CHAPTER 3

PURCHASING REQUIREMENTS AND THRESHOLDS

3-1 REQUIREMENTS AND THRESHOLDS:

The Purchasing Department is charged with procuring for the District the best quality of supplies, equipment and services at the lowest cost. In order to maintain economies of scale, it is necessary for the Purchasing Department to combine like purchases. Therefore, it is required that all requisitions over $2,500 be entered in PeopleSoft. The Purchasing Agent will review and evaluate all requisitions over $2,500 and group all like items together. This process may require a formal written solicitation to be released by the Purchasing Department

Prior to making or requesting any purchase, approval must be obtained from the Principal/Department Head or Chief responsible for the funding who shall ensure that the order does not exceed the applicable available budget

3-2 A. Purchases may be made for any dollar amount when using the marketplace. However, please make every effort to avoid orders less than $25.00. Special Request orders for goods and/or services shall have a minimum purchase order amount of $2,500. Schools/departments are responsible to combine like purchases. Purchases **must not** be split to avoid meeting this threshold. Purchases less than $2,500 may be processed as follows:

1. **Purchasing Card** – Orders are placed directly with the vendor using the purchasing card. Payment is made using the purchasing card procedures.

2. **Employee Reimbursement** – Orders are placed directly with the vendor and paid for by the requester. Reimbursement is requested through accounts payable.

3. **Internal Accounts** - Purchase can be paid through an internal account utilizing established procedures.

B. A purchase for services, supplies, and equipment for any item or group of similar items **over $2,500 but less than $5,000** does not require a quote, but a requisition, when utilizing other than internal funds, must be sent to Purchasing to evaluate and create a purchase order. Purchases must not be split to avoid meeting this threshold.

C. Purchases for services, supplies and equipment for any item or group of similar items **between $5,000 and $10,000 that are not exempt from competition** must have three (3) competitive quotes secured, and attached to the Purchase Order. **Purchases must not be split to meet this threshold**. The requisition, when utilizing other than internal funds, must give clear, precise direction and specifications to the Purchasing Agent. Quotes may be secured by telephone, letter, email or facsimile by either the end user or the Purchasing Agent.

Please remember to never give a vendor the approval to perform a service or deliver goods unless you and the vendor have a purchase order dispatched by the Purchasing Department. **The purchase order dispatched by the Purchasing Department is the only legal authorization for a vendor to perform.**

D. It is **required** that purchases for services, supplies and equipment for any item or group of similar items **between $10,000 and $50,000 that are not exempt from competition** have a formal quote (RFQ on Bidnet Direct) issued by the Purchasing Department. The Director of Purchasing may waive this requirement and accept quotes through means other than Bidnet Direct when in the best interest of the District. A minimum of three vendors must be contacted, one of which must be currently certified Small Business Enterprise (SBE) firms, when such vendors are available.

If you have received a quote(s) from a vendor(s), please forward it to the appropriate Purchasing Agent for review and deposition.

E. A purchase for services, supplies, and equipment for any item or group of similar items **over $50,000 that are not exempt from competition** require a sealed competitive solicitation to be released by the Purchasing Department. Sealed competitive solicitations shall be received through Bidnet Direct to the Purchasing Department until the date and time that is indicated in the document for the return of responses to the solicitation. Any response received after the designated time will not be accepted nor considered for evaluation, recommendation and award.

Once a solicitation is released by the Purchasing Department, it is important that you do not discuss the requirements of the solicitation or in any way offer additional information to vendors. If a vendor contacts you, please refer them to the appropriate Purchasing Agent. No verbal or written information obtained other than through the written solicitation is binding on the District. Purchasing staff may determine availability of an alternate source contract (piggyback) to utilize in lieu of performing the competitive solicitation by the District if in the best interest of the District.

Chapters 15 and 16 will discuss in detail the competitive sealed Invitations to Bid and Request for Proposals/Direct Negotiations processes. The above information is intended as a guide to the overall purchasing authority, requirements and thresholds.