

FINANCIAL MANAGEMENT

Purchasing: Authorization, Control, and Procurement

The following procedures shall be in effect for the purchase of buildings, furnishings, materials, supplies, repairs, and other necessary items.

1. Expenditures Under \$50,000.00

All purchases under \$50,000.00 shall be authorized by a work order originated by the M&O department or a purchase order originated by a budget manager. All purchase orders over \$2,000 require the signature of the Director of Business Services. Orders over \$20,000 also require the signature of the Deputy Superintendent Operations (or designee thereof). Capital outlay purchases over \$50,000 must be approved by the Board prior to issuing a purchase order or a contract to the vendor.

A. Purchases \$1,000 and Below

For projects whose anticipated cost is \$1,000 or below the budget manager must:

- (1.) Honor any first-call agreements if they are in effect.
- (2.) Offer an order to a vendor on the vendor list.

B. Purchases between \$1,000 and \$10,000

For projects whose anticipated cost is expected to be between \$1,000 and \$10,000 each budget manager must:

- (1.) Obtain a minimum of two verbal quotations from vendors unless less than two vendors are available.
- (2.) Record all quotations with the work order or purchase order.
- (3.) Select the lowest responsible bidder and obtain a written confirmation of that vendor's quotation.

C. Purchases over \$10,000 under \$50,000

Projects for which the anticipated cost is expected to be between \$10,000 and \$50,000 budget manager must:

- a. Obtain a minimum of three written quotations from vendors for the purchase involved unless less than three vendors are available.
- b. Attach all quotations to the purchase order, or with the appropriate work order.
- c. Offer the lowest responsible bidder an order authorizing him/her to proceed with the work or delivery of material or services at the cost quoted.

2. Purchases over \$50,000

Purchases over \$50,000 must be offered to public bid unless there is a state contract with the vendor for the items to be purchased. The following procedures shall be in effect for purchasing through the bidding process:

- A. Advertisement for bid must be made once each week for two (2) consecutive weeks, and a second (2nd) publication must be made not less than five (5) nor more than twelve (12) days before consideration of bids.
- B. Formal bids shall be opened at the time and place stated in the official advertisement for bids, and any interested member of the public may attend the bid opening. It shall be the bidder's sole responsibility to see that his/her bid is delivered to the District prior to the time set for opening of bids. Any bid received after the time set for opening the bids shall be returned to the bidder unopened and shall receive no consideration by the District.
- C. Formal bid tabulations shall be presented at the next meeting of the Board.
- D. Bid awards shall be made by the Board in consideration of staff recommendations.
- E. Brand names and manufacturers' catalog numbers used in specifications are for the purpose of identification and to establish a standard of quality. Bids on equal items shall be considered providing the bidder specifies brand and model, and furnishes descriptive literature. The acceptance of alternative "equal" items shall be conditioned on the District's inspection and testing after receipt. If not found to be equal, the material shall be returned at the seller's expense and the contract canceled. In circumstances where only one brand will fulfill all requirements only that brand name will be specified.
- F. The District shall reserve the right to reject any or all bids, waive any formalities and make the award in its best interest.
- G. On construction projects, the bidder shall agree to comply with prevailing wage and affirmative action requirements and shall provide a performance bond, a bid bond, and a labor bond (see policies #9242, 9243 and 9245).
- H. Any contract required to be let for bid shall contain language to the following effect:

In making a determination as to which vendor is the lowest responsible bidder, if any, the District will take into consideration not only the pecuniary ability of a vendor to perform the contract, but will also consider the skill, ability, and integrity of a vendor to do faithful, conscientious work and promptly fulfill the contract according to its letter and spirit. References must be provided and will be contacted. The District further reserves the right to contact others with whom a vendor has conducted business, in addition to those listed as references, in determining whether a vendor is the lowest responsible bidder. Additional information and/or inquiries into a vendor's skill, ability, and integrity are set forth in the bid specifications.

- I. The Trustees shall award a contract or purchase order to the lowest responsible bidder. The following factors shall be considered in determining the lowest responsible bidder:

- (1.) The ability, capacity and skill of bidder to perform the work required.
 - (2.) The character, integrity, reputation, judgment, experience and efficiency of the bidder.
 - (3.) The ability of the bidder to perform the work in the time specified.
 - (4.) The quality of performance of previous contracts or services.
 - (5.) The previous and existing compliance of the bidder with laws relating to public works.
 - (6.) Such other information related to the performance of the contract as the Superintendent deems advisable.
 - (7.) An acceptable bid or offer and a District purchase order shall constitute the only contract necessary for the purchase of supplies, equipment, and minor repairs or construction projects, except that the successful bidder shall meet all conditions included in the specifications.
- J. Formal written contracts shall be prepared for all major construction and repair projects. Each contract awarded by the School District shall specify that in all instances products manufactured or produced by Montana industry and labor shall be preferred for use in all projects and in all materials, supplies and equipment procured if such products, materials, equipment and supplies are comparable in price and quality. Failure to comply shall disqualify such contractor for future contracts for a period of two years. Such contracts shall be signed by the Superintendent on behalf of the District after the contracts have been award by a majority vote of the Board with action recorded in the minutes of the Board meeting. All contracts shall provide that, in the event of a suit by the District to enforce the terms of the contract, venue for the suit shall be laid in Gallatin County and that, if the District is successful in the suit, the court may order reimbursement of the District's attorney's fees and court costs in such amount as the court deems reasonable.