

# Purchasing Department Procurement Handbook



Stockton Unified School District  
Purchasing Department  
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Purchasing Department

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# Introduction

## The Purpose of this Handbook

The intent of this handbook is to acquaint District personnel with the basic procedures to be used when purchasing supplies, materials, equipment or services.

The Purchasing Department's goal is to provide an organizational structure that will effectively control the procurement and distribution of all goods and services, and to ensure that the District is in compliance with all State and Federal requirements, and Governing Board policies.

This purchasing handbook provides reference information on the methods used within the Purchasing Department and will assist the user in answering the day-to-day questions pertaining to purchasing and other related procurement activity.

This handbook will provide a brief overview of public-school bid requirements, as well as exceptions that allow for other purchasing methods.

This handbook is also intended to be a reference of relevant legal codes that explain federal and state procurement requirements, bid exceptions and alternate procedures for public purchasing.

The district shall use the most restrictive procurement methods to ensure compliance with applicable federal and state requirements. It is important that procurement questions and uncertainties are communicated with the Purchasing Department to support proper and legal procurement activities that provide accountability for public purchases, to avoid fraud, corruption, and waste of public funds.

This handbook is in compliance with the Government Code of the State of California, sections 54202 and 54204, which mandate the following:

54202: Every local agency shall adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the local agency. Purchases of supplies and equipment by the local agency shall be in accordance with said duly adopted policies and in accordance with all provisions of law governing same. No policy, procedure, or regulation shall be adopted which is inconsistent or in conflict with this statute.

54204: If the local agency is other than a city, county, or city and county, the policies provided for in Section 54202 shall be adopted by means of a written rule or regulation, copies of which shall be available for public distribution.

# Procurement

## What is Procurement?

Procurement is a term encompassing all elements of the district's purchasing process.

The elements typically include the following:

1. Determining procurement needs
2. Developing a procurement strategy
3. Identifying potential suppliers
4. Negotiating the best price
5. Approving purchase requests
6. Maintaining procurement documentation
7. Purchasing goods/services
8. Adhering to federal, state, and local laws.

Purchasing is a transactional component of the overall procurement process.

Technically, procurement and purchasing are two processes that are completed during the process of acquiring goods and services.

## Purpose of Procurement

Having an established procurement process ensures the district is able to conduct vital business functions in a manner that allows the district to control costs, minimize financial risks, and improve fiscal oversight by ensuring the district obtains the right goods and services at the right prices and at the right quality.

Procurement allows for the district to demonstrate accountability and good stewardship of the public funds received for goods and services to meet the needs of our students.

The SUSD Purchasing Department procures goods and services using a competitive selection process. The requesting of quotes is a recognized and accepted means of ensuring effective competition among suppliers. Analysis of quotes is a means by which the total cost of ownership of the item is determined.

It is the responsibility of the Purchasing Department to originate, control, and analyze supplier bids, quotations, proposals, etc.

The Purchasing Department is responsible for defining quantity, specifications, delivery date, and all other pertinent information essential to a proper purchase. In some cases, it may be acceptable for a department to conduct or participate in the bid process, but all quotes, bids or requests for proposals must accompany the requisition for analysis and review by the Purchasing Department.

When quotations have been secured by the requisitioning site or department, the supplier's original written quote must accompany the requisition so that full information concerning the Purchase Order contract is available for audit purposes.

**If legal guidance (including allowable exceptions to competitive bidding) differs between state and federal law, the district shall abide by the most stringent requirements.**

This section applies to all equipment, materials, or supplies, whether patented or otherwise. This section shall not apply to professional services or advice, insurance services, or any other purchase or service otherwise exempt from this section, or to any work done by day labor or by force account pursuant to Public Contract Code section 20114.

The Purchasing Department will adhere to the established District policies, Public Contract Code, Education and Government Codes, and regulations pertaining to bidding and quotation solicitation.

**When do service contracts require Board Pre-Approval**

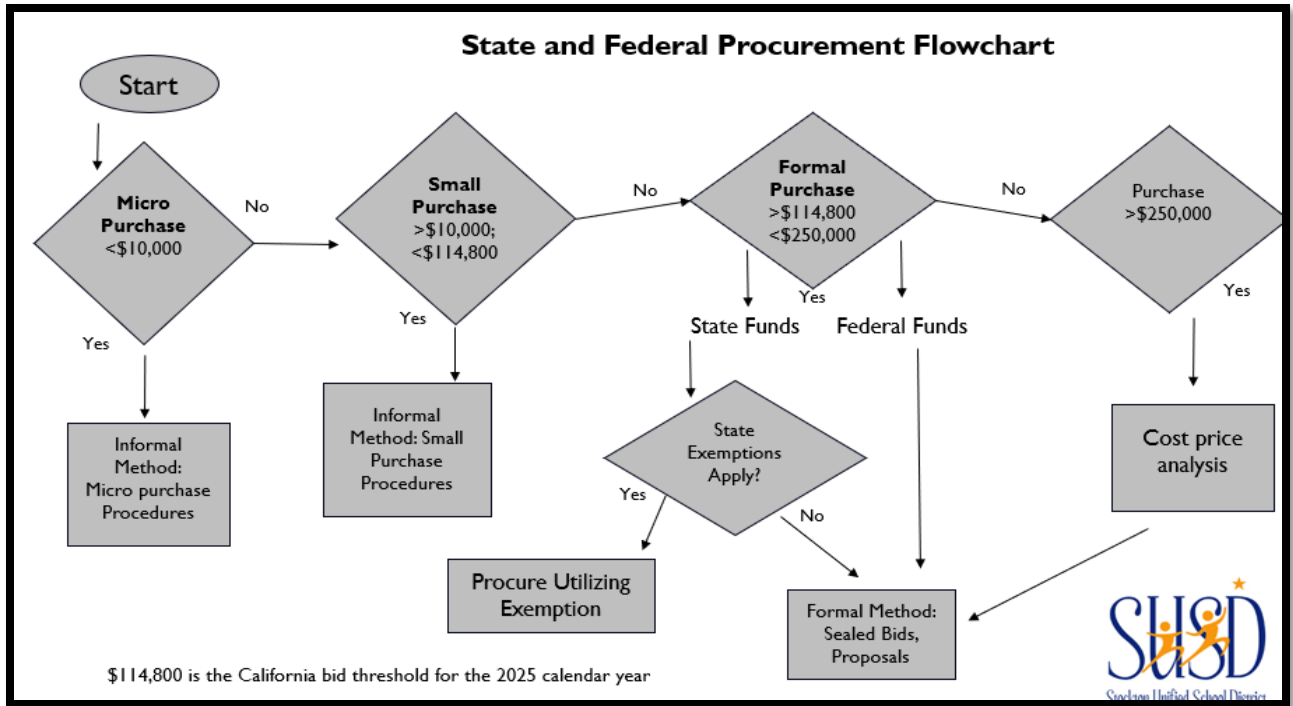
- All contracts with new vendors between \$10,000 - \$50,000.
- All contracts with existing vendors in excess of \$50,000.
- All contracts for Consultants

Refer to the table and flowchart below for Federal and State Procurement Requirements.

<b>Federal and State Procurement Requirements</b>		
	<b>Federal Requirements</b>	<b>State Requirements</b>
	<b>2 CFR 200.320</b>	<b>Public Contract Code (PCC) Section 20111(a)</b>
Micro-purchases: total cost is under \$10,000	Micro-purchases may be awarded without soliciting competitive price or rate quotations if SUSD considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly.	N/A
Small purchase: total cost is \$10,000 - \$114,800	For small purchases, price or rate quotations must be obtained from an adequate number of qualified sources.	N/A

<p>Formal procurement: sealed bids or proposals</p>	<p>Used for purchases that exceed total cost threshold over \$114,800.</p> <p><b>**Federal total cost threshold is \$250,000, but SUSD must adhere to the more stringent State total cost threshold of \$114,800.</b></p>	<p>Public Contract Code (PCC) requires school district governing boards to competitively bid and award any contracts involving an expenditure of more than \$50,000*, adjusted for inflation, to the lowest responsible bidder. Contracts subject to bidding include: Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district, services that are not construction services.</p> <p>Repairs, including maintenance as defined in PCC Section 20115, that are not public projects as defined in PCC Section 22002(c).</p> <p>* For calendar year 2025 the bid threshold has been adjusted to \$114,800.</p>
<p>Formal procurement: sealed bids or proposals</p>	<p>Used for purchases that exceed purchase threshold over \$250,000. The <b>independent cost price analysis</b> may consist of, but is not limited to, market research, a general survey of prices for similar goods or services, a comparison to similar purchases previously made, or an internal system for developing a price range for the specific purchase.</p>	





\*The Purchasing Manager shall annually notify District personnel of the annual adjusted dollar amounts within ten (10) business days of being notified by the Superintendent of Public Instruction of the adjusted dollar amounts. The formal bid threshold for the 2025 calendar year for goods and services is set at \$114,800.

### Confidentiality of Bids, Quotations, Proposals, etc.

In accordance with fair and sound business practices, all information supplied by vendors in their bid, quotation or proposal must be presented under sealed cover and held in strict confidence. Bids may not be revealed to any other vendor or unauthorized individual while the procurement process is taking place. Once the procurement process has completed, all records are considered public information and must be made available for public review.

### Errors in Bids or Quotations

Vendors are responsible for the accuracy of their quoted prices.

In the event of an error between a unit price and its extension, the unit price will govern.

Quotations may be amended or withdrawn by the bidder up to the bid opening date and time, after which, in the event of an error, bids may not be amended, but maybe withdrawn prior to the acceptance of the bid.

After an order has been issued, no bid may be withdrawn or amended unless the Purchasing Department considers the change to be in the District's best interest. All changes must be in writing with mutual agreement. Please refer to the district's Change Order process in this handbook.

### Late Quotations

It is the responsibility of all vendors to ensure that their quotations are received in the Purchasing Department no later than the appointed hour of the bid opening date as specified on the request of the bid.

**Late quotations will not be considered and will not be opened.**

All bids and quotations will be date and time stamped to assure that they are received prior to the requested date and time.

### Rejection of Bids

The District reserves the right to reject all bids, quotations and/or proposals and re-solicit or cancel the procurement if deemed by the District to be in its best interest.

### Requests for Proposal (RFP) Process

The Request for Proposal (RFP) process is a mechanism used by purchasing professionals to conduct competitive bidding. The process follows a relatively formal procedure and is a way to ensure information is passed to suppliers in an equal manner, assuring that all candidates are treated fairly.

The RFP document provides information regarding the District's expectations regarding how to respond to bid, the specifications on the project, and general conditions that a candidate is expected to comply with.

These conditions eventually will become part of the contractual agreement with the candidate selected to perform work. The RFP contains information and requirement which will serve in the best interest of the District and ultimately allow the District to select a supplier which provides the best value to Stockton Unified School District.

### Sole Source

A supplier is considered a sole source in cases where only one product can meet the specifications desired by the requisitioner and only one supplier can provide that product.

Bids are not required in cases where the sources of supply is an existing contract or where a sole source supplier is determined.

Certain sole source items may require documentation from the requisitioning site or department to justify their purchase. Final responsibility in determining whether an item may be purchased from a sole source rests with the Purchasing Department and the SUSD Governing Board.

Instance when “sole source” designation is applicable include the following:

1. When the procurement is for technical services in connection with assembly, installation or servicing of equipment of a highly technical or specialized nature.
2. When the procurement is for parts or components to be used replacements in support of equipment specifically designed by the manufacturer.
3. When the procurement involves construction where a contractor is already at work on the site and it would not be practical to engage another contractor.
4. When the procurement is for electrical power, gas, water or other utility services where it would not be practical to allow a contractor other than the utility company itself to work upon the system.

## Elements of a Public Bid

A formal bid by a public school district contains several necessary elements. These include:

- legal advertisement,
- standard specifications,
- set bid due date and time,
- and responsive and responsible bidders.

These basic elements are required to ensure a level playing field for all bidders.

Legal Advertisement – **Public Contract Code Section 20112** requires the advertisement in “some newspaper of general circulation” for at least once a week for two weeks before the bid due date. If you are thinking of placing a bid advertisement in a particular paper, and you are not sure if the paper meets the legal requirements, request proof that the newspaper has been adjudged to meet public bidding requirements.

Standard Specifications – A “specification” is a description of the goods or services to be purchased. An accurate description of the item or service needed is vital so that all potential bidders are offering prices on the same thing; bidding “apples to apples.” Without standard specifications, fair comparison would be difficult or impossible.

Set Bid Due Date and Time – The legal advertisement must specify exactly where and when bids are due. Late bids must be rejected, per **Government Code Section 53068** and **Public Contract Code Section 20112**.

Responsive Bid – “Responsive” means that the bidder has responded to the bid; has submitted a bid that meets the bid requirements and specifications in all material respects. Waiver of minor deviations may be allowed, upon advice of legal counsel, but any variation that gives one bidder an advantage over other bidders is a material variation that should cause the bid to be rejected as an unresponsive bid.

Responsible Bidder – A responsible bidder is someone who is qualified to do the work or supply the item in question. Bidders may be “pre-qualified” to avoid the need to reject non-responsible bidders after the bid open date.

### **When is Formal Bidding Required and School Bid Exceptions for State Funding (See the Federal Funds Procurement Procedures in this handbook for Federal Funding guidelines)**

A formal bid is required when the district needs to secure goods or services meeting/exceeding the formal bid threshold for California school districts of \$114,800 for the 2025 calendar year. (Public Contract Code Section 20111)

The following exceptions may apply:

- ✓ “Public projects” (construction)
  - Informal bids are solicited for projects valued between \$75,000 and \$220,000.
  - Formal bids are solicited for projects valued over \$220,000.
- ✓ Transportation services - the limit is \$10,000.
  - Districts are NOT required to contract with the lowest bidder (see **Education Code 39802**)
- ✓ Computer and technology equipment and services – This is a *Variation* on the bidding requirement—
  - District may choose any of the three lowest bidders (P.C.C. 20118.1) or may conduct an RFP process (**Public Contract Code 20118.2**)
  - The covered period must coincide with District’s fiscal year when using federal funds.

Except as noted, the basic bid limit is subject to an annual adjustment by the California Department of Education.

**Formal bidding is not required for the following when using State Funds only. These exemptions do not apply to Federal Funds.**

**(See the Federal Funds Procurement Procedures in this handbook for Federal Funding guidelines)**

- ✓ **Cooperative Purchases** (i.e., “piggyback” purchasing)  
Schools may purchase materials and equipment from contracts obtained by the bids of other districts of public agencies. (**Public Contract Code Section 20118**).

Districts may purchase standard school items via the Standard School Bid as developed by the County Superintendent of Schools (**Education Code Sections 38110-38112**).

A School District may purchase supplies through the State Office of Procurement of the Department of General Services, which acts as the buying agent for political subdivisions of the State. (**PCC 10325, Cal. Code of Regulations Sec. 1895.1-1895.16; Govt. Code Sec. 14814 and 54205**).

In 1993, the State of California Assembly chaptered AB 1727 (Polanco). This bill enabled the Department of General Services to create a multiple award schedule program in 1994, known as the California Multiple Award Schedules (CMAS) program. The CMAS program was later enhanced as a result of Senate bill SB 910 (Polanco), chaptered in 1995.

More information is found here: <http://www.pd.dgs.ca.gov/cmas/default.htm>

- ✓ **Emergencies**  
**Public Contract Code Section 1102**: "Emergency," as used in this code, means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

**Public Contract Code Section 20113. (a)**. In an emergency when any repairs, alterations, work, or improvement is necessary to any facility of public schools to permit the continuance of existing school classes, or to avoid danger to life or property, the board may, by unanimous vote, with the approval of the county superintendent of schools, do either of the following:

(1) Make a contract in writing or otherwise on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids.

(2) Notwithstanding Section 20114, authorize the use of day labor or force account for the purpose.

- ✓ **Energy Conservation Services**

**Government Code Section 4217.10.** To help implement the policy set forth in Section 25008 of the Public Resources Code, and to extend that policy to facilities of local governments, public agencies may develop energy conservation, cogeneration, and alternate energy supply sources at the facilities of public agencies in accordance with this chapter.

**Government Code Section 4217.16.** Prior to awarding or entering into an agreement or lease, the public agency may request proposals from qualified persons. After evaluating the proposals, the public agency may award the contract on the basis of the experience of the contractor, the type of technology employed by the contractor, the cost to the local agency, and any other relevant considerations...

**Government Code Section 4217.18.** The provisions of this chapter shall be construed to provide the greatest possible flexibility to public agencies in structuring agreements entered into hereunder so that economic benefits may be maximized and financing and other costs associated with the design and construction of alternate energy projects may be minimized.... “

✓ **Instructional Materials**

**Public Contract Code Section 20118.3.** The governing board of any school district may purchase supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, instructional computer software packages, or periodicals in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids.

✓ **Perishable Food** (Unless > \$150,000 and federal dollars are spent)

**Education Code Section 38083.** Perishable foodstuffs and seasonal commodities needed in the operation of cafeterias may be purchased by the school district in accordance with rules and regulations for such purchase adopted by the governing board of said district notwithstanding any provisions of this code in conflict with such rules and regulations.

✓ **Professional and Personnel Services**

**Government Code Section 53060.** The legislative body of any public or municipal corporation or district may contract with and employ any persons for the furnishing to the corporation or district special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required.

✓ **Waste Management Services**

**Public Resources Code Section 40059.** (a) Notwithstanding any other provision of law, each county, city, district, or other local governmental agency may determine all of the following:

(1) Aspects of solid waste handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location, and extent of providing solid waste handling services.

(2) Whether the services are to be provided by means of nonexclusive franchise, contract, license, permit, or otherwise, either with or without competitive bidding, or if, in the opinion of its governing body, the public health, safety, and well-being so require, by partially exclusive or wholly exclusive franchise, contract, license, permit, or otherwise, either with or without competitive bidding. The authority to provide solid waste handling services may be granted under terms and conditions prescribed by the governing body of the local governmental agency by resolution or ordinance.

(b) Nothing in this division modifies or abrogates in any manner either of the following:

(1) Any franchise previously granted or extended by any county or other local governmental agency.

(2) Any contract, license, or any permit to collect solid waste previously granted or extended by a city, county, or a city and county.

Breaking up, splitting or separating purchases into a smaller bid, work order, project, or service to avoid conducting the procurement process is known as “bid splitting”. This practice is illegal at both a federal and state level. See **Public Contract Code 20116**

Every attempt must be made to ensure the formal or informal procurement procedures was adhered to. At times, formal or informal procurements procedures may not result in bid responses. **Public Contract Code 22038(c)** indicates if no bids are received through the formal or informal procedure, the project may be performed by the employees of the public agency by force account, or negotiated contract without further complying with this article.



## Federal Funds Procurement Procedures

When purchasing with federal funds, if legal guidance (including allowable exceptions to competitive bidding) differs between state and federal law, the district shall abide by the most stringent requirements.

### Procurement Procedures General Information

Procurement is a multistep process for acquiring the best possible goods and services at the lowest possible price. Stockton Unified School District (SUSD) will purchase goods and services for use in federally funded programs in compliance with Title 2, *Code of Federal Regulations* (2 CFP), sections 200.318-200.326, Title 7, *Code of Federal Regulations* (7 CFR), parts 210 and 220, and all applicable state and local rules. When making procurement decisions, the following fundamental principles will be followed:

1. Comply with the Buy American Provision by purchasing, to the maximum extent possible, agricultural commodities and products grown and processed in the United States.
2. Understand and comply with federal, state, and local requirements.
3. Ensure that full and open competition exists to the maximum extent possible as outlined in **2 CFR Section 200.319(a)**.
  - a. When a public project is funded or reimbursed wholly or partly by federal funds, the District must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the District must not preclude potential bidders from qualifying during the solicitation period. (2 CFR § 200.319)
4. Award contracts to responsible and responsive bidders.

### Methods of Procurement

#### **Micropurchase Method** **(2 CFR, Section 200.320[a])**

Micropurchases may be awarded without soliciting competitive quotations or comparing prices among qualified suppliers if the following two conditions are met:

1. The aggregate value of single transaction is \$10,000 or less.
2. SUSD staff considers the price to be reasonable.

The covered period must coincide with District's fiscal year when using federal funds.

Documentation (e.g. receipts and invoices) must be maintained for the prior three years plus the current Program Year (PY), or until the next Federal Pass-through Agency (FPA) review, to document costs that are reasonable.



SUSD will distribute micropurchases equitably among qualified suppliers to the extent practical. SUSD will ensure that purchases are made at a variety of stores. SUSD will not limit its purchases to only one store unless it is not practical due to distance of another store from district office.

Micropurchases are used for good and services that are needed on an emergency basis or for items needed occasionally (e.g. gluten-free products). It is not intended to be used to avoid a small/informal or formal procurement.

### **Small Purchase Method** **(2 CFR, Section 200.320(a)(2))**

The small purchase method is used to procure goods and services when the aggregate value of the purchase is \$10,001 - \$114,800.

Per California **Public Contract Code (PCC) Section 20116**, for the purpose of securing informal bids, SUSD will publish a notice inviting contractors to register to be notified of future informal (small purchase) bidding projects. SUSD will publish this notice every July 1 in a newspaper of general circulation published in the county. All contractors included on the informal bidding list will be notified of all informal bid projects through an e-mail list maintained by SUSD. All contractors will remain on this list until they request to be removed or notification was received that they are no longer a potential or viable vendor.

SUSD will follow the following steps when conducting procurements using the small purchase method:

**Step 1.** SUSD Purchasing Manager, or designee, will develop and provide a clear and accurate description of the technical requirements of the goods and services to be procured to potential sources per **2 CFR, Section 200.319(d)(1)**, including the requirement to comply with the Buy American Provision per **7 CFR, sections 210.21(d) and 220.16(d)**. The same specifications will be provided to each potential vendor so that each vendor can provide written price quotes on the same goods or services.

**Step 2.** Price or rate quotations will be obtained from a minimum of two responsible and responsive sources. Price quotes must be documented in writing per SUSD policy. Price quotes provided verbally by a vendor must be documented in writing.

SUSD Small Purchase Quotation forms and other forms of written quotes submitted by potential vendors will be retained by SUSD with other related procurement documentation (e.g. invoices) for a period of three years plus the current School Year (SY) or until the next FPA review.

**Step 3.** SUSD Purchasing Manager, or designee, will evaluate the written quotes received.

**Step 4.** SUSD Purchasing Manager, or designee, will award small purchases to the lowest priced responsible and responsive vendor. The covered period must coincide with District's fiscal year when using federal funds.

**Step 5.** SUSD Purchasing Manager, or designee, will monitor the contract to ensure goods or services solicited for the ones received and all deliverables are met per **2 CFR, Section 200.318(b)**.

### **Formal Purchase Methods (2 CFR, Section 200.320(b))**

The formal purchase method, used to procure goods and services when the estimated total cost is \$114,800 or above. (Federal total cost threshold is \$250,000, but SUSD must adhere to the more stringent State total cost threshold of \$114,800). Both Invitation for Bid (IFB) and Request for Proposal (RFP) methods are used by SUSD.

The terms of formal contracts will be one year with two one-year renewal options. The covered period must coincide with District's fiscal year when using federal funds.

SUSD will follow the following steps when conducting formal procurements:

**Step 1.** SUSD Purchasing Manager, or designee, will develop a written solicitation. The solicitation will incorporate:

- A clear and accurate description of the technical requirements for the goods or services to be procured per **2 CFR, Section 200.319(d) (1)**
- The requirement to comply with the Buy American Provision per **7 CFR, sections 210.21(d) and 220.16(d)**
- All requirements that the offers must fulfill and all other factors (IFBs and RFPs) and their relative importance (RFPs only) used in evaluating bids or proposals per **2 CFR, Section 200.319(d) (2)** to judge responsive and responsible firms
- Instructions for responding vendors
- The general terms and conditions of the contract

**Step 2.** SUSD Purchasing Manager, or designee, will advertise the solicitation in the print and on web site a minimum of two weeks prior to the deadline for submission of bids and proposals. California **Public Contract Code Section 20112** requires that public school districts and county of education advertise

solicitations once a week for a minimum of two weeks in publication of general circulation.

**Step 3.** SUSD Purchasing Department will publicly open bids resulting from IFBs at the time and place prescribed in the solicitation. SUSD will not publicly open proposals resulting from RFPs.

SUSD Program Administrator, or designee, and purchasing manager will evaluate offers from responding firms by using the evaluation criteria outlined in the solicitation for both IFBs and RFPs. SUSD should receive at least two bids or proposals to evaluate the offers. If there is not a minimum of two respondents, SUSD will review the solicitation to ensure that it is not limiting competition as outlined in **2 CFR, Section 200.319**, and consider expanding advertising efforts before reissuing the solicitation.

The offers will be ranked based on cost only for IFBs and on evaluation criteria (i.e. technical criteria) and cost for RFPs for all responsible and responsive responders. SUSD will document all evaluation of RFPs in writing for RFPs only. SUSD purchasing manager will negotiate the technical aspects of each RFP prior to negotiating the cost aspect of the RFP. Any or all bids may be rejected if there is sound documented reason.

**Step 4.** SUSD will award the contract to the responsible and responsive bidder who offers the lowest price for IFBs. All IFBs will result in a firm, fixed price contract.

SUSD will award the contract to the responsible and responsive respondent whose proposal is most advantageous to the SUSD, with price and other factors considered, for RFPs. All RFPs will result in either a fixed price or cost reimbursable contract. **Cost plus a percentage of cost contracts will never be used.**

**Step 5.** SUSD Program Administrator, or designee, will monitor contract per **2 CFR, Section 200.318(b)**, by:

- Overseeing deliveries to ensure that the goods solicited for were received
- Reviewing the contract's terms, conditions, and deliverables monthly to ensure that they are being met and done so in accordance with all federal, state, and local rules
- Ensuring that discounts, rebates, and credits in cost reimbursable contracts are provided

## **Noncompetitive Procurement Method (2 CFR, Section 200.320(c))**

SUSD will only enter into a noncompetitive agreement when one or more of the following circumstances apply:

- The item is available only from a single source
- An emergency exists, and the urgency for the requirement will not permit the delay resulting from competitive solicitation
- After solicitation from a number of sources, competition is determined inadequate
- SUSD received prior approval from the FPA after submitting a written request to the FPA with justification for conducting a noncompetitive procurement
- SUSD will use this method when all awarding noncompetitive procurement contacts

## **Single Source Noncompetitive Procurement**

A single source is source specifically selected amongst others, if any, due to specific reasons, i.e. replacement parts, compatibility, quality, service, support, etc.

In cases where it is determined that only a single vendor will properly meet the needs of the District, competition can be considered exempt. SUSD will only enter into a noncompetitive agreement with approval from the FPA. SUSD will submit the following criteria to the FPA for consideration:

- Name, address and telephone number.
- Proprietary data to be used for evaluation.
- Confirmation that the contractor selected is specially trained, experienced and competent to perform the special services required in the scope of work.
- Concise title and abstract (approximately 200 words) of the contractor's specialized training, experience, and competency to perform the special services required in the scope of work.
- Names and biographical information on the contractor's key personnel who would be involved, including alternatives and type of support need from the District (facilities, equipment, materials or personnel resources).
- A cost benefit analysis.

- Price or total estimated cost.
- Period of time for which the services are required.
- Proposed duration of effort.
- Benefit of services.
- An implementation plan with project management schedule, target deliverables, and associated costs related to major milestones.
- A reasonably complete abstract stating the objectives of the effort or activity, the method of approach, extent, and effort of services, and the nature and extent of the anticipated results.
- A brief description of the contractor's previous experience, and relevant past performance requiring the specialized training, experience, and competency to perform the special services required in the scope of work. At minimum five (5) years required.

### **Sole Source Noncompetitive Procurement**

A sole source is specific products or services available from only one source, also called sole source, sole provider, sole supplier, sole vendor, or sole distributor.

Like for any purchase performed through procurement methods with full and open competition, a sole source evaluation will take place, but in a significantly different manner because no comparison to be performed against other prospective providers. The sole source evaluation is limited to the compliance of acquired supplies, equipment, and general services to requirements set forth in the solicitation document. Since there is no competition, not only is the requester's margin of negotiation thin, but the total cost of ownership of the project may be more expensive than if there would have been other competitors. SUSD Purchasing Manager will carefully and thoroughly review the cost section of the proposal, knowing that such an audit could expand their negotiation margin.

Sole source procurement is only used when other procurement methods, namely informal bidding and competitive solicitation procedures like sealed bids or competitive proposals, are not applicable or lead to an unrealistic processing time. Sole source is a contracting method that is not promoting full and open competition is a violation unless it is justified under one of seven circumstances:

- Only one responsible source and no other supplies or services will satisfy SUSD requirements;
  - Must meet the following sub-requirements:

- Unicity, i.e. the item is only available from a single supplier (one-of-a-kind, parts maintenance, compatibility, standard compliance; or
  - Immediacy, i.e. delivery date or delays resulting from competitive solicitation are not acceptable; or,
  - Emergency, i.e. delays resulting from other methods of solicitation are not bearable; or,
  - Legitimacy, i.e. specific contexts (geographical, contractual, political, military, security, etc.) may allow such a non-competition of sources; or,
  - Inadequacy, all sources are qualified as inadequate (compatibility, compliance, price, quality, service, support, etc.); or,
  - Exigency, i.e. any other specific reason dictating the choice of a given provider.
- Unusual and compelling urgency;
  - Industrial mobilization; engineering, development, or research capability; or expert services;
  - International agreement;
  - Authorized or required by statute;
  - National security; and,
  - Public Interest.

In cases where it is determined that only a sole source vendor will properly meet the needs of the District, competition can be considered exempt. SUSD when only enter into a noncompetitive agreement with approval from the FPA.

### **Purchasing Cooperatives and Intergovernmental Procurement (2 CFR, Section 200.318[e])**

If applicable, SUSD may choose to make purchases through a cooperative agreement with a group of other schools to increase purchasing power of SUSD may piggyback on contracts awarded to a vendor from another school district when all procurement principles are followed.

While intergovernmental agreements can benefit SUSD, SUSD may only enter into an intergovernmental agreement with a local government agency (e.g. school district) which allows other school to join or piggyback onto the local governmental entity when that agreement was procured and awarded consistent with federal and state procurement regulations.

SUSD purchasing manager and local counsel will need to carefully review the solicitation issued by a cooperative or local governmental agency.

SUSD purchasing manager and local counsel must ensure compliance with applicable federal, state, and local procurement rules.

SUSD purchasing manager and local counsel will confirm that the addition of their purchasing power to the procurement does not create a material change in scope or in services.

For cooperative purchasing, SUSD purchasing manager must maintain on file for the current SY, plus three additional years, or until the next FPA review; a copy of the solicitation and contract, proof of advertising, and bid award documents (e.g. evaluation documentation) from the lead agency.

For piggybacking, SUSD purchasing manager must obtain prior written permission from the lead agency awarding the bid and the vendor awarded the bid. A copy of the solicitation and contract, including the piggyback clause, proof of advertising, and bid award documents (e.g. evaluation documentation) must be kept on file for the current SY, plus three additional years, or until the next FPA review.

### **Buy American Provision**

**(7 CFR 210.21[d] and 220.16[d]; U.S. Department of Agriculture Policy Memorandum SP 38-2017)**

**Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 Public Law 105-336** added a provision, **Section 12(n) to the National School Lunch Act (NSLA) (42 United States Code Section 1760[n])**, that requires all school food authorities (SFA) to purchase, to the maximum extent practical, domestic commodities or products. Section 12(n) of the NSLA defines a domestic commodity or product as an agricultural commodity (i.e. meat/meat alternate, grain, fruit, vegetable, and fluid milk) or processed product (i.e. processed food product that includes components that contribute to a reimbursable meal, such as a chicken patty that contains a meat/meat alternate and grain component) that is processed in the United States. Substantial means that over 51 percent of the final processed product consists of agricultural commodities that are grown domestically. Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowed under this provision as territories of the United States.

When funds are used from the nonprofit school food service account, SFAs must ensure that procurement transactions for food products comply with the Buy American Provision requirements in **7 CFR, sections 210.21(d) and 220.16(d)**, whether food products are purchased by SFAs or entities that are purchasing on their behalf. Note: The SFA is not required to adhere to the domestic requirement for foods that are not creditable food components.

SUSD Child Nutrition Services director, or designee, will ensure that the solicitation and contract language include the requirement for domestic agricultural commodities and products and retain records documenting any exceptions in advance of accepting deliveries. Implementation of the Buy American Provision by SUSD will be ensured by:

- Including the Buy American Provision requirement in bid specifications, IFBs, RFPs, contracts, purchase orders, and other procurement documents issued
- Monitoring the contract to ensure that the domestic products solicited for are the ones received
- Requiring suppliers to provide certification of domestic origin for all food products, from bids and proposals through receipts and invoices
- Creating order guides that include only items that meet the Buy American standard or have current school year allowable exception documentation on file.
- Limiting purchases of food items to only those items included on current order guides.
- Prohibiting vendor substitutions without prior authorization.
- Reviewing vendor substitutions prior to approval to ensure that they meet Buy American standard or are preceded by allowable exception documentation.
- Reviewing products upon receipt to ensure items are only received if they are the product ordered or are the approved substitute.

Exceptions to the Buy American Provision should be used as a last resort and are only allowable for one of the two exceptions listed below and outlined in further detail in the **U.S. Department of Agriculture (USDA) Policy Memo SP 38-2017**, Compliance with and Enforcement of the Buy American Provision in the National School Lunch Program.

1. The product is not produced or manufactured in the United States in sufficient and reasonably available quantities of a satisfactory quality
2. Competitive bids reveal the costs of a United States product are significantly higher than the nondomestic product

Note: Ingredients used to flavor, enhance, or prepare products (e.g. oil, spices, herbs, condiments, salad dressing) are not considered components that contribute to a reimbursable meal and should not be considered when determining the percent of domestic food components by weight or volume.

SUSD Child Nutrition director, or designee, or vendor must document exceptions to the Buy American Provision requirement prior to accepting each and every nondomestic



agricultural commodity or product. This documentation must be on file for at least three years including the current SY, or until the next California Department of Education (CDE) review, and must be made available during an on-site administrative review and an off-site procurement review.

The documented exception will include the following:

- A description of the nondomestic item
- Alternative domestic commodities or products that SUSD Child Nutrition Services director, or designee, considered or the vendor offered and the reason why they were not substituted for the nondomestic item
- A synopsis of what third-party verification (e.g. USDA Agricultural Marketing Service [AMS] Run a Custom Report webpage) was done by the vendor of SUSD to determine cost and availability
- Documentation by the vendor or SUSD outlining the price of both domestic and nondomestic commodities or products or lack of availability to justify the exception
- The dates that the: (1) vendor informed SUSD of the nondomestic commodity or product, (2) SUSD agreed to accept this food item in advance of delivery, and (3) commodity or product was received by SUSD

### **Small and Minority Businesses, Women's Business Enterprises (2 CFR, Section 200.321)**

SUSD will ensure that minority businesses and women's business enterprises, and labor surplus area firms are used when possible by taking the following affirmative steps:

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists
- Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises

- Using the services and assistance, as appropriate, of organizations such as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce

### **Duplication of Goods or Services**

#### **(2 CFR, Section 200.318[d])**

SUSD will avoid the acquisition of unnecessary or duplicative items by determining whether goods or services are necessary and ensuring that their purchase does not duplicate items or bids that SUSD already has in place.

SUSD Program Administrator, or designee, will ensure that the purchase of all goods and services requested are required and not duplicative prior to conducting a procurement.

### **Cost and Price Analysis**

#### **(2 CFR, Section 200.324)**

SUSD will perform a cost or price analysis for every procurement in excess of the federal small purchase threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, SUSD will make independent estimates before receiving bids or proposals to ensure the bids or proposals received are reasonable.

### **Competition**

#### **(2 CFR, Section 200.319[a])**

SUSD will conduct all procurement transactions in a manner providing full and open competition. Situations where competition is limited will be avoided by SUSD. Some of the situations include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business
- Requiring unnecessary experience and excessive bonding
- Organizational conflicts of interest
- Specifying only a brand name product instead of allowing an equivalent product to be offered
- Any arbitrary action in the procurement process

### **Brand Name or Equivalent (2 CFR, Section 200.319[a] [6])**

When using a brand name or product code in the specification, SUSD will adhere to the following procedures:

- SUSD will ensure that the description in the specification will always include a clause that an equivalent product is acceptable
- A copy of the specified brand or code will be included in procurement solicitation documents so vendors can verify that the product they are bidding on is actually an equal
- Vendors bidding an item as an equal product to the brand name specified will be required to provide SUSD with a product specification sheet and a sample of the product for testing and verification that product meets SUSD needs and standards

### **Contractor Involvement (2 CFR, Section 200.319[d] [1])**

SUSD will ensure objective contractor performance and eliminate unfair competition advantage by excluding contractors that develop or draft specifications, requirements, statement of work, and IFBs and RFPs from competing for such procurements. Open and free competition cannot be circumvented. SUSD will maintain documentation to prove that the appropriate procurement procedures were used and that the final selection is the most efficient and economical for SUSD.

### **Bid Protest (2 CFR, Section 200.318[k])**

SUSD is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve SUSD of any contractual responsibilities under its contracts. Violations of law will be referred to local, state, or federal authority having proper jurisdiction.

SUSD accepts a prospective bidder's protest to a bid award if they believe the award is not in compliance with the law, does not following bid procedures, or does not meet bid specifications. A protest must be filed with the SUSD purchasing manager. Such protest must be made in writing and received by the SUSD Purchasing Office within five working days of bid award date and shall include all documents supporting or justifying the protest. The protesting must mail or deliver copies of the protest to the SUSD Purchasing Office. A bidder's failure to file the protest documents in a timely manner shall constitute a waiver of their right to protest the award of the contract.

## **Responsible and Responsive Contractors** **(2 CFR, Section 200.318[i])**

SUSD will maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following:

- Rationale for the method of procurement,
- selection of contract type,
- contractor selection or rejection,
- a copy of the solicitation and contract,
- the basis for the contract price (the bidding history),
- rationale and approval for noncompetitive procurements,
- any contract amendments,
- billing and payment records,
- and a history of contractor claims and breaches for three years plus the current SY, or until the next review by the FPA.

The FPA and USDA reviewers shall have full access to and the right to examine all procurement documentation occurring during this time period.

## **Certifications** **Including, but not limited to, 2 CFR, Appendix II**

SUSD will require any successful respondent to provide proof of having and maintain during the life of any contract with SUSD, Public Liability and Property Damage Insurance to protect themselves and SUSD from all claims for personal injury, including accidental death, as well as from all claims for property damage arising from the operations any contract that SUSD enters into.

SUSD will not enter into a contract with any company or individual that has been debarred or suspended. SUSD will require that vendors and potential vendors certify their compliance with the Lunsford Act which prohibits anyone required to register as a sex offender under Article 27A of Chapter 4 of the General Statutes from knowingly being on the premises of any school.

Vendors awarded contracts are required to submit a completed Affidavit of Non-collusion, Debarment and Suspension Certificate, and Disclosure of Lobbying Activities. These forms will be included in the proposal package and must be completed prior to commencement of work.

## **Leaseback Contracts** **(2 CFR, Section 200.465)**

Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.

Rental costs under “sale and lease back” arrangements are allowable only up to the amount that would be allowed had the District continued to own the property. This amount would include expenses such as depreciation, maintenance, taxes, and insurance.

## **Design Build**

### **(Ed. Code §§ 17250.10 - 17250.55, 17250.60 – 17250.69)**

The District is authorized to use a design-build method as an optional, alternative procedure for construction delivery. Design-build means a process in which both the design and construction of a project are procured from a single entity. In order to authorize the use of a design-build contract, the District has developed guidelines for a standard organizational conflict-of-interest policy, contained below, consistent with applicable law, regarding the ability of a person or entity that performs services for the school district relating to the solicitation of a design-build project, to submit a proposal as a design-build entity, or to join a design-build team. (Ed. Code §§ 17250.20(b), 17250.61(b).) The District must prepare documents setting forth the scope and estimated price of the project, which may include additional elements as desired, such as the size of the project, performance specifications, and plans. Performance specifications and plans shall be prepared by a design professional who is duly licensed and registered in California. (Ed. Code §§ 17250.25(a)(1), 17250.62(a)(1).) The District must prepare a request for qualifications (“RFQ”) in order to prequalify, or develop a short-list of, the design-build entities whose proposal shall be evaluated for final selection. (Ed. Code §§ 17250.25(b), 17250.62(b).) To qualify, the entity must provide an enforceable commitment that the prime contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprentice-able occupation in the building and construction trades. After this RFQ, the District then issues a request for proposals (“RFP”) to evaluate the prequalified/short-listed entities submitting proposals. (Ed. Code §§ 17250.25(d), 17250.62(d).) Both the RFQ and RFP must contain the elements set forth in the design-build statutes such as language relating to skilled and trained workforce commitments. (Ed. Code §§ 17250.25(b)-(d), 17250.62(b)-(d).) The contract may ultimately be awarded on either a low bid or best value basis, as identified in the RFP.

### Design-Build Conflict-of-Interest Policy

The District’s guidelines for a standard organizational conflict-of-interest policy, consistent with applicable law, regarding design-build projects are as follows (Ed. Code, §§ 17250.20, 17250.61):

1. Any professional services provider or other consultant retained by the District to provide services related to a design-build project may have an actual or apparent conflict of interest within the meaning of this policy. If such professional services provider or other consultant does have an actual or apparent conflict of interest within the meaning of this policy, that professional services provider or consultant is precluded from participating as part of the design-build entity with which the District contracts for a design-build project. This prohibition applies, without limitation, to the architect(s), engineer(s), or other professional firms retained to develop any of the following for the design-build project:
  - a. design character;
  - b. basic scope and needs;
  - c. preliminary plans;
  - d. specifications; or
  - e. estimated cost.
2. The prohibition in paragraph 1 also applies to the District's program manager and construction manager, or other professional service provider or consultant, if it provides services in connection with a design-build project sufficient to cause a conflict of interest.
3. Any individual who participates in providing the services referenced in paragraphs 1 or 2, and who has a conflict of interest as understood within this policy, is precluded from participating as part of the design-build entity with which the District contracts for the design-build project, even if the employer would not otherwise be precluded from participation.
4. Any design-build entity member that employs a former District employee or Board member who engaged in any of the planning, arrangements, or any part of the decision-making process related to the design-build project while employed or engaged in any capacity by the District has an actual or apparent conflict of interest within the meaning of this policy precluding participation in the design-build project.

### **Advertising** **(2 CFR, Section 200.421)**

The term advertising costs means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and the like.

The only allowable advertising costs are those which are solely for:

- The recruitment of personnel required by the non-Federal entity for performance of a Federal award;
- The procurement of goods and services for the performance of a Federal award;

- The disposal of scrap or surplus materials acquired in the performance of a Federal award except when non-Federal entities are reimbursed for disposal costs at a predetermined amount; or
- Program outreach and other specific purposes necessary to meet the requirements of the Federal award.

### **Travel Allowability** **(2 CFR, Section 200.475)**

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the non-Federal entity's non-federally-funded activities.

### **Measure of Recovery** **(34 CFR, Section 81.31)**

A recipient that made an unallowable expenditure or otherwise failed to discharge its obligation to account properly for funds shall return an amount that:

- (a) Meets the standards for proportionality in § 81.32;
- (b) In the case of a State or local educational agency, excludes any amount attributable to mitigating circumstances under the standards in § 81.23; and
- (c) Excludes any amount expended in a manner not authorized by law more than five years before the recipient received the notice of a disallowance decision under § 81.34.

### **Code of Conduct** **(2 CFR, Section 200.318[c])**

Non-Federal entity must develop and maintain written standards of conduct to cover potential personal and organizational conflicts of interest. These written standards must govern the actions of SUSD employees, officers, or agents who engage in the selection, award and administration of contracts funded by federal awards.

Pursuant to **7 CFR, Section 210.19(a) (4)**, the California Department of Education (CDE) is required to investigate complaints received or irregularities noted in connection with the operation of the food service program. This requirement extends to the performance of individuals and organizations engaged in contract solicitation, award, and administration. The CDE's oversight and monitoring of SFA procurement activities

includes a review of the SFA's written Code of Conduct and, when necessary, investigations of reported real or apparent conflicts of interest. If a CDE investigation reveals the SFA violated their Code of Conduct, the CDE will issue a finding of noncompliance and require the SFA to take corrective action. Consequences for failure to comply with federal regulations outlined in **2 CFR, sections 200.339 (Remedies for Noncompliance) and 200.340 (Termination)**, and may include temporary withholding of cash payments, suspension of program funding, denial of all or part of the cost of the noncompliant activity, and/or other remedies to bring the SFA into compliance and termination.



## Code of Conduct

Any person employed by Stockton Unified School District (SUSD) who purchases goods and services, or is involved in the purchasing process, shall be bound by this code and shall:

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications;
2. Diligently follow all lawful instructions while using professional judgment, reasonable care, and exercising only the authority granted;
3. Conduct all purchasing activities in accordance with the laws, while remaining alert to and advising SUSD regarding the legal ramifications of the purchasing decisions;
4. Refrain from any private or professional activity that would create a conflict between personal interests and the interests of SUSD;
5. Identify and strive to eliminate participation of any individual in operational situations where a conflict of interest may be involved;
6. Never solicit or accept money, loans, credits, or prejudicial discounts, and avoid the acceptance of gifts, entertainment, favors, or services from present or potential suppliers which might influence or appear to influence purchasing decisions;
7. Promote positive supplier relationships through impartiality in all phases of the purchasing cycle;
8. Display the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the public being served;
9. Provide an environment where all business concerns, large or small, majority- or minority-owned, are afforded and equal opportunity to compete for SUSD's business;
10. Enhance the proficiency and stature of the purchasing profession by adhering to the highest standards of ethical behavior.

### Procurement Standards

SUSD must conduct all procurement transactions in a manner that allows full and open competition consistent with the standards stated in 2 *CFR*, Section 200.319. To ensure objective vendor performance and eliminate any unfair competitive advantage, vendors

that develop or draft specifications, requirements, statements of work, invitations for bid (IFB), or requests for proposal (RFP) must be excluded from competing for the bid (**2 CFR, Section 200.319[a]**).

Actions that restrict competitive competition include, but are not limited to:

1. Placing unreasonable requirements on firms in order for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Conducting noncompetitive pricing practices between firms or between affiliated companies;
4. Awarding noncompetitive contracts to consultants who are on retainer contracts;
5. Allowing organizational conflicts of interest;
6. Specifying brand name products instead of allowing an equal product to be offered by describing product performance or other relevant requirements;
7. Engaging in any arbitrary action during the procurement process such as awarding a contract without valid reason to a vendor that did not rank first or lowest in price according to SUSD evaluation criteria when awarding contract.

## Incentives

Incentives are not allowed for personal use or personal gain.

## Consequences

SUSD should be familiar with federal, state, and local laws regarding the misuse of public funds that could lead to consequences, including civil or criminal penalties, lawsuits, and bid protests that may also result in public mistrust. SUSD employees shall be responsible for ensuring that their procurements and contracts comply with all applicable laws, program instructions, and guidance materials, and will consult their legal counsel regarding proposed procurement methods or contract language.

Pursuant to **2 CFR 200.318 (c)(1)**, no employee, officer, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents shall neither solicit nor accept gratuities, favors, or

anything of monetary value from contractors, or parties to subcontracts. However, SUSD may set standards for situation in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The District may take appropriate disciplinary actions for violation of such standards by officers, employees, or agents of the recipient.

Consequences for failure to comply with federal regulations are outlined in **2 CFR, Sections 200.339 (Remedies for Noncompliance) and 200.340 (Termination)**, and may include temporary withholding of cash payments, suspension of program funding, denial of all or part of the cost of the noncompliant activity, and/or other remedies to bring SUSD into compliance and termination.

## Additional Information and Code References

**These exemptions may not apply to Federal Funds. Please reference the Federal Funds Procurement Procedures (page 16-32) in this handbook.**

The bid limit for goods, services, and maintenance. This amount is set by **Public Contract Code Section 20111(a)**, and is subject to annual adjustment by the State Department of Education.

### Transportation Services

**Education Code Section 39802.** In order to procure the service at the lowest possible figure consistent with proper and satisfactory service, the governing board shall, whenever an expenditure of more than ten thousand dollars (\$10,000) is involved, secure bids pursuant to Sections 20111 and 20112 of the Public Contract Code whenever it is contemplated that a contract may be made with a person or corporation other than a common carrier or a municipally owned transit system or a parent or guardian of the pupils to be transported. The governing board may let the contract for the service to other than the lowest bidder.

**Education Code 39803.** (a) If a continuing contract for the furnishing of transportation of pupils in school districts to and from school is made it shall be made for a term not to exceed five years. A contract is renewable at the option of the school district and the party contracting to provide transportation services, jointly, at the end of the term of the contract. The contract as renewed shall include all of the terms and conditions of the previous contract, including any provisions increasing rates based on increased costs.

(b) A continuing contract may be made for the lease or rental of school buses, not to exceed five years, except that if a lease or rental contract provides that the district may exercise an option either to purchase the buses or to cancel the lease at the end of each annual period during the period of the contract, the contract may be made for a term not to exceed 10 years.

(c) Notwithstanding any other provisions of law to the contrary, a continuing contract executed under the provisions of this section may be negotiated annually within the contract period when economic factors indicate negotiation is necessary to maintain an equitable pricing structure. Renegotiation is subject to the approval of both contracting parties.

(d) Any rental, lease, or lease-purchase of a school bus shall comply with all applicable provisions of Article 3 (commencing with Section 17450) of Chapter 4 of Part 10.5.

### Computer Hardware and Software Bid Variation

**Public Contract Code Section 20118.1.** The governing board of any school district may contract with an acceptable party who is one of the three lowest responsible bidders for

the procurement or maintenance, or both, of electronic data-processing systems and supporting software in any manner the board deems appropriate.

Note: **Public Contract Code Section 20118.2** allows for an RFP process for the purchase of goods and services related to technology.

## Purchases from the Federal Government

**Education Code Section 17602.** The governing board of any school district may purchase from the federal government or any agency thereof any surplus property, as defined in the Surplus Property Act of 1944, in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids.

## Architectural, Engineering, Environmental, Construction Management, Land Surveying, Etc.

Districts are not required to accept the “low bid,” but rather the best qualified firm to perform the desired service, as outlined in **Government Code Sections 4525 through 4529.5.**

**Caveat:** Be aware that if State School Facility Program funds are being used for design professionals, Education Code Section 17070.50 requires that districts must certify that such services were obtained by means of a competitive process consistent with the requirements of Government Code Section 4525 et seq.

## Legal Services

**Education Code Section 35205.** The governing board of any school district may contract with a qualified attorney in private practice to provide legal services and compensation of this attorney in private practice pursuant to contract under this section shall be a proper use of school district funds.

## Contract Renewal

**Education Code 17595.** Nothing in this **code** shall preclude the governing board of any school district from purchasing materials, equipment or supplies through the Department of General Services pursuant to Section 14814 of the Government **Code**.

**Education Code 17596.** Continuing contracts for work to be done, services to be performed, or for apparatus or equipment to be furnished, sold, built, installed, or repaired for the district, or for materials or supplies to be furnished or sold to the district may be made with an accepted vendor as follows: for work or services, or for apparatus or equipment, not to exceed five years; for materials or supplies, not to exceed three

years. The covered period must coincide with District's fiscal year when using federal funds.

#### **OTHER SELECTED CODES:**

**Public Contract Code 1102.** "Emergency," as used in this **code**, means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

**Government Code 53068.** Any local agency, as defined in Section 54951 of the **Government Code**, which seeks to enter a contract that requires the letting of bids, shall specify in the public notice the place such bids are to be received and the time by which they shall be received. Any bids received by such local agency after the time specified in the notice shall be returned unopened.

**Public Contract Code 20112.** For the purpose of securing bids, the board shall publish at least once a week for two weeks in some newspaper of general circulation published in the district, or if there is no such paper, then in some newspaper of general circulation, circulated in the county a notice calling for bids, stating the work to be done or materials or supplies to be furnished and the time when and the place where bids will be opened. Whether or not bids are opened exactly at the time fixed in the public notice for opening bids, a bid shall not be received after that time.

#### **Bid Splitting**

**Public Contract Code 20116.** It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding.

The district shall maintain job orders or similar records indicating the total cost expended on each project in accordance with the procedures established in the most recent edition of the California School Accounting Manual for a period of not less than three years after completion of the project.

#### **Rejecting Bids – Performing Work by Agency Employees or Negotiated Contract**

**Public Contract Code 22038.** (a) In its discretion, the public agency may reject any bids presented, if the agency, prior to rejecting all bids and declaring that the project can be more economically performed by employees of the agency, furnishes a written notice to an apparent low bidder. The notice shall inform the bidder of the agency's intention to reject the bid and shall be mailed at least two business days prior to the hearing at which the agency intends to reject the bid. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the public agency shall have the option of either of the following:

(1) Abandoning the project or readvertising for bids in the manner described by this article.

(2) By passage of a resolution by a four-fifths vote of its governing body declaring that the project can be performed more economically by the employees of the public agency, may have the project done by force account without further complying with this article.

(b) If a **contract** is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the public agency may accept the one it chooses.

(c) If no bids are received through the formal or informal procedure, the project may be performed by the employees of the public agency by force account, or negotiated **contract** without further complying with this article.

### **Delegation of Authority – Ratification by Board**

**Education Code 17604.** Wherever in this **code** the power to contract is invested in the governing board of the school district or any member thereof, the power may by a majority vote of the board be delegated to its district superintendent, or to any persons that he or she may designate, or if there be no district superintendent then to any other officer or employee of the district that the board may designate. The delegation of power may be limited as to time, money or subject matter or may be a blanket authorization in advance of its exercise, all as the governing board may direct. However, no contract made pursuant to the delegation and authorization shall be valid or constitute an enforceable obligation against the district unless and until the same shall have been approved or ratified by the governing board, the approval or ratification to be evidenced by a motion of the board duly passed and adopted.

# Purchasing Organization and Objectives

## What is Purchasing?

Purchasing is the act of buying goods and services needed to operate and conduct business. Purchasing is a transactional component of the overall procurement process.

Technically, procurement and purchasing are two processes that are completed during the process of acquiring goods and services.

The purchasing process typically includes these activities:

1. Submitting purchase requisitions
2. Submitting purchase orders to vendors
3. Receiving invoices
4. Confirming receipt/delivery of goods or services
5. Payment of invoice

## Responsibilities and Objectives of the Purchasing Department

The function of the Purchasing Department is the organization and administration of centralized purchasing services to ensure that sites and departments' needs are accommodated with quality goods and services in a prompt, cost-efficient manner within the guidelines of District policy.

The responsibilities include:

1. Provide guidance to District sites and departments and to ensure compliance with SUSDs Board Policies (BP), Administrative Regulations (AR), and the Procurement and Purchasing Handbook.
2. Develop sources of supply to assure District sites and departments have an adequate number of vendors from whom to obtain supplies and equipment.
3. Maintain liaison with vendors that service the District.
4. Develop and maintain adequate procedures, controls, records and files.
5. Coordinate the procurement of goods and services for sites and administrative departments of the District.
6. Obtain competitive bids and quotes, select vendors, negotiate price and assure quality and prompt delivery to the District.
7. Ensure the highest purchasing standards and ethics are maintained.

## The Purchase Order

A Purchase Order is a contract between the District and a vendor. It is a standard document used to procure goods and services. Using a Purchase Order to initiate purchases provides the means to ensure that transactions are covered by a proper contract. A properly completed Purchase Order is a legally binding contract and should be treated accordingly.



Purchases of goods or services are to be processed by a requisition through the District's financial software and are to be preceded by a Purchase Order provided to the vendor by the Purchasing Department.

No individual may obligate or commit the District to procurement indebtedness for goods or services and expose the District to unnecessary liability.

Employees involved with the purchasing process are responsible for understanding the District's policies and procedures regarding purchasing and vendor relations.

The Purchasing Department has the right to review and question any purchasing transaction. All purchasing contracts and agreement are subject to approval by the District officers who may best determine the appropriateness of the acquisition or activity.

### **Authority for Procurement**

The Purchasing Department has the authority to enter into a purchase agreement or otherwise obligate the District for procurement indebtedness. A properly executed Purchase Order constitutes a contract that is binding on both the District and the supplier.

The SUSD Governing Board has authorized, by Resolution, the following employees the authority to act as authorized agents of the District and the authority to sign and enter into contracts on behalf of the District:

- Superintendent
- Chief Business Official
- Assistant Superintendent of Educational Services
- Assistant Superintendent of Student Support Services
- Director of Fiscal Services
- Purchasing Manager
- Or Board approved designee

Individuals not authorized to sign on behalf of the District, or bind the District in any manner, are in violation of District Purchasing Policies and Procedures.

At no time is an employee to request a supplier to ship a product or perform a service without an approved Purchase Order.

All purchases must be made for the purpose of District related activities. Purchasing goods and services for personal use is prohibited.

Departments are required to submit fully completed Purchase Requisitions to the Purchasing Department to authorize initiation of the purchasing process according to established procedures.

All necessary supporting documentation (contracts, proposals, quotes, etc.) must be submitted along with the requisition. Site administrators and department directors, unless approved by Board Resolution, are not authorized to sign quotes or contracts.

### **Unauthorized Purchases**

Any employee who commits the District to a purchase, sale, lease, or other arrangement without proper authorization may be personally liable for the transaction and/or subject to disciplinary action if they injure the District through willful misconduct, bad faith, dishonesty or criminal negligence.

### **Ethical Conduct**

Ethical business standards shall govern all procurement transactions. Purchasing decisions will be made on reasonable assessment of quality, service, and competitive pricing and technical qualifications. Relationships with vendors will be maintained on a professional basis. Business will be conducted in good faith and every effort made to resolve disputes quickly and equitably. Vendors doing business with the District will be held to standards promoting sound and ethical business practices. District employees doing business with vendors will also be held to the highest ethical standards including policies relating to Gifts and Gratuities and Conflict of Interest. The District's Code of Conduct can be found on the Purchasing Department's website. All purchasing shall be done in accordance with these policies.

### **Gifts and Gratuities**

District personnel shall not request or solicit gratuities, gifts, money, favors, discounts, services, entertainment, kick-backs, inducement, or anything else of value from contractors or vendors for themselves, members of their families, or any third party with whom they are affiliated. This does not prohibit employees from accepting promotional or advertising items offered by third parties free to all as part of their public relations programs. A third party may be a for-profit business, a non-profit organization, or a person with whom a member has a relationship. See the District Code of Conduct for information regarding gifts and gratuities.

### **Conflicts of Interest**

Stockton Unified School District staff who act on behalf of the District have an obligation to avoid activities or situations which may result in a conflict of interest or the appearance of a conflict of interest. Employees must not use their District positions to influence other District personnel or third parties, including outside organizations or individuals, for the direct financial, personal or professional benefit of themselves, members of their families, or others with whom there is a personal relationship. District employees who have conflicts of interest with third parties shall not participate in evaluating any goods or services provided by the third party.

## Donated Goods

Any potential gifts of goods or services must be coordinated the Purchasing Department prior to their acceptance. All gifts, grants and bequests shall be accepted by the Board of Education prior to the district taking possession of the goods.

Any technology related gift(s) must be approved by the Chief Business Official, or designee.

## Selection of Suppliers

Vendors are selected for their capability to serve the needs of the District in the most economical and efficient manner possible. Past performance and cooperation are important factors. Vendors must comply with all federal, state and local laws and directives.

The Purchasing Department is committed to evaluating new suppliers, and whenever possible, more than one source will be sought and considered. Alternate or multiple sources of supply are maintained as a means of insuring good value, performance, service, and minimizing costs.

## Vendor Qualifications

The District will only make purchases from responsible vendors who possess the ability to perform successfully under the terms and conditions of the purchasing contract. The District will evaluate the vendors for their reasonability, business integrity, record of past performance, insurance, reputation, financial and technical resources in addition to any other measure the District deems relevant.

All vendors doing business with the District are monitored as to how they perform, particularly vendors doing business with the District for the first time.

## Excluded Parties List System (EPLS) Verification

Requisitions received using federal funds, using resource codes 3000-5999, will be checked through the Excluded Parties List System (EPLS) to verify that the vendor is not debarred by the Federal Government before issuing a contract or purchase order to the vendor.

When a requisition is received using federal funds with resource codes 3000-5999, staff will perform the following procedures:

1. Log into the EPLS website at [www.epls.gov](http://www.epls.gov)
2. Verify the status of the vendor by performing the following:
  - a. Click on the advanced search icon.
  - b. Leave the search type as "Firm, Entity or Vessel."
  - c. Leave remaining classifications as all.

- d. Click search at the bottom of the web page.
3. If the vendor is not debarred, note on the purchase order or contract, that the vendor has been checked in the EPLS system and is not debarred. Print a copy of the page and include the copy with the purchase order or contract file.
4. If the vendor is debarred, the EPLS system will provide information showing that the vendor or individual by showing the exclusion and have a CT Code that prohibits contracting with the vendor. The District will not do any business with a vendor or individual that is debarred.

The Federal requirement to cumulative purchases over \$25,000.00. Staff will forecast how much will be spent with the vendor during the fiscal year and will check all vendors using Federal Monies.

### **Supply Sources**

The Purchasing Department is encouraged to suggest sources of supply for unusual items. Authority for the final selection of the vendor, however, shall be left to the Purchasing Department, which will make its decision in light of the overall needs of the District.

### **Quality of Materials**

The Purchasing Department is committed to procuring materials of a quality suitable for their intended use and to assist sites and departments in determining the required quality of materials. Determining the proper quality is of greatest importance, since buying a higher quality than what is required is often as wasteful as buying a lower quality. Suitability and overall total of ownership is measured.

### **Price Reasonableness**

Reasonableness of proposed price may be determined by a comparison of: prices found reasonable on a recent previous purchase; current prices lists; catalogs; advertisements; and similar items in a related industry. Also, reasonableness of price may be determined by a price analysis or a cost analysis.

### **Equal Opportunity**

Stockton Unified School District provides and equal opportunity to all qualified vendors.

## Approvals and Authorizations

### Purchases Requiring Special Approvals

To ensure District objectives are met and specific needs of end users are recognized, certain items and services must have approval before funds can be committed. The required Approvers will be automatically assigned to your Purchase Requisition approval workflow in Escape, according to the funding being used.

Only officially designated persons shall have the authority to issue requisition approval using signing authority.

Item or Service	Approval Required
Building Modifications – Including Permanent Installation, Electrical Requirements, etc.	Facilities Department
Storage Containers	Facilities Department
Computers, Technology, Hardware, Software, Printers, Scanners, Projectors, etc. (including license agreements and software)	Information Services
Printing Services	Reprographics
Instructional / Classroom Technology (including license agreements and software)	Curriculum Technology
Classroom and Office Supplies	Purchasing Department *Available through the District’s contracted suppliers by ordering online at the suppliers’ websites.
Vehicles	Purchasing Department *The district’s annual purchases of vehicles consistently exceed the California Bid Limit. Please contact the Purchasing Department for the best solution of purchasing a vehicle.

Furniture	Purchasing Department *The district's annual purchases of furniture consistently exceed the California Bid Limit. The District purchases commercial grade furniture to ensure that the quality of furniture is capable of handling the intended use of the goods. Please contact the Purchasing Department for the best solution of purchasing furniture.
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**Technology Standards and Acquisition Policy**

The adoption of standards is a best practice that enables SUSD to achieve overall cost savings and other benefits, including cost compliance, reduction of complexity, improved operational efficiency and interoperability, and/or assurance of continued availability of products and services. Exceptions to standards and best practices should only be considered when a non-conforming technology is essential to the fulfillment of a non-compliant or specific function and mission, and must be approved the Chief Business Official, or designee. All standards and exception approval take into consideration many aspects including form, function, cost, applicability, and total cost of ownership.

All technology acquisitions which are not on the standard pre-approved list will require technology approval from the Chief Business Official, or designee.

**Computer Guidelines and Considerations PCs and Laptops**

The Information Services Department has standardized guidelines on certain PC and laptop computer products for the District's needs. Standardization, rather than a large mix of computer brands and/or models, allows for ease in obtaining warranty repair, more effective technical support, and more efficient methods of setup and deployment.

**Network Attached Devices and Servers**

For network attached devices such as hardware and software, many aspects will be taken into consideration such as form, function, cost, applicability, and total cost of ownership.

**Printers**

There are a number of approved printer standards for use on the network. Printer selection should first be based on the number of users and the expectations of use. Please contact the Purchasing Department for selecting an approved printer.

## **Instructional / Classroom Technology**

The Curriculum Technology Department has standardized guidelines on certain classroom technology products for the District's needs. Standardization, rather than a large mix of brands and/or models, allows for ease in obtaining warranty repair, more effective technical support, and more efficient methods of setup and deployment.

## **Adopted Standards**

For the current list of pre-approved standards and configuration, please visit the Purchasing Department's website at <https://www.stocktonusd.net/Domain/155>.

# Purchase Requisition Process

## Requisition to Purchase

Requests for purchases must be processed through the Purchasing Department on a Purchase Requisition processed in district's financial system (i.e. Frontline Financial System – ESCAPE).

The Purchase Order is the standard instrument used to procure goods and services. All District procurement transactions require a Purchase Order.

Submittal of the Purchase Requisition is a request to purchase only. The requisition does not become a Purchase Order until approved by the Purchasing Department.

## Pre-Planning for the Procurement Process

We emphasize the need for sites and departments to plan their supply and equipment needs well in advance. The time required by the Purchasing Department to process your requisition varies greatly through the approval cycle of the District. In addition, the Purchasing Department in some instances may need to obtain approvals from appropriate administrative units and/or request additional quote to ensure competition and/or compliance of regulation prior to encumbrances.

Sites and departments should anticipate their requirements to allow adequate lead for orders to be processed and product(s) to be delivered.

Sites and departments must adhere to the Purchasing Department's purchasing deadlines to ensure the district is able to order, receive, and complete the payment processes in a timely manner.

## Fund Source

All funds deposited with SUSD regardless of source are District managed funds and must be handled in accordance with the District's Board Policy (BP), Administrative Regulations (AR), and the Procurement and Purchasing Handbooks.

Although departments are allocated funds in their budgets for a given period, this allocation is only an authority to requisition, not to purchase.

All procurement requirements must be processed on a Purchase Requisition before the site or department receives the material(s) or service(s).



## **Account Numbers**

Each site and department is assigned a General Ledger (GL) Account Number(s) by the Budget Office. All requisitions must include the complete GL number and object code of the account to be charged.

## **Signatory Authority**

Purchase Requisitions must be approved by the Budget Analyst responsible for the account identified as the source of funding and approved by the Signatory Authority and the Board.

# Methods of Ordering Goods and Services

## Itemized Purchase Orders

An itemized Purchase Order is issued for a one-time procurement of a commodity or service. When the commodity or service is delivered and paid in full, the order is complete.

## Blanket Purchase Orders

A Blanket Purchase Order is an order where goods and services may be purchased over a given period of time or where materials or supplies require numerous shipments and/or payments. Blanket Purchase Orders may be used for frequently purchased low-cost miscellaneous items or supplies and/or services that are on contract.

The Blanket Purchase Order permits sites and departments to place releases for commodities or services on an “as needed” basis without having to submit additional requisitions through the Purchasing Department.

Blanket Purchase Orders should not be used for the following:

1. As a means to provide an open line of credit with a vendor.
2. When prices are unknown at the time order or subject to change later without notice.
3. When the quality of the vendor’s product and/or service is questionable.
4. When control over the site or department’s expenditure would be weakened significantly (i.e. federally funded programs).
5. For items that require special approvals.
6. For the purpose of evading the competitive selection process.

## Completing a Purchase Order

All supporting documentation relevant to the Purchase Order (i.e. quotations, proposed contracts and agreements, relevant correspondence, etc.) must be attached to the Purchase Requisition for review and approval prior to the issuance of a Purchase Order. Oral requisitions for purchases are not considered valid for purchases by the District.

The requisitioning site or department is responsible for defining quantity, quality, specifications, delivery date requirements and all other pertinent information essential to making a proper purchase.

The order should be described in as much detail as necessary, utilizing multiple pages if necessary. Specify exact quantity, catalogue number, description, and price. A record of the quoted prices is helpful for comparison with the invoice.

\*Inside delivery and installation information should be included on the purchase order particularly if furniture or a large piece of equipment is being delivered and installed. If delivery and installation have not been arranged with the vendor beforehand, the equipment or furniture may be delivered only as far as a receiving dock or the steps of the building.

\*A Certificate of Insurance must be obtained and approved prior to any delivery or installation taking place.

Sites or departments submitting a requisition are requested to follow the guidelines shown on the Purchase Requisition (below). All Purchase Requisitions must include the following information or they may be returned to the department or cause unnecessary delays in the process.

1. PR (Purchase Requisition) – Select Auto Select
2. Vendor – Choose suggested vendor from database
3. Ship To – Site product is to be shipped to
4. End Use – Person to receive goods
5. Quantity – Quantity of item to be order
6. Catalog – Catalog number, ISBN, Product Code, etc.
7. Units – Units of Issue (Each, Kit, Case, etc.)
8. Unit Price – Price per unit
9. Account Number – General Ledger Account Code
10. Notes – Internal notes for justification, delivery, instructions, etc.

For detailed information on requisition entry, please refer to the district's financial system (i.e. Frontline Financial System – ESCAPE) on the Purchasing Department website at <https://www.stocktonusd.net/Domain/155>.

\*Important – Proper documentation (i.e. quotes, proposals, contracts, etc.) must accompany a Purchase Requisition.

### **Requests for Quotes, Follow Up, Errors and Cancellation of Purchase Orders**

Requests to quotes, follow up or cancellation of an order should be submitted to the Purchasing Department immediately so that the vendor can be notified in a timely manner. All requests should be made via email to document the events and information can easily be recalled should it be required.

The Purchasing Department will be happy to research any item and provide a written quotation. The Purchasing Department processes thousands of requisitions every year and maintains relationships with vendors to meet your needs.

Requests to follow up is a responsibility of the Purchasing Department. Please notify the Purchasing Department if items or shipment have not been received, damaged or wrong product has been received, or there is any other issue with a delivery of goods or services. Please include the Purchase Order Number, Catalog Number, and a detailed

description of the issue with the shipment or services. Please email these requests to [purchasing@stocktonusd.net](mailto:purchasing@stocktonusd.net), a member of the Purchase Department will follow up with the vendor to find a solution.

Requests for cancelation will only be accepted in writing. The correspondence must include the Purchase Order Number, Vendor's Name and state the reason for the cancellation. The Purchasing Department will send notification to the vendor informing them of the cancelation. The requisitioning site or department and Accounts Payable will be provided a copy of the cancellation.

### **Change Orders**

The Purchasing Department will issue a Change Order in cases where significant variances in specification, quantity or cost to an existing Purchase Order require written clarification.

If it is necessary to make any changes to the original Purchase Order, such as price, terms, description, additions, deletions, change of GL account number or object code, an email should be sent to the Purchasing Department. This correspondence must refer to the Purchase Order number, vendor's name and provide explicit detail regarding the change(s) to be made.

The Purchasing Department will issue a Change Order notification to the vendor.

### **Sales Tax**

The District is subject to sales tax from the State of California, County of San Joaquin, and City of Stockton. Currently, SUSD pays a 9% sales tax rate. Sales tax laws are defined where the exchange of goods occurs because goods are delivered to SUSD sites, all goods are subject to sales tax.

# Receiving

## Inspecting Purchased Goods

### Incorrect or Damaged Shipments

The employee receiving and signing for purchased good is responsible for verifying that items are received in proper condition. Promptly unpack and carefully inspect shipments. This should be done as soon as possible after delivery. Keep all containers, packing material, wrappers, etc. until the inspection is complete and you are satisfied the merchandise has been received as ordered. If damages, shortages, or wrong items are discovered, a detailed description of discrepancies should be documented on the packing slip or bill of lading before accepting and signing for products.

When damaged or incorrect goods are discovered after the goods have been put into use the site or department is responsible for immediately notifying the Purchasing Department so that appropriate action may be taken, such as issuing a credit or providing a replacement. The Purchasing Department will arrange with the vendor to have a "Return Merchandise Authorization" (RMA) issued for a replacement of the damaged good.

Notify the Purchasing Department to settle disputes or negotiate any settlements as this is a critical component of the Purchasing Department's ability to evaluate the dependability of suppliers.

### Receiving Report Approval

The District has a responsibility to our suppliers to pay promptly for goods and services received.

Signed receiving report (the blue copy of the Purchase Order) or online receiving in the district's financial system (i.e. Frontline Financial System – ESCAPE) should be processed, along with the packing slip or invoice, to Accounts Payable promptly, since the credit standing of the District depends on fulfilling its obligations on time.

In the event a site or department budget officer feels payment should not be made because a vendor has not met the terms and conditions specified in the Purchase Order, he or she should notify the Purchasing Department immediately, in writing, of the details surrounding the Purchase Order.

### Payment of Invoices

Invoices are paid by the District Accounts Payable Department. Vendors are instructed on the Purchase Order to mail invoices directly to the Accounts Payable Department.

It is the responsibility of the site or department to forward the signed Receiving Report and packing slip to Accounts Payable for payment by email to [accountspayable@stocktonusd.net](mailto:accountspayable@stocktonusd.net).

### **Return of Merchandise**

Merchandise to be returned to supplier or manufacturers for adjustment or credit should be coordinated by the Purchasing Department. When a supplier has shipped items specified on the Purchase Order, the vendor has legally complied with their part of the contract and is under no obligation to accept for credit any items deliver as specified.

Acceptance of return by the supplier is by no means automatic and a restocking charge may be incurred. This charge, along with any freight charges, will be the responsibility of the requisitioning site or department.

# Special Procurement Process

## Standardization

Commonly used items such as copiers, computers, printers, and furniture are standardized as much as possible in order to gain maximum quantity discounts and maintaining equipment repairs. Standards are determined by the Purchasing Department in conjunction with administrative departments of the District.

## Emergency Orders

Even with the best of intentions and planning, emergencies do arise. It is understood that there is no way to avoid an occasional crisis. But an emergency is defined as a situation, that if not corrected immediately, could result in a hazard to persons or property; could result in damage to building or facilities; or when the need for supplies and/or services, if not procured immediately, will cause the District significant financial or operational loss. Failure to anticipate need is not, or itself, considered an emergency.

In an emergency situation, the normal pattern for reviewing and approved purchases is maintained, and the purchasing processes are accelerated and expedited.

To initiate an emergency Purchase Order please contact the Purchasing Department and explain the nature of the emergency. The Purchasing Department will assist and provide instruction to the site or department on how to proceed with the requisition.

## Credit Cards, Charge Accounts, Direct Billing

The Purchasing Department and all District employees are not authorized to establish credit cards, charge accounts, or direct billing accounts with vendors in the name of Stockton Unified School District. Sites or departments are not authorized to accept offers for credit cards, charge accounts, or house accounts from vendors.

## After-the-Fact Transactions

An “After-the-Fact” purchase transaction is a purchase that has been made without prior issuance of an approved Purchase Order, and then an attempt is made to initiate a Purchase Order after-the-fact in order to pay the supplier invoice. Employees who place orders for products and/or services without prior approval of a District Purchase Order create financial liability and risk for the institution and for themselves. Please contact the Purchasing Department for any orders that require expedition so the best course of action can be planned within District policy and procedure.

## **Service Maintenance Contracts**

The District may opt to require service maintenance contract on District owned equipment for the protection of District assets. These contracts must be covered by a Purchase Order that serves as the vehicle of payment for the contract. Contract documents should accompany the Purchase Requisition and be attached in district's financial system (i.e. Frontline Financial System – ESCAPE). Model numbers, serial numbers, and coverage dates must be noted on the Purchase Order. The covered period must coincide with District's fiscal year.



# Insurance

## General Policy Information

Prior to the commencement of any services for the District, evidence of appropriate insurance coverage must be submitted by the vendor.

Stockton Unified School District has established minimum contractor and vendor liability insurance requirements. Contractors and vendors that do business with the District are expected to meet these minimum requirements. Accordingly, prior to the commencement of any services on District premises, contractors and vendors must submit a Certificate of Insurance verifying required minimum insurance limits and add Stockton Unified School District as an additional insured.

The District's minimum contractor and vendor liability insurance requirements are described below. SUSD Risk Management must approve any exceptions to the minimum insurance requirement of the District. If any work to be performed under the terms of the contract is awarded to a subcontractor by the contractor, the subcontractor shall be required to meet the same insurance requirements as those applicable to the contractor or vendor.

### Contractor/Vendor Insurance Requirements

- Commercial General Liability Insurance: Including Bodily Injury and Property Damage Liability in an amount not less than \$1,000,000 per occurrence and
- \$1,000,000 annual aggregate.
- Worker's Compensation Insurance compliant to Section 3700 of the Labor Code
- Automobile Liability: For vendors who will drive on Stockton Unified School District premises. Automobile Liability in an amount not less than \$1,000,000 per occurrence for bodily injury and property damage, including owned, hired, and non-owned vehicle coverage.
- For Charter Bus Companies, all insurance requirement apply, however, all Charter Bus Companies must provide evidence of:
  - \$5,000,000 for Automobile Liability
  - Satisfactory Safety Rating on the Federal Motor Carrier Safety Administration's website
  - Name Stockton Unified School District as additional insured

Vendors shall provide a 60-day notice of cancellation or non-renewal of coverage to the District. The District does not need to be named as additional insured on the vendor's worker's compensation policy. Any liability coverage on a "claims made" bases should be designated as such on the certificate.

## Supplier Scams

District staff should be aware of unauthorized supplier representatives using questionable business tactics to market special promotions, limited time offers, etc. for copier toner, office supplies, maintenance items, yellow page ads, etc. These telemarketers attempt to scam the District by convincing staff to order or approve shipments of goods based on the misperception that they are a District approved supplier. Some of their questionable business tactics include:

1. Deadlines for special promotions
2. Invoices for goods never shipped
3. Asking to provide serial number of equipment
4. Phone call about renewal orders never shipped
5. Pre-authorization for a future shipment

All calls of this nature should be directed to the Purchasing Department.

# Asset Inventory, Surplus, and Disposal

## Purpose

This document will serve as the governing document that regulates the accountability of Stockton Unified School District assets within the District. All policies and procedures are compliant and in alignment with established District, State, and Federal procedures, policies, and statutes.

The District is responsible for maintaining an accounting system for fixed from acquisition to disposal, maintaining an effective management process is core to the success of this system.

## What is an asset?

Assets are classified in two categories; Capitalized Fixed Assets and Non-Capitalized Assets.

## Capitalized Fixed Asset

Capitalized Fixed Assets are defined as movable personal property, including such equipment as vehicles, machinery, computer systems, and playground equipment, that have both an estimated useful life over one year and an acquisition cost equal to or greater than the capitalization threshold of \$5,000. Land and Improvements, and Buildings and Improvements, that exceed the capitalization threshold are included as Capitalized Fixed Assets.

## Non-Capitalized Asset

Non-Capitalized Assets are defined as movable personal property of a relatively permanent nature that has an estimated useful life greater than one year and an acquisition cost less than the capitalization threshold but greater than the inventory threshold pursuant to **Education Code Section 35168** of \$500.

## Education Code Section 35168 2CFR Section 200,313(d)

The governing board of each school district, shall establish and maintain a historical inventory, or an audit trace inventory system, or any other inventory system authorized by the State Board of Education, which shall contain the type/description, model/name, serial/identification number, funding source and Federal Award Identification Number, who holds title, acquisition date, original cost, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, location, use and current condition, transfer, replacement, or disposition of obsolete or unusable equipment, any ultimate disposition data, including the date of disposal and sale price or

method used to determine current fair market value, of all items of equipment acquired by it whose current market value exceeds five hundred dollars (\$500) per item.

### Examples of Assets

Some examples of assets include, but are not limited to:

Athletic Equipment	Audio Visual Equipment
Business Equipment	Classroom Equipment
Communication Equipment	Computer Equipment
Food Service Appliances & Equipment	Grounds Equipment
Industrial Arts Equipment	Library Equipment
Machinery & Tools	Medical Equipment
Musical Equipment	Outdoor Equipment
Science Lab Equipment	Security Equipment
Special Education Equipment	Stage & Auditorium Equipment
Vehicles	

## Acquisition

All assets will be purchased using the District's purchase order system, District's financial system. When the Purchasing Department receives a purchase request identified as an asset, the Ship To location will be changed to Property Control. When an item is deemed in the best interest to have the item shipped directly to the site, the Purchase Order will be flagged and a copy will be provided to Property Control. Property Control will tag the asset and record all pertinent information at the site after the item is received.

## Receiving

Upon receipt of an asset(s), Property Control will inspect the order for accuracy against the purchase order, damage to order, and completeness of order. If any discrepancies or damage is noted, Property Control will contact Purchasing and make a report of the issues of the order.

Purchasing will contact the vendor to rectify all issues and provide updates to Property Control and ordering site of issues and resolutions.

Once asset(s) have passed physical inspection, Property Control will receive the items in the Receiving Information module of District's financial system. This will notify Accounts Payable that the product has been received and is approved for payment. Next, Property Control will tag and record required information into asset management software:

- Step 1. Assign an asset ID number
- Step 2. Affix a property tag of the asset ID number assigned to the asset
- Step 3. Record serial number, make, model, and additional identifying information
- Step 4. Record the cost of the asset
- Step 5. Record the date of acquisition
- Step 6. Assign the site to Property Control Warehouse

Property Control will follow the subsequent steps based on whether the product does or does not require additional receiving protocol.

## Products That Require Additionally Receiving Protocol

For items that require additional receiving protocol, Property Control will work with all third-party departments to ensure all District policies and procedures are followed.

## Information Services Additionally Receiving

Many technology items, such as Chromebooks, laptops, and desktop computers require additional process before the products are ready for use by the ordering site. Property Control will follow these steps after receiving these items:

- Step 1. Transfer the assets to IS Warehouse
- Step 2. Notify Information Services (IS) of assets ready for processing

\*\*\*Note: Upon transfer of assets to IS, Property Control will contact ordering site for location of use of the assets identified in the subsequent steps.

### Assets Ready for Delivery

Once Property Control, IS, and/or other third-party departments have complete all processing of asset, Property Control will follow these steps:

- Step 1. Transfer assets to PC Warehouse
- Step 2. Contact ordering site for location of use and staff member assigned to asset (if applicable)  
 \*\*\*Note: Items will not be released from Property Control without this information.
- Step 3. Property Control will complete delivery manifest to include the follow information:
  - Complete itemized list of all items to be delivered
  - Record Purchase Order number on delivery manifest
  - Copy of Purchase Order
- Step 4. Property Control will submit delivery manifest to Warehouse Supervisor or Lead Warehouse Worker for delivery
- Step 5. Warehouse Worker will deliver to site
- Step 6. Delivery Manifest will be returned to Property Control
- Step 7. Property Control will transfer items to site and record the location of use and, if applicable, staff member assigned to asset in asset management software

### Asset Transfers

In order to keep an accurate record of all assets a Property Transfer Request Form must be completed for all transfers of assets, including for assets recommended for disposal. All Property Transfer Request Forms must be signed by site administrator and submitted to Property Control. Property Control will follow the following steps:

- Step 1. Property Control will notify Warehouse Supervisor and/or Lead Warehouse Worker and provide a copy of Property Transfer Request Form
- Step 2. Warehouse Worker(s) will pick up assets identified on Property Transfer Request Form
- Step 3. Warehouse Worker(s) will deliver assets to new site
- Step 4. Warehouse Worker(s) will obtain signature and date from new site documenting delivery of assets
- Step 5. Warehouse Worker(s) will return Property Transfer Request Form to

- Property Control
- Step 6. Property Control will transfer assets to new site in asset management software

### Assets Recommended for Disposal

When Property Transfer Request Forms include assets recommended for disposal, Property Control will follow the following the steps:

- Step 1. Property Control will transfer assets to PC Surplus
- Step 2. Property Control will verify all assets included on Property Control Transfer Form are accounted for:
- Should additional assets be included in the delivery of assets, Property Control will contact site and verify these assets are to be disposed.
  - Should the assets not be intended for disposal, Property Control will return assets to site
  - Should the assets be intended for disposal, Property Control will request an additional Property Transfer Request Form be completed
- Step 3. Property Control will determine proper means of disposal
- Auction/Sale
  - E-Waste
  - Recycle
  - Donation
  - Asset is of working condition and has potential to be redeployed, store asset
- Step 4. Property Control will notify Purchasing Manager of assets to be disposed and method of disposal
- Step 5. Purchasing Manager will submit request to dispose assets to Board of Education
- Step 6. Purchasing Manager will notify Property Control of approval to dispose assets by the Board of Education
- Step 7. Property Control will dispose asset as determined in Step 3
- Step 8. Property Control will make asset as disposed in asset management software
- Step 9. Property Control will file all associated paperwork

### Inventory Management

Maintaining an accurate inventory requires diligence and cooperation of the site and Property Control. Physical Count Inventories are to be conducted pursuant to **Code of Federal Regulations (CFR) §200.313.**

## **Code of Federal Regulations §200.313**

CFR §200.313 states that:

“A physical inventory of equipment must be taken and the results reconciled with the property records at least once every two years to verify the existence, current utilization, and continued need for the equipment.”

### **Responsibilities**

Property Control is responsible for maintaining the asset management software and reconciliation with physical inventories.

Site Administration is responsible for taking an annual physical inventory and notifying Property Control when an asset is surpluses, stolen, or transferred to another location.

### **Physical Inventories**

An annual physical inventory will be conducted by site administration or designee. Property Control will generate a Physical Inventory Form containing the current inventory and request that site to verify assets.

Equipment will be visually inspected by site. Items will be checked off and notes providing updates to location, condition, etc. will be recorded.

Physical Inventory Forms will be returned to Property Control for reconciliation. Property Control will investigate records for all assets not accounted for in physical inventory.

Property Control will randomly check five (5) percent of the physical inventory. Should any variance be noted, a greater sampling will be performed. Property Control will notify Purchasing Manager and Warehouse Supervisor of all instances where additional sampling is required.

Property Control will update inventory records based on physical inventories submitted by site. In the event there are discrepancies in the inventory, it is the responsibility of the site administrator to reconcile these differences.

No adjustment will be made to the asset management software without supporting documentation. Any asset that is disposed of without proper procedures will be in direct violation of District policy.

### **Property Disposal Including Sale/Transfer/Donation**

All merchandise purchased with District funds is the property of the District and must be disposed of accordingly. Please contact Property Control for instructions regarding disposal.



For all assets in your department that contain a SUSD Asset Tag, it is important that you notify Property Control of any change in status. The change in status could be one of the following situations:

1. An asset is in need of being discarded and should be inactivated on the fixed asset system.
2. An asset is being moved to a different location within the site or department.
3. An asset is being moved to a different site or department.