


<p style="text-align: center;">Tucson Unified School District  <i>Celebrate the US!</i> Tucson, Arizona</p> <p style="text-align: center;">POLICY REGULATION</p>	REGULATION TITLE: Purchasing Procedures
	CODE: DJ-R

Purchasing Procedures

The Purchasing Department issues and maintains hundreds of contracts with vendors to provide the District with needed equipment, supplies and services. These contracts may be single-year or multiple-year contracts, and are the result of solicitations awarded by the Governing Board or the Director of Purchasing. The solicitations are usually either an Invitation for Bid (IFB) or a Request for Proposal (RFP). There are also contracts available for use by TUSD employees from other public entities and purchasing cooperatives, such as the State of Arizona and the Mohave Educational Services Cooperative. To find a list of current TUSD vendors (awarded contracts or cooperative contracts) go to the Purchasing Department’s *Buying From Vendors* intranet website at <http://intranet/purchdpt/menuvendor.html>.

No purchase can be made until a Purchase Order has been issued; a Requisition is not a substitute for a valid Purchase Order. If a vendor is on the list as having an existing contract with TUSD, the school or department should submit a requisition for either a one-time Purchase Order or a blanket Purchase Order. The requisition first goes to Finance, and then to the Purchasing Department where it subsequently gets issued to a vendor as a purchase order. Until a purchase order is issued no goods or services may be ordered or accepted.

In those cases where there is no existing contract (i.e., the vendor cannot be located on the Purchasing website of current vendor contracts), then schools and departments shall follow the mandatory quotation procedures detailed below prior to submission of the requisition.

Cumulative Expenditures:

Schools and departments are required to plan ahead, and to consult with Purchasing if necessary, to anticipate the cumulative annual expenditures for like items, including sales tax and freight, from one source for known or anticipated needs over the course of a fiscal year (and not limited to the amount of one specific requisition). Requisitions shall never be divided or sequenced to avoid the prescribed limit.

Quotation Procedures:

A. Cumulative District purchases from one source under \$5,000

1. Obtain a price quotation from any reasonable source, including a current vendor catalog, a sales representative's telephone quote, a vendor internet price, a sales flyer, or other suitable alternative. Solicit a firm quotation with shipping and tax whenever practicable to assure maximum value.
2. Prepare and document on the requisition: complete description of the material(s) or service(s), quantity, date of quotation, catalog date if appropriate, quoter's name, firm price(s), freight charge, percent of sales tax, and any other pertinent information.
3. List or attach all quotations, if any, to the requisition, if this is a paper (not electronic) requisition. If this is an electronic requisition, submit any quotations with requisition number noted, to the Purchasing Department either electronically or through interoffice mail.

B. Cumulative District purchases from one source costing at least \$5,000, but less than \$15,000

1. Solicit 3 or more oral or written vendor quotations. Quotes may be documented on either a Verbal Quote Summary (Form A-18), a Written Quote Summary (Form A-24), or by vendor letterhead with an attached recommendation as to the selected quote.
2. Prepare and document on the requisition: complete description of the material(s) or service(s), quantity, date of quotation, catalog date if appropriate, quoter's name, firm price(s), freight charge, percent of sales tax, and any other pertinent information.
3. Attach all original quotations and/or forms to the requisition, if this is a paper (not electronic) requisition. If this is an electronic requisition, submit all original quotations and/or forms, with requisition number noted, to the Purchasing Department either electronically or through interoffice mail.

C. Cumulative District purchases from one source costing at least \$15,000, but not more \$50,000.

1. Solicit 3 or more written quotations on vendor letterhead. Quotes may be documented on either a Written Quote Summary (Form A-24), or by vendor letterhead with an attached recommendation as to the selected quote.

2. Prepare and document on the requisition: complete description of the material(s) or service(s), quantity, date of quotation, catalog date if appropriate, quoter's name, firm price(s), freight charge, percent of sales tax, and any other pertinent information.
3. Attach all the original written quotations and/or forms to the requisition, if this is a paper (not electronic) requisition. If this is an electronic requisition, submit all original quotations and/or forms, with requisition number noted, to the Purchasing Department either electronically or through interoffice mail.

D. Cumulative District purchases of materials, services or construction in excess of \$50,000.

1. Must be procured by formal competitive sealed bid or proposal, to be prepared and issued by the Purchasing Department, with aid from the requisitioning school/department, as required.
2. Governing Board approval is required for award of transactions that are \$250,000 or more.

E. Restrictions on TUSD Employee Contacts with Outside Vendors

1. **Before a competitive purchasing or procurement process is initiated:** A competitive procurement process (currently cumulative expenditures over \$50,000) consists of creation of an Invitation for Bid (IFB) or Request for Proposal (RFP), its subsequent issue, and finally, award of a contract to one or more vendors. Contact and communications, including but not limited to meetings, telephone calls, correspondence and e-mails, with vendors before the competitive purchasing or procurement process is initiated shall be kept to a minimum, meaning only such contact and communications as necessary for the routine course of business should occur. All contact and communications beyond said minimum contacts shall be documented pursuant to Section F below, and retained at the originating site, or referred to the Purchasing Department where they will be documented in the procurement file. Documentation of all vendor contacts will be retained according to the requirements of the Arizona Records Retention Manual (see Section F below).
2. **New or Ongoing Procurements:** All contact and communications with vendors related to new or ongoing competitive procurements (currently cumulative expenditures over \$50,000), including but not limited to meetings, telephone calls, correspondence and e-mails, during the procurement process shall be handled solely through the Purchasing Department and shall be documented in the relevant procurement file. Any such contact and communications with vendors during a new or ongoing procurement process by District employees other than those in the Purchasing Department shall be documented pursuant to

Section F and retained at the originating site or in the procurement file, according to the requirements of the Arizona Records Retention Manual.

F. Documenting Vendor Contacts

Pursuant to the Requirements of Consent Judgment #CV2009-003035 dated 3/11/09, all TUSD Schools and Departments shall keep a record of “all meetings, telephone calls, correspondence and e-mails” with vendors involved in the “competitive purchasing or procurement process.” To the extent that the Departments listed in Section G (below) have already established effective documentation of communications with vendors in compliance with current law/regulation, the requirements of this Section are not applicable to those Departments.

The following guidelines are recommended:

- **Telephone calls:** Routine telephone communications with vendors do not need to be logged, such as giving street directions or providing routine contact information. Verbal or written quotes for cumulative purchases of \$50,000 or less do not need to be logged separately if the results of those communications are memorialized in writing on, or attached to, the Requisition sent to the Purchasing Department. However, non-routine questions from vendors (such as communications about bids, promotions, or product demonstrations) should be referred to the Purchasing department or memorialized in email and retained at the site for three (3) fiscal years after the fiscal year created.
- **Emails:** Routine and non-routine emails concerning the “competitive purchasing or procurement process” shall be retained at the site for three (3) fiscal years after the fiscal year created. All vendor communications about purchases over \$50,000 shall be referred to Purchasing.
- **Site visits:** All schools and departments shall keep a Log of Vendor contacts to memorialize visits from vendors. It is not necessary to keep a separate log of Vendor contacts if the school or department already has a visitor sign-in log. If the school or department already keeps a visitor sign-in log, the following data points/columns shall be added to the Visitor log that all visitors are required sign when checking in.
 - Vendor (Yes/No)
 - Name
 - Company Name
 - Who You are Here to See

The Log of Vendor contacts and/or Sign- in sheets shall be retained at the site for three (3) fiscal years after the fiscal year created.

G. Purchase Orders

All requisitions must be signed by authorized staff and be in compliance with the above regulations.

Purchase orders may be signed only by authorized staff which includes the Director of Purchasing, Director of Food Services, Purchasing Manager, Contract Manager, Purchasing Department Procurement Specialists, Chief Financial Officer, or Superintendent. Purchasing Department Procurement Specialists are authorized to sign purchase orders only for purchases up to \$50,000, unless specific prior written approval for larger amounts has been obtained from the Director of Purchasing. In matters that are solely Food Services Fund purchases, the Food Services Director fulfills all responsibilities identified for the district Purchasing Department Director. The Food Services Department Purchasing Section will fulfill the responsibilities for purchases and procurements from the Food Services Fund where Purchasing Department is referenced in this regulation.

Any purchase which does not comply with established purchasing procedures will, when deemed appropriate by the Superintendent, become the financial responsibility of the individual authorizing the improper purchase. Violations of these procedures will be reported to the violator's supervisor, the Legal Department, and the Arizona Attorney General's office. Such violations will be matters for evaluation and/or disciplinary action, as deemed appropriate by the supervisor.

Governing Board Policy DJ, Purchasing Procedures, stipulates that, "a properly executed purchase order shall be issued for the acquisition of all goods, personal services and construction."

A properly executed purchase order is:

An authorized purchase order that has been issued by the Purchasing Department, prior to request for, receipt of, or acceptance of any goods or personal services, and prior to registration for conferences/seminars, or making travel reservations.

Authorized purchase orders are required for the following reasons:

- 1) Required by State law;
- 2) Required by Governing Board Policy;
- 3) Required in order to ascertain if the purchase meets State law and District policy;
- 4) Required in order to ascertain if the purchase is within the adopted budget of the District.

A Requisition is not a substitute for an authorized purchase order. Expenditures incurred before the date an authorized Purchase Order is issued are considered After-the-Fact Procurements and the District reserves the right to refuse payment.

H. After-the-Fact Procurements

After-the-Fact procurements violate State and federal laws, school district procurement rules and Governing Board Policy.

An After-the Fact procurement occurs when a school site or department orders materials, services or construction prior to a purchase order being issued by the Purchasing Department. It is illegal for school district staff to authorize the procurement of products or services, or to financially obligate the District without a properly issued purchase order. Also, if a school site or department overspends the dollar amount of a current purchase order without prior authorization from the Purchasing Department, or orders restricted items from a blanket purchase order, an After-the-Fact procurement results.

To discourage school sites or departments from initiating After-the-Fact procurements, the following procedures shall be followed:

1. When a site administrator discovers or is notified that an actual or potential *after-the-fact* procurement has occurred, he or she shall submit an After-the-Fact/Payment Problem Worksheet (Form A-17) and Requisition to the Purchasing Department. The site administrator has the choice of recommending that the District refuse payment by selecting "DO NOT recommend payment" on the worksheet.
2. The Purchasing Department shall not authorize payment unless the originating school/department has submitted an After-the-Fact/Payment Problem Worksheet (Form A-17) recommending payment.
3. Upon receipt of an After-the-Fact/Payment Problem Worksheet, the Purchasing Department Director will determine if an ethical violation likely occurred. Obligations that occur as a result of clerical errors, miscommunication with vendors or between departments, anticipated change orders, or adjustments determined by the Director of Purchasing to be of nominal value, may not be considered ethical violations. If no ethical violation occurred, the requisition will be processed and/or other appropriate action taken. The Director of Purchasing shall maintain a separate log of all such instances. If the Director determines that an ethical violation did occur, the Director will immediately report the After-the-Fact Procurement to TUSD's *Ethics Website* at <http://www.tusd1.org/contents/distinfo/report.html>. The Purchasing Director will forward any supporting documentation to the Legal Department within 48 hours of filing a report.

4. The Legal Department and/or Purchasing Department will investigate all credible reports made to the *Ethics Website*. Anonymous reports will be investigated only if enough information is given to identify the employee and/or vendor alleged to be responsible for violations, or department or school site where a violation is alleged to have occurred, along with enough information about the nature of the violation to enable a credible investigation to take place.
5. The Legal Department and/or Purchasing Department will complete its investigation and produce written Findings within a reasonable time frame.
6. If there is a finding that one or more vendors violated law or Board Policy, the Purchasing Director will receive a copy of the Findings. The Purchasing Director, in consultation with his/her own supervisor and the Legal Department, will have the final decision over corrective action to take. Corrective Action will take into account the severity of the violation and the number of past violations by the vendor, and can include actions ranging from written warning, to recommended non-payment of an After-the-Fact procurement, to cancellation of contract, to recommendation to the Governing Board for debarment or suspension. Within 5 working days of receiving the Findings, the Purchasing Director will communicate his or her corrective action to the vendor(s) in writing, and provide a copy to the Legal Department.
7. If appropriate to the situation, an employee's supervisor may be asked to conduct part or all of an investigation related to any employee he/she supervises. If there is a finding that one or more employees violated law or Board Policy, the employee(s') supervisor will receive a copy of the Findings. The employee(s') supervisor, in consultation with his/her supervisor and with the Legal Department, will have the final decision over corrective action to take. Corrective Action will take into account the severity of the violation and the number of past violations by the employee, and can include recommended action ranging from letter of direction, to progressive discipline up to and including termination, to docking employee wages for illegal expenditures. Within 5 working days of receiving the Legal Department's Findings, the employee(s') supervisor will communicate his or her corrective action to the employee in writing, and provide a copy to the Legal Department.
8. All confirmed violations of law, school district procurement rules and regulations, or Board Policy by employees or vendors will automatically be reported to the Arizona Attorney General's office, along with evidence of the corrective action taken for each violation.
9. All investigation, findings, and corrective action documentation are considered Public Records under ARS § 39-121 *et seq.*, and may be made publicly available upon receipt of a proper Public Records Request.

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

I. Emergency or sole source purchases, all categories

1. If an emergency purchase is required involving health, welfare or safety of the public, employees or students, provide a written statement with the requisition documenting the basis of the emergency and the basis for the selection of the particular vendor. Emergency procurements shall be limited to the materials, services or construction necessary to satisfy the emergency need.
2. The District strongly discourages the use of sole source procurements. District school sites and departments must attempt to obtain competitive quotations for sole source purchases of \$50,000 or less. The District shall negotiate with the sole source provider to get the most advantageous contract. Request for Proposals or Invitation for Bids may be required for sole source purchases over \$50,000, to ensure that a proposed sole source vendor is actually a sole source. If a sole source purchase is approved, a copy of the vendor's sole source letter, the requisitioning administrator's written determination of the basis for the sole source procurement, and documentation of the efforts made to adequately determine that the material/service is a sole source must be attached to the requisition or on file in the Purchasing department.

J. Procurement Card

The District shall establish rules and procedures that must be followed by all users of the Procurement Card. Prior to receiving any Card, all users will be required to attend a training session on the "Rules and Procedures in Use of a Credit Card" and they will be required to sign a "User Agreement."

1. A Procurement Card can only be used for District business-related purchases.
2. Personal purchases with this Card **are not allowed.**
3. A Procurement Card shall not be used to purchase materials or services that are inappropriate for use by an employee or Governing Board member of the District.
4. The Card shall not be used for cash withdrawals or purchase of alcoholic beverages or tobacco products.

5. This Card cannot be used for the expenses of a spouse or family member.
6. The Procurement Card is a mechanism for making purchases with ease and convenience. The card is not to replace our current purchase order system.
7. Prior to using the Card, a user's agreement must be signed.
8. There are dollar limits associated with the use of this Card.
9. The Procurement Card cannot be used for purchases of capital equipment.
10. District staff are responsible for following the rules and using the Card responsibly.
11. Failure to follow the rules or inappropriate usage of the Card may result in temporary or permanent loss of card privileges.

K. Instructional Technology Acquisitions of English and Spanish Software, Courseware, and Materials

In its technology acquisitions, the District shall conduct vigorous and comprehensive searches for appropriate English and Spanish software, courseware and materials. The District's preferences, in descending order, will be as follows:

1. Acquisition of mirrored components (comparable in content, function and presentation) suitable for native and second language instruction in English and Spanish, as instructionally appropriate;
2. In the absence of mirrored components: acquisition of suitable substitutes;
3. In the absence of acceptable components in both languages: acquisition of acceptable components in one language together with vendor timeline commitments and assurances to provide acceptable second-language components, involving the District in the development of those components, as the District deems necessary and appropriate;
4. In the absence of acceptable components in one language or adequate commitments for their development: acquisition of acceptable components which are available, with funding reserved as possible for suitable additional components as they may become available.

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Revised/Reviewed: January 12, 2007 (Friday Report)
Revised: July 10, 2009 (Friday Report)
Revised: June 18, 2010 (Friday Report)
Revised: June 30, 2010 (Section K removed and put into Exhibit DJ-E; Section L then became Section K of this Regulation)

Legal reference: A.R.S. 15-213. Procurement Rules of School Districts; Adoption of Rules; Report; Recovery of Damages by Contractor for Delay; Civil Action; Definition
A.R.S. 41-2501, et seq.
Arizona Administrative Code
Consent Judgment #CV2009-003035 dated 3/11/09

Cross Reference: Governing Board Policy DJ, Purchasing Procedures

Replaces: TUSD Regulation # 3320, Purchasing Procedures