



Duplin County Schools

Purchasing Manual

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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' purchasing operations and procedures are controlled by North Carolina General Statutes and federal grantor agency requirements (UG). Areas not specifically addressed by the General Statutes are covered by Duplin County Schools Board policy and procedures.

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. Items needed that have safety features and are available on statewide term contract must be purchased from State contract vendors unless federal grantor agency specifies otherwise (UG). (G.S. 115C-522(a))

The purchase or exchange of all other supplies, equipment, and materials available on State term contracts will be made from contract vendors, unless items are available from other sources at a lesser cost.

Purpose

The purpose of this manual is to be both informative and instructive to those associated with acquiring goods and services for Duplin County Schools. The manual will describe the procedures to be used to ensure that statutory requirements relating to purchasing have been complied with.

The purchasing function includes the entire process of securing goods and services which assures:

- obtaining maximum benefits from and proper use of the school district's monies for the students and furthering the educational goals of the Board;
- conducting all purchasing activities in accordance with N.C. General Statutes, local Board of Education policies, ethical principles, and recognized professional purchasing practices;
- providing a climate of fair and open competition for all qualified vendors;
- requiring satisfactory and proper performance of all contractual obligations of vendors; and
- providing prompt and courteous service to other school district personnel, other governmental entities and vendors.

Purchasing processes are in accordance with

- various requirements of the N.C. General Statutes (NCGS)
- regulations of the State of N.C., Division of Purchase and Contract (P&C)
- policies of Duplin County Board of Education (DCBOE)
- Federal Uniform Guidance (UG) 2 C.F.R. Part 200
- Regulations AR Code: 8305-R Federal Grant Administration – Procurement Procedures
- procedures outlined in this manual

PURCHASING 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 that these procedures are based upon.

[AS1]

Superintendent has the authority to award contracts for purchase of apparatus, supplies, materials and equipment, involving amounts up to \$50,000. Any purchase or contracts involving expenditures greater than this amount must be approved by the Board. The Chief Finance Officer and any additional staff deemed appropriate by the Superintendent shall review submissions of bids, proposals or quotes to determine if they are responsive to the district's specifications and make recommendations to the Superintendent. The Superintendent may award the contract based upon such recommendations or make a recommendation to the Board for award of the contract by the Board.

In accordance with federal requirements, the school system will comply with the most restrictive procurement requirements of federal, state law as well as local policies.

Decision to Procure

NECESSITY [SEE 2 CFR 200.318(d).]

The school system must avoid acquisition of unnecessary or duplicative items. The Accounting Specialists should check with the federal and state surplus property agency and Duplin County surplus/inventory list prior to buying new items when feasible and less expensive. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate and allowed by law, the Accounting Specialist shall submit recommendation to Assistant Finance Officer to perform an analysis of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. This analysis is then submitted to Chief Finance Officer for approval.

Cost or Price Analysis [See 2 CFR 200.323.]

A cost analysis or price analysis will be performed in connection with every procurement action in excess of the State formal bidding threshold (\$90,000[AS2]) including contract modifications. The school system will make an independent estimate before receiving bids or proposals, but the method and degree of analysis is dependent on the facts surrounding the particular procurement situation.

The Budget Manager shall conduct the analysis and submit to Assistant Finance Officer for review. Analyses should include a review of prior contract costs, online reviews of similar products or services, survey information and other market research as deemed reasonable.

Profit must be negotiated as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Evasion Prohibited

Procurements may not be divided to bring the cost under bid thresholds or to evade any requirements under this regulation or state or federal law.

Competition

Open Competition [See 2 CFR 200.319(a).]

All procurement transactions will be conducted in a manner providing full and open competition. Some of the situations considered to be restrictive of competition, and thus prohibited, include but are not limited to: (1) placing unreasonable requirements on firms in order 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 on retainer contracts; (5) organizational conflicts of interest; (6) specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and (7) any arbitrary action in the procurement process.

In addition, to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals (RFPs) are excluded from competing for such procurements.

The Accounting Specialists are responsible for reviewing documentation for each procurement transaction to ensure the school system is in compliance with these requirements. After the initial review by the Accounting Specialist a second review is performed by the Assistant Finance Officer prior to the purchase order being approved and distributed to vendors

Geographic Preference [See 2 CFR 200.319(b) and N.C. G.S. 143-64.31(a1).]

Geographic preferences will not be granted in the evaluation of bids or proposals, unless applicable federal statutes expressly mandate or encourage geographic preference.

When contracting for architectural and engineering services, however, a North Carolina resident firm will be granted a preference over a nonresident firm if (1) the home state of the nonresident firm has a practice of granting a preference to its resident firms over North Carolina resident firms and (2) granting the preference still allows for an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. Any preference granted to a resident firm will be in the same manner, on the same basis, and to the same extent as the preference granted by the nonresident firm’s home state. *[Though 2 CFR 200.319(b) prohibits geographical preferences, it specifically makes an exception for architectural and engineering services.]*

Historically Underutilized Businesses

The school system affirms the state’s commitment to encourage the participation of historically underutilized businesses in purchasing functions. The school system will abide by all applicable local and state requirements regarding historically underutilized businesses as described in policies 6402, Participation by Historically Underutilized Businesses, and 9125, Participation by Minority Businesses. In addition, in accordance with the requirements of 2 CFR 200.321, the school system will take the following affirmative steps to facilitate the use of minority businesses, women’s business enterprises, and labor surplus area firms, when possible:

- placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
- dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises (however, the procurement may not be divided to bring the cost under bid thresholds or to evade any requirements under this regulation or state or federal law);
- establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises;
- using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this subsection

A Minority Bidder solicitation list is located on Finance website under purchasing section and should be used for solicitation.

Bid Solicitations

Clear Specifications [See 2 CFR 200.319(c).]

The Budget Manager is responsible for ensuring that the solicitation incorporates a clear and accurate description of the technical requirements for the materials, products, or services to be procured. This information is then reviewed by Chief Finance Officer and/or Assistant Finance Officer prior to distributing for solicitations. The description must not contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated.

Solicitations must also include all other requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals.

Fixed Price

Solicitations will state that bidders must submit bids on a fixed price basis and that the contract will be awarded on this basis, unless otherwise provided for in this regulation. Cost plus percentage of cost contracts are prohibited [see 2 CFR 200.323(d)]. 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 will not be awarded without express written permission of the federal agency or state pass-through agency that awarded the funds.

Notice of Federal Funding

All solicitations will acknowledge the use of federal funding for the contract and will inform prospective contractors that they must comply with all applicable federal laws, regulations, executive orders, and terms and conditions of the funding award. All prospective bidders or offers must acknowledge that funding is contingent upon compliance with all terms and conditions of the funding award.

Notice is documented on terms and conditions included with purchase orders and has been added to sample contract. In addition, for easy access DCS terms and conditions are now available on Finance website and a new document has been created “Vendor Contract Provisions/Certifications” and is also available on website.

Contract Award

Responsible Contractors

All contracts will be awarded only to responsible contractors 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 *[see 2 CFR 200.318(h)]*.

No contract shall be awarded to a contractor who is suspended or debarred from eligibility for participation in federal assistance programs or activities or who is ineligible to contract under state law. Accounting Specialists check federal and State debarred vendor lists daily to ensure no purchases are approved with ineligible vendors. This information is documented electronically in accounting system (LINQ). Assistant Finance Officer verifies this information is documented prior to approving purchase order for distribution to vendor.

Authorization to Enter into Contracts

Unless otherwise prohibited by law, board policy, or this regulation, the superintendent or designee is authorized to (1) enter into contracts or approve amendments to contracts for materials, equipment, supplies, or services involving amounts up to \$50,000, (2) Superintendent may establish circumstances in which Principals may enter contracts involving amounts up to \$3,000 *[Policy 6420]*, enter into construction or repair contracts involving amounts up to \$50,000 and (3) approve change orders involving additive or deductive sums up to \$50,000 so long as funding for the change order is available within the established project budget. All other contracts must be approved in advance by the Board and reviewed by the Board attorney as deemed necessary.

Contract Requirements

All contracts paid for in whole or in part with federal funds must be in writing. The written contract must include or incorporate by reference the provisions required under 2 CFR 200.326 and as provided for under 2 CFR Part 200, Appendix II. DCS will use Vendor Contract Provisions/Certification form to document compliance with this requirement.

Contractor Oversight *[See 2 CFR 200.318(b).]*

The Budget Manager shall maintain oversight to ensure that the contractor is performing in accordance with the contract terms, conditions, and specifications of the contract and/or purchase

order.

Records [See 2 CFR 200.318(i).]

Records must be maintained by the Budget Manager using accounting system (LINQ) detailing the history of all procurements. The records must include the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. This information shall include but not be limited to description of item(s)/service(s) being purchased, bid document, quote/bid responses, price analysis and any other required documentation depending on bidding requirements. All documentation relating to the award of any contract must be made available to the granting agency upon request.

PURCHASE OF APPARATUS, SUPPLIES, MATERIALS, EQUIPMENT OR SERVICES

No contract requiring the expenditure of funds may be entered into unless the budget resolution adopted, authorizes the expense and there is a sufficient unencumbered balance to pay the amount to be disbursed. (See policy 6421, Pre-Audit Certification.) Any contract involving expenditures in excess of \$50,000 must be approved in advance by the Board. Unless otherwise prohibited by statute or regulation, the Superintendent or designee is authorized to enter into contracts or approve change orders involving amounts up to \$ 50,000. Contracts must be submitted to the Chief Finance Officer for pre-audit in accordance with Board Policy 6421.

To provide greater flexibility at the school level, the Superintendent also may establish circumstances in which principals may enter contracts involving amounts up to \$3,000 (Board Policy 6420). The Superintendent, with appropriate involvement of the Chief Finance Officer, shall establish any procedures necessary to ensure fiscal accountability and reporting by principals who enter into contracts.

The following procedures affecting purchasing by school administrative units and individual schools are drawn to comply with the various requirements of the North Carolina General Statutes.

Purchase of apparatus, supplies, materials, or equipment

Apparatus, supplies, materials, or equipment may be purchased in one of these ways (Board Policy 6430):

Existing Contracts - NC State Term Contracts and/or Cooperative Purchasing Agreements

These are contracts with other State agencies. GS 143-129(g). These contracts are established through legal advertising and competitive bids to sell commodities at certain prices and under specified terms and conditions. It is the practice of Duplin County Schools to use established contracts to take advantage of volume pricing. Budget manager must confirm contracts have been bid using UG or obtain approval from Chief Finance Officer.

Waiver to Bidding for Previously Bid Contracts

"Piggybacking" as allowed in G.S. 143- 129(g) only applies to the purchase of apparatus, supplies, materials, or equipment with an anticipated cost greater than \$90,000 (formal range). Local governments can "piggyback" on another governmental unit's contract without going out for bids with approval by the DCBOE at a regularly scheduled meeting no fewer than ten (10) days after publication of notice that a waiver of the bid procedure will be considered in order to contract with a qualified supplier. Public notice shall contain (1) general description of the item(s) to be purchased; (2) identity of the supplier; (3) city, state, or other agency with whom the supplier has contracted within the past twelve months; and (4) the date of the regular board meeting at which the board will consider the waiver of bidding. . Budget manager must confirm contracts have been bid using UG or obtain approval from Chief Officer for School Finance.

Noncompetitive bidding/quotes

Competitive bidding

Specific Procurement Procedures

The Budget Manager shall solicit bids or obtain quotes in accordance with the requirements listed in this Section based on the type and cost of the contract (purchase). Prior to initiating any procurement activities, if purchase is being made with federal funds the Budget Manager shall first thoroughly review all terms and conditions of the federal grant award and shall proceed only in accordance with such terms and conditions. If the Budget Manager has any questions or concerns about the procurement process, he/she shall consult with the federal grantor agency and secure written confirmation of the applicability of the processes to be used. In addition, prior to approving purchase orders Accounting Specialists and Assistant Finance Officer will review all documentation to ensure all requirements have been met and properly documented.

Contracts for the Purchase of Goods - All Funds

1. Contracts Costing Less Than \$10,000 (Micro-Purchase)

Contracts for purchases of goods (apparatus, supplies, materials, and equipment) that do not exceed the current micro-purchase threshold (\$10,000) will be procured using the Uniform Guidance "micro-purchase" procedure (2 CFR 200.320(a)), state and local standards. *[The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and is periodically adjusted for inflation.]*

The contract may be awarded without soliciting bids if the price of the goods is considered to be fair and reasonable; however, the board encourages that at least two bids or quotes be obtained, when feasible. A vendor list is available on finance website under price comparison resources in the purchasing section. List will provide vendors for some commonly purchased items. Price, quality, suitability for specified need, and timeliness of delivery and performance should all be considered. Contracts should be made under conditions that foster competition among potential vendors. To the extent practicable, purchases must be distributed equitably among qualified vendors.

Required minimum documentation prior to approving purchase orders for this procurement method: description of goods and documentation for checking debarred

vendor lists.

2. Contracts Costing \$10,000 but Less Than \$90,000[AS3] (Simplified Acquisition/Small Purchase) – Informal Bidding

Contracts for purchases of goods (apparatus, supplies, materials, and equipment) that cost over the current micro-purchase threshold \$10,000 but less than \$90,000 will be procured using the Uniform Guidance “small purchase” procedure (2 CFR 200.320(b)), state and local standards. These purchases require use of informal bidding method. *[The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and is periodically adjusted for inflation.]*

Price or rate quotes will be obtained from two [AS4]qualified sources. A federal grantor agency may issue guidance interpreting “adequate number,” so the terms and conditions of the grant award documents must be checked to determine whether specific guidance has been issued. Quotes may be solicited and submitted via telephone, fax, e-mail, vendor catalog or the North Carolina E-Procurement system. Telephone quotes must be placed in writing before a final contract will be awarded. Written quotations must be on the vendor’s letterhead or an official quotation form.

Contracts will be awarded to the lowest responsive, responsible bidder on a fixed-price basis.

In lieu of the process described in this subsection, the school system may use competitive sealed bids as allowed for under informal bidding in policy 6430, Purchasing Requirements for Equipment, Materials, and Supplies.

Required minimum documentation prior to approving purchase orders for this procurement method: two quotes noting why vendor selected, description of goods, vendor certification form (if applicable), documentation for checking debarred vendor lists, minority solicitation documentation (if applicable) and Board approval documentation if cost is \$50,000 or more.

3. Contracts Costing Over \$90,000 (Formal Bidding with Sealed Bid)

Contracts for purchases of goods (apparatus, supplies, materials, and equipment) costing over \$90,000 will be procured using a combination of the Uniform Guidance “sealed bid” procedure (2 CFR 200.320(c)) and state formal bidding procedures (N.C. G.S. 143-129).

The bid must be formally advertised in a newspaper that has general circulation in the area. The advertisement must be posted at least seven full days before the date of the opening of bids. The advertisement must designate the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the board the right to reject any or all bids if there is a sound documented reason. Complete specifications or purchase description must be made available to all bidders.

All bids must be submitted sealed. Bids will be opened at the public bid opening on the date and time and at the location noticed in the public advertisement. A minimum of two bids must be received in order to open the bids.

The contract will be awarded to the lowest responsive, responsible bidder on a fixed-price basis. Any or all bids may be rejected if there is a sound documented reason.

Required minimum documentation prior to approving purchase orders for this procurement method: price analysis, specifications available to bidders, copy of public advertisement including period of time advertised and list of publications used, documentation for checking debarred vendor lists, minority solicitation documentation, Board approval documentation if cost \$50,000 or more and copy of two bids (minimum) with tabulation sheet.

4. Certain Information Technology Contracts

When the “sealed bid” procedure is not appropriate, contracts for information technology goods and services that would qualify for use of the RFP procedure pursuant to N.C. G.S. 143-129.8 may be procured using a combination of the most restrictive requirements of the Uniform Guidance “competitive proposal” procedure (2 CFR 200.320(d)) and N.C. G.S. 143-129.8. *[The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and is periodically adjusted for inflation.]* If federal funds are used the Budget Manager shall secure prior approval from the federal grantor agency before using this type of procedure.

A request for proposals (RFP) will be formally advertised in a newspaper that has general circulation in the area. The advertisement must be posted at least seven full days. Proposals from two qualified firms (a federal grantor agency may issue guidance interpreting “adequate number”) must be solicited. The RFP will identify the scope of work, general terms and conditions, specifications of the product needed by the school system, the application process, evaluation criteria, and the relative importance of each criteria (criteria weight).

All responses to the RFP will be considered to the maximum extent practical. The winning firm will be the responsible firm with most advantageous proposal considering price and other factors identified in the RFP. The Budget Manager will develop a rubric to evaluate vendor responses to RFP. The rubric must include the following information for documentation purposes: individual(s) evaluating RFP and their titles, factors being evaluated, point system for evaluation of each factor, number of evaluations being performed, timeframe for conducting evaluations and selection of the vendor. The Chief Finance Officer will review rubric and provide guidance as needed before and after the vendor selection to ensure all required documentation is obtained. The Budget Manager is encouraged to create a committee of at least two members to evaluate the RFPs. *[2 CFR 200.320(d)(3) The method should incorporate the procurement methods set forth in N.C. G.S. 143-135.9 and any relevant procedural information from board policy- see policy 6430, Purchasing Requirements for Equipment, Materials, and Supplies.]* The contract will be awarded on a fixed-price or cost-reimbursement basis.

Required minimum documentation prior to approving purchase orders for this procurement method: price analysis, specifications available to bidders, copy of public advertisement including period of time advertised and list of publications used, documentation for checking debarred vendor lists, minority solicitation documentation, Board approval documentation if cost \$50,000 or more and copy of bids with tabulation sheet.

5. Contracts for Supplies and Food for the School Nutrition Program

Contracts for supplies and food for the school nutrition program will be made in accordance with the school system's procurement plan for the school nutrition program.

Service Contracts (other than contracts for architectural and engineering professional services)

A Service contract is defined as any agreement in which an independent contractor performs services requiring specified knowledge, experience, expertise, or similar capabilities. The services may include, by way of illustration, not limitation, services such as maintenance of equipment, auditing, film production, employee training and food services. Competitive bidding is required to the extent practical and in accordance with Board Policy 6450.

Service Contracts-Federal Funds Only

Services funded with federal grant funds will be procured in a manner that conforms with all applicable federal laws, policies, and standards, including those under the UG (2 C.F.R Part 200), unless otherwise directed in writing by federal agency or state pass-through agency that awarded the funds.

1. Contracts Costing Less Than \$10,000 (Micro-purchase)

Service contracts (other than contracts for architectural and engineering professional services) that do not exceed the current micro-purchase threshold (\$10,000) will be procured using the Uniform Guidance "micro-purchase" procedure (2 CFR 200.320(a)) and local standards. *[The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and is periodically adjusted for inflation.]*

The contract may be awarded without soliciting pricing or bids if the price of the service is considered to be fair and reasonable. However, contracts must be made under conditions that foster competition among potential providers, when feasible. To the extent practicable, contracts must be distributed equitably among qualified providers.

Required minimum documentation prior to approving purchase orders for this procurement method: description of services and documentation for checking debarred vendor lists.

2. Contracts Costing Over \$10,000 but No More Than \$250,000 (Simplified Acquisition/Small Purchase) – Informal Bidding

Service contracts (other than contracts for architectural and engineering professional services) that cost over the current micro-purchase threshold (\$10,000) but do not exceed the current simplified acquisition threshold (\$250,000) will be procured using the Uniform Guidance "small purchase" procedure (2 CFR 200.320(b)). *[The micro-purchase threshold and the simplified acquisition threshold are set by the Federal*

Acquisition Regulation at 48 CFR Subpart 2.1 and are periodically adjusted for inflation.]

The Budget Manager shall obtain price or rate quotes from two[AS5] qualified sources. A federal grantor agency might issue guidance interpreting “adequate number,” so the Budget Manager should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued.

Contracts will be awarded to the lowest responsive, responsible bidder on a fixed-price basis or not-to-exceed basis.

Required minimum documentation prior to approving purchase orders for this procurement method: two quotes noting why vendor selected, description of goods, documentation for checking debarred vendor lists, minority solicitation documentation and Board approval documentation if cost is \$50,000 or more.

3. Contracts Costing More Than \$250,000 – Formal Bidding with Sealed Bid

Service contracts (other than contracts for architectural and engineering professional services) that cost more than the current simplified acquisition threshold (\$250,000) will be procured using the Uniform Guidance “sealed bid” procedure (2 CFR 200.320(c)), unless the “competitive proposal” process as described in subsection II.B.4, below, is followed. *[The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and is periodically adjusted for inflation.]*

The bid solicitation must be publicly advertised for a period of time sufficient to give bidders notice of the 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. Complete specifications must be made available to all bidders.

All bids must be submitted sealed. [AS6] *[see 2 CFR 200.325]*. Bids will be opened at the public bid opening on the date and time and at the location noticed in the public advertisement. A minimum of two bids must be received in order to open the bids.

The contract will be awarded to the lowest responsive, responsible bidder on a fixed-price basis. Any and all bids may be rejected only for sound documented reasons. [AS7].

Required minimum documentation prior to approving purchase orders for this procurement method: price analysis, specifications available to bidders, copy of public advertisement including period of time advertised and list of publications used, documentation for checking debarred vendor lists, minority solicitation documentation, Board approval documentation if cost \$50,000 or more and copy of bids with tabulation sheet.

4. Certain Contracts

Certain service contracts (other than contracts for architectural and engineering professional services) may be procured using the Uniform Guidance “competitive

proposal” procedure (2 CFR 200.320(d)) when the “sealed bid” procedure is not appropriate for the particular type of service being sought. *[The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and is periodically adjusted for inflation.]* The Budget Manager shall secure prior approval from the federal grantor agency before using the competitive proposal procedure.

Under the competitive proposal procedure, the request for proposals (RFP) will be publicly advertised. The RFP will identify evaluation criteria and the relative importance of each criteria (criteria weight). Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from at least two qualified firms (a federal grantor agency may issue guidance interpreting “adequate number”).

All responses to the RFP will be considered to the maximum extent practical. The winning firm will be the responsible firm with most advantageous proposal taking into account price and other factors identified in the RFP. The Budget Manager will develop a rubric to evaluate vendor responses to RFP. The rubric must include the following information for documentation purposes: individual(s) evaluating RFP and their titles, factors being evaluated, point system for evaluation of each factor, number of evaluations being performed, timeframe for conducting evaluations and selection of the vendor. The Assistant Finance Officer will review rubric and provide guidance as needed before and after the vendor selection to ensure all required documentation is obtained. The Budget Manager is encouraged to create a committee of at least two members to evaluate the RFPs. *[2 CFR 200.320(d)(3)]* The contract will be awarded on a fixed-price or cost-reimbursement basis.

Required minimum documentation prior to approving purchase orders for this procurement method: specifications available to bidders, copy of public advertisement including period of time advertised and list of publications used, documentation for checking debarred vendor lists, minority solicitation documentation, Board approval documentation if cost \$50,000 or more and copy of bids with tabulation sheet.

Construction and Repair Contracts

1. Contracts Costing No More Than \$10,000 (Micro-purchase)

Construction and repair contracts that do not exceed the current micro-purchase threshold (\$10,000) will be procured using the Uniform Guidance “micro-purchase” procedure (2 CFR 200.320(a)) and local standards. *[The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and is periodically adjusted for inflation.]*

Soliciting bids is recommended, but not required, if the price of the goods or services is considered to be fair and reasonable. To the extent practicable, purchases must be distributed equitably among qualified suppliers.

Required minimum documentation prior to approving purchase orders for this procurement method: description of services and documentation for checking debarred vendor lists.

2. Contracts Costing Over \$10,000 but No More Than \$250,000 (Simplified Acquisition/Small purchase) – Informal Bidding

Construction and repair contracts that cost more than the current micro-purchase threshold (\$10,000) but do not exceed the current simplified acquisition threshold (\$250,000) will be procured using the Uniform Guidance “small purchase” procedure (2 CFR 200.320(b)). *[The micro-purchase threshold and the simplified acquisition threshold are set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and are periodically adjusted for inflation.]*

The Budget Manager shall obtain price or rate quotes from two qualified sources. A federal grantor agency might issue guidance interpreting “adequate number,” so the Budget Manager should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued. The quotes may be solicited and submitted via telephone, fax, or email. Telephone quotes must immediately be placed in writing. Written quotations must be on the contractor’s letterhead or an official quotation form.

Contracts will be awarded to the lowest responsive, responsible bidder on a fixed-price basis or not-to-exceed basis.

Required minimum documentation prior to approving purchase orders for this procurement method: two quotes noting why vendor selected, description of goods, documentation for checking debarred vendor lists, minority solicitation documentation and Board approval documentation if cost is \$50,000 or more.

3. Contracts Costing More Than \$250,000 but Less Than \$500,000 – Formal Bidding

Construction and repair contracts that cost more than the current simplified acquisition threshold (\$250,000 but less than \$500,000) will be procured using the Uniform Guidance “sealed bid” procedure (2 CFR 200.320(c)). *[The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 and is periodically adjusted for inflation.]*

The bid solicitation must be publicly advertised for a period of time sufficient to give bidders notice of the 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. Complete specifications must be made available to all bidders.

All bids must be submitted sealed. A 5% bid bond is required of all bidders *[see 2 CFR 200.325]*. Bids will be opened at the public bid opening on the date and time and at the location noticed in the public advertisement. A minimum of two bids must be received in order to open the bids.

The contract will be awarded to the lowest responsive, responsible bidder on a fixed-price basis. Any and all bids may be rejected only for sound documented reasons. Performance and payment bonds of 100% of the contract price are required of the

winning bidder.

Required minimum documentation prior to approving purchase orders for this procurement method: price analysis, specifications available to bidders, copy of public advertisement including period of time advertised and list of publications used, documentation for checking debarred vendor lists, minority solicitation documentation, Board approval documentation if cost \$50,000 or more and copy of two bids with tabulation sheet.

4. Contracts Costing \$500,000 or More

Construction and repair contracts costing \$500,000 or more will be procured using a combination of the most restrictive requirements of the Uniform Guidance “sealed bid” procedure (2 CFR 200.320(c)) and state formal bidding procedures (N.C. G.S. 143-129).

The bid must be formally advertised in a newspaper that has general circulation in the area. The advertisement must be posted at least seven full days before the date of the opening of bids. The advertisement must designate the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the board the right to reject any or all bids if there is a sound documented reason. Complete specifications or purchase description must be made available to all bidders.

All bids must be submitted sealed and in paper form. A 5% bid bond is required of all bidders. Bids will be opened at the public bid opening on the date and time and at the location noticed in the public advertisement. A minimum of three bids must be received in order to open all bids. A bid that does not include a bid bond cannot be counted toward the three-bid minimum requirement.

The contract will be awarded to the lowest responsive, responsible bidder on a firm fixed-price basis. The board may reject any or all bids if there is a sound documented reason. Performance and payment bonds of 100% of the contract price are required of the winning bidder.

Required minimum documentation prior to approving purchase orders for this procurement method: price analysis, specifications available to bidders, copy of formal public advertisement including period of time advertised and list of publications used, documentation for checking debarred vendor lists, minority solicitation documentation, Board approval documentation if cost \$50,000 or more and copy of three bids with tabulation sheet.

5. Additional Requirements for Contracts Costing \$300,000 or More (Projects[AS8] Involving Building)

For construction or repair contracts involving a building costing \$300,000 or more, separate specifications will be drawn for the HVAC, electrical, plumbing, and general construction work as required under N.C. G.S. 143-128(a). In addition, the project will be bid using a statutorily authorized bidding method as required under N.C. G.S. 143-128(a1).

Service Contracts - State, Local & Capital Funds

Normal competitive procedures cannot be utilized in securing professional services such as attorneys, planners, and other professional people who, in keeping with the standards of their discipline, will not enter into a competitive bidding process. Services in which an independent contractor performs services requiring specified knowledge, experience, expertise, or similar capabilities such as maintenance of equipment, auditing, film production, employee training, waste removal, welding and food services do require competitive bidding to the extent practical and in accordance with Board Policy 6450.

Service Contracts

1. Contracts for service purchases may be awarded without soliciting bids if the price of the service is considered to be fair and reasonable. However, contracts must be made under conditions that foster competition among potential providers, when feasible. Price, quality, suitability for specified need, and timeliness of delivery and performance should all be considered.

Required minimum documentation prior to approving purchase orders for this procurement method: description of goods and documentation for checking debarred vendor lists.

2. Service contracts may be procured using RFP procedure.

Request for proposals (RFP) will be publicly advertised. The RFP will identify evaluation criteria and the relative importance of each criteria (criteria weight). Formal advertisement in a newspaper is not required so long as the method of advertisement will solicit proposals from at least two qualified.

All responses to the RFP will be considered to the maximum extent practical. The winning firm will be the responsible firm with most advantageous proposal considering price and other factors identified in the RFP. The Budget Manager will develop a rubric to evaluate vendor responses to RFP. The rubric must include the following information for documentation purposes: individual(s) evaluating RFP and their titles, factors being evaluated, point system for evaluation of each factor, number of evaluations being performed, timeframe for conducting evaluations and selection of the vendor. The Assistant Finance Officer will review rubric and provide guidance as needed before and after the vendor selection to ensure all required documentation is obtained. The Budget Manager is encouraged to create a committee of at least two members to evaluate the RFPs. The contract will be awarded on a fixed-price or cost-reimbursement basis.

Required minimum documentation prior to approving purchase orders for this procurement method: specifications available to bidders, copy of public advertisement including period of time advertised and list of publications used, documentation for checking debarred vendor lists, minority solicitation documentation, Board approval documentation if cost \$50,000 or more and copy of two bids with tabulation sheet.

Construction and Repair Contracts

1. Contracts Costing Less Than \$30,000 (Micro-purchase)

Construction and repair contracts that do not exceed the current micro-purchase threshold (\$30,000) will be procured using the “micro-purchase” procedure.

Soliciting bids is recommended, but not required, if the price of the goods or services is considered to be fair and reasonable. To the extent practicable, purchases must be distributed equitably among qualified suppliers.

Required minimum documentation prior to approving purchase orders for this procurement method: description of services and documentation for checking debarred vendor lists.

2. Contracts Costing Over \$30,000 but No More Than \$500,000 (Small purchase) – Informal Bidding

Construction and repair contracts that cost more than the current micro-purchase threshold (\$30,000) but do not exceed the current small threshold (\$500,000) will be procured using the “small purchase” procedure (G.S. 143-131).

The Budget Manager shall obtain price or rate quotes from two qualified sources. Budget Manager should review the terms and conditions of the grant award documents to confirm whether specific guidance has been issued. The quotes may be solicited and submitted via telephone, fax, or email. Telephone quotes must immediately be placed in writing. Written quotations must be on the contractor’s letterhead or an official quotation form.

Contracts will be awarded to the lowest responsive, responsible bidder on a fixed-price basis or not-to-exceed basis.

Required minimum documentation prior to approving purchase orders for this procurement method: two quotes noting why vendor selected, description of goods, documentation for checking debarred vendor lists, minority solicitation documentation and Board approval documentation if cost is \$50,000 or more.

3. Contracts Costing \$500,000 or More

Construction and repair contracts costing \$500,000 or more will be procured using “sealed bid” procedure and state formal bidding procedures (N.C. G.S. 143-129).

The bid must be formally advertised in a newspaper that has general circulation in the area. The advertisement must be posted at least seven full days before the date of the opening of bids. The advertisement must designate the date, time, and location of the public bid opening, indicate where specifications may be obtained, and reserve to the board the right to reject any or all bids if there is a sound documented reason. Complete specifications or purchase description must be made available to all bidders.

All bids must be submitted sealed and in paper form. A 5% bid bond is required of all bidders. Bids will be opened at the public bid opening on the date and time and at the

location noticed in the public advertisement. A minimum of three bids must be received in order to open all bids. A bid that does not include a bid bond cannot be counted toward the three-bid minimum requirement.

The contract will be awarded to the lowest responsive, responsible bidder on a firm fixed-price basis. The board may reject any or all bids if there is a sound documented reason. Performance and payment bonds of 100% of the contract price are required of the winning bidder.

Required minimum documentation prior to approving purchase orders for this procurement method: specifications available to bidders, copy of formal public advertisement including period of time advertised and list of publications used, documentation for checking debarred vendor lists, minority solicitation documentation, Board approval documentation if cost \$50,000 or more and copy of three bids with tabulation sheet.

4. *Use of Own Force* Construction or repair projects with a total project cost of \$125,000 (total project) or \$50,000 (labor only) may be undertaken by the Maintenance Department (G.S. 143-135). Apparatus, supplies, materials, and equipment for such projects are subject to the bidding regulations previously listed.
5. Additional Requirements for Contracts Costing \$300,000 or More (Projects Involving Building)

For construction or repair contracts involving a building costing \$300,000 or more, separate specifications will be drawn for the HVAC, electrical, plumbing, and general construction work as required under N.C. G.S. 143-128(a). In addition, the project will be bid using a statutorily authorized bidding method as required under N.C. G.S. 143-128(a1).

[A59]

Contracts for Architectural and Engineering Services – All Funds

1. Contracts Costing No More Than \$50,000

All contracts for architectural and engineering services that do not exceed the \$50,000 will be procured using the selection process described in subsection B.1 of policy 9110, Use and Selection of Architects, Engineers, Surveyors, and Construction Managers At Risk Approval should be secured from the grantor agency before using this process if using federal funds. The contract must be in writing and include applicable Uniform Guidance contract provisions if federal funds are used.

Required minimum documentation prior to approving purchase orders for this procurement method: description of services and documentation for checking debarred vendor lists.

2. Contracts Costing Over \$50,000

Contracts for architectural and engineering services that cost more than the \$50,000 will be procured using the “competitive proposal” procedure (Board policy 9110).

A request for qualifications (RFQ) will be publicly advertised to solicit qualifications from qualified firms. Formal advertisement in a newspaper is not required. RFQ are sent to list of qualified vendors maintained by Facility Director. Price will not be solicited in the RFQ. The RFQ will identify the evaluation criteria and relative importance of each criteria (criteria weight). Proposals must be solicited from at least three qualified sources.

All responses to the RFQ will be considered to the maximum extent practical. Qualifications of respondents will be evaluated to rank respondents and select the best qualified firm. The Budget Manager will develop a rubric to evaluate vendor responses to RFP. The rubric must include the following information for documentation purposes: individual(s) evaluating RFP and their titles, factors being evaluated, point system for evaluation of each factor, number of evaluations being performed, timeframe for conducting evaluations and selection of the vendor. The Assistant Finance Officer or Chief Officer for School Finance will review rubric and provide guidance as needed before and after the vendor selection to ensure all required documentation is obtained. The Budget Manager is encouraged to create a committee of at least two members to evaluate the RFPs. Price will not be a factor in the selection of the most qualified firm.

Once the most qualified firm is selected, fair and reasonable compensation will be negotiated. If negotiations with the most qualified firm are not successful, negotiations will be repeated with the second-best qualified firm. The contract will be awarded to the best qualified firm with whom fair and reasonable compensation is successfully negotiated.

Required minimum documentation prior to approving purchase orders for this procurement method: specifications available to bidders, copy of formal public advertisement including period of time advertised and list of publications used, documentation for checking debarred vendor lists, minority solicitation documentation, Board approval documentation if cost \$50,000 or more and copy of three bids with tabulation sheet.

Conflict of Interest

The Departments/Schools will conduct business in accordance with Board policy 6401 and follow ethics and integrity guidelines set forth in the State of North Carolina Agency Purchasing Manual. Purchasing is committed to fairness and impartiality in all phases of the purchasing process.

[AS10][AS11]

EXCEPTIONS AND DELEGATIONS OF AUTHORITY

Some items are exempt from these policies and the State therefore delegates authority to local agencies in purchasing the following:

- Published books, manuscripts, maps, globe, pamphlets and periodicals (G.S. 115C-522)
- Perishable articles such as fresh vegetables, fresh fish, fresh meat, eggs and others (G.S. 115C-264)

Allowable Use of Non-competitive Contracts

Non-competitive contracts are allowed only under the following conditions according to state law and with the written approval of the federal agency or state pass-through agency if federal funds are being used.

Approval for using this method must be reviewed by Chief Finance Officer prior to any purchases. This information is also required to be documented in the accounting system (LINQ) for future reference.

Sole Source

A contract may be awarded without competitive bidding when the item is available from only one source. The Budget Manager shall document the justification for and lack of available competition for the item. Documentation must include at a minimum description of processed used to attempt to find item through another source and why item is required. A sole source contract must be approved by the board.

When State or local funds are being used standardization or compatibility may be used in the consideration. When requesting a purchase under the sole source exception, the Board shall be provided with documentation that justifies the use of the exception. Board approval documentation is required prior to purchase order being released.

Public Exigency (Emergency)

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. Documentation must be maintained in accounting system (LINQ) explaining the emergency and the communication sent to funding agency after the fact approving method. (G.S. 143-129 and UG) See special conditions section below for more information.

Inadequate Competition

A contract may be awarded without competitive bidding when competition is determined to be inadequate after attempts to solicit bids from a number of sources as required under this regulation does not result in a qualified winning bidder. Documentation of solicitation attempts and results must be maintained in accounting system (LINQ).

Federal Contract

A contract may be awarded without competitive bidding when the purchase is made from a federal contract available on the U.S. General Services Administration schedules of contracts. Documentation must be maintained in accounting system (LINQ).

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. Documentation must be

maintained in accounting system (LINQ).

SPECIAL CONDITIONS

Emergency Purchases

The purpose of an emergency purchase order is to obtain authorization to make purchases on the open market in cases of a genuine emergency. Pursuant to G.S. 143-129 (Board Policy 6430), 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 district.

The following procedures should be followed when there is a need for an emergency purchase order:

- The Director or designee must clearly mark the requisition "EMERGENCY." Documentation must be given to the Finance Department describing the need for the emergency purchase.
- The Chief Finance Officer or designee will verify available funding before continuing. If funds are not available, the Chief Finance Officer will discuss with Superintendent for direction before continuing with placement of the order.

If an emergency or pressing need occurs after normal working hours, the appropriate Director may obtain needed rental of apparatus, supplies, materials, equipment or services to resolve the issue with notification to the Chief Finance Officer as soon as possible.

Open "Blanket" Purchase Order

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 shall not exceed \$10,000. If items are available from State contracts the dollar amount of an open purchase order is not restricted as long as federal funds are not being used. Open purchase orders are issued only by approval of the Chief Finance Officer or designee. This procedure applies to the use of all open purchase orders. Vendors should be selected that provide stated trade discounts for volume purchasing. Open purchase orders are to be used only when the school or department will purchase repetitive, specified services or items, or categories of items from the same vendor on an emergency basis.

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

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

- brief description of items and/or categories of items, i.e. building supplies, repair parts

No single item over \$500.00 can be purchased (exception: state contract items such as fuel and tires that have established contract prices) on an open purchase order. At each stage of the open purchase order process, budget managers or principals should closely examine transactions to ensure that all legal mandates are being met.

Lease/Purchase

As part of NCGS 115C-528, Section 14, Article 37, school systems are allowed to purchase or finance the purchase of automobiles, school buses, mobile classroom units, photocopiers, computer hardware and software, and related support services (i.e., maintenance agreements, software support) by lease purchase contracts and installment purchase contracts. Although bidding is not required by statute unless federal funds are being used, Duplin County Schools may obtain competition to assure the best price is received taking into consideration all factors associated with the item to be leased. In addition, the Chief Finance Officer must be notified of lease in advance and provided a copy of the lease.

Historically Underutilized Business (HUB) Program

The Board affirms the state's commitment to encouraging the participation of historically underutilized businesses in purchasing functions. The Board will comply with all legal requirements and the standards in policy 6402, Participation by Historically Underutilized Businesses. The Finance Department is required by General Statutes to report all bids extended to and purchases made from Disabled Business Enterprises, Minority Business Enterprises to the Division of Purchase and Contract quarterly for inclusion in a consolidated report to the General Assembly.

PURCHASING PROCEDURES

Request to Set Up New Vendor

The following information is required to be submitted to Finance in order to set up a new vendor:

- W-9 form
- E-verify form
- Duplin County Schools New Vendor Information Sheet
- Vendor Electronic Form

Damaged or Incorrect Items

Items received at schools or departments that are damaged or incorrect should be handled as listed below.

- Complete "Return To Vendor" form found on Finance website
- Send form to Purchasing Specialist to notify Finance of the discrepancy and how the problem is being resolved.

Finance must document all discrepancies and ensure invoices are not paid until corrections are made.

Requisitions

The requisition 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. Budget Managers or designee for the school or department complete the requisition to purchase desired goods or services.

When preparing a requisition on the “comment line” (comments) on first requisition screen. The first item should be name (name or initials) of person making purchase then the name of individuals for whom the order is being placed should be listed.

Then on the “description” line the first word should be the key word for the purchase. For example, if location is ordering a table the description line first word should be “table”. This will assist in ensuring that fixed assets are properly labeled in our fixed asset software. If check is for workshop the description line should include person attending, workshop dates, workshop name and place of event. Abbreviations may be used if necessary.

Budget Manager or designee should verify that the following items have been entered correctly: vendor, quantity and budget code. The appropriate Budget Manager shall approve all requisitions prior to them being forwarded to Finance for approval.

Accounting Specialists will confirm that the vendor being used is not debarred except for our employees prior to approving purchase orders. Finance will use SAM.GOV website and www.DOA.STATE.NC.US/PANDC/ACTIONS.ASPX website to confirm vendor is not on debarred vendor lists.

Internal Auditor/Accounting Specialist will confirm quarterly that no vendors in DCS vendor file are on the State Treasurer’s Iran Divestment Act (IDA) list.

[AS12]

Purchase Orders Issuing

A purchase order must be issued for all apparatus, materials, supplies, equipment, services, construction or repair projects. No purchase order is required for telephone, utilities, electric, postage, employee reimbursement and travel.

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

The Duplin 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 Finance Department for all schools and departments in the system using Duplin County Board of Education funds.

1. After requisitions have been reviewed by the Chief Finance Officer or designee for completeness and accuracy, orders are processed. Sufficient funds must be available

before a purchase order can be processed. If funds are not available, Finance notifies the school or department by email.

2. After approved purchase orders are printed, the Finance Department distributes copies of the approved purchase order. If purchase order has not been received within five business days, please contact the Accounts Payable Specialist.

*If an administrative office (Technology, Exceptional Children, Federal Programs, etc.) orders supplies, material or equipment for a school(s) a copy of the purchase order is sent to the school(s).

Receiving

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

Timely and accurate receiving procedures are essential for assurance that goods and services paid for have actually been received. Persons signing to acknowledge receipt of goods and services must be aware that in doing so they are authorizing the expenditures of school system or individual school funds. Under no circumstances should any school employee sign for goods or services that they have not actually seen. All relevant data should be verified such as item number, part number, description, quantity, and quality.

A copy of packing slip must be forwarded to the Finance Department with the PO referenced immediately after receipt is verified. Duplin County Schools is obligated to pay invoices promptly in order to maintain good credit and to avoid finance charges due to late payments.

Orders shipped by vendors directly to schools or departments should be received according to the following procedures:

1. When purchase orders are issued, a copy of the purchase orders will be sent to the appropriate school or department.
2. When shipment is received, the school treasurer will verify that all relevant data on packages, cases, individual items, etc. should be matched against the purchase order, and quantities received should be verified. The receiver should then sign, date and reference the PO number on the packing list and forward receiving documents to the Finance Department or appropriate bookkeeper.
3. If items received are incorrect, Accounts Payable should be notified immediately.
4. If shipping cartons are damaged, the receiver must make a notation on the packing slip "Damaged Carton," date and sign. Accounts Payable should be notified immediately.

SPECIAL PURCHASING SITUATIONS

Purchases for State Employees

The purchasing power of the State shall not be used for private advantage or gain. Purchases under contracts made by the State are not allowed for personal use out of private funds, nor are agencies or institutions to place orders for articles for ownership by employees or other individuals.

Purchases from State Employees

Purchases of any type, from or through employees of the State government, or any of its agencies, or of the public school administrative units are strictly prohibited.

Complaint to Vendor

Occasionally problems with a vendor may arise regarding late delivery, incorrect quantities received or improper substitutions of requested merchandise. For items ordered through State term contracts negotiated by the Division of Purchase and Contract, a “Complaint To Vendor Form”, Form PC-104, is used to file a complaint with a vendor.

www.pandc.nc.gov/Documents/vendcom.doc

When complaints arise about purchasing transactions with other vendors who are not selling merchandise from contracts negotiated by the Division of Purchase and Contract, it is the duty of the schools and departments to notify vendor in writing, of the complaint.

All complaints from schools and departments about vendor performance shall be communicated to the Assistant Finance Officer.

Fixed Assets

Fixed assets are tangible assets of a school system. Purchases of all equipment (furniture, furnishings, computers, office equipment, machinery, tools, buses, trucks, other vehicles) having a cost basis of \$500.00 to \$4,999 or more are inventoried. Purchases of \$5,000 or more are capitalized. Budget codes used will depend cost basis of items ordered.

These inventories are required to protect public property and to provide information for insurance claims filed for loss of or damage to individual school fixed assets.

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 will not be sent to teachers' or administrators' home address.

OTHER SERVICES

Mailings

Charges for U.S. Postage will be billed as expenses are incurred. The current costs are as state below:

- 2 Day Delivery in NC or 3 Day Delivery out of NC -\$35.90
- Certified Fee \$5.55 plus postage and/or Return Receipt \$4.65 plus postage (1 or more)
- Postage \$.78(meter mail)

For an estimate prior to sending mail or for any other questions related to mail submit request to front desk person in the main central office building.

Send prepared mailings along with the completed “Mail Request” form (on Finance website) to the front desk person in the main central office building. The Finance department will verify funds are available on budget code (object code 342) noted on form and approve for mailing.

Allow two working days, when possible, to process your mailings. An invoice will be sent to your school or department showing the total cost of the mailing.