

Purchasing (Procurement)

Policy: DJ
Adopted: August 28, 2001 (*as Policy 3035*)
Amended: February 11, 2020
Amended: August 10, 2021
Legal Ref: W.S. 21-3-110(1)(viii), W.S. 9-2-1027 through 1033, W.S. 6-5-401 through 408, W.S. 16-6-101 through 107, Code of Federal Regulations 2 C.F.R, Parts 200.320 (a)(b)(c)(d)(e), 317-326

The Business Manager in charge of business affairs, under the authority of the Superintendent, will establish procedures in accordance with state and federal statutes, regulations, and accepted business principles, to control the purchase of supplies, equipment, materials or services by school employees.

If there are significant changes in the purchasing policy, the Board shall be made aware of that change.

Transparency

Recognizing that the District is supported primarily by tax monies paid by individuals and businesses in the state, the District commits to maintain purchasing processes and methods that produces accurate data to provide a clear and transparent understanding of how the District pays its bills.

Availability of Funds

The approval of all purchases are dependent upon the availability of funds appropriated in the District's adopted annual operating budget.

Full Value/Best Price

The approval of all purchases are dependent upon District employees making every effort to ensure that the District receives full value for the dollars spent. Products purchased should be selected considering their economy and efficiency over the product's period of usefulness.

Dollar Threshold Determines Procurement Process

The District utilizes dollar thresholds to determine the use of non-formal or formal procurement processes when making District purchases. These processes are structured to assure consistent practices to reduce risk of fraud, provide transparency and support annual audits.

See Administrative Procedure DJ-R Purchasing (Procurement) for All Funds for an expanded description of these dollar thresholds and procurement processes.

Methods for Authorizing, Purchasing and Payment

The District utilizes system purchase orders, local purchase orders and vouchers as methods for authorizing District purchases and associated payments to vendors. These methods provide a significant level of review and approval by building/departments/grant administrator, District level administration and the Board of Trustees to support fiscal solvency while aligning funds with District priorities.

See Administrative Procedure DJ-R Purchasing (Procurement) for All Funds for an expanded description of these methods.

Special Considerations:

Federal Programs other than Food Service

U.S. Office of Management and Budget (OMB) issued "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" which requires that every non-federal entity receiving federal awards must have documented procurement procedures that reflect federal law, Uniform Guidance standards, and any state regulations.

See Administrative Procedure DJ-Ra Purchasing (Procurement) for Federal Awards and USDA Child Nutrition Program (Food Service)

Federal Programs - Food Service

All procurement in the Child Nutrition Programs must meet the additional standards set forth in program regulations and the OMB Super Circular 2 C.F.R., Part 200.

See Administrative Procedure DJ-Ra Purchasing (Procurement) for Federal Awards and USDA Child Nutrition Program (Food Service)

Professional Services from Architects, Engineers, and Surveyors

See Administrative Procedure DJ-Rc Purchasing (Procurement) for Professional Services from Architects, Engineers and Surveyors required by the State of Wyoming.

School Building Construction, Repairs, Additions or Improvements Greater Than or Equal to \$50,000

See Administrative Procedure DJ-R Purchasing (Procurement) for All Funds for Note (1) related to Formal Procurement Process.

Additional Requirements Specified by Non-Typical Monetary Award

Additional purchasing requirements may be specified in the terms of a non-typical monetary award to the District. Please review all associated requirements with the source to determine and document any such requirements.

Receipt of Items

The Business Manager in charge of business affairs, under the authority of the Superintendent, also will establish procedures to verify the receipt of items purchased by the District before payment will be made for the items ordered.

Failure to Follow Purchase Processes and Methods

Any expenditure that does not follow the Superintendent-approved purchasing processes and methods may result in disciplinary action being taken against the employee responsible, as determined by the Board.

Emergency Purchases

In accordance with approved procedures, designated employees may be authorized in writing by the Superintendent to make expenditures in cases of certified emergency. Such emergency purchases require subsequent approval by the Board.

Local Purchases

Local purchases are encouraged whenever goods and services of equal quality at competitive prices are available. Whenever local purchases are made such purchases should be distributed among local merchants with a view toward equity.

State Sales Tax Exemption

The District is a sales tax-exempt entity in the state of Wyoming. All in-state purchases must be identified as "tax exempt" during the purchase process. Any sale tax charged to a District purchase will be the responsibility of the purchaser. Requests for personal reimbursement shall not include sales tax expense.

State Rates

The District is a Wyoming government entity and is eligible for any “State Rate” discounts in the state of Wyoming. All in-state purchases should include a query to obtain a vendor’s “State Rate” during the purchase process.

Discounts

The District is a public education K-12 entity and may be eligible for discounts. All purchases should include a query to obtain a vendor’s “K-12 or Education Discount” during the purchase process.

PURCHASING (PROCUREMENT) for ALL FUNDS

Administrative Procedure: DJ-R
Promulgated: July 1, 2020
Amended: August 10, 2021

Proper procurement will ensure fairness, make the best use of Federal, State and local funds and obtain the best products and services.

All purchases made in the name of Fremont County School District No. 25 must be made through and approved by the Superintendent and/or the Business Manager or his/her designee. Such purchases shall be made in accordance with the following processes and methods.

Purchases made outside these established processes and methods will be considered unauthorized or personal purchases and may be paid for by the individual.

PURCHASING PROCESSES

District Dollar Thresholds

For the majority of the purchases made by the District, the following summary describes the State of Wyoming dollar thresholds (W.S. 21-3-110(1)(viii)) and associated District procurement processes to be used when purchasing supplies, equipment, materials (other than textbooks) or services by school employees unless otherwise directed by the Superintendent or his/her designee.

Federal regulations and other State of Wyoming Statutes may preclude these thresholds if they state a more restrictive threshold or require additional criteria.

District Dollar Threshold (effective 7/1/2020)	Procurement Process
If purchase is: Less than or equal to \$25,000	Non-Formal Non-Competitive Non-Written
If purchase is: Greater than \$25,000 and Less than \$50,000*	Non-Formal Competitive Written
If purchase is: Greater than or equal to \$50,000* (See exception below for school buildings)**	Formal Competitive Bid

Changes made to this table should also be made to the Federal Dollar Threshold vs District Dollar Threshold in Policy DJ-Ra.

*Defined by Wyoming State Statute 21-3-110(1)(viii) and becomes the 'more restrictive threshold' when administering federal grants.

**When any school building is to be built \$50,000 or more or when any repairs, additions or improvements costing \$50,000 or more is to be made to any school building, facility or other school property, the Board shall obtain competitive bids and publish a call for bids in a newspaper of general circulation in the state at least once each week for two consecutive weeks.

Procurement Processes

Non-Formal / Non-Competitive / Non-Written	
Additional Criteria	<ul style="list-style-type: none"> • Price is considered reasonable • To the extent feasible, purchases must be distributed equitably among qualified suppliers • A verbal Request for Quotation (RFQ) is a non-formal, non-competitive, non-written process
Default Steps	<ul style="list-style-type: none"> • Develop specifications • Identify sources • Obtain approval to purchase from building principal, director, or grant administrator • Call or check prices of at least one vendor. No employee shall show favoritism toward a vendor because of family or personal relationship. • Evaluate responses • Make purchase • Keep procurement documentation • Complete the proper purchasing method (system generated purchase order, local purchase order or voucher) • Manage the purchase. Ensure that the purchase is used in the manner intended.
Alternate	<ul style="list-style-type: none"> • Develop specifications • Identify sources • Obtain approval to purchase from building principal, director, or grant administrator • Call or check prices of at least three vendors, when possible, <u>when the value/quality is comparable to ensure competition.</u> No employee shall show favoritism toward a vendor because of family or personal relationship. • Evaluate responses • Make purchase • Keep procurement documentation • Complete the proper purchasing method (system generated purchase order, local purchase order or voucher)

Non-Formal / Competitive / Written	
Additional Criteria	<ul style="list-style-type: none"> • Create written solicitation documents to include: <ol style="list-style-type: none"> a. Describe what goods or services are needed b. Determine due dates c. Describe other relevant factors • To the extent practicable, distribute purchases equitably among qualified suppliers
Default Steps	<ul style="list-style-type: none"> • Document written specifications • Identify sources. No employee shall show favoritism toward a vendor because of family or personal relationship. • Obtain approval to purchase from building principal, director, or grant administrator • Contact by phone (but keep notes) or writing three or more available, qualified sources to achieve competition (if possible) • Identical solicitation documents or content of solicitation documents will be provided to all vendors • Receive price/rate quotes • Evaluate price/rate quotes • Make purchase • Keep procurement documentation including written notes, emails, information provided by vendor, computer screen prints of product with quote or actual cost, etc. • Complete the proper purchasing method (system generated purchase order, local purchase order or voucher) • Manage the purchase. Ensure that the purchase is used in the manner intended.
Alternate	<ul style="list-style-type: none"> • Obtain approval to purchase from building principal, director, or grant administrator • A written Request for Quotation (RFQ) is a non-formal, competitive, written process commonly used when the District knows what it wants but needs information on how vendors would meet the District requirements and/or how much it will cost • Conduct a Formal Procurement Process

Formal	
Additional Criteria	<ul style="list-style-type: none"> • Invitation for Bid (IFB) is a formal process used when the only significant point of differentiation between vendors is the <u>price</u>. Bids shall be “sealed bids” and require a fixed price contract with or without adjustment factors. • Request for Proposal (RFP) is a formal process (also known as “competitive proposal”) where <u>other factors than price</u> (evaluation factors such as technical criteria or management/experience criteria, to name a few) may be considered in making an award. <p>An RFP must include all evaluation factors and their relative importance (number of points).</p> <p>An RFP will be awarded to the proposer that is the most advantageous with price (considered the primary factor and assigned the highest evaluation weight) and other evaluation factors considered. The <i>evaluation</i> is not performed in public.</p> <p>Award may be fixed price, cost reimbursable, or a combination of the two.</p> <ul style="list-style-type: none"> • A Request for Information (RFI) can be used at any time to identify possibilities available <u>but is not sufficient</u> to initiate an award. Issue an IFB or RFP that is more exact. • No contract shall be divided for the purpose of avoiding this formal procurement process • Wyoming State Statutes 6-5-401 through 408 (effective July 1, 2021) describe criminal penalties for: bid rigging, bid rotating, acquisition or disclosure of bidding information by a public servant, interference with contract submission and award by a public servant, providing or accepting kickbacks, and bribing a contractor’s inspector. • These requirements do not apply to the procurement of professional services of architects, engineers or surveyors. See Administrative Procedure DJ-Rc
Default Steps	<ul style="list-style-type: none"> • Develop detailed specifications for the bid or proposal. There should be a clear and accurate description of the requirements for the material, product, or service being acquired so that a fair and equitable comparison of price and/or cost can be made. Specifications must be free of requirements that unduly restrict competition (if competitive bid).

	<ul style="list-style-type: none"> • Obtain approval to purchase from building principal, director, or grant administrator • Identify allowable procurement “<u>type</u>”: Invitation for Bids (IFB) or Request for Proposal (RFP) (open) • Identify allowable bid “<u>vehicle</u>”: Paper submittal, sealed, acceptable delivery method or On-line bid system • Prepare solicitation and contract documents based on “type” and “vehicle” • Identical specifications will be provided to all interested vendors • Clarification of bids, including addendums and other questions must be provided to all interested vendors during the solicitation phase. • Determine bid opening time/place • Advertise bids in public with public bid opening specifics (may include on-line bid system instructions). <p>A “call for bids” or “call for proposals” shall be published at least once in a newspaper of general circulation in the District. (See also Note (1) pertaining to school buildings)</p> <p>Items for which bids must be obtained may be described in the published call for bids by stating <u>general</u> requirements and making detailed specifications available to prospective bidders at the District’s administrative headquarters</p> <ul style="list-style-type: none"> • Receive bids. If less than three vendors submit bids, document it clearly. • Reject bids that do not meet the bid opening deadline or do not meet the requirements of the solicitation and contract documents • Evaluate submission(s). Measure and document why one company’s responses to a particular criterion is better than another. No evaluation shall show favoritism toward a vendor because of family or personal relationship. IFP is based on lowest price only (publically evaluated). RFP based on using the advertised scoring system (not publically evaluated). • Present recommendation to the Board of Trustees for approval of award • The Board reserves the right to reject any and all bids and to waive irregularities and informalities in the bidding • Award contract • Notify all bidders of results • Execute the contract (if contract applicable)
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	<ul style="list-style-type: none"> • Make the purchase • Administer contract (if contract applicable) • Document, document, document. Keep bid and procurement documentation including written notes, emails, information provided by vendor, computer screen prints of product with quote or actual cost, etc. • Complete the proper purchasing method (system generated purchase order, local purchase order or voucher) • Manage the purchase. Ensure that the purchase is used in the manner intended.
Alternate(s)	<ul style="list-style-type: none"> • Obtain approval to purchase from building principal, director, or grant administrator • Sometimes the uniqueness of the goods or services or the immediacy of the need, competition is NOT as open as one would wish in the procurement process. In these cases, non-competitive processes such as “sole-source”, “single-source”, “not required by awarding agency” or “non-response to solicitations” are allowed • Because there is no competition, using sole-source process for federal funds must be authorized by the agency (WDE)

Note (1) When any school building is to be built \$50,000 or more or when any repairs, additions or improvements costing \$50,000 or more is to be made to any school building, facility or other school property, the Board shall obtain competitive bids and publish a call for bids in a newspaper of general circulation in the state at least once each week for two consecutive weeks.

PURCHASING METHODS:

1. A **system purchase order**, **local purchase order** or **voucher** shall be prepared for every purchase.

See Administrative Procedure DJ-Rb Credit Cards for additional instructions if the purchase is made by credit card.

- a) Computer generated **system purchase orders** are to be used when goods and services are placed on order from local or out of town vendors that involves a delivery to the District.
 - 1) These are to be generated by the individual building principals, directors, grant administrators or their designee.
 - 2) Upon receipt of the goods or services at the warehouse, the District receiving clerk will complete the “receiver” copy of the system

purchase order to document order completion and deliver it to the appropriate accounts payable clerk for payment to the vendor.

- b) **Local purchase orders** are to be used for local purchases. The local purchase order will only be used for local vendor goods and services that are provided immediately. If the goods or services cannot be delivered immediately, a system purchase order should be generated.
- 1) Must be issued, approved, and signed by the building principal, director, or grant administrator before and after purchase is made.
 - 2) The appropriate copy of the signed local purchase order, itemized detail list of materials purchased, and vendor invoice (often in the form of the vendor's receipt) are sent directly to the Business Office for payment to the vendor.
- c) **Vouchers** are used when goods or services have not been previously prepared with a system or local purchase order.

Common examples include:

- * Goods or services already received but no system purchase order or local purchase order currently exists to authorize or document the purchase or payment
 - * Recurring charges. (Examples are: copier/maintenance agreements, utilities and phone services.)
 - * Rentals or services that occur on a regular basis. (Examples are: copiers, electric bills, telephone bills and gas/propane cylinders.)
 - * Items that don't require a "receiver" and require no delivery. (Examples are: dues and fees, memberships, and magazine subscriptions.)
 - * Reimbursements for travel or appropriate supplies.
- 1) Must be issued, approved, and signed by the building principal, director, or grant administrator.

- 2) The signed voucher, itemized detail list of materials purchased and vendor invoice are sent directly to the Business Office to document the purchase/receipt of item and initiate payment to the vendor.