

Purchasing and Bidding Policy

It shall be the policy of the Fargo Board of Education (EL-9) that all purchases made on behalf of the District shall be executed in a fair, equitable, and legal manner using processes that ensure the best value for the District and its taxpayers. “Best value” means the lowest total cost meeting specifications, or the most advantageous offer considering price, quality, service, and other relevant factors.

Establishment of a Purchasing System

The Board delegates overall purchasing authority to the Chief Financial Officer who shall serve as the District’s Procurement Officer. The Chief Financial Officer shall be responsible for developing and administering the purchasing program of the District, including the development and implementation of a requisition and purchasing system that is efficient, economical, and meets the standards below.

General Requirements for Purchases

1. All purchases must conform to applicable state and federal laws, including, but not limited to, laws prohibiting disclosure of confidential and proprietary information.
2. All parties involved in purchasing shall act in good faith, and purchases at all levels shall be made in a manner and form that permits the highest degree of fair competition possible.
3. All purchases must be documented through a purchase order, contract, invoice, or receipt. All original records of purchase must be submitted to the Business Office.
4. All purchases must be requested and approved through a properly executed Purchase Requisition and Purchase Order with adequate budget appropriations to cover the cost of such obligations prior to making the purchase.
5. Prior to making a purchase, the purchaser shall check current warehouse inventories to ensure that the items are not available in existing inventory.
6. All requests for technology, equipment, or furniture must be entered through the HUB on the employee portal.
7. Procurement requirements may not be artificially fragmented to constitute a small purchase or to avoid competitive purchasing requirements. Artificial fragmentation means splitting purchase requirements or invoices to stay below a certain dollar level to avoid competition or stay within delegated authority limits.
8. If purchases are made using restricted funds (e.g., grant dollars), purchases must conform to all requirements associated with those funds. The District shall not procure goods or services from vendors suspended or debarred from federal programs when federal funds are used.
9. The District reserves the right to reject any and all bids and to waive minor irregularities when in the best interest of the District.
10. The District’s tax-exempt status must be used for all eligible purchases. Employees shall ensure sales tax is not charged when the exemption applies, including on district-issued credit card transactions. The Business Office will provide appropriate exemption documentation. Any non-refundable sales tax paid due to failure to claim the exemption may be charged back to the responsible department or employee.

Purchases requiring contracts must comply with the contracting standards contained in this policy and in law. All contracts must be executed through the Business Office. The Superintendent and Chief Financial Officer are the only individuals authorized to contractually obligate the District.

Code of Silence During Competitive Procurement

To ensure a fair, transparent, and competitive procurement process, Fargo Public Schools shall implement a “Code of Silence” for all formal solicitations, including Requests for Proposals (RFPs) and Requests for Bids (RFBs).

The Code of Silence is effective from the time a solicitation is publicly issued until a final recommendation is approved by the Board or the process is otherwise concluded.

During this period:

- All vendor communication regarding the solicitation must be directed solely to the designated District contact identified in the solicitation documents.
- Board members, administrators, or other District staff shall not have contact with vendors regarding the solicitation, evaluation, or award outside of the established process.
- District employees and Board members shall not engage in unauthorized discussions with vendors or provide information outside of the formal communication process.
- Questions submitted by vendors will be addressed through the designated contact, with responses shared as appropriate to ensure consistent and equitable access to information for all respondents.

Any attempt to circumvent this process may result in disqualification of a vendor’s proposal. District employees are expected to adhere strictly to the Code of Silence. Failure to do so may result in corrective or disciplinary action, up to and including termination, consistent with District policy and applicable procedures.

The Code of Silence is intended to protect the integrity of the procurement process by ensuring that all vendors are treated equitably, information is shared consistently, and decisions are made free from undue influence or the appearance of favoritism.

Purchasing Authority Thresholds

To determine the appropriate purchasing authority threshold, an estimate must be made. Estimated price may be based upon previous purchases, market research, a published price list, or asking a vendor for an estimate.

1. **Purchases less than \$10,000:** These purchases are considered a micro-purchase and may be delegated by the Chief Financial Officer to building level administrators and department directors. Micro-purchases may be awarded without soliciting competitive quotes if the price is considered reasonable. Price reasonableness must be documented and retained. To the extent practicable, the District must distribute these purchases equitably among qualified suppliers.
2. **Purchases \$10,000 to \$50,000:** These purchases are considered informal/small and may only be made after development of specifications and solicitation of no fewer than three vendors to submit oral or written informal bids or proposals. If receiving three bids or

proposals is not feasible or practical, the purchaser shall document an explanation and file it with the Chief Financial Officer, who has authority to require additional solicitations. A purchase may proceed with fewer than three quotes when adequate competition is not available, and price reasonableness is documented.

3. **Purchases greater than \$50,000:** These purchases are considered formal and shall be made in accordance with NDCC 15.1-09-34 and CFR 200.320(c). A contract must be awarded through a formal bid process and an invitation for bids or request for proposals shall be published with ten days' notice in the official newspaper of the district, or as otherwise required by law, and posted on the district's website. No contract shall be divided for the purpose of avoiding this paragraph. The following classes of contracts shall be exempt as provided by law:
- a. The personal services of district employees;
 - b. School text or reference books;
 - c. Articles not for sale on the open market;
 - d. Patented, copyrighted, or exclusively sold devices or features required to match articles already in use;
 - e. Patented, copyrighted, or exclusively sold devices or articles so distinctive in nature that only one brand can be purchased;
 - f. Building construction projects under chapter 48-01.2;
 - g. School transportation services under section 15.1-30-11;
 - h. Vehicle and/or heating fuel purchased under section 15.1-09-34.1;
 - i. Used motor vehicle purchases, including a school bus, motorbus, or van, for transportation of students (odometer reading over 18,000 miles).
 - j. Cooperative purchases with the office of management and budget under section 54-44.4;
 - k. Products purchased from prison industries under section 12-48;
 - l. Products purchased from work activities centers under section 25-16.2;
 - m. Cooperative purchase made pursuant to a joint-powers agreement under section 54-40.3.
 - n. Building materials required for district students enrolled in a course to create home construction projects sold on the open market, the revenue of which is used to cover the cost of the building materials for use in the course.

Violation of this section is a class B misdemeanor.

Bidding Procedures

All bids shall be called for through the office of the Chief Financial Officer. Notice of the invitation to bid shall be published in the official newspaper of the District and online through the District's procurement portal in accordance with North Dakota Century Code 15.1-09-34 and 48.01-2. All bids shall be opened and tabulated at a public meeting either in-person or virtually. During the bidding process, no contact with the bidding vendors is allowed.

Delegation of Purchasing Authority when Conflict of Interest Declared

If an individual with purchasing authority has a conflict of interest under law, they shall contact the Chief Financial Officer who shall appoint another qualified district employee without a conflict to oversee the procurement process of the good/service at issue.

A conflict of interest means the personal, professional, or financial interest of the individual, the individual's spouse or relative, or the individual's business or professional associate.

Violation of this section is a class A misdemeanor.

Unauthorized Purchases or Commitments

All purchases must be made in a manner consistent with this policy and accompanying regulations and only with properly delegated authority. Purchases that are unauthorized shall become the financial responsibility of the purchaser subject to an investigation by the Chief Financial Officer, Superintendent or Board President when the alleged violation involves the Chief Financial Officer or Superintendent. District employees may be subject to additional disciplinary consequences for making unauthorized purchases, including, but not limited to, revocation of purchasing authority.

Purchases that are in violation of this policy may include, but are not limited to:

- Purchases made without a valid purchase order.
- Requisitions and purchase orders initiated AFTER a purchase has already been completed or the product has been received and invoiced.
- Purchases made by employees who later request reimbursement unless prior approval from the Chief Financial Officer has been obtained.
- Gift cards are NOT allowed to be purchased for staff (AP 5620 Gift Card Use).
- No personal items may be purchased using a district purchase order or district issued credit card.
- All items requisitioned must be shipped to the district's warehouse location. Exceptions to the warehouse location may be made for live science related items and large furniture or equipment purchases. No items shall be shipped to a personal residence.

Emergency Purchases

Emergency purchases (defined as a direct threat to the life or safety of the public or protection of public facilities, *not poor planning*) shall follow the bidding limitations set forth in NDCC 15.1-09-34 to the extent practicable while still assuring the required supplies or services are procured in a timely manner to meet the emergency situation. The nature of the emergency and the basis for vendor selection must be documented and retained.

Year End Purchasing

The Business Office has established a cut-off date of April 30th for purchase order issuance at the end of the fiscal year. It is the responsibility of the budget manager to review budget reports to determine the validity of open requisitions and purchase orders. The Business Office must be notified of purchase orders that should be cancelled.

Credit card purchases shall cut off on May 31st of each year.

Items not received or services not completed and invoiced by June 30th will result in the charges being assessed to next year's budget.

All travel expense reimbursements for employee travel occurring during the fiscal year (7/1-6/30) must be submitted within the first week of July to be reimbursed.

District Issued Credit Cards

An employee may be issued a district credit card with spending limits established by the Business Office based on position and need. Cardholders are responsible to ensure all charges made to the credit card are for appropriate expenditures in line with the spirit and purpose of the

card. Employees are personally liable for any funds improperly expended. Misuse will be grounds for revocation of card privileges and may result in termination of employment. Misuse of the credit card includes:

- Use of the credit card for personal purchases
- Purchase of unauthorized items
- Use of the credit card by someone other than the cardholder
- Fraudulent or inaccurate record keeping
- Splitting transactions to circumvent card limits or bidding thresholds
- Diverting legitimate school purchases to personal use
- Purchase of software, licensing, or subscription-based services without prior written approval from the Business Office
- Use of the district-issued credit card for purchases funded by federal or other grant funds unless expressly authorized in writing by the Business Office

In the case of misuse, the individual responsible will pay all transaction fees and forfeit further use of the credit card.

There are instances when the school building may utilize their district issued credit card to make purchases at local businesses or online where a purchase order may not be accepted. The preferred method is to issue a purchase order and have the business invoice the district. District issued credit cards have controls in place to limit spending at unauthorized businesses and locations. District issued credit card purchases are allowed at local business that do not accept purchase orders subject to assigned standard credit limits.

To meet district payment policies, the account holder statement and all transaction receipts must be submitted to the Business Office by the 10th of the month following the close of the credit card statement. The cardholder's supervisor must review, approve, and sign the monthly statement prior to submission to the Business Office.

Also see the Fargo Public Schools Card User's Manual on the Business Services employee portal page.

8/8/67
Revised 10/14/69
Revised 3/10/81
Revised 1/26/99
Revised 6/25/03
Revised 10/25/05
Reviewed 7/23/13
Revised 7/2015
Revised 7/2017
Revised 9/2019
Revised 8/2022
Revised 1/2024
Revised 6/2026