

The board is the sole entity authorized to execute formal contracts between the school system and any firm or person offering to provide materials, equipment, or services to the school system. Creditors are on notice that the board may choose not to honor contracts entered into by school or school system officials without authority to enter into contracts.

A. AUTHORIZATION TO ENTER INTO CONTRACTS

No contract requiring the expenditure of funds may be entered into unless the budget resolution adopted pursuant to policy 8110, Budget Resolution, authorizes the expense and there is a sufficient unencumbered balance to pay the amount to be disbursed. (See policy 6421, Preaudit and Disbursement Certifications.) No contract may be entered into with a restricted company, as listed by the state treasurer in accordance with G.S. 147, art. 6E or 6G, except as permitted by those laws.

Any contract for materials, equipment, or services involving expenditures in excess of \$100,000.00 must be reviewed by the board attorney and approved in advance by the board unless provided otherwise in board policy. (Approval requirements for construction and repair contracts are established in policy 9110, Bidding for Construction Work.) The total value of a contract or expenditure shall not be divided to avoid requiring board approval. Unless otherwise prohibited by statute or regulation, the superintendent or designee is authorized to enter into contracts or approve amendments to contracts for materials, equipment, supplies, or services involving amounts up to \$100,000.00. Change orders for construction and repair contracts are subject to the requirements of policy 9030, Facility Construction, not this provision.

To provide greater flexibility at the school level, the superintendent also may establish circumstances in which principals may enter contracts involving amounts up to \$10,000.00. The superintendent, with appropriate involvement of the finance officer, shall establish any procedures necessary to ensure fiscal accountability and reporting by principals who enter into contracts.

B. CONTRACT FORMS

The board attorney shall review any contract forms developed for use by a school or the school system.

C. LEASE PURCHASE CONTRACTS

The finance officer must approve any request to enter lease purchase contracts as authorized by G.S. 115C-528, regardless of the dollar amount. After considering the principal and amount of interest, the superintendent must determine that the lease purchase is a fiscally prudent choice that is consistent with board policy.

The finance officer shall provide the board with periodic reports on lease purchase contracts, including the amount of the principal, interest paid, and the amount of the outstanding obligation.

D. OTHER APPLICABLE POLICIES AND LAWS

Purchases may be made through the State Division of Purchase and Contract in accordance with the Division's rules and regulations, as authorized by G.S. 115C-522.

All contracts involving construction or repair work or purchase of apparatus, supplies, materials, or equipment must be undertaken in compliance with Chapter 143 of the North Carolina General Statutes, except as provided elsewhere by state law. Contracts must also comply with applicable board policies, including, but not limited to, policies 8675, Purchasing Requirements for Equipment, Materials, and Supplies; 8680, Purchase of Services; 9030, Facility Construction; 9100, Use and Selection of Architects, Engineers, Surveyors, and Construction Managers At Risk; and 9110, Bidding for Construction Work.

All contracts subject to the E-Verify requirement will contain a provision stating that the contractor and the contractor's subcontractors must comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

All contracts for procurement of instructional materials, as defined in policy 3200, Selection of Instructional and Supplementary Materials, must include a clause granting the board the license to produce braille, large print, audiocassette tape, and other accessible copies of instructional materials for use in the school system.

Legal References: G.S. 64 art. 2; 115C-36, -47, 98, -264, -440, -441, -522, -528; 143-49 and art. 8; 147 art. 6E, art. 6G

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