

Winston-Salem/Forsyth County Schools

PURCHASING MANUAL



**Winston-Salem/Forsyth County Schools
Purchasing Department
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PURCHASING MANUAL

TABLE OF CONTENTS

TABLE OF CONTENTS	ii
INTRODUCTION	1
THE PURCHASING DEPARTMENT	1
PURCHASING REGULATIONS OF THE DIVISION OF FINANCIAL SERVICES	2
POLICIES OF THE STATE OF NORTH CAROLINA - PURCHASE AND CONTRACT DIVISION	2
GENERAL STATUTES - STATE CONTRACT ITEMS	2
EXEMPTIONS AND DELEGATION OF AUTHORITY	2
EMERGENCY PURCHASES	3
SPENDING INSTRUCTIONAL SUPPLY FUNDS (BLOCK GRANT)	3
AFFIRMATIVE ACTION POLICY FOR MINORITY/WOMEN/HANDICAPPED BUSINESS ENTERPRISES (HUBS – HISTORICALLY UNDERUTILIZED BUSINESSES)	3
ACCOUNT NUMBERS	3
PURCHASES LESS THAN \$5000	4
COMPETITIVE QUOTATIONS - PURCHASES BETWEEN \$5,000 AND \$90,000	4
SPECIFICATIONS	5
PURCHASE ORDER REQUIREMENTS	5
ISSUING ON LINE PURCHASE ORDERS (SARTOX)	5
REQUISITION FOR PURCHASE	6
STATE CONTRACT AND BID NUMBERS ON PURCHASE ORDERS	6
ENCUMBERING FUNDS	6
TELEPHONE PURCHASES	6
ORDERING ON APPROVAL	7
SINGLE SOURCE ITEMS	7
LEASE-PURCHASES AND INSTALLMENT PURCHASES	7
ORDERING ITEMS ON STATE CONTRACT	7
E-PROCUREMENT	7
LIBRARY BOOKS AND SUPPLIES	8
PURCHASING PRODUCTS WITH RECYCLED CONTENT	8
SURPLUS PROPERTY	8
PLACING CUSTODIAL AND INSTRUCTIONAL SUPPLY WAREHOUSE ORDERS	8
RETURNING WAREHOUSE ORDERS FOR CREDIT	9
RETURNING MERCHANDISE (ORDERS) TO VENDORS	9
BLANKET PURCHASE ORDERS	10
PURCHASING SCHEDULE	11
INVOICE ACCOUNTING	11
INCOMPLETE ORDER – (Partial Payments)	12
COMPLETE ORDERS	13
RECEIVING ORDERS	13
WHAT IS A RESPONSIBLE BIDDER?	13
BOE POLICY 3320: WS/FCS PURCHASING POLICIES	15
AR3320: WS/FCS ADMINISTRATIVE REGULATIONS - PURCHASING	16
BOE POLICY 3310: AFFIRMATIVE ACTION POLICY FOR HISTORICALLY UNDERUTILIZED BUSINESS ENTERPRISES	18

INTRODUCTION

The authority to purchase goods and services and to enter into contracts is given to Boards of Education by action of the North Carolina General Assembly. Therefore, most of the purchasing procedures of this school system are controlled and regulated by North Carolina General Statutes. Areas not specifically addressed by the General Statutes are regulated by administrative procedures, regulations and locally adopted policies.

Schools and administrative areas issue purchase orders from their individual accounts from their work location.

Equipment, supplies, materials and services necessary to the operation of the School System are purchased by the Purchasing Department, Administrative and Instructional Departments, Individual Schools, the Division of Operations or one of the departments of the Division of Operations: (1) Food Services, (2) Maintenance, and (3) Transportation.

All areas purchase for their individual needs except that the Purchasing Department will purchase for Individual Schools, Divisions or Departments as the need arises.

Purchases will be made in accordance with (1) policies set forth in the Purchasing Manual of the State of North Carolina, Purchase and Contract Division, (2) the Winston-Salem/Forsyth County Schools Purchasing Manual, (3) Administrative Regulations of the Winston-Salem/Forsyth County School System and (4) regulations and procedures established by the Division of Financial Services.

The North Carolina Department of Administration, through the Division of Purchase and Contract, is charged with jurisdiction and control over the specifications and purchase or contract for equipment, materials, supplies and services required by all agencies of State Government with the exception of certain items such as textbooks, instructional items and food.

Under the requirements of G.S. 115C-522, *it is the duty of local boards of education to purchase or exchange all their supplies, equipment, and materials in accordance with contracts made by or with the approval of the Department of Administration.* Public schools can, however, contract directly for any services which they require. Individual Schools must comply with the statutes that are directed to local Boards of Education. It is the responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based. This manual describes the procedures for purchasing to ensure that statutory requirements are met.

THE PURCHASING DEPARTMENT

The goal of the Purchasing Department of the Winston-Salem/Forsyth County Schools is to provide the best products and services available at the most reasonable cost, with all consideration to be in the best interest of the Individual Schools, the Department of Financial Services and the entire School System while providing a climate of fair and open competition for all qualified vendors.

PURCHASING REGULATIONS OF THE DIVISION OF FINANCIAL SERVICES

The regulations stated in this manual are a guide for those involved in purchasing. Observance of the regulations will help to accomplish the following:

- (1) Comply with policies of the State Purchase and Contract Division;
- (2) Comply with good business practices as established by auditors;
- (3) Control expenditures in each account;
- (4) Standardize purchasing practices.

POLICIES OF THE STATE OF NORTH CAROLINA - PURCHASE AND CONTRACT DIVISION

It is the policy of the Division of Purchase and Contract to:

Conduct all purchasing activities according to applicable law, rules and regulations of good purchasing practices and professional principles.

Establish a practical degree of standardization of equipment, supplies and materials, with reasonable allowance for varying requirements of the agencies served.

Encourage fair and open competition by legitimate and ethical means.

Obtain, whenever feasible, favorable prices through volume buying.

Extend honest, courteous and impartial treatment, along with fair and equal opportunity, to all interested and qualified suppliers.

Require satisfactory and proper performance of contractual obligations from all vendors.

GENERAL STATUTES - STATE CONTRACT ITEMS

All State Contract items, the State Purchasing Manual and other related purchasing information can be located on the State of North Carolina Purchase and Contract Home Page:

<http://www.doa.state.nc.us/PandC/>

EXEMPTIONS AND DELEGATION OF AUTHORITY

Some items and services are exempt from the above policy and the State therefore delegates authority to local school units in purchasing the following:

Perishable food products
Published material produced by others
Maps, charts, globes, recordings, filmstrips, videos

EMERGENCY PURCHASES

For the purpose of this manual, emergencies are defined as situations which endanger lives, property, or the continuation of an important program, and which can be corrected only by immediate on-the-spot purchase or rental of equipment, supplies, materials or services.

When circumstances require such action, verbal approval should be obtained from the Purchasing Department.

SPENDING INSTRUCTIONAL SUPPLY FUNDS (BLOCK GRANT)

These regulations govern the spending of instructional supply funds. Basically, the regulations state that these funds are to be spent for instructional materials, supplies and small equipment. Items meeting any one or more of the following conditions may be purchased with instructional supply funds:

1. It is consumed in use.
2. It loses its original shape or appearance with use.
3. It is expendable; that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace it with an entirely new unit rather than repair it.
4. It is an item costing \$1,000 or less or it is a service such as rental of instructional equipment which is used as a part of the instructional program.
5. *Furniture items may not be purchased from Instructional Supply Funds.*

AFFIRMATIVE ACTION POLICY FOR MINORITY/WOMEN/HANDICAPPED BUSINESS ENTERPRISES (HUBS – HISTORICALLY UNDERUTILIZED BUSINESSES)

It is the policy of the Board of Education to actively seek and identify qualified minority, women and handicapped business enterprises and to offer them the opportunity and encourage them to participate in the School Systems' contracting and purchasing program. See School Board Policy 3310. We are required by state statute to report spending with HUBS on a quarterly basis.

ACCOUNT NUMBERS

There are four (4) basic account numbers from which schools spend:

- 1-5110-061-411 - school code - State Instructional Funds
- 1-5110-061-541 - school code - State Equipment Funds
- 2-5110-061-411 - school code - Local Instructional Funds
- 1-5350-069-411- school code - At Risk Supplies

The 411 accounts are Instructional Supply funds. Administrative Regulation 3320 explains how these funds are to be used. Basically, a 411 account is for any item costing less than \$1,000(including tax and shipping). However, some instructional items that exceed the \$1,000 limit such as maps, instructional kits, encyclopedias and systems may be purchased from the 411 account.

The 541 account is for capitalized equipment in cases where individual items cost in excess of \$1,000(including tax and shipping) such as computers and equipment. (e.g. The purchase of a computer system of individual components totaling greater than \$1,000 to the same vendor on the same Purchase Order is allowed from the 541 account. Individual items such as monitors, printers, CD ROMs, etc., costing less than \$1,000 (including tax and shipping), placed with different vendors on different Purchase Orders must be paid from a 411 account.)

PURCHASES LESS THAN \$30000

The purchase of items not on State Contract and totaling less than \$30000 may be made without acquiring competitive quotations. However, it is important to keep in mind that this procedure is not to be used to circumvent normal purchasing practices. This procedure may be used to obtain small quantities of items not available under existing contracts, to buy limited quantities where the normal method would result in excessive cost in relation to the value of the material or to buy several inexpensive items. If such purchases are of a recurring nature, a discount schedule, special price arrangements negotiated with one or more vendors, or consideration given to the issuance of a blanket purchase order to one or more vendors would be in order. It is also important that fair and open competition be maintained when making small purchases. **It is recommended that competitive bids be acquired with any significant purchase. Assign bid number and file documentation.** The \$30000 limit applies to the total cost rather than for any single item. Orders cannot be separated into smaller orders to circumvent this provision.

COMPETITIVE QUOTATIONS - PURCHASES BETWEEN \$30000 AND \$90,000

Requirements for items not on State Contract that total between \$30000 and \$90,000 and that are not in the exempt category, must be purchased by use of the informal bid method. Telephone quotations are described as informal bids and are acceptable for purchases up to \$90,000 if documented in writing and placed on the Informal Bid Form. Written quotations are preferred and should be requested when time permits, and are required for quotations above \$90,000. (See Informal Bid Form for documenting information Page.)

The general practice of this school system is to request quotations in writing. Quotations should be requested from several sources with the minimum number being three. Fair and open competition shall be maintained in seeking competitive quotations. A two week response time should be allowed for return of a written quotation. ***Indicate Bid Number in the appropriate area on all purchase orders when submitting to Purchasing or when entering your own purchase orders.***

Requirements totaling \$90,000 or more require that a formal bid process be done unless already bid but the state and the items are on state contract. This would satisfy the bids requirements. The \$90,000 limit applies to the total cost rather than for any single item. Items may not be divided to alter the application of this provision. Assistance in preparing specifications and soliciting quotations will be provided by the Purchasing Department.

SPECIFICATIONS

A purchase specification is restrictive in that it sets limits on what is acceptable. Specifications must not be unreasonably restrictive as this will eliminate competition. Usually, more than one make or brand of a particular item is satisfactory. In developing specifications, an attempt must be made to specify a quality that is suitable for the intended use, not seeking the most expensive nor the least expensive and not restricting beyond what is reasonable. Public funds are not appropriated to provide “deluxe” or luxurious levels of quality. Emphasis on performance, function, utility, economy and quality for price should be the direction of specifications.

PURCHASE ORDER REQUIREMENTS

It is necessary that a purchase order be obtained before any purchase is made if payment for that purchase is to be handled by the Financial Services Division. Purchases which do not comply with this regulation are unauthorized and must be paid for by the individual or by the school placing the order. ***Persons not acquiring purchase orders and making charges to the Winston-Salem/Forsyth County Schools will be personally responsible to the vendor for payment. No sale is authorized to the Winston-Salem/Forsyth County School System without a purchase order number.***

ISSUING ON LINE PURCHASE ORDERS (SARTOX)

In order to key purchase orders at remote locations, users must be trained in software use and have a SARTOX user profile recorded with purchasing and approved by the Department of Technology. Each user will be allowed access only to account numbers for which they are responsible. Instructions are covered in the training sessions which are required prior to using the system. Contact purchasing to schedule training.

REQUISITION FOR PURCHASE

For items ordered from accounts not controlled at the school level or for maintenance contracts or other renewals, please use a “Requisition for Purchase” form to complete your order request. Send to appropriate department for completion.

STATE CONTRACT AND BID NUMBERS ON PURCHASE ORDERS

All State Contracts have assigned numbers for each commodity. All bids, formal or informal are assigned a bid number.

Enter the State Contract number or bid number on the description line of purchase orders when placing orders for items in either of these categories.

ENCUMBERING FUNDS

State law requires that funds be encumbered for each purchase prior to the actual placement of the order. The encumbrance of funds provides the Division of Financial Services and Purchasing Department the following: (1) assurance that sufficient funds are available for the purchase from an appropriate account; (2) an opportunity to determine if the purchase is in accordance with established purchasing procedures, and, (3) the opportunity to verify that the purchase has been authorized by the person responsible for that account.

The Board of Education is not responsible for the payment of invoices for orders placed without complete authorization and without being assigned a purchase order number.

TELEPHONE PURCHASES

Telephone purchases are not recommended and should only be used when time does not permit going through normal procedures. Sometimes it is necessary, however, to call in a purchase order to a company for a product or service such as a repair for equipment not covered under a repair contract. This is not recommended since funds must be available prior to issuance. To protect yourself and to follow the School Budget and Fiscal Control Act, issue your purchase order at the same moment it is called in to a company so appropriate funds will be encumbered. *If the exact amount is unknown, estimate as closely as possible and key in order. Do not wait for invoice to be received to issue purchase order. Do not allow a purchase order to be given if funds are not available to cover the expenditure.* The maximum amount allowed for a telephone purchase, without the approval of the Purchasing Department, is \$200.

ORDERING ON APPROVAL

Ordering on approval is not a recommended practice. However, if this becomes necessary, the vendor must be advised that an invoice cannot be issued until a purchase order is received.

Purchase orders for preview items are not issued until the decision is made that these items will be kept and a requisition is received in the Purchasing Department.

It is not permissible to receive material from a company prior to July 1 of any given year with the understanding that invoicing will occur after a purchase order is issued in July of that year. In fact, commitments cannot be made for any purchase unless there are sufficient funds available to pay for the items purchased.

SINGLE SOURCE ITEMS

Single source items are items for which there is only one dealer, distributor, or manufacturer from which to purchase that item in a particular area. Such items costing \$10,000 or less may be purchased locally provided this is documented in writing. Efforts should continually be made to locate additional sources of satisfactory substitute items. *If the item cost exceeds \$90,000, a formal Request for Bid is required although the item is determined to be single source.*

LEASE-PURCHASES AND INSTALLMENT PURCHASES

Lease-Purchases and Installment Purchases are allowed in North Carolina Public Schools for automobiles, buses, mobile classrooms, photocopiers, computer hardware, software, and related support services. Contact Purchasing for specific details in regard to Lease-Purchases or Installment Purchases.

ORDERING ITEMS ON STATE CONTRACT

All term contracts are numbered and term contract items are assigned a classification certification number. *Please use the numbers assigned by Purchase and Contract for all orders of State Contract items on the purchase order; preferably place the contract number on the description line.* State contracts are listed on the Internet at: <http://www.doa.state.nc.us/PandC/>

E-PROCUREMENT

The Winton Salem Forsyth County School system was E-procurement certified in the 2003-04 school year. The purchasing department works to obtain a 40% or greater participation rate. Participation reports are sent quarterly to the state. The purchasing department strives to use the E-Procurement system to the extent that it best serves the Winston Salem Forsyth County School system.

LIBRARY BOOKS AND SUPPLIES

Library books are not listed on State Contract nor does the Purchase and Contract Division require that the usual bid process be used in purchasing library books. The Purchasing Department, however, receives bids and negotiates prices with jobbers annually and recommends those jobbers offering the school system the most attractive offers. The majority of the library book requirements are to be purchased from jobbers approved by the Division of Instruction and the Purchasing Department. Orders may also be placed directly with publishers when this is advantageous to the school system.

Library supplies are also bid by the Purchasing Department and orders must be placed with the approved vendors at the established discount rates. All orders must include bid number and vendor's rate of discount.

PURCHASING PRODUCTS WITH RECYCLED CONTENT

The Governor's Executive Order Number Eight mandates that State Government reduce landfill solid waste by 50% by increasing the use of products with recycled content. State Statute mandates that we increase in percentage yearly the quantity of products used with recycled content. We are also mandated to report annual consumption of all items with recycled content compared to virgin content products. This report is due on October 1 each year. Information is recorded as the purchase order is issued referencing recycled content of products. Items with recycled content must be indicated on purchase orders. We are required by the mandate that 65% of all the paper products we purchase have recycled content.

SURPLUS PROPERTY

When property, other than real property, which is owned or held by a local Board of Education, becomes surplus or undesirable, the Board may sell this property through the Surplus Property Division of the North Carolina Department of Administration in accordance with G.S. 115C-518. Any local disposition shall be by sealed bid, public auction or trade or sell to another public agency.

PLACING CUSTODIAL AND INSTRUCTIONAL SUPPLY WAREHOUSE ORDERS

All Custodial and Instructional Supplies are ordered using SARTOX Warehousing software. For Instructional Supplies from the warehouse, use only your State (01) Instructional Supply account number. *Please do not place separate orders for individual teachers. Combine entire school needs in single order.*

Users must have a SARTOX user profile recorded with Purchasing and approved by the Department of Technology to key orders into the system.

All entries must be updated by the person placing the order and approved by the Account Manager (Principal) before the warehouse can access records and fill the orders.

Except for summer orders, effort will be made for orders to be delivered within three (3) days.

Items “out-of-stock” will be automatically back-ordered for the school and will be delivered when received in the warehouse. The school should notify the warehouse immediately concerning any discrepancy in the delivery of an order.

It is requested that all warehouse supply orders be of sufficient quantity to last for at least four (4) weeks. The principal is responsible for planning individual school allocations to last for the entire year.

RETURNING WAREHOUSE ORDERS FOR CREDIT

1. Warehouse personnel must enter the credit.
2. Provide the Warehouse a copy of Shipping/Receiving document showing the requisition number.
3. Return merchandise to Warehouse after notifying warehouse manager.
4. Account will be credited.

RETURNING MERCHANDISE (ORDERS) TO VENDORS

1. Call or write vendor when items are to be returned.
2. Clarify with vendor whether school is responsible for restocking fees.
3. Explain reason for return and acquire a Return Authorization (RA) or Return Merchandise Authorization (RMA) number.
4. Record Return Authorization number on all correspondence and on the package being returned.
5. Record the person’s name that authorized the return and the date the authorization occurred.
6. Place copy of original invoice in box being returned. (Request invoice from Purchasing.)
7. Package securely with sealing tape to insure the safe return of all packages.
8. If the company is responsible for the return, request a UPS or other carrier pickup ticket.

9. UPS or other carrier will call upon the school and request the package.
10. Keep record of the UPS pickup ticket.
11. Record all dates and references associated with the return.
12. Send copies of all correspondence, including appropriate purchase order number to Purchasing.
13. Credits will be received in Purchasing. When the above has been completed, make notations on goldenrod copy of purchase order and forward to Purchasing Department requesting cancellation of purchase order.

BLANKET PURCHASE ORDERS

A Division, Department, or Individual School that has a recurring need for miscellaneous items of a minor nature which are not available under existing contracts may submit a request to the Director of Financial Services or his designee for approval of a blanket purchase order. The request must provide the following information:

1. The category of items or materials needed; e.g., plumbing supplies, automotive parts, lumber, etc.
2. The period of time to be covered by the order; e.g., 30 days, 90 days, 180 days, etc.,
3. The total amount of money which can be encumbered under the blanket order and the dollar limit applicable to each individual transaction;
4. Names of individuals who would be authorized to place orders.

Upon approval of the request, various vendors must be contacted in order to obtain the most favorable discounts or net prices. A blanket purchase order may then be issued and must contain the information listed above and also indicate the data required on delivery tickets, invoicing, and billing instructions.

Merchandise received shall be accompanied by delivery tickets specifying the name of the supplier, the number of the blanket purchase order, name of person placing call or making pick-up, itemized list of supplies furnished, quantity, unit price(s), extension(s), applicable discounts, and date of delivery.

Receipt of the supplies shall be acknowledged on the delivery ticket by the signature of a person authorized to sign for such deliveries. Tickets should be forwarded to the appropriate office and held there for an invoice. Vendors shall submit invoices at least once a month. Invoices will be reconciled with signed delivery tickets prior to processing for payment. Blanket purchase orders are limited to \$2500 each except by approval of the Director of Financial

Services or his designee. Person signing and approving delivery tickets must notify Purchasing or Accounts Payable to close purchase order.

PURCHASING SCHEDULE

In order to use funds appropriated for any given year, orders should be placed prior to the listed dates. Consider the dates as deadlines:

- A. Instructional Equipment.....January 15
- B. State(01) and Federal(03) Instructional Supply
Funds for orders other than from Warehouse..... April 1

Instructional Supplies, Library Books, A-V Materials,
Miscellaneous supplies for individual departments

**Indicate “no back orders” and “cancel after 30 days”
on all orders placed after February 15.**
- C. Local(02) Instructional Supply Funds orders
to vendors May 1
- D. Instructional supplies from Warehouse using State and
Local Funds..... May 1

(Specific instructions will be sent to each school by the Financial Services Department.)

NOTE: It is imperative that orders using State and Federal Funds be placed early enough to avoid the loss of funds. If funds are not completely spent before the end of May, purchase orders are voided and funds are lost. ***SIMPLY ENCUMBERING FUNDS DOES NOT MEAN THAT THE FUNDS ARE SPENT. SPENDING FUNDS SUBJECT TO BEING LOST MEANS THAT FUNDS ARE ENCUMBERED, ITEMS ARE RECEIVED, GOLDENROD COPIES OF PURCHASE ORDERS ARE SIGNED, INVOICES ARE RECEIVED, ALL DOCUMENTS ARE PROCESSED FOR PAYMENT AND CHECKS ARE WRITTEN PRIOR TO THE JUNE CLOSING DEADLINE.*** April 1 is the suggested deadline for placing such orders, but it is recommended that orders be placed prior to that date. If an invoice is not received in time for payment by the first week in June, it will be necessary to use local funds for the next school year for payment.

INVOICE ACCOUNTING

Each school or department shall assign an individual the responsibility of verifying orders received. This person is responsible for handling EDOC copies of purchase orders from the time

they are received in each school, or department, until they are returned to the Purchasing Department for payment. This duty shall be referred to as “Invoice Accounting:”

- ◆ All invoices will be held in Purchasing for payment.
- ◆ If any location receives an invoice which is to be paid by Purchasing, please forward to the Purchasing Department immediately.
- ◆ **The EDOCS (accounts payable) copy of the purchase order and the packing slips are the official receiving documents in this school system.**
- ◆ Each location should keep copies of packing slips.

Vendors are paid upon successful delivery of ordered items. Many invoices are for partial shipments of your purchase order. Please consider the need for prompt payment as you “expedite the approval process.”

- ◆ Please use the green mail pouches for sending the receiving documents to the Purchasing Department. The empty green pouches will be returned to your location. Each location is assigned two (2) pouches so one will always be available at each location for sending receiving documents to the Purchasing Department for payment.

INCOMPLETE ORDER – (Partial Payments)

If delivery does not include all items ordered:

- ◆ Compare items received with the packing slip.
- ◆ Indicate on EDOCS copy which items have been received with a check mark (✓) by the quantity of the item(s).
- ◆ .
- ◆ On the copy, acquire original signature of account manager on “Receiving Officer” line (bottom right corner), attach the packing slip, date and forward to the Purchasing Department in one of your green mail pouches.
- ◆ .
- ◆ If a second or subsequent delivery follows and the order is still incomplete, repeat the copy process for each delivery, attach the appropriate packing slip and send both to the Purchasing Department with original signature and date applied to copy of purchase order.
- ◆ Send signed EDOCS copy only when:

1. Delivery is complete.
2. Backorders are canceled.
3. The 60-day cancellation period has expired.
4. You have verification that no further shipments will be made.
5. When purchase order needs to be voided.

COMPLETE ORDERS

- ◆ Upon examination of delivery and verification of packing slips, if order is complete, have account manager sign EDOCS copy of purchase order on the “Receiving Officer” line (bottom right corner), date and forward to the Purchasing Department in one of your green mail pouches. Pouches will be returned to locations daily.
- ◆ **If invoice amount exceeds purchase order encumbrance by \$50, school or originating department will be notified for approval. Otherwise, vendor will be paid amount invoiced.**

RECEIVING ORDERS

- ◆ Each purchase order should indicate shipping to someone’s attention. The recipient is responsible for forwarding all packing slips to the Invoice Accounting person as soon as the order is received, opened, and contents verified.
- ◆ If a packing slip is *not* included with the delivery, please make a notation of such on the EDOCS copy of the purchase order or other receiving document copy prior to returning to the Purchasing Department. **DO NOT HOLD EDOCS COPY IF PACKING SLIP IS NOT INCLUDED WITH DELIVERY.**
- ◆ The signed EDOCS copy should be sent to the Purchasing department within five (5) days of receipt of order.

VOCATIONAL EDUCATION, EXCEPTIONAL CHILDREN, TITLE 1, ETC.

- ◆ Account Managers should sign the EDOCS copy of the purchase order and follow the same procedures as stated above.
- ◆ The Purchasing Department will forward your signed copies to respective departments for final signatures.

WHAT IS A RESPONSIBLE BIDDER?

A **Responsible Bidder** is a bidder who does not vary from the specifications and terms set out by the School System in the Invitation To Bid. A responsible bidder is a bidder whose reputation, past performance and business and financial capabilities are such that he would be judged by the School System to be capable of satisfying bid specifications to provide a specific product or service.

The following criteria are required of a responsible bidder:

1. Have sufficient financial resources to complete the order.
2. Can meet quoted delivery, considering all business commitments.
3. Has a satisfactory record of performance and integrity.
4. Conforms to equal opportunity clauses.
5. Has the necessary production and technical equipment and facilities (or ability to readily obtain them).
6. Has the necessary organization experience, operational controls, and technical skills (or ability to readily obtain them).
7. Is an authorized distributor or vendor for the requirement.
8. Is otherwise qualified and eligible to receive an award under applicable laws and regulations.
9. Bids within a competitive price range.
10. Meets all requirements of the solicitation (delivery, quality and price).
11. Competes in the market for providing items to be procured as a normal course of daily business.
12. Arrives at the bid price independently.

The emphasis has been placed on the bidder being responsible in terms of providing the product or service on a timely basis at a reasonable price and in sufficient quantity to meet our needs. Public Purchasing has an obligation to be fair and ethical in the development of specifications. To accomplish both we should not be restrictive to our bidder list or in any type of language in our specifications that would tend to eliminate a responsible bidder. Specifications should be fair, reasonable, just and considerate to cover the entire field of bidders.

BOE POLICY 3320: WS/FCS PURCHASING POLICIES

February, 2009

- I. **Introduction and Statutory Authority.** Effective no later than April 1, 2004, the Winston-Salem/Forsyth County Schools (WS/FCS) is no longer required to purchase all supplies, equipment, and materials in accordance with contracts made by the Department of Administration. From that date forward, the WS/FCS is authorized to make purchases pursuant to Article 8 of Chapter 143 of the North Carolina General Statutes in the same manner as cities and counties. The purpose of this Policy is to establish the authority of the Board of Education, Superintendent and staff to make purchases based upon North Carolina Law.
- II. **Delegation of Authority.**
- A. **Formal Bid Requirements.** The Board of Education delegates the authority to the Superintendent or his designee to purchase all supplies, equipment, and materials in excess of \$90,000 by competitive bids or as required by Article 8 of Chapter 143 of the North Carolina General Statutes with the exception of “sole source” contracts and “piggybacking” contracts.¹ The Board of Education authorizes the Superintendent or his designee to advertise bids electronically rather than by publication in newspaper.
- B. **Informal Bids.** Although N.C.G.S. § 143-129 and 143-131(a) allow informal bids for supplies, equipment and materials between \$30,000.00 and \$90,000.00, it is the policy of this Board of Education to allow the Superintendent or his designee, the Director of Purchasing, to have the authority to purchase all supplies, equipment, and materials between \$5,000.00 and \$90,000.00 by informal bids by telephone, facsimile or e-mail. A record shall be made of bids received informally but bids are not subject to public inspection until a contract is awarded. No minimum number of bids is required but three is recommended. The Superintendent or his designee, the Director of Purchasing, also is authorized to conduct reverse auctions and electronic bidding.²
- III. **E-Procurement.** Once WS/FCS is certified as compliant with the new state E-Procurement system, it shall to the extent practicable, 30% of its remaining unencumbered funds for the purchase of supplies, materials, computer software, and other tangible personal property for the 2003-04 fiscal year through the E-Procurement Service. The following year the expenditure requirement shall increase to 35%, and then to 40% the third year. The Purchasing Department is encouraged to use the E-Procurement System to the extent it serves the best interests of the WS/FCS.
- IV. **Competitive Group Purchasing.**
- A. **Department Of Administration.** To the extent authorized by law, the Superintendent or his designee, the Director of Purchasing, may purchase supplies, equipment, and materials in accordance with contracts awarded by the North Carolina Department of Administration.
- B. **Purchasing Cooperatives.** To the extent authorized by law, the Superintendent or his designee, the Director of Purchasing, may purchase supplies, equipment, and materials through a competitive group purchasing group made up of units of local government, such as the city and/or county as well as other local education units.³

Adopted: March 2004
Revised: February 2009

¹ N.C.G.S. § 143-129(g)

² N.C.G.S. § 143-129.9

³ N.C.G.S. § 143-129(e)(3)

AR3320: WS/FCS ADMINISTRATIVE REGULATIONS - PURCHASING

March 2010

- I. Spending Instructional Supply Funds.
 - A. All public school funds are required to be spent pursuant to North Carolina law and Winston-Salem/Forsyth County Board of Education policy and regulation.
 - B. State and local instructional supply and material funds allocated to individual schools will be set up in the following manner:
 - 1. An account will be maintained in the Financial Services Department for funds on deposit of individual schools; and
 - 2. At the Principal's discretion, a school may have a portion of these funds deposited in their local school account.
 - C. All expenditures of Instructional Supply funds on account with the Financial Services Department must be made by keying orders into the SARTOX ordering system.
 - D. These funds are budgeted for instructional supplies and materials and should not be used to purchase equipment. Instructional supplies are an article or material meeting one or more of the following conditions:
 - 1. It is consumed in use;
 - 2. It loses its original shape or appearance with use;
 - 3. It is expendable, such that, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace with an entirely new unit rather than repair it; or
 - 4. It is an item costing \$1,000.00 or less having characteristics of equipment or it is a service such as rental of instructional equipment, which is used as a part of the instructional program.
 - E. Furniture items may not be purchased from Instructional Supply funds.
 - F. Such items as the following are appropriate purchases from this account:
 - 1. Instructional Supplies;
 - 2. Books (including library, music and classroom reference);
 - 3. Sheet music for band, orchestra and chorus;
 - 4. Filmstrips, records, tapes, software;
 - 5. Maps, globes, charts and projection screens;
 - 6. Hand tools;
 - 7. Audio-visual carts; and
 - 8. Other items priced under \$500.00;
 - G. The Superintendent or his designee reserves the right to disapprove any request for expenditure of these funds.

II. Career and Technical Education Supplies and Equipment. Federal and state funds allotted for Career and Technical Education programs must be spent for that purpose. Any school which has had a Career and Technical Education program phased out for any reason should transfer any unspent monies to other Career and Technical Education programs within the same school.

III. Instructional Supply Orders.

A. All items listed in the Instructional Supply Catalog are stocked in the Warehouse and must be ordered using the SARTOX Ordering System.

B. A copy of the items shipped will accompany each delivery and serve as the “delivery ticket”.

C. The Principal is responsible for expenditures from school accounts and must approve all orders electronically before they are released in the SARTOX Ordering System. Supplies are delivered daily. Except for summer orders, orders will be delivered within three (3) business days after orders are placed. Sales tax is included in catalog price.

D. Items “out-of-stock” will be automatically back-ordered for the school and will be delivered when received in the warehouse. The school should notify the Warehouse immediately concerning any discrepancy in the delivery of an order.

IV. Janitorial Supply Orders.

A. All items in the catalog of Janitorial Supplies are stocked in the Warehouse and must be ordered using the SARTOX Ordering System.

B. Follow the same procedures as ordering instructional supplies. See Section III., above.

C. It is requested orders of janitorial supplies be of sufficient quantity to last a period of at least four (4) weeks. The Principal is responsible for the school’s allocation for janitorial supplies to last for the entire year.

D. Monies in the custodial supply account must be spent on custodial supplies. The supplies must be ordered from the custodial supply warehouse using the SARTOX Ordering System.

V. Other Orders. Items not stocked in the warehouse may be obtained by entering an order with the vendor using the SARTOX Ordering System. If the vendor is not currently listed, contact the Purchasing Office to establish the vendor information. Add sales tax and, if required, transportation, to all orders placed through the SARTOX Ordering System.

VI. Emergency Purchases. See current Purchasing Manual concerning emergency purchases.

VII. Purchase Order Requirements.

A. It is necessary a Purchase Order Number be obtained before any purchase is made if payment is to be made through Financial Services. The WS/FCS auditors require Purchase Orders be dated prior to the date of the invoice. It is therefore unacceptable to have an invoice prior to requesting a purchase order.

B. Purchases which do not comply with the above regulations must be paid by the individual school or person involved.

Adopted: April 1993
Revised: June 2000; March 2010

BOE POLICY 3310: AFFIRMATIVE ACTION POLICY FOR HISTORICALLY UNDERUTILIZED BUSINESS ENTERPRISES

November, 2008

I. Statement on Non-Discrimination

It is the policy of the Winston-Salem/Forsyth County Board of Education to provide historically underutilized businesses, i.e. minorities, disabled persons and women owned and operated businesses, equal opportunity to participate in all aspects of school system contracting and purchasing programs, including but not limited to: participation in procurement contracts for materials, supplies, and equipment, contracts for professional, support and other services, and contracts for the construction, renovation or repair of school facilities and equipment.

It is further the policy of the Board of Education to prohibit discrimination against any person or business enterprise on the basis of race, color, ethnic origin, sex, disability or religion and to conduct its contracting and purchasing programs so as to prevent such discrimination.

II. Definitions

The term "Historically Underutilized Business" (HUB) means a business in which 51% of the business is owned or controlled by one or more persons who are a minority, disabled as defined by G.S. 168-1 or G.S. 168A-3, or socially and economically disadvantaged as defined in 15 U.S.C. § 637. The term includes minority business enterprises (MBEs), women business enterprises (WBEs) and disabled business enterprises (DBEs).

The term "minority person" as defined in N.C.G.S. § 143-128.2(g)(2) means a person who is Black or African-American, Hispanic, Asian American, American Indian, or female.

The term "disabled person" means someone who (1) has a physical disability that substantially limits one or more major life activities; (2) has a record of such impairment; or (3) is regarded as having such an impairment as defined in N.C.G.S. § 168-1 or N.C.G.S. § 168A-3.

The term "disabled business enterprise" means a nonprofit entity whose main purpose is to provide ongoing habilitation, rehabilitation, independent living, and competitive employment for persons who are handicapped through supported employment sites or businesses operated to provide training and employment and competitive wages.

The term "socially and economically disadvantaged individual" is as defined in 15 U.S.C. § 637.⁴

The term "owned and controlled" means a business which is: (1) a sole proprietorship legitimately owned by a person who is a minority, disabled person or a woman; (2) a partnership or joint venture controlled by minorities, disabled persons and/or women, and in which at least 51% of the beneficial ownership interests legitimately are held by minorities, disabled persons and/or women; or (3) a corporation or other entity controlled by minorities, disabled persons and/or women, and in which at least 51% of the voting stock or interest and 51% of the beneficial ownership

⁴ 15 U.S.C. § 637(4)(A). The term "socially and economically disadvantaged small business concern" means any small business concern which meets the requirements of subparagraph (B) and - (i) which is at least 51 per centum unconditionally owned by - (I) one or more socially and economically disadvantaged individuals, (II) an economically disadvantaged Indian tribe (or a wholly owned business entity of such tribe), or (III) an economically disadvantaged Native Hawaiian organization, or (ii) in the case of any publicly owned business, at least 51 per centum of the stock of which is unconditionally owned by - (I) one or more socially and economically disadvantaged individuals, (II) an economically disadvantaged Indian tribe (or a wholly owned business entity of such tribe), or (III) an economically disadvantaged Native Hawaiian organization. (B) A small business concern meets the requirements of this subparagraph if the management and daily business operations of such small business concern are controlled by one or more - (i) socially and economically disadvantaged individuals described in subparagraph (A)(i)(I) or subparagraph (A)(ii)(I), (ii) members of an economically disadvantaged Indian tribe described in subparagraph (A)(i)(II) or subparagraph (A)(ii)(II), or (iii) Native Hawaiian organizations described in subparagraph (A)(i)(III) or subparagraph (A)(ii)(III).

interests are legitimately held by minorities, disabled persons and/or women. In addition, these persons must control the management and operations of the business on a day-to-day basis.

III. Statement on Affirmative Action

It is the policy of the Board of Education in concert with other local, state and federal agencies and with the assistance of minorities, disabled persons and women's groups and agencies, to actively seek and identify qualified HUB enterprises and to offer them the opportunity to participate, and to encourage them to participate, in the school system's contracting and purchasing programs.

It is not the policy of the Board to provide information or other opportunities to HUB enterprises that will not be available to all business enterprises. It is the intent of this policy to establish procedures designed to assure HUB enterprises access to information and opportunities available to other business enterprises.

It is not the intent of this policy to establish procedures that will increase the cost of the school system's construction and purchasing programs.

D. It is the intent of this policy to widen opportunities for participation, to increase competition and to reduce costs.

E. It is the intent of this Policy to comply with the opinion of the United States Supreme Court in *Richmond v. A. J. Croson Co.*, 488 U.S. 469 (1989)

IV. Affirmative Action Plan and Goals

Identification/Certification of HUB Enterprises

The school system shall affirmatively seek out and gain knowledge of HUB enterprises and their products and services.

To ensure that the school board's affirmative action policy assists HUB enterprises, the school system shall verify the eligibility of HUB enterprises and joint ventures involving HUB enterprises.

The school system may use the data bank describing products and services provided by HUB enterprises as certified by the City of Winston-Salem in order to identify HUBs in Forsyth County and, if necessary, within the Piedmont Triad Metropolitan Urban Services District.

Criteria for Certification of HUBs. **A HUB is bona fide only if the minority, disabled person or disadvantaged person ownership interests are real and continuing and not created solely to meet the HUB or MBE/WBE requirement. In addition, the HUB or MBE/WBE must itself perform satisfactory work or services or provide supplies under the contract and not act as a mere conduit for these services.**

Certification Review Committee. **The Superintendent shall appoint a HUB/MBE/WBE Certification Review Committee to resolve any and all disputes concerning a business's eligibility for certification as a HUB, MBE or WBE. The committee shall include at least one representative from the Triad Minority Supplier Development Council, one from the Better Business Bureau, and one representative from the Winston-Salem Chamber of Commerce.**

Communications with HUB Enterprises. **The Board of Education or its designee shall provide information to HUB enterprises about its procurement needs and purchasing procedures. This shall be accomplished by:**

Membership and/or participation in the Triad Minority Supplier Development Council;

Sponsorship or participation in annual purchasing seminars for locally-owned businesses in general and HUBs in particular. Efforts will be made to jointly sponsor these seminars with the City of Winston-Salem, the Better Business Bureau, the Winston-Salem Chamber of Commerce and other public and private agencies;

Advertising for bids in media that reaches HUBs, sending a notice to each MBE/WBE engaged in any aspect of school construction that is identified and certified as described above (and to any other construction contractor which requests a notice) of each school construction project that is advertised for bids, insuring that prospective MBE/WBE bidders and subcontractors have access to the bidding documents;

Insuring a prospective MBE/WBE bidder and subcontractors has access to the bidding documents; and

Furnishing MBE/WBE subcontractors with the names of prospective bidders on a project, upon request, and providing prospective bidders with the Board of Education list of certified MBE/WBEs.

Assistance with Bonding and Licensing. **As some minority/women's firms have experienced difficulty in meeting the bonding, licensing and bid deposits required by state law in larger construction projects, Board of Education staff will, upon request, provide known information regarding assistance available from local, state and federal agencies.**

Affirmative Action Goals

Construction Contracts. The Board of Education has adopted a verifiable goal of ten percent (10%) for the participation by MBEs and WBEs in the total value of the work for each school construction or renovation project awarded by the Board of Education pursuant to N.C.G.S. § 143-128 the same goal as established by the State of North Carolina for public construction and renovation projects.

Purchasing Program. The Board of Education has adopted a verifiable goal of ten percent (10%) for the participation by HUB enterprises in the total annual value of all purchasing of materials, supplies and equipment the same goal as established by the State of North Carolina Division of Purchase and Contract.

Schedule of Goal Review. These goals shall remain in effect until June 30, 2013 and shall then expire unless altered or amended by the Board prior to that date.

School Construction Projects

Notice to HUB's. The Board of Education shall utilize media, as appropriate, to inform potential minority businesses of the bid(s) being sought for public construction projects. At least ten (10) days prior to any scheduled day of bid opening, the Board of Education or its designee shall send a notice by any reasonable means, including electronic mail or facsimile, to minority businesses that have requested notices from the WS/FCS for public construction or repair work and minority businesses that otherwise indicated to the Office of Historically Underutilized Businesses an interest in the type of work being bid or the potential contracting opportunities listed in the proposal. The notification shall include the following:

A description of the work for which the bid is being solicited.
The date, time, and location where bids are to be submitted.

The name of the WS/FCS staff member who will be available to answer questions about the project.

Where bid documents may be reviewed.

Any special requirements that may exist.

Assurances. The Board of Education shall require bidders, including first-tier subcontractor for construction manager at risk projects, on school construction and renovation projects of \$100,000 or more to identify on their bid the minority businesses that they will use on the project and provide with their bid an affidavit listing the good faith efforts they have made and the total dollar value of the bid that will be performed by the minority businesses. Within ten (10) days of bid opening, the apparent lowest bidder(s) shall provide the following information to the school system.

An affidavit that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, which is equal to or more than the applicable goal. An affidavit under this subdivision shall give rise to a presumption the bidder has made the required good faith effort; or

If the goal is not met, documentation of its good faith effort to meet the goal. The documentation must include evidence of all good faith efforts implemented, including any advertisements, solicitations, and evidence of other specific actions demonstrating recruitment and selection of minority businesses for participation in the contract.

A description of the work each named minority and women business enterprise firm will perform.

3. Failure to file a required affidavit or documentation demonstrating the contractor made the required good faith effort is grounds for rejection of the bid.

4. No subcontractor who is identified and listed in the bidder's affidavit may be replaced with a different subcontractor except:

If the subcontractor's bid is later determined by the contractor or construction manager at risk to be nonresponsible or nonresponsive, or the listed subcontractor refuses to enter into a contract for the complete performance of the bid work, or

For good cause with the approval of the Board of Education or its designee.

5. Within thirty (30) days after award of the contract, a list of all identified subcontractors that the contractor will use on the project.

Good Faith Efforts. In accordance with N.C.G.S. § 143-128.2(4), a contractor's good faith effort to involve MBEs and/or WBEs in the project shall be demonstrated by using, among others, the factors listed below. The Board of Education utilizes the point system adopted by the State of North Carolina to determine whether a contractor has shown a good faith effort to include HUBs in the project.

Attending pre-solicitation and pre-bid meetings scheduled by the Board of Education or its designee to inform MBEs and WBEs of contracting and subcontracting opportunities.

Breaking down or combining elements of work into economically feasible units to facilitate minority participation.

Contacting minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor or available on State or local government maintained lists at least ten (10) days before the bid or proposal date and notifying them of the nature and scope of the work to be performed.

Providing assistance in getting required bonding or insurance or providing alternatives to bonding or insurance for subcontractors.

Making the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least ten (10) days before the bid or proposals are due.

Negotiating in good faith with interested MBEs and WBEs, and not rejecting MBEs and WBEs without sound reasons on a thorough investigation of their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.

Using the services of available minority community organizations, minority contractors' groups, local, state and federal minority business assistance offices, and other organizations that provide assistance in the recruitment and placement MBEs and WBEs and working with minority trade, community, or contractor organizations identified by the Office of Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.

Providing assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisting minority businesses in obtaining the same unit pricing with the bidder's suppliers in order to help minority businesses in establishing credit.

Negotiating joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.

Providing quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.

Penalties for Contractor Non-Compliance

The low bidder or bidders on a school construction project must provide an assurance in writing to the Board of Education prior to the acceptance of their bid that they have met, intend to meet or have made a good faith effort to meet the verifiable goal for MBE/WBE participation adopted by the Board of Education.

In deciding whether or not a bidder has made a good faith effort, the Board of Education shall consider the criteria set forth in subsection E, above; the number of certified MBEs/WBEs available and capable of performing the work and the amount of other work being awarded or performed in the market area of the Board.

Failure of a low bidder to meet the affirmative action goal adopted by the Board of Education or to make a good faith effort to meet the goal shall result in the bid being considered as nonresponsive and being rejected.

Competitive Bids

Nothing in this Policy is to be construed as to require the Board of Education or contractors to purchase supplies and equipment or award contracts to HUBs, MBEs or WBEs who do not submit the lowest responsible bid. The Board of Education shall award public building contracts without regards to race, religions, color, creed, national origin, sex, age or handicapping condition.

Adopted: January, 1984

Revised: April, 1996; May, 2002; August, 2003; November, 2008