



Policy No. 2

Approved
Amended January 26, 2022
Amended November 7, 2019

Procurement Policy

The purpose of this document is to describe the school's policy regarding large and capital purchases, leases, and miscellaneous contracts in excess of \$2,500. This Policy is made in accordance with the School's Financial Policy No. 1, Financial Operations Policy. If any provisions of this Policy and the Policy No. 1, Financial Operations Policy Financial contradict each other, this Policy shall take precedence. All official contracts will be formatted using approved instruments provided by the Hawaii Department of Attorney General's office.

All purchases over \$2,500 for a specific project or purpose require competitive procurement. This includes the aggregate of purchases for a particular project or purpose. Competitive procurement includes procurement by competitive bidding, negotiation, and the use of independent appraisals to help us ensure fair value is received.

The following contract categories are governed by this policy (exceptions require Governing Board approval):

- Advertising
- Design and Engineering services
- Construction and Project Management services
- Auditing, Legal, and Consulting (management, advisory and teaching services)
- Lease Agreements
- Insurance Agreements

Conflict of Interest

The School shall follow the School's Conflicts of Interest Policy when making purchases where a potential conflict exists.

Board Approval

The following types of contracts and documents require the prior approval of the Governing Board:

- All contracts for the acquisition, sale, or conveyance of real estate.

- Contracts for the lease of real estate which have an annual cost of \$10,000 or greater, or which have a term of two years or greater.
- The acquisition of goods or services when the projected cost is \$2,500 or greater, or transactions of \$2,500 or more.
- Capital outlay projects or change orders having a total projected cost of \$2,500 or greater.

Responsibilities

Campus Administrator of the school is responsible for:

- Maintaining a list of approved contractors and vendors, as well as inspection, acceptance, payment, warranty, etc.
- Managing at a school level the planning, scheduling, and implementing the procurement to ensure the process is smooth and effective.
- Assist in managing contracts and issuing contract awards.
- Oversee the purchase and ensuring the quality at delivery meets the contract specifications.
- Documenting vendor performance.

Methods of Procurement

Sole Brand

The school may approve sole brand purchasing if the brand selection is justified and not simply to purchase a favored product. For example, the School may want all laptops or cell phones to be of the same brand and configuration for support purposes. To implement sole brand purchasing, a request must be submitted to the Governing Board.

Sole Source

In instances when only one source is available, the situation must be documented. Approval for sole source purchasing must be obtained by submission of the request to the Governing Board with a copy to the Fiscal Officer.

Competitive Bidding

Competitive Bidding from three qualified vendors is required for all projects in excess of \$25,000. Rationale for all contract awards shall be documented. Exceptions may include teacher subcontracts. Competitive bidding includes the solicitation of bids, proposals, the scope of work, purchase description, specifications, and the contractual terms and conditions applicable to the procurement.

Prior to procuring any good or service, an authorized representative shall review the purchase to determine that it is within the School's budget.

Negotiating with the Lowest Responsible Bidders

Sometimes it is in the best interest of the school to negotiate with the lowest bidders. Examples include Insurance and Design Build type contracts. Approval by the Governing Board is required prior to contract award.

Competitive Negotiation

Professional Services shall be retained on a competitively negotiated basis.

Purchase Orders

Regardless of the Procurement Method used to make a purchase, a Purchase Order or Requestion must be issued to track and process commitments and payments above \$2501. Bid results or approved justification shall be attached to the documentation to support purchasing determinations.

Federal Purchases

The School understands that this Policy applies to purchases made using non-federal funds. For purchases with federal funds, federal procurement requirements apply.

Breach

Any breach of this Policy shall be reported at the time of the discovery to the Fiscal Officer or Governing Board.