

Policy Type: Financial Policy
Policy Title: Financial - Procurement
Effective: Fall 2023
Oversight Committee: Audit Committee



Procurement (Purchasing)

Procurement of Goods and Services

The school shall establish and follow procurement (purchasing) procedures and the state procurement code (UCA 63G-6a), and federal procurement standards 2 CFR 200.318 for federal programs, including ethical provisions. Purchasing ethics for employees and board members include:

- Following the law and ethical standards.
- Not purchasing goods or services for the school unless pre-approved by authorized persons consistent with this policy and established procurement procedures.
- Not using their positions to acquire goods or services for private economic benefit.
- Not use school contracts or vendor accounts to make personal purchases.
- Not use the school's tax exemption certificate to make personal purchases.

All procurement activities are under the direction of the director. The school shall procure only those items and services that are required to perform the mission and/or fill a bona fide need. The school shall acquire goods and services with integrity in a fair, open (as appropriate to the procurement), ethical, efficient and cost effective manner. Segregation of duties is required for procurement activities where possible, from the quotation process through to the payment of invoices. Procurements are made using best value contracting which includes assessing the best value considering quality, performance, timing, and price.

Additionally:

- Administration or other school personnel shall not intentionally divide a procurement purchase into one or more smaller purchases to divide an invoice or purchase order into two or more invoices or purchase orders, or to make smaller purchases over a period of time in order to circumvent any aspect of this policy or of state law.
- Exclusive contracts (requiring the purchase of needed goods or services from a single, specified seller) are not authorized except as outlined in the state procurement code (UCA 63G-6a).
- Construction and improvements shall comply with the law and administrative rules of the State of Utah and its departments or agencies, the Utah State Board of Education, and differing rules, forms or reports, not in accordance with state law and administrative rules, may not be produced by school staff or outside service providers without Board authorization.
- Leases will be provided to the USBE, USCSB and to outside counsel as required or appropriate for review as required in 53G-5-404 and USCSB procedures.
- Administration or any agent of the school may not accept hospitality gifts, gratuities, kickbacks, or any other unlawful consideration under 63G-6a-2304.5.

Thresholds

- The “individual procurement threshold” shall follow current state law and rule. This is the maximum amount that the LEA can expend to obtain a single item/service from one vendor at one time without requiring competitive purchasing. It is recommended that all purchases require competitive quotes.
- The “single procurement aggregate threshold” shall follow current state law and rule. This is the maximum amount that the LEA can expend to obtain any combination of individual procurement items/services without requiring competitive purchasing. In the event any single item on an order is over the single item threshold, ALL items on the order required competitive purchasing.
- The “annual cumulative threshold” shall follow current state law and rule. This is the maximum total annual amount that the LEA can expend to obtain individual procurement item(s) purchased from the same vendor during the fiscal year (July 1 – June 30).

Purchases Requiring Quotes

- For procurement item(s) that exceed the individual procurement threshold, obtain a minimum of two competitive quotes that include minimum specifications and shall purchase the procurement item from the responsible vendor offering the lowest quote that meets the specifications. The school shall retain documentation per Utah State Archives regulations.
- For procurement item(s) costing between \$5,001 and \$50,000, obtain a minimum of two competitive quotes that include minimum specifications and shall purchase the procurement item from the responsible vendor offering the lowest quote that meets the specification. The school shall retain documentation per Utah State Archives regulations.
- For procurement item(s) costing over \$50,000, conduct an invitation for bids or other procurement process outlined in the Utah Procurement Code 63G-6a. The school shall retain documentation per Utah State Archives regulations.

Professional Services

“Professional service” means labor, effort, or work that requires an elevated degree of specialized knowledge and discretion, including labor, effort, or work in the field of: accounting; administrative law judge service; architecture; construction design and management; engineering; financial services; information technology; the law; medicine; psychiatry; or underwriting.

All third-party vendors contracting with CHARTER ACADEMY must be compliant with Utah’s Student Data Protection Act (SDPA), U.C.A §53E-9-300. Vendors determined not to be compliant may not be allowed to enter into future contracts with Lakeview Academy without third-party verification that they are compliant with federal and state law and board rule.

- Professional services costing less than \$50,000 can be awarded through direct negotiation with the service provider.
- Professional services costing between 50,000 and 100,000 need a minimum of two competitive quotes.
- Professional services costing over \$100,000 shall be acquired using a competitive bidding or RFP process, or by selecting a provider from an approved potential vendor list created using an invitation for bids or an RFP.

Small Construction Projects:

- Costing less than \$25,001 may be procured by direct award without seeking competitive bids or quotes after documenting that all applicable building code approvals, licensing requirements, permitting and other construction related requirements are met.
- Costing between \$25,001 and \$100,000 may be procured by obtaining a minimum of two (2) competitive bids or quotes that include minimum specifications and be awarded to the contractor with the lowest bid or quote that meets the specification after documenting that the requirements are met from (1).
- Costing more than \$100,000 require an IFB or RFP procurement process. Large construction projects over 2.5 million must follow the requirements contained in Utah Code 53A-20.

The Board reserves the right at its sole discretion to amend or change these policies at any time.

Signature of Board Officer

Signature of Board Officer

Title

Title

Print Name

Print Name