



Provo City School District

Policy Series 6000 Finances and Operations

6210 P1

Purchase / Payment Procedures

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I. Vendor Selection

- A. Quote and Bid Requirements**
 - Single item purchases equal to or above \$5,000 require a minimum of two written quotes.
 - If a total transaction is equal to or above \$10,000 (regardless of single item cost), two written quotes are required before purchase. Any transaction equal to or above \$10,000 is required to be entered into Linq prior to purchase.
 - Single item purchases equal to or above \$5,000 require a minimum of two written quotes and must be entered into Linq for approval. Business Services will assist if necessary. *(With the exception of Child Nutrition Department which must obtain quotes on anything above \$10,000.)*
 - New single item purchases over \$50,000 require three written quotes and Board approval. Items over \$50,000 approved by the board during the budget process do not require

additional approval for purchase. Quotes and approval must be documented before purchase is made or contract is signed. Business Services will assist in obtaining quotes if necessary. Requisitions must be entered into Linq for approval.

- Purchases over \$80,000 require a sealed bid/RFP, which must be processed by Business Services and approved by the board.
- Purchases may not be artificially divided to defeat purchasing policy or procedures per state purchasing code and rule
- See part IV for purchases requiring contracts.

B. Vendor Selection/Award

- Utah State Procurement Code requires lowest bid from qualified/preselected vendors unless use of a higher priced vendor is justified. Exceptions to procurement code must be approved by Business Services.
- “Award” means the identification and selection of a vendor who may, upon satisfying the district’s due diligence inquiry, contract with the district as the result of a standard procurement process or permitted exception. Unless otherwise explicitly written in the solicitation documents or exception documentation, an award or notice of an award does not create or constitute a binding contract until the resulting contract has been fully executed by all parties and approving authorities, or the purchase order documentation has been signed and delivered to the awarded vendor.
- The district may use state contracts for vendor selection at all levels without additional bids. Federal child nutrition standards still require additional bids regardless of state contract status.
- Employees who are purchasing supplies or services for Provo City School District may not ask for or receive any payment or personal gain from vendors or suppliers.
- Sole source justifications are infrequently granted and must be requested in writing for district purchasing approval. Sole source justification form 6210 F4 must be completed.
- Purchases for Provo City School District Child Nutrition Program must comply with the Buy American Provision Requirements. See below
 - a. Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 (Public Law 105-336) added a provision, Section 12(n) to the NSLA (42 USC 1760(n)), requiring school food authorities (SFAs) to purchase, to the maximum extent practicable, domestic commodity or product. Section 12(n) of the NSLA defines "domestic commodity or product" as an agricultural commodity that is produced in the U.S. and a food product that is processed in the U.S. substantially using agricultural commodities produced in the U.S. “Substantially” means over 51% from American products. Therefore, over 51% of the final processed product (by weight or volume) must consist of agricultural commodities that were grown domestically. Thus, for foods that are unprocessed, agricultural commodities must be domestic, and for foods that are processed, they must be processed domestically using domestic agricultural food components that are comprised of over 51% domestically grown items, by weight or volume. The product's food component is considered the agricultural commodity. "Food component" means one of the food groups which comprises reimbursable meals. The food components are: meats/meat alternates, grains, vegetables, fruits, and fluid milk. Processed products must contain over 51% of the product's food component, by weight or volume, from U.S. origin. Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowed under this

provision as territories of the U.S. The Buy American provision (7 CFR 210.21(d) is one of the procurement standards SFAs must comply with when purchasing commercial food products served in the school meals programs.

- b. For compliance and audition purposes, the SFA will require in writing from the supplier (i.e., manufacturer or distributor) specific information about the percentage of U.S. content in any processed end product in order to document domestic percentage (written certification describing domestic content of the agricultural food component of commodities and products is required), and delivery invoices and receipts identifying the country of origin as being the U.S. or its territories, and in the case of a non-domestic product, a limited exception. Limited exceptions are limited exceptions to the provision which allow for the purchase of products not meeting the "domestic" standard (non-domestic) in circumstances when use of domestic products is truly not practicable. Before utilizing an exception, alternatives to purchasing non-domestic food products will be considered. Limited exceptions will be used as a last resort. Exceptions to the provision are: 1) The product is not produced or manufactured in the U.S. in sufficient and reasonably available quantities of a satisfactory quality; or 2) Competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product.
- c. **The Buy American provision supports local and small businesses.** Using food products from local sources supports local farmers and provides healthy choices for children in the school meal programs while supporting the local economy. Requiring compliance with the Buy American provision also supports SFAs working with local, or small, minority, and women-owned businesses as required by Federal regulations (2 CFR 200.321). Affirmative steps must be taken to assure that small and minority businesses, and women-owned businesses are used when possible. Affirmative steps include: 1) Placing qualified small and minority businesses, and women-owned businesses on solicitation lists; 2) Assuring that small and minority businesses, and women-owned businesses are solicited whenever they are potential sources; and 3) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

C. Conflict of Interest

- Where a possible conflict of interest exists, all vendor selections must be made through Business Services and a Conflict of Interest Form 6210 F5 must be submitted.

D. Budget Considerations

- Approval for purchases will be contingent on available budget. Purchases over available budget will be returned to requestor.

E. Placing Orders

- Bid proposals and/or approvals are required for the following:
 - a. **Purchase request** (*can be submitted at any \$ into Alio*)
 - b. **Purchase Cards (p-cards)** *See policy/procedure 6215*

F. Debarment

- The Procurement Official may either debar a person for cause from consideration for award of contracts for up to three years or suspend a person from consideration for award of contracts if there is cause to believe that the person has engaged in any activity that

might lead to debarment. A suspension may not be for more than three months unless an indictment has been issued for an offense which would cause debarment.

a. Causes for debarment include:

1. conviction of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract or in the performance of a public or private contract or subcontract
 2. conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a contractor for the district
 3. conviction under state or federal antitrust statutes
 4. failure without good cause to perform in accordance with the terms of the contract
 5. a violation of the Procurement Code or the district's procurement policies
 6. any other cause that the Procurement Official determines to be so serious and compelling as to affect responsibility as a contractor for the district, including debarment by another governmental entity
- The district may consider any cause for debarment as a basis for determining that a person responding to a solicitation is not responsible independent of any effort or proceeding to debar or suspend the person and even if the district does not choose to seek debarment or suspension.
 - Bids, offers, or other submissions received from any person that is suspended, debarred, or otherwise ineligible as of the due date for receipt of bids, proposals, or other submissions shall be rejected by the district.
 - A person with an outstanding tax lien in the state may not submit a quote, bid, or offer to the district, nor may such a person contract to provide a procurement item to the district. However, if the district Procurement Officer determines that it is in the best interests of the district to do so, the district may grant an exception to this prohibition for a specified and particular quote, bid, offer, or contract. The district may reject a quote, bid, or offer submitted in violation of this prohibition.

G. Preferences

- The District shall, for all procurements, give a reciprocal preference to those bidders offering procurement items that are produced, manufactured, mined, grown, or performed in Utah ("Utah items") over those bidders offering procurement items that are produced, manufactured, mined, grown, or performed in any state that gives or requires a preference to procurement items that are produced, manufactured, mined, grown, or performed in that state ("out of state preferred items"). The amount of reciprocal preference shall be equal to the amount of the preference applied by the other state for that particular procurement item. In order to receive a reciprocal preference under this section, the bidder must certify on the bid that the procurement items offered are Utah items. Without that certification on the bid, the reciprocal preference is waived.
- If the responsible bidder submitting the lowest responsive bid offers out of state preferred items, and if another responsible bidder has submitted a responsive bid offering Utah

items, and with the benefit of the reciprocal preference, the bid of the other bidder is equal to or less than the original lowest bid, the District shall (1) notify the Utah items bidder that the bidder qualifies as a preferred bidder; and (2) make the purchase from the preferred bidder if the bidder agrees, in writing, to meet the low bid within 72 hours after the notice. The district shall include the exact price submitted by the lowest bidder in its notice to the preferred bidder. The district may not enter into a contract with any other bidder for the purchase until 72 hours have elapsed after notice to the preferred bidder. If there is more than one preferred bidder, the district shall award the contract to the willing preferred bidder who was the lowest preferred bidder originally. If there were two or more equally low preferred bidders, the district shall comply with the rules of the Procurement Policy Board to determine which bidder should be awarded the contract.

- This section does not apply if application of the section might jeopardize the receipt of federal funds.
- A “resident contractor” is a person, partnership, corporation, or other business entity that either has its principal place of business in Utah or that employs workers who are residents of this state when available; and also was transacting business on the date when bids for the public contract were first solicited.
- When awarding contracts for construction, the district shall grant a resident contractor a reciprocal preference over a nonresident contractor from any state that gives or requires a preference to contractors from that state. The amount of the reciprocal preference shall be equal to the amount of the preference applied by the nonresident contractor’s state. To receive the reciprocal preference under this section, the bidder shall certify on the bid that the bidder qualifies as a resident contractor. Without that certification on the bid, the reciprocal preference is waived.
- If the responsible contractor submitting the lowest responsive bid is a nonresident contractor and has a principal place of business in a state giving or requiring a preference to contractors from that state, and if a responsible resident contractor has also submitted a responsive bid, and, with the benefit of the reciprocal preference, the resident contractor’s bid is equal to or less than the original lowest bid, the District shall notify the resident contractor that the resident contractor qualifies as a preferred resident contractor and issue the contract to the resident contractor if that contractor agrees, in writing, to meet the low bid within 72 hours after notice of preferred resident contractor status. The district notice shall include the exact price submitted by the lowest bidder. The district may not enter into a contract with any other bidder for the construction until 72 hours have elapsed after notice to the preferred resident contractor. If there is more than one preferred resident contractor, the district shall award the contract to the willing preferred resident contractor who was the lowest preferred resident contractor originally. If there were two or more equally low preferred resident contractors, the district shall comply with the rules of the Procurement Policy Board to determine which bidder should be awarded the contract.
- This section does not apply if application of the section might jeopardize the receipt of federal funds.
- Neither the Utah products preference nor the Utah resident contractor preference apply to the extent that they conflict with federal requirements relating to a procurement that

involves the expenditure of federal assistance, federal contract funds, or federal financial participation funds.

II. Request for Proposals (RFP), Request for Information (RFI), Request for Statement of Qualifications (RFQ)

- a. Supplemental procurement processes can be used to assist with the standard procurement process. Within the district policy, the RFP, RFI or RFQ is generally used when the purchase amount of an item or project is over \$80,000. Personal Services are not subject to these provisions, but can be used to select new providers.
- b. District personnel will provide Business Services with information and specifications regarding any request submitted. Each specification shall be drafted with the objective of clearly describing the district's requirements and encouraging competition and shall emphasize the functional or performance criteria necessary to meet the district's needs.
- c. A person with a conflict of interest, or who anticipates responding to the proposal, may not participate in writing specifications or be employed by any organization submitting a response to the solicitation.
- d. The Utah state bid site will be used to post, gather and review information submitted by potential vendors. Postings shall also be included on the district's main website. Postings shall be available for at least seven (7) days before the day of the deadline for submitting a response.
- e. The district may provide individual notice to potential vendors after public posting has commenced.
- f. The district may cancel a solicitation or reject bids and proposals, in whole or in part, if it is in the best interest of the district to do so. The reasons for cancellation or rejection shall be made part of the contract file and shall be available for public inspection. Following cancellation, the district shall either resolicit responses or withdraw the requisition for the procurement item.
- g. The district may reject a solicitation response if it violates a solicitation requirement, is submitted after the deadline, or it does not meet response criteria. The district may reject solicitation responses if the submitting vendor is not responsible, is in violation of the procurement code or regulations, has engaged in unethical conduct, is subject to an outstanding tax lien, or a change in the vendor's circumstances would have caused the district to reject the response. Vendors failing to sign applicable purchasing documents can also be rejected after 90 days. If vendor is rejected, the district will provide a written statement of reasons to the vendor.
- h. A solicitation may be canceled after opening the responses but before award when the district makes a written determination that one of the following circumstances exist:
 1. The scope of work or other requirements contained in the solicitation documents were not met by any person and all solicitation responses have been determined to be either nonresponsive or not responsible
 2. An infraction of code, rule or policy has occurred

3. Inadequate, erroneous, or ambiguous specifications or requirements were cited in the solicitation
 4. The specifications in the solicitation have been or must be revised
 5. The procurement item being solicited is no longer required
 6. The solicitation did not provide for consideration of all factors of cost to the district, such as cost of transportation, warranties, service and maintenance
 7. Solicitation responses received show that the needs to the district can be satisfied by a less expensive procurement item differing from that in the solicitation
 8. All otherwise acceptable solicitation responses received are at unreasonable process, or only one solicitation response is received and the procurement official cannot determine the reasonableness of the bid price or cost proposal
 9. Other reasons specified in state code (Title 63G, Chapter 6a, Utah Procurement Code) or administrative rule
 10. Other circumstances deemed to constitute reasonable cause by the Procurement official
 11. Cancellation cannot be used to steer a contract to a favored vendor or make a vendor who was previously disqualified or rejected in a solicitation eligible for a contract award for the same procurement item
- i. The district may allow correction of an immaterial error in a responsive solicitation, including missing signatures, acknowledgements of addendums, missing copies of professional licenses, typographical errors, error resulting from an inaccuracy in the solicitation, and other immaterial errors. The district shall require the corrections to be made in writing and shall establish a deadline for making the correction.
 - j. The district may make a written request to a vendor to clarify information in a responsive solicitation or to provide additional information that the district determines is needed to determine viability of response. The district shall establish and enforce a deadline for submitting the information
 - k. Best and final offers are only allowable in the RFP process.
- A request for information may seek a wide range of information, including availability, schedules, standards and practices, specifications, training, new technologies, capabilities of providers, and alternate solutions. An RFI is not a procurement process and may not be used to negotiate fees, enter into a contract or determine the allowability of procurement.
 - a. Information submitted with an RFI is considered “protected” information under the Utah Government Records Access and Management Act. Potential responders must provide a written claim of business confidentiality and a concise statement of reasons supporting the claim.

III. Purchase / Payment Approvals – all purchases/payments require two district employees’ approval. All requisitions for vendors must be entered into Linq.

A. Less than \$5,000 for a single item and total transaction does not exceed \$9,999

- No bids required. (Child nutrition must obtain two quotes for anything above \$3,500).
- B. Single item purchases equal to or above \$5,000 or a total transaction of equal to or above \$10,000**
- C. Two written quotes are required. Requisitions must be entered into Linq for approval. Purchases from vendors who do not accept purchase orders must be made by Business Services after quotes are obtained. (With the exception of the Child Nutrition Department which must obtain quotes on anything above \$3,500).\$50,000+**
 - New single item purchases or projects
 - Must be presented to the Board of Education for approval unless approval was obtained during the budget process.
 - Prior signature of the proper principal, director, district council member, or superintendent or of their acting replacement in his or her absence.
 - Prior signature of the business administrator.
 - Prior signature of the superintendent.
 - Single item purchases or projects over \$50,000 require **a minimum of three written quotes** and must be entered into Linq after board approval. Business Services will assist in acquiring bids when necessary.
 - Single item purchases or projects over \$80,000 require a sealed bid/RFP, which must be processed by Business Services.
- D. Building Additions, Improvements, and Modifications**
 - Prior approval from the Capital Facilities Committee
 - Prior approval of the board for all projects with a total cost of over \$50,000.
 - Projects may not be artificially divided to defeat purchasing policy or procedures.
- E. See Construction Procurement Policy 6212 Approval Thresholds**
 - Requisitions over \$20,000 require superintendent and business administrator approval.
 - Requisitions for single items over \$50,000 require board approval.

IV. Purchase Requisitions and Purchase Orders

- A. Select a Vendor (*See Section I*)**
 - If vendor is not in Linq, a W-9 must be submitted to District Business Services to be entered into Linq.
- B. Placing an order**
 - Requisition must be entered into Linq. Required bids must be kept with purchase documentation and scanned into Archive when purchase order is created.
 - School/Department staff will submit purchase order to vendor for order.
- C. Receiving Purchase Orders**
 - The receiver will:
 - a. Open packages and boxes when they are delivered.
 - b. Check the contents for correct quantity, damage, and correct items shipped.
 - c. Notify Vendor of shortages, overages, incorrect items, or damaged items.
 - d. Receive the Purchase Order in Linq.
 - e. Stamp the invoice with the 'Accounts Payable Stamp' or write required information on invoice (purchase order, date received, vendor number).
 - f. Scan the invoice and drop in Linq Archive in the Unfiled folder

- g. Accounts Payable will process the invoice for payment unless payment is made by school checking account.

V. Contracts

A. Contacts

- If the purpose of the purchase requires a contract, lease agreement, or other legally binding agreement to be entered into, a copy of the contract **MUST** be signed by the Business Administrator, including addendums.
- **ALL** software contracts **MUST** have a Non-Disclosure Agreement signed by the vendor attached as part of the contract, see 6210 F10.

See policy 6220 for Personal Service/Consultant Contracts. **VI. Change Order** Any change to purchase orders or contracts that increases the cost must be approved and processed by Business Services prior to any change in the contract, delivery or acceptance of additional goods or commencement of additional work.

VII. District Payment Methods

A. Accounts Payable

- School or District Accounts Payable is preferred payment method for any purchase with an invoice.
- Accounts payable pays all district purchase order items and invoiced amounts.
- All invoices received related to a District Purchase Order;
 - a. Verify and receive item(s) in Linq.
 - b. Stamp the invoice with the 'Accounts Payable Stamp' or write required information on the invoice.
 - c. Scan the invoice and any bid documentation and attach it in Linq Archive in the Unfiled folder.
 - d. Accounts Payable will process the invoice for payment.
- Weekly check runs are on Wednesdays. Invoices received by Friday will be processed the following week.
- Employee Reimbursement
 - a. All employee reimbursements should have documented preapproval for the reimbursement. Requisitions must be entered into Linq for appropriate approval and payment with the regular check run. Payment will be deposited in employee's primary account used for payroll.

B. Purchase Cards (US Bank p-cards) (see 6211 P1)

C. Change boxes

- District Change Boxes
 - a. The change box is available in the District cashier's office and is to be used for book fair start-up funds and other school needs. Elementary schools must obtain start-up funds from Business Services.
 - b.
 - c. The change box is to be stored in a secure area.
 - d. Employee reimbursements must be done through Accounts Payable

- 1.
- Secondary School Change Boxes
 - a. Petty Cash may be kept by the secondary schools' MAIN OFFICE for miscellaneous use and must abide by the following:
 1. All petty cash funds and amounts must be approved by Business Services.
 2. Change boxes shall not contain more money than necessary for current activities.
 3. Shall not be used for receipting monies for services provided or making purchases.
 4. Shall be accounted for on an imprest basis with a monthly reconciliation.
 5. Shall be kept in a safe/locked location.
 6. Employees checking out change boxes should verify beginning cash amounts and provide reconciliation upon return. Amounts over beginning total must be deposited in the proper account and the original total returned to the safe.

VIII. School Account Payments

- All funds received from school fundraisers, student fees, etc. are to be deposited in the authorized school checking account.
- Schools are only authorized to establish one school checking account, and the business administrator must be established as a signor on the account.
- School debit cards drawn against the school checking account may be issued. School debit cards follow district purchasing procedures and policies.
- No other checking, charge, or financial accounts may be established by the school.
- The school checking account is to be used only to pay school purchases which are to be charged against the school account budget. District payment and vendor selection procedures must be followed.
- Pre-approval must be given before purchases can be made.
- Requisitions can be entered into Linq for approval and payment.

IX. Employee Payments

A. Employee Compensation

All employee compensation of a cash basis must be processed through the payroll system. Gift cards given for additional work or recognition, regardless of amount, will be taxed through the payroll system the month after a gift card is given.

B. Employee Reimbursements (not including travel)

- With the additional purchase cards provided, employee reimbursements should not be necessary. In the event that a purchase card did not work or other situations arise, employee reimbursements should be small and infrequent in nature (around \$50). Any exceptions must be approved by Business Services.

- Employees who purchase items and seek reimbursement must receive prior written authorization from their director before purchase is made. Proof of authorization must be included with reimbursement request.
- Reimbursements must be completed within 30 days of purchase. Reimbursements will not be made for items that are not in compliance with the wellness policy (see Policy 3401).
- Reimbursements should not be sought by teachers until teacher supply money has been fully expended. Receipts for expended teacher supply money should be submitted to the secretary before reimbursements are made.