

**QUICK REFERENCE – DISTRICT PURCHASING PROCEDURES**

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1. **Purchases excluded from the statutory procurement process** – I.C. 67-2803 & Purchasing Policy 3 – Service Contracts
  - A. Contracts or purchases of less than fifty thousand dollars (\$50,000)
    - Procurement of personal or professional services to be performed by an independent contractor;
    - Procurement of used personal property;
    - Procurement of software maintenance, support and licenses of an existing system or platform that was bid in compliance with state law;
    - The purchase of curricular materials, regardless of the purchase price;
    - Bus Transportation Services less than \$50,000 – I.C. 33-1510; and
    - Emergency Expenditures – needs a board resolution – I.C. 33-601(9) & 67-2808(1).
  
2. **Compliance using Federal Funds** –
  - A. District purchases will conform to applicable federal law provided, however, that where state purchasing procedures are more restrictive, the District will follow state law requirements.
  - B. The District will follow Policy 228 (Board Member Conflict of Interest) and Policy 418 (Employee Conflict of Interest), and in the District’s Policies and Procedures Manual for the Administration of Federal Education Programs (“Federal Programs Manual”).
  - C. All procurement transactions will be conducted in a manner providing full and open competition consistent with state law and the standards set forth in this Policy 850, Policy 850.30 (Purchasing or Leasing Personal Property), Policy 850.60 (Service Contracts), Policy 850.90 (Public Works Construction), and Policy 851 – (Supplemental Bidding for complete details on purchasing and contract services and bidding requirements).
  - D. The District will take all affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible
  - E. The District may perform a cost or price analysis in connection with every procurement action in excess of \$150,000 (2 CFR §200.88)
  - F. For Public Works Construction or Facility Improvement Contracts or Subcontracts exceeding \$150,000 – 2 CFR §200.88; I.C. 54-1926
    - The following are required:
      - ~ Bid Bond – Bid guarantee 5% of bid price required
      - ~ Performance Bond 100% of bid price
      - ~ Payment Bond 100% of bid price

3. Where the District seeks to **Purchase Goods, Services, or Public Works Construction** using Federal Funds, the District will use one of the following methods of procurement – District’s Federal Programs Manual:
- A. **Micro-Purchases** – Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,500. To the extent practicable, the District will distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive bid quotations if the District considers the price to be reasonable
  - B. **Small Purchase Procedures** – Small purchase procedures are those relatively simple and informal procurement methods for securing Services, Supplies, or Other Property that do not cost more than \$150,000 (2 CFR §200.88). Pursuant to Idaho Code §67-2803, purchases of less than \$50,000 are exempt from formal procurement requirements
    - This District will use small purchase procedures for purchases between \$3,500 and \$49,999.
    - Sealed bids are not required, but quotations will be obtained.
    - If these procedures are used, verbal price or rate quotations must be obtained from an adequate number of qualified sources.
  - C. **Large Purchases (Semi-Formal Bidding)** – For purchases of Public Works Construction valued at or in excess of \$50,000, but not to exceed \$200,000, this method of procurement will be used I.C. 67-2805(1)).
    - For purchases of Services or Personal Property valued at or in excess of \$50,000, but not to exceed \$100,000
    - The District will issue written requests for bids describing the goods or services to be purchased to at least three (3) vendors. The written request will state the date by which the bids are due and will allow at least three (3) days for a written response.
    - The written request will also provide that written objections to specifications or bid procedures must be received at least one (1) business day before the date and time upon which bids are scheduled to be received.
  - D. **Sealed Bid/Formal Advertising** – Unless federal law provides for a more restrictive threshold, for purchases of Public Works Construction valued in excess of \$200,000, or for purchases of Services or Personal Property in excess of \$100,000, this method of procurement will be used (I.C. 67-2805(2) and 67-2806(2), Purchasing Policies 850 (District Purchasing), 850.30 (Public/Personal Property), 850.60 (Service Contracts), 850.90 (Public Works Construction), and 851 (Supplemental Bidding)).
    - Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid conforms with all the material terms and conditions of the invitation for bids and is the lowest in price. This method of procurement is preferred if the following conditions exist:
      - ~ A complete, adequate, and realistic specification or purchase description is available;
      - ~ Two (2) or more responsible bidders are willing and able to compete effectively for the business; and

- ~ The procurement lends itself to a firm fixed price contract and the selection of a successful bidder can be made principally on the basis of price.
  - If sealed bids are used, the following requirements apply:
    - ~ The Invitation for Bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening bids;
    - ~ The Invitation for Bids, which will include any specifications and pertinent attachments, must define items or services in order for the bidder to properly respond;
    - ~ All bids will be publicly opened at the time and place prescribed in the Invitation for Bids legal notice;
    - ~ A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in the bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
  - Any or all bids may be rejected if there is a sound documented reason.
- E. **Competitive Proposals** – This procurement method is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. This method will be used when conditions are not appropriate for the use of sealed bids.
- If this method is used, the following requirements apply:
    - ~ Requests for proposals (RFP) must be publicized and identify all evaluation factors and their relative importance. Any response to publicized RFPs must be considered to the maximum extent practical;
    - ~ Proposals must be solicited from an adequate number of qualified sources;
    - ~ The District will provide a written method for conducting technical evaluations of the proposals received and for selecting recipients;
    - ~ Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
    - ~ This District may use competitive proposal procedures for qualifications-based procurement of architectural and engineering professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor may only be used in procurement of architectural and engineering professional services. It cannot be used to purchase other types of services though architectural and engineering firms are a potential source to perform the proposed effort.
- F. **Non-Competitive/Sole Source Proposals** – This method seeks solicitation of goods or services from only one source and may be used only when one or more of the following circumstances applies:
- The item is available only from a single source;
  - The public exigency or emergency for the procurement will not permit a delay resulting from competitive solicitation;

- The federal agency or pass-through entity for use of the federal funds expressly authorizes non-competitive proposals in response to a written request from the District; or
- After solicitation of a number of sources, competition is determined to be inadequate.

#### **4. School Building Plan Reviews and Inspection**

- A. For purchases involving **Public Works Construction**, the District will not advertise for bids for any school building construction project until the plans for such building(s) have been approved (I.C. 39-4113).
- B. All **school construction or remodeling projects** requiring plan review will be inspected by building inspectors certified in accordance with Idaho Code §39-4108, or by Idaho licensed architects or engineers to determine compliance with Title 39, Chapter 41 and the Idaho Uniform School Building Safety Act (Title 39, Chapter 80, Idaho Code).
  - MHSD elects to utilize the plan review services of the city of Mountain Home Planning and Zoning Office, and all other pertinent offices of the city, located in Elmore County that is eligible to provide building code enforcement/plan and review services for review of all public school building plans. The District will provide a written certification of its election for plan review services to the Mountain Home Planning and Zoning Office and the Idaho Division of Building Safety (DBS).

#### **5. Food Service**

- A. The equipment purchased for the NSLP kitchens will follow the above criteria with the exception that the dollar amounts of the purchases will follow the current guidelines of the NSLP requirements.

### **PROCEDURE TO RECEIVE SEALED BIDS**

1. Decide on a Project Manager – architect, contractor, authorized/certified project manager, or by a consultant/school district.
  - A. Should an architect, contractor, or certified project manager not be selected, the School District Superintendent assumes role of Project Manager.
  - B. The contractor or person in charge of Public Works Construction must employ 95% bona fide Idaho residents as employees (I.C. 44.1001), unless the number of persons employed on the contract is fifty (50) or less, then the contractor must employ 90% bona fide Idaho residents as employees.
2. Determine the bid opening date and time for the project; take into consideration all prerequisites as directed by state statutes.

3. Publish twice (not less than one week apart) an Invitation to Bid in the legal section of the local newspaper. Proof of publication shall be upon the affidavit of the publisher of the newspaper.
  - A. Publish legal notice for two weeks prior to the opening date of the bid.
    - Transportation Bids - the notice for contracting for transportation services shall be published for four weeks before the opening date of the bid. Idaho Code 33-402(2).
  - B. The Invitation to Bid must include the pre-bid date and time, the bid opening date and time, names/places including the district administration office where a bidder is able to get copies of the blueprints/plan, project specifications, the instruction to bidder – summary of work, and any other documents needed.
4. The Project Manager will submit to the Superintendent, or designee, all the blueprints/plans, project specifications, and instruction to bidders – summary of work. The Project Manager may also include the authorized substitution of materials form, the authorized change order form, and addendum form.
5. Compile and/or draft all the bid documents and forms, some of which need to be included in the bid packets prior to the pre-bid inspection date.
  - A. Blueprints/plans
  - B. Project specification
  - C. Instruction to bidder - summary of work
  - D. Authorized substitution of materials form
  - E. Authorized change order form
  - F. Addendum form
  - G. Materials analysis (if needed)
  - H. Asbestos analysis (if needed)
  - I. Bid proposal form
  - J. Contractor's affidavit concerning alcohol & drug-free workplace
  - K. Contractor's affidavit concerning taxes
  - L. Bid tabulation form
  - M. Contract
6. Make enough bid packets for the pre-bid inspection. The following should be included in the bid packet:
  - A. Blueprints/plans
  - B. Project specification
  - C. Instruction to bidder - summary of work
  - D. Authorized substitution of materials form (if needed)
  - E. Authorized change order form (if needed)
  - F. Addendum form (if needed)
  - G. Materials analysis (if available)
  - H. Asbestos analysis (if available)
  - I. Bid proposal form

- J. Contractor’s affidavit concerning alcohol & drug-free workplace
  - K. Contractor’s affidavit concerning taxes
7. At the time and date specified in the Invitation to Bid, ensure that the bid packets are time and date stamped as the bid proposals arrive, open all bids, and record the information on the bid tabulation form. All documents called for at the time of bid opening must accompany a bid proposal that has been signed by an authorized company representative.
- A. Signed Bid Proposal including:
    - Acknowledge/affirmation of any addendums (if appropriate)
    - Names and addresses of subcontractors (including PW#)
  - B. Bid bond (5%)
  - C. Performance bond (may be submitted upon award of bid)(100%)
  - D. Payment Bond (100%)
  - E. Proof /Certificate of Insurance
  - F. Proof/Certificate of Workman’s Compensation Insurance (may be submitted upon award of bid)
  - G. Resume of project manager (if needed)
  - H. Contractor’s affidavit concerning alcohol & drug-free workplace (may be submitted upon award of bid)
  - I. Contractor’s affidavit concerning taxes (may be submitted upon award of bid)
8. Bids are evaluated to determine the lowest responsive bidder; the board may award a bid to other than the lowest bidder by declaring in writing the reason. (I.C. 54-1904E & 67-2808).
9. The Board of Trustees or Chairman, if authorized by the Board, awards the bids. Bids awarded by the Chairman must receive official approval at the next board meeting.
10. A letter is sent to all participating vendors apprising them of the bid award.
11. A letter of Intent to Proceed is sent to the successful vendor listing all the documents required by the school district.
- A. Required documents:
    - 1. Certificate of Insurance
    - 2. Certificate of Workers Compensation Insurance
    - 3. Performance Bond
    - 4. Payment Bond
    - 5. Contractor’s Affidavit Concerning Taxes
    - 6. Contractor’s affidavit concerning alcohol & drug-free workplace
  - B. Following receipt of the above documents, a contract is issued.
12. Ensure the vendor signs the contract between the vendor’s company and the school district.  
A “letter to proceed” is issued following receipt of a signed contract.

**POLICY REFERENCES:**

1. All contracts or purchases of **less than fifty \$50,000** – see Purchasing – District Purchasing 850.
2. All contracts for **Bus Transportation Services expending over \$50,000** see District Purchasing 850 & Service Contracts 850.60, and I.C. 33-1510.
3. All **Contracts for Purchases Compliant with Federal Purchasing Guidelines** – see District Purchasing 850.
4. All **Public Works Construction of Facility Improvement Contracts or Subcontracts exceeding \$150,000** (2 CFR § 200.88) the District will adhere to state bonding requirements in I.C. 54-1926.
  - Bid Bond - Bid guarantee 5% required
  - Performance Bond 100%
  - Payment Bond 100%
5. All purchases of **Goods, Services, or Public Works Construction Using Federal Funds** – see District Purchasing 850
6. All purchases involving **Public Works Construction** needs the plans approved in accordance with I.C. 39-4108, 39-4113, and Title 39, Chapter 80.
7. All contracts for **Food Services** – see District Purchasing 850.
8. **Public & Personal Property** purchases **(\$50,000-\$100,000) (over \$100,000)** – see Purchasing or Leasing Public Personal Property 850.30.
9. All purchases for **Services less than \$50,000** – see Service Contracts 850.60.
10. All purchases for **Services Other than Professional or Personal Services (\$50,000-\$100,000)** – see Service Contracts 850.60 (requires three (3) vendor bids, but no Competitive Bidding necessary).
11. All purchases for **Services Other than Professional or Personal and more than \$100,000** – see Service Contracts 850.60 (requires Competitive Bidding).
12. All purchases for **Services requiring RFPs (Requests for Proposals)** – see Service Contracts 850.60.
13. All purchases for **Services requiring Public Works Construction Professionals** – see Service Contracts 850.60.
14. All purchases for **Services requiring Construction Manager Representative (CMR) or Construction Manager/General Contractor (CM/GC)** – see Service Contracts 850.60.

15. See Service Contracts 850.60 for **Joint Purchasing Powers and Purchasing Agreements and Emergency Expenditures**.
16. All purchases for **Construction (Public Work Construction for Construction, Alteration, or Repair of any and all School Buildings and Improvements)** – see Public Works Construction 850.90.
17. All **Construction, Alterations, Improvements, or Repair involving any number of trades for less than \$50,000** – see Public Works construction 850.90.
18. All **Construction Requiring Designing, Building Construction** – see Public Works Construction 850.90 & I.C. 54-1201 & 54-1901.
19. All **Construction Conflict of Interest in Design-Building Firms** – see Public Works Construction 850.90.
20. All **Construction, Alterations, Improvements, or Repairs involving Subcontractors** – see Public Works Construction 850.90.
21. All **Public Works Construction under \$50,000; Lack of available Licensed Contractors** – see Public Works Construction 850.90.
22. All **Public Works Construction between \$50,000 and \$200,000** – see Public Works Construction 850.90.
23. All **Public Works Construction more than \$200,000** – see Public Works Construction 850.90.
24. All **Payment and Performance Bonds** – see Public Works Construction 850.90 and I.C. 54-1926 – Performance & Payment Bonds.
25. All **School Building Plan Review and Inspection** – see Public Works Construction 850.90.
26. All **Supplemental Bidding** – see Supplemental Bidding Procedure 851.
27. All **Supplemental Bidding in addition to Purchasing of Goods, Services, and Public Works Construction by Competitive Bid** – see Supplemental Bidding Procedures 851 and Idaho Code 33-601, 67-2800 (67-2805 & 67-2806).
28. All **Supplemental Bidding Requiring an RFP** – see Supplemental Bidding Procedure 851.
29. All **Supplemental Bidding – Lowest Responsible Bidder** – see Supplemental Bidding Procedure 851 and I.C. 54-1904E & 67-2805.
30. All **Reviewing of Supplemental Bids** – see Supplemental Bidding Procedure 851.



31. All **Awarding of Supplemental Contracts** – see Supplemental Bidding Procedure 851.
32. All **Supplemental Bidding Relief** – see Supplemental Bidding Procedure 851.
33. All **Supplemental Non-Material Bid Irregularities** – see Supplemental Bidding Procedure 851



**LEGAL REFERENCE:**

The following statues are frequently used in developing a bid proposal:

Idaho Code Sections:

- 33-402 – Notice Requirements
- 33-118A – Curricular Materials – Adoption Procedures
- 33-601 – School Property
- 33-1510 – Contracts for Transportation Service
- 39-4108 – Idaho Building Code Act - Certification
- 39-4113 – Idaho Building Code Act – Plan Reviews – Maximum Fees and School Inspection
- 39-8001 *et seq.* – Uniform Public School Building Safety
- 44-1001 *et seq.* – Public Works – Employment of Residents of Idaho
- 54-1201 – Engineers & Surveyors
- 54-1901 *et seq.* – Public Works Contractors
- 54-1903 – Exemptions
- 54-1904 – Classes of Licenses – Rights Granted Under Licenses
- 54-1904E – Award of Contract to second or next Lowest Bidder
- 54-1926 – Performance & Payment Bonds
- 67-2309 – Written Plans & Specifications
- 67-2310 – Subcontractors
- 67-2320 – Professional Service Contracts, Design Professional, CM, & Surveyor
- 67-2324 – Two-Third Vote Required
- 67-2800 *et seq.* – Purchasing by Political Subdivisions

Federal Regulations

- 2 CFR Part 200, including Appendix II, “Contract Provisions for Non-Federal entity Contracts Under Federal Awards” (EDGAR)

Policies:

1. District Purchasing Policy (850)
2. Public/Personal Property (Policy 850.30)
3. Services & Service Contracts (Policy 850.60)
4. Public Works Construction (Policy 850.90)
5. Supplemental Bidding Procedures (Policy 851)

**ADOPTED:** (Originally adopted as Competitive Bid Procedures Non-Policy Procedure, June 1, 2001; reviewed: October 18, 2005, February 6, 2006, and October 4, 2010; revised: November 9, 2015)

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