

# Capstone Academy Charter School

## PURCHASING POLICY

It is the policy of the Board of Directors that the Purchasing Agent (hereby designated as the Educational Service Provider) seek at least three (3) price quotations on purchases of more than \$5000 for a single item, except in cases of emergency or when the materials purchased are of such a nature that price negotiations would not result in a savings to the Academy.

When the purchase of and contract for single items of supplies, materials, or equipment exceeds the amount designated by statute, the ESP shall obtain competitive bids.

Bids shall be sealed and shall be opened by the Board of Directors in the presence of at least one (1) witness. All orders or contracts should be awarded to the lowest responsible bidder, however, consideration can be given to:

- A. the quality of the item(s) to be supplied;
- B. its conformity with specifications;
- C. suitability to the requirements of the Academy;
- D. delivery terms;
- E. past performance of the vendor.

The Board reserves the right to reject any and all bids.

The Board shall be informed of the terms and conditions of all competitive bids and shall award contracts as a consequence of such bids.

The ESP is authorized to purchase all items within budget allocations.

The Board should be advised, for prior approval, of all purchases of equipment, materials, and services when the purchase was not contemplated during the budgeting process exceeds the line item.

The ESP is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the schools in operation. Such purchases shall be brought to the Board's attention at the next regular meeting.

In order to promote efficiency and economy in the operation of the Academy, the Board requires that the ESP periodically estimate requirements for standard items or classes of items and make quantity purchases on a bid basis to procure the lowest cost consistent with good quality.

Whenever storage facilities or other conditions make it impractical to receive total delivery at any one time, the total quantity to be shipped but with staggered delivery dates, shall be made a part of the bid specifications.

Before the ESP places a purchase order, she/he shall check as to whether the proposed purchase is subject to bid, whether sufficient funds exist in the budget, and whether the material might be available elsewhere in the Academy. All purchase orders shall be numbered consecutively.

In the interests of the economy, fairness, and efficiency in its business dealings, the Board requires that:

- A. items commonly used in the various schools or units thereof, be standardized whenever consistency with educational goals can be maintained;
- B. opportunity be provided to as many responsible suppliers as possible to do business with the Academy;
- C. a prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;
- D. where the requisitioner has recommended a supplier, the ESP may make alternate suggestions to the requisitioner if, in his/her judgment, better service, delivery, economy, or utility can be achieved by changing the proposed order;
- E. upon the placement of a purchase order, the ESP shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The ESP shall determine the amount of purchase and type of purchase which shall be allowed without a properly signed purchase order. Employees may be held personally responsible for anything purchased without a properly signed purchase order or authorization.

The Board may acquire equipment as defined in law by lease, by installment payments, by entering into lease-purchase agreements, or by lease with an option to purchase, provided the contract sets forth the terms of such a purchase.

### **Purchasing - General Provisions**

- A. All purchases shall be by purchase order processed by the ESP.
- B. The ESP shall be the contracting agent for all financial obligations.
- C. The ESP shall be responsible for encumbering the funds as soon as the purchase order has been issued.
- D. A verbal financial commitment may be made only for emergencies or when it is impossible or impractical to precede the purchase with a purchase order. Before such a commitment is made, the President or Treasurer shall be contacted for prior approval. In all such cases, a purchase order shall be issued as soon as possible after the commitment is made.
- E. Confirming purchase orders will be honored only in cases cited in the above paragraph.

- F. Ongoing commitments such as service contracts and leases should be renewed annually, in writing, at the beginning of each fiscal year.
- G. Open purchase orders for goods or services are valid only for the time period and amount indicated on the purchase order. Extension of the commitment beyond that time and/or amount shall be confirmed by a new purchase order. Open purchase orders must be approved by the ESP before they are issued.
- H. Purchases of contracted services shall be negotiated either verbally, by a Request for Proposal, or through the bid process, as determined by the ESP. Such services that cost more than \$5,000 require the approval of the Board.
- I. The ESP will determine the most appropriate method of obtaining prices for items or groups of items which are not subject to formal bidding procedures.
- J. Quotes will be requested for any item or group of items in a single transaction costing more than \$5,000.
- K. Purchases of supplies, materials, and equipment items costing more than the amount stipulated in Board policy must be obtained through competitive, sealed bids and be approved by the Board.

### **Purchase Order Procedure**

- A. The requestor completes the requisition-purchase order and submits it to the ESP for review and approval.
- B. The original copy of the requisition-purchase order is sent to the vendor unless there are specific instructions to the contrary.
- C. The pink copy is filed by the Accounts Payable Clerk.

### **Payment of Claims Procedure**

- A. When delivery is made, the accounts payable clerk checks the pink copy of the requisition-purchase order to ensure the order has been received correctly and in proper condition.
- B. The Accounts Payable Clerk checks the pink copy against the invoice, and if everything is in order, a warrant is drawn.
- C. If the Accounts Payable Clerk finds discrepancies or has questions, she/he shall contact the vendor.

- D. The vendor's invoice is filed with the pink copy of the requisition-purchase order and a copy of the warrant
- E. Upon payment, the pink copy of the requisition-purchase order is kept by the clerk.

## **Bidding**

The following procedures will be followed:

### **A. Preparation**

1. The ESP shall have the responsibility for preparing bid documents and advertising for solicitation of bids.
2. The technical specifications for the purchase of special equipment, materials and/or services shall be prepared by the person or department requesting the purchase and submitted to the ESP. Specifications must be complete and accurate to ensure that goods received conform to standards desired.
3. All bids must be publicly advertised and shall carry the name and title of the secretary of the Board.
4. The advertisement for bids will generally be placed in seven (7) days in local/regional news media. Advertisements for bids should also be placed in other appropriate publications when bidding construction projects and specialized equipment. For bonds or other borrowings, State laws relating to publication shall govern public advertisements.

### **B. Bid Opening**

1. All bids whether invitational or publicly advertised shall be opened publicly at a specified time and place.
2. Generally, bids shall be opened and read at the regular Board meeting. Bid openings shall be attended by at least two (2) individuals who are ESP employees.
3. The ESP, along with the person directly involved in the purchase, shall evaluate the bids and recommend purchases, unless otherwise determined by the ESP and/or the Board and/or prohibited by law.

### **C. Bid Awards**

All bids shall be awarded by the Board.

### **D. Cooperative Bids**

Participation in cooperative purchasing/bidding arrangements with other schools,

governmental units is permitted providing they satisfy the Academy's bidding requirements.

### **Instruction to Bidders**

These instructions shall form a part of all bid specifications:

- A. The naming of a given manufacturer and model number is not intended to limit bidding but to establish the level of quality desired for the various items required. Bidders should exercise care in bidding equivalent items. Complete descriptive literature must accompany equivalent bids. Samples will be requested if necessary.
- B. Bid price shall include delivery to the point of use. Where it shall be deemed necessary by school officials, the successful bidder shall be prepared to provide instruction in use and care of equipment delivered in both written form and on a demonstration basis.
- C. Optional accessories necessary for the basic use of equipment shall be included in the base bid. Such accessories not necessary for the basic use but deemed desirable shall be included as an alternative bid with a complete description.
- D. Each group of items or individual item, if classified in this way, shall constitute a separate bid. The Board of Directors, however, may accept a combined bid for all items bid by one bidder.
- E. Delivery date is a part of the bid and must be submitted on the bid form at the time of bidding.
- F. Bidders are required to use a bid form provided by the Academy for base bids. Alternate bids may be attached to the bid form.
- G. All bids shall be exclusive of applicable excise taxes. Exemption forms will be executed when necessary.
- H. All bids shall be submitted in sealed envelopes clearly marked with the words "Bid Opening", the date and time of bid opening, the bid, and the name of the bidder.
- I. In the event of discrepancies between the unit price and extension, the unit price shall prevail.
- J. Manufacturer's written guarantees shall accompany each bid. Bidders may state in writing, additional guarantees which will become a part of the bid and considered in making awards.
- K. Where applicable, service facilities and convenience of service will be considered as part of the bid. When necessary, bidders shall submit evidence of ability to install adequately, service or supply the required items, and that the sale or provision of such items or services is a substantial, regular and continuous part of the bidder's business.
- L. Where applicable, bidders shall certify that all relevant Federal, State, and local laws have been complied with.

- M. Each bid shall be accompanied by either a bond for the full amount of the bid or a cashier's check or letter of credit equal to ten per cent (10%) of the total bid.
- N. All necessary insurance certificates shall be supplied only when specifically requested.
- O. No order awarded under these specifications, or any part thereof, shall be sublet or assigned without the written approval of the ESP.
- P. The bidder acknowledges that by submitting a bid, the specifications and other instructions are in the bidder's opinion, appropriate and adequate for the intended purpose.

The Board of Directors reserves the right to:

- A. reject any or all bids without assigning any reason therefore;
- B. be the sole judge of equivalency;
- C. waive any bid requirement in accepting or rejecting bids.

Adopted: August 23, 2012