

POLICY 3420  
PURCHASING

Purchasing in the School District shall be in accordance with federal laws, state laws, accepted purchasing practices, ethical business practices, the District's purchasing guidelines, and be aligned with the District strategic plan.

Purchases of supplies and equipment shall be made through the established requisition procedure. Approved purchase orders shall be required prior to all purchases.

Any public officer or public employee is prohibited from having any private interest in a public contract except as permitted by state law.

LEGAL REF.: Wisconsin Statutes

Sections	19.59	[Codes of ethics for local government officials, employees, and candidates]
	66.0131	[Local governmental purchasing]
	66.0607	[Withdrawal or disbursement from local treasury]
	66.0901	[Public works contracts, bids]
	120.13(5)	[School board powers (books, material, and equipment)]
	175.10	[Sale to employees prohibited]
	946.10	[Bribery of public officers and employees]
	946.13	[Private interest in public contract prohibited]
Code of Federal Regulations (CFR)		
Section	200	[Uniform Grant Guidance]

CROSS REF.: 3121 Financial Accounting  
3321 Student Activity Funds  
3422 Exclusivity Agreements with Vendors  
3430 Payment for Supplies, Equipment and Services  
3522 Milk Program  
3651 Hazardous Chemicals  
3711 Improvement or Maintenance Projects  
3750 Playground Equipment  
3800 Asset Management  
4224 Employee Code of Ethics  
7330 Construction Contracts, Bidding and Awards, and Change Orders  
8651 School Board Member Conflicts of Interest  
*District Requisition and Purchasing Procedure Manual*

ADMINISTRATIVE REGULATIONS: None

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A. Definitions

1. Procurement: the act of purchasing, renting, leasing or otherwise acquiring any supplies, services, equipment or construction. The process includes preparation and processing of a demand as well as the end receipt and approval of payment.
2. Purchase Requisition: the initial purchase request that an employee enters into the District financial accounting software. Once the requisition has made it through the approval process it is printed out or emailed as a purchase order and the order is processed.
3. Quote: the cost for a good or service that an authorized seller or provider offers in good faith. This is a written agreement to sell the product at the stated amount. Generally, this is considered an informal bid.
4. Bid: a formal written offer or response to provide a good or service for a particular price based on specifications in a request for proposal.
5. Contract: a voluntary arrangement between two or more parties that is enforceable by law as a binding legal agreement.
6. Purchase Order: a document issued by the District that authorizes a purchase transaction. The purchase order sets forth the descriptions, quantities, prices, discounts, date and other terms and conditions.
7. Confirming Order: when an order for goods, services, equipment, or construction is placed and an invoice is received before a purchase requisition is processed and the purchase order is created.

B. General

1. The Purchasing Agent will be responsible for the procurement of all District supplies and equipment.
2. In making a selection for purchase, the Purchasing Agent shall attempt to achieve maximum price advantage within quality specifications.
3. Bid specifications and requests for proposals shall be developed for larger dollar volume purchases and will be coordinated between the user and the Purchasing Agent.
4. Continuing efforts shall be made to affect savings in purchasing and maintenance through the standardization of specifications for similar items used throughout the District. Proprietary specifications or source procurement for items that will allow such standardization for security or confidentiality requires the approval of the Purchasing Agent.
5. Impartial and open consideration shall be given to bids and quotes received from vendors. There will be prompt follow-up on questions concerning vendor orders and vendor services. The Purchasing Agent shall maintain an approved vendor list.
6. Authorized employees are encouraged to purchase high quality items and to make purchases of items having a value of less than \$30 out of petty cash, or with department purchasing cards.
7. All ongoing purchases of supplies, materials, maintenance, and repairs should be reviewed annually to obtain and ensure maximum price advantage within quality specifications.
8. The Purchasing Agent shall furnish a current *Requisition and Purchasing Procedure Manual* to all principals and departmental administrators.
9. Verification will be performed on all new vendors so that they are confirmed to have not been debarred or suspended per the Federal Government System for Award Management (SAM).

C. Purchasing Methods

One of the following purchasing methods should be completed before a purchase requisition is entered into accounting information system:

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1. Purchases < \$3,000 (Micro-purchase): A micro-purchase is where the purchase for supplies or services aggregate dollar amount does not exceed \$3,000. There is no need to solicit competitive quotes if management determines that the price is reasonable. However, when practical, the District should distribute micro-purchases equitably among qualified suppliers.
2. Purchases \$3,000 to \$10,000 (Small purchase): A small purchase is where the purchase requisition for supplies or services aggregate dollar amount is between \$3,000 and \$10,000. A minimum of 2 QUOTES shall be obtained and documented for these purchases. If for whatever reason two quotes are not possible, documentation must be provided on why only one quote was obtained and approved by the Purchasing Agent.
3. Purchases over \$10,000 should complete one of the following methods:
  - a. Sealed bids: Sealed bids shall be used for purchases over \$10,000. Under this purchase method, formal solicitation is required. An individual, independent of the bid approval process, shall be responsible for sending out bid requests to vendors, maintaining a record of the bids, documenting the receipt of the quotation and sending letters to all vendors informing them of the bid results. The bid shall be awarded to the responsible bidder based on the evaluation on the basis of District specifications and the lowest in price. In the event of identical bids, and all other conditions being equal, a local manufacturer or business merchant shall be given preference in purchases and contracts.
  - b. Competitive proposals: Competitive proposals shall be used for purchases over \$10,000 and when sealed bids are not appropriate or feasible. Under this purchase method, formal solicitation and fixed-price or cost-reimbursement contracts are required. The contract shall be awarded to the responsible firm whose proposal is most advantageous to the program, with the price being one of the various factors.
  - c. Noncompetitive proposals: Noncompetitive proposals are also known as sole-source procurements. If it is not possible to obtain competitive proposals, approval of the Purchasing Agent is required. Documentation of the competitive proposal attempt(s), documentation on why a noncompetitive proposal should be used and the final approval is required to be maintained.

A proposal from only one source can be used under the following conditions:

- The item is only available from one source; however, this cannot be based on “name brand.”
- Public emergency makes a sealed or competitive bid process unrealistic.
- A grant pass through entity expressly authorizes in response to a written request by a grant sub-recipient. This is the case with contracts with the CESA’s and CCDEB’s in the state of Wisconsin.
- After solicitation of a number of sources, competition is determined to be inadequate.

D. Purchasing and Signing Authority

The levels of authority for purchase approval are as follows:

Purchases less than \$25,000:

1. The Purchasing Agent shall be authorized to approve purchases less than \$25,000 for equipment or services.
2. The Purchasing Agent shall be authorized to approve contracts and renewals less than \$25,000.

Purchases greater than \$25,000:

1. All contracts and renewals of contracts in an aggregate of \$25,000 or more in a fiscal year shall be approved by the School Board except in the event of an emergency as determined and reported to the School Board monthly by the Purchasing Agent. If a bid has been approved by the Board, the Superintendent or Designee can implement and approve the contract without further board action.
2. Purchases of \$25,000 and over for equipment or services, shall require the approval of the Budget Manager, and the Superintendent's Delegate over the school/department making the purchase. Contracts for purchases of equipment or services must be signed by both the Budget Manager and the Superintendent's Delegate over the school/department making the purchase.

No threshold:

1. The Purchasing Agent shall be authorized to approve the purchase of supplies and to contract for equipment maintenance agreements in accordance with sound purchasing procedures. The Purchasing Agent is authorized to sign on behalf of the District, agreements or contracts for equipment maintenance.

E. Purchase Requisitions

1. Once the procurement requirements above have been completed and proper approvals have been obtained, a purchase requisition is entered in the accounting information system.
2. The *Requisition and Purchasing Procedure Manual* includes procedures for preparing, processing, and routing of requisitions; criteria for supply and equipment items; a sample listing of requisition forms in use; and year-end requisitioning procedures.
3. Requisitions shall be reviewed by Finance and Purchasing personnel for authorization, funding, and coding prior to processing the requisition and creating a purchase order by the Purchasing Agent.
4. Confirming orders require advance, written approval from the Purchasing Agent before committing the District to a purchase of supplies or equipment. Failure to follow proper procedures may result in disciplinary action, personal liability or return of the merchandise. Confirming orders are not encouraged and will not be standard practice.

F. Purchase Orders

1. Once the purchase requisition workflow has been completed, Purchasing will create the purchase order and send out the purchase order to the vendor for fulfillment of the purchase.
2. The authority for issuing purchase orders is delegated to the Purchasing Agent by the Superintendent.
3. Only approved District purchase order forms shall be used. The *Requisition and Purchasing Procedure Manual* shall include instruction for use of requisition/purchase order forms, distribution of purchase order copies, and a sample of the purchase order form in use.