



Auburn School District Purchasing Manual

PURCHASING PROCEDURES

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SECTION 1 — PURCHASING – Authorization of Purchases

PURCHASING MANUAL	PURCHASING	REVISED DATE 3/23
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INTRODUCTION

The Purchasing Department is responsible for the acquisition of goods and services. With the exception of revolving account disbursements, travel and mileage claims, utilities, and purchases made with purchasing, travel and charge cards, all obligations for either goods or services must be processed through the purchase order system for authorization by the Purchasing Department. Purchase orders are originated by the ordering site for authorization by the Purchasing Department. For instructions on how to enter an electronic purchase order, see **Section 2 – Purchase Orders**.

Authorization by the Purchasing Department and the issuance of a purchase order must occur before goods and services are ordered and received. Purchase orders shall be issued to vendors by the Purchasing Department.

Acquisition of goods or services by an employee of the district, except for those noted above, without prior authorization of the Purchasing Department may be the sole responsibility of the employee.

Splitting purchases is strictly prohibited. Splitting up a purchase via purchase orders or purchasing cards is a circumvention of internal controls. This method avoids higher authority approvals and/or bypasses bid/quote thresholds; therefore, is strongly prohibited.

- The district has secured discount pricing with many online vendors such as ODP, Staples, KCDA. For this reason, do not use personal accounts. Contact the Purchasing Department for log in information for established accounts and/or questions.

PROCEDURE - Competitive Pricing and Bid Requirements

Formal bids and quotes assure that all purchases of furniture, supplies, equipment, building improvements or repairs, or other work or purchases, except books, for the district shall comply with RCW 28A.335.190, the School District Bid Law, as amended.

The Purchasing Department will determine if items \$40,000 and under are being selected competitively and seek competitive pricing wherever possible. From time to time, a site may have a purchase costing less than the amount requiring a bid or quote that ends up requiring a bid or quote because another site in the district has a similar or like requirement. If this situation occurs, the Purchasing Department will advise each site of the change and whether further information is needed.

All requests for these purchases shall be submitted to the Purchasing Department on a memo/e-mail that outlines the following:

- Item or services requested, including a complete description.
- Desired need date, estimated cost, and account code to be charged.
- A list of any known suppliers of the item or service.

Telephone and/or Written Quotes

Purchases of furniture, equipment, or supplies (except books), the cost of which is estimated to be more than \$40,000 up to but not including \$75,000, will be made on a competitive basis as required by RCW 28A.335.190. The contract for the purchases shall be awarded to the lowest responsible bidder as defined in RCW 43.19.1911.

Staff are directed to solicit telephone and/or written quotes from at least three different sources. Quotations shall be recorded for public perusal. The Purchasing Office will determine final acceptance of telephone and written quotes when necessary.

Formal Bids

All contract work or purchases for items or multiples of like items (except books) in excess of \$75,000 must be formally bid as required by RCW 28A.335.190. The contract for the work or purchases shall be awarded to the lowest responsible bidder as defined in RCW 43.19.1911.

The Purchasing Office shall be consulted in preparation of the specifications needed for the bid package. The bid opening time and place shall be set and the invitation to bid shall be advertised for two consecutive weeks in one or more local newspapers. On the designated date and time and in the place specified in the invitation to bid, the bid shall be publicly opened and read.

The Purchasing Coordinator shall review and recap the bids and make the award recommendation to the Superintendent, who submits it to the Board of Directors. The Board of Directors determines final acceptance. Upon acceptance, the Purchasing Department shall send the formal purchase order and contracts to the awarded agency.

The Purchasing Department shall originate all purchase orders for all goods and services that must be bid. Once inputted, the purchase order will then go through the electronic approval process.

Formal Bid/Quote—Public Works Contracts

Purchases of contract work for building improvements, repairs or other public works projects, the costs of which are estimated to be more than \$100,000 must be on a competitive basis as required by RCW 28A.335.190, unless the contract is let using the small works roster process in RCW 39.04.155. The contract for the work or purchases shall be awarded to the lowest responsible bidder as defined in RCW 43.19.1911.

The Purchasing Department is responsible for maintaining the small works roster. The small works roster shall be revised at least once each year by publishing a notice of such opportunity in at least one local newspaper of general circulation in the district. Responsible contractors will be added to the small-works roster at any time upon completion of the small works roster questionnaire and acceptance by the district.

When the estimated cost of a public works project is \$100,000 or more, the Purchasing Department has the option of following one of two processes:

1. Follow the bid process listed above under “Formal Bids.” This process requires Board approval of the bid award, or
2. For all projects estimated to cost between \$350,000 or less, follow the provisions of RCW 39.04.155 as listed below:
 - a. Projects with a cost up to \$50,000—Request quotes from five contractors on the small-works roster within the category.
 - b. Projects with a cost of up to \$350,000—Gain five or more quotes from the small works roster but notify all qualified contractors within the category for the project. Awards over \$100,000 need final approval by the Board of Directors.

REFERENCE

RCW 28A.320.040

RCW 28A.335.190

RCW 39.04.155

RCW 43.19.1911

Board Policy 6210

Board Policy 6220

Administrative Procedure 6210-P

Bids and Bidding Procedures

Since the laws of the State of Washington provide for certain procedures, which must be complied with by school Districts in the purchase of materials, equipment, and services, it is important that School Boards adopt policies that conform to these legal requirements.

The intent of the law is that school Districts should secure competitive bids for required goods and services and obtain the maximum value for each dollar expended consistent with the quality desired.

There are two types of bids in typical use:

The Formal Advertised (sealed written) Bid

The Informal (written or oral) Bid. The law requires the use of the Formal Advertised Bid on all expenditures of \$75,000 or more for furniture, equipment, or supplies (except books) with bids called for through legal advertising. Each local Board may establish purchasing policies and procedures to be followed for expenditures below these statutory limits RCW 28A 335.190. On purchases between \$40,000 and \$75,000, the informal bid (i.e., oral, fax/email or telephone quotation) may be used.

A. Formal Advertised Bids (Expenditures of \$75,000 or more)

When school District expenditure for furniture, equipment, or supplies (except books) is expected to exceed the statutory limits, the bid call must be publicly advertised. The bids are received in the form of sealed written proposals and are publicly opened at a stated time and place. Bids received late must be returned unopened to the bidder. Awarded to the lowest responsive and responsible bidder.

The proposal used for securing bids for supplies, equipment and some types of services consists of several parts, some of which lend them to standardization. It is recommended that standardized portions be submitted to the district's legal advisor for approval as to form. Proposals covering construction work are generally more involved legal instruments and should be drawn up by the Architect, or other competent person, with the assistance and approval of the district's legal advisor.

1. Notice to Bidders (Advertisement)

Whenever necessary to call for bids by advertising, complete plans and specifications for such work or purchases shall be prepared and notice by publication of intention to receive bids given in at least one newspaper or general circulation within the district, once each week for two consecutive weeks prior to bid opening (RCW 28A.335.190 (1)). The notice should be kept as part of the bid documents. It may be a policy for the clerk or secretary of the District Board or other authorized person must keep a copy of the printed notice on file. The following should be included in the notice:

- Date, time, and place of bid opening.
- Description of bid items.
- Directions to location where bidding documents may be obtained.
- Statement that the Board reserves the right to reject any and all bids and to waive any irregularities or informalities in the bids or in the bidding.

If the proposal has to do with construction or public works, the Notice to Bidder should contain, in addition to the above, the following, as well as potential posting to a plan center such as Dodge (D-form requirement):

- Statement regarding the payment of general prevailing wage rates of all trades involved in the work, including fringe benefits and a statement that wage rates are found at the Department of Labor & Industries (hyperlink suggested)
- Employment of apprentices (RCW 39.12.021).
- Amount of plan deposit, if required.
- Indication of amount of bid bond (usually 5%) required. (RCW 39.08.010). Indication that bidder may not withdraw his bid for a specified period after the opening.
- Indication as to whether payment bond and performance bond will be required of successful bidder and/or subcontractors.
- Retention requirements
- Specification of classification of contractor's license.
- Non-collusion affidavit information.
- Insurance requirements.
- Subcontractor requirements (RCW 39.30.060). Contract \$1,000,000 and above and due within 1 hour of bid due time.

The Notice to Bidders for construction work should be approved as to form by the district legal advisor.

2. Bid Proposal

This is the most important portion of the bid document. This instrument when signed by the bidder and accompanied by the bid bond or certified check, if required, is the bidder's agreement to furnish the supplies, equipment, or services in accordance with the bid documents and legal provisions. The Bid Proposal may be a separate document or may be a statement included on the bid form with the conditions and/or specifications. In construction work, the proposal is always a separate document.

3. Additional Information

Bid instructions and conditions may include the following and any other items pertinent to the district. The following general statements are often printed on the reverse side of a standardized proposal document form.

- Requirement that only District proposal form shall be used
- Instructions as to how to complete the bid
- Instructions for signing bid by responsible officer of company
- Required deposit or bonds
- Instructions for noting variations, substitution or alternates from articles specified
- Statement of regulations that will stand when alternates, substitution or variations are or are not accepted
- Sample submission requirements

How samples will be used, may be destroyed in tests, must be furnished free, without obligation, etc.

- Reserve the right to reject any and all bids
- Right to waive informalities or irregularities
- Form of protest
- Right to withdraw and timeframes to do so
- Necessary general delivery instructions
- Regulations regarding failure to deliver
- Instruction prohibiting extra charges for packaging, driving, etc.
- Statement regarding transfer of title to merchandise whether shipped F.O.B. shipping point, or F.O.B. destination
- Instructions regarding compliance with specifications
- Inspection procedures
- Statement of Work
- Technical Specifications and/or drawings
- Contract instructions
- Key Performance or Expectations of Work
- Protection Clauses
- Performance Clauses
- Addenda
- Failure to sign contract regulations
- Regulations in case of any additional costs or expenses incurred by the district
- Instructions regarding Washington State sales and other applicable taxes
- Interlocal agreement clause, if applicable (RCW 39.34)
- Identification of subcontractors
- Apprentices
- OMWBE, if in district policy

In addition, certain special conditions may be applicable to a particular bid, such as:

- Special bonding requirements
- How, when and where deliveries are to be made
- How awards will be made, whether by item or by groups of items, or all or none.
- Price protection clauses, if pertinent
- Other conditions and instructions specific to the bid

B. Informal Bids (Expenditures of \$40,000 - \$74,999.99)

The bid law makes a distinction for "Public Works" contracts. (RCW 28A 335.190)

- \$0 to \$39,999** - Use in-house staff or hire contractor without requirements for bids.
- \$40,000-\$149,999** - Obtain a minimum of three quotes if not using a Small Works Roster or five quotes if using the roster

\$150,000 - \$350,000 - Invite bids from all in the applicable category of the Small Works Roster or invite bids from five and notify all in the applicable category

- \$350,000 +** - Use formal bid process

For non-public works bids, a written informal quote may be obtained on the same form used for formal bids or the district may utilize a simpler Request for Quotation form. The Request for Quotation form should be prepared by the school District and furnished to the bidders for submitting written bids. This should include clear, concise terms, conditions, and specifications. This will more effectively convey to all parties exactly what you want - eliminating possible misunderstandings. It should be a policy of the district to accept written informal bids only on the district's form. Such a policy tends to place all bidders on a par and eliminates misunderstandings. The Request for Quotation should include in its makeup, general instructions, and conditions with which the bidders must comply in submitting their pricing. The form furnished to bidders should indicate any special conditions, instructions and specifications that are essential to the supplies, equipment, or services to be procured.

1. Some things that need to be included are:

- When is it needed
- Where is it to be delivered
- Time of day to deliver (during or after school)
- Receiving and Inspection procedure
- Installation
- Who handles the packing material (dunnage)
- Freight options and cost

There must be exact specifications for the item, for example:

50 each, task chair, HON or equal in mesh upper/back and upholstered seat in black level 1 material, 5-star caster base in black, arm package, (5) five seat and height adjust options, for (8) eight-hour use, maximum weight 300# with (10) ten-year warranty, freight: inside delivery, installed with dunnage removal.

2. The form should also have a place to indicate the date, time and place the quotations are due.

The form may be issued in sets of two (or more): an original, which is the bidder's signed copy submitted to the district, and a duplicate or bidder's copy, which is retained by the bidder.

C. **Oral Bid (Telephone, email, or fax Quotation)**

This type may be used in the case of emergency purchases or where the advantage of speedier receipt of merchandise is worth risking the greater error potential. It is good practice to obtain several bids in order to insure the lowest prices. The telephone quotation may be recorded on a form prepared for that purpose with space provided for entering at least three bids, the terms, availability, date, and name of person furnishing each quote, plus exact terms and conditions. These could be faxed, and a faxed or oral response received. A good practice is to follow up the oral

bid/quote with a signed one. This allows the speed of award with written confirmation. It is also acceptable to receive

Federal Purchasing Guidelines

Introduction

When procuring property and services under a Federal award, Districts must follow the same policies and procedures it uses for procurements from its non-Federal funds. (2 CFR §200.317). Districts may adopt additional policies and procedures in greater detail, and/or require bid limits which are more restrictive than federal or State regulations. Districts must follow the most restrictive regulations/policies whether they be Federal, State or District.

When possible, Districts shall comply with 2 CFR §200.321 (contracting with small/minority/women-owned businesses), §200.322 (domestic preferences), and §200.323 (procuring products utilizing recovered/recycled materials).

Districts must use due diligence to:

Conduct all procurement transactions in a manner providing full and open competition, when required (2 CFR §200.319)

- Distribute purchases equitably among suppliers
- Award contracts only to responsible vendors/contractors (2 CFR §200.318(h))
- Maintain oversight to ensure that vendors/contractors perform in accordance with terms, conditions and specifications of their contracts or purchase orders (2 CFR §200.318(b))
- Avoid acquisition of unnecessary or duplicative items (2 CFR §200.318(d))
- Cost effectiveness – Explore the use of shared goods and services with other government entities and consider the use of federal surplus (2 CFR §200.318(e and f))

Districts must maintain records sufficient to detail the history of procurement. These records will include, but are not limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. (2 CFR §200.318(i))

Written Policy/Procedure Requirements

General Procurement Standards (2 CFR §200.318(a))

Districts must have and follow documented procurement procedures, consistent with State, local, and tribal laws for the acquisition of property or services required under a federal award or subaward. The district's documented procurement procedures must conform to the procurement standards identified in §200.317 through §200.327.

Conflict of Interest/Gratuities (2 CFR §200.318(c)(1))

Districts must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.

Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the district may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, Districts may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the district.

Federal Programs - Expenditures

The following list of federal programs may not be all-inclusive.

- 24 – Special Education-Supplemental (e.g., Safety-Net)
- 25 – Special Education-Infants and Toddlers
- 29 – Special Education-Other
- 38 – Vocational Education 46 –
Skill Center
- 51 – Compensatory Education-ESEA Disadvantaged (e.g., Title I, parts A, B and G, Title X
McKinney-Vento)
- 52 – Compensatory Education-ESEA Other (e.g., Title II, parts A and D, Title IV, parts A and B, Title V,
part B)
- 53 – Compensatory Education-ESEA Migrant
- 54 – Compensatory Education-Reading First
- 57 – Compensatory Education-State Institutions Neglected and Delinquent
- 61 – Compensatory Education-Head Start
- 62 – Compensatory Education-Math and Science Professional Development
- 64 – Compensatory Education-Limited English Proficiency
- 67 – Compensatory Education-Indian Education JOM
- 68 – Compensatory Education-Indian Education ED
- 69 – Compensatory Education-Other
- 76 – Other Instructional Programs-Targeted Assistance
- 78 – Other Instructional Programs-Youth Training
- 98 – Child Nutrition Services

Reference: [Accounting Manual for Public School Districts in the State of Washington](#)

Federal Bid Limits (2 CFR §200.320)

Procurement Method	Goods except books (includes taxes & shipping),	Services and Books	Instructions
Micro-Purchase	\$10,000 or less OR \$40,000 if deemed low risk	\$10,000 or less OR \$50,000 if deemed low risk	No quotes required. Price considered reasonable based on research experience, history. To the extent practical, distribute purchases equitably among suppliers.
Small Purchase	\$10,000 or less OR \$40,000 if deemed low risk up to \$75,000	\$10,000 or less OR \$50,000 if deemed low risk up to \$250,000	Obtain/document quotes from a reasonable number of qualified sources (at least three). A non-response from a vendor is also considered a quote invitation.
Sealed Bids / Competitive Bids (Formal)	\$75,000 or more	\$250,000 or more	Must be publicly solicited using sealed bids.
Non-competitive proposals	Appropriate only when:	<ul style="list-style-type: none"> • Micro-purchase • Meets sole source criteria • The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation • The awarding agency (e.g., OSPI) authorizes a noncompetitive proposal in response to a written request from the district, i.e., Safety Net, etc. • After solicitation of a number of sources, competition is determined inadequate. 	

When calculating which bid limit applies, you must consider the aggregate amount. Aggregate is a collective amount or sum arrived at by putting together all components/parts of an assembled group without implying that the resulting total is a whole. This would include all purchases of similar products or services during the same fiscal year, across the entire District.

Districts may incorporate in their board policies, bid thresholds which are more restrictive than State and federal thresholds. Districts are to follow the most restrictive threshold.

Note that although textbooks are exempt from State bid law, there is a \$10,000 (or \$50,000 if deemed low risk) threshold for the purchase of books with federal money. Make sure your Teaching and Learning (Curriculum) Department is aware of this if using federal money for curriculum adoptions.

Self-Certification (2 CFR §200.320(a)(iv))

Effective November 12th, 2020, the Uniform Grant Guidance allows Districts to self-certify that they are low risk and use a micro purchase threshold of \$50,000.

In order to use the \$50,000 threshold, Districts must either:

1. Qualify as a low-risk auditee from the district's most recent audit per 2 CFR §200.520. A low-risk auditee is one which has met all these conditions for each of the preceding two audit periods:
 - a. Single audits were performed on an annual basis
 - b. Financial statements were prepared according to GAAP
 - c. There were no deficiencies in internal controls which identified material weaknesses
2. Perform an annual internal institutional risk assessment to identify, mitigate, and manage financial risks that results in a low-risk assessment.

Competitive Procurement - General

Refer to the chapter on Purchasing Methods for details on competitive procurement, including bid requirements and public works contracting.

All procurements must be conducted in a manner that provides full and open competition (2 CFR 200.319). Situations considered to be restrictive of competition include:

- Placing unreasonable qualifying requirements on vendors
- Requiring unnecessary experience or excessive bonding requirements
- Specifying brand names (use "or equal" and "or equivalent" terminology)
- Not allowing sufficient time for bidders to respond
- Non-competitive contracts to consultants on retainer
- Arbitrary actions

Contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. (2 CFR §319(b))

Districts may use a time-and-materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. (2 CFR §200.318(j))

Districts must conduct procurements in a manner that prohibits the use of geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference, such as food purchases for Child Nutrition Services. (2 CFR §200.319(c)).

Cost/Price Analysis (2 CFR §200.324)

For competitive purchases, Districts must perform a cost or price analysis. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but Districts must make independent estimates before 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 a cost analysis is performed.

A cost/price analysis should also be done with service contracts and software licenses.

The purpose of the cost analysis prior to bidding is:

- To determine if the project or decision is a sound investment or decision (cost vs benefit) •
- To provide a basis for comparing project costs

Required Contractual Clauses in Solicitations and Contracts

All Contracts

Equal Employment Opportunity (41 CFR §60)

All contracts must contain a provision requiring compliance with Executive Order 11246, "Equal Employment Opportunity," as amended by E.O. 11375.

The Executive Order prohibits contractors/vendors from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identity or national origin, and to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment. Additionally, Executive Order 11246 prohibits taking adverse employment actions against applicants and employees for asking about, discussing, or sharing information about their pay or the pay of their co-workers.

Other Contract Clauses

Gifts/Gratuities - Districts should include a clause barring bidder from giving or offering to give District employees any gifts, loans, gratuities, special discounts, trips, future employment or special services.

Conflicts of Interest – District should include a clause barring any relationships which may cause a conflict of interest between the district and bidder.

Construction Contracts

Davis-Bacon Act (40 U.S.C. 3141-3148 and 29 CFR, Subtitle A, Part 5)

The Davis-Bacon Act applies to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon Act contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. In addition, contractors must be required to pay wages not less than once a week.

- Districts must place a copy of the current prevailing wage determination issued by the Department of Labor in the advertised specification for every contract in excess of \$2,000. Referencing the Labor and Industries website is not sufficient.
- Each contract must contain a stipulation that the contractor or subcontractor shall pay prevailing wages unconditionally, at least once per week without subsequent deduction, and post the scale of wages to be paid in a prominent and easily accessible place at the work site.
- In making the decision to award a contract or subcontract, Districts must award conditioned upon the acceptance of the wage determination.
- Districts must report all suspected or reported violations to the Federal awarding agency.

Note that Washington State regulations require the payment of prevailing wages on all public works contracts, regardless of cost. Current prevailing wage rates by labor categories are listed on the Washington State Department of Labor and Industries website.

Scopes of Work: <https://lni.wa.gov/licensing-permits/public-works-projects/scopes-of-work>

Prevailing Wage Rates: <https://lni.wa.gov/licensing-permits/public-works-projects/prevailingwage-rates>

Copeland "Anti-Kickback" Act (45 CFR §2543.82)

All contracts and subgrants in excess of \$2,000 for construction or repair shall include a provision for compliance with the Copeland "Anti-Kickback" Act. The Act provides that each contractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of a public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.

Contracts over \$10,000

Termination Clause (48 CRF Part 49)

All contracts over \$10,000 must include a termination clause. The clause must address administrative, contractual, and legal remedies in instances where contractors/vendors violate or breach contract terms and provide for such sanctions and penalties as appropriate.

Breaches may include

- Missing schedule, deadline or delivery dates specified in the solicitation, contract, and/or a purchase order
- Missing payments when money is owed
- Not performing in accordance with the contract and/or the procurement solicitation

The district should also reserve the right to terminate the contract immediately, for convenience, if the district believes, in its sole discretion, that it's in the best interest of District to do so. The contractor/vendor will be compensated for work performed and accepted and goods accepted by the district as of the termination date if the contract is terminated for convenience.

Contracts Over \$25,000

Suspension and Debarment § 2543.88

School Districts are prohibited from contracting with or making sub-awards for any purchase of good or services of \$25,000 or more (per vendor per fiscal year) to parties that are suspended or debarred or whose principals are suspended or debarred. This also applies to any subcontractors. Vendor status should be verified prior to issuing purchase orders or contracts by checking the Excluded Parties List at SAM.gov: <https://sam.gov/search> or the Debarred Contractors List on L&I: <https://secure.lni.wa.gov/debarandstrike/ContractorDebarList.aspx>

If the vendor has been suspended or debarred, do not issue purchase orders or contracts. Whether the vendor is listed or not, it's recommended that a copy of the list be printed and saved as a hard copy or PDF as back-up documentation for that purchase order or contract.

Other recommendations:

- Include language in all solicitations which inform responding bidders that they must meet federal suspension and debarment requirements.
- Have contractors/vendors sign a certification stating that they have not been suspended or debarred
- Include suspension and debarment language in the terms and conditions of your purchase orders and professional services agreements

Note that the lack of a suspension and debarment verification creates the most findings during an audit of federal purchases.

Contracts Over \$100,000

Contract Work Hours and Safety Standard (40 USC §3701 and 29 CFR Subtitle A, Part 5)

The Contract Work Hours and Safety Standards Act (CWHSSA) requires contractors and subcontractors to pay laborers and mechanics, including watchmen and guards, employed in the performance of covered contracts one and one-half times their basic rate of pay for all hours worked over 40 in a work week.

CWHSSA applies to contractors and subcontractors on certain contracts with the Federal government or the that require or involve the employment of laborers or mechanics (including guards and watchmen), including Federal service contracts and Federal construction contracts over \$150,000.

CWHSSA also applies to certain federally assisted construction contracts over \$100,000 subject to Davis-Bacon and Related Acts wage standards where the Federal government is not a direct party, except those contracts where the Federal assistance takes the form only of a loan guarantee or insurance.

Byrd Anti-Lobbying Amendment (45 CFR §2543.87)

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

Clean Air Act (45 CFR §2543.86)

Contracts and subgrants of amounts greater than \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Other Requirements

Solicitations and contracts must specify if additional volume or items are allowed.

Contract Renewals (48 CFR §970.1706 and 48 CFR §52.217)

- A renewal option must be specified in the solicitation and contract
- It's recommendation that a contract be one (1) year in duration with the option for four (4) annual renewals
- Districts shall assess whether re-soliciting the contract will produce a more advantageous offer than exercising the renewal option. The contractor/vendor's past performance under the contract shall be addressed in the decision that the exercise of the option is in the district's best interest.
- Contract renewals must be by written notice
- Any additional goods must be included in the renewal
- The basis of the contract value must include actual expenditures of the previous year plus any additional items

Equipment Purchases (2 CFR §313)

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property, including the Federal Award Identification Number (FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (§313(4)(d)(1)).

A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years (§200.313(4)(d)(2))

When acquiring replacement equipment, the district may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property (§200.313(4))

Child Nutrition Services - Contracting Requirements

Buy America Provision (7 CFR §210.21)

Schools participating in the Federal school meal programs are required to purchase domestic commodities and products for program meals to the maximum extent practicable. Domestic commodity or product means:

- An agricultural commodity that is produced in the U.S.* and
- A food or beverage product that is processed in the U.S.* using substantial domestic agricultural commodities

Substantial: Over 51% of the final processed product consists of agricultural commodities that were grown in the U.S.

*Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowed under this provision as territories of the US.

For the purpose of bid evaluation, Bidders are required to certify that products contained in the proposal are processed in the US and contain at least 51% weight or volume of its agricultural food component from the U.S. Bidders that fail to include in an addendum to their proposal or bidders that cannot certify that products contained in the proposal are processed in the US and contain at least 51% weight or volume of its agricultural food component from the U.S. will be deemed unresponsive and therefore eliminated from the bid evaluation procedure. Consider creating a certification/attestation form which the bidder signs as part of their response.

This applies to all entities which purchase on behalf of a District, such as a group purchasing co-op or a Food Service Management Company.

Limited exceptions:

- When a product is not produced or manufactured in the U.S. in sufficient and reasonable quantities or of a satisfactory quality
When competitive quotes, bids or proposals reveal the cost of a U.S. product is significantly higher than the foreign product

Retain documentation to support the need to utilize exceptions.

Suppliers should be continuously monitored to ensure that the Buy American provision continues to be followed throughout the contract term.

The Buy America provision does not apply to the purchase of equipment or supplies.

Geographic Preference:

The 2008 Farm Bill encourages Child Nutrition Program sponsors to apply a geographic preference when buying locally grown and locally raised unprocessed agricultural products.

- A Geographic Preference may only apply to the purchase of locally grown or raised, unprocessed or minimally processed agricultural products that retain their original characteristics:
 - Unprocessed agricultural products: chopped, cut, sliced, diced, or shucked
 - Does not apply to any products that have been cooked, heated, canned or that have any additives or fillers
- Districts must define local:
 - Could include mile radius, specific counties, defined region, within the State or delivery within hours/days of harvest
 - Must not be defined in a way that restricts free and open competition
 - Locality is tied to the agricultural product, not the location of the respondent
- The solicitation must clearly define and describe the evaluation criteria of award to be used:
 - A geographic preference can be applied using a point preference system, a percentage-based system, or a different system.

Washington Grown Food (RCW 28A.335.190(8-11))

At the discretion of the board, a school District may develop and implement policies and procedures to facilitate and maximize to the extent practicable, purchases of Washington grown food including, but not limited to, policies that permit a percentage price preference for the purpose of procuring Washington grown food. In doing so, districts may make purchase between \$40,000 - \$250,000 after obtaining at least three quotes.

Note that "Grown in Washington" or any geographical designation can only be a preference, not a specification.

Market Basket Analysis

A Market Basket Analysis is a procurement practice which may be used to evaluate bids/proposals for a solicitation based on an evaluation of the lowest price a vendor can offer for a representative sample of goods. This analysis is the basis for awarding a contract to a successful vendor.

Districts must:

Have a written procurement procedure detailing how the Market Basket analysis is conducted to award a contract

- Include language that allows for this type of evaluation in the published solicitation.
- Estimate the value of the contract by reviewing purchase history and forecasting.
- Select a “representative sample” defined as 75% or more of the estimated value of the contract to be awarded.
- List all goods to be procured under the contract.
- Obtain pricing for the remaining listed goods that were not included in the Market Basket analysis prior to the final award.
- Maintain records to sufficiently detail the history of the procurement and have available during a review.
- A Market Basket Analysis may be used when procuring processed end products containing USDA foods using the Net-Off-Invoice (NOI) value pass through system.
- A Market Basket Analysis is not appropriate when procuring processed end products containing USDA foods using the fee-for-service pass through system.
- A Market Basket Analysis is not appropriate for awarding service contracts.

Nutrition Service Equipment Purchases (USDA SP 39-2016):

- Federal regulations require that approval must be obtained prior to the purchase of equipment and other capital assets using the school food service account. District are required to receive prior approval from Child Nutrition Services for equipment purchases which are not on the approved list (2 CFR §200.439). The application form can be found on the OSPI website.
- Equipment listed on the Washington State Pre-Approved Equipment List may be purchased without prior approval. The Pre-Approved Equipment List can be found on the OSPI website.
- Equipment is defined as “tangible personal property with a useful life of more than one year.”
- Equipment must be necessary, reasonable, and allocable
- Proper procurement procedures must be followed.

Pre-approved equipment list:

<https://www.k12.wa.us/sites/default/files/public/WA%20State%20PreApproved%20Equipment%20List.pdf>

Food Service Management Companies (7 CFR §210.16)

Districts may contract with a food service management company to manage its food service operation in one or more of its schools. However, no school or District may contract with a food service management company to operate an a la carte food service unless the company agrees to offer free, reduced price and paid reimbursable lunches to all eligible children.

Districts that employ a food service management shall:

- If replacing services currently provided by classified employees, conduct a feasibility study, and submit to OSPI for approval
Obtain OSPI Child Nutrition Service (CNS) approval of the RFP prior to distributing.

- Adhere to the procurement standards when contracting with the food service management company
- Obtain OSPI CNS approval of contracts prior to awarding
- Ensure that the food service operation conformance with the district's agreement and monitor the food service operation through periodic on-site visits
- Retain control of the quality and general nature of its food service, and the prices to be charged
- Retain signature authority on the free and reduced-price policy statement and claims
- Ensure that all federally donated foods received by the district and made available to the food service management company accrue only to the district's food service program and are fully utilized
- Maintain applicable health certification and assure that all State and local regulations are being met
- Establish an advisory board composed of parents, teachers, and students to assist in menu planning.
- Obtain written approval of invitations for bids and requests for proposals before their issuance when required by the State.
- The invitation to bid or request for proposal contains a 21-day cycle menu
- Contracts that permit all income and expenses to accrue to the food service management company and "cost-plus-a-percentage-of-cost" and "cost-plus-a-percentage-of-income" contracts are prohibited. Contracts that provide for fixed fees such as those that provide for management fees established on a per meal basis are allowed.
- Maintain records as the district will need to support its Claim for Reimbursement
- Duration of contract. The contract shall be of a duration of no longer than 1 year; and options for the yearly renewal of a contract may not exceed 4 additional years. All contracts shall include a termination clause whereby either party may cancel for cause with 60-day notification.

OSPI Food Service Management contracting information:

<https://www.k12.wa.us/sites/default/files/public/childnutrition/FSMC%20Reference%20Sheet.pdf>

Modification of Contracted Products Lists

There are occasions when the program operator needs to purchase goods not included in its existing contract. For example, a new food is introduced by the supplier that may benefit the program. Such purchases should be made using applicable procurement methods such as micro purchases, small purchase procedures, sealed bids, or competitive proposals depending on the value of the purchase. If it is determined that purchases are needed on an ongoing basis, they may be added to an existing contract if the following conditions are met:

- The option to add goods must be included in the original solicitation and contract
- Recommend limiting additional costs to 5-10% of the estimated value of the contract or a separate procurement procedure for those goods must be conducted

- Goods may be added to the contract during contract renewal

Additional Child Nutrition procurement resources: <https://www.k12.wa.us/policy-funding/childnutrition/procurement>

Group Purchasing (Co-Ops)

Refer to the section on purchasing co-ops and piggybacking for more details.

Requirements

- The district must be a member of the co-op and have an interlocal agreement. This may require school board approval.
- District should retain all bid documents including advertising, solicitation, bid evaluations, bid opening, and contract renewal agreements and suspension & debarment check from the lead agency.
- Suspension/Debarment check should be completed, even if the lead agency already performed this
- Contracts need to be compliant with Federal procurement laws
- Purchasing co-ops quote can be used as one of the required quotes

Department of Enterprise Services (DES) Contracts

- Per USDA Memo SP-05-2017, procurement by DES does not satisfy Federal competitive procurement requirements and is only considered one quote source.
- As of March 2021, the Fruit and Vegetable contract is compliant for Federal procurement standards, including the Buy American clause.

Sole Source (2 CFR §200.320(c))

The solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is only available from a sole source
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation. This must be for a limited time until a full bid process can be completed.
- The Federal awarding agency or pass-through entity (e.g., OSPI) expressly authorizes noncompetitive proposals in response to a written request from the district
- After solicitation of a number of sources, competition is determined inadequate
- No response to a solicitation (be sure to document)

Software can be considered a sole source if you can document why that other products don't meet your specifications. List those companies/software in your documentation.

Sole-sourcing should be used with discretion and properly documented.

Surplus Of Equipment (45 CFR §2543.35 and 2 CFR §200.313)

Equipment must be used by the district in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award. When equipment acquired under a federal award is no longer needed for the original project or program, the district must request disposition instructions from the Federal awarding agency, if required by the terms and conditions of the Federal award.

Equipment >\$5,000

- When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority: (i) Activities under a Federal award from the Federal awarding agency which funded the original program or project, then (ii) Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.
- The district may retain the equipment for other uses provided that compensation is made to the original Federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment.
- If the District has no need for the equipment, the district shall request disposition instructions from the Federal awarding agency. The Federal awarding agency shall issue instructions to the district no later than 120 calendar days after the district's request.
- If the District is instructed to ship the equipment elsewhere, the District shall be reimbursed by the Federal Government by an amount which is computed by applying the percentage of the District's participation in the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.
- If so instructed or if disposition instructions are not issued within 120 calendar days after the district's request, the district shall sell the equipment and reimburse the Federal awarding agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the District shall be permitted to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for the district's selling and handling expenses. Districts must dispose of the equipment in accordance with State laws and procedures.

Equipment <\$5,000 (2 CFR §200.313)

- Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

Record Retention (DAN GS 06004, 06007, 01050)

Although federal record retention laws stipulate that records must be retained for a period of 3 (three) years after the submission of the final expenditure report (45 CFR §2543.53), State record retention laws are more restrictive and must be followed. Most financial records, including bids, proposals, and contract documentation, must be retained for 6 (six) years after completion of the purchase or fulfillment of the contract.

Washington State record retention schedules:

<https://www.sos.wa.gov/archives/recordsmanagement/state-agencies-records-retentionschedules.aspx>

Audit Issues/Findings

The following is a list of potential audit issues/findings pertaining to Federal procurement:

- Suspension/Debarment wasn't checked and documented prior to purchase
- District policies aren't up to date or aren't followed
- The more restrictive \$75,000 bid threshold isn't used
- Contracts do not contain no soliciting of gifts clause
- Contracts do not include a conflict-of-interest clause
- Construction contracts do not include the Byrd Anti-Lobbying clause for contracts >\$100,000
- Contracts do not include a termination clause (2 CFR 200, Appendix II(b))
- Nutrition Services contracts don't include the Buy American provision (7 CFR §210.21(d))
- No cost/price analysis was done (2 CFR §200.324)
- Unallowable costs were charged to a federal program
- Contract renewal agreements were missing when extending a contract
- Piggy-backed contracts were not compliant with Federal and/or State bid laws
- Lack of documentation for Sole Source purchases
- No supporting documents of approval prior to purchase
- Receipts and other supporting documents don't include details of what was purchased
- Federal funds were used to purchase food for employee trainings, staff appreciation, working lunch meetings, etc. The purchase of food with Federal funds is discouraged, however, food can be purchased with Federal funds for parent and family engagement activities. The amount should be reasonable in relation to the number of participants.

- Travel related expenses did not include documentation to support that travel was for a valid business purpose.
- Services were performed prior to contract approval
- Order splitting to avoid bid thresholds
- Lack of segregation of duties between the person requesting the purchase and the person approving the purchase
- Lack of clear specifications [2 CFR §200.319(c)]

2 — Purchase Orders

PURCHASING MANUAL	PURCHASE ORDERS	REVISED DATE 3/23
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INTRODUCTION

The primary method of purchasing goods and services for the district is through the Qmlativ purchase order system. Purchase orders (POs) are contracts between the district and its vendors. They are binding, legal contracts. There are three types of purchase orders:

- Standard,
- Blanket, and
- ASB PO

Standard and blanket purchase orders are valid for any fund. ASB POs are only valid for the Associated Student Body Fund (ASB Fund 04).

Standard purchase orders should be processed when only one payment is made against each line item of the purchase order.

Blanket purchase orders allow more than one purchase and payment to be made against the PO. The description must indicate the material or services to be supplied and is to be written for a specified period of performance, from one to 12 months. A ceiling price shall be fixed to the order. All blanket purchase orders terminate at the end of the fiscal year (August 31), regardless of when they start. The names of district personnel who are authorized to order and approve invoices under this purchase order must be clearly specified. The budget administrator must approve all invoices or delivery slips against blanket purchase orders.

ASB POs All ASB purchases must be related to ASB program(s) and have all approved signatures prior to transactions occur. ASB purchases must have ASB Student Council approval requests for purchases and expenditures documented in the meeting minutes.

Avoiding After the Fact (ATF) purchase orders (Confirming PO's) are purchase orders submitted after the service or product has already been performed or delivered also referred to as a "confirming PO". By district policy and regulation, a purchase order authorizing the expenditure of funds must be completed prior to an item being purchased or a service being performed. Administrative Procedure 6210-P states:

"Consistent with good purchasing controls, no acquisition should occur without proper authorization and a signed purchase order. As an exception emergencies and immediate requirements do arise. The staff members placing the acquisition must obtain an itemized

invoice or provide proper invoicing information. without prior authorization of the Purchasing Department may be the sole responsibility of the employee.”

To avoid **After the Fact** purchase orders, the following is recommended:

- Submit a purchase order before the purchase as practical.
- If you lack the exact information such as cost or specific date, estimate this and submit the purchase order. When the correct information is identified, submit a purchase order adjustment form via e-mail to the Purchasing Department to make the authorized changes to the purchase order.
- The site needs to ensure that the purchase order is approved before taking delivery of the product or service. This includes any other factors that may be required: Board resolution, quotes or other back up, ASB approvals, personal service, fundraising, school event and vendor contracts.
- If in doubt, contact Purchasing to assist. Do not wait until it is too late. Once the product or service has been delivered, any purchase order after the fact may be an audit exception.

PROCEDURE

Completion for Standard Purchase Orders

Forward or attach electronically all applicable quotes, drawings, specifications and other supporting documents for your purchase.

If the purchase order is from an ASB budget, you are required to obtain the signature of your ASB representative on the request or quote identifying the purchase and forward the document to Purchasing or attach to your purchase order electronically.

Purchase Order Header Screen

Required Fields

The following fields **must be** completed for a purchase order to be approved and posted:

- **Dept/Loc** – Your department/location will display. If the appropriate location is not displayed, enter the location you are transacting for.
- **General Description** – Enter a short description of the purchase order. Please include the budget account for reference.
- **Needed by Date** – If you have a date the product or services are needed by, enter it here.
- **Vendor** – Enter Vendor of who you are purchasing from.

- **Ship to Code** – The code will default to the department/location above. It can be changed if the items are to be shipped to another location within the district.
- **Delivery Reference** – This field is optional but may be used to enter further delivery information within the address.
- **PO Type** – For most purchase orders you will leave this as Normal; however, **for all blanket purchase orders, select Blanket from the list.**

You have now completed the Header Page of the purchase order. The Line Detail screen will pop up and this is where you will enter the detail of the order.

Purchase Order Line Detail Screen

Required Fields

The following fields **must be** completed for a purchase order to be approved and posted:

- **Qty** – Enter the quantity of the items being purchased. Enter 1 for blanket purchase orders. Tab to the Unit Price field.
- **Description** – Enter a complete description of the item being purchased.
- **Public Works/Prevailing Wage** – Please include necessary prevailing wage narrative when applicable.
- **Unit Cost** – Enter the unit price of the items being purchased. Enter the total not to exceed price if entering a blanket purchase order. Tab to the UOM (Unit of Measure) field.
- **Taxable Amount** – The total cost of the line item will default as you tab through this field. If only a portion of the line item is taxable, enter that amount to be taxed. Tab to the Description field.
- **Account Distribution** – Enter the budget account(s) you want charged. Click the three dots for a list of valid codes.

You have now completed the Line Detail for the first line of your purchase order. If you will be adding additional lines, click the at the top of the screen. If your order is complete, click **Save & Submit** to forward on to the approval process.

Change Orders

Change orders are used to revise an already-processed electronic purchase order. To change a purchase order, submit to Purchasing a PO Adjustment form requesting the change and providing the necessary change information. If the change involves a change in a budget account code or a dollar increase, budget approval is required. Purchasing will enter the change to your purchase order into the system. **Note:** please track PO expenditures on a scheduled basis to determine if PO increases are needed throughout the fiscal year.

Cancellations

All requests to cancel an order must be submitted by a PO Adjustment form to Purchasing. A sample of the form is in the Forms and Samples sub-section and can be found on business services section of the district website: [Forms](#).

Inquiries, Discrepancies, Status Checks

Any questions regarding orders you have submitted through the electronic purchase order system should be directed to Purchasing for follow up.

Expenditures Exceed the Authorized Purchase Amount

When an invoice amount exceeds the amount of the PO by 10% on an order, Accounts Payable will contact the site for resolution.

RETENTION

Site	Secondary Copy	Until completion of State Audit
Accounts Payable	Primary Copy	6 years

3 — PURCHASING CARDS

PURCHASING MANUAL	PURCHASING CARDS	REVISED DATE 3/23
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INTRODUCTION

Purchasing cards are a separate bank credit card account established by Board authorization for individual or site use in making general purchases. They may not be used for cash advances.

PROCEDURE

The **P-Card Program Administrator** shall be responsible for providing training, advice, direction, and assistance to Purchasing Card Custodians. The Purchasing Office will assume the responsibilities of the P-Card Administrators.

The **Purchasing Card Custodian** is the individual who has responsibility for the credit card. Responsibility includes authorizing disbursements, accounting, and reconciling the purchasing card account. The custodian will sign a Memorandum of Understanding for the purchasing card. The custodian will be responsible for all charges on the purchasing card account. The custodians may designate employees (Purchasers) at their sites to use the purchasing card to purchase specific items. The custodian shall maintain at the site a sign-out/in log for all designated purchasers and shall be responsible for advising each designated purchaser of the terms and conditions for use of the purchasing card. Custodians are responsible for maintaining, at their locations, the original charge receipts with the bank statement.

The **Purchaser** is the employee designated by the Purchasing Card Custodian to make specific purchases. Purchasers shall maintain security of the purchasing card while in their custody. Upon completion of the purchase, they will immediately return the purchasing card, charge receipts, and sales tickets to the Purchasing Card Custodian. Purchasing cards may not be checked out by or be in the possession of students or non-employees.

Using Your Card

1. Ensure the transaction is within your transaction limit to include taxes, freight, shipping and handling.
2. Do not split transactions to supersede bid/transaction limits.
3. Verify that the budget account code intended has adequate funds.
4. Do not accept fees or charges associated with using your card.
5. Do not allow your card or other information to be kept on file.
6. Obtain a receipt that shows detail of the order.
7. Receive and inspect your purchase immediately upon receipt.
8. Contact merchant/vendor immediately if there is an issue.
 - a. Keep notes on the issue to include names, dates and conversation.

9. Reconcile your transactions within 30 days.

Unauthorized Purchases for Site Purchasing Cards

The purchasing card may not be used for the following items:

- Salaries or wages
- Personal items or any other non-district expenditures
- Gifts or Gift Cards (including flowers or meals for employees)
- Cash withdrawal or advances
- Donations to charity
- Travel costs such as meals or transportation
- Internet purchases with unsecured vendor sites
- **Amazon.com purchases**
- Furniture and equipment \$5,000 or more per unit
- Computer equipment
- Contracts (consultant, personal, professionals, fund-raiser and event contracts, maintenance service or public works contracts, public works), long term leases, public works of any kind, or any contracts with independent contractors
- Back ordered items

Note that food purchases need to be clearly identified such as food as teaching supplies in classroom, for student reward or have a completed Food and Beverage Authorization attached.

Purchasers may not have purchasing card orders delivered to their homes at any time for any reason.

Purchasing cards can only be used to make purchases that would be allowable under any other payment methods. Therefore, special approval is still needed for software (ITS approval). Professional development (HR approval), bid law and established contracts are still applicable and are to be followed.

In compliance with RCW 42.24.115, any charges against the purchasing card that are not properly identified or are not allowed by the district shall be paid by the employee responsible for the purchasing card at the time of the charge. Any employee who has been issued a purchasing card shall not use the card if any disallowed charges are outstanding.

Safeguarding of Purchasing Card

The purchasing card should be maintained in a secured area/place that is lockable when not in use (such as the site safe). Notify the P-Card Administrator immediately of any changes in the authorized Custodian of any purchasing card. Notify the P-Card Administrator immediately in the case of theft or loss of your purchasing card.

Fraud Control for Purchasing Card

Credit card fraud has increased due to the proliferation of “phishing” e-mails threatening imminent account closures, bogus internet web sites designed to defraud, coupled with increasing incidents of sensitive information and identity theft. Compromised cards and fraudulent charges can be avoided if cardholders and users are aware and take special care to safeguard the cards and account numbers.

E-mails (phishing): E-mails appearing to have been sent from financial institutions, government agencies and seemingly familiar vendors. They are worded to create a false sense of urgency to scare the recipient into clicking a fake web link contained in the e-mail. Should an e-mail like this be received, never respond to the phone numbers or the web links contained in these e-mails. Instead:

- Call the Purchasing Department to reset user identification and/or login pass phrase.
- Check purchasing card sign out logs to verify vendor information in the event of decline notifications and/or order confirmation or call the merchant phone number.
- Never update or provide sensitive account information because our provider already has this information (account number, expiration date, social security number, billing address).
- Forward the e-mail intact to the Purchasing Coordinator.
- Exercise the Junk Mail handling option in the e-mail system to block any further e-mails from that address.

Internet Orders: District purchasing cards may be used online at recognized vendor sites such as those that do not accept district purchase orders or may have established district contracts with provisions requiring purchasing cards. The option to save card numbers for future orders on a vendor website is not permitted. Contact Purchasing for additional assistance.

Telephone Solicitations: Do not place orders for discount office supplies, printer/ink cartridges or other supplies with telephone solicitors/telemarketers. Only buy from District approved vendors which have been verified and vetted through the Purchasing Department.

Fraud Processing Requirements, Guidelines, and Information

Our current state contract purchasing card provider is US Bank and provides the district with a dedicated fraud control department. This department analyzes the district transactions for consistency of purchasing patterns. In the event that fraud is suspected on a credit card, US Bank will contact the business office for more information regarding suspected charges. The Purchasing office will follow up with the cardholder to confirm the legitimacy of charges.

District cooperation regarding the confirmation or denial of the transaction in question is crucial to the value of the US Bank notification and fraud division.

Replacement cards with new account numbers will be issued by US Bank. The Purchasing Office will notify you when the card arrives.

When an account is closed due to fraudulent charges, there may be legitimate transactions pending that have not yet been posted. US Bank will transfer those legitimate charges to the new account number. Reconcilers are cautioned to closely monitor card activity during the first month following an account closure.

Direct contact with US Bank by ASD staff members for any reason other than to report lost/stolen/compromised cards is prohibited.

Establishment of Purchasing Card or Change in Credit Limit

Standard maximum monthly limits will be set for each card. To request a purchasing card or an increase/decrease in its monthly credit limit, the Custodian will submit a written or e-mail request to the Purchasing Coordinator stating the amount of the increase/decrease and a justification.

The P-Card Administrator will review additions and changes to purchasing cards with the Director of Financial Services before approval. Upon approval, the P-Card Administrator will implement the requested changes.

REFERENCE

RCW 39.58

RCW 42.24.115

Board Policy 6212

Board Policy 6212-P1

4 — RECEIVING

PURCHASING MANUAL	RECEIVING	REVISED DATE 3/23
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INTRODUCTION

An important phase of the procurement cycle is paying the invoices. There are numerous advantages to our district for paying our bills on time. Your assistance and input are essential. In order for us to pay any bill, we must have verification that the ordering site has received the goods or services.

These procedures set forth the guidelines for receipt of supplies, equipment, and services that have been ordered through the district purchasing systems.

Most items ordered against a purchase order will be shipped to and received by the ordering site.

All items ordered on a district purchasing card or an ASB PO will be delivered to and received by the ordering site.

PROCEDURE

Site Receiving

The person receiving and signing goods or services on behalf of the ordering site has complete responsibility for noting the accuracy and condition of each item at the time of receipt.

Shipments should be checked the day of receipt. First, check that the physical number of cartons received balances to the count listed on the delivery receipt. (See types of receiving documents below.) If any shortage is discovered, note exactly how many cartons are short on the carrier's delivery receipt and have the driver note the shortage on your copy. All cartons are to be inspected for exterior damage prior to signing the delivery receipt. If damage is apparent, it will be noted on the delivery receipt. Failure to follow these procedures indicates the shipment was accepted in good condition, allowing no recourse for recovering any monetary loss by the district.

All cartons are to be opened immediately and the contents inspected for concealed damage. If damage is noted or the items do not match the purchase order, a Receiving-Discrepancy Report will be submitted to Purchasing. This can be done via email.

Upon opening the cartons, verify that the physical goods received match the delivery receipt

and the purchase order. A signed and dated invoice is required for all goods and services received and requiring payment by the district.

For items ordered against a blanket purchase order, have the budget administrator mark the receiving invoice as “ok to pay” and date and sign it. This authorizes payment of the invoice upon its receipt in Accounts Payable. All receiving documents or the associated invoices against blanket purchase orders must have the approval of the budget administrator.

RETENTION

Packing Slip

Site	Secondary Copy	Until Confirmation of Items
Shipping & Receiving	Secondary Copy	Until Confirmation of Items
Accounts Payable	Primary Copy	Until Confirmation of Items

Receiving Report

Site	Secondary Copy	Until Confirmation of Items
Shipping & Receiving	Secondary Copy	Until Confirmation of Items
Accounts Payable	Primary Copy	Until Confirmation of Items

5 — DISCREPANCIES AND RETURNING PURCHASES

PURCHASING MANUAL	DISCREPANCIES AND RETURNING PURCHASES	REVISED DATE 3/23
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INTRODUCTION

Work sites may need to return purchased goods due to a discrepancy between the goods ordered and those received or due to damage, etc.

PROCEDURE

Discrepancies

If there is a discrepancy in the order received, report the discrepancy immediately. If the order was placed on a purchase order, forward the completed form and copies of the delivery receipt and packing slip to Purchasing for resolution. It is the ordering site’s responsibility to timely resolve discrepancies for items purchased on a purchasing card or ASB PO.

Damaged items and cartons are to be kept until notified by Purchasing as to disposition.

Returns

Any costs incurred against returns will be the responsibility of the originating work site. The originating site will initiate the Shipping/Return process, please include purchasing in the communication process.

If the size of the article precludes pick-up by the courier, phone Shipping & Receiving to make alternative arrangements.

6 — CONTRACT AND AGREEMENTS

PURCHASING MANUAL	CONTRACTS AND AGREEMENTS	REVISED DATE 3/23
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INTRODUCTION

Independent contractors provide professional services or goods and services not available from or manufactured by the district and they are compensated on a fee or unit-price basis. Payments to independent contractors may include labor together with goods or materials and related expenses furnished in the performance of such labor.

Definition of Independent Contractor

An independent contractor is an individual or business that the district contracts with for professional services for which they have demonstrated specific knowledge or abilities. An independent contractor shall not be a district employee. For an individual to be considered an independent contractor rather than an employee, he/she must meet each of the first 3 tests, or each of the last 6 tests, outlined below.

The independent contractor is not considered an employee if:

1. The individual is free from direction and control over the performance of the service, and
2. The services performed are outside the usual course of business, and
3. The individual is customarily engaged in an independently established trade, occupation, profession, or business, of the same nature as that involved in the contract of service.

Or, as a separate alternative, the independent contractor is not considered an employee if:

1. The individual is free from direction and control over the performance of the service, and

2. The services performed by the individual are outside the usual course of business, or the services are performed outside all the places of business of the enterprise for which the services are performed, or the individual is responsible for the costs of the principal place of business from which the service is performed, and
3. The individual is customarily engaged in an independently established trade, occupation, profession, or business of the same nature as that involved in the contract of service, or the individual has a principal place of business for the work he or she is conducting that is eligible for a business deduction for federal income-tax purposes, and
4. On the effective date of the contract of service, the individual is responsible for filing, at the next applicable filing period, a schedule of expenses with the Internal Revenue Service for the type of business he or she is conducting, and
5. On the effective date, or within a reasonable period of time after the effective date of the contract of service, the individual has established all required tax accounts with state governmental agencies for the business he or she is conducting, and has obtained a Unified Business Identifier number from the state of Washington, and
6. On the effective date of the contract, the individual is maintaining a separate set of books or records that reflect all items of income and expenses of the business that he or she is conducting.

Guide to Determining Employer-Employee Relationships when Considering Independent Contractor Contracts

A checklist that may assist you in determining whether or not to issue an independent contractor contract is located on the business services section of the District website. Copies of the guide are available by contacting the Purchasing Office.

Early Retirees as Independent Contractors

The district may not contract with early retirees as independent contractors to provide consulting services, student education or training services, etc., within 3 years of retirement. For further information related to working for the district after retirement, contact the Payroll office.

PROCEDURE

The following district forms are used to contract with an independent contractor for specific services:

- Contract for Consultant/Professional Services (Personal Services Contract)

This form is processed in connection with an electronic purchase order. All contracts should be processed at least two weeks prior to start of services rendered.

Contracts and agreements are legal documents, signed by both the contractor and the district.

Only the Assistant Superintendent of Business Services is authorized to sign contracts on behalf of the district.

Contract for Consultant/Professional Services (Personal Services Contract)

The district uses this form to contract with an individual or business for professional services for which they have demonstrated specific knowledge or abilities. Generally, the services needed address short-term requirements, expedite special projects, or represent specialized skills for which the district is not staffed. The independent contractor will serve the district as an objective adviser who performs a specific task requiring expertise. He/she does not have the authority to decide, command, or control the district's affairs. The district, on the other hand, does not supervise or control the methods employed by the independent contractor. The form is available on the Business Services webpage on the district website.

Budget Approval

At this point, the originator is to enter a purchase order in the electronic purchase order system. The description field of the purchase order is to include a brief description of the service to be provided, compensation and the dates of the service. If the contract has a period of performance and requires more than one payment to the vendor, enter the purchase order as a blanket purchase order. The purchase order is then to be sent through the approval process to Purchasing. Once approved, Purchasing will complete the contract with assignment of a number and forwarding the contract details to the vendor/contractor.

Invoice

Expenses claimed on the invoice must be supported in accordance with district guidelines; e.g., receipts provided for lodging, supplies, etc.

No service or work shall commence prior to the written approval of a purchase order.

Staff members will not engage in nor have a direct financial interest in any activity which conflicts with his/her duties and responsibilities.

No employee, officer or agent shall participate in the selection, award or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer or agent, any member of his or her immediate family, his or her

partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees and agents of the recipient shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub agreements.

Tax and UBI Number

Internal Revenue Service reporting laws make it mandatory that the district keep track of payments to individuals not employed by the district and certain corporations that fall within the IRS Form 1099 reporting criteria.

The independent contractor's Social Security number, if an individual, or federal tax identification number, if a business, and State of Washington Unified Business Identification (UBI) number must be listed on the contract form with the following exception. **Please do not fill this information out for the contractor on the forms.** If the independent contractor does less than \$12,000 worth of business in the State of Washington and is doing business using their full legal name, they do not need to furnish a UBI number. Independent contractors who provide entertainment are excluded from providing a UBI number. Purchasing is responsible for obtaining and verifying contractors. Please do not attempt to obtain individuals tax information other than the forms sent and **please do not send social security numbers through district e-mail.**

Payment

These payments **cannot** be processed through the building imprest account, petty cash, purchasing cards or revolving fund. If payment must be made at the time of contract performance, allow sufficient lead-time (2 weeks needed once the approved documentation reaches Accounts Payable) to arrange for a warrant from Accounts Payable.

Cancellation

To cancel a contract that has been processed against a purchase order and received in Purchasing, request a change order. See procedures for a change order in the Purchasing section of this manual.

To cancel a contract before it has been processed against a purchase order and received in Purchasing, write "VOID" across the front of the contract form. Send the white copy to the Purchasing Office. Retain one copy for your records. Purchasing will mark the contract number void in the Purchasing logbook.

RETENTION

Contract

Site	Secondary Copy	Termination + 1 year
Accounts Payable	Primary Copy	Termination + 6 years
Purchasing	Secondary Copy	Termination + 1 year

Invoice for Consultant/Professional Services

Site Secondary Copy
Accounts Payable Primary Copy
Purchasing Secondary Copy

Termination + 1 year
Termination + 6 years
Termination + 1 year

Invoice for Consultant/Professional Services

Site Secondary Copy
Accounts Payable Primary Copy

Termination + 1 year
Termination + 6 years

REFERENCE

Board Policy 6210-P
Board Policy 5251
Board Policy 6230/6230P

Authorized Signatures
Conflict of Interest
Relations with Vendors

**GUIDE TO DETERMINING EMPLOYER-EMPLOYEE RELATIONSHIPS WHEN CONSIDERING
CONSULTANT CONTRACTS**

A. Is the person an employee of the district? Do the parties allege the existence of an agreement (written or oral) under which an individual agrees to perform services for the other person in exchange for consideration (i.e., money or in-kind items)?

() Yes

() No

B. Does the person for whom the services are performed control or have the right to control when, where, and how the individual does the work?

() Yes (If both A and B are "Yes," STOP. The income is wages and the individual is an employee.)

() No

C. Common Law Control Test

The factors or elements that show control over details of work must be weighed against or compared to those that point to an independent contractor status. Any single fact or small group of facts is not conclusive evidence of the presence or absence of control. All facts should be weighed. It is the combination of these facts which points to an employer-employee relationship or an independent contractor status. Ask the following questions and make a determination.

Yes No

1. Does the district require or can he/she require the worker to comply with instructions about when, where, and how to work? () ()

2. Does the district have the right to train the worker? () ()

**GUIDE TO DETERMINING EMPLOYER-EMPLOYEE RELATIONSHIPS WHEN CONSIDERING
CONSULTANT CONTRACTS**

	Yes	No
3. Are the worker's services an integral part of the district operation?	()	()
4. Is the worker required to perform the services personally?	()	()
5. Does the district hire, supervise, and pay others on the same job as the worker?	()	()
6. Does the worker hire, supervise, and pay others on the job under a contract to furnish labor and materials?	()	()
7. Has the worker performed continuing services for the district?	()	()
8. Are the worker's hours of work set by the district?	()	()
9. Is the worker required to devote full time to the business of the district?	()	()
10. Is the work done on the district's premises?	()	()
11. Does the district require the worker to perform services in a set sequence?	()	()
12. Is the worker required to give regular, oral, or written reports to the district?	()	()
13. Is the worker paid by the hour, week, or month?	()	()
14. Does the district pay the worker's work-related expenses?	()	()
15. Does the district furnish the tools, materials, etc.?	()	()

**GUIDE TO DETERMINING EMPLOYER-EMPLOYEE RELATIONSHIPS WHEN CONSIDERING
CONSULTANT CONTRACTS**

	Yes	No
16. Has the worker invested in the equipment or premises necessary for the work?	()	()
17. Is the worker in a position to realize a profit or suffer a loss as a result of his/her services?	()	()
18. Does the worker perform services for a number of persons or firms at the same time?	()	()
19. Does the worker make his/her services available to the general public?	()	()
20. Does the district have the right to discharge the worker?	()	()
21. Does the worker have the right to quit without incurring liability?	()	()

7 — VENDORS

PURCHASING MANUAL	VENDORS	REVISED DATE 3/23
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INTRODUCTION

A vendor is an individual or company from whom the district purchases goods or services. The Purchasing Coordinator is responsible for maintaining the district-approved vendor list.

Sites may contact Purchasing for assistance in locating special items.

PROCEDURE

Maintaining the approved vendor list is the responsibility of Purchasing. Sites may petition Purchasing by e-mail or memo for the addition of new vendors. When a single vendor is the only source of needed goods or services, budget administrators must send a memo to the Purchasing Coordinator, justifying the requirements that make the purchase sole source.

The following information must be obtained in writing before a vendor can be added to the approved vendor list. **A new vendor application is available on the business services webpage to provide to vendors:**

- Company or individual name as it appears on their taxes
- Name under which the individual or company is doing business
- Mailing address, including zip code
- Phone number
- FAX number
- E-mail address
- Website address
- Type of goods or services that will be purchased.

This information can be provided through e-mail. Purchasing will be responsible for obtaining a Form W-9 from the vendor. IRS requires that the district identify vendors from whom we acquire services.

RETENTION

Site	Secondary Copy	Until completion of State Audit
Purchasing	Primary Copy	6 years

8 — TRAVEL CARDS

PURCHASING MANUAL	Travel Cards	ISSUE DATE 3/23
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INTRODUCTION

Individual and District-Level Travel Cards are separate bank credit card accounts established by Board authorization for the purpose of covering expenses incident to authorized travel.

PROCEDURES – INDIVIDUAL TRAVEL CARD

The **Travel Card Program Administrator(s)** shall be responsible for providing training, advice, direction, and assistance to Individual Travel Card Custodians and card users. The Purchasing Coordinator and Purchasing Technician will assume the responsibilities of the Travel Card Program Administrators.

The **Individual Travel Card Custodian** has the responsibility for the credit card. The custodian must have a signed Memorandum of Understanding on file before they are authorized to use a Travel Card. A Staff Prior Travel Authorization form is required to be completed prior to travel arrangement reservations. All aspects of the transportation and lodging arrangements will be made directly by the card custodian or designee. The card custodian will be responsible for all charges incurred against the travel card account. Those charges may include travel expenses for other district employees traveling with or under the supervision of the custodian who has not been issued an Individual Travel Card. Custodians are responsible for swiftly providing receipts to the Travel Card administrator for payment processing. Procedures on how to complete the travel authorization, and the general travel process flow can be found on the Business Services section of the district website: [ASD Travel](#).

Allowed Individual Travel Card charges shall include those expenses related to district travel: transportation, parking fees, and lodging. Conference registrations are to be reserved using your building procurement card.

PROCEDURE – DISTRICT-LEVEL TRAVEL CARD

A Staff Prior Travel Authorization form is required to be completed and approved, along with a purchase order to US Bank Travel for lodging and transportation prior to checking out a District Level Travel Card.

Acceptable charges to a District level travel card shall include airfare, lodging, and transportation. Baggage fees and third-party transportation (Uber/Lyft) shall be reimbursed to

the traveler after return from travel through the district Travel and Expense Claim Form. Custodians are responsible for swiftly providing receipts to the Travel Card administrator for payment processing. Meals and incidentals pertaining to the travel will be the responsibility of the traveling employee and will be reimbursed to the employee through the Travel Request and Claim process.

Lodging

The traveling employee is responsible for making the hotel reservations upon approval of the travel. Hotels require, in most instances, a major credit card to hold room reservations.

Transportation

All airline transportation **must** use the Corporate Travel Management (CTM) platform exclusively, unless other arrangements are made with Purchasing. All out-of-state travel requires Board approval prior to the travel costs being charged to the district.

If a vendor other than CTM is being used for the travel arrangements, you are to contact Purchasing for approval and for additional requirements.

REFERENCE

RCW 42.24.115