

**PURCHASING PROCEDURES**

**Purpose**

1. The procurement function is one of the major business responsibilities of the Governing Board.
2. The mechanical function of procurement may be delegated for contracts less than \$15,000.00 for work to be done or \$78,500.00 for supplies or equipment. This bid limit is subject to an annual adjustment by the State Superintendent of Public Instruction, based on the annual average value of the Implicit Price Deflator for State and Local Government Purchase of Goods and Services for the United States as published by the United States Department of Commerce, for the 12-month period ending in the prior fiscal year. However, as per Education Code, section 39657, the Board of Education has the sole authority and responsibility for all purchase contracts of the school district over the above amounts and this authority cannot be delegated.
3. The duties of purchasing for Board approval have been centralized under the Chief Financial Officer (CFO) and Fiscal Support Manager. This permits the purchasing function to be supervised by a specially trained person and permits the setting up of uniform procedures and policies for internal and/or external control of purchasing affairs.
4. The Fiscal Support Manager shall comply with and conform in all activities within the limitations set by law, and seek legal guidance when deemed necessary.
4. Five of the fundamental functions of the Purchasing Department shall be to:
  - a. Buy the proper product for the purpose required.
  - b. Strive constantly for improvement of purchasing methods and of the material we buy.
  - c. Pay the proper price.
  - d. Avoid unfair practices, giving all qualified vendors an equal opportunity.
  - e. Protect the interests of the school district.

**Requisitioning**

1. Electronic Data Processing Equipment and Major Software (over \$500.00)

**PURCHASING PROCEDURES** (continued)

All requisitions for the purchase of electronic data processing equipment, i.e. computers, peripheral equipment (printers/disk drives) and software, shall be forwarded to the designated personnel in the Educational Technology and Information Systems (ETIS) Office for processing. The coding structure in the QSS system will automatically route technology requisitions to ETIS for approval. The Educational Technology and Information Systems Office shall review each requisition for compliance with equipment specifications and program definition as determined by district policy, Curriculum Frameworks, and the general practice of the district.

Should the requisition be found to be inappropriate, the administrator may discuss the justification with the district Superintendent or the CFO.

2. The purchasing department will secure pricing for standard supplies which are to be used by schools and departments.
3. To Initiate Purchase: Requisitions are to be prepared electronically in the QSS system by the requesting site for items as follows:

**Preparation of Requisition**

1. Requisition Number: Use next available number based on site location.
2. Suggested Vendor: Choose from a list of vendors in the QSS system. If this is a new vendor, a W-9 form is required before the vendor can be added to the list.
3. Date Ordered: Enter the date the Requisition leaves the site/dept.
4. Requested By: Enter school/site name, department and persons name
5. Confirming: Enter the appropriate code in the field, which will cause a confirmation message to be printed on the purchase order: (1) Confirmation of goods received, (2) Confirmation of services, or (3) Confirmation of a telephone order. If confirming, send your signed receipt approved for payment to accounting for payment after purchase order is entered, numbered and processed.
6. Budget Classification: Enter the appropriate SACS budget code and the dollar amount for each code if using more than one.
7. Quantity Required: Enter the number of items, sets, packages
8. Unit: Enter the unit of measure in which the item sold is (i.e. each, set, pkg., etc.)
9. Unit Price: Enter the price of each unit

## **PURCHASING PROCEDURES (continued)**

10. Sales Tax: The State of California requires that sales tax be paid on all merchandise purchased, including out of state purchase orders.
11. Item Description: Enter a complete description of goods and/or services ordered (part number, brand name, size, color, etc.). If a quote was obtained, enter the person's name who quoted the price or the catalog. If the Purchasing Department provided the quote, reference the quote number. If time allows, and a check is required for payment, request a vendor warrant be sent. Accounting prefers payment in this manner if at all possible. (Allow approximately two weeks.) Always send backup with your requisition.
12. Shipping: Enter shipping charges as a new line item. If you do not know how much shipping, estimate ten percent. Be sure to ask about shipping when calling the vendor.

### **Processing a Requisition for Purchase**

Once approved by an Administrator, the requisition will automatically be forwarded to the Purchasing Department.

The Buyer or Purchasing Specialist will (1) verify prices, vendors, and terms, making any necessary changes on the Pre-List; (2) release the requisition into the QSS system, which automatically encumbers; (3) forward all purchase orders to the Fiscal Support Manager, Director of Fiscal Services, and the Chief Financial Officer/CBO for signature and approval; Upon approval by the Fiscal Support Manager, Director of Fiscal Services, and the Chief Financial Officer/CBO, the Buyer or Purchasing Specialist will issue the purchase order to the appropriate vendor.

### **Monetary Limit "Blanket or Open" Purchase Orders**

For convenience and to eliminate processing numerous small purchase orders, "blanket" or "open" purchase orders may be approved for the purchase of items as needed from a vendor. In addition to the name and address of the vendor, blanket/open purchase orders must contain the following information:

1. Cumulative monetary limit
2. Time limit, i.e., from date to date
3. Name of person or persons who may select and receipt for supplies

**PURCHASING PROCEDURES** (continued)

4. Attach signature list of person or persons allowed to pick up merchandise, if appropriate

An example of the information to be included in the "description" section of a blanket/open purchase order follows:

Miscellaneous custodial type supplies as selected and receipted for by Mr. John Doe, Custodian and/or John Smith, Principal.

The purchase order to be effective, July 1, 20\_\_ thru June 15, 20\_\_.

Total amount of this purchase order shall not exceed \$\_\_\_\_\_.

5. Open purchase orders shall not be used to order the following items:
  - Furniture
  - Equipment, including such items as cameras, computer hardware and software, printers, fax machines, and scanners

**Purchasing**

1. Reimbursement of Personal Funds

Whenever possible, a purchase order should be used to insure that this is an authorized expenditure. However, there are a few restricted situations that require cash or check. They are exceptions to normal procurement. The available methods are described below:

- a. Payment After Purchase: Purchases with an aggregate cost of under \$300.00 may be authorized for purchase by the principal or responsible budget administrator. Such purchases will be made from the employee's own funds. The responsible administrator will prepare an employee reimbursement form stating: (1) name of person to whom check will be issued, (2) description of items purchased, (3) amount of purchase, tax and total, and (4) budget code.

The administrator will sign the reimbursement form and attach the sales slip, or receipt, send to the accounting department where an employee reimbursement check will be issued.

2. Use of Vendor Warrant of Revolving Cash Fund for Advanced Payment

A Revolving Cash Fund check will be issued for advanced payment of purchase orders when required by the vendor. The sales receipt must be forwarded to the Accounting Department to reimburse the Revolving Cash Fund and debit the

**PURCHASING PROCEDURES** (continued)

- appropriate account. Allow a minimum of one week to process a vendor warrant for payment.
3. Emergency Confirmation Purchase Orders

In the event of a bonafide emergency, principals/administrators may contact the Purchasing Department and every effort will be made to assist in obtaining the item(s) as quickly as possible. **HOWEVER, AN APPROVED PURCHASE ORDER WILL BE NECESSARY BEFORE COMMITTING DISTRICT FUNDS.** An exception may be made for necessary emergency repairs to essential equipment after District Equipment Repair Service personnel have determined that they are unable to repair such equipment. In these cases, reputable servicing agencies may be contacted by the appropriate district level administrator, cost estimates taken and work authorized if the situation warrants and confirming purchase orders prepared and forwarded. These orders will be identified by typing "CONFIRMATION" in caps on the face of the order. **ANY PERSON AUTHORIZING CONFIRMATION PURCHASE ORDERS MUST USE THEM AS AN EMERGENCY PROCEDURE ONLY AND BE PREPARED TO USE HIS/HER OWN PERSONAL FUNDS IF THIS METHOD IS USED TO CIRCUMVENT NORMAL PROCEDURE.**

**Receiving**

1. Purchase Orders Completed in One Shipment
  - a. The majority of goods are shipped directly to the school or department. The school or department administrator or his or her authorized agent will sign the shipping document and forward immediately to the Accounting Office. Partial shipping documents are not to be held for completion of order.
  - b. In the event a shipment is received without a shipping document, items should be receipted for on a copy of purchase order, signed as above and forwarded to the Accounting Office.
2. Receiving Items Purchased on Monetary Limit (open or blanket) Purchase Orders

Sales slips must be obtained for each purchase. The person authorized by the purchase order will write the purchase order number on the sales slip, sign, and forward immediately to the accounting office. It is the responsibility of the person authorized by the purchase order to keep an accurate account of funds spent and balance remaining.

When the total amount of a purchase order has been spent, it is possible to initiate a change order thereby increasing the monetary limit. Change Order forms are available on the Purchasing and Accounts Payable website.

## **PURCHASING PROCEDURES** (continued)

### 4. Back Order or Defective Materials

Merchandise that is shipped directly to school or department must be checked for shortages and damages within twenty-four hours of receipt and reported to the vendor immediately.

### **Inventory Control**

Any piece of equipment valued over \$500 will have a bar code label assigned to it.

The Purchasing Department will provide bar code labels for inventoried equipment. It will be the responsibility of the site/department to attach the bar code labels to the equipment and provide the serial number to the Purchasing Specialist.

### **Payment**

The Accounts Payable section of the Accounting Department will make payments due on the purchase orders and record those expenditures to the proper budgetary accounts.

### **Procurement by Contract - Including Facilities and Maintenance Projects**

This procedure does not apply to major construction projects which are built with State Building Aid or federal funds. In such cases, the procedures established by the state or federal agencies will be followed:

#### 1. Facility and Maintenance Repair Projects

The originator of the project shall proceed with the prospective procurement until project definition has been established. This can be sketches, drawings, plans or specifications. Certain facilities or maintenance projects may require a "walk around" inspection, performed jointly by the school principal/administrator, the Director of Facilities or Director of Maintenance.

The Director of Maintenance or Director of Facilities will submit the project to the Board for approval, if necessary.

The work to be performed and the price ceiling will be agreed to by the project originator and the contractor, either by a written quote or as the result of the bidding procedure. These agreements will be formalized by a purchase order and a contract.

The General Short Form Contract will be used for all work to be done with a value of more than \$1,000 and less than the repair work bid limit. **THREE WRITTEN PRICE QUOTES WILL BE OBTAINED FOR ALL WORK TO BE DONE WITH A VALUE OF MORE THAN \$15,000.**

**PURCHASING PROCEDURES** (continued)

For purchase of supplies and equipment and maintenance work, the district will comply with current Public Contract Code.

Emergency work may be done on a time and materials basis. A monetary limit purchase order will be issued indicating the upper limit value of the work to be done, a description of the work to be done, and that the contractor has adequate liability and workers' compensation insurance. These agreements will also be formalized by a General Short Form Contract signed by the Contractor and a representative of the district.

**IN ALL CASES, PURCHASE ORDERS WILL BE ISSUED AND CONTRACTS SIGNED BEFORE CONTRACTORS WILL BE PERMITTED TO PROCEED WITH THE WORK ON THE DISTRICT'S PREMISES.**

The Purchasing Department will keep a project file on all bids.

Work progress will be monitored by the project originator. Work completion and authorization for payment will be signified by an authorizing signature on a copy of the purchase order by the originating project manager. The project manager will file a Notice of Completion with the Board when a project is complete.