

PURCHASING PROCEDURES

~~Procedures for purchasing will be developed by the Superintendent or his/her designee.~~

~~Purchasing procedures will be designed to avoid assumption of risk and to ensure the best possible price for the desired products and services.~~

~~These procedures will require that all purchases are made on properly approved purchase orders and that for items not put to bid, price quotations will be solicited.~~

~~Special arrangements may be made for ordering perishable and emergency supplies.~~

Definitions. In this policy:

- I. "Construction management" means a method of contracting where the state engages the services of a contractor to work with an architect or engineer. The contractor assumes risk for construction and is required to provide design phase consultation, including the evaluation of costs, schedules, implication of alternative designs, systems, and materials.
- II. "Contract construction" means all construction performed in whole or in part by an independent contractor.
- III. "Cost-plus contract" means a contract under which the payment for the work is the actual cost, plus either a fixed fee or a percentage of the cost as profit.
- IV. "Design build" means a method of contracting where the state engages the professional services of a single entity designer/builder who is responsible for the provision of the design and construction of a project. The designer/builder can be either a single firm or a team of architect, engineer, and builder. The designer/builder contracts directly with all subcontractors and is responsible for the delivery of the completed project.
- V. "Registered architect or professional engineer" means a person licensed in the state as an architect or engineer.
- VI. "Construction Project" means any construction, reconstruction, alteration, or maintenance in any building, plant, fixture, or facility.
- VII. "Professional Services" means services provided by a licensed professional individual or firm such as a professional engineer, a medical doctor, lawyer, architect, engineer, surveyor, etc..
- VIII. "Competitive Bidding" means a process by which sealed price proposals are received by the District for the purchase of goods or services where the scope of the services to be provided are narrowly and accurately defined or where the goods being purchased can be purchased at the same or similar quality from multiple vendors.
- IX. "Competitive Quotes" means a process by which price proposals for goods or services are received by the District from vendors where the goods or services provided may vary between vendors resulting in the need to qualify the proposals using other data points besides price.

- X. "Cash equivalents" are gift certificates, gift cards, and any financial instruments redeemable for cash as cash equivalents.

Professional Services

It shall be the policy of the District to negotiate contracts for professional services on the basis of demonstrated competence and qualifications for the type of professional services required, and at fair and reasonable prices.

Construction Projects

When seeking professional services for construction projects where the estimated cost for professional services in one or more disciplines exceeds \$5,000, the Superintendent, or his/her designee, shall publish a request for proposals or, when a definite scope of work is not yet defined, a request for qualifications for each project for which engineering, architectural, or surveying services are to be procured.

The Superintendent, or his/her designee, for each proposed construction project requiring professional services in excess of \$5,000 in one discipline, shall publish a request for qualifications (RFQ) or request for proposals (RFP) and shall review and consider the qualifications after receiving qualifications or proposals. The Superintendent, or his/her designee shall then establish a short list of not less than 3 firms. The Superintendent, or his/her designee shall, for purposes of negotiation, arrange the firms deemed to be best qualified in order of preference as determined in accordance with the prescribed procedures of the District. An interview may be held with the short list firms or, in the case of selection based on an RFQ and where the scope of work has been further defined, detailed technical proposals may be requested.

The Superintendent, or his/her designee shall negotiate a contract with the highest qualified firm for professional services for construction projects at compensation which the Superintendent, or his/her designee, determines is fair and reasonable to the District. In making such determination, the Superintendent, or his/her designee, shall take into account the estimated value, scope, complexity, and professional nature of the services to be rendered.

Should the Superintendent, or his/her designee, be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price determined to be fair and reasonable to the District, negotiations with that firm should be formally terminated. The Superintendent, or his/her designee should then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the Superintendent, or his/her designee should terminate negotiations. The Superintendent, or his/her designee should then undertake negotiations with the third most qualified firm.

Should the Superintendent, or his/her designee be unable to negotiate a satisfactory contract with any of the selected firms, the Superintendent, or his/her designee shall select additional firms in order of their competence and qualification and continue negotiations in accordance with this section until an agreement is reached.

Once negotiations have been completed, the contract, if in excess of \$5,000 for professional services, will require School Board approval. Once approved by the School Board, all proposals submitted for a project shall become available for public review.

When seeking construction services for construction projects in excess of \$50,000, the School Board will authorize a construction delivery method and a process by which contract construction vendors will be selected in advance of the vendor selection process based on the recommendation of the Superintendent, or his/her designee.

If the School Board selects a construction management delivery method, the construction management company will be selected based on the professional services selection method described in this policy. All bids for trades will be handled through the construction management company with review by the Superintendent, or his/her designee and reports of all bids to the School Board. If the construction management company recommends selecting a bid besides the lowest bid received, School Board approval will be required.

If the School Board selects a design/build construction delivery method, the design/build firm will be selected by sealed RFP/RFQ process whereby the design/build construction firm is selected by a combination of their professional qualifications and the price proposal provided. After a public opening and review by the Superintendent, or his/her designee, interviews may be conducted by the top three firms. After the conclusion of those interviews, the Superintendent, or his/her designee will make a recommendation to the School Board for approval including a proposed contract between the design/build firm and the District.

If the School Board selects a design/bid/build construction delivery method, bids for construction will be received through a competitive bidding process. At the close of the competitive bidding submission process, all bids will be opened publically and be made publically available. The Superintendent, or his/her designee will make a recommendation to the School Board for approval of the bid. If the Superintendent, or his/her designee is not recommending the lowest bidder, a detailed justification will be included with the recommendation.

For construction projects under \$50,000, but more than \$15,000, School Board approval will be required to authorize contracts with construction firms. The Superintendent, or his/her designee will be required to provide detailed description of the process used to select vendors as well as all documented quotes or bids received.

All construction projects over \$5,000 will require notification to the School Board including a copy of the contract with the vendor and a copy of the purchase order.

Any deviation from this section will require prior approval by the School Board.

Purchasing of Goods or Products

All purchasing, whenever possible and in the best interest of the District, shall be done cooperatively through collaborative purchasing groups (e.g. State of New Hampshire bids and U.S. Communities) or with other districts and/or municipalities to take advantage of lower prices for bulk purchasing, and to reduce the administrative costs involved in bidding.

All purchases for transportation services shall be done in a competitive RFP/RFQ process and shall require approval of the School Board.

All purchases for fuel, heating oil, and propane shall be done in a competitive bid process and shall require approval of the School Board.

All purchases for any single physical item (such as a vehicle, a commercial refrigerator, or a generator) in excess of \$15,000 shall require approval of the School Board with detailed backup information provided to the Board. If a competitive bid process cannot be used, the Superintendent or his/her designee will provide thorough documentation and justification to the Board.

Any contract for the purchase of goods in excess of \$25,000 in total (such as copy paper) shall require approval of the School Board.

Any purchase orders in excess of \$5,000 shall be provided to the School Board on a monthly basis.

Internal Controls

All purchases must be supported by purchase orders and/or procurement card receipts.

Payment shall be made only upon the receipt of an original invoice and/or a procurement card statement and acknowledgement by the person receiving the goods services that the order is complete and that all goods and/or services have been delivered. When authorized by the Superintendent or Business Administrator to complete a cash purchase, school personnel shall submit the original itemized receipt for reimbursement.

All management of funds shall be done in compliance with generally accepted accounting principles and the rules of the New Hampshire Department of Education.

A clear audit trail must exist from receipt of funds to disbursement of funds.

Purchase requisitions must be entered in the District's financial software containing the budget unit organization and object codes to be charged, and bear the electronic approval of the Principal and/or Director. Orders that must be put to bid or have solicited price quotations must have a copy of the bid or quotation provided. The Business Office shall verify that District policy and correct accounting codes are followed prior to the issuance of a purchase order. It shall be the responsibility of the Principal or Director to request a budget transfer of funds to cover any order that may take an account over-budget.

All bids and Requests for Proposals shall be issued from the SAU Business Office unless otherwise stated by the Superintendent.

Blanket purchase orders may be issued to vendors where repeated purchases of incidental items take place. All blanket purchase orders must be approved by the Business Administrator.

Employees provided with a District procurement card for business purchases must follow the procedures established for p-card purchases.

The Superintendent, with the advice of the Business Administrator, may institute a partial or full freeze on expenditures at any time to protect the District against a potential deficit.

Administrative procedures relating to purchasing shall be recommended by the Business Administrator and approved by the Superintendent of Schools.

In the event of an emergency, the Superintendent or Business Administrator may approve a purchase outside the regular procedure. The Board shall be notified immediately of such purchases over \$5,000.

The use of cash equivalents must be used only in circumstances where other purchasing methods are unreasonable or impossible. In the use of cash equivalents, a detailed audit trail must be kept that outlines exactly what was purchased with cash equivalents.

Exceptions to Written Quotation or Bid Process

Exceptions to Bidding or Written Quotation Requirements include:

- Purchases made through collaborative purchasing groups.
- Purchases of utilities, where competitive sources are not available.
- Purchases involving the acquisition of personal or professional services.
- Purchases of proprietary maintenance contracts, where alternate “authorized” sources are not available.
- Renewal of current vendor service contracts where quality and timely performance is a critical requirement and where the Business Administrator determines renewal is in the best interest of the District.
- Purchases involving minor repairs less than \$15,000.
- Purchases involving major repairs in excess of \$15,000 where bidding or formal request for quotation (RFQ) requirements are waived by the Business Administrator due to the urgency of the repair.
- Purchases involving a documented sole source of supply (e.g. textbooks) or Board approved sole source vendors.
- Any other purchases deemed to be within the best interest of the District and approved by the Board.

Statutory Reference:

RSA 194-C:4,II a

Ed. 303.01 (b)

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