



SAUGUS
Union School District
Excellence in Elementary Education

PURCHASING MANUAL

Table of Contents

[Introduction](#)

[Mission Statement](#)

[Accomplishing Objectives](#)

[Responsibilities](#)

[Purchasing Code of Ethics](#)

[Purchasing Processes](#)

[Purchasing Policy](#)

[Before You Buy](#)

[Creating the Purchase Requisition](#)

[Unauthorized Purchases](#)

[Blanket Purchase Orders](#)

[Changes to Purchase Orders \(Change Orders\)](#)

[Requesting Checks for Vendors](#)

[Commonly Used Object Codes](#)

[Warehouse Stock Orders \(Stock\)](#)

[U.S., Interoffice and Jet Mail](#)

[Surplus Property Disposal \(TOE—Transfer of Equipment\)](#)

[New Vendors](#)

[Statements of Work](#)

[Internet Purchasing Policy](#)

[Amazon.com Ordering Policy](#)

[Software Orders](#)

[Gift Cards](#)

Introduction

The purpose of this Purchasing Manual is to assist all employees in the proper purchasing practices so as to be in full compliance with all California State Laws, Regulations, and Policies.

The Purchasing Manual is designed to achieve three (3) goals:

1. Compliance with the law and Board policy on purchasing;
2. Promote efficiency in purchasing practices; and
3. Achieve savings of money through proper purchasing practices

We ask you, the user of the purchasing system, to help achieve these goals through proper planning. Please allow yourself enough leeway between generating a purchase order and the actual date materials or services are needed. Please think of purchasing in terms of a whole year. What items and services do you need on an annual basis?

The key is to plan. Through proper planning, we can eliminate much of the frustration that is encountered in all public-school purchasing procedures.

This manual should be reviewed with administrators, teachers, office managers, and others who are involved in the purchasing process. It is imperative that everyone adhere to all purchasing laws and guidelines.

If you have any questions concerning the following guidelines, please do not hesitate to call the Purchasing Office at 661-294-5300 extension 5172.

Thank you

Mission Statement

Our mission is to assist in the acquisition of equipment, supplies, materials and services needed to ensure academic success throughout the District. In doing so, we strive to practice and educate our sites in the matters of Fiscal responsibility while providing the highest level of professional and timely service to all school and administrative sites at the lowest price possible, without sacrificing quality or service. We also seek to maintain a positive work environment for purchasing associates and co-workers.

Accomplishing Objectives

The objectives in the mission statement will be accomplished by:

- Maintaining a collaborative effort among buyers, suppliers and internal customers
- Complying with public contract code and other related regulations
- Listening to the concerns of our internal customers
- Being receptive to new ideas and purchasing concepts
- Educating internal customers about principles of effective purchasing practices and product standards

Responsibilities

- To purchase equipment, supplies, materials and services for school and administrative sites as cost effectively as possible
- To assist in the development and processing of bid packages and related contracts, board agenda items related to purchasing and in the general acquisition of equipment and supplies
- To assist with the return and/or disposal of equipment using the District's Asset Management System

Purchasing Code of Ethics

- Give primary consideration to the interest of the School District by which we are employed
- Apply objective practices, seeking to attain the maximum benefit for each tax dollar spent
- Maintain fairness in all dealings with qualified vendors, contractors, material suppliers, service providers and employees
- Provide courteous and professional service to vendor representatives and others
- Apply continuous improvement practices
- Cooperate with all organizations and individuals who conduct business with the District
- Foster and promote ethical and legal trade practices

Purchasing Processes

Purchasing Policy

Saugus Union School District authorizes specific staff per site to utilize the Purchasing Program. While school and administrative sites initiate requisitions in the District's Accounting System, the District's order processing and financial system, a purchase order, properly numbered, authorized and signed by the Purchasing Office is the only document by which the District obligates itself to a vendor. The Business Office is the only entity authorized to sign and issue purchase orders. This policy is supported by California Education Code section 42632, which requires that school purchases have District approval prior to the receipt of goods and services. In order to conduct business with SUSD, the District recommends vendors familiarize themselves with all of the State of California's applicable codes, rules and regulations that affect the acquisition of goods and services for school districts.

Before You Buy

Staff who submit purchase orders should have a rationale as to why the purchase is essential to the school/district.

- How students will learn or benefit from the purchase?
- What educational achievement or program may be linked to the purchase?
- How is the purchase of operational value to your school/office?
- Are the goods/services purchased useful for the long term rather than immediate need?
- Have inventories been checked to determine whether there is a real need for the purchase?
- Does the item need approval from the Safety Department?

The next step in acquiring goods or services is to define a detailed specification for use in the purchasing process. A specification may include any or all of the following:

- Quantity
- Model Numbers
- Color
- Training Requirements
- Maintenance Requirements
- Estimated Price or Total Cost and Unit of Measure
- Freight Charges
- Measurements

Finally, prior to generating a requisition, the requester shall ensure that funds are available for the purchase. If funds are not available in the appropriate budget line, the site/administrator shall submit a budget transfer request to the Business Office.

The Purchasing Office is available to assist in finding sources for goods and services. The office maintains a database of vendors that currently do business with the District. Additionally, many items are available through existing District or piggyback bids (from other districts or public entities) and California Multiple Award Schedule (CMAS) contracts that allow the District favorable terms, conditions and pricing.

Formal bids may require a lead time of up to three months before they are available for use (see Competitive Bid Summary for terms and conditions). While school sites and administrative offices initiate purchase requisitions, the Purchasing Office must review and execute the final purchase order.

Creating the Purchase Requisition

Requisitions are created using the District's Accounting System. A requisition must include the following information:

- Actual vendor in database

If vendor is not found please check with the Purchasing Office. If Vendor is not in database, you will not be able to create a requisition until a W-9 is on file.

- Requisition number that is created by the District's Accounting System
- Budget Account String
- “Ship to” location and code
- Requestor’s name: If your name is not available please put your name in the comments section
- Date materials or services are needed should be listed in the comments section
- Quantity and thorough description of materials or services being ordered
- Unit of measure
- Unit price
- Estimated freight/shipping charges if known and include in the comment section

Do not add freight as a line item. Instead, it will be added upon purchase order creation. If no freight/shipping amount is given, 10% of the total order will be added by the Purchasing Office

- Sales tax is automatically populated by the District's Accounting System
- Type of delivery: Will vendor deliver and set up? Who will unload, delivery staff or school/district staff? Include any other special delivery instructions. ***Maintenance and School Staff are prohibited from picking up orders from Vendors. All orders must be delivered to each School Site.***
- Warranty Information
- Quote must be attached prior to sending requisition for approval

We have the capability to scan documents and attach them to the requisition. Scan into Peoplesoft any pertinent materials (quotes, contracts, etc.) associated with the purchase

After the approval process moves through the District's Accounting System, the appropriate buyer will receive the requisition for final evaluation and approval. Upon approval, the Purchasing Office will print each purchase order and send to the site via email and/or District Mail. The site will then distribute to vendors, contractors, suppliers, consultants or service providers. A requisition alone does not obligate the District to a purchase. Once approved, it becomes a signed purchase order. This becomes the promise to pay for the vendor (as long as all conditions specified are met).

Unauthorized Purchases

In accordance with California Education Code section 42632, only authorized individuals appointed by the Governing Board may financially obligate the Saugus Union School District. The District requires issuance of a signed purchase order prior to a vendor providing services or materials, including Internet vendors. The Purchasing Office shall conduct or supervise all purchase transactions for the District. In the event that an unauthorized purchase is made, the following applies:

- Any purchases of supplies, equipment, or services by staff members, without a prior purchase order approved by the Purchasing Office, will not be paid using District funds
- Purchases made in the name of the District without an authorized purchase order shall be considered an obligation of the person making the purchase and not an obligation of the District Deliveries of materials or services that are made without an approved purchase order or contract are made at the seller's risk
- District staff members or employees are prohibited from signing contracts offered by a vendor

The power to execute contracts goes through the Board of Education. Contracts signed by unauthorized individuals shall be considered non-binding.

Blanket Purchase Orders

Blanket Purchase Orders blanket purchase orders are not encouraged, however, from time to time, it is necessary in the best interest of the school district. A blanket purchase order is defined as a specified amount to be paid to a particular vendor for a particular product, a specified variety of products, or services to be performed by the vendor when it is impossible to calculate the exact dollar amount of the expenditure. The requisition for a blanket purchase order must have:

- A "not to exceed" amount
- Valid dates (must be within the fiscal year, which runs July 1 through June 30)
- Names of employees who are authorized to sign for and/or pick up orders from vendors
- A full description of the materials being ordered

A signed packing list and/or signed District Receiving Form, by the employee receiving the goods, must be forwarded to the Accounts Payable Department, the first working day after the purchase is made or goods received. The blanket purchase order number must be indicated on all invoices and packing lists. If the receiving documents are delayed to Accounts Payable, then payments to vendors will be delayed. All sites will be allowed to have a blanket purchase order for: Office Depot, Staples, Amazon, School Specialty and Teachers Pay Teachers. Each site needs to decide the dollar amount of the blanket purchase order and which budget account string will be used for the entire school year. With prior notification to the Business Office, budget account string code changes may be done, if necessary.

Requesting Checks for Vendors

In rare circumstances, there may be a need to purchase supplies or equipment from vendors that will not accept a purchase order. This purchasing method is strongly discouraged unless there is absolutely no other choice do to the unique nature of the product. In these circumstances you must submit a requisition and a written notice from the vendor that they do not accept purchase orders. Upon completion, contact Purchasing Office.

Please follow the steps below:

- Obtain an exact written price quote and an invoice from the vendor
- Verbal quotes are not acceptable
- Original quotes are preferred over faxed copies, or an email detailing the specifics may be acceptable
- Complete the requisition and purchase order process in the District's Accounting System, including the reason for the request of an advanced check to the vendor
- Forward a copy of the purchase order to Accounts Payable

Commonly Used Object Codes

While there are dozens of object codes available for use (as part of the budget string), this section identifies some commonly used codes:

--4300 Materials and Supplies-Instructional

--4340 Tech Equipment (under \$500)

--5800 Contract Services

--5815 Field Trips

--5800 Software Licenses and/or Downloads

--5850 Contract Services with Board Approval

The following object codes for equipment purchases require a fixed asset tag to be issued:

--4400 New Equipment Capitalized (unit prices from \$500 to \$4,999, w/tax)

--6400 New Equipment Capitalized (unit prices from \$5,000 or greater)

The District's Chart of Accounts contains a complete listing of each 30-digit budget account string.

Example:

Fund XX.X Resource XXXXX.X Goal XXXXX Function XXXXX Object Code XXXX Site/Location XXXXXXX

U.S., Interoffice, and Jet Mail

Planning is vital to ensure that we have the supplies, services, and equipment needed. Last minute purchases are discouraged and typically result from a lack of planning. When preparing purchase requisitions, please be aware of the timelines in which we distribute mail in the District:

- Outgoing District mail to each site is processed every afternoon by Warehouse personnel and delivered back to the District Office for distribution
- Any US Mail will be processed by the District Receptionist the following business day
- JET Mail to other Districts and/or LACOE will be picked up by the JET Driver the following business day

Surplus Property Disposal

It is not necessary to stockpile unused surplus equipment and/or supplies. The Purchasing Office is ready to assist you in the disposal or removal of these items. The District has contracted with vendors to put these items out for public auction. District sites should prepare the Obsolete/Surplus Goods Form, then send the form to the Fiscal Department, Attention: Purchasing, which schedules pick up of the equipment. Please make sure that the form is filled out completely. In order to obtain the highest possible value for our items, we need the exact count, model, serial, color, size, etc. Purchasing will process these forms and submit to the Board a request to approve the disposal/sale of the equipment. Subsequently, the equipment is removed from both the site and the district's asset database.

Internet Purchasing Policy

With the advance of technology, Internet purchasing has become commonplace. Authorized purchasers may order from sites that will accept purchase orders. All procedures are the same as described in the "Creating a Purchase Requisition" section of this manual, with one addition:

- Please indicate in the body of the requisition, "Internet Order – Do Not Duplicate."

NOTE:

Internet pricing is variable and what you see on sale today may not be the same price by the time the requisition goes through the approval process. You must confirm that the prices have not increased once the purchase order has been processed and returned to you as a Purchase Order. This is the responsibility of the purchaser. Each site is responsible for checking each shipment for damage and/or errors. Packing slips must be signed and dated when the goods have been received, scanned and sent to the Purchasing Office.

Amazon.com Ordering Policy

1. The Purchasing Office has access to an Amazon.com business corporate account. This is for last case scenario items that cannot be found from an approved vendor, or are deeply discounted. The discount has to be significantly lower to justify the purchase. Large purchases of books are not allowed. The District will not warranty any items purchased from Amazon. Prices using this account are locked for 7 days.

2. Digital downloads of books are not eligible in the corporate purchase program.

3. District established vendors will be considered first. If the Purchasing Office determines that there is no established vendor that can provide the requested item at a competitive total price, including freight and taxes, then the Amazon purchase will be permitted.

4. Ordering process:

a) Prior to July 1, a requisition to create a blanket purchase order for Amazon.com should be done. Each site needs to decide the dollar amount of the blanket purchase order and which budget account string will be used for the entire school year. If necessary, with prior notification to the Business Office, budget account string code changes may be done.

b) Site and/or department personnel will create a cart on Amazon.com. Each order must include the blanket purchase order number which is assigned for each site and/or department. Order may then be submitted.

c) Site or Warehouse receives order and documentation of receipt is sent to Accounts Payable.

d) Accounts Payable pays the invoice.

Software Orders

All software orders must be purchased through a Purchase Order, but only after obtaining approval from the Director of Technology. This will ensure compatibility with system hardware/operating systems.

Gift Cards

The award of gift cards (i.e.: iTunes, Visa, In-n-Out, etc.) or cash prizes using District funds, including Student Council funds, to employees, students and community members for any purpose is expressly prohibited.

Revolving Cash

Employee purchases for supplies that are not purchased via a Purchase Order, must first be approved by the Director of Fiscal Services. If an employee makes a purchase without prior approval, the request for reimbursement will be denied.

After administrative approval is granted, the employee completes a Revolving Cash Fund (Form 024M), attaches the original receipts and proof of payment. This form is then submitted to the Office Manager for coding. The Principal approves by signing the form and then forwards it, along with the original receipts, to the Business Office for budget approval and reimbursement. Once the form is approved, a requisition will be created and sent through the regular approval process to create a Purchase Order.

Reimbursement will not be made for items purchased with gift cards and/or certificates.

After approval process copies will be sent to the Office Manager and to the original purchaser, along with the payment.

Public Bid Processes

Bid Award is Based on Public Contract Code, the District awards bids to the “lowest qualified responsible bidder” defined as the lowest priced bidder who offers the best responses in quality, fitness, capacity and trustworthiness to the requirements of the proposed work. Such factors as delivery, time, quality, compatibility, references, experience, parts and service, freight costs, among others, influence an award to the lowest qualified responsible bidders. A “responsive” bid/proposal is one that conforms to the requirements of the statement of work, specification(s), solicitation, instructions and the District’s contractual terms and conditions and Public Contract Code. This would also include such factors as completeness of the quotation and bid forms, inclusion of references and attachments and completion of required responses. Informal quotes, bids or proposal for goods and/or services may be requested and received verbally and/or in writing by mail, e-mail and facsimile. Informal bids apply to purchases below the formal bid limits described herein.

Policy Guidelines for District Major Purchases and Public Bidding of Maintenance & Operations Projects:

1. If a project is less than \$10,000, supplier can be sole sourced if the District has previous positive experience with the supplier. However, the project initiator has the option to obtain three proposals. The project will require approval according to current procedures.
2. If a project is greater than \$10,000, but less than \$60,000, the project initiator will obtain a minimum of three proposals. The Chief Business Official or the Superintendent may waive this requirement in an emergency.
3. Projects over \$60,000 will be evaluated on a case-by-case basis to determine if they meet the \$60,000 threshold for public works projects or the maintenance and equipment threshold of \$92,600 (increased annually).
4. Public works projects \$60,000 or over or public works projects over \$92,600 will be subject to Board approval and the competitive bidding process. A Competitive Bidding Summary that describes the various bidding categories is attached for reference.
5. On all projects, the scope of work shall be clearly written in order to avoid change orders and the appearance of bid splitting. Part 3, Chapter 1, Article 3, Section 20116 of the CA Public Contract Code addresses the issue of separating projects into smaller segments to avoid competitive bidding.

Competitive Bidding Summary

PCC 20111(a). Public projects exceeding \$92,600

- Purchase of equipment, materials or supplies
- Services, Non-construction
- Repairs and maintenance

Note: Projects in this category typically do not require a Notice to Proceed and Notice of Completion, since the purchase is facilitated by P.O. and no construction is conducted. The bid threshold is adjusted annually by the State Dept. of Education.

PCC 20111(b). Public projects (excluding maintenance) exceeding \$60,000.

- Construction, reconstruction, erection, alteration, renovation, improvement, demolition and repairs involving facilities
- Example: The installation of fascia trim if it were a work of improvement or an alteration to a facility
- Example: The removal and replacement of the entire carpet

- Example: Removal and replacement of an entire roof
- Example: Upgrading or improving an existing wiring system to increase the capacity of the system
- Painting or repainting of facilities, including painting an entire school, entire structure, or entire building

PCC 22002 (d) and 20115. Maintenance—Bidding not required unless project exceeds \$92,600. The bid threshold is adjusted annually by the State Dept. of Education

- Routine, recurring and usual work for the preservation or protection of any facility for its intended purpose
- Minor repainting, including any painting of less than an entire facility or less than whole plant, building, ground facility or real property, or the painting of a room, wing or portion of an entire building or structure
- Resurfacing of streets at less than one inch
- Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants and servicing of irrigation and sprinkler systems
- Ordinary upkeep or repair work such as replacements in kind, repainting, re-plastering and re-roofing
- Example: The replacement of existing fascia trim
- Example: Repairing or replacing a portion of a roof
- Example: Repairing or replacing a portion of the entire carpet
- Example: Replacing or repairing existing wiring that has failed
- Example: Use of day labor or force account not exceeding 350 hours