

I. Policy Statement

The Board of Education of Howard County expects that the funds provided to them for all goods and/or services will be expended and handled in the most effective and efficient manner possible and that procurement activities will be carried out in compliance with The Public School Laws of Maryland and in accordance with the implementation procedures developed by the Superintendent.

II. Purpose

The purpose of this policy is to set guidelines for the procurement process for all goods and/or services used by the Howard County Public School System (HCPSS).

III. Definitions

Within the context of this policy, the following definitions apply:

- A. Contract – All types of agreements, regardless of how they may be identified, that are legally binding and are for the procurement of goods, services, or construction.
- B. Donations – Equipment, materials, money, or property given to a school or to the school system for use in or in conjunction with educational or extracurricular programs or activities with no expectation of return.
- C. Goods – Tangible commodities provided to the Board in exchange for payment.
- D. Minority Participation – The inclusion of identified groups' participation as either prime or subcontractors in Board contracts.
- E. Procurement Methods – The procedures and processes that outline the threshold levels and efforts required to establish a contract.
- F. Response – A written or verbal quote, bid, proposal, or offer.
- G. School Activity Funds – All cash funds in bank accounts and investments held in the name of the school, including fund raising proceeds, cash donations, and any other funds provided to the school that are not allocated through the Board budget.

- H. Services – The furnishing of labor, time, or effort by a vendor, not involving the delivery of any specific good, other than reports that are associated with the required performance.
- I. Solicitation – A document that outlines the nature of goods and/or services to be delivered or completed.
- J. Solicitation Threshold – The dollar amount established in §5-112 of the Education Article of the Annotated Code of Maryland that:
 - 1. If equal to or greater than that amount, requires a formal solicitation
 - 2. If less than that amount, requires the Superintendent/Designee approval.

IV. Standards

- A. Provisions of this policy apply to all funds, including school activity funds.
- B. Contracts and other purchasing activities will be established in accordance with this policy and procedures.
- C. Procurement of goods is governed by the Annotated Code of Maryland, Education Article, §5-112, for all funds over \$25,000, including school activity funds.
- D. The Board will approve all contracts above the solicitation threshold, and all required contracts will be executed by the Board Chairman.
- E. The Board reserves the right to reject any and all responses, any or all items, or to waive defects of specifications or any specific(s) whenever such rejection is in the best interest of the Board.
- F. For contracts below the solicitation threshold:
 - 1. The Superintendent/Designee will approve all contracts for Board appropriated funds.
 - 2. Principals will approve all contracts for school activity funds.
- G. The Purchasing Office will establish procurement methods for the solicitation threshold levels outlined in this policy and procedures.
- H. The Purchasing Office will be responsible for the proper execution of contracts, maintenance, and storage of all contracts.

- I. The Purchasing Office will provide training and other professional development opportunities to prepare employees in the proper administration of contracts.
- J. Contracts not established in compliance with the Annotated Code of Maryland, Education Article, §5-112, and this policy will be considered void.
- K. The Board encourages competitive procurements for services. When the need for services is immediate or unique and when approved by the Purchasing Office, procurements may be made without a competitive solicitation and will be considered single source contracts subject to the approval of the Board as appropriate.
- L. The Purchasing Office will encourage minority participation in all contracts.
- M. The Purchasing Office will encourage and solicit the use of environmentally friendly and/or sustainable goods and/or services.
- N. Donations will comply with Policy 4010 Donations.

V. Compliance

- A. The Superintendent/Designee will establish the acceptable procurement method and process for establishing contracts at the threshold levels set in this policy and implementation procedures.
- B. The Superintendent/Designee will establish guidelines, manuals, or other documentation to inform all staff and community members of expenditure of funds.
- C. All employees are responsible for following this policy and implementation procedures and for complying with Policy 2070 Ethics.

VI. Delegation of Authority

The Superintendent is authorized to develop appropriate procedures to implement this policy.

VII. References

- A. Legal
Annotated Code of Maryland, Education Article, §5-112
Annotated Code of Maryland, Finance and Procurement Article, §14-301

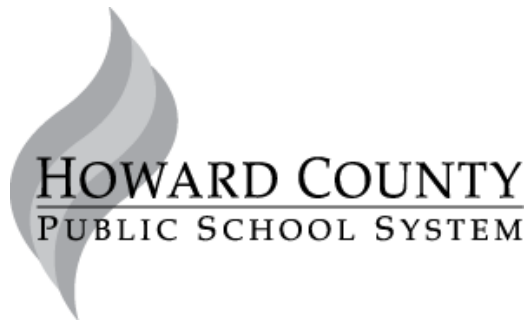
- B. Other Board Policies
 - Policy 2070 Ethics
 - Policy 4010 Donations
 - Policy 4030 Accountability of School Activity Funds
 - Policy 6030 Procurement of Architectural/Engineering and Construction Management

- C. Other
 - Procurement Manual

ADOPTED: December 3, 1968

AMENDED: June 28, 1990
December 13, 2001
February 27, 2003
December 14, 2006
January 13, 2011

EFFECTIVE: July 1, 2011



POLICY 4050-PR
IMPLEMENTATION PROCEDURES
PROCUREMENT OF GOODS
AND/OR SERVICES

Effective: July 1, 2011

These implementation procedures are intended to establish the generally acceptable processes that will be revised and updated as the requirements of the Howard County Public School System (HCPSS) change. The procedures outlined herein are the basic tools to implement Policy 4050 Procurement of Goods and/or Services.

I. Definitions

Within the context of these implementation procedures, the following definitions apply:

- A. Blanket Purchase Order – 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.
- B. Construction Contract – Fully executed document that defines a scope of work, terms and conditions, time frame for completion, and costs.
- C. Encumbrance – The financial reservation of budgeted funds for the purpose and use specified on a purchase order.
- D. 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 or have not been completed.
- E. Minority Business Enterprises – Any legal entity, except a joint venture, that has the meaning stated in §14-301 of the State Finance and Procurement Article.
- F. Open-Ended Contract – Contract that establishes price but not delivery.
- G. Procurement Activity – The action of obtaining a contract or contracts through a competitive process.
- H. Procurement Card – An alternative form of contractual payment that is in compliance with established procedures.

- I. Purchase Order – A form that is used as the vehicle to request the Purchasing Office to procure goods or services from vendors. Upon approval, 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.
- J. Purchasing Cooperative – Participation in a contract for goods and/or services that are awarded by other public agencies or by intergovernmental purchasing organizations.
- K. Quotation – A verbal or written offer by a vendor that should include the vendor’s name, contact information, brief description of work, associated price and date for delivery or completion of work.
- L. Single Source – The approval of a contract when there are no other competitive sources available, when the firm or vendor is specifically named in a grant, or when soliciting for competitive pricing would not be practical or feasible.
- M. Specifications – A clear, complete, and accurate description of the goods and/or services required by the Board of Education in a quotation or bid from a procurement activity.
- N. Vendor – A person or company providing goods and/or services for a price.

II. Procurement Manual

The Purchasing Office will provide a Procurement Manual to assist employees in the compliance and application of Policy 4050.

III. Method of Procurement

- A. All solicitations, regardless of the method used, will include the following basic elements:
 - 1. Scope of work and/or specifications in sufficient detail
 - 2. Date for delivery of goods or completion of services
 - 3. Pricing format, if applicable
 - 4. Approval and signature by authorized individuals.
- B. When a procurement activity is used, criteria to determine the appropriate procurement method is defined as follows:

1. Goods and/or services costing up to, but not including, \$5,000 in aggregate value per year will reflect the lowest price available given the situation. This purchase will be initiated by using an approved HCPSS Purchase Order.
2. Goods and/or services costing up to, but not including, \$7,500 in aggregate value per year will be considered after three telephone or verbal quotations are received. This contract will be formulated by the use of an approved HCPSS Purchase Order or other acceptable contract form approved by the Purchasing Office.
3. Goods and/or services costing up to, but not including, the solicitation threshold of \$25,000 in aggregate value per year will only be considered after the receipt of three written quotations by the Purchasing Office. This contract will be formulated by the use of an approved HCPSS Purchase Order or other acceptable contract form approved by the Purchasing Office.
4. Goods and/or services for amounts equal to or above the solicitation threshold of \$25,000 or more can only be made after a procurement activity and the approval of the Board.

IV. Types of Contracts

- A. Contracts used by the HCPSS fall under five headings and are issued by the appropriate designee.
 1. Purchase Orders are the most frequently used "contract" documents.
 2. Letters of Intent are used to communicate the intent to contract which authorizes the supplier to place orders or mobilize for long lead-time items. Letters of Intent are used only as a preliminary document until a more definitive contract can be prepared.
 3. Blanket Purchase Orders are contracts designed to reduce administrative costs of replacing recurrent orders and are subject to the dollar limits defined in Method of Procurement. These contracts are used for extended periods of time during a fiscal year and must include an expiration date of June 30 of the current fiscal year.
 4. Open-Ended 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 and are subject to available funds.
 5. Construction Contracts are used for renovations, repairs, additions, and related work when the scope of work is defined over a specific time period.

- B. Contracts will be utilized for any type of material, work, or service required to be furnished by a person or entity outside of the HCPSS.

V. Award or Rejection of Contracts

- A. 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, will advertise for bids in a medium accessible to the general public (which includes a newspaper of general circulation in the region, the eMaryland Marketplace, or comparable state publication), or a posting on an electronic bid board and a physical posting in the Purchasing Office.
 - 1. Contracts for amounts at or above the solicitation threshold can only be made after the receipt of formal written sealed responses and the approval of the Board.
 - 2. Awards of contracts under the solicitation threshold will be approved by the Superintendent/Designee.
- B. A contract for the procurement of goods and/or services will be awarded to the lowest responsive and responsible bidder who conforms to specifications, with consideration given to:
 - 1. Quantities involved
 - 2. Time required for delivery
 - 3. Purpose for which it is required
 - 4. Competency and responsibility of the bidder
 - 5. Ability of the bidder to perform satisfactory service
 - 6. Plan for utilization of minority contractors.
- C. A contract entered into or purchase made in violation of §5-112 of the Education Article of the Annotated Code of Maryland and Policy 4050 Procurement of Goods and/or Services is void.
- D. The following goods/services are exempt from the provisions of this policy:
 - 1. Goods/commodities acquired through a purchasing cooperative when the lead agency for the contract award follows public bidding procedures
 - 2. Architects/engineers
 - 3. Legal services
 - 4. Construction management
 - 5. Service contracts under the solicitation threshold
 - 6. Other service contracts or those of an emergency nature as may be recommended by the Superintendent/Designee and approved by the Board.

VI. Signing of Contracts

- A. Contracts for amounts at or above the solicitation threshold of \$25,000 are executed by the Board Chairman/Designee and the Superintendent/Designee as appropriate.
- B. For contracts below the solicitation threshold:
 - 1. The Superintendent/Designee will approve all contracts for Board appropriated funds.
 - 2. Principals will approve all contracts for school activity funds.

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