



PURCHASING PROTOCOLS

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INTRODUCTION

The purpose of the Purchasing Protocols Manual is to assist all employees in proper purchasing practices. This is accomplished by defining a purchasing system designed to be in full compliance with all Federal and California State Laws, Regulations, and local policies. The Purchasing Protocols Manual is designed to achieve three (3) goals:

1. Compliance with the Federal and California State laws and Board policy on purchasing;
2. Promote efficiency in purchasing practices by defining a purchasing system; and
3. Achieve savings of tax dollars through the use of a purchasing system

The key to achieving these three goals is a clear understanding by the user(s) of the system. End users should familiarize themselves with the system, understand the time allotments needed for the system to function, and to support the system through proper planning.

Users of the system should allow yourself enough time between generating a purchase requisition and the actual date materials and/or services are needed. Consider the purchasing cycle in terms of a whole year. Determine what materials and/or services are needed on an annual basis.

Planning is a crucial component of the system. Through proper planning, users of the purchasing system can eliminate much of the frustration that is encountered in all systemized purchasing protocols; both public and private.

The Purchasing Protocols Manual should be reviewed with department heads, teachers, office managers, and others who are involved in the purchasing system. It is imperative that everyone adhere to the defined purchasing protocols so that we are legally compliant.

If you have any questions concerning the following protocols, please do not hesitate to call the Business Services Office at 530.458.7791.

Thank you!

PURCHASING MISSION STATEMENT

Business Services' mission is to assist in the acquisition of equipment, supplies, materials and services needed to ensure academic success throughout the Colusa Unified School District. In doing so, the Business Services team strives to: practice and educate our clients in the matters of fiscal responsibility while providing the highest level of professional and timely service; obtain the lowest possible price without sacrificing quality, service, or programmatic need; and maintain a positive work environment for all stakeholders of the purchasing system.

ACCOMPLISHING OBJECTIVES

The objectives of the mission statement will be accomplished by:

- Maintaining a collaborative effort among buyers, suppliers and internal clientele
- Complying with California Public Contract Code and other applicable regulations
- Listening to the concerns of internal and external stakeholders
- Being receptive to new ideas and concepts related to the Purchasing Protocols Manual
- Educating stakeholders in the principles of effective purchasing practices and product standards

RESPONSIBILITIES

- To acquire through the purchasing system equipment, supplies, materials and services for stakeholder groups in a manner that is as cost effectively as possible
- To assist in the development and processing of bid packages and related contracts; including board agenda items related to purchasing
- To assist with the return and/or disposal of equipment using the District's Accounting System

PURCHASING CODES OF ETHICS

- Give primary consideration to the interest of the Colusa Unified School District
- Apply objective practices which seek to attain the maximum benefit for each tax dollar spent
- Maintain fairness in all dealings with qualified vendors, contractors, material suppliers, service providers and employees
- Provide courteous and professional service to vendor representatives and others
- Cooperate with all organizations and individuals who conduct business with the District
- Foster and promote ethical and legal trade practices
- Apply continuous improvement practices

PURCHASING PROCESS

Purchasing Policy The Colusa Unified School District authorizes specific staff per site to utilize the purchasing program. While school and authorized users (staff) initiate *purchase requisitions* in the District's Accounting System, a *purchase order*, properly numbered, authorized and signed by the Business Office is the only document by which the District obligates itself to a vendor. The Business Office is the only entity authorized to sign and issue purchase orders. This policy is supported by California Education Code section 42632, which requires that school purchases have District approval prior to the receipt of goods and services. In order to conduct business with the Colusa Unified School District, the District recommends vendors familiarize themselves with all of the State of California's applicable codes, rules and regulations that affect the acquisition of goods and services for school districts.

Before You Buy Staff who submit purchase requisitions should have a rationale as to why the purchase is essential to the school/district.

- ✓ How students will learn or benefit from the purchase?
- ✓ What educational achievement or program may be linked to the purchase?
- ✓ How is the purchase of operational value to your school/office?
- ✓ Are the goods/services purchased useful for the long term rather than immediate need?
- ✓ Have inventories been checked to determine whether there is a real need for the purchase?

Once a rationale for the purchase has been determined, the next step is to define a detailed specification for use in the purchasing process. A specification may include any or all of the following:

- ✓ Quantity
- ✓ Model Numbers
- ✓ Color
- ✓ Measurements
- ✓ Training Requirements
- ✓ Maintenance Requirements
- ✓ Estimated Price or Total Cost and Unit of Measure
- ✓ Freight Charges

Finally, prior to generating a requisition, the requestor shall ensure that funds are available for the purchase. If funds are not available in the appropriate budget line, the site/administrator shall submit a budget transfer request to the Business Office.

The Business Office is available to assist in finding resources for goods and services. The Business Office maintains a database of vendors that currently do business with the District. Additionally, many items are available through existing District or piggyback bids (from other districts or public entities) and California Multiple Award Schedule (CMAS) contracts that allow the District favorable terms, conditions and pricing.

Formal bids may require a lead time of up to three months before they are available for use (see Competitive Bid Summary for terms and conditions). While school sites and administrative offices initiate purchase requisitions, the Business Office must review and execute the final purchase order.

CREATING THE PURCHASE REQUISITION

Purchase Requisitions are created using the District's Accounting System. A purchase requisition must include the following information:

- A vendor that is currently listed in the District's vendor database
 - *Note: If the vendor of choice is not listed in the District's vendor database, please check with the District Office. Vendor's can be added to the database by providing information that is listed on the Federal W-9 form. You will not be able to create a requisition for a vendor until a W-9 is on file.*
- Requisition number (this number will be assigned by the District's Accounting System)
- Budget Account String(s)
- "Ship to" location and/or code
- Requestor's name
- Date materials or services are needed should be listed in the comments section
- Quantity and complete description of materials or services being ordered
- Unit of measure
- Unit price
- Estimated freight/shipping charges if known and include in the comment section
 - *Do not add freight as a line item. Instead, it will be added upon purchase order creation. If no freight/shipping amount is given, up to 10% of the total order will be added by the Business Office.*
- Sales tax is automatically populated by the District's Accounting System
- Type of delivery: Will vendor deliver and set up? Who will unload, delivery staff or school/district staff? Include any other special delivery instructions. ***Maintenance and School Staff should not be picking up orders from Vendors.***
- Warranty Information
- Quote must be attached prior to sending requisition for approval

Scan documents can be attached to the requisition. Scan any pertinent materials (quotes, contracts, etc.) associated with the purchase and e-mail to CUSD Business.

After the requisition moves through the approval process and is approved in the District's Accounting System, the user who submitted the requisition will receive the completed requisition for final evaluation and approval. Upon approval, the Business Office will print each purchase order and send to the site via email and/or District Mail. The site will then distribute to vendors, contractors, suppliers, consultants or service providers.

Remember: A *requisition* alone does not obligate the District to a purchase. Once a *requisition* is approved, it becomes a signed *purchase order*. The *purchase order* becomes the promise to pay for the vendor (as long as all conditions specified are met).

UNAUTHORIZED PURCHASES

In accordance with California Education Code section 42632, only authorized individuals appointed by the Governing Board may financially obligate the Colusa Unified School District. The District requires issuance of a signed purchase order prior to a vendor providing services or materials, including Internet vendors. The Business Office shall conduct or supervise all purchase transactions for the District. In the event that an unauthorized purchase is made, the following applies:

- Any purchases of supplies, equipment, or services by staff members, without a prior purchase order or pay voucher approved by the Business Office, will not be paid using District funds
- Purchases made in the name of the District without an authorized purchase order shall be considered an obligation of the person making the purchase and not an obligation of the District. Deliveries of materials or services that are made without an approved purchase order or contract are made at the seller's risk
- District staff members or employees are prohibited from signing contracts offered by a vendor

The power to execute contracts goes through the Board of Education. Contracts signed by unauthorized individuals shall be considered non-binding.

OPEN PURCHASE ORDERS

An open purchase order is defined as: a specified amount to be paid to a particular vendor for a particular product, or; a specified variety of products, or; services to be performed by the vendor. An open purchase order is used when it is impossible to calculate the exact dollar amount of the expenditure. The requisition for an open purchase order must have:

- ✓ A "not to exceed" amount

- ✓ Valid dates (must be within the fiscal year, which runs July 1 through June 30)
- ✓ Names of employees who are authorized to sign for and/or pick up orders from vendor(s)
- ✓ A vendor that is currently listed in the District's vendor database
 - *Note: If the vendor of choice is not listed in the District's vendor database, please check with the District Office. Vendor's can be added to the database by providing information that is listed on the Federal W-9 form. You will not be able to create a requisition for a vendor until a W-9 is on file.*
- ✓ Requisition number (this number will be assigned by the District's Accounting System)
- ✓ Budget Account String(s)
- ✓ "Ship to" location and/or code
- ✓ Requestor's name

A full description of the materials ordered, along with a signed packing list and/or signed District Receiving Form, by the employee receiving the goods, must be forwarded to the Business Office the first working day after the purchase is made or goods received. ***The purchase order number must be indicated on all invoices and packing lists.*** If the receiving documents are delayed it will delay the Business Office's ability to pay vendors in a timely manner.

All sites will be allowed to have an open purchase order for: Amazon, Quill, Hilliard, Office Depot, etc. Each site needs to decide the dollar amount of the open purchase order and which budget account string will be used for the entire school year. The Business Office can add additional lines for multiple account strings on your open purchase order. When submitting your invoice, you must specify which purchase order line/budget account string should be charged. With prior notification to the Business Office, budget account string code changes may be done, if necessary.

REQUESTING WARRANTS FOR VENDORS

In rare circumstances, there may be a need to purchase supplies or equipment from vendors that will not accept a purchase order. This purchasing method is strongly discouraged unless there is absolutely no other choice do to the unique nature of the product. In these circumstances you must submit a requisition and a written notice from the vendor that they do not accept purchase orders. Please follow the steps below:

- ✓ Obtain an exact written price quote and an invoice from the vendor (***Verbal quotes are not acceptable***)

- ✓ Original quotes or an email (from the vendor) detailing the specifics are acceptable
- ✓ Complete the requisition process in the District's Accounting System, including the reason for the request of an advanced check to the vendor

Once the requisition has been approved, the Business Office will generate a payment voucher (versus a purchase order). The payment voucher will become the source document in the accounts payable system that will allow for the production of a warrant payable to the vendor.

COMMONLY USED OBJECT CODES

While there are dozens of object codes available for use (as part of the budget string), this section identifies some commonly used codes:

- **4100 Textbooks** Record expenditures for classroom instructional materials designed for use by pupils and their teachers as the basic curriculum adopted by the State Board of Education or the district board for required subject matter. Instructional materials may be printed or appear in some other form (for instance, Internet-based) and may consist of textbooks, technology-based materials, and other educational materials, such as manipulatives (*Education Code* Section 60010[h]). The cost includes all consumable materials available in the approved series, such as kits, audiovisual materials, or workbooks
- **4200 Books and Other Reference Materials** Record expenditures for books and other reference materials used by district personnel. Books used for reference are further identified by the appropriate function. For example, reference books for use in the nurse's office, in the district business office, or in the cafeteria would be coded to Function 3140, Health Services; Function 7200, Other General Administration; or Function 3700, Food Services, respectively
- **4300 Materials and Supplies** Record expenditures for consumable materials and supplies and nonconsumable items that do not meet the LEA's inventory threshold to be used by students, teachers, and other LEA personnel. Instructional materials and supplies are those used in the classroom by students and teachers. Other materials and supplies included in Object 4300 are those used in services and auxiliary programs, such as food service supplies; custodial supplies; gardening and maintenance supplies; supplies for operations; transportation supplies, including gasoline; supplies for repair and upkeep of equipment or buildings and grounds; and medical and office supplies.
- **4400 Non Capitalized Equipment** Record expenditures for movable personal property of a relatively permanent nature that has an estimated useful life greater than one year and an acquisition cost less than the LEA's capitalization threshold but greater than the LEA's inventory threshold pursuant to *Education Code* Section 35168 or local policy.
- **5200 Travel and Conference** Record actual and necessary expenditures incurred by and/or for employees and other representatives of the LEA for travel and conferences (*Education Code* sections 35044 and 44032). Included in this object are fees paid for those individuals to attend conferences or

training classes. Expenditures for employee conferences charged to this object should follow the goal and function of the employee.

- 5300 Dues and Memberships Record the fee for LEA membership in any society, association, or organization as authorized by *Education Code* Section 35172. Object 5300 may be used for the dues of an employee, such as a chief business official or a superintendent, if it is deemed that the LEA is represented and benefits from the membership. Use objects 3901–3902 for employee dues if it is deemed that the dues are a benefit for only the employee.
- 5500 Operations and Housekeeping Services. Record expenditures for water, heating fuel, light, power, waste disposal, pest control, laundry and dry cleaning (such as laundering of curtains and cleaning of drapes), and so forth. Include contracts for these services. Object 5500 is used only with the maintenance and operation functions 8100–8500 and Function 6000, Enterprise.
- 5600 Rentals, Leases, and Repairs Record expenditures for rentals, leases without option to purchase, and repairs or maintenance (including maintenance agreements) of sites, buildings, and equipment by outside vendors. Include incidental materials and supplies included in the cost of repairs. Include expenditures for site or building improvements that do not meet the LEA’s threshold for capitalization.
- 5800 Consulting Services / Other Operating Record expenditures for personal services rendered by personnel who are not on the payroll of the LEA. Professional/consulting services are delivered by an independent contractor (individual, entity, or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short term in nature, normally in areas that supplement the expertise of the LEA. This includes all related expenditures covered by the personal services contract.

Record expenditures for internet-based publications and materials, excluding approved textbooks and core curricula materials (Object 4100). Record periodic costs of licensing, support, or maintenance agreements for non-equipment items, such as software. Initial licensing and other costs incurred as part of a major system acquisition should be recorded in Object 6400, Equipment.

- 5900 Communications Record expenditures for periodic servicing of all methods of communication, including pagers, cell phones, and telephone service systems. This object also includes the monthly charges for fax lines, TV cable lines, and Internet service and lines. The cost of postage stamps and “refill” of postage meters should be coded to Communications, as should the cost of parcel service or other means used to deliver letters or other outgoing communications. Incoming shipping of purchased goods by parcel service or other means is considered to be part of the cost of goods purchased and should not be charged to Object 5900.

The following object codes for equipment purchases require (fixed asset) in the inventory system:

- 4400 New Equipment Not Capitalized (unit prices from \$2,000 to \$4,999, w/tax)
- 6400 New Equipment Capitalized (unit prices from \$5,000 or greater)
- 6500 Equipment Replacement (unit prices from \$5,000 or greater)

U.S.P.S. AND INTER-OFFICE MAIL

Planning is vital to ensure that we have the supplies, services, and equipment needed. Last minute purchases are discouraged and typically result from a lack of planning. When preparing purchase

requisitions, please be aware of the timelines in which we distribute mail in the District:

- Inter-Office District mail to each site is processed daily by District Office staff. Typical transfer of parcels occur within 24 hours.
- Any mail to be sent out via the United States Postal Service will be processed by the Business Office the business day following receipt of the parcel.

SURPLUS PROPERTY DISPOSAL

It is not necessary to stockpile unused surplus equipment and/or supplies. The Business Office is ready to assist you in the disposal or removal of these items. The District can contract with vendors to put these items out for public auction, e-waste disposal, or surplus disposal.

District sites should prepare an Obsolete/Surplus Goods Form, then send the form to the Business Office. The Business Office will schedule pick up of the surplus property. Please make sure that the form is filled out completely. In order to obtain the highest possible value for auction items, we will need the exact count, model, serial, color, size, etc.

The Business Office will process these forms and submit to the Board of Education a request to approve the disposal/sale of the surplus property. Subsequently, the equipment is removed from both the site and the District's asset database.

INTERNET PURCHASING POLICY

With the advance of technology, Internet purchasing has become commonplace. Authorized purchasers may order from sites that will accept purchase orders. All procedures are the same as described in the "Creating the Purchase Requisition" section of this manual, with one addition:

Please indicate in the body of the requisition, "Internet Order – Do Not Duplicate."

NOTE: Internet pricing is variable and what you see on sale today may not be the same price by the time the requisition goes through the approval process. You must confirm that the prices have not increased once the purchase order has been processed and returned to you as a purchase order. This is the responsibility of the purchaser. Each site is responsible for checking each shipment for damage and/or errors. Packing slips must be signed and dated when the goods have been received, scanned and sent to the Business Office.

SOFTWARE ORDERS

All software orders must be purchased through a purchase order. In addition to the need of a purchase order, all software orders must be accompanied by approval from the Director of IT. This will ensure compatibility with system hardware/operating systems.

GIFT CARDS

The award of gift cards (i.e.: iTunes, Visa, In-n-Out, etc.) or cash prizes using District funds, including Student Council funds, to employees, students and community members for any purpose is expressly prohibited.

PUBLIC BID PROCESSES

Bid and contract award is based on Public Contract Code. The District awards bids to the “lowest qualified responsible bidder” defined as the lowest priced bidder who offers the best responses in quality, fitness, capacity and trustworthiness to the requirements of the proposed work. Such factors as delivery, time, quality, compatibility, references, experience, parts and service, freight costs, among others, influence an award to the lowest qualified responsible bidders.

A “responsive” bid/proposal is one that conforms to the requirements of the statement of work, specification(s), solicitation, instructions and the District’s contractual terms and conditions and Public Contract Code. This would also include such factors as completeness of the quotation and bid forms, inclusion of references and attachments and completion of required responses. Informal quotes, bids or proposal for goods and/or services may be requested and received in writing by mail and/or e-mail. Informal bids apply to purchases below the formal bid limits described herein.

Protocols for Major Purchases and Public Bidding of Maintenance & Operations Projects

1. If a purchase is less than \$5,000, supplier can be sole sourced if the District has previous positive experience with the supplier. However, the project initiator has the option to obtain three proposals. The purchase will require approval according to current procedures.
2. If a purchase is greater than \$5,000, but less than \$99,100, the project initiator will obtain a minimum of three proposals. The Chief Business Official or the Superintendent may waive this requirement in an emergency.
3. Purchases over \$99,100 are subject to Board approval and the competitive bid process. A Competitive Bidding Summary that describes the various bidding categories is attached for

reference,

4. Public Works projects that are within California Uniform Construction Cost Accounting (CUCCA) thresholds can be awarded to a pre-approved vendor. The 2022-23 threshold is \$200,000. The project initiator will obtain a minimum of three proposals.
5. Public works projects over the CUCCA threshold will be subject to Board approval and the competitive bidding process. A Competitive Bidding Summary that describes the various bidding categories is attached for reference.
6. On all projects, the scope of work shall be clearly written in order to avoid change orders and the appearance of bid splitting. Part 3, Chapter 1, Article 3, Section 20116 of the CA Public Contract Code addresses the issue of separating projects into smaller segments to avoid competitive bidding.

Competitive Bidding Summary

Public Contract Code (PCC) Section 20111(a) requires school district governing boards to competitively bid and award any contracts involving an expenditure of more than \$50,000, adjusted for inflation, to the lowest responsible bidder. Contracts subject to competitive bidding include:

Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district.

Services that are not construction services.

Repairs, including maintenance as defined in PCC Section 20115, that are not public projects as defined in PCC Section 22002(c).

As of December 1, 2021, the bid limit threshold has been adjusted to \$99,100.

Note: Projects in this category typically do not require a Notice to Proceed and Notice of Completion, since the purchase is facilitated by a purchase order and no construction is conducted.

PCC 20111(b). Public projects (excluding maintenance) exceeding CUCCA threshold.

- Construction, reconstruction, erection, alteration, renovation, improvement, demolition and repairs involving facilities
 - Example: The installation of fascia trim if it were a work of improvement or an alteration to a facility
 - Example: The removal and replacement of the entire carpet
 - Example: Removal and replacement of an entire roof

- Example: Upgrading or improving an existing wiring system to increase the capacity of the system
- Painting or repainting of facilities, including painting an entire school, entire structure, or entire building

PCC 22002 (d) and 20115. Maintenance – Bidding not required unless project exceeds CUCCA threshold.

- Routine, recurring and usual work for the preservation or protection of any facility for its intended purpose
- Minor repainting, including any painting of less than an entire facility or less than whole plant, building, ground facility or real property, or the painting of a room, wing or portion of an entire building or structure
- Resurfacing of streets at less than one inch
- Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants and servicing of irrigation and sprinkler systems
- Ordinary upkeep or repair work such as replacements in kind, repainting, re-plastering and re-roofing
 - Example: The replacement of existing fascia trim
 - Example: Repairing or replacing a portion of a roof
 - Example: Repairing or replacing a portion of the entire carpet
 - Example: Replacing or repairing existing wiring that has failed
 - Example: Use of day labor or force account not exceeding 350 hours