

CASWELL COUNTY SCHOOLS BOARD OF EDUCATION POLICY	<u>BUSINESS OPERATIONS</u> Purchasing	545
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The Board of Education is committed to using its authority to purchase goods and services in an ethical manner most likely to help students succeed. The Board's purchasing goals and principles will not be compromised by individuals motivated by personal gain.

The Board of Education and its officers, agents and employees are subject to the laws governing conflicts of interest in furnishing supplies and services to a School District. Conflicts of interest involving Board members or employees of the School District are prohibited. A conflict of interest arises when a Board member or employee has (1) any pecuniary interest, directly or indirectly, in supplying goods or services or (2) serves as an agent for any manufacturer, dealer or merchant. Board members or employees involved in the purchasing function will not accept gifts or favors in excess of nominal value.

The Superintendent or his designee is responsible to ensuring that all affected personnel are aware of Board policy requirements and applicable laws.

1. Participation of Historically Underutilized Businesses

The Board affirms the State's commitment to encourage participation of historically underutilized businesses ("HUBS") in the School District's purchase of goods and services.

The revision of the purchasing law did not change the requirements of General Statute 143-48(b) to report on purchases from minority, female and disabled owned business. General Statute 143-48 through 143.63.1 states it is the policy of the State to encourage the use of small, minority, women and disabled owned businesses. This information is reported to the Dept. of HUB quarterly on how much we spend with these vendors.

2. Organization of the Purchasing Function

The purchasing function will be organized by the superintendent in a manner intended to help meet the purchasing goals of the Board. The purchasing function includes the following:

- a. Approving purchases for all departments in accordance with applicable laws and regulations, including requirements of the E-Procurement Division, State Purchase and Contract and Board policy
- b. Establishing and enforcing a system for approving & accounting for purchases

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- c. Establishing a reasonable degree of standardization of equipment, supplies and materials
- d. Maintaining a list of potential bidders for various types of materials
- e. Providing information regarding bidding opportunities to vendors

3. Contracts with the Board

The Board of Education is the sole agency authorized to execute formal contracts between the School District and any firm or person offering to provide materials, supplies or services to the School District. Creditors are on notice that the Board may not choose to honor contracts made without proper authorization by designated school officials. The Board will not enter into a contract with any supplier or contractor when performance on any previous contract has been found to be unsatisfactory.

- a. Authorization to Enter into Contracts - No contract requiring the expenditure of funds may be agreed upon unless the budget resolution adopted authorizes the expense and there is sufficient unencumbered balance to pay the amount to be disbursed. Any contract involving expenditures in excess of \$5,000 must be reviewed and approved in advance by the Board. Unless otherwise prohibited by statute or regulation, the Superintendent or his designee is authorized to enter into contract or approve change orders involving amounts up to \$5,000 for construction contracts and \$5,000 for contracts for goods and services and report to the Board at the next meeting. All contracts for auditors, attorneys and architects will be approved by the Board
- b. Contract forms developed for use by a School District must be reviewed by the Board Attorney
- c. Lease Purchase Contracts - Any request to enter into a lease or lease/purchase contract as authorized by G.S. 115C-528, regardless of dollar amount, must be approved by the Finance Officer or Superintendent. The Finance Officer will provide the Board with periodic reports on lease purchase contracts, as requested.
- d. Other Applicable Policies - Purchases will be made as required by E Procurement and the State Division of Purchase & Contract. All contracts must be undertaken in compliance with Chapter 143 of the NC General Statutes and Board policy.

4. Pre-Audit Certification

No obligation may be incurred by the School District unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated. If an obligation is evidenced by a contract or purchase order, the document will include on its face a certificate stating that the instrument has been pre-audited to

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assure compliance with this policy. The certificate, which will be signed by the Finance Officer, will take substantially the following form:

“This instrument has been pre-audited in the manner required by the School Budget and Fiscal Control Act.

_____”
 (Date) (Signature of Finance Officer)

An obligation incurred in violation of this is invalid and may not be enforced. The Finance Officer will establish procedures to assure compliance with this policy.

5. Continuing Contracts

Continuing contracts, including leases and lease/purchase contracts, provide flexibility to meet the School District’s needs within its financial resources. The Board encourages the Superintendent and Finance Officer to consider the viability of such options in making purchasing decisions as permitted by State law. The following procedures and standards will be used in making decisions to enter continuing contracts:

- a. In addition to cash price bids, the School District may solicit financing proposals from equipment vendors and inform such vendors that the purchase of equipment is contingent upon obtaining satisfactory financing
- b. The Finance Officer or other designee will analyze the fiscal impact of any continuing contracts before entering into the contract
- c. Straight leases and financing services are not subject to competitive bidding; however, a reasonable effort will be made to obtain a competitive price and good value
- d. Items on state contract must be purchased following state regulations regardless of the method of financing.

5. State Purchasing Requirements for Equipment, Materials and Supplies

Currently, General Statute 115C-522, which required school administrative units to purchase all supplies, equipment and materials thru the Dept. of Administration-Purchase and Contract has been removed. Now, purchasing requirements by school units is the same as cities, counties and other local governments. This new law also establishes requirements for local school units regarding the use of the state’s E-Procurement service. In the year we are certified as being E-Procurement compliant, we must expend through the E-Procurement service at least 30% of our remaining unencumbered funds. The following year we must spend 35% and the next 40%. Bidding thresholds for formal quotes has been raised to the following criteria: Construction or repair - \$300,000; Supplies, Material, Equipment - \$90,000. Informal quotes are \$5000 to the formal limits above. Contracts not covered by the bidding laws are: Service Contracts, Leases, Real Property and Contracts less than \$5000.

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In addition, Public School Law (General Statute 115C-522) states it shall be the duty of local Boards of Education to purchase supplies, equipment and materials in accordance with contracts made by or with the approval of the Dept. of Administration (Purchase & Contract; Website: www.doa.state.nc.us/PandC/).

When purchasing supplies, materials and equipment we as a School District will establish the following guidelines:

- a. If your purchase totals \$2,500 to \$9,999, you must solicit (verbally) and document competitive bids when not purchasing from State contract. A minimum of three bids is preferred.
- b. If your purchase totals \$10,000 or more, sealed bids for quotes must be obtained.
- c. As required for all procurements utilizing Federal Child Nutrition Funds, when purchasing supplies, materials and equipment, Caswell County Schools will follow procedures of free and open competition. This includes purchasing of items that are below the small purchase threshold of \$2500.00. Small purchase competitive procurements shall be documented and include a minimum of three (3) price comparisons.

7. Bidders List

The Board of Education encourages processes that will foster competition among potential bidders. The School District's cost estimate for any contract is confidential prior to bidding or other competitive process. The identity of contractors who have obtained proposals for bid purposes for a public contract is confidential until bids are opened and recorded in the Board minutes. Any employee who divulges such information to any unauthorized person will be subject to disciplinary action.

This policy is not intended to limit the Superintendent's discretion to conduct pre-bid meetings.

8. Vendor Lists

The Board of Education desires to provide opportunities to responsible suppliers to do business with the School District. The Superintendent is encouraged to include vendors listed as historically underutilized businesses as well as E-Procurement compliant vendors.