Private Sale G.S. 160A-267
6. Sale of Property through the Surplus Property Division of the North Carolina Department of Administration.

BLANKET PURCHASE ORDERS

Blanket purchase orders may be used after it is determined the products required meet one of the following criteria:

1. The products which are to be purchased are miscellaneous items from the same vendor, such as, but not limited to electrical, plumbing and automotive.

2. Cover a period of time, such as 180 days for the purchase, lease or rental of supplies, equipment or services performed.

If the products are to be picked-up locally the following must be listed upon the receipt:

1. The company name where the products are being picked-up must appear on the delivery ticket or receipt.
2. The blanket purchase order number must appear on the receipt.
3. An itemized list of the supplies, quantity received and price to be charged must appear on the receipt.
4. The date which the products are picked-up must appear on the receipt.
5. The signature of the person receiving the products must appear on the receipt.

Signed delivery receipts are to be forwarded to the accounts payable office immediately upon returning to the assigned location, maintenance department, transportation department, school or central office so reconciliations and payments are made promptly.

AFFIRMATIVE ACTION FOR MINORITY/WOMEN/HANDICAPPED BUSINESS ENTERPRISES

It is the intent of the Hoke County Schools to identify and offer the opportunity to do business with all qualified minority, women and handicapped business enterprises in accordance with guidelines set forth in G.S. 143-48 for the purchase of goods and services. Construction will meet the guidelines set forth in G.S. 143-128 and the local resolution adopted by the Hoke County Board of Education.

The guidelines for those who qualify and minority, women or handicapped owned businesses can be found in G.S. 143-48 for products and services and G.S. 143-128 for construction. Upon qualifying, those businesses will be placed on vendor lists allowing the opportunity to bid for any upcoming product, service or project required by Hoke County Schools.

PURCHASE ORDER CUT OFF DATE

Purchase requisitions for materials, supplies, services and equipment for the current fiscal year must be in the finance office no later than January 31st. This procedure allows the finance

department the opportunity to complete the fiscal year-end close out in a timely and proper manner.

PLACING ORDERS WITH VENDORS

A requisition for the purchase of materials, equipment or services must be received by the finance office to begin the necessary processing for the requested items. It is important that all requested information be completed properly in order to prevent any delay in the ordering of products or services. A vendor must be registered either by the State of North Carolina or locally by the Hoke County School System. To determine if a vendor is a registered vendor you would go into Fund Management and go under Vendor Management and search for your vendor. If the company does not appear then the vendor would need to complete a Hoke County School Vendor Application or a W-9 so that they may be entered as a registered vendor. If the vendor is already in the system, but is not active, then you will need to contact Accounts Payable to see if the vendor can be reinstated.

When placing a requisition for purchase of materials, the following information must be included:

1. The date of the requisition
2. The originating department or school
3. The account funding code
4. The complete address of the department or school where the purchase is to be shipped.
5. The complete address of the vendor from which the materials are being ordered
6. The signature of the principal or department head that is responsible for the funds
7. The quantity of items requested
8. The extended price of the items requested
9. The total cost of the items requested

10. The current sales tax rate

11. The estimated shipping costs, if required

12. The total cost of the items requested including sales tax and shipping costs.

Since our financial software can complete a few of these steps, we need to make sure that all data has been entered correctly. Once you have completed the requisition please submit it to the Finance Office for approval. Once the finance office has approved the requisition, a purchase order will be generated. The purchase order, requisition and any supporting documentation will be returned to the school or department so the order can be place.

DIRECT SHIPMENTS TO THE ORDERING LOCATION

Purchase orders will be shipped directly to the ordering school or department to avoid extra handling of materials. All computer orders need to be shipped to the Technology department so that those items can be imaged and inventoried. It is the location's responsibility to verify the receipt of materials in a timely manner so that the invoice may be processed for payment.