

## 709 PROCUREMENT POLICY

### **Authority:**

The Executive Director is given the authority to establish an efficient and cost-effective procurement system for the purchase and/or lease of all materials, equipment, supplies and services as may be required for the school.

### **Guidelines:**

The following guidelines should be followed in purchasing and/or leasing materials:

- a) The purchase and/or lease of all equipment, materials, supplies and/or services which are in excess of \$100,000 are subject to formal competitive sealed bids solicited by public notice as required by statute. Contract will be awarded to the lowest of best responsive bidder as determined by Committee and the Executive Director.
- b) The Executive Director has the authority and responsibility to enter into term contracts with selected vendors for the purpose of establishing "preferred vendor" discount arrangements. If the amount of the contract is between \$25,000 and \$99,999, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more written quotations, whichever is determined to be in the best interest of the school.
- c) If the amount of the contract is estimated to be \$25,000 or less, the contract may be made either upon quotation or in the open market, at the discretion of the Executive Director. If practicable, contract shall be based on two quotations which shall be kept on file.
- d) The Executive Director reserves the right to obtain competitive quotations, regardless of cost, if it is determined that such quotations would serve the best interest of the school.
- e) The Executive Director also has the responsibility of insuring that any qualified vendor seeking to do business with the school will have an equal opportunity to participate in the purchasing process.
- f) Ethical Procurement: See Attachment A

### **Criteria:**

There are various options available to the Executive Director to decide if competitive quotations are necessary. It is the responsibility of the Executive Director to determine which of the following criteria applies to a particular request for purchase.

- a) Formal bid process: The Executive Director will initiate a formal sealed bid proposal as required by statute for the purchase of goods and services in excess of \$100,000 unless one of the options below take precedence.

b) Informal quotation process: The Executive Director may use an informal quotation policy to obtain competitive pricing on any item below the stated bid limit, if he/she believes school would benefit from this process. The Executive Director may also utilize this informal quotation process to get competitive prices on items that are determined to be of a critical or urgent nature, even if the requested purchase is in excess of the stated bid limit.

c) Direct award process: This process may be used for purchases both above and below the stated bid limit. For purchase below the bid limit, the Executive Director will use discretion in deciding when it would be prudent to make an award without further price inquiries. The Executive Director will have the authority to make Direct Awards on purchases above the stated bid limits without bidding or price inquiries on the following types of purchases:

1. Emergencies--items that involve imminent threat to the health and safety of individuals or property (critical or urgent acquisitions).
2. Individual source--proprietary items that are only available from a single source, as affirmed by the Executive Director. Examples of this would be specific software programs, hotel services, repair parts and accessories only sold by the manufacturer or its authorized representative.
3. Professional services--services of a professional nature that involve creativity or require the use of special training or skills.
4. Contracts--if a previously bid or negotiated contract and/or price agreement exists for a needed product or service, no additional inquiries are necessary.
5. Noncompetitive bid process--orders where the timely placement is more important than the potential savings of a bid process. This type of request should be accompanied with a noncompetitive Bid Statement from the requesting program and placement requires the Executive Director prior approval.

d) Source selection process: This process will be utilized for special projects where the final selection is of a complex or highly technical nature, not simply a matter of accepting the lowest overall price. An example of this would be the selection of computer hardware and/or software to be used at the school

### **Documentation Requirements**

a) Department level: All Contracts, Quotations, Memorandums of Understanding, Letters of Agreement and any other documentation pertaining to the procurement process must be obtained and accompany a properly completed Purchase Order.

b) Finance: Executive Director must review, approve, and complete the procurement of any bids, quotations and contracts. Copies of all Letters of Agreement, Leases, Memorandums of Understanding must be on file.

Vendor: The vendor is responsible for providing Executive Director with an executed copy of any Lease, Contract or Quotation pertaining to a Purchase Order. Vendors must provide invoice.

### **Ethical Procurement: Attachment A Code of Conduct**

Ethics can be defined as the moral standards individuals use to guide decisions in their personal and professional lives. In the business world, ethical behaviors are practices that promote free and open competition. Procedural standards of conduct include avoiding even the perception of unethical practices. Accurate documentation is important to demonstrate compliance with contractual terms and the districts policies.

Ethical violations in the work place are a serious matter. For school nutrition professionals, unethical actions can be cause for termination and loss of funding for their program. Unethical practices can damage an employee's reputation and the reputation of the district. In some cases, ethical violations could even result in legal ramifications or prosecution.

Ethical Procurement prohibits breach of the public's trust by discouraging a public employee from attempting to realize personal gain through conduct inconsistent with the proper discharge of the employee's duties.

#### **Element 1.1: Conflict of Interest**

Public Procurement professionals shall:

Avoid any private or professional activity that would create a conflict of interest or the appearance of impropriety

- Avoid engaging in personal business with any supplier representative or similar person
- Avoid lending money to or borrowing money from any supplier
- Avoid any and all potential for nepotism
- Avoid an overlap of duties in the procurement process
- Safeguard the procurement process from political or outside influence

#### **Element 1.2: Conduct with Suppliers**

Business dealings with suppliers must be fair and transparent. Procurement shall:

- Refrain from showing favoritism or being influenced by suppliers through the acceptance of gifts, gratuities, loans or favors
- Refrain from showing preference to suppliers because of pressure from management
- Refrain from allowing personality to enter into purchasing decisions
- Refrain from giving preference to suppliers based on long-term relationships
- Safeguard supplier confidentiality
- Refrain from requiring suppliers to pay to be included on an approved or preferred supplier list
- Refrain from requesting donations of goods or services to the public entity
- Select suppliers on the basis of meeting appropriate and fair criteria

- Discourage the arbitrary or unfair use of purchasing leverage or influence when dealing with suppliers
- Avoid the exertion of undue influence or abuses of power
- Refrain from allowing anyone who is involved in manufacturing or selling the product to help you with writing the bid specifications or bid provisions.
- Treat all suppliers fair and equal

### **Element 1.3: Corruption**

Public procurement professionals who become aware of any corrupt activity have a duty to the profession and to their employing organizations to alert their senior management and/or elected officials. Public procurement shall not tolerate bribery or corruption in any form.

### **Element 1.4: Business gifts and hospitality**

- Not soliciting or accepting money, loans, and credits or prejudicial discounts, gifts, entertainment, favors, or services from present or potential suppliers which might influence or appear to influence a procurement decision/process.
- Avoiding meals or other hospitality with suppliers

### **Element 1.5: Other Policies and Considerations**

Ethical practices should be defined and embedded in other policies, procedures and practices which overlap public procurement. Other policies in the procurement space which will need to be considered may include the subjects of:

- Competition and anti-competitive practices
- Supplier diversity
- Supplier equality
- Sustainability
- Anti-discrimination policy
- Transparency

### **Element 1.6: Ensuring Compliance**

Ensuring compliance, focusing on high risk areas, understanding suppliers' operations and offering guidance and support when improvement is necessary or appropriate should ensure that strategic and operational risks associated with unethical practices are minimized. Public procurement professionals need to focus on ensuring compliance with their ethical code and the policies that it touches upon. To ensure this compliance, the focus:

- Should take place in parallel with the development of monitoring procedures
- May take time, or need to be introduced in phases
- May require prioritization of areas associated with ethical issues which might be of greater risk to the organization

#### **Element 1:7 Disciplinary Action**

Any employee involved in the procurement process found to be in violation of the code of ethics will be evaluated and under investigation by the Director

If the Director is found to be in violation of the code of ethics for the procurement process she/he will be evaluated and under investigation by the Board of Directors

Any infraction may be cause for a corrective action, a rebid of contracts, or termination of employment

Element 1:8: Federal, State, and local regulations must be followed to ensure compliance  
Public Procurement Practice

Procurement in the 21st Century

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Revised: