



**FENTON CHARTER PUBLIC SCHOOLS  
Procurement and Purchasing Procedures**

**Revised and Adopted: October 19, 2017**

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# **FENTON CHARTER PUBLIC SCHOOLS**

## **Procurement and Purchasing Procedures**

### **I. PURPOSE**

These procedures are designed to enable the Fenton Charter Public Schools (FCPS), a Charter Management Organization established in March 2011, and its various schools, to purchase, establish contracts and generally carry on its procurement functions in a manner that deals equitably with all vendors and provides for efficient management and proper expenditure of public monies.

The formal approval by the FCPS Board of Directors at the January 28, 2016 regular meeting establishes this document as the recognized policy of the FCPS Board of Directors for all matters pertaining to procurement and purchasing.

The policies and procedures presented here are consistent with current applicable state and federal law. As necessary, the FCPS Board of Directors will revise this document as federal, state, county and city laws, as well as the California Education Code pertaining to charter schools, may change from time to time. Such changes, if approved by the FCPS Board, will be reflected by the corresponding minutes of such action, which will be included as an addendum to this document.

### **II. SCOPE**

These procedures apply to all purchases made by the organization or any of its schools. The procedures apply regardless of the source of the funds to be expended, including, but not restricted to:

- Tax money
- State and federal grants
- Donations

These procedures apply to all purchases of supplies, equipment, materials and services.

### **III. PROGRAM SECURITY**

#### **A. Personal Conduct**

All FCPS employees understand and accept their fiduciary responsibility to protect the interest of the organization, to place the organization's interest above his/her own, and most importantly, to safeguard the organization's resources.

#### **B. Ethics**

Ethics is an overarching theme for the organization and its employees from the time preceding the initiation of the procurement process through the fulfillment of a contract. Procurements utilizing organization funds are either direct or indirect spending of public funds and subject to a higher level of scrutiny. Therefore, before, during and after the

procurement process, all employees must be responsible, honest, prudent and avoid participating in any decision-making where there could be a conflict of interest or the appearance of a conflict.

In the context of procurement and purchasing, a conflict of interest arises when an employee, officer, agent, or any member of their immediate family, a partner, or an organization that employs or is about to employ any immediate family member, has a financial or other interest in, or would gain a tangible personal benefit from, a firm considered for a contract.

All employees of the organization are subject to the provisions set forth in the FCPS Employee Handbook, which outlines the expectations of all employees and consequences of non-adherence. Employees, Board members and officers must also comply with the conflict of interest provisions set forth in the FCPS Bylaws, Charter and the FCPS Conflict of Interest Code Bridge Policy.

#### C. Anti-Kickbacks

It is the organization's policy that all employees act with integrity and good judgment and recognize that accepting personal gifts from vendors may cause favoritism. No employee of the organization shall solicit or accept any personal favor, gratuity, offer of entertainment, or other personal gift directly or indirectly from a vendor who is doing or seeking to do business with the organization.

#### D. Incentives and Rebates

It is the organization's policy not to use incentives and rebates for personal benefit. In addition, it is the organization's policy to negotiate either quantity or trade discounts in lieu of accepting incentives or entering into rebate agreements with suppliers for all methods of purchase. FCPS employees are not to accept either incentives or offers for rebates from a supplier without the explicit advance written approval of the Executive Director or Board Chair.. If a vendor proposes incentives or rebate agreements, the employee is to refer the vendor to the Executive Director who will review the conditions of the offer to determine if:

- It is reasonable;
- More favorable prices are available from other vendors; and
- Either the rebate or incentive value can be applied toward the purchase price.

#### E. Incentives

Incentives are deliberate enticements offered by a vendor to encourage a purchase. Incentives are tangible non-monetary benefits to the recipient and include any value-added goods and services offered at no charge. Examples include:

- Extra goods or services that were not solicited
- Gifts (such as free merchandise, event tickets, gift cards)
- Money for scholarships
- Cash
- Points that can be redeemed for merchandise

Employees may not accept incentives from vendors without the explicit, advance written approval from the Executive Director or Board Chair. Employees are prohibited from accepting incentives offered by a bidder for any agency staff member's personal use.

F. Rebates

Rebates are offers from the supplier either to return part of the cost of the order to the purchaser or to provide additional consideration or compensation to encourage the purchase of goods and/or services. Examples are:

- Cash or credit based on total purchases
- Value-added goods or services offered at a substantially reduced price
- Checks to either the purchaser or organization

If a manufacturer's rebate is offered on a purchase made by an employee, policy requires that the rebate check be made payable to the Fenton Charter Public Schools, and that the credit of the funds is returned to the same fund source as the expenditure. The rebate check is to be submitted to the FCPS Business Office. Failure to do so may result in investigation, criminal prosecution and disciplinary action.

Fenton Charter Public Schools  
Business Office  
11828 Gain Street  
Lake View Terrace, CA 91342  
RE: Rebate

G. Insofar as possible, goods and services purchased shall meet the needs of the person or department ordering them at the lowest price consistent with standard purchasing practices. Maintenance costs, replacement costs, and trade-in values shall be considered when determining the most economical purchase price. When price, fitness, and quality are equal, recycled products shall be preferred when procuring materials for use in schools and buildings.

H. Vendors

To ensure objective vendor performance and eliminate any unfair competitive advantage, vendors that develop or draft specifications, requirements, statements of work, invitations for bid (IFB), or requests for proposal (RFP) must be excluded from competing for the bid.

**IV. BIDDING REQUIREMENTS AND PURCHASE LIMITS**

The California Department of Education annually adjusts the dollar threshold that triggers procurements that shall be competitively bid by school districts. The threshold is applicable to supplies, equipment and general services. Each year, the Superintendent of Public Instruction (SSPI) publishes the annual increase for the bid threshold. As a charter management organization that operates charter schools, FCPS is not subject to these requirements for school districts.

The FCPS Board of Directors will also review professional services under consideration for purchase and determine final approval. FCPS elects to follow the procedures set forth below.

A. Bid Threshold

The California SSPI has adjusted the bid threshold limit for school districts to \$86,000 as of January 1, 2014. While FCPS is not bound by the bid threshold limit, it will use the limit established by the SSPI, except as required by applicable law. The bid threshold amount will be adjusted yearly in accordance with the SSPI's inflation adjustment.

All procedures listed below will be followed for all procurements including, but not limited to, services for professional development, purchases of instructional materials and other related supplies and resources, and food services management contracts.

Awards shall be made to the lowest responsive and responsible bidder meeting the listed specifications (including product, price, delivery and terms).

The FCPS Board of Directors reserves the right to reject any and all bids or any part of any bid.

B. Publication of Notice for Bids

For the purpose of securing bids, the Board shall publish at least once a week for two weeks in some newspaper of general circulation, circulated in the county, a notice calling for bids, stating the work to be done or materials or supplies to be furnished and the time when and the place where bids will be opened.

All bid instructions and specifications will be clear and complete, setting forth all necessary conditions for competitive bidding and shall describe in detail the quality, delivery and service required. To assist FCPS in determining whether bidders are responsible, the Board may require prequalification procedures.

C. Opening and Acceptance of Bids

All advertised bids shall be opened in public at a prescribed time and place. Interested parties may receive prices and other information listed in the bid at the public opening. After the bids have been opened and tabulated, they will be made available for interested persons to review. No bid document will be removed from the FCPS Business Office.

Any bid received after the time specified in the advertised notice will be returned unopened to the bidder.

D. Protest Procedures

If any bidder who submitted an offer has an objection to the award of the contract to the apparent bidder who submitted a responsive offer and is a responsible bidder with the lowest costs (in the case of a bid) or scored the greater number of points on a proposal, the objecting bidder shall notify the Executive Director of the FCPS within two (2) business days of the intent to dispute the awarded contract and furnish that protest, in writing, to the FCPS Business Office within five (5) business days of the date of the notification of an awarded contract.

The protest shall describe in detail the basis for the protest, and shall request a determination under this section. If a protest is filed in a timely fashion, the Executive Director will review the basis for the protest, and relevant facts under such terms and

conditions, as the organization considers proper. Upon completion of the review, the Executive Director shall submit the findings and recommendations to the FCPS Board of Directors who shall then review the matter under such terms and conditions as deemed proper. Upon receipt of authority to act from the FCPS Board of Directors, the Executive Director will notify the bidder involved of the organization's decision. The decision shall be final and binding on the objecting bidder.

**V. EMERGENCY PURCHASES**

An emergency is defined as a direct threat to life or safety of the public or protection of public facilities (not poor planning).

Emergency purchases shall be made following the school's policies and procedures as closely as possible, while still assuring that the required supplies, services, or construction items are procured in time to address the emergency.

If an emergency purchase needs to be made, a school employee may request that the Executive Director or Director of the school approve issuance of an immediate check. Emergency purchases requiring an immediate check are to be signed out by the employee in the FCPS Business Office after the employee receives written approval from the Executive Director or Director of the school. The employee is responsible for using the check solely to purchase the items that were approved by their manager. The employee is responsible for bringing the receipts or purchase confirmation documents, along with any other supporting documents, to the Business Office immediately after the transaction has occurred.

**VI. REQUIRED APPROVALS**

For supplies, equipment, general services and professional services:

<b>Dollar Threshold</b>	<b>Approvals</b>
\$1 to \$10,000	Approving official: Director of School, IT Manager, or Facilities Manager
\$10,001 to \$25,000	Approving official: Executive Director
\$25,001 and above	Approving official: FCPS Board of Directors

**VII. RECEIVING PROCEDURES**

A critical part of the purchasing program is receiving. Proper receiving is critical because it has direct correlation with nearly every other area of the program. It will also have a major effect on how the organization does business with vendors.

A. General Guidelines

1. Receiving will be completed by someone other than the employee who ordered/requested the item (e.g., purchases made by a Director will be received and reviewed by the Office Manager of the school, etc.).
2. Packing slips for the item received will be submitted to the FCPS Business Office after the order has been reviewed for accuracy and it has been verified that goods/services were received as expected.

3. Any problems will be immediately reported to the Business Office for review and intervention, as necessary, by the Executive Director.

B. Final Steps

Payment will be processed once packing slips have been received for goods, and confirmation has been received for services provided.

### **VIII. ORDER STATUS**

Purchase orders will be submitted to the FCPS Business Office after the order has been placed with the vendor. The purchase order form must have a clear description of the items ordered and must specify if the cost is shared with other FCPS schools.

It is the originator's responsibility to do follow-up for their orders. Schools must check their Purchase Orders weekly to track outstanding orders, and are responsible for follow-up calls as necessary. Calls and letters to follow up must be completed on a weekly basis for items not yet received. All information on the status of the requisition must be kept and saved as documentation of ordering and follow-up.

Purchase Orders will automatically be cancelled after ninety (90) days unless other arrangements have been made prior to submitting the final order.

### **IX. PAYMENT PROCEDURES**

It is the originator's responsibility to confirm receipt of all items or services ordered and received prior to any payment of invoice for vendors.