

## **PURCHASING: AUTHORIZATION AND CONTROL**

The superintendent is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year. The superintendent shall establish appropriate purchasing procedures as a means of monitoring the expenditure of funds. Staff who obligate the district without proper prior authorization may be held personally responsible for payment of such obligations.

**Adopted:** April 24, 2008

## **Purchasing Authorization and Control**

The Bellingham School District has developed the following procedures for processing requests for goods, services, and public work. Any administrator (Superintendent, Director, Principal, Manager) who has been delegated the authority to serve as an agent for the district and to commit district funds shall be knowledgeable of and shall follow these procedures.

Specific requirements associated with the bid requirements for goods and services must be adhered to as referenced in Policy #6220 and Procedure #6220P.

### **A. Petty Cash**

Each building is allocated a set amount of money designated as "petty cash." These funds may be used to purchase low dollar value items. Petty cash funds are reimbursed by the Business Office as requested by the fund custodian.

### **B. Expense Reimbursement**

Employees of the District may, with prior administrator (Superintendent, Director, Principal, Manager) approval, purchase goods with personal funds and apply for reimbursement through the Business Office. The proper Travel and Reimbursement Expense Form must be submitted, along with an itemized sales receipt as proof of purchase. Reimbursement checks will be processed as soon as possible as part of the normal District check run.

### **C. Field Purchase Orders**

Field Purchase Orders may be used to purchase goods valued at up to \$250.00, including tax and shipping charges. Field Purchase Orders are for local vendors only, unless otherwise authorized by the Director of Business Services. Field Purchase Orders must be pre-approved by a department or building administrator and must bear the date goods were received and the signature of the individual receiving the goods. The receiving copy of the Field Purchase Order must be forwarded within 24 hours, along with the vendor's itemized invoice, receipt, or cash register tape to Accounts Payable for processing.

### **D. Open Purchase Orders**

In rare instances where the use of Procurement Cards is not possible or practical, the District will maintain a limited number of Open Purchase Orders to provide buildings and departments with an efficient and convenient method to purchase supplies (foods services, maintenance, transportation, family and consumer science supplies, fuel, and utilities). Open Purchase Orders may be used to buy operating supplies only. Open Purchase Orders have a single purchase limit of \$1,000.00 including tax and any applicable shipping charges and may not be used to purchase any equipment. (The Maintenance Department Open Purchase Order

limit is \$5,000.00.) The approval of all invoices is the responsibility of the department manager or building administrator.

**E. Procurement Card**

The procurement card may only be used to make purchases that are currently allowable under the purchase order, imprest account, or expense reimbursement processes. Refer to Policy #6212 and Procedure #6212P.

**F. Requisitions**

Requisitions are the preferred method to initiate a purchasing request. All items purchased using the requisition process will be received centrally unless size or other conditions dictate that the item or items would be better delivered directly to the requester's location.

Cross Reference: Board Policy and Procedure 6220 and 6220P

Date: August 21, 2014

## PROCUREMENT CARDS

The superintendent or his/her designee is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year. The use of procurement cards is authorized for purchases of services, supplies, and travel directly related to official district business.

All users of procurement cards will sign a Procurement Card User Agreement and will be responsible for all charges made on the account. Improper use of procurement cards shall result in disciplinary action including termination of employment. Employees will be held personally liable for all unauthorized and/or unallowable procurement card purchases. The superintendent or designee may terminate an employee's privilege to use a procurement card at any time.

The superintendent will develop District Procurement Card Procedures to ensure compliance with this policy and applicable laws.

**Legal Reference:**    [RCW 42.24.115](#)    Charge Cards for employee travel expenses  
                              [RCW 43.09.2855](#)    Use of credit cards

**Approved:** January 17, 2008

## PROCUREMENT CARDS PROCEDURE

### PROCUREMENT CARDS

Procurement cards will be issued only to the administrator who has budget authority for a school, a department, or a program. The cards will be issued in the name of the Bellingham School District, with the name of the school or department administrator also embossed on the card. A school or department may request multiple cards; however, cards with a low annual usage may be canceled.

#### **Cardholder:**

Each card will have a *cardholder*, who is the administrator with budget authority for the card. The *cardholder* is responsible for approving all card purchases and for authorizing the payment of monthly charges.

#### **Card Custodian:**

Each card may also have a *card custodian*, who will be responsible for the day-to-day control of the card. The *card custodian* is responsible for maintaining and preparing the proper documentation for the reconciliation of monthly statements by the *cardholder*.

#### **Card User:**

The *card user* is the individual that actually uses the procurement card. In some rare occasions, one individual could be the *cardholder*, *card custodian*, and *card user*.

#### **Examples:**

Principal – Cardholder  
School Secretary – Card Custodian  
Teacher needing the card for a field trip – Card User

### USES OF PROCUREMENT CARDS

#### **Allowable Purchases:**

The procurement card may be used only to make purchases that are currently allowable under the purchase order, imprest account, or expense reimbursement processes. Purchases are for district use ONLY.

The procurement card **shall not** be used for:

- Salaries or wages
- Cash advances
- Personal services
- Consultants
- Gifts
- Donations

- Capitalized equipment, i.e., single item of equipment costing \$800 or more
- Items on “Theft Sensitive Items” inventory list (see attached)
- Meals (unless prior permission granted by Business Services Director)

Generally, the procurement card will be accepted wherever credit cards are accepted, however, the district has the ability to limit the use of the card by vendor category. If for any reason a vendor refuses to accept the district’s procurement card, please contact the Business Services Director at 676-6529. We will determine the reason for the refusal and attempt to resolve the issue with the vendor.

**Credit Limits:**

The standard credit limits are as follows:

| Cardholder  | Maximum<br>Per Transaction | Maximum Per Card<br>Per Month |
|-------------|----------------------------|-------------------------------|
| Elementary  | \$999.00                   | \$ 5,000.00                   |
| Middle      | \$999.00                   | \$ 7,000.00                   |
| High        | \$999.00                   | \$10,000.00                   |
| Departments | \$999.00                   | \$10,000.00                   |
| Maintenance | \$999.00                   | \$10,000.00                   |

**Do not attempt to circumvent these limits by asking the vendor to split the order.**

Administrators may request an increase to their credit limit for a particular purchase by contacting the Director of Business Services at 676-6529.

ISSURANCE OF PROCUREMENT CARDS TO BUILDINGS/DEPARTMENTS

To request a procurement card, the building/department administrator completes:

1. *“Request for Issuance of Procurement Card”* form (6212F-1)
2. *“Cardholder/Card Custodian Authorization Form”*(6212F-2)
3. *“Procurement Card User Agreement”* (6212F-3)
4. *“Procurement Card Controls Assessment”* (6212F-4). This form will be completed by the cardholder and Director of Business Services before cards are distributed to the cardholder.

A copy of each document must be retained by the building/department and the originals returned to the Purchasing Department.

## PROCUREMENT CARD CHECKOUT PROCEDURES

At the building or department level, procurement cards may be checked out from the *cardholder* or *card custodian* for authorized usage. Procurement cards that are checked out can be used for purchases with local vendors, online, or for field trips.

A *cardholder* may authorize the *card custodian* to make purchases on behalf of the building/department up to the specified dollar amount or check the card out to an employee (*card user*) for authorized use. An employee wishing to use a procurement card (*card user*) must follow these procedures:

1. Sign a “*Procurement Card User Agreement.*” This Agreement must be kept on file with the *card custodian*. There must be a “*Procurement Card User Agreement*” on file for every employee that has been authorized to use the card.
2. Check out a card from the *cardholder* or *card custodian* and sign out on the “*Procurement Card Sign Out Sheet*” (6212F-5).
3. Ensure the original purchase receipts are returned with the card to the *card custodian* in a prompt manner.

**Only district employees are allowed to use a district procurement cards.**

## RECORDKEEPING REQUIREMENTS

At a minimum, each school or department using procurement cards must maintain the following documents at their site:

- “*Procurement Card Controls Assessment Form.*” (copy)
- “*Procurement Card User Agreement*” - signed by every district employee who is allowed to use the card. (copy)
- “*Procurement Card Sign Out Sheet.*” (original)

All purchases must be documented to show the vendor name, items purchased, and the amount paid. The State Auditor’s Office requires **original, detailed receipts** to substantiate each purchase.

- Documentation showing approval of purchase by administrator, i.e. weekly reconciliation of card purchases.
- For local purchases, original detailed receipts, and signed credit card slip.
- For telephone/Internet purchases, receipt or confirmation slip and packing slip (usually must request vendor to provide receipt or confirmation slip).
- Faxed receipts are acceptable for orders placed by telephone as long as they are detailed.
- All phone orders or Internet orders will be shipped directly to the building.
- Phone and Internet orders must be checked in at the school.
- All forms and backup documentation will be kept at the building or department for review and audit.

## RECONCILING STATEMENTS AND APPROVING PAYMENTS

### **Weekly Review:**

Schools and departments must reconcile procurement card charges at least weekly and no later than the last working day of the week. The *cardholder* and the *card custodian* at each school or department will have access via the Internet to the BMO/Harris Bank System that displays current transactions on cards issued to that site.

1. The *card custodian* must match transactions in the electronic statement to original receipts on file. Each card will have a default account code, which will be displayed along with every transaction. In most cases, the default will be the appropriate account for the purchase. However, if corrections are needed, the account code can be changed online at this point to reflect the correct account for individual purchases.
2. It is the *card custodian's* responsibility to ensure that all charges have been reviewed and to obtain approval from the *cardholder* for payment. The box marked "Reconciled" must be checked for every transaction. Failure to reconcile and approve payments consistent with these procedures may result in cancellation of the card.
3. After reconciling, the *card custodian* will print out a copy of the reconciled transactions from the prior week. The *cardholder* must review, sign, and date this hard copy. Forward the original to the Purchasing Department. Retain a copy along with the other procurement card documentation (original receipts, signed credit card slips, etc.). These should be filed by month for easy access and review by the auditor.

### **Monthly Review:**

Schools and departments must also reconcile procurement card charges monthly. The *cardholder* and the *card custodian* at each school or department will have access via the Internet to the BMO/Harris Bank system that displays monthly transactions and monthly totals on the cards issued to the site. Each statement must be reviewed, initialed, and dated by the cardholder. Forward the original to the Purchasing Department. Retain a copy with your weekly transaction reports for that month.

### **Dispute Resolution:**

If incorrect charges are found during the weekly reconciliation, contact the vendor immediately to resolve any discrepancies. If you cannot resolve the issue with the vendor within one business day, call the Purchasing Department. The Purchasing Office will contact BMO/Harris Bank and pursue resolution on your behalf. The disputed item will be reflected in subsequent statements' outstanding balance, but will not be included in the total amount due.

BMO/Harris Bank will send a letter to the Purchasing Department requesting specific information regarding the disputed charge. The *cardholder* or *card custodian* will provide detailed information to be returned to BMO/Harris Bank.



When the dispute has been resolved, any credit will be put on the next statement with an explanatory note. The outstanding balance will be adjusted by the credit amount to reflect the final settlement of the disputed item.

## **SAFEGUARDING PROCUREMENT CARDS**

Procurement cards must be kept in a locked secure storage area when not in use.

In case of theft or loss, the *cardholder* or *card custodian* must notify BMO/Harris Bank immediately at 800-270-7760 (24 hours a day, 365 days a year). Also report the loss to the Director of Business Services (676-6529) immediately but not later than the following business day.

In the event of a transfer or a separation from employment of a *cardholder*, *card custodian*, and/or *card user*, notify Purchasing immediately and return the card to the Purchasing Department. A replacement card will be issued to the new administrator following the steps outlined in Section 1 of these procedures.

Misuse of the procurement card may result in any or all of the following actions:

- Cancellation of the card
- Discipline of the cardholder
- Personal liability for improper charges

**Approved:** October 24, 2008

Bellingham School District 501

6212F-1

Request for Issuance of Procurement Card  
**PURCHASE CARD**  
(Please return this form to Purchasing Department)

Number of Cards Requested: \_\_\_\_\_

Cardholder's Name: \_\_\_\_\_  
*(one application per Cardholder)*

Email: \_\_\_\_\_

Card Custodian's Name: \_\_\_\_\_  
*(may be same as Cardholder)*

**Purchasing Department Use Only**

| # Cards | Accting. Name | Fund | GL# | Program/ Sub-Prog. | Activity | Object | Location | Respon. |
|---------|---------------|------|-----|--------------------|----------|--------|----------|---------|
|         |               |      |     |                    |          |        |          |         |
|         |               |      |     |                    |          |        |          |         |
|         |               |      |     |                    |          |        |          |         |
|         |               |      |     |                    |          |        |          |         |
|         |               |      |     |                    |          |        |          |         |
|         |               |      |     |                    |          |        |          |         |
|         |               |      |     |                    |          |        |          |         |
|         |               |      |     |                    |          |        |          |         |
|         |               |      |     |                    |          |        |          |         |
|         |               |      |     |                    |          |        |          |         |

\_\_\_\_\_  
Cardholder's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved Business & Finance Manager

\_\_\_\_\_  
Date

Cardholder/Card Custodian Authorization Form

Cardholder

1. I understand as the Cardholder I am responsible for all transactions on the procurement cards assigned to me.
2. There are occasions where the Card Custodian can and will make purchases using the procurement card on my behalf.
3. By signing this form I give permission to the card custodian, listed below, the authority to make purchases on behalf of my building or department.
4. There are occasions where cards assigned to me may be checked out to others in my department/school who have signed the Procurement Card User Agreement.
5. I understand that all transactions will be reviewed for approval by me after the fact on a weekly basis.
6. I authorize transactions up to the following dollar limit. \_\_\_\_\_
7. I acknowledge that I have signed and understand the Procurement Card User Agreement.

\_\_\_\_\_  
Cardholder's Name (printed)

\_\_\_\_\_  
Cardholder's Signature and Date

Card Custodian

1. I recognize that as the Card Custodian I have been given authority to purchase items on behalf of my building or department.
2. As a part of my duties I will make sure that the building or department has budget capacity to make before making the purchase.
3. I will not purchase more per transaction than I am authorized to do so listed above.
4. I acknowledge that I have signed and understand the Procurement Card User Agreements

\_\_\_\_\_  
Card Custodian's Name (printed)

\_\_\_\_\_  
Card Custodian's Signature and Date

**Procurement Card User Agreement**

I understand that the Bellingham School District No. 501 has authorized my use of a district procurement card for authorized business expenditures on its behalf. In accepting and/or using the card, I agree to be bound by the following terms and conditions:

1. I will use the card(s) issued to me only for the payment of authorized expenses on behalf of the district.
2. I will not use the card(s) to obtain cash advances
3. I will not use the card(s) for any non-district purpose
4. I will not allow the card(s) to be used by any unauthorized individual
5. I understand that the card(s) will not be used for salaries or wages, gifts, donations, personal services, equipment that needs to be on the inventory (over \$800 or theft sensitive), or food/beverage items.
6. I understand that I will be responsible for the timely submission of all original itemized and detailed receipts and signed procurement card charge slips.
7. In the event of my transfer or separation from employment, I will immediately notify and surrender to the Purchasing Office cards issued to me.
8. I will immediately report any lost or stolen card to BMO/Harris Bank and to the Purchasing Office.
9. I understand that any charges against the procurement card not properly identified or not allowed by the district shall be paid by the employee incurring the charges by payroll deduction. I further understand, in compliance with RCW 42.24.115, that if any disallowed charges are not repaid before the procurement card billing is due and payable, that the district shall have a prior lien against and a right to withhold any and all funds payable to me up to the amount of the disallowed charges and any applicable interest. I further understand that any employee who has been issued a card shall not use the card if any disallowed charges are outstanding and shall surrender the cards upon demand to the superintendent or designee.
10. I understand that any variance to and/or violation of the above conditions will result in cancellation of the card. Misuse of the card may result in discipline and/or personal liability for disallowed charges.
11. Any procurement card use is subject to examination by the Purchasing Office and by the State Auditor's Office at any time.
12. The District shall have unlimited authority to revoke approval to use any procurement card issued and upon revocation shall not be liable for any charges subsequently incurred.
13. I understand that purchases are limited to \$\_\_\_\_\_per transaction per card.
14. I understand that the credit limit per month is \$\_\_\_\_\_ per card.

**I HAVE READ, UNDERSTAND AND AGREE TO COMPLY WITH THE CONDITIONS LISTED ABOVE.**

\_\_\_\_\_  
Employee's Name (print)

\_\_\_\_\_  
Cardholder's Name (print)

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Cardholder's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Building/Department

**Bellingham School District 501**

**6212F-4**

**Procurement Card Controls Assessment**

Building/Department \_\_\_\_\_ # Cards \_\_\_\_\_

**As the administrator and card custodian in charge of the procurement cards, you are aware that:**

|                    |                               |
|--------------------|-------------------------------|
| Admin.<br>Initials | Card<br>Custodian<br>Initials |
|--------------------|-------------------------------|

|  |  |  |
|--|--|--|
| All administrators, cardholders, and procurement card users must review and sign a "Procurement Card User Agreement" form.   |  |  |
| A copy of the procedures will be provided to all cardholders and procurement card users.   |  |  |
| All procurement cards at your building location must be signed.  |  |  |
| Procurement cards must be kept in a secure or locked location. If there are multiple users, a sign out log must be maintained.   |  |  |
| Original receipts are to be turned in to the cardholder or card custodian after each purchase. Original receipts must be used for reconciliation.  |  |  |
| The receipts are to be reviewed for appropriateness and approved by the cardholder on a weekly basis.  |  |  |
| Monthly budget status reports from the business office are to be matched to the procurement card transaction reports.  |  |  |
| Original records are retained at the building or department location for six (6) years in an orderly manner. In the seventh year <b><u>records must be shredded</u></b> for disposal.                                    |  |  |
| Cardholder, Card Custodian, and/or Card User must notify the <b>Bank</b> and the <b>Business Office</b> immediately if: (1) a card is lost, (2) an assigned employee is transferred or leaves, or (3) a card is misused. |  |  |
| I have received and take responsibility for ____ procurement cards.  |  |  |
| The ____ procurement cards in my possession have been signed.  |  |  |

|                           |                               |                                      |
|---------------------------|-------------------------------|--------------------------------------|
| Cardholder's Name (print) | Card Custodian's Name (print) | Business & Finance Manager (print)   |
| Cardholder's Signature    | Card Custodian's Signature    | Business & Finance Manager Signature |
| Date                      | Date                          | Date                                 |



## **BID REQUIREMENTS**

It is the intent of the Board of Directors to ensure that all Bellingham School District procurement policies and contract agreements are in strict compliance with current State of Washington and/or federal regulations. All individuals charged with committing district funds shall be knowledgeable of and responsible for said compliance.

The Bellingham School District is dedicated to procuring goods and services in a timely manner and at fair and reasonable prices, both through the formal bid process and through other normal procurement practices. The Purchasing Department is responsible for maintaining a continuous supply of goods and services necessary to support the operation of the district. The Purchasing Department is also responsible for initiating and maintaining effective and professional relationships with suppliers, and shall serve as the channel through which requests regarding products and prices are handled.

The Bellingham School District will not discriminate against any supplier and will treat all suppliers equally, affording each an opportunity to submit bids and/or quotes for goods and services which they are qualified to supply.

The bid requirements policy of the Bellingham School District addresses both contracts for the purchase of goods and services and contracts for the procurement of public work. Public work is defined as all work, construction, alteration, repair or improvement, other than “ordinary maintenance,” utilizing public funds.

In accordance with state law, whenever the estimated cost of any furniture, supplies, or equipment will equal or exceed \$75,000, formal bids shall be called for by issuing a public notice placed in at least one publication of general circulation within the district once each week for two consecutive weeks. Clear and definite specifications shall be prepared and made available to all vendors interested in submitting a bid.

When the cost of any supplies, equipment, or furniture is expected to exceed \$40,000, but be less than \$75,000, competitive quotes shall be solicited from responsible vendors pursuant to bid and contract award procedures established by the Superintendent. Quotations from at least three different sources shall be solicited in writing or by telephone, and results of such solicitations shall be recorded for public perusal.

Because of the unique nature and configuration associated with each particular sport's athletic equipment, supplies, and uniforms, these items have been determined as not "like items." As a result, when the aggregate value of athletic equipment, supplies, and/or uniforms associated with one purchase is less than \$75,000, the formal bidding process is not required. All athletic purchases equal to or above \$1,000 and less than \$75,000 must have three (3) competitive written quotes. Quotes must be approved by the Director of Business Services prior to the initiation of a purchase order.

For any public works project estimated to equal or exceed \$300,000, formal bids shall be solicited in the same manner as for supplies and equipment. The small works roster may not be utilized on projects of \$300,000 or more.

For every public works project estimated to exceed \$100,000, but be less than \$300,000, competitive quotes shall be solicited from responsible vendors. The Purchasing Department shall elect to proceed under either (a) the Public Bidding process of RCW 28A.335.190 or (b) the Small Works process of RCW 39.04.155. All such projects estimated to cost less than \$300,000 may be awarded to a contractor on the small works roster.

For any public works contract expected to cost over \$1,000,000, the bids shall include the names of subcontractors who will do the heating, ventilation and air conditioning, plumbing, and electrical work. Failure to name a subcontractor or the bidder for each category of work renders the bid nonresponsive and void. Naming more than one subcontractor for a category of work, unless different contractors are named in alternative bids, also voids a bid.

Any public work agreement made between a supplier and the Bellingham School District in an amount equal to or greater than \$25,000 shall be evidenced by a formal contract which shall be signed by the Superintendent or his/her designee and the contractor. All standard Bellingham School District contract terms and conditions shall apply.

Bid procedures shall be waived when the Board declares an emergency, for purchases involving special facilities or market conditions, for purchases of insurance or bonds, or when purchases are clearly limited to a single source of supply.

The Board may by resolution reject any and all bids and make further calls for bids in the same manner as the original call. The Board reserves the right to purchase through an interlocal cooperative agreement with another governmental agency provided such agency has complied with the bidding requirements that are applicable to that governmental agency.



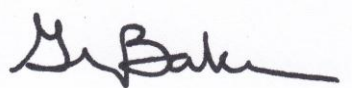
The Board shall include in each contract a proviso requiring the contractor to prohibit any of its employees who has ever been convicted of or pled guilty to any of the child related felonies from working where he/she would have contact with public school children. The contract shall also provide that failure to comply with this requirement is grounds for immediate termination of the contract.

This policy shall not apply to the purchase of textbooks.

Legal References:

|                 |   |
|-----------------|---|
| ESHB 1633       | Amending RCW 28A.335.190  |
| RCW 28A.335.190 | Advertising for Bids – Bid procedure – Telephone Solicitation, Limitations - Emergencies  |
| RCW 28A.400.330 | Crimes Against Children – Contractor Employees – Termination of Contract  |
| RCW 39.04.155   | Small Works Roster – Contract Award - Process   |
| RCW 39.04.280   | Competitive Bidding Requirements - Exemptions   |
| RCW 39.30.060   | Bids on public works — Identification, substitution of subcontractors   |
| RCW 39.26.160   | Bid Awards — Considerations — Requirements and criteria to be set forth — Negotiations — Use of enterprise vendor registration and bid notification system. |
| 34 CFR 80.36    | Procurement   |
| 34 CFR 85       | Debarred and Suspended  |

Approved by:

A handwritten signature in black ink, appearing to read "G. Baker", is written over a light gray rectangular background.

Greg Baker, Superintendent of Schools

August 21, 2014

Date

Adopted: 06-28-07

Revised: 02-12-09

Revised: 02-27-13

Revised: 08-21-14

## Bid Requirements

### A. Furniture, Equipment, or Supplies (Except Text Books)

For purposes of this policy, a lease-purchase agreement, whereby the District may own the property at the end of a lease term, shall be subject to the same conditions as an outright purchase.

1. No bid procedure is required for purchases of furniture, equipment, or supplies under \$40,000.

**Federal acquisition regulations for purchases of furniture, equipment and supplies, including textbooks, are more restrictive than state law. A competitive process, such as three (3) informal quotes, is required for those purchases of goods under \$40,000 made from federal funds.**

2. When the cost of any furniture, equipment, or supplies (except text books) shall exceed \$40,000, but be less than \$75,000, a competitive process is required:
  - a. At least three (3) informal quotes shall be solicited from responsible vendors. Written or telephone quotes will be recorded and available for public perusal, or
  - b. Purchases may be made through a Board approved interagency agreement with a qualified organization that has performed a competitive process for the item to be purchased. (i.e. KCDA, OETC, US Communities)
3. Whenever, in the opinion of the board, the cost of any furniture, equipment, or supplies (except text books) shall equal or exceed \$75,000, formal bids shall be required or they may be purchased through a Board approved interagency agreement with a qualified organization that has performed a competitive process for the item to be purchased. (i.e. KCDA, OETC, US Communities). The following procedures shall be in effect for purchasing through the competitive bidding process:
  - a. Formal bids shall be called for by issuing public notice placed in at least one newspaper of general circulation within the District once each week for two consecutive weeks, unless a statutory exception permits another contracting option.
  - b. Clear and definite specifications shall be prepared and made available to all vendors interested in submitting a bid.
  - c. Brand names and manufacturer's catalog numbers used in specifications are for the purpose of identification and to establish a standard of quality. Bids on equal items shall be considered, providing the bidder specifies brand and model and furnishes descriptive literature. The acceptance of alternative equal items shall be conditioned on the District's inspection and testing after receipt. If not found to be equal, the material shall be returned at the seller's expense and the contract canceled.

- d. Formal bids shall be opened at the time and place stated in the official advertisement for bids, and any interested member of the public may attend the bid opening. Bidders shall be responsible for ensuring that bids are delivered to the District prior to the time set for opening of bids. Any bid received by hand delivery after the time set for opening bids shall receive no consideration by the District.
- e. Formal bid awards shall be made by the Board of Directors of the Bellingham School District No. 501 based on staff recommendations to the lowest responsible bidder meeting the District's specifications, in accordance with RCW 39.26.160 and as outlined below.
- f. The District shall reserve the right to reject any or all bids, waive any informalities or irregularities in the bidding process, and to make the award deemed to be in the best interest of the District. The Board may by resolution reject any and all bids and make further calls for bids in the same manner as the original call.
- g. Bid procedures shall be waived when the Board declares an emergency, for purchases involving special facilities or market conditions, for purchases of insurance or bonds, or when purchases are clearly limited to a single source of supply. Anytime bid requirements are waived pursuant to this provision, a document explaining the factual basis for the exception and the contract shall be recorded and open for public inspection.

#### **B. Athletic Equipment, Supplies, and Uniforms**

Because of the unique nature and configuration associated with each particular sport's athletic equipment, supplies, and uniforms, these items have been determined as not "like items." As a result, when the aggregate value of athletic equipment, supplies, and/or uniforms associated with one purchase is less than \$75,000, the formal bidding process is not required. All athletic purchases equal to or above \$1,000 and less than \$75,000 must have three (3) competitive written quotes. Quotes must be approved by the Director of Business Services prior to the initiation of a purchase order.

#### **C. Building Improvement, Repair, or Other Public Works Projects**

1. District maintenance staff may make repairs/improvements to property when the total of such repairs/improvements does not exceed \$75,000.
2. Limited public works projects are those estimated to cost less than \$35,000. For limited public works projects the District may solicit electronic or written quotations from a minimum of three (3) contractors from the small works roster. With prior board approval for limited public works, the District may waive the payment and performance bond requirements and the retainage requirements of law, thereby assuming liability for a contractor's nonpayment of laborers, mechanics, subcontractors, materialmen, suppliers, and taxes. The District shall have the right of recovery against the contractor for any of these payments made on the contractor's behalf.

3. All building improvement, repair, or other public works projects estimated to be less than \$300,000 may be awarded to a contractor on the small works roster, in accordance with RCW 39.04.155 and the requirements of this procedure which are listed below (Small Works Contracting Procedure).
4. Whenever, in the opinion of the board, the cost of any public works project shall equal or exceed \$300,000:
  - a. Formal bids shall be called for by issuing public notice placed in at least one newspaper of general circulation within the District once each week for two consecutive weeks, unless a statutory exception permits another contracting option, or the project is contracted through a Board approved interagency agreement with a qualified organization that has performed a competitive process for the item to be purchased. (i.e. KCDA, OETC, US Communities).
  - b. Clear and definite specifications shall be prepared and made available to all vendors interested in submitting a bid.
  - c. Brand names and manufacturer's catalog numbers used in specifications are for the purpose of identification and to establish a standard of quality. Bids on equal items shall be considered, providing the bidder specifies brand and model and furnishes descriptive literature. The acceptance of alternative equal items shall be conditioned on the District's inspection and testing after receipt. If not found to be equal, the material shall be returned at the seller's expense and the contract canceled.
  - d. Formal bids shall be opened at the time and place stated in the official advertisement for bids, and any interested member of the public may attend the bid opening. Bidders shall be responsible for ensuring that bids are delivered to the District prior to the time set for opening of bids. Any bid hand received by hand delivery after the time set for opening bids shall receive no consideration by the District.
  - e. Formal bid awards shall be made by the Board of Directors of the Bellingham School District No. 501 based on staff recommendations to the lowest responsible bidder meeting the District's specifications, in accordance with RCW 39.26.160 and as outlined below.
  - f. The District shall reserve the right to reject any or all bids, waive any informalities or irregularities in the bidding process, and to make the award deemed to be in the best interest of the District. The Board may by resolution reject any and all bids and make further calls for bids in the same manner as the original call.
  - g. All public works contracts equal to or exceeding \$300,000 will be approved by the Board. In addition, contracts will be complete with drawings, specifications, scope of work to be performed, bid bonds (if applicable), certificates of insurance, performance bonds, and any other documents required by law.

Contracts shall also contain the Bellingham School District's General Terms and Conditions.

- h. For any public works contract expected to cost over \$1,000,000 the bids shall include the names of subcontractors who will do the heating, ventilation and air conditioning, plumbing, or electrical work. Failure to name a subcontractor or the bidder for each category of work renders the bid nonresponsive and void. Naming more than one subcontractor for a category of work, unless different contractors are named in alternative bids, also voids a bid.
- i. When requested by the District, the successful bidder shall provide a payment and performance bond equal to one hundred percent (100%) of the contract bid amount.
- j. The Board shall include in each contract a proviso requiring the contractor to prohibit any of its employees who has ever been convicted of or pled guilty to any of the child related felonies from working where he/she would have contact with public school children. The contract shall also provide that failure to comply with this requirement is grounds for immediate termination of the contract.
- k. Bid procedures shall be waived when the Board declares an emergency for purchases involving special facilities or market conditions, for purchases of insurance or bonds, or when purchases are clearly limited to a single source of supply. Any time bid requirements are waived pursuant to this provision, a document explaining the factual basis for the exception and the contract shall be recorded and open for public inspection.

#### **D. Small Works Contracting Procedure**

For public works projects estimated to cost less than \$300,000, the District may solicit informal quotes by telephone or written quotations from all contractors who have requested to be placed on the small works roster or the District may elect the Public Bidding process of RCW 28A.335.190. The quotes will be recorded and available for public perusal.

The small works roster will be revised at least once each year by publishing a notice of such opportunity in at least one newspaper of general circulation in the District. A copy of such notification shall be sent to the Association of General Contractors. Such notice shall indicate where interested licensed contractors may secure information and application forms related to the small works roster. The application form shall be designed to collect such information as:

- Name of contractor
- State of Washington Contractor's License number
- Bonding verification
- Liability coverage
- References

If the District chooses to utilize the small works roster, the following steps shall be employed:

1. Written specifications shall be prepared which describe the work to be completed and the materials to be used; completion date; contractor's assurances (prevailing wage statement, affirmative action statement, etc.); bid and performance bond requirements; opportunity to visit the work site; closing date; and quote form.
2. Unless the Board declares, by resolution, the existence of an emergency, the District shall make a good faith effort to insure that all qualified small works contractors receive a written invitation to provide a quotation whenever the estimated cost of the project is less than \$300,000. The invitation shall include a brief description of the project and the process to follow in acquiring the project specifications.
3. If the cost of the project is estimated to be less than \$35,000 the District can chose to use the Limited Public Works process as outlined on page 2 above.
4. If the cost of the project is estimated to exceed or be equal to \$35,000 but not more than \$150,000, quotes may be invited from:
  - a. All appropriate contractors on the appropriate small works roster, or
  - b. At least five (5) qualified small works contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted. The District shall rotate through the list of qualified contractors to insure each is afforded an opportunity to participate in the process.
5. If the cost of the project is estimated to be greater than \$150,000 but not more than \$300,000, quotes may be invited from:
  - a. All appropriate contractors on the appropriate small works roster, or
  - b. At least five (5) qualified small works contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted **and notify** the remaining contractors on the appropriate small works roster. The District has the sole option of determining whether this notice is made by publication in a legal newsletter in general circulation in the area where the work is to be done, mailing notice, or sending notice by facsimile or other electronic means.
5. Subject to the right to reject all bids, the Superintendent or his/her designee shall award the contract to lowest responsible bidder meeting the District's specifications, in accordance with RCW 39.26.160 and as outlined below.
6. Any small works roster requisition resulting in a purchase order equal to or exceeding \$25,000 shall be evidenced by a Bellingham School District Contract Agreement which will be signed by the Superintendent, or his/her designee.

#### **E. Lowest Responsible Bidder**

The following factors shall be considered in determining the lowest responsible bidder:

1. The ability, capacity, and skill of bidder to perform the work or provide the service required,
2. The character, integrity, reputation, judgment, experience, and efficiency of the bidder,
3. The ability of the bidder to perform the contract within the time specified,
4. The quality of performance on previous contracts or services,
5. Previous and existing compliance by bidder with laws relating to the contract or services; and
6. Such other information as may be secured having a bearing on the decision to award the contract.

#### **F. Change Orders**

In order to expedite change orders on construction contracts in the Bellingham School District, the Board has determined that for change orders where the amount involved is 5% or less of the total project cost, but not in excess of \$250,000, such change orders may be approved by the Superintendent or his/her designee. Payment may then be made through the Business Office. (Policy #6957)

#### **G. Procuring with Federal Funds**

(Title I, Title II, Federal IDEA, Carl Perkins, QSCB, etc.)

When federal funds are used for procurement of supplies, other property, or professional services, state law must still be followed, as well as any federal requirements including but not limited to those listed in Federal Acquisition Regulation (FAR), 34 CFR § 80.36 and 34 CFR § 85. State law does not apply when the federal requirements are more restrictive. When federal funds are used for public works projects, additional requirements such as Davis Bacon wages apply.

#### **H. Suspension and Debarment**

For any procurement transaction over \$25,000 the District must verify that each vendor (and possible sub-vendors) paid by Federal funds is not suspended and/or debarred.

|                             |   |
|-----------------------------|---|
| Legal References: ESHB 1633 | Amending RCW 28A.335.190  |
| RCW 28A.335.190             | Advertising for bids — Bid procedure-<br>Telephone solicitation, limitations —<br>Emergencies |
| RCW 28A.400.330             | Crimes Against Children — Contractor<br>Employees — Termination of Contract                   |
| RCW 39.04.155               | Small Works roster — Contract award —<br>Process  |
| RCW 39.04.280               | Competitive Bidding Requirements —<br>Exemptions  |
| RCW 39.30.060               | Bids on public works — Identification,<br>substitution of subcontractors                      |



RCW 39.26.160

Bid Awards — Considerations —  
Requirements and criteria to be set forth  
— Negotiations — Use of enterprise  
vendor registration and bid notification  
system.

34 CFR 80.36  
34 CFR 85

Procurement  
Debarment and Suspension

Approved: 12-18-03  
Revised: 03-20-08  
Revised: 12-11-08  
Revised: 02-27-13  
Revised: 08-21-14  
Revised: 09-24-14

**BELLINGHAM SCHOOL DISTRICT  
PURCHASING GUIDELINES**

| <b>Furniture, Equipment &amp; Supplies<br/>(Except Text Books)</b> | <b>Petty<br/>Cash</b> | <b>Field PO<br/><i>Local Vendors<br/>Only</i></b> | <b>Open<br/>PO</b>      | <b>Requisition<br/>&amp; PO</b> | <b>P-Card</b>                      | <b>Interagency<br/>Agreement<br/>(e.g. KCDA)</b> | <b>Three (3)<br/>Informal<br/>Quotes</b> | <b>Formal<br/>Bid</b> |
|--|-----------------------|---|-------------------------|---------------------------------|------------------------------------|--|--|-----------------------|
| Less than \$250  | ✓                     | ✓   | ✓                       | ✓                               | ✓                                  | ✓  |  |                       |
| \$250 - \$1,000  |                       |   | ✓                       | ✓                               | ✓                                  | ✓  |  |                       |
| \$1,001 - \$5,000  |                       |   | ✓<br><i>Maint. Only</i> | ✓                               | ✓                                  | ✓  |  |                       |
| \$5,001 - \$40,000   |                       |   |                         | ✓                               | ✓<br><i>If Credit Limit Allows</i> | ✓  | ✓<br><i>Recommended</i>                  |                       |
| \$40,001 - \$74,999  |                       |   |                         | ✓                               |                                    | ✓  | ✓<br><i>Required</i>                     |                       |
| Equal or Exceed \$75,000   |                       |   |                         | ✓                               |                                    | ✓  |  | ✓                     |

| <b>Building Improvement, Repair, or<br/>Other Public Works Project</b> | <b>No<br/>Competitive<br/>Process Req'd</b> | <b>Maintenance<br/>Can Do<br/>Work</b> | <b>Three (3)<br/>Informal<br/>Quotes<br/>&lt; \$100k</b> | <b>Small Works<br/>"Limited"<br/>Public Works<br/>3 Quotes (SWR)</b> | <b>Small Works<br/>Roster<br/>5 Quotes, or<br/>All</b> | <b>Small Works<br/>Roster<br/>5 Quotes, and<br/>Notify All</b> | <b>Interagency<br/>Agreement<br/>(e.g. KCDA)</b> | <b>Formal<br/>Bid<br/>&gt; \$100k</b> |
|--|---|--|--|--|--|--|--|---------------------------------------|
| Less than \$35,000   | ✓   | ✓                                      |  | ✓  |  |  | ✓  |                                       |
| \$35,000 - \$74,999  |   | ✓                                      | ✓  |  | ✓  |  | ✓  |                                       |
| \$75,000 - \$99,999  |   |  | ✓  |  | ✓  |  | ✓  |                                       |
| \$100,000 - \$150,000  |   |  |  |  | ✓  |  | ✓  | ✓                                     |
| \$150,001 - \$299,999  |   |  |  |  |  | ✓  | ✓  | ✓                                     |
| Equal or Exceed \$300,000  |   |  |  |  |  |  | ✓  | ✓                                     |

| <b>Federal Purchasing Guidelines<br/>(Program 24, 38, 51, 52, 53, 64 &amp; 98)</b> | <b>Suspended<br/>&amp; Debarred<br/>\$25,000 +</b> | <b>Interagency<br/>Agreement<br/>(e.g. KCDA)</b> | <b>Three (3)<br/>Informal<br/>Quotes</b> | <b>Formal<br/>Bid</b> |
|--|--|--|--|-----------------------|
| Furniture, Equipment & Supplies<br>(Including Text Books)<br>\$3,000 - \$75,000    | ✓  | ✓  | ✓  |                       |
| Equal to or Exceed \$75,000  | ✓  | ✓  |  | ✓                     |
| Professional Services (Obj 7)<br>\$3,000 - \$100,000                               | ✓  | ✓  | ✓  |                       |
| Equal to or Exceed \$100,000   | ✓  | ✓  |  | ✓                     |

*\$3,000 threshold for professional services provided by SAO*

*Quotes and Formal Bid requirements may be waived if purchases are "clearly and legitimately limited to a single source of supply." Justification for Sole Source should be clearly documented and approved by Director of Business Services before contract is negotiated. Contact Purchasing for copies of the Sole Source form.*

## **RELATIONS WITH VENDORS**

Financial and business transactions of the district will conform to the law and be consistent with sound and ethical business practices. Purchasing decisions will be made on the basis of objectivity and will not be influenced by friendships or other personal relationships. Board members, administrators, or staff will not accept a gift or favor from vendors or prospective vendors or other firms or individuals who have had or hope to have transactions with the district. Financial interests of Board members, administrators, or staff in any district purchase, sale, or other transaction will be prohibited.

Legal References:    [RCW 42.23.030](#)  
                              [RCW 42.23.040](#)

Interest in contract prohibited —  
    Exceptions  
Remote interests

Adopted: Feb. 14, 2013