

Addison Northwest Supervisory Union Policy

SECTION: BUSINESS AND NON-INSTRUCTIONAL OPERATIONS

CODE: E14

TITLE: BIDS, CONTRACTS AND PURCHASES

The purchase of supplies, equipment and services represents a significant expenditure in school district budgets. These purchases must be made in an open, fair and economical manner and must guard against any improprieties.

Bids:

To be open and fair in awarding business and to insure favorable pricing, best practice is to always seek estimates from multiple sources. As such, the following minimum requirements are established for administration:

- Quotations:
 - A minimum of three quotations must be received for items valued between \$2,000 and the limit established in 16 VSA 559, \$14,999.
 - Quotations may be received in writing.
 - A record of these bids must be kept on file, submitted with the purchase order or otherwise maintained for future reference.
- Public Bids:
 - 16 VSA 559 sets the dollar threshold to publicly advertise or invite bids
 - A minimum of three quotations must be received in writing.
 - A copy of the quotations must be submitted with the purchase order.
- Requests for Proposals (RFP):
 - In situations where negotiated contracts are appropriate (see “Contracts” below), the fund manager must also prepare an RFP and include information in the bid invitation on how vendors can obtain the RFP.
 - The RFP will indicate pre-qualification criteria, minimum project or product specifications, acceptable performance or service levels, schedule constraints and proposal due date. The RFP will also indicate that the district reserves the right to reject any or all bids.
 - A minimum of three quotations is required unless there are extenuating circumstances as discussed in the “Contracts” section (sole sources contracts).

School board members, school district employees or their families may submit bids. However, bids submitted by those individuals may not be considered as part of the minimum number of required bids outlined above. Any time such an individual is compelled to submit a bid, it must be in writing regardless of cost and can never be the only bid. Other board member requirements are stipulated in 16 VSA 557.

Contracts:

Negotiated contracts are preferred when: (1) the total cost cannot be determined because of variable quantity, schedule or nature of service; (2) market fluctuation precludes achieving a fixed cost; (3) there is difficulty in quantifying services such as legal or architectural; (4) there is difficulty in comparing facility or equipment leases; or (5) multi-year contract options are desired. Negotiated contracts should consider future costs contingencies, project stages and market conditions.

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Sole source contracts are to be avoided when possible and, if necessary, should be limited in duration. Sole source contracts shall only occur when: (1) an RFP only results in single bidder; (2) the contract calls for a specific product or specialized service; (3) the nature of the product requires future professional knowledge that can only be provided by the original vendor; (4) only one local vendor is available.

RFPs may define a process for clarifying questions prior to proposal submission. In some cases, vendors may be asked to attend “walk-through” tours or open evaluation of their proposal. All prospective vendors will be invited to attend a public opening of all bids. If contract requirements change after proposals are received, two options exist: (1) all bids can be rejected and a new RFP released; or (2) the district can enter into negotiations with the lowest responsible bidder.

Contract terms shall include clear work specifications tied to performance measures and/or identified deliverables.

Purchases:

Notwithstanding the bid and contract requirements specified above, authority to issue purchase orders, leases or contracts is as follows:

- Administration: When the cost is below the 16 VSA 559 threshold
- Superintendent or Central Office Designee: When cost is above the 16 VSA 559 threshold, but below \$25,000.
- School District Boards: Any expenditure from the Reserve Fund.

Note: The amounts above relate to total cost. For example, the total cost of a two year lease at \$13,000 per year would be \$26,000. However, the total cost of a \$13,000 contract with option years for renewal would only be \$13,000.

Conflict of Interest:

Compliance with state and federal laws with respect to purchasing with public funds must be followed. Any employee making a decision to purchase or participating in the decision to make a purchase must avoid a conflict of interest, either real or perceived, in the selection of a vendor.

A conflict of interest arises if an employee, an immediate family member or partner, or organization that employs any of the above names has a direct or indirect financial interest in the selected vendor.

An employee will not solicit or accept any favors or gratuities from a selected vendor.

In the event a conflict of interest is discovered, the employee, following an investigation, may be subject to disciplinary action resulting in a fine, a written reprimand, suspension or termination.

Date Warned:

Dated Adopted: *March, 2016*

Legal References: