

PURCHASING

All purchases made on behalf of the District shall be executed in a fair, equitable, and legal manner using a process that helps ensure the best value for the District and its taxpayers. The purpose of this policy and accompanying regulation is to establish such procedures.

Establishment of a Purchasing System

The Board delegates overall purchasing authority to the Superintendent who shall serve as the district's school administrator. The school administrator shall be responsible for developing and administering the purchasing program of the District, including the development and implementation of a requisition and purchasing system that is efficient, economical, and meets the standards below. A complete purchasing record system shall be maintained by the school administrator. To ensure adequate checks and balances, the procurement officer shall have authority to approve district employee's purchases but shall not directly make purchases for the District.¹

General Requirements for Purchases

1. All purchases must conform to all applicable state laws (see HCAA-E), including, but not limited to, laws prohibiting disclosure of confidential and proprietary information.
2. All parties involved in purchasing shall act in good faith, and purchases at all levels shall be made in a manner and form that permits the highest degree of fair competition possible.
3. All purchases must be documented through the purchase card (p-card) system, a purchase order, contract, invoice, or receipt. All records of purchases must be submitted to the school administrator.
4. All purchases made through the purchasing system must have budget appropriations adequate to cover the cost of such obligations. Purchases not meeting this criterion must be approved by the Board.
5. Prior to making a purchase, the purchaser shall check current inventories to ensure that the purchase is necessary and determine if the item can be obtained through existing cooperative purchasing agreements under NDCC 54-44.4-13 or federal agencies contracted under 21-06-08. Purchases made through such agreements are exempt from the procurement procedures contained in this policy.
6. Procurement requirements may not be artificially fragmented as to constitute a small purchase or to avoid competitive purchasing requirements. Artificial fragmentation means splitting purchase requirements or splitting an invoice to stay below a certain dollar level to avoid competition or stay within delegated authority

¹ Districts should consult with their auditors for guidance and review p-card rules if considering modification to these recommended checks and balances.

limits. Fragmentation must be based on an actual need of the District, and documentation of this need shall be filed with the procurement officer.

7. If purchases are made using restricted funds (e.g., grant dollars), purchases must conform to any requirements associated with those funds.
8. This policy is not applicable to legal services or public improvement/construction purchases in accordance with NDCC 15.1-36.
9. Purchases requiring contracts must comply with the contracting standards contained in this policy and in law.

Purchasing Authority Thresholds

The school administrator or designee shall evaluate the procurement needs and estimate the amounts to be purchased to ensure the appropriate purchasing authority threshold is followed. Estimated price may be based upon previous purchases, market research, a published price list, or asking a vendor for a budgetary estimate.

1. **Purchases less than \$10,000:** These purchases may be delegated by the school administrator. Purchasers shall obtain at least one fair and reasonable quote. To the extent feasible, the District must rotate vendors solicited on an equitable basis. The Board has developed criteria if multiple informal bids or proposals are necessary (HCAA-BR).
2. **Purchases \$10,000 to \$50,000:** These purchases may only be made by the school administrator who shall develop specifications and solicit at least three vendors to submit oral or written informal bids or proposals. If receiving three bids or proposals is not feasible or practical, the purchaser shall document an explanation and file it with the school administrator who has authority to require the purchaser to seek additional solicitations. The Board has developed criteria for purchasers to evaluate informal bids or proposals (HCAA-BR).
3. **Purchases greater than \$50,000:** These purchases shall only be made in accordance with NDCC 15.1-09-34 and board policy HCAB.

Delegation of Purchasing Authority when Conflict of Interest Declared

In the event that an individual with purchasing authority has a conflict of interest under law, they shall contact the school administrator who shall appoint another qualified district employee without a conflict to oversee the procurement process of the good/service at issue.

Purchases Requiring Contracts

Any purchase requiring a contract with a vendor/seller shall be approved by the Board prior to execution. When a vendor/seller supplies the contract, the school administrator or designee shall review and make recommendations to the Board prior to approval. Contracts for purchases/services of \$10,000 or more or contracts that contain the option for extension or renewals may be reviewed by the district's legal counsel prior to board adoption.

Contracts shall be no longer than one year in term unless permitted by law and may contain options for renewals or extensions in accordance with law. The District shall not enter into contracts containing indemnity obligations on the part of the District and additional insured status when these clauses will benefit another party.

Unauthorized Purchases

Unauthorized purchases are prohibited by Policy DEBJ.

Complementing NDSBA Templates (may contain items not adopted by the Board)

- DEBJ, Unauthorized Purchases
- HCAA-BR, Criteria for Evaluating Informal Bids or Proposals
- HCAA-E, Purchasing Laws for Schools
- HCAB, Bidding Requirements & Procedures
- HEAA, Line Item Transfer Authority

End of McClusky School District #19 Policy HCAAAdopted: February 11, 2020

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