

TUCSON UNIFIED SCHOOL DISTRICT GOVERNING BOARD POLICY	POLICY TITLE: Purchasing Procedures
	POLICY CODE: DJE

All Purchasing, Contracting, Competitive Bids, and Bid Protests Shall Comply with the Law

Competitive Solicitation Threshold Requirements, Procurement Approval Levels, After the Fact Transactions, and Various Procurement Policies

The Superintendent shall be responsible for all purchasing, contracting, competitive bidding, and receiving and processing of all bid protests, in accordance with the Arizona school district procurement rules, Arizona Administrative Code Chapter 2, Title 7, Articles 10 and 11, *School District Procurement*. The Tucson Unified School District No. 1 shall seek competitive bids, proposals or quotations for all purchases in accordance with the requirements of ~~as well as~~ the appropriate sections of the Arizona Revised Statutes, the Arizona State Board of Education Administrative ~~Rules~~Code, and the Uniform System of Financial Records.

A contract shall not be awarded to an entity that does not verify employment eligibility of each employee through the E-verify program in compliance with A.R.S. 23-214 subsection A. Each contract shall contain the warranties required by A.R.S. 41-4401 relative to the E-verify

Commented [LM1]: ASBA Model language

Commented [SK2]: This requirement will have to added to our PO Terms and Conditions to assure that all procurements are included.

requirements.

Administrative regulation DJE-R prescribing purchasing procedures for Tucson Unified School District No. 1 shall be consistent with this Governing Board Policy and the law.

Authorization to Sign or Approve

Only the administrators and staff designated in Regulation DJE-R, Purchasing Procedures, ~~The Director of Purchasing, Purchasing Manager or the Executive Director of Finance~~ may sign procurement agreements on behalf of Tucson Unified School District No. 1, when the agreements comply with applicable rules, regulations, statutes, and policies.

Purchasing Department Responsibilities

The Purchasing Department shall prepare written determinations as required by the Arizona State Board of Education Administrative Code prior to issuing formal solicitations for multi-step sealed bidding, competitive sealed bids or proposals, multi-term contracts, or non-construction contracts requiring bid or contract security.

The Purchasing Department representative most closely involved in the procurement shall serve as the District representative for protests and claims on solicitations and contracts.

Assumption of Debts

The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases

Commented [LM3]: Adds accountability for purchases made without approved P.O.

Commented [LM4]: From Humboldt TX model

Commented [SK5R4]: This language strengthens our ATF process. Thanks

made in accordance with this Policy and Regulation DJE-R Purchasing Procedures.

The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control or debts incurred in contradiction to this Policy and Regulation DJE-R Purchasing Procedures.

Persons making unauthorized purchases shall assume full responsibility for all such debts.

Purchases Not Requiring Competitive Bidding

Purchases of less than ten thousand dollars (\$10,000) may be made at the discretion of the Superintendent. Such procurements are not subject to competitive purchasing requirements, however reasonable judgment should be used to ensure the purchases are advantageous to the District. See Regulation DJE-R.

~~Verbal price quotations will be requested from at least three (3) vendors for transactions of at least ten thousand dollars (\$10,000) but less than fifty thousand dollars (\$50,000). The price quotations should be shown on, or attached to, the related requisition form. If three (3) verbal quotations cannot be obtained, documentation showing the vendors contacted that did not offer price quotations, or explaining why price quotations were not obtained, shall be maintained on file in the District office.~~

Written price quotations will be

Commented [LM6]: Deleted per changes to USFR effective 7/1/19, three written quotes required for purchases \$10K to \$100K

Commented [LM7R6]:

requested from at least three (3) vendors for transactions of at least ~~ten fifty~~ thousand dollars (~~\$510,000~~) but not more than one hundred thousand dollars (\$100,000). If three (3) written price quotations cannot be obtained, documentation showing the vendors contacted that did not offer written price quotations, or explaining why written price quotations were not obtained, shall be maintained on file in the District office. See Regulation DJE-R.

TUSD will comply with the competitive bidding exemptions outlined in R-7-2-1002 (D)(1-12) *Applicability*, including but not limited to the placement of a student in a private school that provides special education services pursuant to A.R.S. 15-765, purchases or contracts with the Arizona Industries for the Blind, certified nonprofit agencies that serve individuals with disabilities and Arizona Correctional Industries, Intergovernmental agreements and contracts in accordance with A.R.S. [11-952](#) pursuant to A.R.S. [15-213](#), a decision to participate in insurance programs authorized by A.R.S. [15-382](#), etc.

~~Procurement Threshold Levels Purchases with an aggregated fiscal year value of less than \$10,000 shall be made in accordance with Regulation DJE-R. Such procurements are not subject to formal competitive purchasing requirements; however reasonable judgment should be used to ensure the purchases are advantageous to~~

Commented [LM8]: This section deleted because duplicate language already in DJE-R.

~~the District.~~

~~For purchase transactions with an aggregated fiscal year value of at least \$10,000, but less than \$50,000, a minimum of three vendors shall be solicited for verbal price quotations or, at the direction of the Purchasing Department, three written price quotations. For either verbal or written price quotations, documentation must be provided which specifies all vendors contacted, their respective contact information and quoted prices and terms, or an indication of their election to not quote~~

~~For purchase transactions with an aggregated fiscal year value of at least \$50,000, but less than \$100,000, a minimum of three vendors shall be solicited for written price quotations. Documentation must be provided which shall specify all vendors contacted, their respective contact information and quoted prices and terms, or an indication of their election to not quote.~~

Purchases Requiring Competitive Bidding

Except in the case of approved emergency or sole source procurements, all purchase transactions exceeding \$100,000 shall require a formal competitive sealed bid, competitive multistep sealed bid or competitive sealed bid or proposal process in accordance with the requirements of the Arizona State Board of Education Administrative Code and the Uniform System of Financial Records. See DJE-R.

Online Bidding

Until such time as the State Board of Education adopts rules for the procurement of goods and information services by school districts and charter schools using electronic, online bidding, the District may procure goods and information services pursuant to A.R.S. 41-2671 through 2673 using the rules adopted by the Department of Administration in implementing 41-2671 through 2673.

Commented [LM9]: Pre-existing language taken from ASBA model, not new. We do not currently have this language in our Policy.

Commented [SK10R9]: I agree with the addition of this language.

Duration of Contract:

Unless otherwise provided by law, contracts for materials or services and contracts for job-order-contracting construction services may be entered into if the duration of the contract and the conditions of renewal or extension, if any, are included in the invitation for bids or the request for proposals and if monies are available for the first fiscal period at the time the contract is executed.

Commented [LM11]: ADDED from ASBA model language

The duration of contracts for materials or services and contracts for job-order-contracting construction services shall be limited to no more than five (5) years unless the Board determines that a contract of longer duration would be advantageous to the District. Once determined, the decision should be memorialized in meeting minutes and in the contract/bid file.

Payment and performance obligations for succeeding fiscal

periods are subject to the availability and appropriation of monies.

Public Inspection and Rationale for Awarding a Contract

Under the following circumstances, the Purchasing Department shall make available for public inspection all information, all bids, proposals and qualifications submitted, and all findings and other information considered, in determining whose bid conforms to the District's invitation for bids:

- A) After the bids submitted in response to an invitation for bids are opened and the award is made, or
- B) After the proposals or qualifications are submitted in response to a request for proposals or a request for qualifications and the award is made; and
- C) The information released is determined by TUSD not to contain proprietary trade secrets.

Documentation provided will include information regarding the most advantageous with respect to price, conformity to the specifications, and other factors, or whose proposal for qualifications are to be used to select and award the bid.

Included in this information will be the rationale for awarding a contract for any specified professional services, construction, construction service or materials to an entity selected from a qualified select bidders list or through a school purchasing cooperative.

The invitation for bids, request for

proposals or request for qualifications shall include a notice that all information and bids, proposals and qualifications submitted will be made available for public inspection. A.R.S. 15-213(B).

Commented [LM12]: Contains new statutory language plus trade secrets modification - Kevin concern - We have to *seal* certain procurements - under protest, etc, ones suspended, seal, can't release for record requests, in the middle of solicitation cant release. Also code indicates vendor proprietary info has to be restricted.

Commented [SK13R12]: After further review, we feel this should be sufficient.

Contract Void and Unenforceable

Any contract that contains a provision, covenant, clause or understanding in, collateral to or affecting a construction contract that makes the contract subject to the laws of another state or that requires any litigation, arbitration or other dispute resolution proceeding arising from the contract to be conducted in another state is void and unenforceable. A.R.S. §15-213(A)(2)(g).

After- the-Fact Procurements and Purchase Order Requirements

A properly executed purchase order shall be issued for the acquisition of all goods, personal services and construction. If a school site or department orders materials, services or construction prior to a purchase order being issued, then an After-the-Fact procurement has occurred. After-the-Fact procurements violate the Arizona Revised Statutes, Article 10 of the Arizona Board of Education Administrative Code and the Uniform System of Financial Records. School Sites or departments that violate statute and code will be required to follow certain the procedures in District Regulations (see District Regulation DJE-R). A violation may be considered misappropriation of District funds, which will result in corrective action, up to and including termination of employment and/or mandatory reimbursement of the unauthorized purchase amount.

TUSD reserves the right to refuse payment for any improper procurement. If TUSD

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should refuse to pay a vendor for an After-the-Fact Procurement, the responsible employee(s) may be liable for civil damages and attorneys' fees should the vendor choose to institute court action seeking payment from the employee.

Purchase orders may be signed only by authorized staff listed in Regulation DJE-R. authorized staff, which includes the Director of Purchasing, Purchasing Manager, Purchasing Department Procurement Agents or Specialists, Deputy Superintendent of Operations, Chief Financial Officer Executive Director of Finance or Superintendent. Purchasing Department Procurement Specialists are authorized to sign purchase orders for procurements up to \$100,000.

Selling or Purchasing for Personal Use

No employee may purchase goods or services for personal use in the name of Tucson Unified School District No. 1.

No employee may sell goods or services for private gain to students or other employees on school premises or via District computer networks.

No employee may use his/her position with the District to solicit, directly or indirectly, the purchase of supplies, services or equipment at special discounts for private use from any school district vendor.

Commented [LM14]: MOVED to DJ – purchasing ethics policy

~~Any person using their employment position or influence at the District for the purpose of obtaining goods or services for personal benefit or the personal benefit of others shall be subject to disciplinary action up to and including dismissal and possible criminal charges. Such activities shall include, but are not limited to:~~

- ~~A. Purchases at discounted rates not available to the general public; or~~
- ~~B. Acceptance of goods and services at no or reduced cost; or~~
- ~~C. Purchases with the intent of avoiding sales taxes.~~

~~It is permissible to obtain goods and services for personal use at discounted rates where suppliers typically offer educational discounts to employees of the District. Such discounts are characterized by being made available to all employees regardless of position or influence. Employees are responsible for personal transactions with vendors, including sales tax, and purchase arrangements shall not be made through the use of District purchase orders or procurement cards.~~

Procurement Card

The Governing Board acknowledges that instances occur when ready payment for goods or services is in the best interest of the District. The District defines Procurement Cards as a method of payment in lieu of cash or check and used in accordance with governing policies, laws or regulations pertaining to the District (see ~~Policy~~ Regulation DJE-R).

~~The Deputy Superintendent of Operations Executive Director of Finance is responsible for the implementation of all aspects of the District Procurement Card Program also known as the "pCard" Program.~~ The Governing Board authorizes the Superintendent to secure and assign controlled limit Procurement Cards to designated personnel. District assigned Procurement Cards may not be used for personal expenditures, cash withdrawals, alcoholic beverages, tobacco or any material or service that violates policy, law or regulations pertaining to the District. Misuse may be considered misappropriation of District funds, which will result in corrective action, up to and including termination of employment.

Commented [LM15]: Moved to DJE-R

The use of Procurement Cards is to be closely monitored and payment of statements for authorized purchases and vendor payments are to be made as promptly as possible to avoid finance charges or late fees associated with the use of such cards. Regulation DJE-R lists the authorized staff who are responsible for implementation and monitoring of District procurement cards.

Ethics and Professional Conduct

~~The procurement activities of the Purchasing Department staff, shall be conducted on the highest level of ethical conduct. The activities of all staff involved in District procurement shall promote positive relationships through courtesy and impartiality in all phases of the purchasing cycle by providing prompt and courteous attention to all who call with a legitimate business mission. Furthermore, staff shall refrain from reciprocal agreements that limit or restrain fair competition for District business opportunities. District staff involved in procurement activities or decisions on behalf of the District are required to sign and adhere to a written Ethics Policy regarding procurement and vendor relations.~~

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Commented [LM16]: MOVED to DJ Purchasing ethics policy

**Registered Sex
Offender Restriction**

All purchase orders, agreements to purchase, and contracts for services to be provided by personnel other than District employees will include the following statement:

Commented [SK17]: We will add this to our PO terms and Conditions

Registered Sex
Offender
Restriction Prohibition.
The vendor/contractor agrees by acceptance of this purchase order and/or contract that no employee or subcontractor of the vendor, who is required to register as a sex offender pursuant to A.R.S. 13-3821, will perform work on District premises or equipment at any time when a District student(s) is present or is reasonably expected to be present. The vendor/contractor further agrees by acceptance of a District purchase order and/or contract that a violation of this condition shall be considered a material contract breach and may, at the District's sole discretion, result in cancellation of the purchase order and/or contract.

Procurement from Arizona Industries for the Blind, Nonprofit Agencies serving the Disabled and Arizona Correctional Industries

The District may, without a competitive solicitation process, purchase or contract for any products, materials or services directly from the Arizona Industries for the Blind, certified nonprofit agencies that serve individuals with disabilities and Arizona Correctional Industries if the delivery and quality of the goods, materials or services meet the District's reasonable requirements.

Commented [LM18]: Deleted because referenced under citation to statute - competitive bidding exemptions

Intergovernmental Agreements

Intergovernmental agreements and contracts between school districts or between the District and other governing bodies as provided in A.R.S. 11-952 are exempt from competitive bidding under the procurement rules adopted by the State Board of Education pursuant to A.R.S. 15-213.

District Participation in State Authorized Insurance Pools

The District is not required to engage in competitive bidding to make a decision to participate in insurance programs authorized by A.R.S. 15-382

- Adopted: January 21, 1986
- Revised: December 2, 1986
- Reviewed: June 14, 1988
- Reviewed: August 23, 1988
- Reviewed: January 24, 1989
- Reviewed: February 19, 1991
- Reviewed: May 7, 1991
- Reviewed: August 6, 1991
- Reviewed: January 19, 1999
- Revised: November 18, 2003
- Revised: November 9, 2004
- Revised: January 12, 2010
- Revised: December 10, 2013

Affirmed: March 25, 2014

Revised: _____

Legal Reference:

A.R.S.:

- 11-952 Intergovernmental Agreements and Contracts
- 15-213 Procurement practices of school districts; violations; classification; definitions
- 15-213.01 Procurement practices; guaranteed energy cost savings contracts; definitions
- 15-213.02 Program for school energy and water use efficiency programs; definitions
- 15-239 School compliance and recognition; accreditation; audits
- 15-323 Governing board member; voting eligibility; purchases from board member
- 15-342 Discretionary powers
- 15-382 Authorization to self-insure; pooling agreements; joint agreements;
- 15-765 Special education in rehabilitation, corrective or other state and county supported institutions
- 15-910.02 Energy and water savings accounts
- 23-214 Verification of employment eligibility; e-verify program;

- 34-101 et seq., Public Buildings and Improvements, Employment of Special Services
- 35-391 et seq.,
- Credit card payments by governmental entities; disclosure; definitions
- 35-393 Israel Boycott Divestments
- 38-503 Conflict of interest; exemptions; employment prohibition

- 38-511 Cancellation of political subdivision and state contracts; definition
- 38-621 Persons eligible to receive travel expenses
- 38-622 Authorization for travel; claims
- 38-623 Means of travel; rates
- 38-624 Lodging expenses; meal and incidental expense reimbursement
- 38-625 Receipts for transportation
- 39-121 Inspection of Public Records
- 41-2632 Cooperative purchasing authorized; definitions
- 41-2636 Procurement from certified nonprofit agencies that serve individuals with disabilities
- 41-2671 through 41-2673 Online Bidding
- 41-4401 Government procurement; e-verify requirement; definitions

A.A.C.

- R7-2-1001 et seq
- R-7-2-1002 (D)(1-12) Applicability
- R7-2-1141 et seq

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A.G.O.:

183-136
187-035

106-002 ARS 38-503(C) and sale of goods or services by school district employees to their employer

2 C.F.R. 200.321 Contracting with small and minority businesses

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Uniform System of Financial Records for Arizona AZ School Districts

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Cross Reference:

DJ Purchasing Ethics Policy

DJE-R Purchasing Procedures

BCB Board Member Conflict of Interest

BCB-E Board Member Conflict of Interest Exhibit

GBEAA Staff Conflict of Interest

GBEAA-E – Staff Conflict of Interest Exhibit