



Department: Finance/Purchasing
Policy Number: PUR-A001
Effective Date: 4/12/05

ADMINISTRATIVE POLICY

PURCHASING

The online version of this policy is official.
Therefore, all printed versions of this
document are unofficial copies.

This policy directs compliance with Tennessee Code Annotated 49-2-203, and provides for the establishment of procedures for efficient and unbiased business transactions. **For further reference, please refer to Attachment A, Guidelines for the Implementation of Purchasing Policy.**

A. Spending Plan. The annual budgets shall constitute the spending plan for the year. The Chief Financial Officer is authorized to approve purchases in accordance with budget allocations. The Board shall not be responsible for payment of any material, supplies, equipment, or services purchased by unauthorized individuals or in a manner not prescribed through this policy.

B. Limits on Approval Authority:

1. Special purchases exceeding \$25,000 shall be approved by the Board. Special purchases are those that are not routine and that may or may not be specifically identified by line item in the budget. Examples of special purchases are capital expenditures such as buildings, vehicles, and items for long-term use with transaction values exceeding \$25,000; or, contracts with an annual compensation value exceeding \$25,000. The Chief Financial Officer shall approve all other purchases.

2. The Executive Committee of the Board shall be authorized to approve bids, contracts, and purchases of an emergency nature between Board Meetings.

C. Bidding: Bids will be awarded on the basis of the lowest and best bid meeting specification. Vendor discounts shall be considered when determining lowest bidder. In the event that the best bid is not the lowest bid, the using department shall provide written justification to the Chief Financial Officer. **For detailed information, please refer to Attachment B, General Bid Requirements.**

1. Formal Bids:

a. Expenditures exceeding \$10,000 and which can be provided by more than one vendor or service provider shall be based on competitive bids. Such bids shall be termed 'formal bids,' and shall be publicly opened and read aloud at designated times.

b. The Purchasing Office shall periodically advertise in a newspaper of general circulation in the county for vendors and shall update the list of vendors following such advertisement as specified below in Section E.

2. Informal Bids: Purchases of less than \$10,000, but more than \$500 may be made without newspaper notice, but whenever possible, shall be based on at least three competitive bids. Such bids shall be classified as 'informal bids,' and need not be publicly opened. Telephone quotations may be used for informal bids.



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3. Emergency Bids: Emergency items are those items that affect health, safety, and continuous operation of the District. If biddable, bids shall be in accordance with paragraph II.C.2, above.

4. Bid Bonds: The Chief Financial Officer shall require a bid bond not to exceed ten percent of the total for bids or contracts of \$25,000 or more.

D. Exemptions from the Bidding Process: Legal services, advisory services, educational consultants, and other professional services are exempt from the bidding process, but shall be awarded on the basis of recognized competence and integrity.

E. Vendor List: The Purchasing Office shall compile and maintain a list of vendors who supply goods and services to the District. This list shall constitute the mailing list for bid solicitations. Reputable vendors may be added to the list upon request and upon proof of ability to provide the respective goods and/or services. Vendors who fail to submit bids pursuant to three successive solicitations or who fail to perform according to contract shall be removed from the list.

F. Equal Opportunity: It is the policy of the Clarksville-Montgomery School System (CMCSS) not to discriminate against any student, employee, or applicant on the basis of sex, marital status, race, color, creed, national origin, sexual preference or handicapping condition.

G. Funding for Replacement of Band Uniforms: It is the policy of CMCSS to provide fifty percent (50%) funding from the General Purpose Fund for band uniforms being replaced, with the stipulation that the uniforms be at least ten (10) years old.

H. Conflicts of Interest: No employee is to be financially interested, or have any direct personal beneficial interest in any contract or purchase order for any supplies, materials, equipment or contractual services used by or furnished to the school system. The issuance of a purchase order for items for personal use is prohibited.

Implementing Procedures: [PUR-P004](#) Formal Bid
[PUR-P006](#) Selection, Evaluation & Re-Evaluation of Vendors

Revision History:

<u>Date:</u>	<u>Rev.</u>	<u>Description of Revision:</u>
2/13/04		Initial Release
8/10/04	A	Add H. Conflicts of Interest
4/12/05	B	Add Attachments A & B

***** End of Policy *****

GUIDELINES FOR THE IMPLEMENTATION OF PURCHASING POLICY

The following guidelines, while not all conclusive, require the use of sound business practices and the employment of logic and integrity in dealing with public's funds and the business community at large. All questions are to be directed to the Chief Financial Officer/designee.

BIDDING REQUIREMENTS: All bids reviewed and awarded will be addressed utilizing the concept of "cost and other factors considered".

1. All bids are to be awarded on the basis of the best bid, within specifications and cost parameters. When the best bid is not the lowest bid, written justification will be filed with the selection memorandum and approved by the designated official in the office of the Chief Financial Officer. Such justification will consider quality, price, discount, delivery and service in determining why the lowest bid should be waived. Should a tie exist, preference will be given to local suppliers. If a tie continues, the tie will be broken in the manner of a lot, the parameters of which shall be designated by the Chief Financial Officer.
2. All bid files are public documents and may be viewed upon request.
3. Bonded bids, those over \$25,000.00, are secured by certified or cashier checks, payable to the Montgomery County Board of Education. All bonds are retained until contract award, with the successful bidder's bond held until completion of all deliverables.
4. Withdrawal of bids, after the date of opening, is not authorized unless approved by the Chief Financial Officer. Phone quotations will not be accepted for formal bids.
5. The only late bids that will be considered are those that are delayed as a result of mishandling on the part of employees of the school system.
6. All bidders are required to affirm they are in compliance with the conflict of interest provisions of Tennessee Code Annotated 49-6-2003.
7. When cooperative buying agreements with other public entities are in the best interest of the school system, they will be the preferred method of procurement.
8. All bidders for construction contracts must provide a copy of a certificate, from the Tennessee Department of Labor, verifying compliance with the Drug Free Workplace Law. An affidavit of compliance is insufficient.

CLASSIFICATION OF PURCHASES: All purchases will be classified in the following terms:

1. Emergency: Those items that affect health, safety, and continuous operation of the school system. If biddable, the informal method will be used.
2. Non-biddable: Those items, less than \$10,000.00 that can be provided by only one vendor.
3. Biddable: Those items, exceeding \$10,000.00 that may be provided by more than one vendor.
4. Food Services: Purchases made using the informal bid method.
5. Fuel/Maintenance/Transportation Services: The Chief Operating Officer, or designated employees of the Safety/Maintenance/Facilities Assets/Transportation Departments, is authorized to purchase from vendors on the appropriate certified vendors list. All vendors on this list must have certified, in writing to the Purchasing Office, that prices charged or quoted to the CMCSS, are equal to or lower than the prices so offered the Federal, State, or favored customer entities, to include all discounts for prompt payment. No purchase under this procedure will exceed \$500.00. No purchase order is required.

SPECIFICATIONS: Specifications requiring bids or quotes will be:

1. Simple, clear and concise.
2. Sufficiently thorough as to discourage the bidding of materials inconsistent with the needed quality of response.

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3. Verifiable.
4. Able to be met by several bidders.
5. Fair.

All specifications will be written according to manufacturer, name brand, catalog/model number, detailed specification, or chemical analysis/physical properties. In most cases "or equal" Requests for Proposal are acceptable.

REQUISITIONING: All purchases, except those attained through direct contracting will use the following forms, as appropriate:

1. Stores Warehouse Issue Request Form (PUR-F003): Key order on Warehouse Requisition screen in the "ordering system".
2. Standard Requisition: Use Purchase Order Request Form (ISA-F003) following Principal or Department Head approval, the requisition is keyed into the Purchase Requisition screen and electronically transmitted for further required approvals.

PURCHASE ORDERS: Purchase Orders will adhere to the following essentials:

1. Specifications, adequately describing to the supplier, the characteristics and the quality standard required.
2. A firm, quoted, net delivered price where available.
3. Authorized approving official as designated by the Chief Financial Officer.
4. All purchase order changes must follow the same procedures as the initiation of a new purchase. Purchase Orders may not be changed without the approval of the official so designated by the Chief Financial Officer.

All Purchase Orders and Contracts will be posted in the Accounting Department as encumbered, charged to the budget as an expenditure and obligated in the year approved.

PAYMENT PROCEDURES: The verification of invoices and purchase orders will adhere to the following guidelines. No Accounts Payable actions will be taken without the complete coordination of the verification, invoice and purchase order.

1. Each department will designate individuals as authorized receivers and make them responsible for receiving and maintaining outstanding receiver's copies.
 - a. Designated receivers will ensure proper addressee, check packaging for external damage. If damage is found, it will be noted on the driver's delivery receipt. If it can be determined the contents are damaged, the Purchasing Office will be notified.
 - b. Verify the contents against the packing list and the purchase order. Discrepancies will be noted on the delivery receipt
 - c. Check quantity against purchase order.
 - d. If order is in good condition and complete, so note the purchase order.
2. The Accounts Payable Clerk will approve invoices for payment that agree with completed Receiver Reports.

Recurring bills such as utility bills, telephone bills, rent and other expenditures of the monthly recurring nature will be authorized as an itemized budget item. Payments shall be made promptly to avoid penalties.

GENERAL BID REQUIREMENTS

It shall be the responsibility of the bidder to submit a bid response in full compliance with the conditions of this invitation to bid.

The bid submitted must be in the sealed envelope provided with the invitation to bid. Responses to this invitation must be on the attached forms. Extra copies of the forms are available from the Purchasing Office for bidders who wish to offer more than one product or service which are considered equals. Such alternates must be clearly marked with the words "alternate bid." State of Tennessee contract prices for local governmental agencies will be considered as a bid. Quotations on items will not be accepted by phone before or after the bid opening for formal invitations to bid. However, FAX bids are accepted when follows with the original signed copy of the invitation to bid.

All formal invitations to bid specify a date, hour and location of the public bid opening. Each vendor shall be responsible for seeing that his bid arrives in time to be considered. Incorrect filing, mailing or lateness resulting from the United States Post Office shall not be an excuse and such bids shall not be accepted. The only late bids that may be considered are those bids that are delayed as a result of incorrect handling by employees of the school system.

Bidders are invited to attend bid openings. All responses will be read aloud unless the length or number of responses is excessive. Bid tabulations will be made available for inspection in the office of the Purchasing Agent within a few days.

Prior to the opening of any bid, the vendor shall be allowed to withdraw this bid for any reason. If a mistake is discovered after the bid opening, only the Board of Education may allow the vendor to withdraw his entire bid.

It is the intent of this invitation to secure competitive bid responses. The specifications are intended only to indicate the general character, style and quality of the items desired. Bidders are encouraged to offer equipment, supplies or services either: (1) as specified herein; or (2) equal in character, style and quality to items specified herein. Bidder must warrant that his product will be equal or better than specified; otherwise, merchandise will be returned at bidder's expense. **If the bidder does not indicate otherwise, the bidder will furnish the exact item specified in this invitation.**

The Board of Education and/or the Chief Financial Officer reserves the right to accept or reject any and/or all bids in part or in whole, and to waive any minor irregularities in any bid. The Board of Education must approve all special purchases totaling \$25,000 or more. Special purchases are those that are not routine and that may or may not be specifically identified by line item in the budget.

All prices quoted must be complete and final **including inside delivery** and any specified set-up or installation of any nature. Quote only F.O.B. our location(s) unless otherwise indicated. It shall be the responsibility of successful bidders to make all necessary arrangements for delivery.

Partial payments will not be approved unless justification for such payment can be shown and conditions agreed upon by the vendor and the Chief Financial Officer.

The Clarksville-Montgomery County School System is not subject to Federal Excise Taxes, State of Tennessee Taxes or Local Taxes. Upon request, tax exemption certificates will be completed for vendors by the office of the Chief Financial Officer.

When requested or when a bidder is in doubt as to whether or not his product is equal or better, samples, specific information, specification, technical data, and/or demonstrations must be furnished for our inspection and/or testing at no expense to the Board of Education. If sample item(s) are not destroyed in testing, bidders may pick up their samples from the Purchasing Department.

If a vendor does not perform in accordance with the bid conditions or specifications or if a vendor fails to submit a bid on three (3) successive invitations, the Purchasing Department may remove the vendor from the official bid list.

Evaluation and award of bids will normally be on a line item basis, but the right is reserved to evaluate and award on group or aggregate basis or by any other method considered to be in the best interest of the Board of Education. Bids will be awarded to the best and lowest bidder. Volume discounts will be considered in awarding of bids.

Bid items are expected to be delivered within six weeks after the purchase order is issued unless otherwise stated.

When a bid for a service is awarded on a contract basis for a period of one year or more, should the service being provided become unsatisfactory and problems cannot be resolved, the Board of Education or the vendor can cancel said contract as per the prescribed period of written notification specified in the language of the approved contracts terminating the service for the remainder of the contract period. The Board of Education will not be obligated to continue payment on this contract after the written notice date and is free to secure other vendors to provide the contract service.

When installation work is involved, the successful bidder must maintain throughout such installation, Workers' Compensation Insurance with statutory limits including \$100,000 employer's liability for all their employees engaged in work related to our bid. If any portion of the work is sublet, such sub-contractor must also carry necessary insurance, hi addition, a successful bidder must present to the office of the Chief Financial Officer a Certificate of Insurance verifying public liability insurance for the limits of \$300,000 bodily injury, \$100,000 property damage or a combined single limit of \$300,000 including products and/or completed operations coverage.

GENERAL BID REQUIREMENTS

For any construction contractor that has more than five (5) employees, proof must be submitted of a Certified Drug Free Workplace Program in order to perform any contract with any state or local governmental agency. Application packages can be obtained through the Tennessee Department of Labor.

Questions about this invitation to bid should be directed to the Purchasing Department, phone 931-648-5600.

It is the policy of the Clarksville-Montgomery County School System not to discriminate against any student, employee, or applicant on the basis of sex, marital status, race, color, creed, national origin, sexual preference or handicapping condition.