

Chapter 1 – Introduction

I. Purpose

The purpose of this purchasing manual is to provide information necessary to buy goods and services in support of Washington County School District (WCSD).

A. Authority

The Purchasing Department of the WCSD has been given the exclusive authority by the Board of Education and Utah State Law, unless otherwise stated.

B. Policy

The School Board is dedicated to ensuring that:

- *WCSD purchases high quality goods and services at reasonable cost.*
- *WCSD conducts all purchasing actions in a fair and impartial manner with no impropriety or appearance thereof.*
- *All qualified vendors have access to WCSD business.*
- *No offeror is arbitrarily or capriciously excluded.*
- *The maximum feasible degree of competition is achieved.*

C. Definitions

1. Competitive Sealed Bidding A formal method of selecting the lowest responsible and responsive bidder. It includes the issuance of a written Invitation for Bid (IFB), public notice, a public bid opening, and evaluation based on the requirements stated in the IFB.

2. Competitive Negotiation A formal method of selecting the top-rated offeror. It includes the issuance of a written Request for Proposal (RFP), public notice, and evaluation based on the criteria stated in the RFP, and it allows negotiation with the top rated offeror(s).

3. Department Heads Those positions within WCSD that report directly to the Superintendent or the Assistant Superintendents.

4. Emergency When a breakdown in machinery and/or a threatened termination of essential services or a dangerous condition develops or when unforeseen circumstances arise causing loss or reduction of essential services.

5. Excess Property That property that exceeds the requirement of the school or office to which the property is assigned.
6. Firm Any individual, partnership, corporation, association, or other legal entity permitted by law to practice in Utah or any other individual, firm, partnership, corporation, association, or other legal entity qualified to perform professional services.
7. Fixed Asset A tangible item (not a component) that has an expected useful life of at least two years and a dollar value in excess of \$100.
8. Goods All material, equipment, supplies, printing, textbooks, and automated data processing hardware and software, to include computers.
9. Immediate Family A spouse, child, parent, brother, sister, and any other person living in the same household as the employee.
10. Nonpublic Funds Those funds raised directly by a school through its various activities such as ticket sales, fund-raising, and certain vocational education programs.
11. Professional and Consultant Services Shall mean any type of professional services which is either: 1) performed by an independent contractor within the practice of accounting, actuarial services, architecture, dentistry, land surveying, landscape architecture, law, medicine, optometry, pharmacy, or professional engineering , or 2) any other type of similar contractual service (including consultants), required by the school district but not furnished by its own employees, which is in its nature so unique that it should be obtained by negotiation on the basis of demonstrated competence and qualifications for the type of professional service required and at fair and reasonable compensation rather than by competitive sealed bidding.
12. Responsible Bidder or Offeror An individual, company, firm, corporation, partnership or other organization who has the capability in all respects to perform fully the contract requirement and the moral and business integrity and reliability that will assure good faith performance.
13. Responsive Bidder or Offeror: An individual, company, firm, corporation, partnership, or other organization that has submitted a bid or offer that conforms in all material respects to the Invitation to Bid or the Request for Proposal.
14. Sole Source A method of procurement that is used when a situation exists in which only one source is practicably available for that which is to be bought.
15. Surplus Property Any property that exceeds the requirement of the Washington County School District.

16. Services Any work performed by an independent contractor wherein the service provided does not consist primarily of buying equipment or materials or renting equipment, materials, and supplies.

D. Exemption

1. The policies and procedures discussed in this manual do not apply to capital construction and related architectural and engineering services. Purchase of these services is conducted under rules and regulations established by the Facilities Department.

E. Responsibilities

1. The Washington County School District Purchasing Manager is the principal public purchasing official of Washington County School District.

2. The Business Administrator exercises overall responsibility for Washington County School District's purchasing processes.

3. Principals and program managers are responsible for their procurement activities in accordance with WCSD policies and regulations.

4. Any purchase or contract entered into by any Washington County School District official or employee that violates the WCSD policy, or regulation, shall be the personal responsibility of that individual.

Chapter 2 – Procurement Overview

I. Purchasing Cycle

A. General

The Purchasing Cycle is a series of activities that are undertaken to assure that we receive the goods and services needed to support WCSD programs in a timely, safe, and economical manner. The cycle consists of the following steps:

- Recognition of the need for goods or services
- Preparation of specifications of needed goods or services
- Preparation of requisition
- Determination of proper procurement method (small purchase, competitive bid, competitive negotiation, sole source, emergency)
- Preparation of solicitation document
- Receipt of bids or proposals
- Review of bids for lowest responsible and responsive bidder or selection of proposal that is most advantageous to Washington County School District
- Issuance of purchase order or contract or negotiation of contract with selected offeror
- Receipt of goods or services
- Payment to vendor
- Contract administration to ensure vendor compliance with the terms and conditions of the contract or purchase order

II. Purchasing Delegation

A. General

The WCSD Purchasing Manager has delegated the following purchasing authorities:

- WCSD Facilities Department is responsible for School Board capital construction and related architectural and engineering services. Execution of contracts under this section must be conducted under the rules and regulations established by the School Board in accordance with the mandatory sections of the State of Utah procurement code.
- WCSD Purchasing Department is responsible for the execution of contracts for the purchase of instructional software, library books, and textbooks.
- WCSD Purchasing Department is responsible for approving purchase orders against established contracts.
- WCSD Purchasing Department is responsible for issuing, receiving, evaluating, and awarding informal competitive bids. All formal competitive bids, other than for capital construction-related services, are issued, received, and awarded by the WCSD Purchasing Department.
- Principals and program managers are responsible for the use of Washington County School District credit cards.

III. Purchasing Ethics

A. General

Public confidence in the integrity of Washington County School District purchasing activities is critical. Improprieties, or even the appearance of improprieties, can undermine this confidence with very negative consequences. Erosion of trust by Washington County taxpayers could result in decreased community support and revenues. Lack of trust by the vendor community could result in contract award protests or an unwillingness to submit bids, thus decreasing competition and potentially increasing the cost of goods or services

B. Policy

Ethics in procurement within Washington County School District is governed by the following:

State of Utah Procurement Code

C. Definitions

- Personal Interest Any personal financial benefit or liability accruing to a WCSD employee, his or her spouse, or any other relative residing in the same household.
- Contract any agreement to which the Washington County School Board is a party.
- Immediate Family A spouse and any other person, residing in the same household as the employee, who is a dependent of the employee or of whom the employee is a dependent.
- Transaction Any matter considered by the Washington County School Board on which official action is taken or contemplated.

D. Prohibited Contact

No WCSD employee having official responsibility for a procurement transaction will participate in that transaction on behalf of Washington County School District when the employee knows any or all of the following:

- The employee is contemporaneously employed by a bidder, offeror, or contractor involved in the procurement transaction.
- The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror, or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five percent.
- The employee, the employee's partner, or any member of the employee's immediate family has a pecuniary interest arising from the procurement transaction.
- The employee, the employee's partner, or any member of the employee's immediate family is negotiating or has an arrangement

concerning prospective employment with a bidder, offeror, or contractor.

No WCSD employee having official responsibility for a procurement transaction shall solicit, accept, or agree to accept from a bidder, offeror, contractor, or subcontractor any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal or minimal value, present or promised, unless consideration of substantially equal or greater value is exchanged.

No bidder, offeror, contractor, or subcontractor shall confer upon any WCSD employee having official responsibility for a procurement transaction any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is exchanged.

No WCSD employee or former WCSD employee having official responsibility for procurement transactions shall accept employment with any bidder, offeror, or contractor with whom the WCSD employee or former WCSD employee dealt with in an official capacity concerning procurement transactions for a period of one year from the cessation of employment with Washington County School District unless the employee, or former employee provides written notification to Washington County School Board prior to commencement of employment by that bidder, offeror, or contractor.

No WCSD employee having official responsibility for a procurement transaction shall knowingly falsify, conceal, or misrepresent a material fact; knowingly make any false, fictitious, or fraudulent statements or representations; or make or use any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry.

Chapter 3 – Contracting Process

I. Competitive Negotiation (Request for Proposal- RFP)

A. Purpose

Competitive sealed bidding is the preferred method of acquisition. This method of procurement allows for acquisition based on the best interests of Washington County School District.

B. Authority

Competitive negotiation is an accepted method of procurement under the Utah State Procurement Code. Competitive negotiation is expressly required when obtaining state-defined professional services and consultant services as described in the Purchasing Resolution.

C. Procedures

Competitive Negotiation

- Prior to preparing a RFP, individuals should consult with the Purchasing Department to determine whether a Request for Proposal (RFP) is the appropriate mechanism for the procurement.
- Assuming that an RFP is appropriate, an RFP can be prepared by the originating organization with advice and support from the Purchasing Department.
- The Purchasing Department reviews the RFP and makes changes as appropriate.
- The Purchasing Department issues the RFP to any specific firms identified by you and lists online through RFP Depot.
- Prior to the closing date of the RFP, the employee must create the Selection Advisory Committee (SAC).
- The employee must establish any weighting factors associated with the bases for award and provide these in writing to the Purchasing Department prior to the RFP closing date.
- The Purchasing Department reviews the proposals and forwards all responsive proposals to the SAC.
- The SAC is briefed by the Purchasing Department, and are required to sign disclosure forms prior to receiving proposals for evaluation.
- Each individual member of the SAC reviews evaluates, and members rank the proposals in accordance with the evaluation criteria in the RFP.

- The SAC meets as a group and reaches consensus on the ranking of proposals.
- Negotiations are undertaken with the top-ranked offeror.
- Assuming the negotiations are successful, an award recommendation is forwarded to the Purchasing Department for action.

D. Confidentiality

After public announcement of the names of offerors who have submitted proposals, all documents, meetings, notes, etc., associated with the process are to be considered confidential and not available for public inspection until after contract award by the Purchasing Agent. An offeror may request to review the files prior to award but after completion of the evaluation and negotiation processes. If an offeror submits a proposal with a request and justification that the proposal contains trade secrets or proprietary information, those documents must be kept confidential and are not subject to release even if a Freedom of Information Act (FOIA) request is made.

II. Specifications

A. Definitions

The term "specification" refers to that portion of a solicitation that describes the characteristics of a required product or service. A specification may include requirements for samples, descriptive literature, inspection, testing, warranty, and packaging.

B. Types of Specifications

Several types of specifications exist. The development, selection, and use of a particular type are dependent on an employee situation, time, and information available, and needs.

Performance Specifications: Performance specifications (also known as Functional Specifications) are preferred since they communicate what a product is to do, rather than how it is to be built. Performance specification should include the following:

- A general description
- Required performance characteristics (minimum/maximum) to include speed, storage, production capacity, usage, ability to perform a specific function
- Operational requirements, such as limitations on environment, water or air cooling, electrical requirements
- Site preparation requirements for which the contractor will be responsible, such as electricity, plumbing, or for which WCSSD will be responsible
- Compatibility requirements with existing equipment or programs
- Conversion requirements for maintaining a current equipment or system until switching to the new equipment or system
- Installation requirements

- Maintenance requirements
- Supplies and parts requirements
- Quantity and method of pricing
- Warranty; and Service location and response time

Design Specifications: Design specifications involve dimensional and other physical requirements and concentrate on how a product is to be built rather than on what it should do. Architects and engineers typically prepare design specifications for construction or custom manufactured products. A design specification includes the following:

- Dimensions, tolerances, and specific manufacturing or construction processes
- References to a manufacturer's brand name or model number
- Use of drawings and other detailed instructions to describe the product

Brand Name or Equal: Brand name or equal is the most commonly used type of specification.

Unless otherwise provided in the Invitation to Bid, the name of a certain brand, make, or manufacturer does not restrict bidders to the specific brand, make, or manufacturer named; it conveys the general style, type, character, and quality of the article desired, and any article which the public body in its sole discretion determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted

An equal product can be defined as being similar in form, fit, and function and may be substituted for the required items, with no advantage or disadvantage.

The most important part of preparing brand name bid specifications is the use of the product's salient features. Salient features are the inherent qualities of the product that are required for the product to perform its intended application. These characteristics should be stated in the specification, and the equal product must meet these requirements in order to be acceptable. Not all characteristics of a product typically can be categorized as salient features so it is important to identify those that truly are critical to the product's acceptability.

C. Scope of Work for Services

The following is a list of the types of information that should be included in a scope of work for professional or other services:

General Requirements

Describe the contractor's responsibility to provide a service or produce a specific study, design, or report.

Specific Requirements

Address the specific tasks, subtasks, parameters, and limitations that must be considered in producing the service or final project. The following factors should be included:

- Details of work environment
- Minimum or desired qualifications
- Amount of service needed
- Location of service
- Definition of service unit
- Time limitations
- Special equipment required
- Travel regulations or restrictions
- Other factors affecting working environment

Deliverables, Reports, and Delivery Dates

Identify the specific delivery dates for all documentation or other products the contractor must furnish. Be clear about the expectations for the contractor's performance.

III. Contracts

A. General

A contract is a mutually binding legal relationship obligating the seller to furnish the supplies or services and the buyer to pay for them. Under the Uniform Commercial Code, any contract with a value greater than \$500 must meet the following criteria to be legally binding:

- It must be in writing.
- There must be consideration, i.e., something of value given or done as recompense that is exchanged by two parties.
- All persons must have the ability or capacity to make a valid contract.
- That which is being performed under the contract must be legal.
- Both parties must have legal escape if a substantial disagreement occurs.
- Both parties have an obligation to do or to permit something to be done in consideration for the act of the other.

B. Types of Contracts

There are numerous types of contracts. The following types of contracts are those most commonly used within WCSD:

Annual Requirement Contracts

Annual requirement contracts are established through a competitive bidding process for recurring demand products. Vendors are required to supply these products at a fixed price in whatever quantities are requested throughout the year regardless of the original estimated quantities.

Under this type of contract, the vendor assumes certain risks because the actual quantities bought may be greater or less than the original estimate, and any product cost increase to the vendor typically cannot be passed on to Washington County School District.

Examples of the products that are purchased under an annual requirement contract include most instructional supplies, custodial cleaning supplies, and classroom furniture.

Percent Off List Price Contracts

An IFB is issued to request vendors to submit bids that offer percent discounts from list prices. Purchasing certain products in this way can be advantageous to the school system. Under this type of contract, Washington County School District assumes the risk of price increases to list prices while the vendors assume the risk regarding the quantities of the products that actually will be purchased.

Examples of the products that are purchased under a percent off list price contract include science supplies, computers/printers, and office furniture.

Sole Source Contracts

Sole source contracts are established when only one source practicably exists for a product. Under these circumstances, pricing and other contract terms typically are negotiated with vendors.

Time and Materials Contracts

Using a competitive bidding or negotiating process, a time and materials contract will be established when it is not possible or practical to obtain the needed services and/or materials at a fixed price. This type of contract specifies the fixed hourly rate and establishes how materials will be charged. The obvious disadvantage of this type of contract is that it requires careful oversight because there is no positive incentive for the vendor to control costs.

C. Origins of Contracts

Contracts are established based on specific requests or based on knowledge of recurring demand. The Purchasing Department works with Facilities and Maintenance Department to determine the need for contract creation.

Requests for the creation of a contract should be submitted in writing to the Purchasing Department.

D. Contract Approval

With a few exceptions, the Purchasing Department must approve all procurement contracts involving appropriated funds.

E. Personal Service Contract

Washington County School District often enters into agreements with individuals to perform a variety of services. These agreements may or may not need to be bid competitively, depending on the cost and type of service being provided. Typically, however, it is necessary that the Purchasing Department approve written contracts.

F. Contract Administration

It is necessary that contracts be administered to ensure that vendors are complying with the terms and conditions of the contract.

The Purchasing Department is responsible for administration of contracts involving appropriated funds. Problems with vendor performance should be reported to that office.

IV. Vendor Performance

A. General

All contracts and purchase orders contain vendor performance requirements. These requirements typically include price, quantity, quality, delivery location, and delivery date. An important part of the purchasing cycle is to ensure that vendor's performance is consistent with these requirements.

B. Non Compliance

If vendors fail to meet their contractual obligations, employees should notify the Purchasing Department immediately. This office will assume responsibility for trying to resolve the problem and for documenting the situation in the contract file if warranted by the circumstances.

If a vendor consistently fails to perform, it may result in cancellation of the contract. Under certain circumstances, vendors may be suspended or debarred by the Purchasing Agent from doing business with Washington County School District.

Chapter 4 – Purchasing Process

I. Purchase Orders

A. Purpose

Purchase Orders provide written authorization for vendors to provide the goods and/or services described on the order. The product or service description, delivery conditions, quantity, and price are all specifically listed on the order. Payment terms are also listed. The purchase order also confirms to vendors that funds have been encumbered to ensure payment after the goods or services have been received.

B. Signature

Purchase orders issued on behalf of Washington County School District must be authorized and signed by staff member of the Purchasing Department with the following exceptions:

- Capital construction and related services
- Food products purchased by Food Service
- Maintenance and Transportation hand-write purchase orders

C. Preparation

Purchase Orders are created in the FIS System after an employee has entered a requisition.

If there are no problems with the requisition, it is then converted to a Purchase Order (PO) that is distributed to the School/Department that initiated the requisition. Any delay in providing appropriate documentation (i.e. bids, itemized lists) will result in a delay in the PO process.

II. Receiving Reports (Goldenrods)

A. Purpose

It is vital that receiving reports be processed as soon as possible after receipt of goods or services. Without receiving reports, vendors cannot be paid. If vendors do not get paid, they begin to refuse to accept orders or to participate when bids are issued.

B. Accounts Payable

The Accounts Payable Department is responsible for processing vendor payments. This task is accomplished by matching purchase orders, vendor invoices, and receiving reports. If all three documents match within established tolerances, payment is

made. If mismatches occur, accounts payable must research and resolve the mismatch before processing the payment. If any of the three documents are missing, it must be obtained. Typically, the missing document is the receiving report.

III. Emergency and Sole Source Purchasing

A. General

Emergency and sole source purchases are two acceptable methods of procurement, but they should only be used when fully justified. The lack of competition in emergency or sole source situations often can result in price and service disadvantages.

B. Emergency Purchases

Emergency purchases can be used to buy critically needed goods or services in order to address dangerous conditions or the potential termination or reduction of essential services. If such a situation occurs, an employee should contact the Purchasing Department. Written justification will be required.

Even if an emergency occurs, an employee should attempt to obtain competition if at all possible.

If the emergency occurs after normal business hours, an employee should document the situation and his or her actions and provide this information to the Purchasing Department the next business day.

C. Sole Source Purchases

Sole source purchases are used when only one source is practicably available for a needed product or service. If there is reason to believe that such a situation exists, the employee should consult with the Purchasing Department. If agreement is reached that a sole source situation may exist, written justification will be required.

IV. Credit Cards

A. Authority

Credit cards are issued by the Zion's Bank in collaboration with the Business Department. The credit card is issued by a financial institution for the purpose of enabling administrators to acquire materials and/or services.

Credit cards represent one of several "tools" that are available to support a school/department's purchasing activities. Use of these cards can simplify and expedite the ordering process for many types of products.

B. Use and Limitations

Credit cards will be used in accordance with established procurement regulations.

Purchase limits per transaction are \$1,000.

C. Documentation

The financial institution sends monthly statements to each card holder. It is the card holder's responsibility to verify the correctness of the statement and to reconcile payment with the Business Department.

V. Warehouse Purchases

A. General

The warehouse is operated by the Business Department. The primary functions of the warehouse include:

- Receiving and storing recurring materials (custodial/supply)
- Picking up and disposing of surplus equipment
- Delivery of custodial and school supplies
- Receiving and delivery of food service items

B. Pickup of Surplus

The primary contact for surplus pickup is the Fixed Asset Technician at the District Office. Once an item has been identified as surplus, it will be made available to all schools. If it is not claimed by a school it will be sold to the public through our web site. The process from the time that an item has been declared surplus to when it is removed from the school is between 2-3 weeks.

If an item is broken or damaged please contact the Fixed Asset/Inventory Control Technician so that disposition can be arranged.

If you are uncertain about the condition or potential value of surplus items, please contact the Fixed Asset/Inventory Control Technician for advice and direction.

C. Return for Credit Policy

Schools/Departments can return stocked items for full credit in the warehouse as long as items have not been opened or used. The items will be picked up as soon as possible. After the items are returned, the warehouse will initiate actions to have funds credited in the FIS System.