

PURCHASING

All purchases made on behalf of the Midway School District (District) shall be executed in a fair, equitable, and legal manner using a process that helps ensure the best value for the District and its taxpayers. The purpose of this policy and accompanying regulation is to establish such procedures.

Establishment of a Purchasing System

The Midway School Board (Board) delegates overall purchasing authority to the Superintendent who shall serve as the District's chief procurement officer.

The chief procurement officer shall be responsible for developing and administering the purchasing program of the District, including the development and implementation of a requisition and purchasing system that is efficient, economical, and meets the standards below. A complete purchasing record system shall be maintained by the chief procurement officer. To ensure adequate checks and balances, the procurement officer shall not have purchasing authority.¹

General Requirements for Purchases

1. All purchases must conform to all applicable state laws, including, but not limited to, laws prohibiting disclosure of confidential and proprietary information.
2. All parties involved in purchasing shall act in good faith, and purchases at all levels shall be made in a manner and form that permits the highest degree of fair competition possible.
3. All purchases maybe documented through the purchase card (p-card) system, a purchase order, contract, invoice, or receipt. All records of purchases must be submitted to the chief procurement officer.
4. All purchases made through the purchasing system must have budget appropriations adequate to cover the cost of such obligations. Purchases not meeting this criterion must be approved by the Board.
5. Prior to making a purchase, the purchaser shall check current inventories to ensure that the purchase is necessary and determine if the item can be obtained through existing cooperative purchasing agreements under NDCC 54-44.4-13 or federal agencies contracted under 21-06-08. Purchases made through such agreements are exempt from the procurement procedures contained in this policy.
6. Procurement requirements may not be artificially fragmented as to constitute a small purchase or to avoid competitive purchasing requirements. Artificial fragmentation means splitting purchase requirements or splitting an invoice to stay below a certain dollar level to avoid competition or stay within delegated authority limits.

¹ Districts should consult with their auditors for guidance and review p-card rules if considering modification to these recommended checks and balances.

Fragmentation must be based on an actual need of the District, and documentation of this need shall be filed with the procurement officer.

7. If purchases are made using restricted funds (e.g., grant dollars), purchases must conform to any requirements associated with those funds.
8. Legal services shall only be retained in accordance with policy BDBB.
9. This policy is not applicable to public improvement/construction purchases.
10. Purchases requiring contracts must comply with the contracting standards contained in this policy and in law.

Purchasing Authority Thresholds

To determine the appropriate purchasing authority threshold, an estimate must be made. Estimated price may be based upon previous purchases, market research, a published price list, or asking a vendor for a budgetary estimate.

1. Purchases within the budget adopted by the Board may be made using the process outlined in policy HCAB. Purchases which will exceed the approved line item in the budget by more than \$5,000 will require Board approval.
2. P-Cards: The chief procurement officer is authorized to implement a purchase card system. While most purchases with p-cards shall conform to the purchasing standards contained in this policy, the chief procurement officer is authorized to make exceptions to this policy as follows. The chief procurement officer may issue cards to school staff not listed in this policy, ensuring that their cards have adequate spending caps in place given the nature of their positions and may waive specification and solicitation requirements for p-card purchases for items/services that are difficult or impossible to obtain through competitive purchasing (e.g., travel expenses). {In addition to these p-card requirements, the Board has adopted a separate p-card policy, HCAG.

Delegation of Purchasing Authority when Conflict of Interest Declared

In the event that an individual with purchasing authority has a conflict of interest under law, s/he shall contact the chief procurement officer who shall appoint another qualified district employee without a conflict to oversee the procurement process of the good/service at issue.

Purchases Requiring Contracts

Any purchase requiring a contract with a vendor/seller shall be approved by the Board prior to execution. Whenever possible, the District shall use the Office of Attorney General Sample Service Contract to enter into such agreements. When a vendor/seller supplies the contract, it shall be reviewed by the Superintendent and Business Manager and recommendations made to

the Board prior to approval. Contracts for purchases/services of \$10,000 or more shall be reviewed by the District's legal counsel prior to board adoption.

Contracts shall be no longer than one year in term and may contain options for renewals or extensions in accordance with law. The District shall not enter into contracts containing indemnity clauses and additional insured status when these clauses will benefit another party.

Unauthorized Purchases

All purchases must be made in a manner consistent with this policy and accompanying regulations and only with properly delegated authority. Purchases that are unauthorized shall become the financial responsibility of the purchaser. Purchases made in violation of this policy may become the financial responsibility of the purchaser subject to an investigation of the alleged violation conducted by the Superintendent or Board President when the alleged violation relates to the Business Manager or Superintendent. District employees may be subject to additional disciplinary consequences for making unauthorized purchases, including, but not limited to, revocation of purchasing authority.