

PURCHASING

The Board of Education views purchasing as serving the educational program by providing necessary supplies, equipment and related services. Purchasing will be centralized in the business office under the general supervision of the Purchasing Agent designated by the Board.

It is the goal of the Board to purchase competitively, without prejudice or favoritism, and to seek the maximum educational value for every dollar expended. Competitive bids or quotations shall be solicited in connection with purchases pursuant where required by law. The General Municipal Law requires that purchase contracts for materials, equipment and supplies involving an estimated annual expenditure exceeding \$20,000 and public work contracts involving an expenditure of more than \$35,000 will be awarded only after responsible bids have been received in response to a public advertisement soliciting formal bids. Similar procurements to be made in a fiscal year will be grouped together for the purpose of determining whether a particular item must be bid.

Notwithstanding the foregoing, in accordance with the provisions of the General Municipal Law and where deemed to be in the best interest of the district, the district may engage in “piggybacking” to purchase certain goods and services (*e.g., apparatus, materials, equipment and supplies and /or the installation or repair of such items*) through the use of contracts let by the United States or any agency thereof, or any state, county, political subdivision or district of any state. “Piggybacking” shall be permitted only where the following conditions are met:

1. The contract must have been let by the United States or any agency thereof, any state or any other political subdivision or district therein; and
2. The contract must have been made available for use by other governmental entities; and
3. The contract must have been let to the lowest responsible bidder or on the basis of best value in a manner consistent with New York State law.
 - a. In determining whether the contract has been let consistent with New York State Law, the district shall consider, among other things, whether there was:
 - i. Public solicitation of bids or, in the case of best value, offers;
 - ii. Submission of sealed bids or offers, or analogous procedures;
 - iii. Preparation of specifications, or a similar document that provides a common standard for bidders or offerers, to compete fairly;
 - iv. Awarding to the lowest bidder who materially or substantially met the bid specifications and was determined to be a responsible bidder, or in the case of best value process, an award to the responsive and responsible offerer.

Goods and services which are not required by law to be procured by the district through competitive bidding will be procured in a manner so as to ensure the prudent and economical use of public monies, in the best interests of the taxpayers, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances, and to guard against favoritism, improvidence, extravagance, fraud and corruption.

Alternative proposals or quotations will be secured by requests for proposals, written or verbal quotations or any other appropriate method of procurement, except for procurements:

1. under a county contract;
2. under a state contract;
3. of articles manufactured in state correctional institutions; or
4. from agencies for the blind and severely disabled.

The district's purchasing activity will strive to meet the following objectives:

1. to effectively supply all administrative units in the school system with needed materials, supplies, and contracted services;
2. to obtain materials, supplies and contracted services at the lowest prices possible consistent with the quality and standards needed as determined by the Purchasing Agent in cooperation with the requisitioning authority. The educational welfare of the students is the foremost consideration in making any purchase;
3. to ensure that all purchases fall within the framework of budgetary limitations and that they are consistent with the educational goals and programs of the district;
4. to maintain an appropriate and comprehensive accounting and reporting system to record and document all purchasing transactions; and
5. to ensure, through the use of proper internal controls, that loss and/or diversion of district property is prevented.

Opportunities shall be provided to all responsible suppliers to do business with the school district. Suppliers whose place of business is situated within the district may be given preferential consideration only when bids or quotations on an item or service are identical as to price, quality and other factors. Purchases will be made through available cooperative BOCES bids, state contracts of the Office of General Services or county contracts whenever such purchases are in the best interests of the district. In addition, the district will make purchases from correctional institutions and severely disabled persons through charitable or non-profit-making agencies, as provided by law.

The district will provide justification and documentation of any contract awarded to an offer or other than the lowest responsible dollar offer or, setting forth the reasons why such award is in the best interests of the district and otherwise furthers the purposes of section 104-b of the General Municipal Law.

The Purchasing Agent will not be required to secure alternative proposals or quotations for:

1. emergencies where time is a crucial factor;
2. procurements for which there is no possibility of competition (sole source items); or
3. very small procurements when solicitations of competition would not be cost-effective.

The Superintendent of Schools, with the assistance of the Purchasing Agent, shall be responsible for the establishment and implementation of the procedures and standard forms for use in all purchasing and related activities in the district. Such procedures shall comply with all applicable laws and regulations of the state and the Commissioner of Education. The Superintendent shall decide disagreements between the Purchasing Agent and the requisitioner.

No Board member, officer or employee of the school district shall have an interest in any contract entered into by the Board or the district, as provided in Article 18 of the General Municipal Law.

Comments will be solicited from those administrators involved in the procurement process before enactment of the district's policies regarding purchasing and from time to time thereafter. The policies must then be adopted by Board resolution. All district policies regarding the procurement processes will be reviewed by the Board at least annually.

The unintentional failure to fully comply with the provisions of section 104-b of the General Municipal Law or the district's policies regarding procurement will not be grounds to void action taken nor give rise to a cause of action against the district or any officer or employee of the district.

Procurements Using Federal Awards

The requirements for procurements using federal awards are contained in the Uniform Guidance (2 CFR Part 200, subparts A-F), program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

To comply with 2 CFR Part 200 (subparts A-F), the Averill Park Central School District implements policies and procedures, including, but not limited to:

1. The District will use its own documented procedures which reflect applicable State and local laws and regulations; provided that the procurements conform to applicable federal law and Uniform Guidance. As such, District procurements related to Federal grants will be subject to New York State General Municipal Law, District Purchasing Policy 6700 and Regulation 6700-R and Uniform Guidance Requirements.
2. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis of contract price.
3. The District will utilize one of the five acceptable procurement methodologies detailed in §200.320 which include:
 - a. Micro Purchase
 - b. Small Purchase Procedure
 - c. Sealed Bid
 - d. Competitive Proposal
 - e. Non-Competitive Proposal (Sole Source)
4. Procurements will provide for full and open competition as set forth in the Uniform Guidance, or State and local procurement thresholds, whichever is most restrictive.
5. No employee, officer or agent may participate in the selection, award or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest 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 can neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. If the financial interest is not substantial or the gift is an unsolicited item of nominal value, no further action will be taken. However, disciplinary actions will be applied for violations of such standards otherwise.
6. The District will avoid acquisition of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical procurement approach. The District will also analyze other means, as described in §200.318 of the Uniform Guidance, to ensure appropriate and economical acquisitions.
7. The District will enter into state and local intergovernmental agreements or inter-entity agreements, where appropriate.
8. The District will only use Time and Materials contracts when it has been determined, in writing, that no other contract type is suitable.

9. Vendors and contractors that develop or draft specifications, requirements, statements of work, or invitation to bids or requests for proposals must be excluded from competing for such procurements.
10. The District will make available, upon request of the federal awarding agency or pass-through entity, technical specifications on proposed procurements where the federal awarding agency or pass-through entity believes such review is needed.
11. District departments and buildings are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered Transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (i.e. grant or cooperative agreement) that are expected to equal or exceed \$20,000. All non-procurement transactions (i.e. sub-awards to recipients), irrespective of award amount, are considered covered transactions.
12. The District will include a suspension/debarment clause in all written contracts in which the vendor or contractor will certify that it is not suspended or debarred. The contract will also contain language requiring the vendor or contractor to notify the District immediately upon becoming suspended or debarred. This will serve as adequate documentation as long as the contract remains in effect.
13. District departments and buildings will be required to notify the Business Office that federal funding will be used for a certain procurement or contract. When requesting a written contract, the department or building will be responsible for running the vendor or contractor's name through the System for Award Management (SAM) to determine any exclusions. A copy of the SAM search will be included with the contract request. Prior to issuing a purchase order using federal funds, the Business Office will check the SAM to determine if any exclusions exist for the vendor or contractor. If the vendor or contractor is found to be suspended or debarred, the District will immediately cease to do business with the vendor.
14. The District will not use statutorily or administratively imposed state, local or tribal geographical preferences in the evaluation of bids or proposals; except in those cases where applicable federal statutes expressly mandate or encourage geographical preference.
15. The District will take all affirmative steps to assure that minority businesses, women's business enterprises, and labor area surplus firms are used when possible.
16. The District will procure recovered materials in compliance with §200.322,
17. The District will perform a cost or price analysis relating to every procurement more than the Simplified Acquisition Threshold (\$150,000).
18. The District will require appropriate bonding requirements as per §200.325,
19. The District will only award contracts to responsible vendors and will document, in writing,
20. The District will maintain oversight to ensure that contractors perform in accordance with the contracts terms, conditions and specifications.
21. Copies of executed contracts will be maintained in the Business Office. Purchase orders will be maintained on the nVision accounting system.

Procurements Using Federal Awards: Inventory Management and Labeling

The following property classifications are found in federal law. The District should include all relevant property definitions and revise to ensure that property classifications are also in accordance with state and local law. For example, school districts are authorized to alter the

definition of equipment as long as the revised definition includes all of the property included within the federal definition.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the District for financial statement purposes, or \$5,000. 2 CFR §200.33. The District's capitalization level is \$1,000.

Supplies means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the District for financial statement purposes or \$5,000, regardless of the length of its useful life. 2 CFR §200.94.

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. 2 CFR §200.20.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases
- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance.) 2 CFR §200.12

Inventory is received by the department requesting the items. The department inspects the property to ensure good condition upon receipt and to match the delivery items with the purchase order and invoice. The designated department member signs the receiving copy of the purchase order to signify receipt.

All property is tagged by the department. The tracking of tagged property is implemented by the Treasurer. The Technology Department is responsible for configuring and installing equipment such as computing devices including highly desirable devices such as laptops, smartphones and tablets.

For each equipment and computing device purchased with federal funds, the following information is maintained:

- Serial number or other identification number
- Source of funding for the property
- Who holds title*
- Acquisition date and cost of the property
- Percentage of federal participation in the project costs for the federal award under which the property was acquired
- Location, use and condition of the property
- Ultimate disposition data including the date of disposal and sale price of the property

Records are updated as needed with a physical count at year-end. All equipment is maintained in the AssetMaxx software in conjunction with Questar III BOCES. Equipment items under Title I have "Title I" on the inventory label on the object for easy identification. Supplies do not require Title I labeling, unless they are computing devices such as laptops, smartphones and tablets.

*Pursuant to federal regulations, the District holds a conditional title for equipment purchased with federal funds unless a statute specifically authorizes a federal agency to vest title in the District without further obligation to the federal government. Title will vest in the District as long as:

- The District uses the equipment for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project
- The District does not encumber the property without approval of SED or other awarding agency
- The District uses and disposes of the property in accordance with federal rules

A physical inventory of the property is taken by departments and the results reconciled with property records as funding permits. The District contracts with an outside service to complete the physical inventory; the Treasurer is responsible for reconciling the fixed asset records to the inventory.

Throughout the year as an item becomes obsolete, broken, not working, stolen, transferred or disposed of, the person maintaining the system fills out the proper forms and requests the item to be declared surplus and obsolete by the Board of Education. The Treasurer then removes the item from the fixed assets inventory upon disposal or sale.

The District insures equipment acquired or improved with federal funds at the same levels and in accordance with the same policies as provided to equipment purchases with state or local funds unless required to be insured by terms and conditions of the federal grant. 2 CFR§200.310.

In accordance with 2 CFR §200.313(d)(4), the District maintains adequate maintenance procedures to ensure that property is kept in good condition.

The District maintains a control system that ensures that adequate safeguards are in place to prevent loss, damage, or theft of the property. Any loss, damage or theft is investigated in accordance with the following procedures. 2 CFR §200.313(d)(3).

Equipment insurance is maintained through the Business Office and is updated each year. Each department is responsible for ensuring that property is maintained and in good condition. Restrictions are placed on the use of equipment and/or computing devices by management as a whole and by each department administrator. If an item appears to be broken or not working, the department should contact maintenance and operations or technology services as appropriate.

Maintenance and operations staff, as well as technology staff, will access the equipment to determine any necessary repairs. A requisition is required to send an item out for repair. If it is not

repairable, the department completes a request memo to declare the item surplus and obsolete. The memo will then be submitted to the Board of Education for approval at a regular meeting.

Equipment will be used in the program or project for which it was acquired as long as needed whether or not the project or program continues to be supported by the federal award. The District will not encumber the property without prior approval of SED or the federal awarding agency.

When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority: (1) activities under a federal award from the federal awarding agency, which funded the original program or project, then (2) activities under federal awards from other federal awarding agencies.

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference is given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible. However, the original purchase of any equipment to be used in other programs will be properly allocated or prorated among the applicable funding sources.

Equipment: In accordance with 2 CFR §200.313(e), when it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the Treasurer will contact SED or other awarding agency for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition.

- An item that has a current FMV of \$5,000 or less, may be retained, sold or otherwise disposed of with no further obligation to SED or other federal awarding agency.
- If an item has a current FMV of more than \$5,000, SED or other federal awarding agency is entitled to the federal share of the current market value or sales proceeds. Pursuant to the provisions in 2 CFR§ 200.313(d)(5), the District uses procedures to ensure the highest possible return. SED must approve the disposition.

If acquiring replacement equipment, the District may use the equipment to be replaced as a trade-in.

Disposition of equipment will be properly recorded in the fixed asset inventory by the Treasurer.

Supplies: Supplies are all tangible property other than equipment. This includes computing devices. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program, and the supplies are not needed for any other federal award, the District will compensate the federal government for its fair share in accordance

with procedures established by SED. The Treasurer will contact SED or other awarding agency for disposition instructions of supplies. 2 CFR §200.314.

Procurements Using Federal Awards: Non-Public Schools

In Targeted Assistance Schools (TAS) or non-public schools, Title I funds can only be used by Title I students. Items purchased at these schools are subject to the same requirements (inventory, labeling, and disposition procedures) as items purchased for a school-wide program. Equipment and supplies purchased for TAS and non-public schools should be stored in a location such as the Title I room or other location (such as a cabinet designated for Title I supplies) which denotes they are to be used only by Title I students.

Section 1117(d)(1) of the Every Student Succeeds Act requires that the control of Title I funds, and the ownership of the materials and equipment purchased with Title I funds for non-public schools shall be in the LEA, and the LEA shall administer the funds, materials, equipment, and property. The LEA, rather than the non-public school, shall be responsible for the following:

- Implementing adequate procedures and internal controls to account for the location, custody, and security of materials, equipment, and property purchased with Title I funds for non-public school use, including adequate safeguards relating to loss, damage or theft of the equipment. Any instances should be documented. Also, the adequate maintenance procedures to keep equipment in good condition should be shared.
- Completing requisition forms for ordering materials and/or equipment
- Having materials and/or equipment delivered to the LEA and signing for the delivery
- Maintaining an inventory of all materials, equipment and property purchased with Title I funds for private schools. The inventory shall contain the same requirements for any equipment purchased with Title I, Part A funds.
- Labeling materials and equipment as Title I to include the fiscal year of purchase and property of the LEA.
- Delivering the purchases to the non-public school.
- Storing materials and equipment in a secure location when not in use.

Title I purchases made for non-public schools should be returned to the LEA when they are no longer needed at the non-public school. The LEA should follow the same disposition plan for materials and equipment purchased for non-public schools as with any materials and equipment purchased with Title I funds in a public school.

Cross-ref: 2160, *School Board Member Ethics*
 6670, *Petty Cash/Petty Cash Accounts*
 6720, *Bidding Requirements*
 6740, *Purchasing Procedures*

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