

BUS6 - Purchasing and Acquisition

B - Business

Purchasing Ethics Policy

Objective:

The district upholds a strict code of ethics in all purchasing and contracting practices. No board member or employee shall use their position to gain personal benefits or advantages not aligned with their duties. The district maintains zero tolerance for actions that compromise integrity or create conflicts of interest in the performance of official duties.

Prohibited Conduct:

Governing Board members and employees must not solicit or accept gifts, benefits, or anything of value that may influence their judgment in performing official duties. Specifically:

- Any individual supervising or participating in contracts, purchasing, payments, or other financial transactions is guilty of a Class 6 felony if they solicit or accept any gift or benefit valued at \$300 or more from a vendor that has secured or is attempting to secure a contract with the district. Accepting gifts under \$300 is a Class 1 misdemeanor.
- Vendors offering gifts or benefits to influence district contracts are similarly subject to these penalties.

For the purposes of this policy, a "gift" is defined as any tangible or intangible benefit, including money, property, or other items of value. This does not include nominal items like T-shirts, mugs, or pens, nor food, beverages, or sponsorships related to school functions.

Protection for Whistleblowers:

Any district employee who reports misconduct, violations of district policy, or breaches of laws will be protected from retaliation. Employees with authority over personnel decisions cannot penalize those who disclose such information.

Legal References:

- Arizona Revised Statutes (A.R.S.) 15-213, 15-323, 38-503, 38-504
- Arizona Constitution, Article IX, Section 7
- Department of Education Policies

Bidding/Purchasing Procedures

Objective:

To ensure transparency and efficiency in the district's purchasing practices, all procurement activities will be governed by competitive bidding processes, in compliance with state and federal law.

Purchasing and Competitive Bidding:

The Superintendent will oversee all procurement, contracting, and bid processes, ensuring compliance with Arizona school district procurement rules (A.A.C. R7-2-1141 et seq.). Contracts may not be awarded to vendors that fail to verify employment eligibility through the E-Verify program.

Purchases under \$10,000 may be made at the discretion of the Superintendent and are not subject to competitive bidding. For purchases between \$10,000 and \$100,000, the district will seek written price quotations from at least three vendors. Documentation must be kept on file if fewer than three quotations

are obtained.

Sealed bids or proposals are required for transactions exceeding \$100,000. These processes must comply with Arizona Administrative Code and the Uniform System of Financial Records (USFR).

Public Inspection and Rationale for Awarding a Contract:

The Governing Board shall make available for public inspection all bids, proposals, qualifications submitted, and findings related to the determination of bid awards. This includes any documentation regarding the conformity of the bid or proposal with district specifications, price, and other determining factors. The rationale for awarding a contract, particularly for professional services, construction, or materials, will also be made publicly available, including for entities selected from a qualified bidders list or through a school purchasing cooperative.

All invitations for bids, requests for proposals, or qualifications will include a notice that all submitted information, bids, proposals, and qualifications will be open for public inspection upon completion of the award process. This ensures transparency and accountability in procurement practices.

Exemptions from Competitive Bidding:

The district is exempt from competitive bidding under specific conditions, such as:

- Contracts with Arizona Industries for the Blind or nonprofit agencies serving individuals with disabilities.
- Intergovernmental agreements (A.R.S. 11-952) and participation in insurance programs authorized by A.R.S. 15-382.
- Private school placements for special education students, as dictated by their individualized education programs (A.R.S. 15-765).

Online and Multiple-Year Contracts:

The district may engage in online bidding or enter into multi-year contracts for up to five years, provided these contracts are in the district's best interest. Decisions regarding contract extensions must be documented in meeting minutes and procurement files.

Vendor and Contractor Requirements:

All contracts must include language prohibiting the presence of registered sex offenders on district premises. Violations will result in immediate termination of the contract.

The Superintendent will ensure that procurement processes include provisions for small and minority businesses, women's enterprises, and vendors from labor surplus areas (2 C.F.R. 200.321).

Legal References:

- Arizona Revised Statutes (A.R.S.) 15-213, 15-323, 38-503, 23-214
- A.A.C. R7-2-1141 et seq.
- 2 C.F.R. 200.321

Cancellation of Contracts:

The District reserves the right to cancel any contract within three (3) years of its execution if any individual who played a significant role in initiating, negotiating, securing, drafting, or creating the contract on behalf of the District later becomes an employee or consultant to another party in the contract. This provision allows for the protection of the District's interests in maintaining ethical and unbiased contract agreements.

- **Effective Notice:** Cancellation will become effective upon receipt of written notice by all other parties involved in the contract unless the Board specifies a later date.

- **Recoupment of Fees:** In addition to cancellation, the District reserves the right to recover any fees or commissions paid to the individual involved in creating the contract if they later work for any other party to the contract.
- **Notification Clause:** Every contract entered into by the District will include a notification clause stating:

"In accordance with A.R.S. 38-511, if any individual significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the District becomes an employee, agent, or consultant of another party to the contract, the District may cancel the contract within three (3) years of execution and recoup any fees or commissions paid to such individual."

This provision safeguards the District against potential conflicts of interest and ensures all contracts are maintained with the highest ethical standards.

Legal References:

- **A.R.S. 38-511** – Contract cancellation if a person significantly involved in the contract becomes employed by another party to the contract.
- **A.R.S. 15-213, 15-323, 38-503** – Arizona Revised Statutes relevant to procurement and conflicts of interest.

Bidding/Purchasing Procedures

Objective:

To ensure that all District procurement activities are conducted in a transparent, fair, and legal manner, in accordance with Arizona Revised Statutes, school district procurement rules, and District policy.

Legal Compliance:

All District purchases and contracts must comply with the applicable sections of the Arizona Revised Statutes (A.R.S.), including but not limited to **A.R.S. §§ 15-213, 15-323, 38-503**, and the Arizona Administrative Code (A.A.C.), specifically the school district procurement rules outlined in **A.A.C. R7-2-1001 through 1195**.

Requesting Quotations:

When seeking quotes for procurement, the District will ensure the following:

1. **Details Provided:** Requests must provide sufficient details, including submission deadlines, requirements for format (e.g., email, written, fax), and the physical or digital address where responses are to be sent.
2. **Relevant Factors:** Any additional factors (beyond price) that may influence the contract award must be included, such as:
 - The timeline for submission;
 - Negotiation possibilities;
 - Options for contract extensions or renewals;
 - Uniform terms and conditions provided either in text or by reference.
3. **Contract Duration:** Contracts for **job-order contracting** services must not exceed five years unless the Board determines it is in the District's best interest to extend this period. This determination must be documented in Board minutes and the contract file.

Evaluation Criteria:

When evaluating bids or proposals, if a vendor is selected based on criteria other than price, the reasons must be documented. This documentation should include:

- Vendor names and contact information;
- Price quotes;

- The criteria used in making the determination;
- Evidence of compliance with the District's procurement rules.

All documentation related to the quotation process must be stored in the appropriate procurement file.

Approval of Contracts:

Before any purchase is made, a **written contract** or **purchase order** must be approved.

Annual Analysis of Purchases:

To ensure compliance with procurement rules, an annual review must be conducted to:

1. **Analyze Like-Item Purchases:** Determine the District's projected need for items based on prior purchases and demographic, program, and planning data.
2. **Track Cumulative Costs:** Ensure compliance by tracking the cumulative costs of like-item purchases. All purchase orders must follow appropriate competitive procurement practices to avoid splitting orders or bypassing legal procurement requirements.

Multiple-Year Contracts:

- **Contracts under \$100,000:** Contracts for less than \$100,000 may be entered for up to five years, provided that:
 - The contract allows for renewal or extension;
 - Funds are available for the first fiscal year of the contract; and
 - Competitive purchasing procedures are followed based on the total cost over the contract term.
- **Contracts over \$100,000:** Contracts for more than \$100,000 may be entered into for up to five years if:
 - The Board determines that the contract duration is beneficial to the District;
 - The procurement is competitive and serves the best interest of the District;
 - Future-year funding is subject to availability.

Multiple Awards to Vendors:

Multiple awards for a single product or service should generally be avoided. However, multiple awards may be made if:

1. The request for proposals or bids clearly indicates this possibility.
2. The Board determines that a single award is not advantageous to the District. This determination must be documented in writing.

Bidding Methods:

- **Sealed Bids:** Required for purchases over \$100,000. Bids must be publicly opened, and awards will be made based on the most advantageous bid concerning price, conformity to specifications, and other relevant factors. The Superintendent must review all expenditures and make recommendations to the Board.
- **Multistep Sealed Bidding:** May be used when specifications are not sufficiently complete for full competition. Technical evaluations will be conducted to ensure mutual understanding between the bidders and the District.
- **Competitive Sealed Proposals:** Used when competitive sealed bidding is not practical or advantageous to the District. This method is appropriate when contract negotiations are needed or when factors other than price will determine the award.
- **Public Inspection of Bids:** The Board shall make all bid information, proposals, and documentation publicly available, including the rationale for awarding the contract. The invitation for bids must inform bidders that all submitted information will be made available for public inspection.

Emergency Purchases:

In cases of emergencies involving health, safety, or welfare, the Superintendent may authorize purchases

without adhering to competitive bidding requirements. Documentation explaining the emergency and the necessity of the purchase must be retained in the procurement file.

Sole-Source Procurements:

A contract may be awarded without competition if the Board determines there is only one source for the required item. Written documentation supporting the sole-source procurement must be retained. The District will negotiate the most advantageous terms possible with the sole provider.

Cooperative Purchasing Agreements:

Procurement through intergovernmental agreements is exempt from competitive bidding but must comply with due diligence to ensure proper pricing and procurement practices are followed.

Due Diligence:

The District will regularly assess procurement procedures to ensure compliance with internal controls and applicable procurement laws. This includes using the **Uniform System of Financial Records (USFR) Compliance Questionnaire** to evaluate the adequacy of procurement procedures.