
SECTION: D-Fiscal Management
POLICY TITLE: Purchasing
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TABLE OF CONTENTS

1. PURPOSE AND PHILOSOPHY
 2. DEFINITIONS
 3. AUTHORITY
 4. APPROVALS
 5. REQUISITIONS
 6. PRE-AUTHORIZED PURCHASES
 7. PURCHASING CARDS
 8. STUDENT, TEXTBOOK, AND FUNDRAISING PURCHASES
 9. EMERGENCY PURCHASES
 10. PROCUREMENT LIMITS AND ASSOCIATED REQUIREMENTS
 11. VENDOR RELATIONS
 12. RECEIPT AND ACCEPTANCE OF GOODS
 13. PROHIBITED CONDUCT
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1. PURPOSE AND PHILOSOPHY

Significant dollars are expended each year on the purchases of goods and services in Nebo School District and having adequate and efficient policies concerning those purchases is critical to the smooth operation of the District and proper stewardship over assets. This policy shall comply with the requirements of the Utah Procurement Code ([UTAH CODE ANN. § 63G-6a-101, et seq.](#)) and the Utah Procurement Rules ([UTAH ADMIN. CODE, R33](#)).

2. DEFINITIONS

- 2.1.** References to **“schools”** indicate the school Principal or his/her designee while references to **“departments”** indicate the department Supervisor or his/her designee.
- 2.2.** The Purchasing Department is under the direction of the Operations Director. References to the **“Purchasing Department”** refer to the Procurement Officer or his/her designee.
- 2.3.** **“Involvement of the Purchasing Department”** indicates that a requisition must be entered into the District accounting software program and must be approved by the Procurement Officer or his/her designee prior to the purchase being made.
- 2.4.** References to **“maintaining documents or documents being kept on file”** indicate that the documents should be retained consistent with the Utah State Archives and Records Services recommendations for record retention. More information can be found at www.archives.utah.gov.
- 2.5.** **“Commingling”** refers to purchasing situations where the school or District initially makes a purchase that is eventually paid in whole or in part by others such as students.
- 2.6.** **“Standing purchase order”** refers to purchase orders issued for recurring goods or services when the cost and quantity are known to some degree of certainty. Standing purchase orders can accommodate multiple invoices over an extended period of time.

- 2.7. **“Sole-source”** refers to procurement where the item or items are reasonably available from only one supplier or where substitute items are not acceptable. Reasons to classify a purchase as sole-source could be due to the need for repair or replacement parts, supplementary components of the same manufacturer, physical design or quality requirements, and/or delivery requirements. If an item is determined to be sole-source, the reason for the classification must be documented and maintained by the Purchasing Department.

3. **AUTHORITY**

- 3.1. The Purchasing Department has the authority to obligate the District for goods and services and has the responsibility to oversee, initiate, conduct, and/or conclude negotiations concerning the procurement of goods and services.
- 3.2. Schools and departments may suggest vendors for goods and services and the Purchasing Department will consider school and department requests whenever it is economically feasible or expedient to do so. However, the Purchasing Department has authority to select vendors and can question the quality, quantity, and kind of goods or services requested and suggest alternatives.
- 3.3. The Purchasing Department has authority to issue standing purchasing orders. All standing purchase orders expire on June 30th of each year.

4. **APPROVALS**

- 4.1. All transactions that result in the commitment of District or school funds should be approved by the appropriate school or department responsible for the budget account being charged.
- 4.2. In no instance should the same individual authorize an order, receive that order, and approve payment for that order.
- 4.3. The Purchasing Department is authorized to proceed with purchases of less than fifty thousand dollars (\$50,000) and allows purchasing in excess of fifty thousand dollars (\$50,000) with the approval of the Board of Education or the Superintendent or designee.
- 4.4. All purchases shall be ratified by the Board of Education through monthly claims approvals and budget adoptions.

5. **REQUISITIONS**

Requisitions are the primary way of initiating purchases and must include the following:

- 5.1. An accurate description and specification for each article listed, including catalog number, sizes, color, etc.
- 5.2. Budget account numbers.
- 5.3. Delivery instructions including a location code.
- 5.4. Estimated or actual cost of items.
- 5.5. Copies of quotes if required based on purchasing limits. When purchasing items where quotes are required but it is not necessary to involve the Purchasing Department, quotes must be kept on file with school or department. Otherwise, quotes should be sent to and maintained by the Purchasing Department.
- 5.6. Approval of the school administrator or department supervisor responsible for the budget account being charged.

6. PRE-AUTHORIZED PURCHASES

- 6.1. The Maintenance and Transportation Departments may use pre-authorized purchase orders with vendors who have been pre-approved by the Purchasing Department.
- 6.2. Purchases with pre-authorized purchase orders are subject to the purchasing limits and associated requirements as set forth in Section 10.
- 6.3. Pre-authorized purchase orders are to be reconciled with receipts and/or invoices and quotes, if required, and reviewed and approved by foremen and department supervisors before payments are authorized and made to vendors for items purchased.

7. PURCHASING CARDS

- 7.1. Purchasing cards will be provided to employees approved by the Purchasing Department.
- 7.2. All purchasing card transactions are to be reconciled monthly by the cardholders, reviewed and approved by cardholder supervisors, and accounted for on a monthly basis.
- 7.3. All purchasing card transactions will be in compliance with procedures and practices as outlined in Administrative Directive 3.2 and are subject to the purchasing limits and associated requirements as set forth in Section 10.

8. STUDENT, TEXTBOOK, AND FUNDRAISING PURCHASES

- 8.1. Many purchases made at the school level are considered student purchases and purchasing requirements depend on whether the student purchase is optional or mandatory.
 - 8.1.1 Optional student purchases are those purchases made by students where the student has the option to waive the purchase without penalty and where the school does not take part in the collection of funds from students and functions only as a conduit or facilitator for the purchase from the student to the vendor. These purchases may be allowed to occur without requiring the vendor to adhere to the requirements set forth herein provided that the vendor has submitted a statement of qualifications and services to the Purchasing Department and the Purchasing Department has reviewed the statement and included the vendor on a list of approved vendors. Examples of optional student purchases may include graduation announcements, graduation caps and gowns, class rings, and student photos.
 - 8.1.2 Mandatory student purchases are those purchases that are required in order for the student to participate in a school sponsored group or activity. These purchases must adhere to the requirements set forth in Section 10. Examples of mandatory student purchases include, but are not limited to, sports uniforms, choir attire, and cheer and drill team attire. Any purchases that involve the Commingling of school or District funds are subject to the requirements set forth in Section 10. Examples of these types of purchases may include yearbooks, student travel, and school bookstore supply purchases.
- 8.3 Textbooks that are included in the approved adoption list or that are to be purchased from a Utah State approved book depository vendor are considered to meet procurement guidelines, and schools and departments may proceed with the purchase without adhering to the requirements set forth in Section 10. Otherwise, textbook purchases are subject to the requirements set forth in Section 10.
- 8.4 Schools may proceed with fundraising purchases without adhering to the requirements set forth in Section 10 provided that the vendor has been issued a visitation pass by the Purchasing Department and the activities comply with [Policy KAC, School Fundraising Activities](#). Otherwise, fundraising related purchases are subject to the requirements set forth in Section 10.

9. EMERGENCY PURCHASES

- 9.1. Emergency purchases should be the exception and not the rule. Schools and departments should anticipate purchase requirements as far in advance as necessary to ensure timely delivery of needed materials.
- 9.2. In an emergency, requisitions should be entered in the accounting system and then the Purchasing Department should immediately be notified by the school or department responsible for the budget account being charged. This notification may be by any means deemed appropriate by the Purchasing Department and should include the reason for the emergency, the requisition number, assurance that adequate funds are available for the purchase, and any pricing or vendor information relevant to the purchase.
- 9.3. If quotes are not required based on the purchasing limits as set forth in Section 10, the Purchasing Department will assign a purchase order number and the school or department will contact the vendor to arrange delivery. If appropriate, the Purchasing Department may make contact with the vendor to facilitate the purchase.
- 9.4. An item on an invoice cannot be paid until approved and received in the accounting system, if applicable.

10. PROCUREMENT LIMITS AND ASSOCIATED REQUIREMENTS

- 10.1. The [Utah Procurement Code, Title 63G, Chapter 6a](#), of the Utah Code, along with the corresponding [Utah Procurement Rules, R33-1 through 26](#), are a complex and comprehensive set of requirements and procedures for the expenditure of public funds. They are only briefly summarized and referenced here to guide employees who make purchases. Employees should contact the Purchasing Department with questions about making purchases in compliance with the Procurement Code and Rules.
- 10.2. Except as otherwise provided in this policy, procurement of individual items is based on the following dollar amounts.
 - 10.2.1. Purchases up to one thousand dollars (\$1,000) may be made by schools or departments without seeking competitive quotes or the Involvement of the Purchasing Department. The procurement aggregate threshold is a maximum amount of five thousand dollars (\$5,000) for multiple procurement items purchased from one source at one time, given that each item individually is one thousand dollars (\$1000) or less. The annual cumulative threshold from the same source shall not exceed fifty thousand dollars (\$50,000). See [Utah ADMIN. Code R33-5-104](#).
 - 10.2.2. Except for sole-source procurement and aggregate purchases outlined in subsection 10.2.1, purchases over one thousand dollars (\$1,000) and up to ten thousand dollars (\$10,000) require two (2) or more competitive written quotes, [UTAH ADMIN. CODE R33-5-107\(1\)](#), and may be made by schools or departments without Involvement of the Purchasing Department. Sole-source procurement (which is not applicable to purchases under one thousand dollars (\$1,000)) requires Involvement of the Purchasing Department. The quotes must be in writing and maintained in accordance with this policy. Quotes should be solicited from the widest practical selection of vendors. Contracts will be awarded to vendors from whom the best price can be obtained commensurate with quality, availability of stock, required delivery, financial responsibility, service, proven performance, technical competence, proximity, and other considerations deemed applicable.
 - 10.2.3. Except for purchases made under Subsection 10.3 for student educational travel, purchases over ten thousand dollars (\$10,000) and up to fifty thousand dollars (\$50,000) require Involvement of the Purchasing Department. The school or department entering the requisition shall obtain two (2) or more written competitive quotes. [UTAH ADMIN. CODE R33-5-107\(2\)](#). The written quotes shall be maintained

either by the school/department or the Purchasing Department at the discretion of the Purchasing Department. Written quotes should be provided by the vendors on their letterhead, from their email address, or from a printout of a web page that clearly shows the vendor name and should include the vendor address, name of person providing the quote, quote date, complete description of the products or service along with the quantity and unit and extended prices, shipping charges, delivery terms, and payment terms.

- 10.2.4.** Purchases over fifty thousand dollars (\$50,000) require advertising and other procurement processes outlined in the Utah Procurement Code such as bidding and requests for proposal. Such purchases may be made only through the Legal Department or the Purchasing Department.
- 10.3.** Procurement requirements for Board-approved student educational travel are based on the dollar limits listed below. If arrangements (transportation, airfare, lodging, registration fees, etc.) are purchased separately, the dollar limits apply to each arrangement (e.g., all airfare or all lodging) and not the total costs of the entire student educational travel event. If arrangements are combined and purchased through a single vendor such as a travel agent, the dollar limits apply to the total amount of the combined arrangements. Purchases for student educational travel should not take place until approval is obtained in accordance with [Policy IICA, Student Educational Travel](#).
- 10.3.1.** For purchases up to one thousand dollars (\$1,000), schools may select the best source without seeking competitive quotes or the Involvement of the Purchasing Department. The procurement aggregate threshold is a maximum amount of five thousand dollars (\$5,000) for multiple procurement items purchased from one source at one time, given that each item individually is one thousand dollars (\$1000) or less. The annual cumulative threshold from the same source shall not exceed fifty thousand dollars (\$50,000). See [Utah ADMIN. Code R33-5-104](#).
- 10.3.2.** For purchases over one thousand dollars (\$1,000) and up to fifty thousand dollars (\$50,000), schools may proceed with the purchase without the Involvement of the Purchasing Department after obtaining two (2) or more written competitive quotes. All quotes must be documented and kept on file with the school.
- 10.3.3.** Purchases over fifty thousand dollars (\$50,000) require Involvement of the Purchasing Department.
- 10.4.** Procurement of design professional services (architectural and engineering services) shall be conducted by the Legal Department or the Purchasing Department and shall comply with either of the following:
- 10.4.1.** Design professional services that are less than one-hundred thousand dollars (\$100,000) may be procured only by the Purchasing Department or the Legal Department in accordance with the requirements set forth in [UTAH ADMIN. CODE R33-5-105](#). Such requirements include reviewing the qualifications of at least three design professional firms, identifying minimum specifications, ranking the firms, and engaging in fee negotiations.
- 10.4.2.** Design professional services estimated to equal or exceed one-hundred thousand dollars (\$100,000) may be procured only by the Purchasing Department or the Legal Department and must follow the requirements set forth in [UTAH CODE ANN. § 63G-6a-1501 through 1506](#) and [UTAH ADMIN. CODE R33-15](#). Such requirements include designating members of a selection committee, providing public notice, making a request for statements of interest, providing definition of scope of work, evaluating statements of interest, selecting firms for discussions and/or interviews, holding discussions and/or interviews, and selecting the most qualified firms.

- 10.5.** Procurement of construction projects shall be conducted by the Legal Department or the Purchasing Department and shall comply with the following:
- 10.5.1.** All procurement of construction projects shall comply with the requirements set forth in [UTAH ADMIN. CODE R33-13](#).
 - 10.5.2.** Construction projects up to one hundred thousand dollars (\$100,000) may be procured only by the Purchasing Department or the Legal Department and must follow the requirements set forth in [UTAH ADMIN. CODE R33-5-106](#).
 - 10.5.3.** Construction projects up to two million five hundred thousand dollars (\$2,500,000) using an approved vendor list may be procured only by the Purchasing Department or the Legal Department and must follow the requirements set forth in [UTAH ADMIN. CODE R33-5-106.5](#).
- 10.6.** Procurement of items for the Child Nutrition program and others using federal awards or otherwise subject to federal procurement requirements must be conducted, as applicable, in accordance with [2 CFR part 200](#); [2 CFR parts 400](#) and [415](#), and [7 CFR part 210.21](#). In some instances federal requirements may be more restrictive than state requirements. Under [2 CFR 200.318\(a\)](#), the District must comply with the more restrictive requirements. If the state thresholds, as outlined in subsection 10.2 above, are more restrictive than the federal thresholds outlined in this subsection 10.6, the District must adhere to those found in subsection 10.2. Procurement using a federal award must be conducted through one of the following methods. However, even when using one of the following methods, if the state threshold is lower than the amount listed in this subsection, the more restrictive state threshold must be followed even when using federal funds.
- 10.6.1.** Informal procurement methods. [2 CFR 200.320](#). When the value of the procurement for property or services under a Federal award does not exceed the Simplified Acquisition Threshold (SAT), as defined in [2 CFR § 200.1](#), formal procurement methods are not required. The District may use informal procurement methods to expedite the completion of transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include the following:
- 10.6.1.1.** Micro-purchases.
 - 10.6.1.1.1.** *Distribution.* [2 CFR 200.320\(a\)\(1\)\(i\)](#). The acquisition of goods or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (\$10,000, but subject to adjustment under [48 CFR subpart 2.1](#)). Micro-purchases should be distributed equitably among qualified suppliers.
 - 10.6.1.1.2.** *Micro-purchase awards.* [2 CFR 200.320\(a\)\(1\)\(ii\)](#). Micro-purchases may be awarded without soliciting competitive price or rate quotations if the price is reasonable based on research, experience, purchase history or other information and documents. Purchase cards can be used for micro-purchases if procedures are documented and approved.
 - 10.6.1.1.3.** *Micro-purchase thresholds.* [2 CFR 200.320\(a\)\(1\)\(iii\)](#). The District is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures.
 - 10.6.1.1.4.** *District-approved increase to the micro-purchase threshold up to \$50,000.* [2 CFR 200.320\(a\)\(1\)\(iv\)](#). The District may establish a threshold higher than the micro-purchase

threshold identified in the Federal Acquisition Regulations (FAR) in accordance with the requirements of this subsection. The District may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with 2 CFR § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

- 10.6.1.1.4.1.** A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;
- 10.6.1.1.4.2.** An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
- 10.6.1.1.4.3.** a higher threshold consistent with State law.

10.6.1.1.5. *District-approved increase to the micro-purchase threshold over \$50,000.* [2 CFR 200.320\(a\)\(1\)\(v\)](#). Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant federal agency for indirect costs. The District must submit a request with the requirements included in subsection 10.6.1.1.4. The increased threshold is valid until there is a change in status in which the justification was approved.

10.6.1.2. Small purchases.

10.6.1.2.1. *Small purchase procedures.* [2 CFR 200.320\(a\)\(2\)\(i\)](#). The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. Price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the District.

10.6.1.2.2. *Simplified acquisition thresholds.* [2 CFR 200.320\(a\)\(2\)\(ii\)](#). The District is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. When applicable, a lower simplified acquisition threshold used by the District must be authorized or not prohibited under State, local, or tribal laws or regulations.

10.6.2. Formal procurement methods. [2 CFR 200.320\(b\)](#). When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by the District, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with [2 CFR § 200.319](#) or paragraph 10.6.3 of this policy. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the District determines to be appropriate:

10.6.2.1. Sealed bids, which are bids that are publicly advertised and solicited. A firm fixed price contract is awarded to the responsible bidder whose bid is the lowest in price. [2 CFR 200.320\(b\)\(1\)](#).

- 10.6.2.2.** Proposals, which are proposals that are publicly advertised and solicited. A request for proposal (RFP) must identify all evaluation factors and their relative importance. [2 CFR 200.320\(b\)\(2\)](#).
- 10.6.3.** Noncompetitive procurement, which is a proposal solicited from only one source. Procurement by noncompetitive proposal may be used only when the aggregate dollar amount does not exceed the micro-purchase threshold, the item is available only from a single source, an emergency will not permit a delay resulting from competitive solicitation, the federal awarding agency expressly authorizes it, or after solicitation of a number of sources competition is determined inadequate. [2 CFR 200.320\(c\)](#).
- 10.6.4.** The District must take steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible as described in [2 CFR 200.321](#).
- 10.6.5.** When procuring items or services in excess of the simplified acquisition threshold using a federal award, including contract modifications, the District must perform a cost or price analysis as described in [2 CFR 200.324](#).
- 10.6.6.** When procuring items for the Child Nutrition program, the District must, to the maximum extent practicable, purchase domestic commodities or products and required under the “Buy American” provision of [7 CFR 210.21](#).
- 10.6.7.** A contract expending funds from a federal award must contain the applicable provisions described in [Appendix II to Part 200](#) of the Code of Federal Regulations.
- 10.6.8.** The District may accept and pay for only those items properly procured. The District must perform a screening process for each product through Warehouse Purchasing to certify that the product description, quality, quantity, and pricing matches the ordered product requirements. The District must refuse all substitutions delivered without prior approval.
- 10.6.9.** All records of procurement using a federal award, including requests, rationale for the procurement method used, financial records, supporting documents, statistical records, etc. must be retained for three years as described in [2 CFR 200.334](#).
- 10.7.** In all procurement, orders must not be artificially split in an attempt to allow the purchase to meet a lower dollar limit category or avoid procurement requirements.
- 10.8.** Purchases for which a Utah State contract exists may or may not require competitive quotes. State contract rules require additional quotes on certain items. Information on Utah State contracts is available for review in the Purchasing Department or at www.purchasing.utah.gov.

11. VENDOR RELATIONS

With the school Principal’s permission, sales representatives that have been issued a visitation pass by the Purchasing Department may be permitted to advertise in accordance with [Nebo School District Policy KACA, School Advertising Restrictions](#).

12. RECEIPT AND ACCEPTANCE OF GOODS

12.1. The school or department receiving ordered items must inspect them for obvious damage, irregularities, or discrepancies. If none are found, the items should be marked as received in the accounting system. If items are damaged, have irregularities, or have other discrepancies the school or department is responsible for notifying the vendor immediately of damage, irregularities, or discrepancies. This immediate notification should include the purchase order number, tracking number, date and time received, description of items damaged and condition, condition of shipping container upon receipt, and name of the carrier.

- 12.2. All damaged materials shall be preserved in their original state and in the original container. If damage is evident, the receiver should refuse the shipment based on that damage or should request the delivery personnel acknowledge the damage by having him/her make a note of this damage on the receiver copies before the shipment is accepted.

13. PROHIBITED CONDUCT

- 13.1. Any person acting as a procurement officer for the District, or who in any capacity participates in the procurement of any supplies, services, construction, real property, or insurance for the District, shall not ask, receive, or offer to receive any compensation, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization, from any person interested in the sale of such supplies, services, construction, real property, or insurance.
- 13.2. A person who is interested in any way in the sale of any supplies, services, construction, real property, or insurance to the District shall not give promise thereof, to any person active in the procurement of such supplies, services, construction, real property, or insurance, whether it is given for his or her own use or for the use or benefit of any other person or organization.
- 13.3. Any person acting as a procurement officer for the District may not make purchases in the District's name for personal purposes or for the benefit of other individuals.

EXHIBITS

None

REFERENCES

[2 CFR Part 200](#)

[2 CFR Part 400](#)

[2 CFR Part 415](#)

[7 CFR Part 210](#)

[48 CFR Part 2.1](#)

[Utah Procurement Code, UTAH CODE ANN. § 63G-6a-101 et seq.](#)

[Utah Procurement Rules, UTAH ADMIN. CODE R33-1-1 et seq.](#)

[Nebo School District Policy IICA, *Student Educational Travel*](#)

[Nebo School District Policy KAC, *School Fundraising Activities*](#)

[Nebo School District Policy KACA, *School Advertising Restrictions*](#)

FORMS

None

HISTORY

Revised 10 May 2023 – updated requirements for use of federal funds per changes to federal regulations; made technical changes.

Revised 12 June 2019 – added subsection on procurement using federal awards; deleted reference to player packs; made technical changes.

Revised 9 May 2018 – updated consistent with changes to procurement code and rules.

Revised 13 November 2013 – updated dollar amounts for architectural or engineering services.

Revised or adopted 19 June 2007.
