



Amphitheater Public Schools

Procurement Manual

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PURPOSE AND OBJECTIVE

This manual is a formal internal communications document of Amphitheater Public Schools (the District). It is intended to help schools/departments comply with the most common purchasing situations. NOTE: It is not designed to be a comprehensive document of all possible procurement situations.

COMPLIANCE

The Purchasing Department is responsible for compliance with Title 7, Articles 10 and 11, of the Arizona Administrative Code (AAC). These Articles apply to every expenditure using public monies by a school district, including federal assistance monies. The Uniform System of Financial Records for Arizona School Districts (USFR) defines the requirements for all purchases, including Title 7, and provides minimum audit standards for the procurement of goods and services.

ETHICS

The District's Governing Board members and District employees shall not use their offices or positions to receive any valuable items or benefits that would not ordinarily accrue to them in the performance of duties, if the items or benefits are of such value or character as to manifest a substantial and improper influence upon the performance of their duties. It is the duty of the District's Governing Board members and District employees to maintain professional ethics at all times to increase public confidence in the integrity of the procurement process and the use of public funds.

The Purchasing Department will maintain a fair, open, competitive environment for vendors/contractors to submit quotes/bids/proposals and will maximize the value of expenditures of public funds. This policy should not be construed to prohibit District Governing Board members and District employees from accepting inexpensive novelty advertising items such as pens, notepads, or magnets.

All District employees directly or indirectly involved in the procurement process including vendor selection and/or expenditure of public funds must abide by this policy. Any District employee that may have a potential conflict of interest as related to the selection or utilization of any vendor/contractor or potential vendor/contractor must immediately advise the Purchasing/Warehouse Manager of the potential conflict of interest. This will ensure that all procurements are conducted with integrity under the principles of fair, open, and competitive guidelines.

VIOLATION OF THE PROCUREMENT CODE

After-the-Fact Purchase Orders

If a school site orders materials, service or construction prior to a purchase order (PO) being issued, then an After-the-Fact procurement has occurred. It is illegal to use an After-the-Fact purchase order to cover a purchase made before a PO has been issued. After-the-Fact procurements violate the Arizona Revised Statutes, Article 10 of the Arizona Administrative Code (School District Procurement Rules) and the Uniform System of Financial Records. NOTE: These types of procurements may result in disciplinary action being taken against the employee(s) involved in the violation of procurement rules.

Split Orders

Splitting orders between vendors to stay below procurement limits is a violation of District procurement rules, and may result in disciplinary action being taken against the employee(s) involved in the violation.

PURCHASING/WAREHOUSE DEPARTMENT'S INTRANET

The following information is available on the Purchasing/Warehouse Department's Intranet:

- Current Fiscal Year Spending (based on encumbrances)
- Previous Fiscal Year Spending (based on encumbrances)
- List of Current Contracts (known as either "Daily References SharePoint" or "One Click Vendor Contract List")
- Current Vendor Bid List
- Forms (Quote, Transfer/Disposal)
- Links to Online Auctions, Arizona Revised Statutes, and USFR
- Other Reference Materials and Notices (Tips for Creating Requisitions, Uniform Information, SAVE Contract Information)

This information is available on the Intranet at the address listed below:

<http://sharepoint.amphi.com/wetmore/purchasing/Pages/default.aspx>

PURCHASES

The USFR sets forth the dollar amounts for procurement thresholds that school districts must follow. Because the dollar limits are determined across the entire District, it is imperative that the following procurement practices are followed. Failure to follow the thresholds listed below may result in the freezing of purchases from vendors/contractors and/or serious audit violations for the District.

Quotes, Bids and Proposals

Guidelines for Obtaining Quotes, Bids or Proposals

If the **cumulative cost** of like goods and/or services purchased from a particular vendor or several vendors in a single fiscal year will be:

- | | |
|--|---|
| • Less than \$5,000: | No quote, bid, or proposal is required, but as much competition as is practical should be used. (NOTE: Respect for the taxpayer funds needs to be shown at all times. It is a good practice to document all purchases even if documentation is not required.) |
| • At least \$5,000 and less than \$50,000: | A minimum of three written quotes is required
(documented by a three-quote form to Purchasing). |
| • At least \$50,000 and greater: | A formal solicitation must be processed by Purchasing. |

Multiple Year Procurements:

Purchases that span multiple fiscal years must use the total expenditures over the multiple years in determining what procurement method or documentation is required.

The AAC limits school district contracts to five years. Each contract must be written as a one-year award with up to four additional one-year renewals.

Quotes are Processed by Schools/Departments

Schools/Departments may review the list of current contracts located on the Intranet. These commodities/services have already gone through a competitive solicitation process, and therefore, will not require additional competitive quotes, bids, or proposals. Schools/Departments may, however, request pricing from a single vendor/contractor for budget purposes and to determine what level of procurement documentation will be required.

Each school/department may then determine the amount of spending for that vendor/contractor by reviewing the spending reports for previous and current fiscal years that are located on the Intranet. When obtaining quotes, schools/departments should:

- let the vendor/contractor know that the request for quote is competitive,
- ask the vendor/contractor to include the shipping charge as a line item on the request for quote, and
- submit vendor/contractor quotes on the three-quote form as attachments to requisitions.

If “no quotes” are received in response to requests for quotes, this fact must be documented and will count as a valid quote within the written threshold. However, if more than one “no quote” is to be used in meeting the minimum number of quotes required, a minimum of five vendors/contractors must be contacted with their responses documented.

Bids/Proposals are Processed by the Purchasing Department

The Purchasing Department will work with end users to identify goods and services requiring sealed bids/proposals and will initiate the solicitation process. When requesting that the Purchasing Department begin the solicitation process, schools/departments should provide as much information as possible about the good or service requested, along with a list of potential vendors/contractors who might provide this good or service.

Sealed Bid/Proposal Timeline

Allow at least thirty (30) days for Purchasing to issue a request for bid and at least sixty (60) days for a request for proposal, receive vendor/contractor responses, and obtain Governing Board approval for an award. Awarded contracts from formal solicitations may be renewed annually for up to four additional one-year periods for a total of five years.

Requests for Bids (RFB)

The Purchasing Department will issue a RFB when there is an approximate annual quantity required for specific goods or services, and price is the **sole consideration**.

Requests for Proposals (RFP)

There are instances where factors other than price need to be considered for a contract award. In this situation a RFP is the more appropriate option. Factors to consider may include vendor/contractor qualifications to provide the goods or services required, availability of after-hours service, product quality, training availability, delivery timeline, and other appropriate

criteria. A scope of work defining the goods or services required, the evaluation criteria, and a list of possible vendors/contractors is required by the Purchasing Department prior to initiating a RFP.

Cooperative Contracts

The Purchasing Department may also use the cooperative contracts listed below if it is in the District's best interest. When goods or services are requested through a cooperative contract, the contract number must be referenced on the requisition. Cooperatives approved for use by the Governing Board are:

1GPA (1 Government Procurement Alliance)
Arizona State Contracts
GSA (General Services Administration)
Mohave/ASPIN (Arizona Schools Program in Nutrition)
NationalIPA (National Intergovernmental Purchasing Alliance)
S.A.V.E. (Strategic Alliance for Volume Expenditures)
TCPN (The Cooperative Purchasing Network)
U.S. Communities

WSCA/NASPO (Western States Contracting Alliance/National Association of State Procurement Officials)

When placing an order using a cooperative contract, make sure the items you are ordering are included in the cooperative contract. If they are not, quotes must be obtained for non-included items. (NOTE: All purchases, whether done independently or through a cooperative contract must be done in accordance with School District Procurement Rules.)

Intergovernmental Agreements

The Purchasing Department has a number of intergovernmental agreements (IGA) which allow the District to obtain goods and services from contracts that have been competitively solicited and awarded by other governmental agencies other than the District.

Sole Source Purchases

Governing Board approved sole source vendors/contractors do not require competitive solicitations. All sole source purchases must be approved by the Governing Board.

Textbooks

The Governing Board has approved specific textbooks for District use. Textbooks may be purchased directly from the publisher(s) through awarded contracts.

Independent Contractors

When services are provided by individuals who do not have a W-9 Business Tax ID Number, the individual is required to complete an Independent Contractor Form. An Independent Contractor is defined as an individual that does not have a business license and must be paid on a "project" basis (flat rate for the entire project). An Independent Contractor is **NOT** paid by the hour.

A completed and signed form shall be submitted as an attachment to the requisition. A copy of the Independent Contractor form is available on the Purchasing/Warehouse Department's Intranet.

Blanket Purchase Orders (BPO)

Blanket purchase orders are to be used for purchases of a recurring nature, over a defined period of time, at a specified expenditure limit. They can be set up to be valid for any time period, up to the end of the fiscal year. BPOs must be with vendors/contractors who have gone through the proper procurement process.

When placing an order using a BPO, make sure the items you are ordering are included in the initial contract. If they are not, quotes must be obtained for non-included items.

Requisitions for BPOs must contain the funding amount, the expiration date, and the school/department/person that is authorized to use the BPO.

When using a BPO all receivers or invoices that came with the shipment must be sent to Accounts Payable. This paperwork must be signed and dated with the BPO number as well. (NOTE: Use the date the item was received when dating the paperwork.) This paperwork must be sent to Accounts Payable within two (2) business days after you have received the order or the vendor/contractor will not be paid in a timely fashion.

Year-End and New-Year Purchases

Current year requisitions for orders from out-of-state vendors are accepted through the fourth week of May. Current year requisitions for in-state vendors will be accepted through the second week of June. There may be some exceptions where material is in stock and available for immediate delivery. The Purchasing/Warehouse Manager must approve all current year orders placed after the second week of June. Items must be received by June 30th to be included in expenditures for that year. (NOTE: Items received after June 30th will require a new year's purchase order and will be paid out of the new fiscal year's funds.)

The Finance Department opens access to new-year requisitions around the first of May. New-year orders for textbooks and athletic uniforms shall be placed in a timely fashion. Inventory is first-come, first-served, as K-12 schools nationwide are placing orders for these commodities. The office and janitorial supplies new-year order entry is also open no later than the first of May.

NOTE: Material ordered against new-year purchase orders may not be received prior to July 1st.

DELIVERIES

Direct Deliveries

Purchase Orders with a total value less than \$1,000, with no individual item exceeding \$100, can be shipped directly to the ordering site via UPS or FedEx, bypassing the Warehouse. All capital items and material requiring special handling will continue to be received at the Warehouse for inspection and site delivery. The Purchasing/Warehouse Manager may use discretion on purchase orders over \$1,000 where delivery to the Warehouse is not practicable.

Direct deliveries must be reported within two (2) business days to Accounts Payable. The original paperwork received with the delivery must be signed with the date received and the purchase order number noted on the paperwork. The items received must be checked off the packing list. If there are any discrepancies or damage, contact Purchasing/Warehouse for resolution. Keep a copy of all submitted paperwork for your records.

If it is determined that a school/department is not forwarding all delivery documents within two (2) business days properly checked, signed and dated to Accounts Payable, then that school/department will no longer be allowed to accept direct deliveries of purchase orders.

Warehouse Deliveries

The Warehouse will receive all deliveries over \$1,000 or with individual items exceeding \$100 – with the exception of large bulk orders such as sand, gravel, and other landscaping material, perishable items, blanket purchase orders, large furniture deliveries, or as deemed appropriate by the Purchasing/Warehouse Manager.

SURPLUS PROPERTY

Pickup of Surplus Property

The Warehouse is responsible for picking up surplus property for disposal. The Transfer/Disposal form located on the Purchasing/Warehouse Department's Intranet must be completed and approved by the designated Principal or Director before a pickup will be scheduled.

Surplus Equipment

The District Warehouse has surplus equipment available for use by the schools/departments. If your school/department requires a chair, desk, file cabinet, student desk, or other type of furniture/equipment, you may contact the Warehouse. If stock is available, the requested item(s) will be delivered to your school/department at no charge.

Trade-In of Equipment

Before surplus equipment is disposed of by trade-in to a vendor for credit on a new piece of equipment, the Chief Financial Officer must approve the disposal. The determination for the trade-in shall be processed in writing by the requesting department and forwarded to the Purchasing/Warehouse Manager for review. The determination shall include whether the trade-in value is expected to exceed the value realized through the sale or other disposition of such equipment. Once the Purchasing/Warehouse Manager has reviewed the determination, it will be forwarded to the Chief Financial Officer for review/approval.

TRANSFER OF FIXED ASSETS

The schools/departments are responsible for completing the Transfer/Disposal form located on the Purchasing/Warehouse Department's Intranet when a Fixed Asset (i.e. computer, SMART board, kitchen appliance) is transferred from one site to another. This form **MUST** be completed and approved by the appropriate Staff (IT Manager, Principal, Director) with the date of transfer so that the District's computer system can be updated. Failure to provide this form will result in inaccurate inventory listings for schools/departments which can lead to audit violations due to mismanagement of Fixed Assets.

INSURANCE CLAIMS

The Purchasing/Warehouse Department is responsible for filing property loss claims (District property only) with the District's insurance carrier. Please contact the Purchasing/Warehouse Manager if you have a loss. If the loss is due to vandalism or burglary, a police report must be filed with the appropriate agency (Tucson Police Department, Oro Valley Police Department, or Pima County Sheriff's Department).

UNSOLICITED MATERIAL/SERVICE REQUESTS

If someone contacts you and asks for your delivery address so that they can send you a free sample for your evaluation, do NOT give them any information. Refer the individual to the Purchasing/Warehouse Manager for handling of this type of issue.

EMPLOYEE REIMBURSEMENTS

Employee reimbursements are strongly discouraged. Reimbursements may be made only if the item(s) are not available through normal Purchasing channels. (NOTE: Employee reimbursements are not a substitute for proper planning.)

If employees purchase items with their own money, they must follow the guidelines in the Procurement Manual. Employees who fail to follow the Procurement Manual will not be reimbursed for their purchases, and the items or services purchased will be treated as donations to the District.

PURCHASING FOR PERSONAL USE

No employee may purchase goods or services for personal use in the name of Amphitheater Public Schools.

No employee may sell goods or services for private gain to students or other employees on school premises or via District computer networks.

No employee may use his/her position with the District to solicit, directly or indirectly, the purchase of supplies, services or equipment at special discounts for private use from any District vendor.

Any person using their employment position or influence at Amphitheater Public Schools for the purpose of obtaining goods or services for personal benefit or the personal benefit of others shall be subject to disciplinary action up to and including dismissal and possible criminal charges. Such activities shall include, but are not limited to:

- purchases at discounted rates not available to the general public or all employees of the District; or
- acceptance of goods or services at no or reduced cost; or
- purchases with the intent of avoiding sales taxes.

COMMON ISSUES WITH REQUISITIONS

The following list may help prevent some of the issues encountered by Purchasing/Warehouse from schools/departments entering requisitions.

1. Requisitions do not match what is on the quote form.

The quote form is available on the Purchasing/Warehouse Department's Intranet. When completing this form, be sure to enter freight and tax information accurately, so that the bottom line number on the quote spreadsheet reflects the total of all the charges including freight and taxes that will be on the requisition. This number should equal the total for your requisition.

2. Quotes are not provided to the Purchasing/Warehouse Department with the requisition. Based on the thresholds listed on page four of this document, you must provide quotes with your requisition. You may either attach the quote document to the requisition in FinancePlus or e-mail/fax the quote to the Purchasing/Warehouse Department.
3. Tax is charged on non-taxable items, such as “shipping and handling”.
If an item on your requisition is non-taxable, such as food, labor and services, library books, or shipping and handling, then no tax should be charged on this item. You may go into the tax area for that line item and set it at zero calculation.
4. Requisition has not been approved by end user.

<p style="text-align: center;"><i>END OF PROCUREMENT MANUAL</i></p>
