

PURCHASING

All purchases made on behalf of the District shall be executed in a fair, equitable, and legal manner using a process that helps ensure the best value for the District and its taxpayers. The purpose of this policy and accompanying regulation is to establish such procedures.

Establishment of a Purchasing System

The Board delegates overall purchasing authority to the Business Manager who shall serve as the district's chief procurement officer. The chief procurement officer shall be responsible for developing and administering the purchasing program of the District, including the development and implementation of a requisition and purchasing system that is efficient, economical, and meets the standards below. A complete purchasing record system shall be maintained by the chief procurement officer. To ensure adequate checks and balances, the procurement officer shall have authority to approve district employee's purchases but shall not directly make purchases for the District.¹

General Requirements for Purchases

1. All purchases must conform to all applicable state laws (see HCAA-E), including, but not limited to, laws prohibiting disclosure of confidential and proprietary information.
2. All parties involved in purchasing shall act in good faith, and purchases at all levels shall be made in a manner and form that permits the highest degree of fair competition possible.
3. All purchases must be documented through the purchase card (p-card) system, a purchase order, contract, invoice, or receipt. All records of purchases must be submitted to the chief procurement officer.
4. All purchases made through the purchasing system must have budget appropriations adequate to cover the cost of such obligations. Purchases not meeting this criterion must be approved by the Board.
5. Prior to making a purchase, the purchaser shall check current inventories to ensure that the purchase is necessary and determine if the item can be obtained through existing cooperative purchasing agreements under NDCC 54-44.4-13 or federal agencies contracted under 21-06-08. Purchases made through such agreements are exempt from the procurement procedures contained in this policy.
6. Procurement requirements may not be artificially fragmented as to constitute a small purchase or to avoid competitive purchasing requirements. Artificial fragmentation means splitting purchase requirements or splitting an invoice to stay below a certain dollar level to avoid competition or stay within delegated authority limits. Fragmentation must be based on an actual need of the District, and documentation of this need shall be filed with the procurement officer.

¹ Districts should consult with their auditors for guidance and review p-card rules if considering modification to these recommended checks and balances.

7. If purchases are made using restricted funds (e.g., grant dollars), purchases must conform to any requirements associated with those funds.
8. Legal services shall only be retained in accordance with policy BDBB.
9. This policy is not applicable to public improvement/construction purchases, which are covered by a separate policy, HCAA-E.
10. Purchases requiring contracts must comply with the contracting standards contained in this policy and in law.

Purchasing Authority Thresholds

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

1. **P-Cards:** The chief procurement officer is authorized to implement a purchase card system. While most purchases with p-cards shall conform to the purchasing standards contained in this policy, the chief procurement officer is authorized to make exceptions to this policy as follows. The chief procurement officer may issue cards to school staff not listed in this policy, ensuring that their cards have adequate spending caps in place given the nature of their positions and may waive specification and solicitation requirements for p-card purchases for items/services that are difficult or impossible to obtain through competitive purchasing (e.g., travel expenses). In addition to these p-card requirements, the Board has adopted a separate p-card policy, HCAG.
2. **Purchases \$2,500 and below:** These purchases may be delegated by the chief procurement officer to department heads and any school administrator. These purchasers should develop specifications and solicit one informal bid or proposal unless not practical because item/service is difficult or impossible to obtain through competitive purchasing or the item/service is needed on an emergency basis. Individuals delegated this purchasing authority must rotate vendors solicited on an equitable basis.
3. **Purchases \$2,500.01 to \$9,999.99:** These purchases may only be delegated by the chief procurement officer to building-level administrators and Superintendent. These purchasers shall develop specifications and solicit at least three vendors, insofar as practical, to submit oral or written informal bids or proposals. If receiving three bids or proposals is not feasible or practical, the purchaser shall provide a written explanation to the chief procurement officer who has authority to require the purchaser to seek additional solicitations. The Board has developed criteria for purchasers to evaluate informal bids or proposals (HCAA-BR).
4. **Purchases \$10,000 to \$24,999.99:** These purchases may only be made by the Superintendent who shall develop specifications and solicit no fewer than three vendors, insofar as practical, to submit oral or written informal bids or proposals. If receiving three bids or proposals is not feasible or practical, the purchaser shall document an explanation and file it with the chief procurement officer who has authority to require the purchaser to seek additional solicitations. The Board has developed criteria for purchasers to evaluate informal bids or proposals (HCAA-BR).

5. Purchases over \$25,000: These purchases shall only be made in accordance with NDCC 15.1-09-34 and board policy HCAB.

Delegation of Purchasing Authority when Conflict of Interest Declared

In the event that an individual with purchasing authority has a conflict of interest under law, s/he shall contact the chief procurement officer who shall appoint another qualified district employee without a conflict to oversee the procurement process of the good/service at issue.

Purchases Requiring Contracts

Any purchase requiring a contract with a vendor/seller shall be approved by the Board prior to execution. Whenever possible, the District shall use the Office of Attorney General Sample Service Contract to enter into such agreements. When a vendor/seller supplies the contract, it shall be reviewed by the chief procurement officer and Superintendent and recommendations made to the Board prior to approval. Contracts for purchases/services of \$10,000 or more shall be reviewed by the district’s legal counsel prior to board adoption.

Contracts shall be no longer than one year in term and may contain options for renewals or extensions in accordance with law. The District shall not enter into contracts containing indemnity clauses and additional insured status when these clauses will benefit another party.

Unauthorized Purchases

Unauthorized purchases are prohibited by Policy DEBJ.

Complementing NDSBA Templates (may contain items not adopted by the Board)

- DEBJ, Unauthorized Purchases
- HCAA-BR, Criteria for Evaluating Informal Bids or Proposals
- HCAA-E, Purchasing Laws for Schools
- HCAB, Bidding Requirements & Procedures
- **[HCAG, Purchase Cards]**
- HEAA, Line Item Transfer Authority

End of Maple Valley School Policy HCAA.....Adopted: March 15, 2016

[03/15]