



Procedure: Bids, Contracts and Purchases

The purchase of supplies, equipment and services represents a significant expenditure in school district budgets. These purchases must be made in an open, fair, and economical manner and must guard against any improprieties.

Bids:

To be open and fair in awarding business and to insure favorable pricing, best practice is to always seek estimates from multiple sources. As such, the following minimum requirements are established:

- Oral Quotations:
 - A minimum of three quotations must be received for items valued between \$3,500 (Micro Purchases) and the limit established in 16 VSA § 559 (currently \$15,000)
 - Quotations may be received by phone or in writing.
 - A record of these oral bids must be kept on file, submitted with the purchase order, or otherwise maintained for future reference (Vendor Selection Form used)
- Public Bids:
 - 16 VSA § 559 sets the dollar threshold to publicly advertise or invite bids.
 - A minimum of three quotations must be received in writing.
 - A copy of the quotations must be submitted with the purchase order.
- Requests for Proposal (RFP):
 - In situations where negotiated contracts are appropriate (see “contracts” below), the appropriate individual must also prepare an RFP and include information in the bid invitation on how vendors can obtain the RFP.
 - The RFP will indicate pre-qualification criteria, minimum project or product specifications, acceptable performance or service levels, schedule constraints and proposal due date. The RFP will also indicate that the district reserves the right to reject any or all bids.
 - The RFP should include scoring criteria metrics.
 - The RFP should be advertised throughout the State.
 - A minimum of three quotations is required unless there are extenuating circumstances as discussed in the “Contracts” section (sole source contracts).

School board members, school district employees or their immediate families may submit bids. However, bids submitted by those individuals may not be considered as part of the minimum number of required bids outlined above. Any time such an individual is compelled to submit a bid, it must be in writing regardless of cost and can never be the only bid. Other board member requirements are stipulated in 16 VSA § 557.

Contracts:

Negotiated contracts are preferred when: (1) the total cost cannot be determined because of variable quantity, schedule or nature of service; (2) market fluctuations preclude achieving a fixed cost; (3) there is difficulty in quantifying services such as legal or architectural; (4) there is difficulty in comparing facility or equipment leases;

or (5) multi-year contract options are desired. Negotiated contracts should consider future costs, contingencies, project stages and market conditions.

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Sole source contracts are to be avoided when possible and, if necessary, should be limited in duration. Sole source contracts shall only occur when: (1) an RFP only results in a single bidder; (2) the contract calls for specific product or specialized service; (3) the nature of the product or service requires future professional knowledge that can only be provided by the original vendor; or (4) only one local vendor is available.

RFP's may define a process for clarifying questions prior to proposal submission. In some cases, vendors may be asked to attend "walk-through" tours or open evaluations of their proposal. All prospective vendors will be invited to attend a public opening of all bids. If contract requirements change after proposals are received, all bids are rejected and a new RFP released. If a bidder offers goods or services "above and beyond" the RFP, those cannot be considered towards the bid or accepted. If the district determines that they require these above and beyond elements of the bid, they must go back out to bid with the new specifications.

As a general rule, the lowest responsible bidder will be awarded the contract. However, other criteria may include: product or service quality; vendor experience and competency; warranties; guarantees; and conditions of default. Ultimately, contract award is limited by 16 VSA § 559.

Purchases:

Notwithstanding the bid and contract requirements specified above, authority to issue purchase orders is as follows:

- SU and School Administration: When the cost is below the 16 VSA § 559 threshold (currently \$15,000)
- Superintendent or Central Office Designee: When cost is above the 16 VSA § 559 threshold, but below \$25,000.
- Central Office Designee with School District Board approval: When cost is equal to or above \$25,000.

Note: The amounts above relate to cost. For example, the total cost of a two year lease at \$13,000 per year would be \$26,000. However, the total cost of a \$13,000 contract with option years for renewal would only be \$13,000.

Legal References: 16 VSA § 557, 559, and 563

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