

FISCAL MANAGEMENT

PURCHASING

The function of purchasing is to serve the educational program by providing necessary supplies, equipment, and related services. The purchasing function will be centralized in the business office under the general supervision of the Purchasing Agent designated by the Board of Education.

It is the goal of the Board to purchase competitively, without prejudice or favoritism, and to seek the maximum educational value for every dollar expended. Competitive bids or quotations shall be solicited in connection with purchases pursuant to law. The General Municipal Law requires that purchase contracts for materials, equipment, and supplies involving an estimated annual expenditure exceeding \$20,000 and public work contracts involving an expenditure of more than \$35,000 will be awarded only after responsible bids have been received in response to a public advertisement soliciting formal bids. Alternative proposals or quotations will be secured by requests for proposals, written or verbal quotations or any other appropriate method of procurement, except for procurements:

1. under a county contract, BOCES, or other appropriate municipal contract;
2. under a State contract;
3. of articles manufactured in State correctional institutions; or
4. from agencies for the blind and severely disabled.

Purchases may also be made through the use of an existing contract let by the United States of America or any agency thereof, any state or any other county or political subdivision or district therein, if such contract was made through competitive bidding consistent with state law and made available for use by other government entities, pursuant to General Municipal Law § 103(16). The Board will acquire from the government entity that originally made the contract a copy of the contract, a copy of the advertisement for bids, and a copy of the affidavit of publication to ensure that the contract was competitively bid and made available for use by other government entities.

The district's purchasing activity will strive to meet the following objectives:

1. to effectively supply all administrative units in the school system with needed materials, supplies, and contracted services.
2. to obtain materials, supplies, and contracted services at the lowest prices possible consistent with the quality and standards needed as determined by the Purchasing Agent in cooperation with the requisitioning authority. The educational welfare of the students is the foremost consideration in making any purchase;

3. to ensure that all purchases fall within the framework of budgetary limitations and that they are consistent with the educational goals and programs of the district;
4. to maintain an appropriate and comprehensive accounting and reporting system to record and document all purchasing transactions; and
5. to ensure, through the use of proper internal controls, that loss and/or diversion of district property is prevented.

Opportunities shall be provided to all responsible suppliers to do business with the school district.

The district will provide justification and documentation of any contract awarded to an offer other than the lowest responsible dollar offer, setting forth the reasons why such award is in the best interests of the district and otherwise furthers the purposes of section 104-b of the General Municipal Law.

The Purchasing Agent will not be required to secure alternative proposals or quotations for:

1. emergencies where time is a crucial factor;
2. procurements for which there is no possibility of competition (sole source items);
3. procurements of professional services, which, because of the confidential nature of the services, do not lend themselves to procurement through solicitation; or
4. very small procurements when solicitations of competition would not be cost effective.

The Assistant Superintendent for Management Services, with the assistance of the Purchasing Agent, shall be responsible for the establishment and implementation of the procedures and standard forms for use in all purchasing and related activities in the district. Such procedures shall comply with all applicable laws and regulations of the State and the Commissioner of Education.

Ref Education Law Sections 305(14) 1709(9)(14)(22)
General Municipal Law Sections 102; 103; 104-b; 109-a; 800
et. seq.

Update
Presentation: 9/7/16

First
Vote: 9/21/16

Second
Vote: 10/5/16

FISCAL MANAGEMENT

PURCHASING REGULATION

The following sets forth the procedures for the procurement of goods and services by the district:

I. Definitions

Purchase Contract: a contract involving the acquisition of commodities, materials, supplies, or equipment.

Public Work Contract: a contract involving services, labor, or construction.

II. General Municipal Law

The General Municipal Law requires that purchase contracts for materials, equipment, and supplies involving an estimated annual expenditure exceeding \$20,000 and public work contracts involving an expenditure of more than \$35,000 will be awarded only after responsible bids have been received in response to a public advertisement soliciting formal bids. Similar procurements to be made in a fiscal year will be grouped together for the purpose of determining whether a particular item must be bid.

III. Competitive Bidding Required

A. Method of Determining Whether Procurement is Subject to Competitive Bidding

1. The district will first determine if the proposed procurement is a purchase contract or a contract for public work.
2. If the procurement is either a purchase contract or a contract for public work, the district will then determine whether the amount of the procurement is above the applicable monetary threshold as set forth above.
3. The district will also determine whether any exceptions to the competitive bidding requirements (as set forth below) exist.

B. Contract Combining Professional Services and Purchase

In the event that a contract combines the provision of professional services and a purchase, the district, in determining the appropriate monetary threshold criteria to apply to the contract, will determine whether the professional service or the purchase is the predominant part of the transaction.

C. Opening and Recording Bids; Awarding Contracts

The Purchasing Agent will be authorized to open and record bids. Contracts will be awarded to the lowest responsible bidder (as recommended by the Purchasing Agent), who has furnished the required security after responding to an advertisement for sealed bids.

D. Documentation of Competitive Bids

The district will maintain proper written documentation which will set forth the method in which it determined whether the procurement is a purchase or a public work contract. Written documentation will also be required when a contract is not awarded to the vendor submitting the lowest quote, setting forth the reasons therefore. A quote which exceeds the bid limit will be awarded only when such award is in the best interests of the district and otherwise furthers the purposes of section 104-b of the General Municipal Law. The district will provide justification and documentation of any such contract awarded.

E. Leases of Personal Property

In addition to the above-mentioned competitive bidding requirements, section 1725 of the Education Law requires that the district will be subject to competitive bidding requirements for purchase contracts when it enters into a lease of personal property.

IV. Exceptions to Competitive Bidding Requirements

The district will not be subject to competitive bidding requirements when the Board, in its discretion, determines that one of the following situations exists:

A. Emergency situations where:

1. the situation arises out of an accident or unforeseen occurrence or condition;
2. a district building, property, or the life, health, or safety of an individual on district property is affected; or
3. the situation requires immediate action which cannot await competitive bidding.

However, when the Board passes a resolution that an emergency situation exists, the district will make purchases at the lowest possible costs, seeking competition by informal solicitation of quotes or otherwise, to the extent practicable under the circumstances.

- B. When the district purchases surplus or second-hand supplies, materials, or equipment from the federal or State governments or from any other political subdivision or public benefit corporation within the State.
- C. When the Board separately purchases eggs, livestock, fish and dairy products other than milk, juice, grains and species of fresh fruits and vegetables directly from producers or growers. The amount expended in any fiscal year by the district may not exceed an amount equal to fifteen cents multiplied by the number of days in the school year multiplied by the total enrollment of the district.
- D. When there is only one possible source from which to procure goods or services required in the public interest.

Documentation: The district will maintain appropriate documentation (verbal or written) where required.

V. Quotes When Competitive Bidding Not Required

Goods and services which are not required by law to be procured by the district through competitive bidding will be procured in a manner so as to ensure the prudent and economical use of public monies in the best interests of the taxpayers. Alternative proposals or quotations will be secured by requests for proposals, written or verbal quotations or any other appropriate method of procurement, as set forth below.

A. Methods of Documentation

1. Verbal Quotations: A record will set forth, at a minimum, the date, item or service desired, price quoted, name of vendor, name of vendor's representative;
2. Written Quotations: vendors will provide, at a minimum, the date, description of the item or details of service to be provided, price quoted, name of contact.
3. Requests for Proposals: the district will contact a number of professionals (e.g., architects, engineers, accountants, lawyers, underwriters, fiscal consultants, etc.) and request that they submit written proposals. The RFPs may include negotiations on a fair and equal basis. The RFPs and evaluation of such proposals will consider price plus other factors such as:
 - a. the special knowledge or expertise of the professional or consultant service;
 - b. the quality of the service to be provided;
 - c. the staffing of the service; and
 - d. the suitability for the district's needs.

V. Quotes When Competitive Bidding Not Required Con't.

B. Purchases/Public Work: Methods of Competition to be Used for Non-Bid Procurements: Documentation to be Maintained

1. Purchase Contracts: Up to \$20,000 - (See Exhibit)
2. Public Work Contracts: Up to \$35,000 - (See Exhibit)
3. Emergencies: Verbal quotes
4. Insurance and Professional Services: Written quotes alternatively, written or verbal quotation forms will serve as documentation if formal bidding is not required. "Requests for Proposals" (RFPs), documented in the same manner as described herein, may also be used.
5. Leases of Personal Property: Written quotes
6. Second Hand Equipment from Other Governments: Written quotes
7. Certain Food and Milk Purchases: Written quotes
8. Sole Source: Written or verbal quotes In addition, the district will document that there is no possibility of competition for the procurement of the goods.

VI. Quotes Not Required When Competitive Bidding Not Required

A. The district will not be required to secure alternative proposals or quotations for those procurements:

1. under a county contract or other appropriate municipal contract;
2. under a State contract;
3. of articles manufactured in State correctional institutions; or
4. from agencies for the blind and severely disabled.

B. In addition, the district will not be required to secure such alternative proposals or quotations for:

1. emergencies where time is a crucial factor;
2. procurements for which there is no possibility of competition (sole source items);
3. procurements of professional services, which, because of the confidential nature of the services, do not lend themselves to procurement through solicitation; or
4. very small procurements when solicitations of competition would not be cost-effective.

VII. Procurements from Other than the "Lowest Responsible Dollar Offer"

The district will provide justification and documentation of any contract awarded to an offer other than the lowest responsible dollar offer, setting forth the reasons why such award is in the best interests of the district furthers the purposes of section 104-b of the General Municipal Law.

VIII. Internal Control

The Assistant Superintendent for Management Service, with the assistance of the Purchasing Agent, will establish and maintain an internal control structure to ensure, to the best of his/her ability, that the district's assets will be safeguarded against loss from unauthorized use or disposition, that transactions will be executed in accordance with the law and district policies and regulations, and recorded properly in the financial records of the district.

Ref: Education Law Sections 305(14); 1709(9)(14)(22)
General Municipal Law Sections 102; 103; 104-b; 109-a; 800
et seq.
8 NYCRR Sections 114.3; 114.4; 170.2
NYSED Management Services – Purchasing Handbook
<http://www.emsc.nysed.gov/mgtserv/purchasing/handbook3.htm>

FISCAL MANAGEMENTPURCHASING EXHIBIT

Methods of Competition to be used for Non-Bid Procurements

	Verbal Quotes		Written Quotes
	0	3	3
<i>Purchase Contracts Up to \$20,000</i>			
Under \$ 1,000	x		
\$1,000 - \$ 2,500		x	
\$2,500 - \$20,000			x
<i>Public Work Contracts Up to \$35,000</i>			
Under \$ 2,500	x		
\$2,500 - \$ 5,000		x	
\$5,000 - \$35,000			x