

BOARD OF EDUCATION
POLICY 4050
**PROCUREMENT OF MATERIALS,
SUPPLIES, EQUIPMENT AND SERVICES**

Effective: December 14, 2006

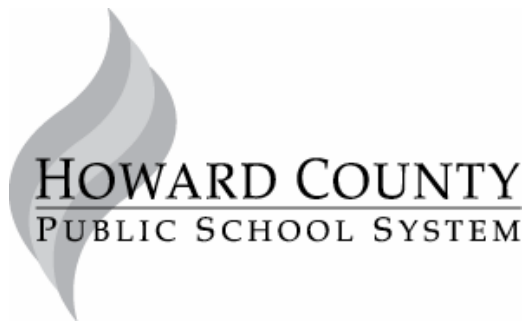
Policy Statement

To ensure that the funds provided the Board of Education for materials, supplies, equipment, and services may be expended and handled most effectively, prudently, and efficiently, purchases will be carried out in compliance with The Public School Laws of Maryland, Section 5-112, and in accordance with regulations developed by the Superintendent. The Board will consistently encourage competitive bidding. When it is not practical to obtain competitive bids or when the need for such supplies, equipment, materials, or services is of an emergency nature, then such purchases may be made without competitive bidding with the approval of the Board as appropriate.

The Board has instructed the Superintendent to develop regulations and procedures for the implementation of this policy.

Legal Reference: Public School Laws of Maryland, Section 5-112 *Annotated Code of Maryland*.

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	December 13, 2001
	February 27, 2003



POLICY 4050-R
REGULATIONS
**PROCUREMENT OF MATERIALS,
EQUIPMENT, AND SERVICES**

Effective: December 14, 2006

I. Definitions

- A. Advertise - To call public attention through the local newspapers or other media accessible to the general public of an intent to purchase or sell goods and services required by the Board of Education.
- B. Award (of contract) - A decision made by the Board of Education to accept a written proposal offered by a bidder for a contract for an amount at or above the solicitation threshold. For a contract for an amount less than the solicitation threshold, an award is made by the Superintendent or designee.
- C. Formal Written Sealed Bid - When the cost of an item or group of related items amounts is at or above the solicitation threshold formal bids are required. These are advertised and submitted in writing (usually according to a prescribed form), sealed, delivered, and opened at a prescribed time and place with the interested parties invited to be present.
- D. Bidder, Low Responsive - A bidder whose offer conforms to the intent of the specification given consideration to the prices, quantities, time, purpose, competency, ability of the bidder to perform, and the plan for utilization of minority contractors.
- E. Consultant - A person or company who has contracted to provide a professional or technical service.
- F. Contract - A deliberate agreement between two or more competent persons to perform, or not to perform, a specified act or acts. The contract may be in the form of a purchase order, a letter of intent, or a formal written agreement signed by the parties.
- G. Contract, Service, - A contract entered into with a person or vendor that agrees to accomplish a certain result and has full control over the manner and method to be pursued. A service contract involves primarily labor intensive tasks either skilled or unskilled which a contractor agrees to perform. Service contracts within this category do not include the professional services which are obtained under the policy for architectural and engineering services.
- H. Letter of Intent - A preliminary contractual arrangement customarily used in situations where items, quantities, price, and delivery dates are known, but where the principal contract provisions are incomplete.

- I. Procurement - The formal act of contracting for materials, supplies, equipment, or services by means of price quotation, by telephone, in writing, or by formal bid.
- J. Purchasing Cooperative – participation in a contract for goods or commodities that are awarded by other public agencies or by intergovernmental purchasing organizations.
- K. Purchasing Office - The office responsible for the procurement of materials, supplies, equipment, and services in accordance with Board policy.
- L. Quotation, Telephone/Verbal - A verbal statement of price, terms of sale, and description of goods or services offered by a vendor to a buyer.
- M. Quotation, Written - A written statement of price, terms of sale, and description of goods or services offered by a vendor to a buyer.
- N. Requisition/Purchase Order - A form that is used as the vehicle to request the purchasing office to procure goods or services from vendors. Once approved, the purchase order becomes the document which authorizes a vendor to deliver to the Board of Education goods and/or services required for system operations and for which a general appropriation has been made.
- O. Requisition/Purchase Order, Blanket - An open-ended contract given to a vendor to purchase certain items from that vendor. The blanket order will spell out all terms, conditions, delivering instructions, and other constant information, including prices for a specified period of time but will not specify quantity. Blanket purchase orders should not be used for items involving large sums of money if the needs and schedules can be accurately determined. Blanket purchase orders are used to eliminate a large number of rush and routine small dollar-value transactions.
- P. Requisition/Purchase Order, Change Order - The purchaser's document used to amend a purchase transaction previously formalized by a purchase order.
- Q. Requisitioner - A person, department, or school requiring the need for a product and/or service in order to support the operating program.
- R. Professional services – Services provided by an individual, group, or organization that are of a professional nature and are predominantly intangible.
- S. Solicitation Threshold – The amount established in section 5-112 of the Education Article of the Annotated Code of Maryland above which a formal advertisement for bids is required.
- T. Specifications - A clear, complete, and accurate description of the materials, supplies, equipment, and services required by the Board of Education in a quotation or bid form.

U. Vendor - A person or company providing goods or services.

II. Regulations

A. Criteria to Determine Method for Procurement

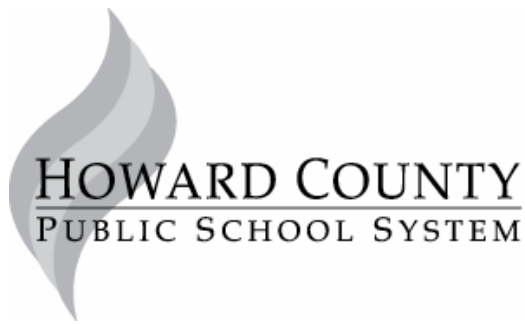
1. All prices will be obtained on a competitive basis. This will be accomplished through one of the following procurement methods:
 - a. Best possible price up to, but not including, \$5,000.
 - b. Telephone or verbal quotation for purchases of \$5,000, up to, but not including, \$7,500.
 - c. Written quotation for purchases of \$7,500, up to, but not including, the solicitation threshold .
 - d. Formal written sealed bid for purchases at or above the solicitation threshold for any school building, improvement, supplies, equipment, or services.
2. It is imperative that all quotation and bid specifications that provide a clear and accurate description of the functional characteristics or the nature of an item to be procured, without modifying the Board's requirements. The Board may name one or more manufacturers' products to describe the standard of quality, performance, or other characteristics needed to meet the Board's requirements, and must allow for the submission of equivalent products.
3. The following goods/services are exempt from the provisions of this policy:
 - a. Goods/commodities acquired through a purchasing cooperative when the lead agency for the contract award follows public bidding procedures
 - b. Architects/engineers
 - c. Legal services
 - c. Construction management
 - e. Service contracts under the solicitation threshold
 - f. Other service contracts or those of an emergency nature as may be recommended by the superintendent and approved by the Board of Education

B. Award or Rejection of Contracts

1. If the cost of any item or group of related items and/or service(s) is for an amount at or above the solicitation threshold, the Board, at least two weeks before bids are filed, shall advertise for bids in a medium accessible to the general public, which includes a newspaper of general circulation in the region, the Maryland Contract Weekly or comparable state publication, a posting on an electronic bid board, or a physical posting on the local school system bid board.

- a. Contracts for amounts at or above the solicitation threshold can only be made after the receipt of formal written sealed bids and the approval of the Board of Education.
 - b. Awards of contracts under the solicitation threshold shall be determined by the Superintendent.
2. A contract for the procurement of materials, supplies, equipment, and services shall be awarded to the lowest responsible bidder who conforms to specifications with consideration given to:
 - a. The quantities involved.
 - b. The time required for delivery.
 - c. The purpose for which required.
 - d. The competency and responsibility of the bidder.
 - e. The ability of the bidder to perform satisfactory service.
 - f. The plan for utilization of minority contractors.
 3. The Board of Education reserves the right to reject any and all bids for any or all items or to waive defects of specifications or any specific item(s) whenever such rejection is in the best interest of the Board of Education of Howard County.
 4. A contract entered into or purchase made in violation of Section 5-112 of The Public School Laws of Maryland and Policy 4050, Procurement of Materials, Supplies, Equipment, and Services, of the Board of Education policies and regulations is void.
 5. In this section, the term “minority business enterprise” has the meaning stated in the state finance and procurement article.

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POLICY 4050-PR
IMPLEMENTATION PROCEDURES
**PROCUREMENT OF MATERIALS,
SUPPLIES, EQUIPMENT AND SERVICES**

Effective: December 14, 2006

These procurement procedures are intended to establish the generally acceptable procedures that will be revised and updated as the requirements of the system change. The procedures outlined herein are the basic tools to implement Policy 4050, Procurement of Materials, Supplies, Equipment, and Services.

I. Method of Procurement

The criteria to determine the method by which a contract will be formulated cover four areas:

- A. Items or groups of related items and/or services costing up to, but not including, \$5,000 will reflect the lowest price available given the situation. This purchase will be initiated by using an approved Howard County Public School System Requisition/Purchase Order.
- B. Items or groups of related items and/or services costing up to, but not including, \$7,500 will be considered after three telephone or verbal quotations are received. This contract will be formulated by the use of an approved Howard County Public School System Requisition/Purchase Order.
- C. Items or groups of related items and/or services costing up to, but not including, the solicitation threshold of \$25,000 will only be considered after the receipt of three written quotations by the purchasing staff. This contract will be formulated by the use of an approved Howard County School System Requisition/Purchase Order.
- D. Items or groups of related items and/or services for amounts equal to or above the solicitation threshold of \$25,000 or more can only be made after the receipt of formal written sealed bids and the approval of the Board of Education. Written sealed bids must be obtained in accordance with 5-112 of The Public School Laws of Maryland and this policy.

II. Method for Developing Specifications

Written specifications for quotations include three areas:

- A. General Provisions
 - 1. This document is the standardized document used for all procurements.

B. Terms and Conditions

1. This section describes the requirements of the contract dealing with scope of specifications.
2. The primary responsibility for developing this section lies with the purchasing staff with support from the requestor.
3. This document acts as the general instructions for all bidders.

C. Technical Specifications

1. This section describes the item(s), service(s), and quantity(ies) required, including all necessary technical specifications that must be met.
2. The primary responsibility for developing this section lies with the requestor, with support from the purchasing staff or consultants.
3. It is the requestor's responsibility to evaluate the technical submittals and formally submit written recommendations to the Purchasing Office regarding the ranking of the submittals as well as detailed comments regarding the strengths and weaknesses of each submittal.
4. Any person or company who has prepared specifications for an item or items to be purchased is not eligible to bid on such item(s).
5. Any person employed by the Howard County Public School System is ineligible to submit a proposal.
6. The specifications shall provide a clear and accurate description of the functional characteristics or the nature of an item to be procured, without modifying the Board's requirements.

III. Types of Contracts

- A. Contracts typically used by the Howard County Public School System fall under four headings.
1. Requisition/Purchase Orders are the most frequently used "contract." Requisitions/Purchase Orders are to be used for one-time purchases.
 2. Letter Contracts are used to act as a letter of intent which authorizes the supplier to place orders or mobilize for long lead-time items. This is to be used only as a preliminary document until a more definitive contract can be prepared.

3. Blanket Purchase Orders are types of contracts designed to reduce administrative costs of replacing recurrent orders and are subject to the dollar limits defined in method of procurement. These types of contracts are used for extended periods of time during a fiscal year.
 4. Open-End Contracts are used for extended periods of time during a fiscal year. These contracts may be renewed or cancelled by written notification from the purchasing staff.
 5. Construction Contracts are used for major non-material repairs and related work when the scope of work is clearly defined over a specific time period.
- B. Contracts shall be prepared for any type of material, work or service required to be furnished by a person or entity outside of the Howard County Public School System.

IV. Signing of Contracts

- A. Formal contracts for amounts at or above the solicitation threshold of \$25,000 are executed by the Board of Education and the school official authorized to sign contracts.
- B. Contracts for purchases below the solicitation threshold of \$25,000 shall be signed by the Superintendent or authorized designee.

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