

F-2: Administrative Procedures

Purchasing



REFERENCES

- [Board Policy F-2](#)
 - [Utah Code Ann. §53E-30-702 et seq., School Construction](#)
 - [Utah Code Ann. §63G-2-101 et seq., Government Records Access and Management Act](#)
 - [Utah Code Ann. §63G-6a-101 et seq., Utah Procurement Code](#)
 - [Utah Code Ann. §67-16-1 et seq., Utah Public Officers' and Employees' Ethics Act](#)
 - [Utah Admin. Code R33, Administrative Services, Purchasing and General Services](#)
 - [Utah Admin. Code R277-719-3, LEA Policies Regarding Vending Machines](#)
 - [District Contract Guidelines](#)
 - [Salt Lake City School District's Child Nutrition Department Procurement Procedures for School Food Authorities](#)
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DEFINITIONS

- Annual Cumulative Threshold:** The maximum total annual amount that the district may expend to obtain procurement items from the same source within a fiscal year.
- Authorized Employee:** An employee with written authority from their administrator, director, or supervisor to make small purchases in accordance with these administrative procedures.
- Construction:** Services, including work and supplies for a project involving the construction, renovation, alteration, improvement, or repair of a public facility on real property; however, does not include services and supplies for the routine, day-to-day operation, repair, or maintenance of an existing public facility.
- Contract:** An agreement to expend districts funds, regardless of the source of the funds.
- Department:** The purchasing department of the Salt Lake City School District.
- Design Professional:** Professional services within the scope of the practice of architecture; professional engineering; or master planning and programming services.
- Designated Employee:** An employee with written delegated authority by the purchasing department to request competitive quotes over \$5,000 and up to \$49,999.
- Individual Procurement Threshold:** The maximum amount for which an authorized employee may purchase a procurement item.
- Professional Services:** Labor, effort, or work that requires an elevated degree of specialized knowledge and discretion.
- Single Procurement Aggregate Threshold:** The maximum total amount that an authorized employee may expend to obtain multiple procurement items from one source at one time.
- Small Purchase:** A procurement that does not require the use of a standard procurement process.
- Standard Procurement Process:** The bidding process, request for proposals process, approved vendor list process, small purchase process, or the design professional procurement process.
- Warehouse:** The district central warehouse located at 995 West Beardsley Place, Salt Lake City.
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PROCEDURES FOR IMPLEMENTATION

- I. Purchasing and Contracting General Provisions**
- A. These procedures apply to all purchases and contracts made within the district, regardless of the source of the money to be expended.
 - B. All procurement and contracting activities must be conducted in strict accordance with all applicable laws, including, but not limited to, the Utah Procurement Code, the Utah Administrative Code, and the Utah Public Officers' and Employees' Ethics Act. Employees shall also comply with all other board policies, district administrative procedures, and Purchasing Department (Department) guidelines when making any purchase.
 - 1. For additional procedures specific to the child nutrition department, refer to the Salt Lake City School District's Child Nutrition Department Procurement Procedures for School Food Authorities.
 - C. Every contract must be approved by the business administrator in advance of any goods or services being provided under said contract.
 - 1. Any administrator who fails to obtain advance approval of a contract may be subject to discipline as noted in Section XVIII below.
 - D. Except for small purchases made pursuant to these procedures, no purchase may be made, and no indebtedness may be incurred by any district employee, without Board of Education (Board) approval.
- II. Illegal Activities**
- A. Employees participating in any aspect of a procurement process shall not use their position to request or receive gratuities or kickbacks.

- B. Employees are prohibited from artificially dividing a purchase in order to avoid exceeding the dollar expenditure limits established by the district.
- C. Violations of the state's procurement and ethical laws, including those listed above, are punishable as a misdemeanor or felony depending on the dollar amount involved, and require termination of employment.
- D. In accordance with state law, employees may not:
 - 1. use district funds for a personal use expenditure that furthers a personal interest; or
 - 2. incur any type of indebtedness or liability on behalf of the district that will further a personal interest.

III. Cooperative Purchasing

When it is in the best interest of the district, as determined by the director of the Department, the Department shall utilize cooperative contracts with the state and other authorized cooperative contracting organizations.

IV. Standardization

To minimize the initial purchase and on-going maintenance and support costs, authorized or designated employees may standardize products and services with prior approval from the Department. The Department shall host these standardized product lists on its website or another centralized location for public inspection.

V. Leasing, Rental, and Maintenance Agreements

Except for district owned real property, all leasing, rental, and maintenance agreements will be authorized and processed by the Department.

VI. Description and Specification Development

Specifications, scopes of work, and product and service descriptions will be drafted by the requesting school or department(s), and submitted with a requisition. Descriptions should be clear and specific without intentionally limiting competition. The Department has the authority to revise specifications, scopes of work, product and/or service descriptions if it is determined that they are overly restrictive or limit competition.

VII. District Requisitions

Except as authorized within these administrative procedures, any expenditure of public funds must be initiated by an approved requisition.

- A. The requesting school or department initiates a requisition.
- B. The principal, director, or other authorized administrator must verify the accuracy of and approve all requisitions.
- C. No requisition is required for:
 - 1. district purchasing card transactions up to \$1,000; and
 - 2. purchases up to \$1,000 that utilize other approved methods of payment authorized by the accounting department (i.e. school payment requests, petty cash checks, etc.). All such purchases must be thoroughly documented.

VIII. Purchase Order (PO)

- A. Except as authorized within these administrative procedures, any expenditure of public funds is to be authorized by a PO.
- B. A PO will be awarded based upon the requirements and criteria set forth in the appropriate standard procurement process, and what is determined to be the best value for the district.
- C. Any requested modification, or cumulative amount of modifications, to a PO that increases the value of the contract by more than ten percent (10%) or \$1,000, whichever amount is less, must be submitted to the Department using a Change to Purchase Order Request form.
- D. Requisition numbers shall not be given to vendors in place of PO numbers.

IX. Small Purchases - Non-Construction

- A. For purposes of this section, the following "Purchasing Thresholds" shall apply:
 - 1. Individual Procurement Threshold: \$1,000.00;
 - 2. Single Procurement Aggregate Threshold: \$5,000.00; and
 - 3. Annual Cumulative Threshold: \$50,000.00.
- B. Priority shall be given to items available from the Warehouse, district contracts, or state contracts.
- C. For individual items that cost up to \$999.99 and the total purchase does not exceed \$5,000, if the items being purchased are not available from the Warehouse or on a state or district contract, an authorized employee may make a best source selection and proceed with the purchase utilizing a P-card or other approved method of payment.
- D. For individual items that cost between \$1,000.00 - \$4,999.99 and total purchase does not exceed \$5,000:
 - 1. If the items being purchased are not available from the Warehouse, district or state contract, a minimum of two quotes is required. Quotes shall be documented on the Telephonic Price Quote form or in writing from the vendor. At a minimum, a quote shall contain the following information:
 - a. requesting district employee name and position;
 - b. date received or dates that the quoted price is valid and anticipated delivery date;
 - c. company name, address, and salesperson;

- d. each item, description or specifications, unit, quantity, and total price;
- e. shipping and freight charges; and
- f. salesperson and contact information.
2. The school or department shall attach the quote documentation when entering a district requisition. If approved, the Department will then issue a PO.
3. Requests to award a contract without engaging in a standard procurement process (formerly called "Sole Source" process) that exceed \$1,000 must follow the process outlined in Section XIII below.
- E. For any purchases that total over \$5,000:
 1. The school/department must initiate the purchase through a district requisition. Once the requisition is received by the Department, it will be processed as follows:
 - a. Purchases up to \$49,999.99: Department, or designated employee, will obtain and document quotes, select the best vendor based on criteria such as price, availability, quality, etc., then issue a PO.
 - b. For purchases of \$50,000 and over, please refer to Section XII below.
- F. For employee travel expenses, see Board Policy F-3: Conference Attendance and Travel Expense Reimbursement, and its accompanying administrative procedures. Employee travel must still comply with all district purchasing policy and procedures.
- G. For student travel expenses, see Board Policy I-19: Overnight and Extended Trips or Activities, and its accompanying administrative procedures. Student travel must still comply with all board purchasing policies and district administrative procedures.
- H. Any employee may contact the Department for assistance in obtaining the necessary competitive quotes. A requisition, accompanied by the competitive quotes, must be submitted to the Department. Upon approval of the requisition, the Department will issue a PO.
- I. To ensure the efficient and proper expenditures of public funds, the Department may obtain additional competitive quotes and/or negotiate the terms of agreement for any requisition submitted.

X. Small Purchases - Construction

Construction small purchases are small project improvement or project remodel purchases from one vendor that total less than \$50,000.

- A. This section shall not apply to routine, day-to-day operation, repair, or maintenance of an existing facility (i.e. painting, carpeting, plumbing, lighting, etc.). The director of the Department will determine whether the small purchases-construction category applies on a case-by-case basis.
- B. For any single project purchase up to \$20,000, an authorized employee does not need to obtain competitive quotes in order to support the purchase. Auxiliary services must submit a requisition, with appropriate supporting documentation, to the Department. Upon the requisition's approval, the Department will issue a PO.
- C. For any single project purchase from one vendor costing between \$20,001 and \$49,999, an authorized employee must obtain a minimum of two, but preferably three, competitive quotes. Competitive quotes may be obtained over the phone, in writing, or electronic format. An authorized employee may contact the Department for assistance in obtaining the necessary competitive quotes. A requisition, accompanied by all competitive quotes must be submitted to the Department. Upon approval of the requisition, the Department will issue a PO.
- D. To ensure the efficient and proper expenditures of public funds, the Department may obtain additional competitive quotes and/or negotiate the terms of agreement for any requisition submitted.

XI. Small Purchases - Professional Services

- A. The small purchase limit for professional service providers is \$100,000.
 1. The following process shall be followed when using this small purchase process:
 - a. Professional service providers may be procured for up to a maximum of \$100,000, by direct negotiation, after reviewing the qualifications of a minimum of three (3) firms or individuals.
 - b. Requesting schools/departments may use the District Professional Services form to document compliance with state law.
 2. The Department, in its sole discretion, may choose to contact additional vendors for consideration.

XII. Large Purchases

- A. Large purchases are single or cumulative purchases from one vendor that cost \$50,000 or more.
- B. Non-construction
 1. The requesting school/department will work with the Department to provide complete descriptions, specifications, scope of work, and suggested sources for the goods or services.
 2. The Department will determine the correct procurement process by utilizing existing state contracts, using a competitive solicitation process, or by awarding a contract without engaging in a standard procurement process.
 3. The Department will ensure that public notification is made in accordance with state law.

4. If a standard procurement process is used, the Department or a designated employee will review all responses and make an award determination in accordance with state law.
5. After an award is made, an authorized employee must submit a requisition to the Department.
6. All large purchases must be approved by the Board before a PO is issued.
7. After approval by the Board, the Department will issue a PO.

C. Construction

1. For all approved construction projects, a duly licensed architect/engineer may be selected through a standard procurement process to prepare plans and specifications for district building alterations or new construction projects.
2. Contracts for construction of the project will be awarded through a standard procurement process. When the estimated total building project cost exceeds \$50,000, public notification will be made in accordance with state law.
3. Bids exceeding \$50,000 will require the submission of bid, performance, and payment bonds.
4. After an award is made, an authorized employee must submit a requisition to the Department.
5. All large purchases must be approved by the Board before a PO is issued.
6. After approval by the Board, the Department will issue a PO.

XIII. Award of Contract Without Engaging in a Standard Procurement Process (formerly called "Sole Source" process)

- A. Awarding a contract without engaging in a standard procurement process is appropriate only when:
 1. there is only one source for the item/service;
 2. transitional costs are a significant consideration in selecting an item/service. A cost-benefit analysis is required to indicate that transitional costs are unreasonable or cost-prohibitive; and
 3. other circumstances as determined by the director of the Department.
- B. An authorized employee must submit an Award of Contract Without Engaging in a Standard Procurement Process form (ACWESPP) accompanied by a requisition to the Department for validation and approval.
- C. An ACWESPP form does not need to be completed when procuring the following:
 1. utilities, when only one provider is available;
 2. conferences, workshops, or tuition fees, when the desired service is offered by only one provider;
 3. media advertising for placement of ads, i.e. newspaper, television, radio, etc.;
 4. federal/state/city provided services, where they are the only provider;
 5. renewal of exclusive maintenance and/or support agreements for items already owned by the district;
 6. professional licenses or dues to professional associations; or
 7. various high school expenses as follows:
 - a. An authorized high school employee may, with the high school principal's approval and using only student raised funds, write school checks for amounts over the \$1,000 purchasing limit for the following:
 - i. sales taxes;
 - ii. student scholarships;
 - iii. testing:
 - a.) Checks must only be made payable to the appropriate testing organization, i.e. AP, PSAT, ACT, etc.
 - iv. Utah High School Activities Association payments; and
 - a.) Checks may be issued for insurance, dues, or ticket sales.
 - v. Parent Teacher Student Association (PTSA) payments.
 - a.) Checks must be made payable to the PTSA, not an individual.

XIV. Emergency Procurement

An emergency condition is a situation which creates a threat to public health, welfare, safety, or such other reasons as may be determined by the director of the Department.

- A. Circumstances that may create harm or risk to health, welfare, safety, or property include:
 1. damage to a facility or infrastructure resulting from flood, fire, earthquake, storm, or explosion;
 2. failure or eminent failure of a public building, equipment, road, bridge or utility;
 3. events that impair the ability of a public entity to function or perform required services; or
 4. other conditions as determined in writing by the director of the Department.
- B. Emergency procurements will be limited to only those supplies, services, or construction items necessary to meet the emergency. Emergency purchases should provide as much competition as practical under the circumstances.

- C. In the event the Department is unable to give approval, the superintendent may approve emergency procurements up to a limit of \$50,000.
- D. For emergency procurements exceeding \$50,000, both the superintendent and the business administrator's signature will be required.
- E. Written documentation supporting the basis for the emergency and the selection of any item/service shall be submitted to the Department. A record of the determination and selection shall be kept in the contract file.
- F. Any documentation or approvals may be given after the emergency condition has been alleviated.

XV. Purchasing Cards

- A. Only designated employees may, in the process of conducting district business, use the district's authorized purchasing cards for authorized purchases in strict accordance with the district's P-Card Training Manual/Policies and Procedures.
- B. Purchasing cards will have transaction limits as determined by the Department.
- C. Card usage will be audited regularly.

XVI. Surplus Property

The Warehouse is solely responsible for the transfer, sale or destruction of all district owned surplus property. Surplus property includes all furniture, electronics, textbooks or any other item purchased by, or donated to, the district which is no longer of use to the district. Under no circumstances should a school or department coordinate the sale or disposal of surplus property on their own.

- A. Disposition of surplus property process:
 - 1. No district employee will transfer, sell, or trade-in any property owned by the district without written authorization from the director of the Department.
 - 2. Schools and district departments will notify the Warehouse of all surplus property by submitting a surplus request. When feasible and practical, the Warehouse will transfer surplus property between schools and offices.
 - 3. Surplus property, which has been determined to be of no use to the district or other public entities, will be picked up and offered to the public through a competitive bid, public auction, or other approved process.

XVII. Vending

- A. All proposed vending service providers must participate in the district's standard procurement process.
- B. All vending machine contracts must be approved by the Board or designee, and be signed by the district business administrator.
- C. Schools will follow generally accepted accounting procedures, including providing periodic reports to the district of vending machine revenues and expenditures.
- D. Vendors of school vending machines will, as part of the standard procurement process, submit procedures and quality assurance measures to assure full and complete compliance with all United States Department of Agriculture Smart Snacks in School and Utah State Board of Education Child Nutrition Programs rules and regulations.

XVIII. Violations

- A. Whenever the Department finds evidence that an employee has engaged in unlawful activity and/or violated these administrative procedures, Board Policy F-2, the Utah Procurement Code, or any other applicable procurement policy, that employee may be subject to disciplinary action as well as cost recovery actions, including demands for reimbursement, having deductions taken from wages, and/or other legal redress. Disciplinary action will be coordinated with the employee's direct supervisor, human resource services, and other applicable district personnel.
- B. An action taken under this section does not preclude the district from taking other legal actions related to a violation. The district reserves the right to take any other disciplinary actions allowable under state law, Board policy, and district administrative procedures.