

STATE PURCHASING REQUIREMENTS FOR EQUIPMENT, MATERIALS, AND SUPPLIES

Policy Code: 6430

1 All purchases of apparatus, supplies, materials, and equipment will be made in accordance with
2 all applicable laws and regulations, including Chapter 143, Article 8, of the North Carolina
3 General Statutes, board policy, and school system purchasing procedures. Purchasing contracts
4 subject to the E-Verify requirement will contain a provision stating that the contractor and
5 contractor's subcontractors must comply with the requirements of G.S. Chapter 64, Article 2.
6 For purchases and contracts valued at \$1,000 or more, the [Transylvania County Board of](#)
7 [Education \(the "board"\)](#) will require each bidder or vendor to certify that it is not listed on the
8 state treasurer's Final Divestment List or Iran Parent and Subsidiary Guidance list, as required by
9 G.S. 147, Article 6E, and that it will not engage subcontractors who are on either list. All
10 employees involved in purchasing must be familiar with applicable requirements.

11
12 The purchasing finance officer shall ensure that written specifications for desired products are
13 descriptive and clear and incorporate the quality requirements and service needs of the school
14 system. There is no minimum number of bids, proposals, or quotes required for the purchase of
15 apparatus, supplies, materials, and equipment (whether formally or informally bid); however, the
16 board encourages the purchasing finance officer to obtain at least two bids, proposals, or quotes
17 when feasible.

18
19 Except as otherwise required by law or specified by the board, the board delegates to the
20 superintendent the authority to award contracts for the purchase of apparatus, supplies, materials,
21 and equipment involving amounts up to \$90,000. Any purchases or contracts involving
22 expenditures greater than this amount must be approved by the board. The purchasing finance
23 officer and any additional staff deemed appropriate by the superintendent shall review
24 submissions of bids, proposals, or quotes to determine if they are responsive to the system's
25 specifications and make recommendations to the superintendent. The superintendent may award
26 the contract based upon such recommendations or make a recommendation to the board for
27 award of the contract by the board.

28
29 Apparatus, supplies, materials, and equipment must be purchased in accordance with the
30 following requirements.

31 32 **A. FORMAL BIDS (EQUAL TO OR MORE THAN \$90,000)**

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34 The purchase of apparatus, supplies, materials, or equipment for expenditures equal to or
35 more than \$90,000 must be secured through the competitive bid process governed by
36 G.S. 143-129. The superintendent, in consultation with the purchasing finance officer, is
37 authorized to determine the best method for formally bidding a product or, as appropriate,
38 utilizing one of the exceptions to formal bidding as provided below in Section E. The
39 purchasing finance officer shall oversee the use of any purchasing method and ensure that
40 all state requirements are met, including advertisement, sealed bids, maintaining records,
41 and public opening of bids. The board authorizes the use of newspaper advertisement,
42 electronic advertisement, or both for formal bids; however, the superintendent has the

43 authority to determine which method will be used for a specific purchase or categories of
44 purchases.
45

46 Awards will be made to the lowest responsible bidder(s) whose bid or proposal meets the
47 requirements and criteria set forth by the school system, taking into consideration quality,
48 performance, and the time specified in the proposal for the performance of the contract.
49 To be eligible for an award of a contract subject to G.S. 143-129, the contractor and its
50 subcontractors, if any, must demonstrate compliance with all applicable provisions of
51 G.S. Chapter 64, Article 2, including the responsibility to use E-Verify. All contracts
52 awarded must be in writing.
53

54 The board permits the use of the following processes for contracts that require formal
55 bidding.
56

57 **1. Competitive Sealed Bids**

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59 A competitive sealed bid (or invitation to bid) may be used to request the cost of
60 particular goods by providing detailed specifications in advance.
61

62 **2. Reverse Auction**

63
64 Pursuant to G.S. 143-129.9(a)(1), the school system may use reverse auctions as
65 an alternative to sealed bid procedures. For purposes of this policy, “reverse
66 auction” means a real-time purchasing process in which bidders compete to
67 provide goods at the lowest selling price in an open and interactive environment.
68 The superintendent, in consultation with the purchasing finance officer, shall
69 determine whether reverse auctions are appropriate for a specific purchase or
70 category of purchases. To conduct a reverse auction, the purchase finance officer
71 may use a third party, may use the state’s electronic procurement system, or, if
72 appropriate equipment is available, may conduct the auction using school system
73 equipment.
74

75 **3. Exceptions to Formal Bids**

76
77 Any of the processes outlined below in Section E may be used in lieu of formal
78 bidding, so long as all requirements of state law are met.
79

80 **B. INFORMAL BIDS (\$30,000 TO \$90,000)**

81
82 The purchase of apparatus, supplies, materials, or equipment for expenditures of at least
83 \$30,000 but less than \$90,000 must be secured through the informal bidding process
84 governed by G.S. 143-131. The superintendent, in consultation with the purchasing finance
85 officer, is authorized to determine the best method for securing informal bids on a product.

86 The purchasing finance officer shall oversee the use of any purchasing method and ensure
87 that all state requirements are met, including maintaining records of all bids submitted.
88 Awards will be made to the lowest responsible, responsive bidder(s) whose bid or proposal
89 meets the requirements and criteria set forth by the school system, taking into consideration
90 quality, performance, and the time specified in the proposal for the performance of the
91 contract.

92
93 **1. Competitive Sealed Bids**

94
95 Informal bid requirements may be met by the use of sealed bids. The purchasing
96 finance officer may utilize the methods for formal competitive bids provided in
97 Section A or may determine other appropriate methods for soliciting sealed bids.
98 The bid specifications must include the time, date, and place for opening bids. No
99 advertisement for bids is necessary (unless the formal bid process is used);
100 however, the purchasing finance officer may advertise for bids as he or she deems
101 appropriate.

102
103 **2. Quotations**

104
105 Informal bid requirements may be met by the solicitation of quotes from
106 prospective vendors. Quotations may be solicited and submitted via telephone,
107 fax, e-mail, or the North Carolina E-Procurement system. Telephone quotes must
108 be placed in writing before a final contract will be awarded. Written quotations
109 must be on the vendor's letterhead or an official quotation form.

110
111 **3. Reverse Auction**

112
113 A reverse auction may be used to solicit informal bids, consistent with the process
114 provided in Section A.2.

115
116 **4. Exceptions to Informal Bids**

117
118 Any of the processes outlined below in Section E may be used in lieu of informal
119 bidding, so long as all requirements of state law are met.

120
121 **C. PURCHASES FOR LESS THAN \$30,000**

122
123 Purchases for apparatus, supplies, materials, and equipment costing less than \$30,000
124 will be awarded pursuant to the standards provided in policy 6440, Local Purchasing
125 Requirements for Equipment, Materials, and Supplies.

126
127 **D. ELECTRONIC BIDDING**

129 Pursuant to G.S. 143-129.9(a)(2), the school system may receive bids electronically in
130 addition to or instead of paper bids. If electronic bids are used for purchases that must be
131 formally bid, procedures for receipt of electronic bids must be designed to ensure the
132 security, authenticity, and confidentiality of the bids to at least the same extent as
133 provided with paper bids. The superintendent, in consultation with the ~~purchasing~~
134 **finance** officer, shall determine whether electronic bidding is appropriate for a specific
135 purchase or category of purchases.
136

137 **E. EXCEPTIONS TO THE FORMAL AND INFORMAL BIDDING REQUIREMENTS**

138
139 The school system may utilize the following purchasing options instead of pursuing
140 competitive bidding. Formal or informal bidding is not required if any of these processes
141 are used. The ~~purchasing~~ **finance** officer shall gather information to document the basis
142 for the use of any exceptions to the competitive bidding requirements. The
143 superintendent, in consultation with the ~~purchasing~~ **finance** officer, may determine that
144 using one of the following exceptions is appropriate for a specific purchase or group of
145 purchases.
146

147 **1. Purchases from Other Governmental Agencies**

148
149 Pursuant to G.S. 143-129(e)(1), the school system may contract for the purchase,
150 lease, or other acquisition of apparatus, supplies, materials, or equipment from
151 any other federal, state, or local governmental agency.
152

153 **2. Special Emergencies**

154
155 Pursuant to G.S. 143-129(e)(2), competitive bidding is not required in cases of
156 special emergencies involving the health and safety of people or their property.
157 For an emergency to exist under the statute, the following factors must exist: (1)
158 the emergency is present, immediate, and existing; (2) the harm cannot be averted
159 through temporary measures; and (3) the emergency was not self-created by the
160 school system.
161

162 **3. Competitive Group Purchasing**

163
164 Pursuant to G.S. 143-129(e)(3), the school system may make purchases through a
165 competitive bidding group purchasing program, through which another entity uses
166 a competitive process to establish contracts on behalf of multiple entities at
167 discount prices.
168

169 **4. State Term Contract**

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Pursuant to G.S. 143-129(e)(9), the school system may purchase products included in state term contracts with the state vendor for the price stipulated in the state contract, if the vendor is willing to extend to the school system the same or more favorable prices, terms, and conditions as established in the state contract.

5. Sole Source Items

Pursuant to G.S. 143-129(e)(6), upon approval of the board of education, the school system may purchase an item through a single or sole source contract under the following circumstances: (1) when performance or price competition is not available; (2) when a needed product is available from only one source of supply; or (3) when standardization or compatibility is the overriding consideration. When requesting a purchase under the sole source exception, the purchasing finance officer shall provide the board with documentation that justifies the use of the exception.

6. “Piggybacking” or Previously Bid Contracts

Pursuant to G.S. 143-129(g), upon approval of the board of education, the school system may purchase from any supplier that, within the previous 12 months, has contracted to furnish the needed item to the federal government, to any state government, or to any agency or political subdivision of the federal government or any state government. Before recommending a purchase using the piggybacking exception, the purchasing finance officer shall ensure that the following requirements are met: (1) the price and other terms and conditions of the contract are at least as favorable as the prior contract; (2) the contract was entered into following a public, formal bidding process substantially similar to that required by North Carolina General Statutes; (3) the same vendor is used; and (4) notice of intent to award the contract without bidding is publicly advertised at least 10 days prior to the regularly-scheduled board meeting at which the contract will be approved. Before approving the contract, the board must determine that using the contract is in the best interest of the school system.

7. Purchases of Information Technology Goods and Services

Pursuant to G.S. 143-129(e)(7) and 143B-1324(b), the school system may purchase or lease information technology through contracts established by the Department of Information Technology. The purchasing finance officer shall work with the information technology department to ensure that any such purchases meet the needs of the school system.

In addition, the school system also may purchase information technology goods and services by using a request for proposal (RFP) pursuant to G.S. 143-129.8,

214 provided that the following requirements are met: (1) notice of the request is
215 provided consistent with the formal bidding notice requirements and (2) contracts
216 are awarded to the person or entity that submits the best overall proposal as
217 determined by the purchasing finance officer and superintendent. The RFP
218 should describe the scope of work, general terms and conditions, specifications of
219 the product needed by the school system, and the application process. The
220 information technology supervisor shall assist the purchasing finance officer in
221 reviewing the responsiveness of any RFP submitted pursuant to this subsection.
222 RFPs will be evaluated using the “best value” method as defined in G.S. 143-
223 135.9(a)(1) so that the system may select the most appropriate technological
224 solution to meet the school system’s objectives. However, if the purchasing
225 finance officer considers the purchase to be highly complex or is unable to clearly
226 determine what the optimal solution for the school system is, the “solution-based
227 solicitation” or “government-vendor partnership” method may be used. The
228 purchasing finance officer may negotiate with the proposer to obtain a final
229 contract that meets the best needs of the school system, so long as the alterations
230 based on such negotiations do not deprive proposers or potential proposers of the
231 opportunity to compete for the contract and do not result in the award of the
232 contract to a different person or entity than would have received it if the
233 alterations had been included in the RFP.

234
235 **8. Gasoline, Fuel, and Oil Purchases**

236
237 Pursuant to G.S. 143-129(e)(5), the school system may purchase gasoline, fuel,
238 and oil products without using formal competitive bidding. However, such
239 purchases are subject to the informal bidding requirements provided above.

240
241 **9. Used Products**

242
243 Pursuant to G.S. 143-129(e)(10), the school system may purchase previously used
244 apparatus, supplies, materials, or equipment without using formal competitive
245 bidding. Before purchasing used products, the purchasing finance officer shall
246 ensure that the products are in good, usable condition and will be sufficient to
247 meet the school system’s needs for a reasonable period of time.

248
249 **10. Published Materials**

250
251 Pursuant to G.S. 115C-522(a), compliance with Article 8 of Chapter 143 of the
252 General Statutes is not mandatory for the purchase of published books,
253 manuscripts, maps, pamphlets, and periodicals. Such purchase shall be made in
254 accordance with policy 6440, Local Purchasing Requirements for Equipment,
255 Materials, and Supplies.

257 **F. LEASE PURCHASE CONTRACTS AND OTHER CONTRACTS FINANCED OVER TIME**

258
259 Lease purchase contracts, contracts that include options to purchase, and leases for the
260 life of equipment all must be bid consistent with the requirements of G.S. 143-129 and
261 143-131. The purchasing finance officer shall ensure that such contracts meet the legal
262 requirements and the provisions of policy 6420, Contracts with the Board.
263

264 **G. USE OF SCHOOL SYSTEM TERM CONTRACTS**

265
266 The school system may create and use term contracts for items that are routinely
267 purchased by the school system. If the estimated expenditure for a routine item under the
268 term contract is equal to or exceeds \$90,000, the contract must be formally bid. If the
269 estimated expenditure is at least \$30,000 but less than \$90,000, the contract must be
270 informally bid. The purchasing finance officer may incorporate the use of a term contract
271 in the bidding specifications. If term contracts are used, the board attorney, in
272 consultation with the purchasing finance officer, shall review the contracts.
273

274 **H. HISTORICALLY UNDERUTILIZED BUSINESSES**

275
276 The board affirms the state’s commitment to encouraging the participation of historically
277 underutilized businesses in purchasing functions. The board will comply with all legal
278 requirements and the standards in policy 6402, Participation by Historically Underutilized
279 Businesses.

280
281 Legal References: G.S. 64, art. 2; 115C-522; 143, art. 8; 143B, art. 14; 147, art. 6E; Sess. Law
282 2013-128

283
284 Cross References: Participation by Historically Underutilized Businesses (policy 6402),
285 Organization of the Purchasing Function (policy 6410), Contracts with the Board (policy 6420),
286 Local Purchasing Requirements for Equipment, Materials, and Supplies (policy 6440)

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288 Adopted:
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