Private Education in a Public School Setting

Purchasing Handbook

A manual provided to guide District Staff in appropriate procurement procedures and guidelines

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Purpose and Objective

This manual is a formal internal communication document of Riverside Elementary School District #2 (RESD). It is intended to assist District Staff with compliance with the most common purchasing situations. It is not designed to be a complete comprehensive document of all possible procurement situations.

Compliance

RESD #2 conducts the business of purchasing merchandise and/or services through the issuance of pre-authorized purchase orders. This practice is strictly enforced. RESD #2 shall follow all rules for purchasing and contracting services as prescribed in the Arizona Revised Statues 15-213, the Arizona Administrative Code, Title 7, Article 10 & 11, and the Uniform System for Financial Records (USFR). These rules apply to all public money expenditures.

RESD staff members shall not purchase materials or contract for services without following the procurement procedures. Failure to follow these procedures is in violation of the Arizona Procurement Rules and District Policy. The responsible party can be subject to criminal conviction and be held personally responsible for the payment of all cost associated with the purchase/service. **Having a purchase order in place prior to placing an order or rendering services protects the individual from personal liability. Please keep in mind that a requisition *is not* an authorized purchase order.**

DO NOT ORDER ITEMS OR ALLOW SERVICES TO BEGIN WITHOUT AN AUTHORIZED PURCHASE ORDER.

Violations of Procurement Code

After-the-fact Purchase Orders

If a school site/department orders materials or render services 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. These 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 School District Procurement Rules, and may result in disciplinary action being taken against the employee(s) involved in the violation.

Signing Contracts

Governing Board Policy DJE authorizes ONLY the Superintendent, Executive Director of Business Services and Purchasing Agent the authority to enter into contracts on behalf of the Riverside Elementary School District. Other Administrators are not permitted to sign any contracts that commits the District financially, regardless of the funding source.

Vendor Registration

Vendors interested in doing business with the District, can register by downloading the Vendor Registration Form packet located on the District's website, www.resdonline.org. From this database, invitation notices are sent out for bidding and quotations. Included in the Registration Form packet is the W-9 form that needs to be completed. The vendor registration and W-9 forms can be e-mailed or faxed to the Purchasing Department. Always inquire potential vendors in advance if they accept purchase orders.

Purchase Requirement

Purchases should not be made until a purchase order number is issued. Requesters must submit a purchase requisition via the District's Visions Enterprise software program. This requisition must be processed and turned into a purchase order (PO) before goods or services may be rendered. Only employees may be listed as authorized requesters on a purchase order.

Requisitions

A requisition is required for every purchase regardless of the source of funds. If you require a District check to be issued to the vendor, you must have a requisition entered in the system. The requisition must be entered at least 1

week prior to issuing a PO to allow proper time to review for errors, corrections and resubmittals. The requisition must be approved at all levels and submitted to the purchasing dept. electronically to create a PO. Contacting the intended vendor to obtain a price quote and delivery information is acceptable. DO NOT ORDER or REQUEST DELIVERY until a purchase order has been issued.

Generally, the requisition process involves the following steps:

- Requisition is entered by the school/department staff
- Administrator approval is provided by the school/department staff electronically
- Technology may be required as an additional approval, if applicable
- Purchasing Department reviews the requisition entered. Quotes are required from the vendor to complete requisition request
- A PO is issued 48 – 96 hours once submitted to purchasing; timeframe may vary
- Goods or services are rendered

The on-line purchase is to be completed by the school admin. assistant or department ordering supplies and/or equipment. Each online order will be made out to a specific vendor. Use proper unit of measure i.e. EA for each, PKG for package, PR for pair, RL for roll, GR for gross, GL for gallon and RM for ream. When entering the unit price, be sure that it is for the unit of measure indicated. Forward shopping cart, if applicable.

Purchase Orders

Purchase orders are needed for every transaction that will require a vendor to be paid. District staff must obtain this approval in the form of a purchase order (PO) PRIOR to ordering any goods or services. This also pertains to Student funds, all District funds and fund raising sales/events.

Regular Purchase Orders

The regular Purchase Order is generated in the Purchasing Department after a requisition is entered by the requesting school or department. The two types of regular purchase orders are line item purchase orders and blanket purchase orders. The definition of each are described below.

The Definition of a line item purchase order:

- A purchase order with separate lines for each item/quantity.
- Receipt of goods/services must be done to process payment.
- Partial invoices (individual line items or partial quantities can be sent in for payment).

The Definition of a blanket purchase order (not to be used for capital items purchases):

- A purchase order used for purchases of recurring nature from the same vendor; such as maintenance, services, etc.
- Partial payments may be made against the purchase order total.

"Not to Exceed" blanket purchase orders may not be increased without the approval of the site, the Business and Purchasing Departments. All blanket purchase orders require a specified time frame or expiration date, a specific dollar amount and an authorized employee to use it.

The step-by-step procedures for line items and blanket purchase orders are shown below.

Line Item:

1. Separate lines for each item as per quote must be entered; as receiving per line must be done to process payment
2. Item/Items physically received and checked accordingly (tangible)

Blanket:

1. All items including tax are lumped together, need original receipts, "approve to pay" signature and date sent to Accounts Payable, **do not** hold receipts until total dollar amount on purchase order is reached.
2. One line, total dollars of purchase order cover cost of all items
3. Services rendered, tax included in total price, explanation is in body of purchase order
4. Blanket POs can be used until funds are spent, original signed/dated receipts need to be sent in as received, so they can be paid in a timely manner
5. Specific amount and period of time are required
6. Various items purchased i.e. "Fry's", or services i.e. "repairs or maintenance"

Once a purchase order is converted, it is generally sent by the Purchasing Department to the vendor unless instructed otherwise by the site/department on the requisition. The site/department may elect to have the vendor copy of the purchase order sent directly to the site/department for distribution by the requestor.

Consultant Purchase Orders

All vendors, including consultants, must have a current IRS W-9 form on file with the Purchasing Department **before** a purchase order may be issued. New consultant vendors must be added to our system and a W-9 must be requested along with fingerprinting clearance card if ***dealing mainly with students***. A vendor application is available on the District website, www.resdonline.org. You can also contact Purchasing at 477-8900, ext. 1103 with questions regarding this requirement.

If you do not have a purchase order on or before the day a consultant is scheduled to begin services, please DO NOT render services until you contact Purchasing ***immediately*** so that we may attempt to expedite your purchase order.

Things to Remember About ALL Purchase Orders

Purchase orders **must be prepared for all purchases in advance of the purchase or services to be performed**. This also pertains to any vendor who wants to send you an item for a trial or test period. **Purchase Orders must be in hand before you take possession of the merchandise.** Employees who purchase items without purchase orders and request reimbursement **may be responsible for the purchase.**

DO NOT ORDER ITEMS OR ALLOW SERVICES TO BEGIN WITHOUT AN AUTHORIZED PURCHASE ORDER FROM THE PURCHASING DEPARTMENT.

Purchase Order Approval

Each purchase requisition must be properly coded and approved by the principal or department head so that the Business Department may determine whether funds are available.

Upon receipt of a requisition, Business Department will review it to ensure proper completion, including any required approvals. It is the responsibility of the principal or department head to give specific descriptions and accurate

prices of the items whenever possible. The Business Department will then forward your requisition to Purchasing to determine the proper procurement procedure and to prepare your purchase order.

The Purchasing Department will process the purchase order and a purchase order number will be assigned to be sent to its designated person/vendor electronically. Any further reference to the requisition will then be made by **purchase order number**. If, for any reason, the requisition is not approved, the admin. assistant/principal or department head will be informed by the Business Department or Purchasing.

Purchase Order Distribution

When a PO is printed from the Purchasing Department our purchase order distribution is set up to do the following:

1. The **VENDOR COPY** - The VENDOR COPY should be the only copy sent to the vendor and/or used for shopping at the store - See below*****.
2. The **ENTITY COPY** – Is sent to the end user/originator.
3. The **RECEIVING COPY** – The Warehouse is given this copy for receipt of items ordered.
4. The **FILE COPY** - Two (2) copies are printed – one copy for the Accounts Payable Department and one copy for the Purchasing Department.

*****If you are going to pick up your order from a local vendor, let the Purchasing Department know ahead of time. The Purchasing Department will send you the Vendor Copy of the P.O via interoffice mail. You must use this copy of the purchase order as it is the official purchase order with the authorized signature. **It is *imperative* that you *take* the VENDOR COPY of the purchase order to the *vendor addressed on the PO*. The *only* exception is when there is an *account number printed in the address or attention area*. In that case, we are paying one remit address. For example, if the PO is for the Baskin Robbins in Phoenix please DO NOT take your purchase order to the Baskin Robbins in Glendale, because each store is individually owned and they will not accept the Purchase Order!** If you are not sure, please call the Purchasing Department at 477-8900, ext. 1103.

Receipt of Orders

The Receiving Copy of the purchase order serves as the official confirmation that the goods or services ordered were properly received. When the merchandise is received, the Receiving Copy along with the packing slip that has been signed and dated by the receiver must be returned to Accounts Payable. We cannot pay for merchandise without a dated and signed packing slip. All orders are to be received through the District Warehouse. They will process the receiving paperwork for signature and delivery.

If you are picking up your items, once you have received your supplies, please attach your receipt from the vendor to your Entity copy, sign and date it and forward it to the Accounts Payable Department. **You must send your signed receipt and Entity Copy within 5 days of the purchase date**. It is the responsibility of any employee who purchases any items, to compare the receipt with the Entity Copy to make certain the correct purchase order is being attached. For example, you cannot use a purchase order for Fry's Marketplace at Lakeshore Learning. If you have two or three purchase orders, please be careful to properly match the vendor's receipt with the appropriate Purchase Order. By doing so, it will assist Accounts Payable in paying our vendors in a timely manner.

Dollar Limits Requiring Quotes & Formal Bids

All staff involved in purchasing items and services for the district should be aware of the dollar limits and how they affect required competition. These requirements are established by the State Board of Education and the Auditor General and apply to all School Districts in Arizona.

- Cumulative purchases from a specific vendor across the District for the fiscal year may be made without official quotes up to $10,000* (including **ALL** costs of shipping, taxes, fees etc.).
- Cumulative purchases exceeding $10,000 but less than $50,000 must have three (3) verbal vendor quotes. The award shall be made to the lowest vendor, unless justification has been provided and approved by the Purchasing Department.
- Cumulative purchases exceeding $50,000 but less than $100,000.00 must have three (3) written vendor quotes. **Written quotes must be signed and dated by the vendor submitting the quote**.

*For requisitions of $9,500 or more, quotes will be required to insure to avoid problem with purchase order "creep" where the final cost on a purchase exceeds the quote threshold for whatever reason. By requiring written quotes at $9,500, we will be able to avoid many audit exceptions that occur when purchase orders just barely "creep" past the $10,000 threshold. The auditors are always looking at the final total cost when determining what level of competition, we must seek.

Documentation of a no-quote response

If a no-quote is received in response to requests from District Staff, this fact must be documented, and will count as a valid quote within the written threshold. If more than one no-quote is to be used in meeting the minimum number of quotes required, a minimum of 5 vendors must be contacted, with their responses documented.

Formal Bids/Proposals

Cumulative purchases above $100,000 require the District to seek formal offers (bids or proposals). The Purchasing Department will work with end users to identify goods and services requiring sealed bids or proposals and will initiate the formal bid process.

*Exceptions may be made in Sole Source situations for all purchases above $100,000, however, those situations are rare and a letter from the vendor stating that the company is a sole source will **never** serve as documentation for that vendor's sole source procurement.*

Sole Source

Sole source procurement requires written justification from the requestor to the Purchasing Department, **prior to commitment of an order.** A sole source justification form is attached and can be obtained from the Purchasing Department. All sole sources must be approved by the Governing Board at a formal Governing Board meeting.

If you believe there is justification to request, in lieu of competitive bidding, a specific product brand name, a specific manufacturer, or a sole or preferred supplier of a product or service, **you must complete this form, and send it to the Purchasing Department. Justifications are to be supported by factual**

statements that will pass internal and state audits. It is the critical and necessary features of a product that make it a sole source.

NOTE: *For purchases under $100,000.00, there must be an attempt to obtain a minimum of 2 additional quotes. If no quotes can be obtained, the District will document the attempt by noting those vendors that could not quote and the reasons why.*

Inter-Governmental Agreements (IGA's)

The Purchasing Department has a number of intergovernmental agreements (IGA) which allow the District to obtain goods and services from contracts that have been bid and awarded by governmental agencies other than the District. Sample of IGA's are the Greater Phoenix Purchasing Consortium of Schools (GPPCS) ad Strategic Alliance Volume Expenditures (SAVE).

State of Arizona and Mohave Contracts

The Purchasing Department may also use State of Arizona and/or Mohave Educational Services Cooperative (MESC) bid awards if it is in the District's best interest. When goods or services are requested through a Mohave or State Contract bid award, the bid number shall be referenced on the requisition. To access pricing and expiration date information visit their website via the internet. The website for Mohave is http://www.mesc.org and State Contract is https://**spirit.az**.gov/Applications/**SPIRIT**/SR.nsf.

NOTE: *When you order using bid awards with cooperative or IGA awards, be sure that the items being ordered were included in the initial bid with the vendor. If they were not, separate quotes must be obtained for the non-included items. Be aware that all purchases, whether done independently or through a cooperative purchasing agreement, must be done in accordance with School District Procurement Rules, including prior approval by the Governing Board. Awards are entered in iVisions to be utilize.*

Sales Tax

The District by law is required to pay sales tax (whether the vendor is in or out of state) and that amount will be added to the purchase order. The system is programmed to insert a default tax rate of 8.6% to all merchandise purchases. If you know the tax rate is different, please make the appropriate changes

prior to approving your requisition. Library books are the only items that the District will purchase that are tax exempt. Use tax may occur, if applicable.

Shipping

Always include shipping charges or note that shipping is included. If the shipping charges are less at the time of invoicing, the additional funds for shipping will be unencumbered after the purchase order is closed. A standard rate for shipping and handling is 10% of the order cost.

Checking Your Order Status

You may call the vendor with your purchase order number regarding the status of your order after you have received an approved PO confirming order has been processed. Also, you may call the Warehouse to check if the order has been delivered (602-477-8900, Ext. 1701). When calling the Warehouse, please include as much information as possible including **the requisition number, purchase order number, vendor name and budget code**. This information will help expedite your request.

Contact the Purchasing Department for any of your queries at 602-477-8900, ext. 1103.

Change Orders

If changes need to be made to a purchase order that has been processed, email/fax (602-272-8378) a copy of the purchase order to the Purchasing Department with the changes that need to be made, along with the authorized approver's signature. Do not fax changes to the vendor before an authorized change order has been issued by the Purchasing Department for accurate delivery

Return of Merchandise

End users wishing to return merchandise must first contact the Vendor explaining the reason for the return and what process needs to be followed for the return. In most cases the vendor will issue an RMA # (return material authorization number) and provide instructions on how to return the merchandise. Repackage the returned items and seal it. Notify the Warehouse that you have a package that will need to be returned. Please make sure that you include a copy of the packing slip, the purchase order as well as any other pertinent information for

Warehouse record. Based on the information that you provide, the Warehouse will prepare a return report and return the package to the vendor.
Any restocking fees will be the responsibility of the end user.

Vendor Performance Report

The District has developed a form to report and comment on vendors for feedback to the Purchasing Department. You may utilize this form to document vendor performance (good or bad) and we will follow up with the vendor with any appropriate action needed. By documenting vendor performance, the Business office is able to retain strong vendors and eliminate vendors not performing to the District's expectations. This form is attached at the back of this handbook.

Vendor Solicitations

The District may not actively distribute vendor information; i.e., hand out promotional flyers, sell items on District property, and/or hand out promotional posters*. We have been advised by the District Auditors that this is a violation of the School District Procurement Code. Should you have questions regarding the do's and don'ts of these types of activities, please contact Jose Moreno (602-477-8900).

*Unless you have principal approval and a disclaimer on the flyer releasing RESD from any liability/profit and or connection.

Surplus Property

Pick Up of Surplus Property

The Governing Board must approve disposal of all surplus equipment/furniture/outdated learning materials regardless of value. The Warehouse is responsible for picking up surplus property for disposal. Contact the Warehouse at 602-477-8900, Ext. 1701 to request a pickup. The Warehouse will provide a form that will need to be completed, signed by the Administrator, and include with the items to be picked up.

The Warehouse is also responsible for storage of surplus property for future use.

Out-of-State Travel

Out-of-State travel must have prior Governing Board approval. When completing your requisition for out-of-state travel, be sure to include the Governing Board approval date on the requisition to be submitted with cause of absence (COA) form, request for professional leave form, conference agenda & confirmation as back-up documentation. This information will expedite processing of your requisition and eliminate the need for us to call or return your requisition. No reservation or itinerary should be finalized until you have your purchase order in hand.

NOTE: *Maximum Mileage, Lodging, Meal, Parking & Incidental Expense Reimbursement Rates are issued by the Auditor General's Office. Any deviations to these rates are the responsibility of the traveler.*

Employee Reimbursements

Employee reimbursements are not permitted without prior Administrative approval (Principal, Dept. Director, Business Manager). Only pre-approved travel claim requests completed prior to travel and included in the travel reimbursement request will be accepted.

Purchasing for Personal Use

No employee may:

- purchase goods or services for personal use in the name of Riverside Elementary School District,
- sell goods or services for private gain to students or other employees on school premises or via District computer networks,
- 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 RESD 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
- Acceptance of goods and services at no or reduced cost: or
- Purchases with the intent to avoiding sales taxes

Purchasing
1414 South
Ave
Phoenix, AZ
602-477-8
ext. 110

It is permissible to obtain goods and services for personal use at discounted rates where vendors typically offer educational discounts to employees of the District. Such discounts are characterized by being made available to all employees regardless of position or influence. Employees are responsible for personal transactions with vendors, including sales tax. Purchase arrangements shall not be made through the use of District purchase orders.

SOLE SOURCE OR PROPRIETARY FORM

Date: _____

Requisition #: _____ Amount: _____

Department: _____ Name: _____

Item: _____ Vendor: _____

_____

School District Procurement Rules and Governing Board Policies require that formal competitive bid or proposals must be issued for purchases exceeding $100,000.

Any deviation from this policy requires written justification from the requestor to the Purchasing Department, **prior to commitment of an order.** If you believe there is justification to request, in lieu of competitive bidding, a specific product brand name, a specific manufacturer, or a sole or preferred supplier of a product or service, **you must complete this form, and send it to the Purchasing Department. Justifications are to be supported by factual statements that will pass internal and state audits. It is the salient features of a product that make it a sole source.**

NOTE: For purchases under $100,000.00, the District will attempt to obtain a minimum of 2 additional quotes. If no quotes can be obtained, the District will document the attempt by noting those vendors that could not quote and the reasons why.

Your evaluation of the product and/or supplier, and their relevance to your project or work, must be detailed in the explanation section.

I. REASON FOR REQUEST (CHECK ONE):

A. ☐ Proprietary…. Item under patent, copyright, or proprietary design.

B. ☐ Replacement Parts…. The procurement is for replacement parts or components in support of equipment designed by the manufacturer.

C. ☐ Technical Services…. The procurement is for technical service in connection with the assembly, installation, or servicing of equipment of a highly technical or specialized nature.

D. ☐ Continuation…. Continuation of prior work. Additional work, item, or service required,

SOLE SOURCE OR PROPRIETARY FORM

but not known to be needed when the original order was placed.

E. ☐ Emergency Requirement…. Requirements must be met at once. An explanation of urgency, including a description of why procurement is critical and why only the proposed vendor can meet it. A lack of advance planning is not acceptable. (Complete Section II)

F. ☐ **Exclusive Capability…. Only one supplier qualified. No other potential suppliers known. (Complete Section II)**

G. ☐ Other (please explain)

II. Narrative Justification:

This section must be completed if either explanation (E) Emergency Requirement or (F) Exclusive Capability is identified as justification for sole source procurement. Explain why the identified vendor is recommended. The justification must be completely explained and documented. It is important to be very precise when filling out this section. If more space is needed, please attach additional page(s).

I certify that the above statements are true and correct, and that no other material fact or consideration offered or given has influenced this recommendation of a sole source or proprietary procurement.

Submitted by:

_____ _____ _____

Name Department Ext.

_____

Title

_____ _____

Authorized Signature Date