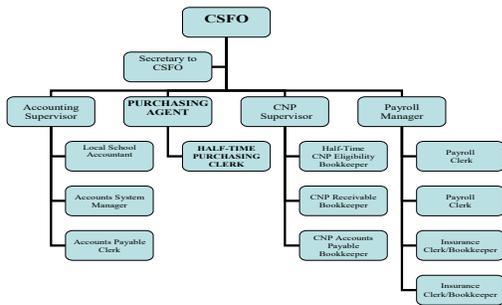


PURCHASING AND PROCUREMENT OVERVIEW

AASBO Continuing Education
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Madison County Board of Education Business Office



Purchasing and Procurement Policies

- Written Procedures for Procurement
 - Purchasing Manual
 - Computer Purchasing Policy
- Purpose
- System Goals



Centralized Purchasing and the Purchasing Department

The establishment of a central purchasing department represents the recognition of purchasing as an organized activity. Purchasing may be defined as the action, function, and responsibility of acquiring equipment, materials, supplies and services. In a narrow sense, purchasing simply describes the process of buying. In a broader sense it includes:

- A. Determining the need for type, size, and quality of materials.
- B. Selecting the supplies or services by determining the most fair and reasonable prices, including terms and conditions.
- C. Preparing the contract or purchase order from requests submitted by local school personnel or from bid results.
- D. Establishing time periods for bids to remain in effect in order to maximize cost efficiency and overall product availability.

Centralized Purchasing and Purchasing Department Management

- Centralized Purchasing Function
- Purchasing Process Description
- Purchasing Department Goals and Objectives



Centralized Purchasing and the Purchasing Department Management continued

Contract Procurement and Purchasing is an integral part of management and should be organized to function accordingly. The Purchasing Department is designed to encompass all aspects of the purchasing function, including contract procurement for material, services, disposals, and sales.

The Purchasing Department is the line of communication between the supplier's representatives and the various departments that specify and/or use materials and services. Information and ideas must be exchanged to ensure the acquisition of the most suitable materials, and/or services at the best price available.

The overall objective of the Purchasing Department is to obtain, at the best prices, the highest quality material or service at the appropriate time so that the educational process is not interrupted or impeded.

Purchasing Procedures

Advance and Seasonal Estimates of School Requirements

It is essential that the Purchasing Agent knows well in advance the character and volume of materials to be purchased for the school system. This information will allow for consolidation and lower unit pricing.

The Purchasing Agent shall obtain information regarding future school system requirements through the use of:

1. Annual budget estimates.
2. Historical records of past purchases.
3. Seasonal estimates. (the Warehouse Supervisor will submit reports as required to the Purchasing Department on the usage of specified materials).
4. Actual records of quantities purchased from vendors.

Purchasing Procedures continued

Purchase Requisitions

- A completed purchase requisition should be submitted for approval by a local school Principal or Department Head/Supervisor. (Each employee is responsible for filling in the proper account number before the requisition is submitted to the Purchasing Department for a purchase order.)
- The purchasing agent or the bookkeeper (for local school paid items) should check the purchase requisitions for accuracy before issuing a purchase order. The department head/supervisor should receive a copy of the purchase order indicating the requisition has been approved. (Purchase Orders are signed as approved by the Purchasing Agent/Purchasing Clerk or CSFO).

Purchasing Procedures continued

- The individual receiving the material should date and sign his/her copy of the purchase order stating that he/she received the material. The Principal or Supervisor will forward a copy of the signed receipt back to the Accounts Payable Department in the Business Office or to the bookkeeper in the local school.
- An invoice should be obtained for each purchase before payment is made.
- The invoice should provide
 - Pre-printed vendor name & address
 - Description of purchase
 - Itemized listing of items purchased and item price
 - Shipping & handling charges
 - Total amount of the purchase

Purchasing Procedures continued

- The school employee receiving the items should sign the invoice to verify the items billed were actually received.
- The invoice should be matched to the purchase order before processing payment. Once the purchase order and invoice are received in accounts payable with the proper signatures, payment is made (check or virtual pay).

Procurement Purchasing Cards

A Procurement Purchasing Card can be issued to school employees; i.e., Operations/Maintenance and Transportation Department individuals. A Commercial Card Agreement should be signed by the card holder for pickup items. Pick-up items are defined as those unanticipated non-stocked items less than \$1,000.00 (or whatever your local Board Policy allows) needed to complete a particular project during normal operating hours. Purchases after business hours, weekends and holidays may also be necessary to complete a project that would otherwise jeopardize the safety, security and life safety code of personnel and school property.

Note: The normal purchase order procedure should be followed for tools, stock items, or orders exceeding \$1,000.00 (or again, whatever your local Board Policy allows).

Procurement Purchasing Cards continued

- All pickup items should have an itemized delivery ticket and/or invoice copy with the signature of the employee receiving the merchandise. The person requesting the items will verify that purchases are authorized and the prices are correct based on any bids or contracts that are applicable.
- At the end of each week, all delivery tickets/invoice copies and the Receipt Log are to be submitted to the Operations and Transportation Supervisors.
- The Operations and Transportation Supervisors should designate the account number and the name of the project or job on the Receipt Log and sign the Receipt Log thereby confirming the purchase of the item or items.
- Once signed and approved, the paperwork should be submitted to the Accounts System Manager in the Business Office.

Price Quotes/Non-Bid Items

- Appropriate Threshold/Dollar Amounts
- Quote Types/Comparisons
- Scope of Project/Invoices and Compliance with Alabama Competitive Bid Laws



Surplus/Obsolete Property

- Definition
- Disposal Methods
- Other Guidelines and Responsibilities

Surplus/Obsolete Property continued

Defining Surplus/Obsolete Property

- Surplus property is property that the Board has legal title but is no longer needed for support of the school system's operations. Obsolete property is school system property which is no longer usable in the service for which it was purchased and cannot be utilized safely or economically in any other manner. It shall be the responsibility of the Board's Supervisors and Account Systems Manager to determine the property that meets these criteria and to submit a list of such property to the central office for designation as surplus or obsolete property.
- Once Board approval has been given, the Purchasing Agent, with assistance from the Director of Operations and Auxiliary Services, will be responsible for disposal in accordance with the Board's policies, including establishing a fair market price when sale of property is required. Other disposal methods shall be the responsibility of the Director of Operations and Auxiliary Services or whomever is designated with your school district.

Surplus/Obsolete Property continued

Method of Disposal

The Purchasing Department shall be responsible for the sale of surplus and obsolete property. Sales may take place in one of the following manners:

- A. Sealed bids
- B. Public auction
- C. Sale to another government agency for a fair market price
- D. Gov. Deals

The Board, as its discretion, may transfer asset(s) to another governmental agency **or any non-profit organization** for nominal consideration.

The Board has the right to reject any or all bids for school surplus or obsolete property.

Purchasing Policies and Procedures

Questions