

## **PURCHASING: BIDS AND CONTRACTS**

Procedures shall be in place which defines purchasing through the bidding process. They are not to include the following:

1. Bids shall be opened at the time and place stated in the official advertisement for bids. Any interested member of the public may attend the bid opening. It shall be the bidder's sole responsibility to see that his/her bid is delivered to the District prior to the time set for the opening of bids. Any bid received after the time set for opening the bids shall be returned to the bidder unopened and shall receive no consideration by the District.
2. Formal bid tabulations shall be presented at the next regular meeting of the Board, unless otherwise stated.
3. Bid awards shall be made by the Board in consideration of staff recommendations.
4. The District shall reserve the right to reject any or all bids, and to waive any technicality or formality in the bidding process which is not of substantial nature.
5. On construction projects, the bidder shall comply with prevailing wage and affirmative action requirements and shall provide a performance bond, if required.
6. For maintenance or improvement projects estimated to cost in excess of \$50,000, the Superintendent/designee shall advertise for bids in the manner described below.

### **The following steps shall be employed to engage a contract for work projects:**

- a) Written specifications shall be prepared which describes the work to be completed and the materials to be used; completion date; contractor's assurances (prevailing wages, fair employment, etc.); bid and bond performance bond requirements; opportunity to visit the work site; closing date and bid form.
- b) Public notice in accordance with state statute shall be made, which includes a description of the project and the process to follow in acquiring the project specifications.
- c) After the closing time, bids shall be opened, recorded and made available for inspection or telephone inquiry.
- d) The Board shall award the contract to the lowest responsible bidder, provided that the resident bidder is not more than three percent higher than the lowest responsible bidder who is not a resident of Montana.

### **The following factors shall be considered in determining the lowest responsible bidder:**

- a) The ability, capacity and skill of bidder to perform the work required;
- b) Competitive price, warranty, and other cost factors as specified;
- c) The ability of the bidder to perform the work in the time specified.
- d) The quality of performance of previous contracts or services;
- e) The previous and existing compliance of the bidder with law relating to public works; and such other information related to the performance of the contract at the Superintendent/designee deems advisable;
- f) An acceptable bid or offer and a district purchase order shall constitute the only contract necessary.

### **Purchasing Procedures:**

Goals: To acquire equipment, supplies and services in compliance with state law, District policy and sound business practices that meets the needs of the District.

In order to accomplish this goal, end users and administrators need to follow a process that requires approval, ensures funds are available and purchases that are made are appropriate.

To accomplish these goals the purchase order process is to be used. POs are initiated and processed using the PO requisition. The PO requisition can be used for equipment, supplies and services. It is the most common process for purchasing.

The other forms of PO are standing and open. These processes are for special situations and are for supplies only. Most end users within the District do not have a need for using these types of purchase orders. The standing PO is designed to create a direct relationship between an end user and a vendor. Only supplies can be purchased using a standing PO. An example of standing PO would be a high school metal shop and local vendor for gases. The metal shop needs to have gases, which are a supply item, and no one else in the District needs to have access to these supply items. A standing PO is established and forwarding it to purchasing. The requestor of the standing PO is responsible for the following actions:

- Purchasing only supplies as indicated on the request for standing PO
- Annotating each receipt with their printed name and standing PO number
- Forwarding each receipt to payables within one business day
- Tracking the remaining balance on the standing PO to ensure that the limit of the standing PO is not exceeded.

Open POs are set-up for those offices with the District that have recurrent need for supplies from a variety of sources. The maximum allowable amount for a purchase is \$150. Open PO numbers will be changed monthly and forwarded to the approved locations.

Anyone other than the above must contact their administrator to request the use of the open PO. This is done to meet the requirements of being appropriate, approved and funds are available. If approved, the open PO will be furnished to the administrator. All users of the open PO must accomplish the following:

- Print their name, location and account number on the receipt
- Forward the receipt to payables within one business day.

Failure to process either receipts for standing or open POs as described above may cause those POs to be revoked for the individual or location.

When traveling to professional conferences, district employees may want to purchase supplies at the conference. In order to make a purchase, prior authorization is required. Travelers should contact purchasing at least one week prior to the travel commencing. Purchasing will prepare a PO which can be used to acquire supplies. The traveler must reconcile with purchasing for those items purchased within one week of returning.

Direct reimbursements are highly discouraged because they fail to meet the requirements as specified in state law and typically bypass the qualifiers of appropriate approved and fund availability. Board policy (File 7335) severely limits the use of reimbursement to those occasional situations where the purchase was made with the prior approval of the administrator responsible for the fund to be charged for the purchase; the purchase is determined to be of benefit to the District and the claim for personal reimbursement is properly accounted for and documented through an invoice/receipt. Other problems with direct reimbursements are the overhead expense to track down receipts, to generate additional checks and failure to properly receive equipment through the warehouse. Requests for reimbursement will not typically be honored.

The Costco credit card and Wal-Mart credit card can be used by end users within the District for the purpose of making purchases. The administrator must approve of the purchase from the administrator to purchasing stating who will be make the purchase, what account, the amount of the items to be purchased. The authorization can be hand written. Purchasing will issue the credit card once the authorization is received. It is helpful to call purchasing (ext. 3037 or ext. 3036) to insure card availability. After acquiring the goods from the store, the receipt and card must be returned within one business to purchasing.