

LaRue County Public Schools Purchasing Manual



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LaRue County Schools

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Equal Educational and Employment Institution

Table of Contents

Kentucky Model Procurement Code	pg. 3
What must be bid?	pg. 3
Purchasing with Federal Funds	pg. 4
Non-Competitive Negotiations	pg. 6
Bidding Information (State, Coop, Local)	pg. 7
Monetary Limits on Purchases	pg. 9
Small Purchases	pg. 9
Glossary	pg. 15
Expense Reimbursement for Travel	pg. 22
<i>Appendix A- Sole Source Documentation</i>	<i>pg. 25</i>
<i>Appendix B- Purchase Order Sample</i>	<i>pg. 27</i>
<i>Appendix C- Documentation Comparison Worksheet</i>	<i>pg. 29</i>
<i>Appendix D- Travel Expense Log</i>	<i>pg. 31</i>
<i>Appendix E- Standard Invoice</i>	<i>pg. 33</i>
<i>Appendix F- New Vendor Form</i>	<i>pg. 35</i>

LaRue County Public Schools
Kentucky Model Procurement Code

Kentucky law provides two basic methods of procurement for local school districts. These methods are Model Procurement (KRS 45A) and the Bid Law (KRS 424.260). The Bid Law requires less record keeping but very little flexibility. Model Procurement requires more written documentation but provides more purchase options. The KDE Division of Finance recommends Model Procurement for school districts. LaRue County Public Schools operate under the Model Procurement code.

The Superintendent is hereby designated as the chief purchasing officer for LaRue County Public Schools. The Superintendent delegates the Finance Officer to act as purchasing officer with authority to oversee purchasing and to make written determinations and findings with respect thereto.

All contracts shall be entered into, not by individuals, but rather by the Board at a regularly scheduled meeting.

All LaRue County Public Schools staff with purchasing authority are encouraged to acquire goods, services or construction through local bids, cooperative bids, or state price contract. This is the most efficient method of procurement. If these methods are not feasible, non-competitive negotiations or small purchase policy may be used. Note that there are different levels of documentation required for alternative procurement methods. Please refer to applicable sections of the purchasing manual for more information.

All purchasing transactions must be conducted in a manner that provides full and open competition, consistent with the ethical standards specified in state and federal statutes, all LaRue County Public Schools policies and procedures, and this manual. Pursuant to KRS 45A.455, no employee shall participate in the selection or administration of a contract or purchase order with a related party, or where a conflict of interest exists. Such a conflict of interest would arise when the employee or any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ one of the parties, has a financial or other interest in or a tangible personal benefit from a vendor considered for a contract. No employee shall solicit or accept gratuities, favors, or anything of monetary value from contractors, vendors, or parties to any awards, contracts, or agreements unless it is an unsolicited gift with a value of less than \$50 as set forth in KRS 45A.445.

*This purchasing manual does not apply to the LaRue County Schools Nutrition Program. USDA requires that all School Food Authorities operating the National School Lunch Program and School Breakfast Program must have a procurement plan. Reference: 7CFR 3016.36, 3019.40-48 and 2CFR 200.317-200.326

What must be bid?

Any group of like items that total more than \$20,000 district wide in one fiscal year must be bid either through one of our Board approved cooperatives, locally, or through a state price contract. Artificially splitting an order to avoid the total is illegal and is punishable by fine and/or imprisonment. 'Aggregate amount' (as defined in 45A.345) means the total dollar amount during a fiscal year of items of a like nature, function and use, which can be reasonably determined at the beginning of the fiscal year. Items, the need for which could not reasonably be established in advance, need not be included in the aggregate amount. The \$20,000 amount is that amount purchased by the total district (including activity funds) in a fiscal year, not just the purchases of one location.

If a bid vendor offers the item, it must be purchased from the bid vendor unless the item meets applicable criteria. Often, the same item may appear to be cheaper from another source. Bidding is meant to ensure fairness in the marketplace and to produce the least expensive price for the length of the contract. The item may be cheaper because of cash and carry or a discount store that does not provide ordering, delivery, and/or billing. If you consider employee time to make the purchase and travel cost, the cost of the item increases.

Purchasing with Federal Funds

*This does not apply to the LaRue County Schools Nutrition Program. Reference: 7CFR 3016.36, 3019.40-48 and 2CFR 200.317-200.326

The following clauses (where applicable) must be included in any bid sent out where Federal Money will be used to pay for it:

Termination:

If the contract is in excess of \$10,000, the contract must contain a clause that addresses termination for cause and for convenience by the school district including the manner by which it will be effected and the basis for settlement. Check with an attorney to determine if state or local law prescribes the use of specific language.

Clean Air/ Clean Water:

For contracts and subgrants of amounts in excess of \$150,000, the contract must include a clause requiring the contractor to comply with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387) and the contractor must agree to report all violations to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Suspension and Debarment:

Grantees, contractors, and subcontractors (at any level) that enter into covered transactions are required to verify that the entity (as well as its principals and affiliates) they propose to contract or subcontract with is not excluded or disqualified. They do this by (a) Checking the Excluded Parties List System, (b) Collecting a certification from that person, or (c) Adding a clause or condition to the contract or subcontract.

Lobbying:

Contractors that apply or bid for an award exceeding \$100,000 must file the required certification pursuant to Byrd Anti-Lobbying Amendment (31 U.S.C. 1352).

Conflict of Interest:

A conflict of interest policy must be maintained in writing that covers organizational conflicts of interest.

Equal Employment Opportunity:

This clause would be required only for contracts that meet the definition of “federally assisted construction contract.”

Davis-Bacon Act Clause:

This clause would be required only for prime construction contracts in excess of \$2,000 awarded by non-Federal entities.

Contract Work Hours and Safety Standards Act Clause:

This clause would be required only for contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers.

Energy Efficiency

Mandatory standards and policies relating to Energy Efficiency which are in compliance with the Energy Policy and Conservation Act.

Rights to Inventions Made Under a Contract or Agreement:

This clause is only necessary when the award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the school food authority wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government, Grants, Contracts, and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

Procurement of Recovered Materials Pursuant to 2 C.F.R. § 200.322.

This provision only applies to a non-Federal entity that is a state agency or agency of political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

The following are not required to be bid under the terms of the Kentucky Model Procurement code but may be bid if it is determined by the local district that it is in the best interest to do so:

Non-Competitive Negotiations

A local public agency may purchase through noncompetitive negotiation only when a written determination is made that competition is not feasible and it is further determined in writing that:

1. An emergency* exists which will cause public harm as a result of the delay in competitive procedures; or

2. The item is from a sole manufacturer (not available from any other source) (not by brand, but by salient features); copyright materials (source must be the holder or owner of the copyright); (see Appendix A for Sole Source Documentation form)
3. The purchase is for the services of a licensed professional, such as an attorney, physician, psychiatrist, CPA, RN, an educational specialist or an artist such as a sculptor, aesthetic painter or musician; or
4. The purchase is for perishable items purchased on a weekly or more frequent basis, such as fresh fruits or vegetables (not canned items);
5. The purchase is for replacement parts where the manufacturer or franchise is the only source available to supply parts for manufacturer's equipment and where the need cannot be reasonably anticipated and stockpiling is not feasible;
6. The purchase is for proprietary items for resale;
7. The purchase is for reasonable expenditures made on authorized trips outside of the boundaries of the local public agency;
8. The purchase is for supplies which are sold at public auction; or receiving sealed bids
9. The contract is for life, health, accident, liability, workers compensation and unemployment insurance;
10. The purchase is for supplies at reduced prices that will afford a purchase savings** to the local public agency;
11. In school districts the contract relates to an enterprise in which the buying or selling by students is a part of the educational experience.

**An emergency must be documented in writing and documentation attached to the invoice and purchase order and retained in the paid invoice file. Emergency procedures may be used for things like a boiler explosion or waterline break. The Superintendent would use emergency procedures when the delay caused by competitive procedures might result in harm to students, staff or the general public. Only the Superintendent has the authority to declare something an emergency. 45A.380*

***Both the Model Procurement Law and the Board's Model Procurement Policy allow for the purchase of supplies at reduced prices that will afford a purchase at a significant savings to the district. A purchase of items at reduced costs will be treated in the same manner as small purchase items, and written justification and documentation will be with the paid invoice file.*

The determination as to the level of savings which allows a staff member to purchase outside bid prices contract, etc., is subjective. It is difficult to determine to what extent 45A.380, which authorizes purchases at reduced prices/savings, supersedes 45A.345 aggregate amount, which refers to like items with a cost of \$20,000 or more. Attorney General Opinion states that "a local

public agency may enter into contracts by noncompetitive negotiations and without bidding, if it simply makes a written determination that competitive negotiations are not feasible and the contract is for a sale of supplies at reduced prices that will afford a purchase at savings to the local public agency."

Bidding Information (State, Coop, Local)

LaRue County Schools use three types of bids in its purchasing process: State/Federal price contracts, cooperative bids and local bids.

- **State/Federal Price Contracts**

The school district is considered a political subdivision of the state. Therefore, we can purchase under the terms of many state, GSA and other multi-agency contracts. These contracts, when in place, meet all bidding requirements of the Kentucky Model Procurement Code and therefore no local bid is required for those items unless deemed in the best interest of the school district. A copy of applicable State, GSA and other contracts are available online. State agency price contract awards are made on hundreds of items annually. School systems are afforded the right to purchase under the terms of the contract.

State/Federal Price Contracts are contracts that have been established by state or federal agencies to ensure that goods and services are being acquired at a rate that overall are in the best interest of the Commonwealth. These contracts ensure that common products are being acquired at a favorable price. They are established for goods and services that are likely to be purchased universally by agencies or sub-units of governments. KRS 156.076 permits local Boards of Education to purchase from vendors who have contracts with the state. Items such as computer equipment, vehicles, chairs, and file cabinets are typical products for which state/federal contracts are established.

State Price Contracts may be accessed via the following website:

<http://finance.ky.gov/services/eprocurement/pages/contractinginfo.aspx>

- **Cooperative Bids**

Cooperative groups of school districts also bid items (i.e. GRREC, CKEC etc.) typically on an annual basis in an attempt to obtain better pricing. The LaRue County Board of Education currently is a cooperative member. Cooperatives bid various items in large quantities in an effort to provide cost savings for its member school districts. Cooperative bids meet all bid requirements per the Kentucky Model Procurement Code. Therefore, no local bid is required for those items unless deemed in the best interest of the school district. All items offered by

these bids must be purchased through these vendors unless it meets one of the following criteria:

- a. local bid award is in place for like items.
- b. state, GSA or other multi-agency contract is available for similar items that would afford savings to the district.
- c. significant savings to the district.

A list of all applicable cooperative contracts is available online on the district finance page.

KPC Awarded Vendor List:

<http://kpc4me.com/all-awarded-vendors>

GRREC Bidding Opportunities:

<http://www.grrec.ky.gov/bids/resources>

CKEC Approved Vendors/Bids

<http://www.ckec.org/vendors/info-for-schools/>

HPS Group Purchasing

<https://hpsnet.com/>

• **Local Bids**

The LaRue County School District may award local bids when a cooperative bid or state price contract etc. is not available and/or the Superintendent feels it is in the best interest of the school district. A copy or listings of all local bid awards are available on the district website. All such bids must be approved at a meeting of the Board of Education. The length of the contract will be determined by the Superintendent/designee as deemed in the best interest of the district, not to exceed three years in most cases.

Monetary Limits on Purchases

1. \$0-\$19,999 are to be processed by completing purchase orders approved by the director, administrator and/or principal responsible for the funds to be spent. Each purchase order must have a three vendor cost comparison that includes at least two vendors from our district approved cooperative list. The LaRue County School District's approved cooperative list include: Green River Regional Educational Cooperative (GRREC), HPS, Central Kentucky Educational Cooperative (CKEC), and Kentucky Purchasing Cooperative (KPC). A copy of the Documentation Comparison Worksheet is available in Appendix C.

2. \$20,000 and over requires formal bidding by the Office of the Superintendent.

Pursuant to KRS 45A.385, board procedure 04.32.AP.1 details the procedures to be used for purchases less than \$20,000 in the aggregate. Price comparisons are required for all purchases and shall be documented on the Documentation Comparison Worksheet found in Appendix C.

Small Purchases by Local Public Agencies 45A.385

The local public agency may use small purchase procedures for any contract for which a determination is made that the aggregate amount of the contract does not exceed twenty thousand dollars (\$20,000) if small purchase procedures are in writing and available to the public.

All purchases of Kentucky Education Technology System (KETS) components shall adhere to KETS architectural standards and procedures or have KETS office approval.

Small Purchase Procedure Policy

- Small purchases are hereby authorized for the procurement of necessary supplies, service, or construction, the cost and quality of which are such that any possible savings of public funds realized through the practice of other procurement procedures would not justify the administrative time and expense necessary for the conduct of competitive sealed bidding. When utilizing small purchase procedure policy the employee must obtain three price quotes.
- Purchases shall not be fragmented or artificially divided to avoid use of appropriate procurement methods. For example, the purchase of the same product from four different suppliers for \$3,000 each is an obvious violation. The contract shall be for a period of time that will provide the most beneficial market price to the local school district (not to exceed three years), provided no time period shall be fixed for the sole purpose of avoiding the requirements of competitive sealed bidding. In determining whether supplies, services or construction is normally supplied as a unit, the test is not whether a particular vendor does furnish such supplies, services, or construction, but whether supplies, services or construction are closely related in their function and use.
- No employee should use the small purchases procedure to bypass state price contracts, bids, etc., or to bypass conflict of interest regulations.
- Individuals with authority to purchase must become aware of approved vendors and products offered before authorizing purchases outside bids, price contracts or negotiated pricing.

- Staff members with the authority to make small purchases are responsible for those individuals under him/her substituting small purchases for items listed on bid list price contract, etc. It is suggested that purchasing authority be given only to those who have an understanding of Model Procurement and purchasing procedures.
- KRS 45A.445 through KRS 45A.455 are applicable to all small purchases and are incorporated herewith for specific notice to small purchasing agents, vendors, and the general public.
- *Written documentation must be maintained to justify small purchases.* Schools shall maintain a small purchase file for purchases from school activity account. All other staff members authorized to make small purchases shall maintain a small purchase file at their office of operation or the central office.

Documentation must include the following information:

1. Copy of Purchase Order form (see sample PO Appendix B)
2. Written justification, this may be written on the purchase order. Attach three price quotes. (see Appendix C for Documentation Comparison Worksheet)
3. Any other documentation that justifies the purchase and/or copy of any Board approved contract.

This documentation must be kept on file for 5 years.

Examples:

1. Plastic storage bins cost \$3-\$4 through Virco (State Price Contract) and School Specialty (Catalog Bid). There are similar storage bins available at a local store for \$1, this savings is significant and easily justified.
2. Blank videotapes are on the co-op bid at \$2.44 through Central School Supply, the price at the local discount store is \$2.25 each. The purchase should be made through Central School Supply because the purchase does not have to be justified; the time and expense to travel to the discount store is much greater than the few cents saved on the purchase; and purchases from approved bidders will help guarantee future competitive bidding.

Tips When Obtaining Quotes from Vendors

- If obtaining phone quotes, advise vendors you're obtaining quotes from several vendors. You cannot share the names of other vendors from whom quotes are being obtained.
- For email/fax quotes, have vendor email/fax the quote, terms, etc. to you, complete with their signature.

- Always give a *complete* address for the “Ship To” location. Don't use P.O. Box Numbers.
- If possible, always make freight terms F.O.B. Destination, not F.O.B. Factory.
- Contact the manufacturer if a Brand Name is required to determine authorized dealers to promote competition

Approved Vendors

Purchases may only be made from approved vendors which are those active vendors in MUNIS. A current list of active vendors is available on our website. If a department wishes to purchase from a vendor who is not listed as active in MUNIS, the following process must be followed to request LaRue County Schools to approve that vendor.

In order to have a new vendor added into MUNIS, the employee must provide the following to the accounts payable department:

- Completed New Vendor Form (see Appendix F)
- Completed W-9 form (irs.gov)
- Proof of Insurance (general liability & workers comp) for services
- Completed ICQ if the vendor does not have workers comp (see Accounts Payable clerk for form)

The Internal Revenue Service requires employers to make appropriate determination of worker status between independent contractor and employee. Any purchase involving purchased professional services by a vendor not already approved and listed as active in Munis will be reviewed by the Finance Officer or designee for the purpose of determining worker status. Prior to making an agreement for an individual to perform services for the district or a school the requesting department shall include such a request on a New Vendor Form and submit to Finance department along with the W-9 form. The Finance Officer will make the determination regarding worker status. Only workers determined to be independent contractors will be paid through accounts payable. Workers determined to be employees will follow the same procedures as any other district employee. In the event a clear determination cannot be made, the worker will be designated as an employee.

Game officials and security officers assigned by the Kentucky High School Athletic Association (KHSAA) are always paid as independent contractors and are exempt from the determination process described above.

Account Coding

Account coding of POs and invoices is critical to the accuracy and reliability of financial data generated by the district. The account code used to requisition funds must be the account code which is appropriate for the expenditure being made. Refer to the Chart of Accounts on the KDE website (with segment descriptions) to determine the appropriate code to use. Account coding will be reviewed by the Finance Officer during the purchase order approval process.

The account shall be selected based on the actual expenditure being made, not based upon where there is available budget. Budget administrators have the ability to request budget amendments to move funds among line items. The budget is a planning tool whereas the expenditures recorded reflect the actual results for the year.

Purchase Orders

A purchase order serves several very important functions, including:

- Protection against overspending – The primary function of a PO is to ensure funds are available **before** they are committed to a purchase of goods or services. A PO is a legally binding document, committing LaRue County Public Schools to purchase from that vendor either for the specific items listed on the PO. Obtaining a PO after an order is placed eliminates the opportunity to confirm funds are available in the budget. *The invoice date **cannot** be prior to the PO date.
- Account code integrity- The PO is the source document to indicate how the purchase will be recorded in the financial management system. If the account code is inaccurate on the PO, the payment of the invoice will be recorded improperly and the reports generated in MUNIS will be inaccurate and less meaningful.

When a PO is approved, funds are “set aside” as an encumbrance (POE) from that organization and/or project code so the budget administrator will know they are no longer available for spending. When the corresponding invoice is paid (API), the encumbrance is liquidated (POL) and an actual expenditure is

recorded. This action does not change the amount of available funds in the budget unless the invoice is higher/lower than the encumbrance amount.

Allowability

All purchases made with a LaRue County Public Schools check must meet an “educational purpose” in accordance with the Kentucky constitution. In addition, purchases made with grants or donated funds must also comply with the restrictions placed by the grantor or donor. Allowable purchases for many state and federal grants are detailed in the Funding Matrices on the KDE website.

Approval of Purchase Orders

In accordance with Board Procedure 04.31 AP.1 (available on the district website), a purchase order is required for every purchase in advance or ordering or receiving the goods or services except for the following: salaries and benefits.

The Finance Officer (or designee) shall approve every purchase order, except student activity money. As part of the review, he/she will review the requisition for the proper account code, proper commodity code(s), indication of 1099 vendor, and fixed asset compliance.

Purchasing Fixed Assets

Fixed assets are defined as real or personal, stand-alone property that has an estimated life of greater than one year and an original cost equal to or greater than \$5,000.

Receiving

Specify on the purchase order where the goods are to be shipped using the “ship to” field. When the goods are received, it is the responsibility of the requesting department to verify the items and sign and date a document to serve as proof of receipt and send it to the Finance department in a timely manner. This could be a packing slip or a copy of the purchase order. If some items were not received, indicate the missing items on the receiving document.

If items were received damaged or otherwise unacceptable, it is the responsibility of the requesting department to work with the vendor to resolve the situation. The Finance department shall not pay an invoice without documentation that the goods or services were received and in acceptable condition.

Payments of Invoices

Original invoices are required to process a payment. Payments shall not be made from statements. A standard invoice, copy of a contract, or some documentation of approval for the payment must be attached to the purchase order. When the completed yellow copy of a purchase order is received in the Finance department, the AP clerk will check the invoice and the purchase order for accuracy, then the Finance Officer approves the purchase orders for payment. The invoice is entered in a batch in MUNIS to be paid. When the batch is completed, the AP clerk will process payment. The batch is given to the Superintendent for review. (See Appendix E for Standard Invoice) AP check runs will be made no frequently than each Friday and only for those purchases specified above. The check stub is attached to the invoice/purchase order/receiving document and filed. Each invoice is marked "paid" and dated. A Vendor Invoice Listing of check runs is attached to the board agenda, the AP clerk mails the checks that were approved at the board meeting the next day.

The Finance Officer will ensure the total shown in the cash disbursements journal agrees to the total of the warrants in the batch.

No bill shall be paid without the following supportive information:

1. A purchase order signed by the Superintendent or his designated representative;
2. An invoice as to goods or services received; and
3. Confirmation that invoiced materials were received in accurate quantity and in good order.

Payments processed and mailed in between regular Board meetings shall be confined to the following:

1. Payments to take advantage of discounts;
2. Payments for bulk fuel;
3. Payments made to prevent penalties and disruption of services; and

4. Payments for registrations

Glossary

Aggregate Amount- The total dollar amount during a fiscal year of items of a like nature, function, and use the need for which can reasonably be determined at the beginning of the fiscal year. Items the need for which could not reasonably be established in advance or which were unavailable because of a failure of delivery need not be included in the aggregate amount.

Bid- A competitive offer made by a seller.

Bidding- The process of soliciting the price and other considerations for good and services from qualified vendors. The solicitation of prices from more than one vendor constitutes competitive bidding. Bids may be solicited in an informal manner by telephone, facsimile, internet or mail, or through a formal sealed bid process.

Bid Opening- A firmly established date and time for the public opening of responses to a solicitation.

Chief Executive Officer- The mayor, county judge/executive, superintendent of schools, or the principal administrative officer of a local public agency, or the person designated by the chief executive officer or legislative body of the local public agency to perform the procurement function.

Competitive Bids- The process of soliciting the price and other considerations for goods and services from more than one qualified vendor.

Construction- The process of building, altering, repairing, or improving any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

Contract- All types of public agency agreements, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item. It includes awards and notices of award; contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type; contracts providing for the issuance of job or task orders; leases; letter contracts; and purchase orders. It also includes

supplemental agreements with respect to any of the foregoing. It does not include labor contracts with employees of local public agencies.

Document- Any physical embodiment of information or ideas, regardless of form or characteristic, including electronic versions thereof.

Emergency- An unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action. These situations can arise from acts of nature, conditions that are detrimental to the health, safety, or welfare of students, or other unforeseen events that threaten the termination of essential services, including delays in the transportation of indispensable goods and materials. Situations created by improper planning or negligence are not to be considered an emergency.

Established catalog price- The price included in the most current catalog, price list, schedule, or other form that:

- a. Is regularly maintained by the manufacturer or vendor of an item; and
- b. Is either published or otherwise available for inspection by customers; and
- c. States prices at which sales are currently or were last made to a significant number of buyers constituting the general buying public for that item.

Evaluated bid price- The dollar amount of a bid after bid price adjustments are made pursuant to objective measurable criteria, set forth in the invitation for bids, which affect the economy and effectiveness in the operation or use of the product, such as reliability, maintainability, useful life, residual value, and time of delivery, performance, or completion.

Evaluation of Bids- The process of examining all offers received in order to ascertain whether they meet all bid requirements and to determine which offer to recommend or select for award.

Freight Terminology- Terms used to specify the point of origin and destination, stating the responsible party for bearing freight charges and when title passes.

Free on Board (FOB) Destination- Title remains with the vendor until the commodities are delivered to the point of destination specified in the purchase order and accepted by the buyer. The seller is responsible for any losses or damages resulting from shipment and files any claims against the carrier. The

freight costs may be paid by the seller (Freight Prepaid), may be paid by the seller in advance but invoiced back to the buyer (Freight Collect and Allowed), or may be paid by the buyer (Freight Collect).

Free on Board (FOB) Shipping Point or Origin- Title passes to the buyer immediately at the time the commodities are picked up by a common carrier for shipment. The buyer is responsible for any losses or damages resulting from shipment and files any claims made against the carrier. The freight costs may be paid by the seller (Freight Prepaid), may be paid by the seller in advance but invoiced back to the buyer (Freight Prepaid and Add), or may be paid by the buyer (Freight Collect).

General Terms and Conditions- Standard clauses and requirements incorporated into all solicitations and resulting contracts which are derived from laws, or administrative procedures.

Governing Board- A council, commission, or other legislative body of a city, consolidated local government, or urban-county; a county fiscal court; board of education of a county or independent school district; board of directors of an area development district or special district; or board of any other local public agency.

Grant- Money distributed to a recipient, including state agencies and political subdivisions, in which no direct commodity or service is received by the granting agency.

Guaranteed energy savings contract- A contract for the evaluation and recommendation of energy, water, and wastewater conservation measures and for implementation of one (1) or more of those measures. The contract shall provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time and the savings are guaranteed to the extent necessary to make payments for the cost of the design, installation, and maintenance of energy, water, and wastewater conservation measures.

Invitation for bids- All documents, whether attached or incorporated by reference, utilized for soliciting bids accordance with the procedures set forth in KRS 45A.365.

Justification- A written explanation which must be retained as a public record available for inspection.

Local public agency- A city, county, urban-county, consolidated local government, school district, special district, or an agency formed by a combination of such agencies under KRS Chapter 79, or any department, board, commission, authority, office, or other sub-unit of a political subdivision which shall include the offices of the county clerk, county sheriff, county attorney, coroner, and jailer.

May- Permissive. However, the words “no person...” mean that no person is required, authorized, or permitted to do the act prescribed.

Model Procurement Code (MPC) - The procurement procedures described in Kentucky Revised Statutes 45A.345-360.

Negotiation- Contracting by either the method set forward in KRS 45A.370, 45A.375, or 45A.380; a bargaining process between two or more parties, each with its own viewpoints and objectives that are seeking to reach a mutually satisfactory agreement on, or settlement of, a matter of common concern.

Noncompetitive negotiation- Informal negotiation with one (1) or more vendor, contractor, or individual without advertisement or notice.

Objective measurable criteria- Sufficient information in the invitation to bid as to weight and method of evaluation may be determined with reasonable mathematical certainty. Criteria which are otherwise subjective, such as taste and appearance, may be established when appropriate.

Person- Any business, individual, union, committee, club, or other organization or group of individuals.

Piggybacking- The process of utilizing another agency's existing open-ended contract to which the requesting LEA was not an original party or make purchases.

Procurement- The purchasing, buying, renting, leasing, or otherwise obtaining any supplies, services, or construction. It also includes all functions that pertain to

the obtaining of any public procurement, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Purchase Order- A written or electronic document issued by the LEA to a vendor authorizing or executing a purchase transaction.

Qualified provider- A person or business experienced in the design, implementation, and installation of energy, water, and wastewater conservation measures and is determined to be qualified by the local public agency. The qualified provider shall be responsible for and shall provide the local public agency with the following information regarding guaranteed energy, water, and wastewater savings contracts:

- a. Project design and specifications;
- b. Construction management;
- c. Construction;
- d. Commissioning;
- e. On-going services as required;
- f. Measurement and verification of savings for guaranteed energy, water, and wastewater savings contracts; and
- g. Annual reconciliation statements as provided in KRS 45A.352(8).

Renewal- The extension of an existing contract for an additional period of time in accordance with the terms and conditions of the original contract.

Request for Information (RFI) - A document used to solicit information to assist in preparing specifications for a Request for Quotation (RFQ) or Request for Proposal (RFP). No award can be made from a RFI.

Request for Proposals (RFP)- All documents, whether attached or incorporated by reference, utilized for soliciting proposals in accordance with the procedures set forth in KRS 45A.370, 45A.375, 45A.380, or 45A.385; A best value purchasing tool used to acquire professional and other services where the scope of the work may not be well defined and cost is not the sole factor in determining the award. All criteria by which the bidders will be evaluated must be contained within the bid document.

Request for Quotation (RFQ) - A document that is used to solicit written bids that contain all of the specifications or scope of work and contractual terms and conditions. Conformity to specifications and price are the only factors used in the evaluation process.

Responsible bidder or offeror- A person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance. (20) "Responsible bidder" means a person who has submitted a bid under KRS 45A.365 which conforms in all material respects to the invitation for bids, so that all bidders may stand on equal footing with respect to the method and timeliness of submission and as to the substance of any resulting contract. "Reverse auction" means a real-time, structured bidding process, usually lasting less than one (1) hour, and taking place at a previously scheduled time and Internet location, during which multiple bidders, anonymous to each other, submit revised, lower bids to provide the solicited good or leased space.

Sealed Bids- A process for the solicitation of bids for the purchase of commodities or services wherein the interested vendors are required to submit their proposals in a sealed envelope that are opened during a formal meeting at the place, date, and time specified in the bid solicitation.

Services- The rendering, by a contractor, of its time and effort rather than the furnishing of a specific end product other than reports which are merely incidental to the required performance of service. It does not include labor contracts with employees of local public agencies.

Shall- Imperative; required

Sole Source- The only source for a specific commodity or service.

Solicitation- A written, electronic, oral request submitted by the LEA to obtain bids or proposals for the purchase of commodities or services. The request can be in writing or orally.

Specifications- A detailed description of the commodity or service for which a bid is being requested. "Specifications" means any description of a physical or functional characteristic of a supply, service, or construction item. It may include

a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

State Price Contract- A contract between the Commonwealth of Kentucky and a qualified vendor used for the purchase of frequently used commodities or services. LEAs may purchase from statewide contracts.

Stringing- The illegal practice of issuing a series of requisitions or purchase orders for the purpose of circumventing the competitive bidding procedures.

Supplemental agreement- Any contract modification which is accomplished by the mutual action of the parties.

Supplies- All property, including but not limited to leases on real property, printing, and insurance, except land or a permanent interest in land.

Terms of Sale- Stipulations made within the contract regarding the transaction.

Unit Price- The cost per unit of the commodity or service being purchased.

Vendor- An individual, partnership or business authorized to conduct business in the State of Kentucky that is able to furnish the desired commodity or service.

Expense Reimbursement for Travel 03.125/03.225

*Travel expense log attached in Appendix D

Provided the Superintendent/designee has given prior approval to incur necessary and appropriate expense, the Board shall reimburse school personnel for school-related travel when such travel is a required part of the duties of the employee or for school-related activities approved by the Superintendent and, when appropriate, the School Council. Travel expenses of school-based personnel in SBDM schools shall be paid from Council funds. In the case of expenses reimbursed from internal accounts, the Principal shall be the authority for approving reimbursement. Travel expenses for guests of employees shall not be reimbursed.

The expense reimbursement process shall require documentation of the funding source/category used to pay expenses for all approved trips.

The Board will be responsible only for actual expenses. Allowable expenses are:

Mileage

Actual mileage for home visits, home schooling, Headstart, Life Connection visits, and for trips outside the school system which have been approved by the Superintendent and the Council in SBDM schools will be reimbursed at the current state rate when the employee uses his/her own vehicle.

Gasoline

Actual cost of gasoline and oil purchased and placed in a Board-owned vehicle by an employee while engaged in school-related travel. Purchase must be substantiated by a receipt showing total gallons and total charges.

Tolls and Fees

All tolls and parking fees incurred in school-related travel. Parking fees must be substantiated by a ticket or receipt. (Tolls are not to be charged for District vehicles being operated in state in an official capacity.)

Car Rental

Car rental charges when approved by the Superintendent and the Council in SBDM schools. Charges must be substantiated by a receipt.

Common Carriers

All charges or fares for necessary travel on common carriers (plane, bus, train, subway, taxi, ferry, etc.). Sight-seeing and pleasure tours are not reimbursable.

Out-of-State Travel

Travel Reimbursement for out-of-state travel by privately owned vehicles shall be made on the basis of airplane coach fare or mileage rate, whichever is the lesser amount.

Food

Actual monies spent for food while on out-of-District trips, when an overnight stay is required. Any meal exceeding \$5.00 must be substantiated by a detailed receipt listing all items. Maximum allowable food expenditure per day shall be \$30.00 unless an exception is approved by the Superintendent or the Board.

Dinner only is covered on first night of stay. Breakfast only is covered on returning day.

Lodging

Hotel or motel charges (not including food or other charges) incurred in school-related travel. Charges must be substantiated by a detailed receipt.

Emergency Repairs to Vehicles

Reimbursement will be made for emergency repairs or road service to Board-owned vehicles if incapacitated while out of District. Drivers may not obligate the Board for major repairs without the permission of the Director of Transportation or Superintendent.

Reimbursement Form

Travel vouchers shall be submitted within one (1) week of the travel with the exception of vouchers for homebound instructional and agriculture related travel which are to be submitted at the end of each month. No requests for travel reimbursement will be considered unless filed on the proper form and accompanied by itemized receipts.

Without proper documentation, individuals shall not receive reimbursement, and, if it is determined that reimbursement was made based on incomplete or improper documentation, the individual may be required to reimburse the District.

Superintendent's Travel Expenses

Prior to granting approval for payment, the Board shall review itemized reimbursement requests for the Superintendent's travel expenses in an open board meeting.

Credit Card Purchases

Lodging/registration fees and/or any vendor that does not accept purchase orders, may be paid with the district's credit card. The approved PO and documentation needs to be sent to the Administrative Assistant at Central Office. When purchases have been made, confirmation information will be sent to the person requesting the purchase. Checks from school accounts should be made payable to the credit card company, not the vendor. Send the check,

PO, and documentation to the AP Clerk, all purchases will be matched to the monthly statement and payment will be processed at that time.

Central Office has a Wal-Mart/Sam's, Dollar Store, Kroger and Sears's card for purchases that need to be made at these locations. Once you have an approved PO call or e-mail the AP Clerk to find an available date for you to check out the card/s. When picking up the card/s, bring a copy of the approved PO. When purchases have been made, bring the receipt and card/s back to the AP Clerk. The AP Clerk will scan the receipts to the clerk at your school; checks from school accounts should be made payable to the vendor. Send the check, PO, and documentation to the AP Clerk, all purchases will be matched to the monthly statement and payment will be processed at that time.

LaRue County District has an Amazon account, all purchases from this account must be placed by the Administrative Assistant. The approved PO and documentation needs to be sent to the Administrative Assistant at Central Office. When purchases have been made, confirmation information will be sent to the person requesting the purchase. Checks from school accounts should be made payable to Amazon. Send the check, PO, and documentation to the AP Clerk, all purchases will be matched to the monthly statement and payment will be processed at that time.

Payments to Cash

At no time will a check be made payable to "cash" or the bank for the purpose of obtaining cash. Instead, a check will be made payable to the responsible party (teacher or sponsor, for example).

Payment of Personal Bills for Families through FRYSC

The only situation in which it is allowable to pay an individuals' personal bills is the payment of utility bills or other bills on behalf of students through FRYSC. When submitting the approved purchase order include: documentation proving the owner of the account, a standard invoice stating how much the FRYSC grant is paying, attach the student demographic information from Infinite Campus to show the student address matches that of the account owner and an invoice from the vendor. After the check is processed, on a normal check run day, the FRYSC employee will take the check to the vendor and bring back a receipt to the AP Clerk.

APPENDIX

A

SOLE SOURCE DOCUMENTATION FORM

Purchase Order Number _____

Sole Source Vendor _____

Describe item to be purchased and explain why it is only available from this vendor.

Did you research other vendors for a comparable product? yes no

If yes, vendor name: _____

Verified by: _____

APPENDIX B

APPENDIX C

LaRue County Public Schools Documentation Comparison Worksheet

This sheet must be completed in all areas in order to have your PO approved. Attach this worksheet to your purchase order.

this is the order you should use for comparing prices 1. KY Master Agreement 2. HPS 3. CKEC 4. KEDC (KPC) see website links on the Finance page under Bids Awarded	<div style="border: 1px solid black; padding: 2px; text-align: center;">Company Name</div> <hr/> # <small>enter # above & circle co-op used below</small>	<div style="border: 1px solid black; padding: 2px; text-align: center;">Company Name</div> <hr/> # <small>enter # above & circle co-op used below</small>	<div style="border: 1px solid black; padding: 2px; text-align: center;">Company Name</div> <hr/> # <small>enter # above & circle co-op used below</small>
Item Description	KY-MA HPS CKEC KEDC	KY-MA HPS CKEC KEDC	KY-MA HPS CKEC KEDC
Price/Item #	Price/Item #	Price/Item #	Price/Item #
1			
2			
3			
4			
5			
<u>add FREIGHT cost</u>			
Verified by:	Date Verified:		revised 3/11/2016

APPENDIX D

TRAVEL EXPENSE LOG (03.125 AP.22)
LARUE COUNTY PUBLIC SCHOOLS
ATTACH LOG AND ALL ITEMIZED RECEIPTS TO PURCHASE ORDER

Name _____ For Month of _____, 20____

A. TRAVEL TO APPROVED CONFERENCES AND MEETINGS

✓ If Over-night Stay	Date	Name of Conference or Meeting	Destination (include address)	Meals			Room	Registration Fees	# of Miles	Charge for Miles (# Miles X state rate)	Parking & Toll Fees	Total
				Break-fast	Lunch	Supper						
Subtotals (A)												

B. OTHER TRAVEL

Date	Destination (include address)	Reason	# of Miles	Charge for Miles (# Miles x state rate)	Parking & Toll Fees	Total
Subtotals (B)						

Grand Total (A &B) \$ _____

I hereby certify that the above is a correct amount due from the LaRue County Board of Education

Employee's Signature *Date* *Superintendent or Designee's Signature* *Date*

APPENDIX E

Commonwealth of Kentucky
DEPARTMENT OF EDUCATION
 Bureau of Finance
STANDARD INVOICE

(This invoice should be sent directly to the local Board of Education for payment. **Do not send to State Office.**)

Date _____
 Vendor # _____
 Project _____
 Project # _____

LaRue County Board of Education, PO Box 39, Hodgenville, KY 42748

Name of Vendor _____
 Address _____

(All invoices must be promptly made out in required form and filed with the Board "in writing, itemized and verified" according to law. A properly prepared invoice shows exact kind of service, where, when and by whom performed; a time and rate per day or hour and is signed by the vendor or his authorized representative.)

Invoice No.	Amount	Items (furnished) or Work (done)	Code No.	Purchase Order No.
TOTAL		FUND:		

VENDOR'S CERTIFICATION

I hereby certify that the above is a correct statement of amount due from the above named board of education for articles furnished or services rendered as itemized.

Signed _____
 Approved for payment by Principal _____
 Approved for payment by Program Director _____

VENDOR LEAVE BLANK

Claim # _____
 Check # _____
 Amount Paid _____
 Date Paid _____
 Math Verified _____

APPENDIX F

NEW VENDOR FORM

RE: Purchasing Terms for LaRue County School District

Our Board of Education meets once a month to approve invoices for payment. For this reason and due to invoices not being received prior to the Board meeting, payments of these invoices may take up to 60 or more days before a company receives payment.

Employee MUST have a Purchase Order number before placing an order.

E-mail all statements to jane.matthews@larue.kyschools.us

The LaRue County Board of Education shall not sign any agreement for purchasing that requires payment due within 30 days. Also, no agreement shall be signed that incurs a finance charge for overdue balances on any invoices.

The LaRue County Board of Education is tax exempt. A copy of our tax exempt form is available upon request.

We acknowledge the above statement and agree to waive finance charges incurred for payments made beyond 30 days.

Company name – please print

Authorized signature & date

Please return all forms that are checked below, so we can either update your file or add as a new vendor.

W-9

proof of liability insurance (must list the district as an additional insured)

proof of workers compensation

new vendor form