

**FINANCIAL MANAGEMENT**

**7400**

Procurement Management System

Procurement Generally

When making purchases with federal funds, the District will follow its procurement policies and procedures which reflect applicable State and local laws and regulations, provided that the procurement practice also conforms to applicable Federal law and the standards identified in applicable federal regulations. If the purchasing thresholds identified below no longer align with Idaho Code, the District will adhere to the updated thresholds in Idaho Code until the policy is revised. See policies 7410, 7420.

Authorization and Control

It is the policy of this District to conduct its purchasing program in a manner to ensure optimum use of District funds. The Board, or its designee, reserves the right to determine what is in the best interest of the District.

The Superintendent or designee is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year and pursuant to state purchasing and federal procurement requirements. Board approval for the purchase of capital outlay items is required when the aggregate total of a requisition exceeds \$25,000, except the Superintendent shall have the authority to make capital outlay purchases without advance approval when it is necessary to protect the interests of the District or the health and safety of the staff or students.

The Superintendent shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds that align with state purchasing and federal procurement requirements. Staff members shall not obligate the District without express authority. Staff members who obligate the District without proper authorization may be held personally responsible for the payment of such obligations.

Bids and Contracts

For micro-purchases up to \$10,000, purchases may be awarded without soliciting competitive bids, if the District considers the price to be reasonable. The District shall maintain evidence of this reasonableness in the records of all micro-purchases. If small purchases are between \$10,000 and \$75,000 in cost, the District shall use price or rate quotations obtained from an adequate number of qualified sources and maintain quotations in purchasing records.

With the exception of curricular materials, and in accordance with the requirements of Idaho Code, whenever the cost of any construction, repair, or improvement; or the acquisition, purchase, or repair of any equipment; or other personal property

necessary for the effective operation of the District exceeds \$75,000 but does not exceed \$150,000, bids shall be called for by issuing a written request to at least three vendors, as specified in statute, as well as following federal procurement requirements. Specifications shall be prepared and be made available to all vendors interested in submitting a bid. The contract shall be awarded to the lowest responsible bidder, except that the Board may reject any bid, reject all bids, or publish notice to rebid the project. If after calling for bids a second time, no satisfactory bid is received, the Board may proceed under its own direction, subject to the approval of the State Board of Education.

For expenditures exceeding \$150,000, bids shall be called for by issuing public notice, as specified in statute, as well as, following federal procurement requirements. Specifications shall be published in the official newspaper of the District at least two weeks before the opening date, with the second notice to be published in the succeeding week at least seven days before the date that bids are scheduled to be opened. Copies of specifications, bid forms, bidder's instructions, contract documents, and general and special instructions shall be made available upon request by any interested bidder.

When purchasing goods and services pursuant to Idaho Code, and determining the most qualified bidder for award of the contract, the District, at its sole discretion, may consider not only the amount of the bids, but may also consider additional factors including, but not limited to, the relative experience, ability, references, and integrity of the bidders to do faithful and conscientious work and promptly fulfill the contract according to contract requirements.

The Superintendent or designee shall establish bidding and contract awarding procedures that align with state purchasing and federal procurement requirements.

#### Sealed Bids (Formal Advertising)

For purchases over \$150,000, bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction if the following conditions apply:

1. A complete, adequate, and realistic specification or purchase description is available;
2. Two or more responsible bidders are willing and able to compete effectively for the business; and
3. The procurement lends itself to a firm fixed-price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

1. Bids must be solicited from an adequate number of known suppliers, providing them with sufficient response time prior to the date set for opening the bids.
2. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to

properly respond;

3. All bids will be opened at the time and place prescribed in the invitation for bids.

A firm fixed-price contract award must be made in writing to the lowest responsive and responsible bidder.

Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound, documented reason.

#### Cooperative Purchasing

The District may cooperatively enter into contracts with one or more districts to purchase materials necessary or desirable for the conduct of the business of the District provided that the purchasing cooperative follows State purchasing and federal procurement requirements.

#### Personnel Conflicts of Interest

No employee will make any purchase or incur any obligations for or on behalf of the District from any private business, contractor, or vendor in which or with which the employee has a direct or indirect financial or ownership interest unless steps outlined below under Related Party Transactions are followed.

No employee will solicit gifts, gratuities, favors, prizes, awards, merchandise, or commissions as a result of ordering any items or as a result of placing any purchase order with a business, contractor, or vendor on behalf of the District nor accept anything of monetary value from a business, contractor, or vendor except for unsolicited gifts of \$50 or less in value.

#### Related Party Transactions

Related party transactions are not allowed in the District, regardless of the fund source, unless Board approval is obtained through the required steps in this policy.

Related Party Transactions are transactions for goods or services that are provided to the District by District employees or members of their household. "Members of their household" means the spouse or dependent children of the District employee and/or persons whom the District employee is legally obligated to support. "Person" means an individual, proprietorship, partnership, association, trust, estate, business trust, group or corporation, whether operated for profit or not, and any other legal entity, or agent or servant thereof, or a governmental entity.

Before any related party transactions may occur, the following actions must take place:

1. The District employee shall prepare a written statement describing the matter to

- be acted upon and the nature of the potential conflict;
2. The District employee shall deliver the statement to the Clerk of the Board to be placed upon the Board's consent agenda at the next regularly scheduled board meeting;
  3. The Board shall review the statement and may or may not obtain an advisory opinion from legal counsel before ruling upon the matter; and
  4. The District employee must obtain Board approval for the related party transaction to proceed.
  5. This process must be followed for each individual request.

### Violations

Any District officer, employee, or agent who violates this policy may be subject to disciplinary action, including but not limited to a fine, suspension, or termination. Violations of law shall be referred to the local, State, or federal authority having proper jurisdiction.

Cross Reference:	Policy 7218	Federal Grant Financial Management System
	Policy 7235	Fiscal Accountability and IDEA Part B Funds
	Policy 7237	Retention of Records Relating to Federal Grants
	Policy 7320	Allowable Uses for Grant Funds
	Policy 7320P1	Determining Necessity and Reasonableness of Expenses
	Policy 7400P	Requirements and Restrictions for Procurement Under a Federal Award - Competition
	Policy 7400P1	Federal Award Requirements
	Policy 7400P2	Procurement Methods Under a Federal Award
	Policy 7400P3	Requirements and Restrictions for Procurement Under a Federal Award
	Policy 7407	Procurement of Goods and Services
	Policy 7410	Petty Cash Funds
	Policy 7420	Personal Reimbursements

Legal References:	I.C. § 18-1351	Bribery and Corrupt Practices
	I.C. § 33-316	Cooperative Contract to Employ Specialized Personnel and/or Purchase Materials
	I.C. § 33-402(2)	Notice Requirements
	I.C. § 33-601	Real and Personal Property - Acquisition
	I.C. § 67-2801, <i>et seq</i>	Purchasing by Political Subdivisions
	I.C. § 74-401, <i>et seq</i>	Transparent and Ethical Government

IDAPA 38.05.01.044      Small Purchases

2 C.F.R. § 180.220

2 C.F.R. § 200.67

2 C.F.R. § 200.317

2 C.F.R. § 200.318

2 C.F.R. § 200.320

Are Any Procurement Contracts Included As  
Covered Transactions

Micro Purchase

Procurements by States and Indian Tribes

General Procurement Standards

Procurement Methods

Policy History:

Adopted on: March 13, 2017

Revised on: August 22, 2017

Revised on: April 20, 2021

Reviewed on: October 14, 2021

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~~For purchases where the aggregate total of a requisition is between \$25,000 and \$50,000, the Superintendent or designee will report the purchase to the Board as an information item at the next regular Board meeting. The Superintendent or designee shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds that align with state purchasing and federal procurement requirements. Staff members shall not obligate the District without express authority. Staff members who obligate the District without proper authorization may be held personally responsible for the payment of such obligations.~~

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