

# **PURCHASING PROCEDURES**

**PURCHASING DEPARTMENT**

**MILLARD COUNTY SCHOOL DISTRICT**

**APPROVED**  
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# MILLARD COUNTY SCHOOL DISTRICT PURCHASING PROCEDURES

## **FORWARD**

This manual is intended to help employees of the Millard County School District in acquiring new equipment and supplies quickly and efficiently by going through proper channels, and using correct methods. This will save time and money, and make our purchasing more effective.

## **PURPOSE**

These procedures are designed to facilitate adherence to the “Millard County School District Procurement Policy” manual which was adopted on June 13, 1990 by the Millard County Board of Education and outlines in detail, the district’s procurement policies. These procurement policies are closely tied to the legal requirements as prescribed by the Utah Code. Both the policies and procedures have been adopted to enable the Millard School District to purchase, establish contracts, and generally carry on its procurement functions in a manner that deals equitably with all vendors and provides for efficient management and proper expenditure of public monies.

## **BACKGROUND**

In 1982 the Utah State Legislature passed a law requiring school districts to adhere to Utah State purchasing regulations. Thus, the Millard Board of Education gave authority to the Superintendent and/or Business Administrator to make purchases for the Millard School District. The three main goals of the purchasing department for the Millard School District are as follows:

1. **To obtain the best value on all purchases.**  
It is the goal of the District to assist employees in obtaining necessary supplies and equipment to perform their functions at the lowest cost to the District.
2. **To treat all vendors fairly.**  
As a public organization, the District is obligated to provide an equal opportunity to all interested vendors.
3. **To distribute and dispose of surplus property in a legal manner.**  
Surplus property must be disposed of in a fair equitable manner.

## **SCOPE**

These procedures apply to all purchases made by the Millard School District or any of its subdivisions, i.e., schools, departments, programs, etc. The procedures apply regardless of the source of money to be expended, including but not restricted to: 1. tax money, 2. state and federal grants, 3. donations, 4. all types of fees, and 5. revenue generated by programs, schools, departments, athletic programs, etc.

These procedures apply to all purchases of supplies, equipment, materials, and services.

## POLICY

1. The Purchasing Department (Superintendent and/or Business Administrator) has been given the exclusive authority, unless otherwise stated, to:
  - a. Initiate, conduct, and/or conclude negotiations concerning the purchase of materials, equipment, supplies, and services for the Millard School District.
  - b. Obligate the Millard School District for goods and services.
    - i. Orders or commitments by the faculty or staff are not binding on the District.
    - ii. Individuals who place orders through other than the Purchasing Department (Superintendent and/or Business Administrator) should expect to make settlement personally.
2. The Purchasing Department is not authorized to make personal purchases for faculty or staff members.
3. The Purchasing Department may question the quality, quantity and kind of materials requisitioned on purchase orders, and suggest alternate items. The District will normally go with the recommended vendor provided everything is in order and the bid can be justified. (Attach written justification to the purchase order.)
4. The District will purchase the brand specified if it meets one or two conditions:
  - a. If it is the standard brand being used in the District. (Saving money on parts and supplies.)
  - b. If it can be justified why that brand is the only brand that will meet your particular needs. (Your reasoning has to stand up in a court of law.)
5. Telephone, emergency, and confirmation orders must be approved ahead of time by the Purchasing Department (Superintendent and/or Business Administrator.)
6. All purchase orders must have a proper account number indicated.
7. No purchase order shall be initiated unless funds are available in the budget to cover the cost. This is ensured as the purchase order is processed and the appropriate budget is encumbered for the amount of the purchase.
8. When looking for supplies and equipment, be careful of catalogs and companies out of the State of Utah. Delivery time is usually longer and shipping expenses are not usually included in the price.

9. Advance payments are not usually allowed except to certain government agencies, for subscriptions and for vendor prepayment requirements.
10. Whenever possible, supplies and items should be purchased from the State of Utah purchasing contract or Davis County School District Warehouse. Any items purchased through the State of Utah purchasing contract and Davis County School Warehouse are exempt from the bidding requirements.
11. Questions concerning purchasing policies should be directed to the Superintendent or Business Administrator.

## **PURCHASE ORDERS**

1. Purchase orders are to be utilized in securing all supplies, services, and equipment except those purchases made from petty cash or school funds as described in this procedure.
2. Orders which are genuine emergencies, such as repairs, may be placed by telephoning the Superintendent or Business Administrator.
3. Standing purchase orders (SPO) may be requested when the services or supplies are required with some degree of regularity. All SPO's expire on June 30 each year unless special arrangements are made. The SPO number must be given to the vendor each time an order is placed. SPO's are not to be used to purchase equipment.
4. All purchase orders must include, as a minimum, the following information:
  - a. An accurate description and specification for each item requested.
  - b. Budget code to be charged.
  - c. Delivery instructions.
  - d. Estimated cost of each item on the purchase order and the total amount of the purchase order.
  - e. Signature of Principal.
  - f. Purchase orders should be typed whenever possible.

**ALL ITEMS PURCHASED THROUGH THE DAVIS COUNTY SCHOOL DISTRICT WAREHOUSE OR ON A UTAH STATE CONTRACT ARE EXEMPT FROM THE FOLLOWING PROCEDURES.**

## **BIDDING REQUIREMENTS AND PURCHASE LIMITS**

1. Millard School District Policy as well as Utah State Law imposes particular requirements for the different dollar amounts of purchase. The following limits are determined to be best to allow flexibility and yet still provide the control required by law and policy.
2. Orders must not be split up so as to allow them to meet a lower category as this is considered to be “artificially dividing”, which is prohibited in the Utah Code: (Procurement requirements shall not be artificially divided to avoid using the other source methods set forth in section 63-56-22 of the Procurement Code.)
3. The Purchasing Department is responsible for all purchases of all goods, supplies, equipment, and services used by the Millard School District, except as allowed under the school and petty cash purchase provision.
4. The Board of Education may delegate such authority as deemed appropriate as per Utah Code 53-6-18: No purchase shall be made and no indebtedness shall be incurred by any officer or employee of any school district without the approval and order of the board of education of such district.
5. Purchasing limits are as follows:
  - a. Because of the costs involved in writing and processing a purchase order, as well as the reluctance of some vendors to process low-dollar orders, the Purchasing Department strongly discourages writing such orders under the amount of \$500.00. Orders under this amount should be handled through the purchasing card, the school’s fund, or petty cash system. Of course, some situations may arise which necessitates the writing of orders under the \$500.00 mark. However, this should be the exception not rule. Schools will be reimbursed for the items purchased under this \$500.00 mark.
  - b. If the total cost is between \$500.00 and \$1,000.00, the school should check for the best prices in catalogs or by calling. Call at least three vendors. Name the vendor on the purchase order and send it to the District Office for processing. The District Office reserves the right to change the vendor if it is for a better price. Attach a copy of the phone bid sheet to the purchase order.
  - c. If the total cost is between \$1,000.00 and \$2,000.00, call at least two vendors and preferably three. Attach a copy of the phone bid sheet to the purchase order.
  - d. If the total cost is \$2,000.00 to \$4,000.00, at least three phone bids should be taken. List all information on a phone bid sheet; i.e., salesman, date, cost, etc. Attach a copy of the phone bid sheet to the purchase order.
  - e. If the total cost is between \$4,000.00 and \$10,000.00 send detailed descriptions and specifications to the District Office and suggest at least

three possible vendors. The District Office will set a due date of at least 10 working days from the mail date for the bids to be returned.

- f. If the total cost is more than \$10,000.00, send detailed descriptions and specifications to the District Office for formal bidding and advertising procedures. These purchases in excess of \$10,000.00 shall be formally bid with public notice given in accordance with adopted bidding policies. All solicitations and advertisements to bid shall be issued from the Purchasing Department. The Purchasing Department will further coordinate the receipt, opening, review, and awarding of all bids in accordance with policy.
- 6. All purchases of \$2,500 or greater, unless purchase is from approved school budget, must be approved by the Millard Board of Education prior to purchasing the item or items.
  - 7. When obtaining quotations, they are to be solicited from the widest practical selection of firms of proven performance from whom it has been established the best price can be obtained commensurate with quality, required delivery, and the general requirements of the purchase.

In the selection of possible suppliers, all applications are given equal consideration if after investigation they are deemed qualified. Among the factors to be considered in this determination are: service, reputation, availability of stock, financial responsibility, technical competence, and proximity. Biddable orders shall conform to the State of Utah preferred bidder law (sometimes called the 5% Preference Law, UCA 63-2-50) where applicable.

- 8. **IT IS A FELONY IN THE STATE OF UTAH TO ACCEPT ANYTHING FOR YOURSELF OR ANY OTHER PERSON OR ORGANIZATION IN EXCHANGE FOR PURCHASED ITEMS.**
- 9. Exceptions to Small Purchase and Bid Procedures
  - a. **Sole Source Procurement.** Sole source procurement shall be used only if the goods or services are reasonably available from a single supplier. Any request that procurement be restricted to one potential contractor or vendor shall be accompanied by an explanation as to why no other supplier will be suitable or acceptable to meet the need. In cases of reasonable doubt, competition should be solicited. The Purchasing Department shall make the determination as to whether the procurement shall be made from a sole source.
  - b. **Emergency Procurements.** Emergency procurements using other than normal bid or price quotation procedures may be made only by the Superintendent or Business Administrator. Procurement shall be made according to policy as nearly as possible and still assure that the required supplies, services, or construction items are procured in time to meet the emergency. Given this constraint, such competition as is practicable shall

be obtained. Emergency is defined as a direct threat to life or safety of the public or protection of public facilities.

- c. **School Lunch Purchases.** For additional procedures specific to the Child Nutrition Department, refer to the Millard School District Child Nutrition Program Procurement Procedures for School Food Authorities.

### **PURCHASING CARD / PETTY CASH**

1. Schools may use a school purchasing card or petty cash fund for making small one-time purchases of \$500.00 or less. It is recognized that it is often less expensive and more convenient for the user to buy minor supply items personally and pay for them from a petty cash fund, than to use the conventional purchase order system. This places the responsibility on the Principal to use common sense in determining appropriateness for making petty cash purchases. Purchases shall not be artificially divided so as to come under the limit.

### **RECEIPT AND ACCEPTANCE OF MATERIALS**

1. Each school or department who receives the goods must inspect them for obvious damage, irregularities, or discrepancies. The receiving school or department is responsible for notifying the District Office immediately of damage, irregularities, or discrepancies. This notification should include the following information, and should be made the same day:
  - a. Vendor's name and purchase order;
  - b. Date received;
  - c. Item or items damaged and condition;
  - d. Condition of shipping container upon receipt.
2. All damaged materials should be preserved in their original state and shipping containers until instructions for disposal are issued by the District Office. This is very important. Before a claim can be filed, an inspection by the carrier must be made of the packaging and shipping material as well as the damaged merchandise. Contact the District Office if you need any help.
3. Notification should be made to the District Office when material is received which is not ordered, is defective, or in any way is not acceptable. The District Office will assist in the return and/or exchange of the material.

## **LEASING AND RENTING**

1. Lease and rental agreements are negotiated by the District Office for the Millard School District. Schools and departments are expressly prohibited from entering into such agreements independently.
2. Equipment which is furnished for School District use by outside agencies on a rental or lease basis, whether for a definite or indefinite period, will be covered by a purchase order.

## **SURPLUS PROPERTY DISPOSITION**

1. The District Office is responsible for all surplus property. District policy states, "No district employee shall transfer, sell or trade in any property owned by the School District without written authorization from the Superintendent and/or Business Administrator." From a practical standpoint, books are treated differently from other surplus property.
2. Schools and departments shall notify the Superintendent and/or Business Administrator for disposition of all surplus property.
3. Insofar as feasible and practical, the Superintendent and/or Business Administrator will transfer surplus property between schools to fill needs.
4. Surplus property shall be offered to the general public through competitive sealed bids, public auction, or through a public sale.

# Telephone Bid Sheet

This form is designed as a price quotation form for bid items that are estimated to cost between \$500-\$4,000

#1

DATE \_\_\_\_\_

VENDOR \_\_\_\_\_ TELEPHONE \_\_\_\_\_

SALESPERSON \_\_\_\_\_

BRAND/DESCRIPTION \_\_\_\_\_

PRICE \_\_\_\_\_

---

#2

DATE \_\_\_\_\_

VENDOR \_\_\_\_\_ TELEPHONE \_\_\_\_\_

SALESPERSON \_\_\_\_\_

BRAND/DESCRIPTION \_\_\_\_\_

PRICE \_\_\_\_\_

---

#3

DATE \_\_\_\_\_

VENDOR \_\_\_\_\_ TELEPHONE \_\_\_\_\_

SALESPERSON \_\_\_\_\_

BRAND/DESCRIPTION \_\_\_\_\_

PRICE \_\_\_\_\_

\_\_\_\_\_  
SIGNED-ORIGINATOR

# MILLARD SCHOOL DISTRICT

## Request for Written Quotation

This form is designed as a price quotation form for bid items that are estimated to cost between \$4,000-\$10,000

DATE DUE \_\_\_\_\_ DATE MAILED \_\_\_\_\_

QUANTITY \_\_\_\_\_ BRAND \_\_\_\_\_

ITEM/DESCRIPTION \_\_\_\_\_

\_\_\_\_\_

----- **For Bidder** -----

PRICE \_\_\_\_\_ QUANTITY \_\_\_\_\_

FREIGHT \_\_\_\_\_ OTHER CHARGES \_\_\_\_\_

DELIVERY DATE \_\_\_\_\_

EXPIRATION DATE OF PRICE QUOTE \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

SALESPERSON \_\_\_\_\_

BID PREPARED BY:

\_\_\_\_\_  
Signature

-----  
**RETURN BID TO:** NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

*Copy this sheet for your reference. Send the original to the  
Purchasing Department with the purchase order original.*

**You want to purchase an item**

