

## **PURCHASING**

All purchases made on behalf of the District shall be executed in a fair, equitable, and legal manner using a process that helps ensure the best value for the District and its taxpayers. The purpose of this policy and accompanying regulation is to establish such procedures.

### **Establishment of a Purchasing System**

The Board delegates overall purchasing authority to the Superintendent who shall serve as the district's Chief Procurement Officer. The Chief Procurement Officer shall be responsible for developing and administering the purchasing program of the District, including the development and implementation of a requisition and purchasing system that is efficient, economical, and meets the standards below. A complete purchasing record system shall be maintained by the Chief Procurement Officer. To ensure adequate checks and balances, the procurement officer shall have authority to approve district employee's purchases but shall not directly make purchases for the District.<sup>1</sup>

### **General Requirements for Purchases**

1. All purchases must conform to all applicable state laws (see HCAA-E), including, but not limited to laws prohibiting disclosure of confidential and proprietary information.
2. All parties involved in purchasing shall act in good faith, and purchases at all levels shall be made in a manner and form that permits the highest degree of fair competition possible.
3. All purchases must be documented through the purchase card (p-card) system, a purchase order, contract, invoice, or receipt. All records of purchases must be submitted to the Chief Procurement Officer.
4. All purchases made through the purchasing system must have budget appropriations adequate to cover the cost of such obligations. Purchases not meeting this criterion must be approved by the Board.
5. Prior to making a purchase, the purchaser shall check current inventories to ensure that the purchase is necessary and determine if the item can be obtained through existing cooperative purchasing agreements under NDCC 54-44.4-13 or federal agencies contracted under 21-06-08. Purchases made through such agreements are exempt from the procurement procedures contained in this policy.
6. Procurement requirements may not be artificially fragmented as to constitute a small purchase or to avoid competitive purchasing requirements. Artificial fragmentation means splitting purchase requirements or splitting an invoice to stay below a certain dollar level to avoid competition or stay within delegated authority limits. Fragmentation must be based on an actual need of the District, and documentation of this need shall be filed with the procurement officer.

---

<sup>1</sup> Districts should consult with their auditors for guidance and review p-card rules if considering modification to these recommended checks and balances.

**REQUIRED**  
**Cognia (AdvancED)**

Descriptor Code: HCAA

7. If purchases are made using restricted funds (e.g., grant dollars), purchases must conform to any requirements associated with those funds.
8. This policy is not applicable to legal services or public improvement/construction purchases.
9. Purchases requiring contracts must comply with the contracting standards contained in this policy and in law.

**Purchasing Authority Thresholds**

The Chief Procurement Officer or designee shall evaluate the procurement needs and estimate the amounts to be purchased to ensure the appropriate purchasing authority threshold is followed. Estimated price may be based upon previous purchases, market research, a published price list, or asking a vendor for a budgetary estimate.

1. **P-Cards:** The Chief Procurement Officer is authorized to implement a purchase card system. While most purchases with p-cards shall conform to the purchasing standards contained in this policy, the Chief Procurement Officer is authorized to make exceptions to this policy as follows. The Chief Procurement Officer may issue cards to school staff not listed in this policy, ensuring that their cards have adequate spending caps in place given the nature of their positions and may waive specification and solicitation requirements for p-card purchases for items or services that are difficult or impossible to obtain through competitive purchasing (e.g., travel expenses). In addition to these p-card requirements, the Board has adopted a separate p-card policy, HCAG.
2. **Purchases less than \$10,000:** These purchases may be delegated by the Chief Procurement Officer to building-level administrators and Athletic Director. Purchasers shall obtain at least one fair and reasonable quote. To the extent feasible, the District must rotate vendors solicited on an equitable basis. The Board has developed criteria if multiple informal bids or proposals are necessary (HCAA-BR).
3. **Purchases \$10,000 to \$50,000:** These purchases may only be made by the **[list positions of district-level administrators who are not the Chief Procurement Officer (e.g., Superintendent)]** who shall develop specifications and solicit at least three vendors to submit oral or written informal bids or proposals. If receiving three bids or proposals is not feasible or practical, the purchaser shall document an explanation and file it with the Chief Procurement Officer who has authority to require the purchaser to seek additional solicitations. The Board has developed criteria for purchasers to evaluate informal bids or proposals (HCAA-BR).
4. **Purchases greater than \$50,000:** These purchases shall only be made in accordance with NDCC 15.1-09-34 and board policy HCAB.

**Delegation of Purchasing Authority when Conflict of Interest Declared**

In the event that an individual with purchasing authority has a conflict of interest under law, they shall contact the Chief Procurement Officer who shall appoint another qualified district employee without a conflict to oversee the procurement process of the goods/service at issue.

**Purchases Requiring Contracts**

Any purchase requiring a contract with a vendor/seller shall be approved by the Board prior to execution. When a vendor supplies the contract, the Chief Procurement Officer or designee shall review and make recommendations to the Board prior to approval. Contracts for purchases/services of \$10,000 or more may be reviewed by the District's legal counsel prior to board adoption.

Contracts shall be no longer than one year in term unless permitted by law and may contain options for renewals or extensions in accordance with law. The District shall not enter into contracts containing indemnity obligations on the part of the District and additional insured status when these clauses will benefit another party.

**Unauthorized Purchases**

Unauthorized purchases are prohibited by Policy DEBJ.

---

Complementing NDSBA Templates (may contain items not adopted by the Board)

- DEBJ, Unauthorized Purchases
- HCAA-BR, Evaluation of Bids or Proposals
- HCAA-E, Purchasing Laws for Schools
- HCAB, Bidding Requirements & Procedures
- HCAG, Purchase Cards
- HEAA, Line Item Transfer Authority

**End of Manvel School District #125 Policy HCAA.....**  
**Adopted: 9/16/19**  
**Updated: 4/11/22**

**INFORMAL BIDS OR PROPOSALS PROCESS**

This administrative rule serves as a guide on how to conduct informal bids or proposals. Informal bids or proposals mean those bids or proposals not required by law or other board policy, and when the estimated value of the purchase is less than \$50,000.

The Board delegates overall authority to the Chief Procurement Officer to oversee the informal bidding and proposal process. Informal bids or proposals shall be received in the manner specified by the chief procurement officer or designee. The Chief Procurement Officer or designee may, but is not required, to prepare bid or proposal specifications, advertise, notify the public, require sealed bids, or have a public bid opening.

**Determination of Responsible Vendor**

For the purpose of this regulation, a responsible vendor is determined based on investigation of financial responsibility, insurability, effective equal employment opportunity, capacity to produce, sources of supply, performance record in the business or industry, and other matters relating to the vendor's probable ability to deliver in the quantity and at the time required. The Chief Procurement Officer or designee may request submission of written statements from the bidder or other persons concerning any related matter to assist in this determination. The chief procurement officer or designee is authorized to determine if a vendor is responsible.

**Preference to North Dakota Bidders**

The District shall give preference to bidders when purchasing any goods, merchandise, supplies, or equipment of any kind, or contracting to build or repair any building or other real property. The preference must be equal to the preference given or required by the state of the nonresident bidder.

**Awarding Bids or Proposals**

Awards are made to the responsible vendor with the lowest responsive bid or whose proposal is determined to be most advantageous. This determination shall be based upon evaluation criteria established by this policy except as otherwise indicated below.

Generally, the Chief Procurement Officer or designee shall use the following criteria and weights, and this information should be included in the informal bid or proposal specifications, if developed, unless otherwise provided by law.

1. Experience & Qualifications—30%
2. Quality of the Proposal—20%
3. Cost—50%

The Chief Procurement Officer may modify these criteria and weights in their discretion. If the Chief Procurement Officer designee deems modification of these criteria and weights necessary, they shall provide a written explanation to the chief procurement officer.

An award may be made to multiple vendors when it is determined to be in the best interest of the District to award multiple contracts to two or more responsive bidders of similar products or services. The intent of the award must be stated in the solicitation. A multiple award may be appropriate under circumstances in which more than one vendor is required to ensure adequate delivery, service, or product compatibility.

If only one responsive bid or proposal is received in response to solicitation, the procurement officer or designee may:

1. Make an award to the vendor upon determination that the specifications were not restrictive in accordance with applicable laws and district practices, other prospective bidders had a reasonable opportunity to respond, the bidder is responsible, and the price submitted is fair and reasonable;
2. Reject the bid or proposal and solicit new bids or proposals; or
3. Cancel the procurement.

If the price submitted is not fair and reasonable and there is no time for re-solicitation, or it is unlikely that re-solicitation will increase the number of bids or proposals, the Chief Procurement Officer or designee may award the contract to the sole responsive vendor.

Discussion, negotiations, and best and final offers may be requested for bids or proposals. The District shall make a contract award as soon as practical after the evaluation and determination of the received bids or proposals.

**Rejection of Bids or Proposals**

Any bid or proposal that does not meet the requirements of the solicitation, other than mistakes determined to be minor informalities, will be rejected.

If it appears to be in the best interest of the District, all bids or proposals may be rejected and invitations for bid or requests for proposal containing all the same or rewritten specifications, terms, and conditions may be issued. The Chief Procurement Officer or designee shall send a written notice to all the bidders stating the reason all

**REGULATION**

Descriptor Code: HCAA-AR

bids and proposals were rejected. The rejected bids or proposals shall be retained in the procurement file in accordance with district retention requirements.

**End of Manvel District 125 Board Reg. HCAA-AR.....Adopted: [8/8/22]**