

## **Calhoun County School District Purchasing Procedures**

These procedures apply to all schools, departments 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.

## **PURCHASING PROCEDURES USING STATE/LOCAL FUNDING SOURCES**

### **PROCUREMENT THRESHOLDS**

The District procurement thresholds are as follows:

- A. Up to \$2,999 – Use best business practices
- B. \$3,000 - \$14,999 – Informal quotes (3)
- C. \$15,000 - \$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 \$2,999 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 \$3,000 and up to \$14,999 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 \$15,000 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.

Calhoun County School Board Procedures

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School Board Policy 7.70 PURCHASING AND BIDDING

- D. Purchases \$50,000 and above require formal bid procedures. Competitive solicitations shall be requested from three (3) or more sources for any authorized or contractual services exceeding \$50,000 unless otherwise waived. The term “competitive solicitation” shall be defined for purposes of this rule to include purchasing made through the issuance of an invitation to bid, request for proposals and invitation to negotiate. Refer to SBE Rule 6A-1.012.
- E. A commodity or contractual service that is available from a single source may be exempted from requirements for competitive solicitation mentioned in D above provided that the District posts notice of its intent to purchase a specific item or service and subsequently posts notice of its intent to enter a single source contract per SBE Rule 6A-1.012 (12)(d).
- F. 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 (Only applies to purchases less than \$50,000)**

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**

This section will outline the unique process that must be followed to account for the additional procurement standards required under the Uniform Grant Guidance (UGG) whenever Federal funds are to be expended for goods and services. All procurement transactions for the acquisition of property or services under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of section 200.319 and 200.320.

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 which 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.

CFR 2 Section 200.318 requires the District to document their procurement procedures including how Board approved purchasing policies and procedures conform with the requirements of the Uniform Grant Guidance.

#### **Coordinating Purchasing Thresholds under UGG with Board Policy:**

Section 200.320 of the UGG establishes two thresholds (Micropurchases and Simplified Acquisition Threshold) that results in three levels of purchases:

- Micropurchases – Less than \$3,000
- Small Purchases - \$3,000-\$150,000
- Sealed Bids/Competitive Proposals (Simplified Acquisition Threshold) – Greater than \$150,000

Board procedures, in compliance with State law, establishes the following thresholds:

- Use best business practices for purchases under \$3,000
- Informal quotes (3) required for purchases between \$3,000-14,999
- Formal quotes (3) required for purchases between \$15,000-\$49,999

- Sealed Bid/Competitive Proposals for purchases \$50,000 and above

The resulting coordinated thresholds result in the following:

- Micropurchases – Less than \$3,000
  - District considers the price/rate reasonable
  - To extent practicable, District equitably distributes purchases among eligible suppliers
- Small Purchases - \$3,000-14,999 – Informal Quotes (3)
- Small Purchases - \$15,000-\$49,999 – Formal Quotes (3)
- Sealed Bids/Competitive Proposals - \$50,000 or more

All procurements in excess of \$150,000 (Simplified Acquisition Threshold) must have a cost or price analysis performed. The approach taken may include an independent estimation of the projected costs considered to be reasonable for the intended project (prior to receiving bids or proposals). Profit must be negotiated as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed.

#### Non-Competitive Procurement

The Department of Education may authorize its sub-recipients to use federal funds without competitive procurement as follows:

- The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold;
- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
- After solicitation of a number of sources, competition is determined inadequate.

The Grant Coordinator with assistance from the Federal Projects Fiscal Assistant determines if the expenditure is allowable, that no conflict of interests exist, opportunities for economic and efficient practices have been considered, opportunities for competition have not been restricted and justification for the procurement approach is documented. In addition, all costs 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 purchase order or contract, the Grant Coordinator certifies that s/he has 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. Are these costs allocable to the program; do they directly benefit the program? A cost is allocable to a Federal Award or cost objective if the 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 as either direct or indirect costs
- D. In accordance with Generally Accepted Accounting Principles (GAAP)
- E. Not included as match
- F. Adequately documented
- G. Be incurred during the approved budget period

Non-Federal entity's contracts must contain applicable provisions described in Appendix II of 2CFR 200 (200.326) Contract Provisions for non-Federal Entity Contracts under Federal Awards.

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.