

**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 **state** laws and regulations, including **Article 8 of Chapter 143, Article 8, and**
3 **Articles 6E and 6G of Chapter 147** of the North Carolina General Statutes, board policy, and
4 school system purchasing procedures. Purchasing contracts subject to the E-Verify requirement
5 will contain a provision stating that the contractor and contractor’s subcontractors must comply
6 with the requirements of G.S. Chapter 64, Article 2. **Purchases using federal funds must also be**
7 **made in accordance with all applicable requirements of federal law and regulation, including the**
8 **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal**
9 **Awards (“Uniform Guidance”) issued by the U.S. Office of Budget and Management. (See also**
10 **policy 8305, Federal Grant Administration.)** ~~For purchases and contracts valued at \$1,000 or~~
11 ~~more, the Transylvania County Board of Education (the “board”) will require each bidder or~~
12 ~~vendor to certify that it is not listed on the state treasurer’s Final Divestment List or Iran Parent~~
13 ~~and Subsidiary Guidance list, as required by G.S. 147, Article 6E, and that it will not engage~~
14 ~~subcontractors who are on either list.~~ All employees involved in purchasing must be familiar
15 with applicable requirements.

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

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

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33 Apparatus, supplies, materials, and equipment must be purchased in accordance with the
34 following requirements.

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

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38 The purchase of apparatus, supplies, materials, or equipment for expenditures equal to or
39 more than \$90,000 must be secured through the competitive bid process governed by
40 G.S. 143-129. The superintendent, in consultation with the finance officer, is authorized
41 to determine the best method for formally bidding a product or, as appropriate, utilizing
42 one of the exceptions to formal bidding as provided below in Section E. The finance
43 officer shall oversee the use of any purchasing method and ensure that all state

44 requirements are met, including advertisement, sealed bids, maintaining records, and
45 public opening of bids. The board authorizes the use of newspaper advertisement,
46 electronic advertisement, or both for formal bids; however, the superintendent has the
47 authority to determine which method will be used for a specific purchase or categories of
48 purchases.

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

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58 The board permits the use of the following processes for contracts that require formal
59 bidding.

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61 **1. Competitive Sealed Bids**

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

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66 **2. Reverse Auction**

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

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78 **3. Exceptions to Formal Bids**

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

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

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85 The purchase of apparatus, supplies, materials, or equipment for expenditures of at least
86 \$30,000 but less than \$90,000 must be secured through the informal bidding process

87 governed by G.S. 143-131. The superintendent, in consultation with the finance officer,
88 is authorized to determine the best method for securing informal bids on a product. The
89 finance officer shall oversee the use of any purchasing method and ensure that all state
90 requirements are met, including maintaining records of all bids submitted. **Records of**
91 **informal bids will not be available for public inspection until the contract has been**
92 **awarded.** Awards will be made to the lowest responsible, responsive bidder(s) whose bid
93 or proposal meets the requirements and criteria set forth by the school system, taking into
94 consideration quality, performance, and the time specified in the proposal for the
95 performance of the contract.

96
97 **1. Competitive Sealed Bids**

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

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107 **2. Quotations**

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

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115 **3. Reverse Auction**

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

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120 **4. Exceptions to Informal Bids**

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

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125 **C. LOCAL REQUIREMENTS FOR PURCHASES FOR LESS THAN \$30,000**

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127 **When competitive bidding is not statutorily required, purchases should be made under**
128 **conditions that foster competition among potential vendors. Purchasing decisions should**
129 **be made after considering price, quality, suitability for specified need, and timeliness of**

130 delivery and performance. The board may refuse to enter into a contract with a supplier
131 or contractor whose performance on a previous contract was found to be unsatisfactory
132 by the superintendent or the board.
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134 If informal bidding is used, the informal bidding process described in Section B, above,
135 will be followed. Purchases for apparatus, supplies, materials, and equipment costing
136 less than \$30,000 will be awarded pursuant to the standards provided in policy 6440,
137 Local Purchasing Requirements for Equipment, Materials, and Supplies.
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139 **D. ELECTRONIC BIDDING**

140 Pursuant to G.S. 143-129.9(a)(2), the school system may receive bids electronically in
141 addition to or instead of paper bids. If electronic bids are used for purchases that must be
142 formally bid, procedures for receipt of electronic bids must be designed to ensure the
143 security, authenticity, and confidentiality of the bids to at least the same extent as
144 provided with paper bids. The superintendent, in consultation with the finance officer,
145 shall determine whether electronic bidding is appropriate for a specific purchase or
146 category of purchases.
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149 **E. EXCEPTIONS TO THE FORMAL AND INFORMAL BIDDING REQUIREMENTS**

150 The school system may utilize the following purchasing options instead of pursuing
151 competitive bidding. Formal or informal bidding is not required if any of these processes
152 are used. The finance officer shall gather information to document the basis for the use
153 of any exceptions to the competitive bidding requirements. The superintendent, in
154 consultation with the finance officer, may determine that using one of the following
155 exceptions is appropriate for a specific purchase or group of purchases.
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158 **1. Purchases from Other Governmental Agencies**

159 Pursuant to G.S. 143-129(e)(1), the school system may contract for the purchase,
160 lease, or other acquisition of apparatus, supplies, materials, or equipment from
161 any other federal, state, or local governmental agency.
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164 **2. Special Emergencies**

165 Pursuant to G.S. 143-129(e)(2), competitive bidding is not required in cases of
166 special emergencies involving the health and safety of people or their property.
167 For an emergency to exist under the statute, the following factors must exist: (1)
168 the emergency is present, immediate, and existing; (2) the harm cannot be averted
169 through temporary measures; and (3) the emergency was not self-created by the
170 school system.
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3. Competitive Group Purchasing

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

4. State Term Contract

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 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 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

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

8. Gasoline, Fuel, and Oil Purchases

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

9. Used Products

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

259 **10. Published Materials**

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261 Pursuant to G.S. 115C-522(a), compliance with Article 8 of Chapter 143 of the
262 General Statutes is not mandatory for the purchase of published books,
263 manuscripts, maps, pamphlets, and periodicals. Such purchase shall be made in
264 accordance with **Section C of this** policy ~~6440, Local Purchasing Requirements~~
265 ~~for Equipment, Materials, and Supplies.~~

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

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269 Lease purchase contracts, contracts that include options to purchase, and leases for the
270 life of equipment all must be bid consistent with the requirements of G.S. 143-129 and
271 143-131. The finance officer shall ensure that such contracts meet the legal requirements
272 and the provisions of policy 6420, Contracts with the Board.

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

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276 The school system may create and use term contracts for items that are routinely
277 purchased by the school system. If the estimated expenditure for a routine item under the
278 term contract is equal to or exceeds \$90,000, the contract must be formally bid. If the
279 estimated expenditure is at least \$30,000 but less than \$90,000, the contract must be
280 informally bid. The finance officer may incorporate the use of a term contract in the
281 bidding specifications. If term contracts are used, the board attorney, in consultation with
282 the finance officer, shall review the contracts.

284 **H. HISTORICALLY UNDERUTILIZED BUSINESSES**

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286 The board affirms the state's commitment to encouraging the participation of historically
287 underutilized businesses in purchasing functions. The board will comply with all legal
288 requirements and the standards in policy 6402, Participation by Historically
289 Underutilized Businesses.

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291 Legal References: **2 C.F.R. 200.317-326**; G.S. 64, art. 2; 115C-~~36~~, -522; 143, art. 8; 143B, art.
292 14; 147, art. 6E, **art. 6G**; Sess. Law 2013-128

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294 Cross References: Participation by Historically Underutilized Businesses (policy 6402),
295 Organization of the Purchasing Function (policy 6410), Contracts with the Board (policy 6420),
296 ~~Local Purchasing Requirements for Equipment, Materials, and Supplies (policy 6440)~~
297 **Federal Grant Administration (policy 8305)**

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299 Adopted: March 20, 2017

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301 **Revised: [DATE]**