

Ashe County Schools

Purchasing Manual

2016/17

PURCHASING

In accordance with the authority stated in G.S. 115C-522, it is the duty of Ashe County Schools to purchase supplies, equipment and materials necessary for their operation. Individual schools and departments must comply with the statutes of the State of North Carolina and local purchasing policies of the Ashe County Board of Education. It is the responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based.

PURCHASING DEPARTMENT

This purchasing policy and procedures manual is intended for use as a guide to the Ashe County Schools' purchasing methods and practices. When used properly and with common sense, the policies and procedures established herein will enable the school system to obtain needed materials, equipment and services efficiently and economically.

The understanding and cooperation of all employees is essential if Ashe County Schools is to obtain the maximum value for each tax dollar that is spent. While this manual does not answer all questions related to purchasing, it does provide a foundation for a sound centralized purchasing system.

The basic goals of the Ashe County Schools purchasing program are:

1. To comply with the legal and ethical requirements of public purchasing and procurement.
2. To assure vendors that impartial and equal treatment is afforded to all who wish to do business with the Ashe County Schools.
3. To receive maximum value for each dollar spent by awarding purchase orders to the lowest responsible bidder, taking into consideration quality, performance, technical support, delivery schedule, past performance and other relevant factors.
4. To provide the individual schools and departments of Ashe County Schools the required goods, equipment and services at the time and place needed and in the proper quantity and quality.
5. To professionally administer the search for sources of supplies, the development of new sources, the selection of suppliers, negotiations, commitment, follow-up and adjustments.

6. To promote good and effective vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.
7. To effect maximum feasible standardization of products used within and among departments, to minimize stock levels and to obtain better pricing.

If the procedures and guidelines established in this manual are followed, each school and department can efficiently manage, control and plan its available resources to meet present and future needs.

EMERGENCIES

For the purpose of this manual, emergencies are defined as situations which endanger lives, property, or continuation of an important program and which can be corrected only by immediate on-the-spot purchase or rental of equipment, supplies, materials or services.

When circumstances require such action, verbal approval should be obtained from the purchasing department or finance officer. All emergencies must be documented in writing and made a matter of record.

PURCHASING REGULATIONS

These regulations are intended to be an aid to those involved in purchasing. Use of these regulations will accomplish the following:

- Compliance with state purchasing statutes and local board policies concerning purchasing
- Compliance with good business practices
- Control expenditures for each account
- Standardize purchasing practices

IRAN DIVESTMENT ACT

Effective February 26, 2016, the Iran Divestment Act of 2015 (N.C.G.S. 147-86.55-69) prohibits state agencies, local government units, and other political subdivisions of the State from contracting with individuals or companies on the Department of State Treasurer's Final Divestment List.

For procurement and contracts on or after February 26, 2016, each Local Government Unit must obtain a simple certification from each bidder and vendor. The bidder or vendor must affirm that it is not listed on the State Treasurer's Final Divestment List

found at www.nctreasurer.com/Iran as of the date of the signature. The certification is due at the time a bid is submitted or the time a contract is entered into, renewed, or assigned. (G.S. 147-86.59(a).)

SOLE/SINGLE SOURCE ITEM

Sole source (franchise) items are items for which there is only one dealer, distributor, or manufacturer from which to purchase that item in a particular area. Such items costing \$90,000 or less may be purchased locally, provided this is documented on the purchase requisition. Sole source items costing more than \$5,000, but less than \$90,000, require a sole source letter from the vendor as documentation. Efforts should continually be made to locate additional sources or satisfactory substitute items. Sole source items costing more than \$90,000 must be approved by the N.C. Purchase and Contract Division.

PURCHASES LESS THAN \$2,500

The purchase of items totaling less than \$2,500 may be made without acquiring competitive quotations. It is, however, important to keep in mind this procedure is not to be used to circumvent normal purchasing practices. It is also important to remember the purpose of purchasing: to obtain the best product or service at the most reasonable cost. Competitive bidding of the required items is the only way to achieve this.

ASHE COUNTY SCHOOLS REQUIRES COMPETITIVE BIDDING ON ALL ITEMS FOR WHICH THERE ARE AT LEAST TWO (3) POSSIBLE SOURCES. Quotations must be obtained in writing. A copy of the quotation must be available for inspection and attached to a copy of the purchase order and invoice.

PURCHASES OF \$2,500 TO \$5,000

Competition must be solicited for any purchase between \$2,500 and \$5,000. Obtaining the quotations may be done verbally, but a written quotation must be attached to all requisitions. Complete details of the proposed transaction including quantity, price, delivery and the name of the person entering the quotation must be noted.

PURCHASES OF \$5,000 TO \$20,000

Written quotations must be obtained for the purchase of all items between \$5,000 and \$20,000. The following information must be included: item being requested, date quotation requested, length for which quotation is valid, quantity, price, delivery terms (FOB delivered or FOB place of shipment) and the person entering the quotation.

All purchasing files must be retained for a period of five (5) years after the expiration of the purchase order. All documents, such as quotations, letters, phone conversations,

etc., must be kept with the purchase order. If an order is from a single source vendor, a purchase from someone other than the low bidder or if an emergency purchase is necessary, a written explanation must be attached to the purchase order.

SPECIFICATIONS

Specifications must not be written to restrict competitive bidding. In developing specifications, an attempt must be made to specify the quality required rather than referencing a particular make or brand. Usually, more than one make or brand of product is available which will be satisfactory. Emphasis must be placed on performance, function, utility and economy. "Quality for price" should be the direction of the specifications. Public funds are not intended to provide "deluxe" levels of quality.

PURCHASE ORDER REQUIREMENTS

A purchase requisition must be submitted to the purchasing department prior to an order being placed. This directive applies to all individual schools and departments of the Ashe County School system.

PERSONS NOT ACQUIRING A PURCHASE ORDER PRIOR TO THE DELIVERY OF AN ORDERED ITEM OR PERFORMANCE OF A SERVICE WILL BE PERSONALLY RESPONSIBLE TO THE VENDOR FOR THE TOTAL COST OF THE REQUESTED PRODUCT OR SERVICE.

ENCUMBERING FUNDS

State law requires that funds be encumbered for each purchase prior to the actual placement of the order. By encumbering the funds prior to the purchase, the purchasing and finance departments have insured: (1) sufficient funds are available for the requested purchase; (2) the funds are taken from the correct account; (3) the requested purchase meets the established guidelines for a purchase order; (4) the authorized person responsible for the account has signed the requisition for purchase.

THE ASHE COUNTY BOARD OF EDUCATION WILL NOT BE RESPONSIBLE FOR THE PAYMENT OF INVOICES OR SERVICES PERFORMED WITHOUT MEETING THE CRITERIA AND WITHOUT AN APPROVED PURCHASE ORDER.

ORDERING ON APPROVAL

It becomes necessary at times for products, such as videos, books, etc., to be ordered for preview prior to their purchase. The following procedures must be followed when a requisition for preview is submitted to the purchasing department:

1. The school submitting the requisition for purchase must first verify that the company with whom the order will be placed will accept an order for preview of materials.
2. The requisition for purchase must clearly indicate the requested products are for preview only.
3. The length of time allowed for the preview process must be specified on the requisition.
4. The purchasing department is notified by the school or department that the items ordered on preview will be kept or returned.

IF NOTIFICATION OR REFUSAL OF THE PRODUCTS ORDERED IS NOT RECEIVED BY THE PURCHASING DEPARTMENT AFTER THE PREVIEW TIME ALLOWED BY THE VENDOR HAS EXPIRED, THE INVOICE WILL BE SUBMITTED FOR PAYMENT. RETURN OF THE MATERIAL AND RECEIPT OF CREDIT FOR THE RETURN WILL BE THE RESPONSIBILITY OF THE ORDERING SCHOOL OR DEPARTMENT.

LEASE-PURCHASE

In accordance with G.S. 115c-528 the school board may enter into a lease purchase agreement for the following items: automobiles, school buses, mobile classroom units, photocopiers, computers, computer hardware, computer software, and related support services.

IN THE ASHE COUNTY SCHOOL SYSTEM, ONLY THE FINANCE OFFICER MAY ENTER INTO ANY LEASE PURCHASE AGREEMENT ON BEHALF OF THE ASHE COUNTY BOARD OF EDUCATION. LEASE PURCHASE AGREEMENTS ENTERED INTO BY EMPLOYEES OTHER THAN THOSE NAMED WILL NOT BE VALID, CONSIDERD VOID AND NOT HELD AS THE RESPONSIBILITY OF THE ASHE COUNTY BOARD OF EDUCATION.

LEASES

Lease or rental contracts are not subject to the policies of the Department of Administration and therefore may be entered into for any item deemed appropriate. These agreements must contain the following information:

- (1) A description of the item and quantity to be leased or rented
- (2) The length of the lease or rental contract
- (3) The monthly or yearly payment required
- (4) The contract may be terminated if the term of the contract extends into a new fiscal year and funds are not available.

FOR THE PURPOSE OF THE ASHE COUNTY SCHOOLS, ONLY THE FINANCE OFFICER MAY ENTER INTO ANY LEASE AGREEMENT ON BEHALF OF THE ASHE COUNTY BOARD OF EDUCATION. LEASES ENTERED INTO BY EMPLOYEES OTHER THAN THOSE NAMED WILL NOT BE VALID, CONSIDERED VOID AND NOT HELD AS THE RESPONSIBILITY OF THE ASHE COUNTY BOARD OF EDUCATION.

PURCHASE OF PRODUCTS WITH RECYCLED CONTENT

In accordance with the Governor's Executive Order 8, which mandates State Government to reduce landfill solid waste by 50 percent by increasing the use of products with recycled content, Ashe County Schools will purchase products of recycled content when the products meet the needs specified and where they are economically feasible. As mandated by State Statute, yearly purchase of products containing recycled contents will be increased in attempts to reach yearly goals set by the State.

SURPLUS PROPERTY

When property owned by the Ashe County Board of Education becomes surplus or undesirable for continued ownership, the authority to dispose of the property is granted by G.S. 115c-518 and under the procedures described in G.S. 160A Article 12. Disposition of real or personal property must be done through one of the following methods:

- (1) Advertisement for sealed bids, with advertisements for the opening of the bids placed in a newspaper of general circulation for thirty (30) days prior to the opening of the bid (G.S. 160A-268)
- (2) Negotiated Offer and Advertisement for Upset Bids (G.S. 160A-269)
- (3) Public Auction—Real property must be advertised for the auction with a notice being published at least once no less than thirty (30) days prior to the date of the sale. (G.S. 160A-270a)

The sale of any equipment purchased from federal funds must first be approved for sale by the Department of Public Instruction.

Vehicles purchased from driver education funds must be sold through the state surplus system with all proceeds returned to the driver education program.

Personal property must be advertised for auction with a notice being published at least once no less than (10) days prior to the date of the sale. (G.S. 160A-270b)

The Board of Education may conduct auctions of real or personal property electronically by authorizing the establishment of an electronic auction procedure or by the use of existing private or public electronic auction services. Notice may be published in a newspaper of general circulation in the political subdivision or electronically. (G.S. 160A-270c)

- (4) Exchange of Property (G.S. 160a-271)
- (5) Private Sale (G.S.160a-267)
- (6) Sale of property through the Surplus Property Division of the North Carolina Department of Administration.

BLANKET PURCHASE ORDERS

Blanket purchase orders may be used after it is determined the products required meet one of the following criteria:

- (1) The products which are to be purchased are miscellaneous items from the same vendor, such as, but not limited to electrical, plumbing, and automotive.
- (2) Cover a period of time, such as 30 days for the lease or rental of equipment.

If the products are to be picked-up locally the following must be listed upon the receipt:

- (1) The company name where the products are picked-up must appear on the delivery ticket or receipt.
- (1) The blanket purchase order number must appear on the receipt.

- (2) An itemized list of the supplies, quantity received and price to be charged must appear on the receipt.
- (3) The date which the products are picked-up must appear on the receipt.
- (4) The signature of the person receiving the products must appear on the receipt.

Signed delivery receipts are to be forwarded to the accounts payable office immediately upon returning to the assigned location, maintenance department, transportation department, school or central office so reconciliations and payments may be made promptly.

AFFIRMATIVE ACTION FOR MINORITY/WOMEN/HANDICAPPED BUSINESS ENTERPRISES

It is the intent of Ashe County Schools to identify and offer the opportunity to do business with all qualified minority, women and handicapped business enterprises in accordance with guidelines set forth in G.S. 143-48 and G.S. 143-128.4 for the purchase of goods and services. Construction will meet the guidelines set forth in G.S. 143-128 and G.S. 143-128.4 and the local resolution adopted by the Ashe County Board of Education.

The guidelines for those who qualify as a minority, women or handicapped owned businesses can be found in G.S. 143-48 for products and services and G.S. 143-128 for construction. Upon qualifying, those businesses will be placed on vendor lists allowing the opportunity to bid for any upcoming product, service or project required by Ashe County Schools.

PURCHASE ORDER CUT OFF DATE

Purchase requisitions for materials, supplies, services and equipment for the current fiscal year must be in the purchasing office no later than March 15. This procedure allows the purchasing and finance departments the opportunity to complete the fiscal year-end close out in a timely and proper manner.

E-Procurement and Electronic Interactive Purchasing

Where competition is available, the school system may utilize the e-quote service of the NC E-Procurement system as one means of solicitation in seeking informal bids subject

to the bidding requirements of G.S. 143-131. The Division of Purchase and Contract's electronic Interactive Purchasing System may be used as one means of advertising formal bids on purchases subject to the bidding requirements of G.S. 143-129.

Many companies today are either the parent company or a subsidiary of the parent company. Under the guidelines of the E-Procurement system, the parent company must always be listed via the Federal Tax ID number. If you are unable to find a company in the initial look-up, enter the Federal Tax ID number from the vendor application form and the parent company may appear. If the parent company appears, press the location inquiry key and all the subsidiaries of the parent company that have registered will be listed. If you do not find a listing for the company from which you wish to order, please contact the central office purchasing department to register/add vendor into the system.

DISBURSEMENTS—Internal Controls

The following procedures provide internal controls over purchases and cash disbursements. The procedures should be followed whenever practical.

No purchase should be made from any school funds before the availability of funds is verified. When goods and/or services are received, the person receiving those goods or services should verify that same is in satisfactory condition or meets expectations.

Original invoices and any applicable documentation (purchase order, packing slip, etc) should be forwarded to the accounts payable department for initial processing. Invoices are to be verified as to accuracy for quantity, unit price, extensions, and total amount. Any discrepancies shall be noted and rectified. No payments will be made from a vendor statement; however, the statement may be used for reconciliation of account. Form FIN-F045, a Form W-9 will be requested for new vendors. After the verification for payment process is complete by accounts payable, the invoice is forwarded to the finance officer for review. The finance officer will review each invoice. Once the finance officer authorizes payment (*stamps invoice ready for payment, initials, and dates*), it is returned to the accounts payable department for payment.

Invoices are to be paid promptly in order to claim any allowable discounts. When obligations are paid, a copy of the invoice should be included with the voucher to the vendor to indicate what is being paid. **Original invoices—not copies—shall be retained and attached to voucher copy to support disbursements.** Care should always be given to the proper classification of expenditures.

Accounting records shall be retained ten (10) years.