

CALHOUN COUNTY SCHOOL DISTRICT PURCHASING PROCEDURES

These procedures apply to all schools, department and offices of the District.

AUTHORITY (School Board Policy 7.70)

All purchases made from School District funds, including approved state online procurements, shall be in accordance with all applicable Florida Statutes, State Board of Education rules, State Department of Agriculture and Consumer Services rules, School Board and administrative procedures.

In case of emergency, the Superintendent or their designee is authorized to take necessary steps to procure the materials, supplies, equipment and services as necessary. Emergency purchases exceeding the dollar limit for formal bids must be accompanied by written authorization from the Superintendent and must be submitted to the School Board for review at its next regular meeting.

PROCUREMENT THRESHOLDS

The District procurement thresholds are as follows:

- A. Up to \$999 – Use best business practices
- B. \$1,000 - \$4999 – Informal quotes (3)
- C. \$5,000 - \$49,999 – Formal quote (3)
- D. \$50,000 and above – Standard Bid Procedures

MINIMUM COMPETITION REQUIREMENTS

These minimum competition requirements apply to the purchase of goods and services as set forth in School Board Policy 7.70. Every effort shall be made to ensure competitive pricing on all materials and services regardless of cost.

- A. Purchases not exceeding \$999 that are not covered by an existing competitive solicitation do not require written quotes; however, competition is encouraged. Every effort shall be made to ensure competitive pricing.
- B. Purchases of \$1,000 and up to \$4,999 require a minimum of three (3) informal quotes if not covered by an existing competitive solicitation. The quotes may be solicited by telephone, electronically, or in writing. Quote information should be included in the requisition comments and scanned as an attachment to the requisition when submitted. If three (3) quotes are not received, documentation should be submitted showing the effort made to obtain at least three (3) quotes. If the award is not made to the lowest quote, supporting documentation must be included in the file.
- C. Purchases over \$5,000 and up to \$49,999 require a minimum of three (3) formal quotes if not covered by an existing competitive solicitation. A formal quote is a written document from a company listing pricing information for the requested goods. The formal quote must include the company's name, address, phone number and date of quote. Any terms of the purchase must also be listed on the quote. If three (3) quotes are not received, documentation should be submitted showing the effort made to obtain at least three (3) quotes. If the award is not made to the lowest bidder, supporting documentation must be included in the file.

- D. Purchases \$50,000 and above require formal bid procedures. The Finance Department will issue competitive solicitations for all purchases of \$50,000 and above not covered by an existing solicitation using formal bid procedures unless otherwise waived.
- E. Any purchase of \$150,000 or more will be placed on the School Board agenda prior to purchase to discuss availability of funds and procurement options.

STATE OR OTHER GOVERNMENTAL AGENCY CONTRACT PURCHASES

All items exempt from bid and quotation procedures by Florida Statutes and State Board of Education rules shall be exempt from School Board purchasing and bidding rules. State or other governmental agency purchasing contracts or approved state online procurement may be used in lieu of bids when it is to the advantage of the School Board. Purchases may be made from the Florida Division of Corrections without competitive bidding for items authorized by general or special law.

When making purchases from a state or other governmental agency contract, no other price quote is needed. The purchase order must include a copy of the state contract pricing and the current State of Florida Contract Number. The contract number must be typed on the purchase order.

If you have obtained the state contract prices and you obtain a price quote that is less than state contract for the same goods or equipment, attach both the state contract pricing and the other price quote to your purchase order. A third quote is not required.

BLANKET PURCHASE ORDERS

A blanket purchase order is an open-ended contract to procure an indefinite quantity of commodities or services over an identified time span, as and when needed. Blanket purchase orders are not intended for large purchases but rather for commodities or services that the school/department anticipates they will purchase repetitively throughout the year. Commodities or services purchased against a blanket order should not exceed \$2,500 per month, and under no circumstances will exceed \$30,000 per year, per vendor. These amounts do not apply to owner direct purchases orders for the construction or remodel of facilities.

Blanket purchase orders shall be closed at the end of the fiscal year, the end of the funding source (grant) or specified expiration date of approved contracts.

SOLE SOURCE DESIGNATION

A sole source designation shall be made in the event that only one vendor possesses the unique and singularly available capability to meet the commodity or service requirements. Examples include, but are not limited to:

- A. Vendor is the exclusive distributor of commodity or sole provider of services being requested.
- B. Vendor holds the production and copyrights to the commodity.
- C. Compatibility with existing equipment, inventory, systems, programs or services is the overriding consideration.
- D. Purchase of a used item that is immediately available.
- E. Purchase of a particular product for a pilot program, trial, or testing.
- F. Vendor is the sole provider of the commodity or services for which the Board has established a "standard."
- G. Vendor is the sole provider of warranty service, maintenance or training for existing equipment.

- H. Commodity or service is a continuation of a major project previously purchased.
- I. The Finance Director, in writing, determines use of a sole source to be in the best interest of the District based on unusual or compelling circumstances.

The school/department shall complete a Sole Source Letter and submit to the Purchasing Department.

PURCHASING PROCEDURES WITH FEDERAL FUNDS

Procurement for Federal expenditures follows the same general procedures as other District expenditures, except that the review and subsequent approval of the Grant Coordinator is required prior to payment. Expenditures and activities for grants are outlined in the grant applications and budgets are approved by the Florida Department of Education and School Board. To ensure all expenditures are allowable, all Purchase Orders (POs) are approved by the Grant Coordinator which includes determining if the goods or services on the PO are within the grant terms and budget.

The Grant Coordinator with assistance from the Federal Projects Fiscal Assistant determines if the expenditure is allowable. All cost must be:

A. Reasonable, necessary and allocable

The three basic requirements of the expenditures of any Federal fund are that it is reasonable, necessary, and allocable. By approving the PO, the Grant Coordinator certifies that they have determined, using appropriate Federal statutes, regulations, and guidance, that the proposed expenditure meets all requirements in each area.

1. Reasonable is defined using a “reasonable person” or “prudent person” test. In other words, would a reasonable person in the same or similar circumstance make this purchase? Others have called this test the “New York Times” test; in other words, would this purchase look reasonable if it were featured in a headline in the newspaper? Consideration must be given to:
 - a. Whether the cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the Federal award;
 - b. The restraints or requirements imposed such as:
 - 1) Procurement process
 - 2) Federal, state and/or local laws, and
 - 3) Terms and conditions of the grant award.
 - c. Market prices for comparable goods or services in the geographical area;
 - d. Whether the individuals acted with prudence under the circumstances considering their responsibilities; and
 - e. Established practices and policies.
2. Necessary is defined as an item without which the program objectives cannot be achieved. Consideration must be given to the following questions:
 - a. Does the program really need this?
 - b. Is this the minimum amount I need to spend to meet my need?
 - c. Do I have the capacity to use what I am purchasing?
 - d. Did I pay a fair rate?
3. Allocable is defined as the cost for goods or services involved are chargeable or assignable in accordance with the relative benefits received. This means that the cost:
 - a. Is incurred specifically for the award,
 - b. Benefits both the award and other work and can be distributed in proportions that may be approximated using reasonable methods and
 - c. Necessary to the overall operation of the entity and assignable to the award in accordance with Federal requirements.

- d. In conformance with Federal Law and grant terms and conditions
- B. Consistent with state and local policies
- C. Consistently treated
- D. In accordance with Generally Accepted Accounting Principles (GAAP)
- E. Not included as match
- F. Adequately documented

Contracts

Oversight of all contract deliverables in connection with a Federal Award will be the responsibility of the Grant Coordinator unless specifically delegated in writing to another district employee. Proper documentation must be collected and maintained to show that all deliverables have been performed. If areas of noncompliance are identified, prompt action must be taken to ensure that performance is made in accordance with the contract.

Suspension and Debarment

The Suspension and Debarment process protects the federal government from fraud, waste and abuse by using a number of tools to avoid doing business with non-responsible contractors. For purchases orders and contracts over \$25,000, the Grant Coordinator will search the System for Award Management (SAM), a GSA administered website (<http://www.sam.gov>), to ensure the vendor is not listed as ineligible.