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DJEELocal Purchasing

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DJFAPurchasing Authority

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DA Goals and Objectives

DA

The board shall adhere to strict fiscal accounting procedures as outlined in board policies and rules. The board shall make an effort to secure goods and services from responsible merchants and vendors at a price and quality that will enable the staff to fulfill the district's educational goals.

Approved: 01/10

DB Budget Planning

DB

A planned, systematically prepared budget is essential in the management of the district. The board delegates to the superintendent the authority to develop a budget for the board's consideration.

Approved: 01/10

DC Annual Operating Budget (See KBA)

DC

The district budget shall be prepared by the superintendent in cooperation with selected district employees and shall reflect the district's educational goals.

The superintendent shall follow the adopted budget.

The district shall fund the operating budget according to approved fiscal and budgetary procedures required by the State of Kansas.

Budget Forms

Budget forms used shall be those prepared and recommended by the Kansas State Department of Education. Budget summary documents shall be prepared on forms provided by the Kansas State Department of Education.

Priorities

The board will establish priorities for the district on a short-term, intermediate and long-range basis.

Deadlines and Schedules

Deadlines and time schedules shall be established by the board.

Encumbrances

An encumbrance shall be made when a purchase is made or when an approved purchase order is processed. All encumbrances shall be charged to a specific fund. All necessary encumbrances shall be made by the superintendent.

Recommendations

Recommendations of the superintendent and professional staff concerning the district's budget allocations will be presented to the board prior to submission of the tentative draft budget. All superintendent and staff recommendations will be presented to the board no later than the regular board meeting in July.

Preliminary Adoption Procedures

The superintendent will be responsible for developing the budget cover letter. It is recommended that the letter include a restatement of the goals and objectives of the district and a list of budget priorities. An explanation of line item expenditures will be included in the letter. Fund expenditures and line categories will also be explained in terms of how the budget meets the goals and objectives of the district and enhances completion of priority programs. A preliminary draft of the district's budget will be submitted by the superintendent to the board on or before August 25th each year.

Hearings and Reviews

The board shall conduct budget hearings according to state law.

Budget Transparency

The district shall comply with the requirements of the Kansas Uniform Financial Accounting and Reporting Act and rules and regulations promulgated by the Kansas State Board of Education thereunder in maintaining, reporting, publishing on the district's website, and making available to the public specified budgetary records, forms and information.

Management of District Assets/Accounts

The superintendent shall establish and maintain accurate, financial management systems to meet the district's fiscal obligations, produce useful information for financial reports, and safeguard district resources. The superintendent shall ensure the district's accounting system provides ongoing internal controls. The superintendent shall review the accounting system with the board.

Approved 01/16, 10/18

DE **Fraud Prevention and Investigation**

DE

All employees, board members, consultants, vendors, contractors, and other parties maintaining a business relationship with the district shall act with due diligence in duties involving the district's fiscal resources. The superintendent shall develop internal controls that aid in the prevention and detection of fraud, financial impropriety, or irregularity.

Reporting Fraud

An employee who suspects fraud, impropriety, or irregularity shall promptly report those suspicions to the immediate supervisor and/or the superintendent. If the superintendent is the subject of the complaint, reports shall be made to the board president or the board's legal counsel. The superintendent shall generally have primary responsibility for any investigations, in coordination with legal counsel and other internal or external departments and agencies as appropriate. If the superintendent is the subject of the report of fraud, impropriety, or irregularity, the board shall retain control over the investigation or may designate its legal counsel or another investigator to act on behalf of the board in investigating the matter and reporting any findings back to the board.

Whistleblowers

The district encourages complaints, reports, or inquiries about illegal practices or violations of district policies, including illegal or improper conduct by the district, its leadership, or by others on its behalf. Reports may include, but not be limited to, financial improprieties, accounting, or audit matters, ethical violations, or other similar illegal or improper practices or policies. The district prohibits retaliation by or on behalf of the district against staff members.

DE Fraud Prevention and Investigation

DE

who make good faith complaints, reports, or inquiries under this policy or for participations in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The district reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports, or inquiries or who otherwise abuse this policy.

Complaints, reports, or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports, or inquiries. They should be directed to the superintendent unless otherwise provided above. If the superintendent is implicated in the complaint, report, or inquiry, it should be directed to the board or its legal counsel. The district will conduct a prompt, review or investigation. The district may be unable to fully evaluate a vague or general complaint, report, or inquiry that is made anonymously.

Approved: 10/18

DFAA Grants and other Outside Financial Resources

DFAA

The board encourages the superintendent to secure federal, state and private grants, or other alternative funding sources for use in curriculum development, staff development, instructional or activity programs and other areas as directed by the board.

The board shall approve all grant applications before their submission.

Approved: 01/10

Procurement Federal Programs

This document is intended to integrate standard district purchasing procedures with additional requirements applicable to procurements that are subject to the federal Uniform Grant Guidance regulations concerning the use of federal funds and/or U.S. Department of Agriculture (USDA) regulations governing school food service programs. The district maintains the following purchasing procedures, in accordance with federal and state laws, regulations, and board policy to aid in making purchases with federal funds. (2 CFR 200.318-200.325; 7 CFR 210.16, 210.19, 210.21, 215.14a, 220.16; K.S.A.4-2-6469 72-1151; board policies DFAB, DFAC, DJE, DJEB, DJED, DJEE, DJEF, DJEG, DJEJ, DJFA, and DJFAB)

2017 Procurement Thresholds		
Kansas Bid Threshold	\$20,000	For construction, reconstruction or remodeling or for the purchase of materials, goods or wares
Federal Micro-Purchase Threshold	\$3,500	Adjusted periodically and published in Federal Register (48 CFR Subpart 2. 1)
Federal Simplified Acquisition Threshold	\$150,000	Adjusted periodically and published in Federal Register 48 CFR Sub art 2.1

*Please review this Procurement attachment annually and update amounts accordingly

Responsibility for Purchasing

The board has outlined standard district purchasing responsibility, methods of purchasing, price quotations and bid, requirements in the following board policies and their accompanying administrative regulations and/or procedures:

- DFAB: Standard of Conduct for Federally Funded Contracts
- DFAC: Federal Fiscal Compliance
- DJE: Purchasing
- DJEB: Quality Control
- DJED: Bids and Quotations Requirements
- DJEE: Local Purchasing
- DJEF: Requisitions
- DJEG: Purchase Orders and Contracts
- DJEJ: Payment Procedures
- DJFA: Purchasing Authority
- DJFAB: Administrative Leeway

Purchase Methods

When a request for expenses for construction, reconstruction, or remodeling or for the purchase of materials, goods, or wares has been submitted and approved as outlined below, the procurement method to be used will be determined based on the type of purchase and the total cost of the purchase as further outlined below. This procedure outlines how the cost thresholds for determining when the quote or formal bidding procedures that are required by state law as reflected in Policy DJED must be modified when making purchases for federally funded purposes to which the Uniform Grant Guidance or USDA regulations apply to comply with both state and federal requirements. At each point where requirements for food service-related procurement under USDA regulations differ, a note will refer to the Food Service Program Notes at the end of this procedure. Final determination of which purchasing procedures are to be applied is delegated to the Superintendent under the authority of the Board.

Standard Procurement Documents and Purchase Request Process

The district shall use purchase orders for purchase requests in accordance with the applicable purchase method.

The district shall use electronic purchasing records, which are pre-numbered and are accessible to designated purchasing staff in the district office.

Purchase requests by an employee must be submitted to the building administrator or immediate supervisor. Purchase of all budgeted items or items approved by an administrator or supervisor must be initiated by use of a purchase order or requisition submitted to the purchasing agent. Purchase orders and requisitions shall contain information including, but not necessarily limited to:

1. Description of the services to be performed or goods to be purchased;
2. Location of where services will be performed or goods will be delivered;
3. Appropriate dates of service or delivery;
4. Other (describe)_____

Documentation on purchase orders and requisitions shall be maintained in accordance with the district's Public Records policy (CN) and Federal Fiscal Compliance policy (DFAC).

Contracts shall be reviewed by the Superintendent prior to submission to the board for approval.

Contracts to which the Uniform Grant Guidance apply shall contain the clauses specified in Appendix II to 2 CFR Part 200 (Contract Provisions for Non-Federal Entity Contracts Under Federal Awards), when applicable.

[See Food Service Program Notes below for specific clauses required by USDA regulations to be included in cost reimbursable procurement contracts.]

Micro-Purchases Not Requiring Quotes or Bidding

For purposes of this procedure, **micro-purchase** means a purchase of supplies or services for use in federally funded programs using simplified acquisition procedures, the aggregate amount of which does not exceed a base amount of \$3,500. The micro-purchase dollar threshold is adjusted periodically by the federal government, and the threshold most recently established and published in the Federal Register shall apply if other than \$3,500.(48 CFR Subpart 2. 1)

Note: The micro-purchase maximum for federal purposes is lower than the amount below which the Policy DJED allows purchase for nonfederal purposes to be made without using formal competitive bidding.

The micro-purchase method is used to expedite the completion of its lowest dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the district distributes micro-purchases equitably among qualified suppliers when the same or materially interchangeable products are identified and such suppliers offer effectively equivalent rates, prices, and other terms. The Superintendent and Board Clerk will be responsible to determine the equitable distribution of micro-purchases.

Micro-purchases may be awarded without soliciting competitive quotations if the district considers the price to be reasonable. The district will maintain evidence of this reasonableness in the records of all micro-purchases. **Reasonable** means that sound business practices were followed, and the purchase is comparable to market prices for the geographic area. Such determinations of reasonableness may include comparison of the price to previous purchases of the same item or comparison of the price of items similar to the item being purchased.

Even if the cost of a purchase qualifies it as a micro-purchase, bidding or small purchase procedures may be used optionally when those procedures may result in cost savings.

Small Purchase Procedures

For purposes of this procedure, **small purchase procedures** are those relatively simple and informal procurement methods for securing materials, goods, or wares or for completing construction, reconstruction, or remodeling that cost more than the amount qualifying as a micro-purchase and do not cost \$20,000 or more, or in the case of services other than construction, reconstruction or remodeling, where the total cost does not exceed the \$ 150,000 federal Simplified Acquisition Threshold at which formal competitive bidding or competitive proposals are required. Small purchase procedures cannot be used for construction, reconstruction or remodeling costing \$20,000 or more or for the purchase of materials, goods or

wares costing \$20,000 or more because the board policy and Kansas law requires formal competitive bidding at that level of cost.

The base amount at which bidding is required under state law for construction, reconstruction or remodeling or for the purchase of materials, goods or wares is \$20,000. (K.S.A.72-1151)

The federal Simplified Acquisition Threshold at which competitive bidding or competitive proposals are required is adjusted periodically by the federal government, and the threshold most recently established and published in the Federal Register shall apply if other than \$150,000. (48 CFR Subpart 2.1)

Because state law does not require **competitive** bidding for the purchase of services other than for construction, reconstruction or remodeling with a cost in excess of \$20,000, small purchase procedures, including a request for proposal (RFP) procedure, may be used for procurement of such other services except when the estimated total cost will be at or over the federal threshold at which formal competitive bidding or competitive proposals are required (\$ 150,000).

[See Food Service Program Notes below for exemption from bidding for purchases of perishable food items costing less than \$150,000.]

Formal Competitive Bidding

Publicly Solicited Sealed Competitive Bids:

For construction, reconstruction, or remodeling or for the purchase of materials, goods or wares, sealed competitive bids are publicly solicited and awarded to the lowest responsible bidder as provided in Policy DJED when the total cost is estimated to be \$20,000 or more.

Note: The amount at which formal competitive bidding or competitive proposals are required by federal regulations is much higher than the base amount at which the policy and state law requires competitive bidding. Therefore, the lower base amount specified by Policy DJED will be used for purchases of equipment or supplies, or for obtaining services for construction, reconstruction or remodeling costing \$20,000 or more.

State law does not require bidding for the purchase of services other than for construction, reconstruction or remodeling regardless of total cost. For procurement of such other services for federally funded purposes to which the Uniform Grant Guidance applies, formal competitive bidding or competitive proposals will be used when the estimated total cost will be at or over the federal threshold of \$ 150,000.

The federal Simplified Acquisition Threshold at which competitive bidding or competitive proposals are required is adjusted periodically by the federal government, and the threshold most recently established and published in the Federal Register shall apply if other than \$150,000. (48 CFR Subpart 2.1)

For procurement of services costing at or over the \$150,000 federal threshold other than for construction, reconstruction or remodeling, the use of competitive sealed bidding is considered feasible and appropriate when:

1. A complete, adequate, and realistic specification or purchase description is available;
2. Two (2) or more responsible bidders are willing and able to compete effectively for the business; and
3. The procurement lends itself to a firm fixed-price contract, and the selection of the successful bidder can be made principally on the basis of price.

Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason.

[See Food Service Program Notes below for reference to state requirements regarding contracts with food service management companies and contractors of pre-plated meals.]

Competitive Proposals

State law does not require public school entities to solicit competitive bids for services other than for construction, reconstruction or remodeling, for which competitive bidding is required if the cost will be a base amount of \$20,000 or more.

Federal regulations allow the use of competitive proposals as an alternative to formal competitive bidding when conditions are not appropriate for the use of sealed bids.

In the case of services other than for construction, reconstruction or remodeling costing less than that threshold, the district may use small purchase procedures or micro-purchase procedures as applicable based on total cost. A request for proposal (RFP) process can also meet or exceed the small purchase competition requirements under state law and Policy DJED for the acquisition of services other than for construction, reconstruction or remodeling, and can be used if the total cost will be less than \$150,000.

When permitted, the technique of competitive proposals is normally conducted with more than one (1) source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. Competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The district shall comply with other applicable state and federal law and regulations, board policy and administrative regulations or procedures regarding purchasing; the district may consult with the school solicitor or other qualified counsel in determining the required process for purchasing through competitive proposals when necessary.

If this method is used, the following requirements apply:

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
2. Proposals must be solicited from an adequate number of qualified sources.
3. There must be a written method for conducting technical evaluations of the proposals received and for selecting recipients.
4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.
5. Competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified is selected, subject to negotiation of fair and reasonable compensation, are allowed. The method where price is not used as a selection factor can only be used in procurement of A/E professional services and cannot be used to purchase other services through A/E firms.

Competitive proposals shall be evaluated by the Superintendent based on factors including but not limited to:

I. Cost.

- Experience of contractor.
- Availability.
- Personnel qualifications.
- Financial stability.
- Minority business, women 's business enterprise, or labor surplus area firm status.
- Project management expertise.
- Understanding of district needs.

Evaluations shall be completed in a timely manner, documented and shall be reviewed by the Board of Education.

Contract/Price Analysis

The district performs a cost or price analysis in connection with every procurement action in excess of \$ 150,000, including contract modifications. (2 CFR Sec. 200.323(a)).

A **cost analysis** generally means evaluating the separate cost elements that make up the total price, while a **price analysis** means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the Superintendent must come to an independent estimate prior to receiving bids or proposals. (2 CFR Sec. 200.323(a)). As part of the analysis, the will enact established business practices which may include evaluation of similar prior procurements and a review process.

Negotiated Profit

In any procurement in which there has been no price competition, or in which a cost analysis is performed, profit must be negotiated separately as an element of price. Accordingly, solicitations of bids, proposals or quotes shall require that bids, proposals or quotes be limited to costs other than profit, and exclude profit.

To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. (2 CFR Sec. 200.323(b)).

When profit must be negotiated as a separate element of the total price, it shall be negotiated by the Superintendent.

Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals means procurement through solicitation of a proposal from only one (1) source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source.
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation. An emergency exists whenever the time required for the board to act in accordance with regular procedures would endanger life or property or threaten continuance of existing school classes.
3. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the district.
4. After solicitation of a number of sources, the district determines the competition is inadequate.

In addition to standard procurement policy and procedures, the district will document the grounds for using the noncompetitive method in lieu of an otherwise required competitive method of procurement, which may include written confirmation from the contractor as the sole source of the item. Documentation must be submitted to and maintained by the district office.

All noncompetitive proposals will ultimately be approved by the board. The district may utilize legal advice regarding noncompetitive proposals.

Profit must be negotiated separately for noncompetitive proposals, and a cost or price analysis will also be performed for noncompetitive proposals when the price exceeds \$ 150,000.

Purchase Cards

The district approves the use of procurement cards for permissible purchases by designated employees to improve the efficiency of purchasing activities, reduce processing expenses, improve controls for small-dollar purchases, and streamline contractor payment.

Procurement cards may be used for purchases under federal programs.

Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 CFR Sec. 200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, 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. Some of the situations considered to be restrictive of competition include but are not limited to:

1. Placing unreasonable requirements on firms in order for them to qualify to do business.
2. Requiring unnecessary experience and excessive bonding.
3. Noncompetitive pricing practices between firms or between affiliated companies.
4. Noncompetitive contracts to consultants that are on retainer contracts.
5. Organizational conflicts of interest.
6. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement.
7. Any arbitrary action in the procurement process.

Minority Businesses. Women's Business Enterprises, Labor Surplus Area Firms

The district must take necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include: (2 CFR sec. 200.321)

1. Placing qualified small and minority business and women's business enterprises on solicitation lists.
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
3. Dividing total purchasing requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business and women's business enterprises.
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises.
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
6. Requiring the prime contractor, if subcontracts are let, to take the affirmative steps listed above.

Geographical Preferences Prohibited

The district must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals for purchases made with federal funds, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

[See Food Service Program Notes below for permissibility of geographic preferences and "Buy American" practices in purchasing certain food products]

Prequalified Lists

The district must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the district must not preclude potential bidders from qualifying during the solicitation period.

[See Food Service Program Notes below for reference to state requirements regarding contracts with food service management companies and contractors of pre-plated meals.]

Solicitation Language

The district must ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description

must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

Avoiding Acquisition of Unnecessary or Duplicative Items

The district must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration must be given to consolidating or breaking out procurements to obtain a more economical purchase; and, where appropriate, an analysis must be made of leases versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

These considerations are given as part of the process to determine the allowability of each purchase made with federal funds. Such considerations are accessible in the procedure to Policy DFAC: Allowability of Costs — Federal Programs.

Use of Intergovernmental Agreements and Cooperative Purchasing

To foster greater economy and efficiency, the district enters into state and local intergovernmental agreements where appropriate for cooperative purchasing or use of common or shared goods and services, as permitted by the Intergovernmental Cooperation Act.

When procuring supplies or services for federally funded purposes to which the Uniform Grant Guidance applies, the district shall verify that the organization conducting the procurement pursuant to such agreements complies with the applicable procurement methods, requirements, and standards of the Uniform Grant Guidance as outlined in this procedure.

Use of Federal Excess and Surplus Property

The district considers the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

Debarment and Suspension

The district awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

[See Food Service Program Notes below for reference to state requirements regarding contracts with food service management companies and contractors of pre-plated meals.]

The district may not subcontract with or award subgrants to any person or company who is debarred or suspended. For all contracts over \$25,000 the district verifies that the contractor with whom the district intends to do business is not excluded or disqualified. (2 CFR Part 200, Appendix 11, and 2 CFR Sec. 180.220 and 180.300).

All successful contractors must provide written certification that they have not been suspended or debarred from federal projects. The Business Manager will be responsible for verification. Such verification may include accessing the online federal System for Award Management (SAM) to determine whether any relevant party is subject to any suspension or debarment restrictions.

Maintenance of Procurement Records

The district must maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and verification that the contractor is not suspended or debarred.

Maintenance of records of procurement will be governed by board Policies CN and DFAC.

Time and Materials Contracts

The district may use a time and materials type contract only: (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. **Time and materials type contract** means a contract whose cost to the district is the sum of: the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the district must assert a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Settlements of Issues Arising Out of Procurements

The district alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of

procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the district of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Protest Procedures to Resolve Dispute

The district maintains protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency. Protest procedures will be acted on in accordance with current state law and regulations, board policy and administrative regulations and procedures, and the advice of the board's legal counsel.

Food Service Program Notes:

Exemption from Bidding for Perishable Food Items -

Kansas law exempts purchases of food and foodstuffs necessary for the implementation or operation of any child nutrition program from bidding requirements. Bidding for such items is required only if the cost would be at or over the federal threshold at which formal competitive bidding is required (\$ 150,000). Small purchase procedures may be used for purchases below \$ 150,000, or micro-purchase procedures for purchases below \$3,500. Use of bidding should be considered as an option if it is feasible and likely to result in cost savings.

Geographic Preferences -

The district is permitted to apply a geographic preference when procuring unprocessed, locally grown or locally raised agricultural products. When a geographic preference is applied, the district has discretion to determine the local area to which the geographic preference option will be applied.

Unprocessed locally grown or locally raised agricultural products means only those agricultural products that retain their inherent character. The effects of the following food handling and preservation techniques shall not be considered as changing an agricultural product into a product of a different kind or character: cooling; refrigerating; freezing; size adjustment made by peeling, slicing, dicing, cutting, chopping, shucking, and grinding; forming ground products into patties without any additives or fillers; drying/dehydration; washing; packaging (such as placing eggs in cartons), vacuum packing and bagging (such as placing vegetables in bags or combining two (2) or more types of vegetables or fruits in a single package); the addition of ascorbic acid or other preservatives to prevent oxidation of produce; butchering livestock and poultry; cleaning fish; and the pasteurization of milk. (7 CFR Sec. 210.21, 215.14a, 220.16)

Buy American -

The district shall purchase, to the maximum extent practicable, domestic commodities or products for food service purposes. The term **domestic commodity or product** means: (7 CFR sec. 210.21, 220.16)

1. An agricultural commodity that is produced in the United States; and
2. A food product that is processed in the United States substantially using agricultural commodities that are produced in the United States.

Mandatory Contract Clauses -

The following provisions shall be included in all cost reimbursable contracts for food services purchases, including contracts with cost reimbursable provisions, and in solicitation documents prepared to obtain offers for such contracts: (7 CFR Sec. 210.21, 215.14a, 220.16)

1. Allowable costs will be paid from the nonprofit school food service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority;
2. (a) The contractor must separately identify for each cost submitted for payment to the school food authority the amount of that cost that is allowable (can be paid from the nonprofit school food service account) and the amount that is unallowable (cannot be paid from the nonprofit school food service account); or

(b) The contractor must exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification;
3. The contractor's determination of its allowable costs must be made in compliance with the applicable departmental and program regulations and Office of Management and Budget cost circulars;
4. The contractor must identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the school food authority for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit. If approved by the state agency, the school food authority may permit the contractor to report this information on a less frequent basis than monthly, but no less frequently than annually;
5. The contractor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract; and

6. The contractor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the school food authority, the state agency, or the department.

Contracts with Food Service Management Companies -

Procedures for selecting and contracting with a food service management company (FSMC) shall comply with guidance provided by the Kansas State Department of Education, Division of Child Nutrition and Wellness, including standard forms, procedures and timelines for solicitation, selection and approval of proposals and contracts. (7 CFR Sec. 210.16, 210.19, 210.21, 215.14a, 220.16)

Pre-Plated Meals -

Procedures for selecting and contracting with contractors of pre-plated meals shall comply with guidance provided by the Kansas State Department of Education, Division of Child Nutrition and Wellness, including standard forms, procedures and timelines for solicitation, selection and approval of proposals and contracts. (7 CFR Sec. 210.16, 210.19, 210.21, 220.16)

Approved: 11/2018

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DFE Investment of Funds

DFE

The investment of school district monies shall be the responsibility of the superintendent, business manager and/or the district treasurer.

Any monies not immediately required for the purposes for which the monies were collected or received, may be invested as provided by current statute.

Posting Securities

All investments of district monies shall be secured to 100% of the amount of district monies by F.D.I.C. coverage, a pledge of direct federal obligations or direct guaranteed federal agency deposits in accordance with requirements of state law. Exceptions to the required posting of securities shall be only as provided by law and approval of the board.

All offerings of monies for investment shall state the amount to be invested and the maturity date of each investment.

All banks and savings and loan associations with main or branch offices located within the county or adjoining counties of the district shall be given an opportunity to bid on all monies offered for investment. All bids shall be specified on the basis of simple interest.

Distribution of monies for investment shall be as follows:

The treasurer or other person designated by the board shall inform each eligible bank and savings and loan association of the total amount of money to be invested on a specified date and the maturity date of the investment.

Each bank or savings and loan association bidding shall submit a single bid of the rate of interest it would pay on all or part of the funds to be invested.

Monies shall be invested with the highest bidder in such amount as the bidder will accept, and any remaining amounts shall be invested with the next highest bidders in order of interest rate offered. No bidder shall be eligible to receive any funds in the same offering at a rate lower than its single bid.

No bid less than the most recently determined investment rate as determined by the state treasurer shall be accepted. No funds will be invested for maturities of more than two years.

Any monies not otherwise invested in eligible banks and savings and loans located in the district due to their inability, for whatever reason, to accept the funds, shall be invested in secured deposits in banks or savings and loans which have offices located in counties in which a part of the school district is located or in adjoining counties.

Any monies not invested in banks and savings and loans in the district or located in counties in which a part of the school district is located may be invested in the municipal investment pool fund or United States Treasury bills or notes as authorized by Kansas law.

Monies available for reinvestment as a result of maturities may be reinvested with the bank or association holding such monies provided the bank or savings and loan association agrees to pay the same or higher rate as that offered by the highest bidder at the time of re-offer.

In the event of identical high bids, the allocation of monies to be invested between the high bidders shall be at the discretion of the superintendent.

DFE Investment of Funds

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The treasurer shall record the following information: the date of each offering; the name of each bank or savings and loan association notified; the name of the officer notified; the bid, carried to five decimal places (.11111); the amount of monies the bank or savings and loan association is willing to accept at the rate bid.

To be eligible to receive invested funds or deposits from the district, any otherwise eligible bank or savings and loan association shall have on file in the office of the district treasurer a letter requesting its inclusion in the bidding process and providing proper assurance of compliance with requirements of applicable laws and board policy relating to maintenance of proper security and assurance of its membership in good standing consistent with current federal regulations. The superintendent shall report monthly to the board on the district's investments.

Approved: 01/10, 11/18

DFG Fees, Payments and Rentals (See KG)

DFG

Proceeds from fees for building or equipment use or rental will be credited to the general fund.

Approved: 01/10

DFK Gifts and Bequests

DFK

Income derived from gifts and bequests will be credited, if possible, as specified by the board and as allowed by state statute.

Approved: 01/10

DFM Equipment and Supplies Sales (See KK)

DFM

Excess or unusable district-owned equipment and supplies will be disposed of at the discretion of the board.

Approved: 01/10

DH Bonded Employees

DH

The board shall purchase a blanket fidelity bond for school employees. The amount of the bond shall be determined by the board.

A position bond in the amount of \$ 100,000 is required for the treasurer, clerk and superintendent. A position bond may be purchased by the board for district employees as follows:

- Building principals
- Building secretary(s)
- Other employees as the board may direct.

Approved: 01/10

DIC Inventories

DIC

An accounting will be made annually for all district-owned personal property.

An inventory record system shall be developed by the superintendent. All inventory records shall be annually updated showing deletions and additions, the estimated value, original cost (where available), date of purchase, serial numbers (where available) and location and condition of each piece of district-owned personal property.

Each building principal shall take an annual inventory of district-owned personal property under the direction of the superintendent. Inventory forms shall be developed by the superintendent. One copy of each inventory taken in an attendance center shall be filed in that building, and one copy shall be filed in the central office with the clerk.

Approved: 01/10, 11/18

DJB **Petty Cash Accounts**

DJB

The board may establish petty cash accounts by resolution. All petty cash funds will be audited annually at the same time as the general fund budget. The board shall also receive monthly reports of the expenditures from and reimbursements to each petty cash account.

Approved: 01/10, 11/18

DJB PETTY CASH ACCOUNTS

[RESOLUTION TO ESTABLISH PETTY CASH FUND]

RESOLUTION

WHEREAS, the Board of Education of Unified School District No. 487, Dickinson County, Kansas, has determined that the creation of a petty cash fund is an efficient method to pay expenses for school district purposes in emergencies.

WHEREAS, Kansas law authorizes the establishment of petty cash funds;

NOW THEREFORE, BE IT RESOLVED, by the Board of Education of Unified School District No. 487, Dickinson County, Kansas that a petty cash fund designated as the _____ Building Petty Cash Fund is created for the purpose of receiving and expending funds for needed district expenditures in an emergency. The fund shall be in the amount of \$_____.*

The fund shall be administered by _____. The _____ shall keep a record of all receipts and expenditures of the fund and shall prepare and file with the Board a statement showing all receipts, expenditures and balance at the end of each _____ and at the end of each school year. An itemized receipt shall be maintained for each expenditure. Any person authorized to administer a petty cash fund shall be bonded by the school district.

Upon proper report to the board, the petty cash fund shall be replenished by payment from the appropriate fund of the school district.

The petty cash fund shall not be loaned or advanced against the salary of any employee.

Funds in the petty cash fund shall remain district funds but shall not be considered school money for purposes of K.S.A. 72-1136 and the provisions of K.S.A. 12-105(b) shall not apply.

ADOPTED by the Board of Education of Unified School District 487, Dickinson County,

Kansas, the _____ day of _____, 20 ____.

[NOTE: A separate resolution must be adopted for each petty cash fund.]

* Not to Exceed \$1500.00

DJE Purchasing

DJE

The purchasing, receiving, storing and distribution of supplies, equipment and services for use in the district shall be managed efficiently and economically.

Purchasing Authority

The board may appoint a purchasing agent for the district. In the absence of a purchasing agent appointed on the July consent agenda, the Superintendent shall be the purchasing agent.

Approved: 01/10

DJEB Quality Control

DJEB

The board reserves the right to establish the specifications for and quality of goods or services purchased by the district.

Specifications

It is the responsibility of the originator of a purchase request to see that all specifications requested are complete.

Standardization

Whenever possible, standard lists of supplies and equipment shall be developed in all budget areas.

Quantity Purchasing

Quantity purchasing is encouraged.

Approved: 01/10,11/18

DJED Bids and Quotations Requirements

DJED

All purchases requiring competitive bids shall be made in accordance with current statutes.

The purchasing agent shall develop and maintain lists of potential suppliers. Bid lists shall be used to notify potential bidders.

Any supplier may be included in the list upon request. All bid lists shall be reviewed annually by the purchasing agent.

A copy of this policy shall be given to all bidders upon request.

All bids and supporting documentation shall be retained in the district office with the clerk for a period of three years after bids have been opened.

Bid Specifications

All bid specifications shall be written by the district's purchasing agent and shall include required characteristics and quality standards. Specifications shall include, when necessary: required performance, surety, bid and statutory bond information; compliance with preferential bid law; financial statements; the board's right to reject any or all bids; compliance with all federal, state, and local laws, ordinances, and regulations; the date, time, and place for the opening of bids; and other items as the board directs.

The board shall avoid negotiation of bid specifications after bids have been accepted and shall correct specifications if they are inadequately written and request new bids. If an error is discovered in the bid specifications, all bids shall be returned unopened, and the project shall be rebid using corrected and/or amended specifications.

Procedure

All bids must be submitted to the clerk in sealed envelopes with the name of the bidder and the date of the bid opening plainly marked in the lower left-hand corner of the envelope. All bids shall be opened publicly on the stated date and time. All bidders and other interested persons may be present when the bids are opened.

Bids may be opened by the purchasing agent or other person designated by the board, and such opening shall be witnessed by one other district employee. The bids shall then be arranged in order from low to high before they are presented to the board for action.

Responsible Bidder

All bids shall be awarded to the lowest responsible bidder. The board remains the sole judge of whether a bidder is “responsible.” Criteria that may be used to judge whether the bidder is responsible by way of illustration and not limitation, are: financial standing, reputation, experience, prior working relationship with the district, resources, facilities, judgment and efficiency.

The board may investigate whether the bidder is responsible by using information at hand to form an intelligent judgment, such as, but not necessarily limited to, the district’s architect, previous clients of the bidder, their own investigation, or an outside investigation agency.

Withdrawal of Bids

Any bid may be withdrawn and/or corrected prior to the scheduled time for opening of bids and no later than two days after the bids have been opened if a non-judgmental error has been made.

Any bid received after the publicized date and time shall not be considered by the board.

Rejection of Bids

The board reserves the right to reject any and all bids and to ask for new bids. This reservation shall be specified in the publication or notification of bid letting.

The board reserves the right to waive any informalities in, or reject any parts of a bid.

Multi-State Purchasing Pools

The board may participate in multi-state purchasing pools.

Approved: 01/10, 11/18

DJEE Local Purchasing

DJEE

The purchasing agent shall make purchases from local vendors when the price, availability of the product and service are competitive with outside vendors for purchases not subject to the bidding law. The board shall not grant preferential bid percentages to local contractors or businesses except as provided by statute.

Approved: 01/10

DJEF **Requisitions**

DJEF

The purchasing agent shall develop a requisition form to be used by staff members requesting that certain goods be purchased for the district.

All requisitions shall be submitted to the purchasing agent by the designated deadline. After a purchase order has been issued, the number of the purchase order shall be recorded on the requisition, and the number of the requisition shall be recorded on the purchase order. After processing, the original copy of the requisition shall be filed in the office of the purchasing agent in numerical sequence.

The school or district entity shall not be used to order or purchase supplies, goods, or wares for the personal use of employees. Use of the "school entity" in this manner would include, but may not be limited to, the use of the school or district's name, letterhead, purchase order, fund, credit card, and/or check.

Approved: 01/10, 11/18

The purchasing agent shall develop an order form compatible with the requisition form to be used in purchasing goods, and shall be authorized to sign all purchase orders.

Each purchase order shall include a specification of the item which adequately describes the characteristics and the quality standards; a quoted, firm, net, delivered price, whenever possible, and prices shown both per unit and as extended; clear delivery instructions which include time and place; a signature of the purchasing agent and budget account code number; and the appropriate address and telephone number.

All purchase orders shall be numbered in sequence; sufficient copies will be made to meet distribution requirements.

A verbal order, subject to subsequent confirmation by a written purchase order, may be issued only in cases where a bona fide emergency exists. Whenever possible, a purchase order number should be given to the supplier. A confirming requisition/purchase order shall be issued immediately thereafter and clearly marked as such.

Approved: 01/10

DJEJ **Payment Procedures** (See DJEG and DJFAB)

DJEJ

The superintendent shall recommend payment to vendors and suppliers for goods and services upon satisfactory receipt of all goods or completion of all services and for which there is a district purchase order number issued as provided for in board policy. (See DJEG)

The board shall consider payment of bills recommended for payment at regular board meetings except as provided for in policy. (See DJFAB)

The board may designate one or more employees to pay bills in advance of any board meeting in order to avoid a penalty for late payment or to take advantage of any early payment discount.

Approved: 01/10

DJFA Purchasing Authority

DJFA

The superintendent is authorized to execute contracts on behalf of the district for the purchase of goods and services if the amount is less than \$20,000. The board shall receive reports on any contracts.

Approved: 01/10

DJFAB **Administrative Leeway** (See CMA, DJEG and DJEJ)

DJFAB

In an emergency, the superintendent shall have the authority to make expenditures necessary to prevent additional damage to district property, to keep the schools open or to reopen schools. Emergency purchases shall be ratified by the board at the next regular or special board meeting.

Approved: 01/10

DK Student Activity Fund Management (See JGHB, JH and JL)

DK

Any activity which involves the expenditure of activity funds shall be subject to prior approval of the principal.

Activity Fund Management

The building principals shall maintain an accurate record of all student activity funds in the respective attendance centers. No funds shall be expended from these accounts except in support of the student activity program. No activity account shall have a negative balance.

The board shall receive a monthly report on all activity accounts.

All student activity funds will be audited annually at the same time as the general fund budget.

All payments from student activity funds shall be made from purchase orders signed by the employee responsible for the fund.

Receipts shall be kept for all revenue deposited into the activity fund of each attendance center. All payments from the activity fund shall be by checks provided for that purpose.

Activity Fund Deposits

Activity funds from gate receipts or other sources may be deposited directly into a bank account maintained for this purpose.

Inactive Activity Funds (See JH)

The board will assume control of all inactive activity funds and disburse those funds to other activity accounts or expend the funds as directed by the board.

DK Student Activity Fund Management

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Each student activity fund shall have an employee in charge of the fund. The employee shall be responsible for making a monthly report to the superintendent and the board.

The monthly student activity report shall show opening and closing balances of each fund. The report shall also show the total amount of deposits and an itemized list of expenditures.

Approved: 01/10

DK STUDENT ACTIVITY FUND MANAGMENTS

RESOLUTION TO ESTABLISH ACTIVITY FUND]

RESOLUTION

WHEREAS, the Board of Education of Unified School District No. 487, Dickinson County, Kansas, has determined that the creation of an activity fund is an efficient method to pay expenses for student activities; and

WHEREAS, Kansas law authorizes the establishment of school activity funds;

NOW THEREFORE, BE IT RESOLVED, by the Board of Education of Unified School District No. 487, Dickinson County, Kansas, that an activity fund designated as the _____ fund is created for the purpose of receiving and expending funds for student activities, including athletics, music, forensics, dramatics and other board approved student extra-curricular activities.

The fund shall be administered by _____. The _____ shall keep a record of all receipts and expenditures of the fund and shall prepare and file with the Board a statement showing all receipts, expenditures and balance at the end of each _____ and at the end of each school year. Any person authorized to administer an activity fund shall be bonded by the school district.

Funds in the activity fund shall remain district funds but shall not be considered school money for purposes of K.S.A. 72-1136 and the provisions of K.S.A. 12-105(b) shall not apply.

ADOPTED by the Board of Education of Unified School District 487, Dickinson County, Kansas, the ____ day of _____, 20__.

[NOTE: A separate resolution must be adopted for each activity fund.]

Unpaid fees and Negative Account Balances

Unpaid or overdue accounts disrupt accounting practices within the district. All persons who owe overdue fees or have negative account balances with the district shall be notified of the delinquency up to three times in not less than ten day increments by the superintendent or superintendent's designee via letter sent by U.S. First Class Mail providing that the individual owes the district fees or that a specified account has insufficient funds or a negative balance and the reason for the fees or account withdrawals.

If, within ten days after the second notice was mailed, the debt is not paid in full or arrangements have not been made with the superintendent or superintendent's designee to pay it, a third and final notice shall be sent to the debtor by mail. Postage and stationary costs may be added to the original bill.

If full payment is not received by the clerk within ten days after mailing the final notice, authorization for the enforcement of collection may be obtained through the local small claims court in compliance with Kansas statutes, the superintendent or superintendent's designee may turn the matter over to legal counsel to commence debt collection proceedings on behalf of the district, or the matter may be handled through the Kansas SetOff Program.

Insufficient Funds Checks

Option 1:

The superintendent or the superintendent's designee is authorized to request charges to be filed against a person or persons giving worthless or insufficient fund checks to the school district. In addition, the board adopts the following procedures for dealing with returned checks in the school setting.

Once the person is notified of the first returned check via U.S. First Class Mail, if restitution is made within five working days from the notification being mailed, there will be no charge for a returned check. If after a second notification is sent, restitution is not made within an additional five working days, a fee of \$10.00 will be charged.

- If a person has a second returned check, he/she will be notified and assessed a \$15.00 fee, providing restitution is made within five working days. After the second notification is mailed concerning the second returned check, a fee of \$20.00 will be assessed.
- For a third returned check, the person will be notified, assessed a \$30.00 fee and informed that the district and its schools will not accept any future checks from such person . All future payments to the district or individual schools would then need to be in the form of cash, cashier's check or credit/debit card payment.
- If restitution of the third check is not made within five working days from mailing the final notification, the superintendent or superintendent's designee will be notified, and the superintendent or superintendent's designee may turn the matter over to the county attorney for legal action.

Option 2:

The superintendent or the superintendent's designee is authorized to retain the services of a bad check collection agency to collect funds due to the district upon receipt of insufficient funds checks.

Approved 11/18