

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 and Articles 6E and
3 6G of Chapter 147 of the North Carolina General Statutes, board policy, and school system
4 purchasing procedures. Purchasing contracts subject to the E-Verify requirement will contain a
5 provision stating that the contractor and contractor's subcontractors must comply with the
6 requirements of G.S. Chapter 64, Article 2. Purchases using federal funds must also be made in
7 accordance with all applicable requirements of federal law and regulation, including the Uniform
8 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
9 ("Uniform Guidance") issued by the U.S. Office of Budget and Management. (See also policy
10 8305, Federal Grant Administration.) All employees involved in purchasing must be familiar
11 with applicable requirements.

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

19
20 ~~Except as otherwise required by law or specified by the board, the board delegates to the~~
21 ~~superintendent the authority to award contracts for the purchase of apparatus, supplies, materials,~~
22 ~~and equipment involving amounts up to \$90,000. Any purchases or contracts involving~~
23 ~~expenditures greater than this amount must be approved by the board. The~~ **appropriate school**
24 **system employee** ~~finance officer and any additional staff deemed appropriate by the~~
25 ~~superintendent~~ shall review submissions of bids, proposals, or quotes to determine if they are
26 responsive to the system's specifications and make recommendations to the superintendent **or**
27 **designee**. The superintendent **or designee** may award the contract based upon such
28 recommendations **if it is within their authority to contract as provided in policy 6420, Contracts**
29 **with the Board**, or **may** make a recommendation to the board for award of the contract by the
30 board.

31
32 Apparatus, supplies, materials, and equipment must be purchased in accordance with the
33 following requirements.

34 35 **A. FORMAL BIDS (EQUAL TO OR MORE THAN \$90,000)**

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

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

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

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

60 1. Competitive Sealed Bids
61

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

65 2. Reverse Auction
66

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

77 3. Exceptions to Formal Bids
78

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

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

84 The purchase of apparatus, supplies, materials, or equipment for expenditures of at least
85 \$30,000 but less than \$90,000 must be secured through the informal bidding process
86 governed by G.S. 143-131. The superintendent, in consultation with the finance officer,

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

95
96 1. Competitive Sealed Bids

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

105
106 2. Quotations

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

113
114 3. Reverse Auction

115
116 A reverse auction may be used to solicit informal bids, consistent with the process
117 provided in Section A.2.

118
119 4. Exceptions to Informal Bids

120
121 Any of the processes outlined below in Section E may be used in lieu of informal
122 bidding, so long as all requirements of state law are met.

123
124 **C. LOCAL REQUIREMENTS FOR PURCHASES FOR LESS THAN \$30,000**

125
126 When competitive bidding is not statutorily required, purchases should be made under
127 conditions that foster competition among potential vendors. Purchasing decisions should
128 be made after considering price, quality, suitability for specified need, and timeliness of
129 delivery and performance. The board may refuse to enter into a contract with a supplier

130 or contractor whose performance on a previous contract was found to be unsatisfactory
131 by the superintendent or the board.

132
133 If informal bidding is used, the informal bidding process described in Section B, above,
134 will be followed.

135

136 **D. ELECTRONIC BIDDING**

137
138 Pursuant to G.S. 143-129.9(a)(2), the school system may receive bids electronically in
139 addition to or instead of paper bids. If electronic bids are used for purchases that must be
140 formally bid, procedures for receipt of electronic bids must be designed to ensure the
141 security, authenticity, and confidentiality of the bids to at least the same extent as
142 provided with paper bids. The superintendent, in consultation with the finance officer,
143 shall determine whether electronic bidding is appropriate for a specific purchase or
144 category of purchases.

145

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

147
148 The school system may utilize the following purchasing options instead of pursuing
149 competitive bidding. Formal or informal bidding is not required if any of these processes
150 are used. The finance officer shall gather information to document the basis for the use
151 of any exceptions to the competitive bidding requirements. The superintendent, in
152 consultation with the finance officer, may determine that using one of the following
153 exceptions is appropriate for a specific purchase or group of purchases.

154
155 1. Purchases from Other Governmental Agencies

156
157 Pursuant to G.S. 143-129(e)(1), the school system may contract for the purchase,
158 lease, or other acquisition of apparatus, supplies, materials, or equipment from
159 any other federal, state, or local governmental agency.

160

161 2. Special Emergencies

162
163 Pursuant to G.S. 143-129(e)(2), competitive bidding is not required in cases of
164 special emergencies involving the health and safety of people or their property.
165 For an emergency to exist under the statute, the following factors must exist: (1)
166 the emergency is present, immediate, and existing; (2) the harm cannot be averted
167 through temporary measures; and (3) the emergency was not self-created by the
168 school system.

169

170 3. Competitive Group Purchasing

171

Pursuant to G.S. 143-129(e)(3), the school system may make purchases **or order repair work involving a combination of installation labor and equipment acquisition for heating and cooling systems** 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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215 Pursuant to G.S. 143-129(e)(7) and **G.S. Chapter 143B, Article 15-143B-1324(b)**,
216 the school system may purchase or lease information technology through
217 contracts established by the Department of Information Technology. The finance
218 officer shall work with the information technology department to ensure that any
219 such purchases meet the needs of the school system.

220
221 In addition, the school system also may purchase information technology goods
222 and services by using a request for proposal (RFP) pursuant to G.S. 143-129.8,
223 provided that the following requirements are met: (1) notice of the request is
224 provided consistent with the formal bidding notice requirements and (2) contracts
225 are awarded to the person or entity that submits the best overall proposal as
226 determined by the finance officer and superintendent. The RFP should describe
227 the scope of work, general terms and conditions, specifications of the product
228 needed by the school system, and the application process. The information
229 technology supervisor shall assist the finance officer in reviewing the
230 responsiveness of any RFP submitted pursuant to this subsection. RFPs will be
231 evaluated using the “best value” method as defined in G.S. 143-135.9(a)(1) so
232 that the system may select the most appropriate technological solution to meet the
233 school system’s objectives. However, if the finance officer considers the
234 purchase to be highly complex or is unable to clearly determine what the optimal
235 solution for the school system is, the “solution-based solicitation” or
236 “government-vendor partnership” method may be used. The finance officer may
237 negotiate with the proposer to obtain a final contract that meets the best needs of
238 the school system, so long as the alterations based on such negotiations do not
239 deprive proposers or potential proposers of the opportunity to compete for the
240 contract and do not result in the award of the contract to a different person or
241 entity than would have received it if the alterations had been included in the RFP.

242
243 8. Gasoline, Fuel, and Oil Purchases

244
245 Pursuant to G.S. 143-129(e)(5), the school system may purchase gasoline, fuel,
246 and oil products without using formal competitive bidding. However, such
247 purchases are subject to the informal bidding requirements provided above.

248
249 9. Used Products

250
251 Pursuant to G.S. 143-129(e)(10), the school system may purchase previously used
252 apparatus, supplies, materials, or equipment without using formal competitive
253 bidding. Before purchasing used products, the finance officer shall ensure that the
254 products are in good, usable condition and will be sufficient to meet the school
255 system’s needs for a reasonable period of time.

256
257 10. Published Materials

258
259 Pursuant to G.S. 115C-522(a), compliance with Article 8 of Chapter 143 of the
260 General Statutes is not mandatory for the purchase of published books,
261 manuscripts, maps, pamphlets, and periodicals. Such purchase shall be made in
262 accordance with Section C of this policy.
263

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

265
266 Lease purchase contracts, contracts that include options to purchase, and leases for the
267 life of equipment all must be bid consistent with the requirements of G.S. 143-129 and
268 143-131. The finance officer shall ensure that such contracts meet the legal requirements
269 and the provisions of policy 6420, Contracts with the Board.
270

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

272
273 The school system may create and use term contracts for items that are routinely
274 purchased by the school system. If the estimated expenditure for a routine item under the
275 term contract is equal to or exceeds \$90,000, the contract must be formally bid. If the
276 estimated expenditure is at least \$30,000 but less than \$90,000, the contract must be
277 informally bid. The finance officer may incorporate the use of a term contract in the
278 bidding specifications. If term contracts are used, the board attorney, in consultation with
279 the finance officer, shall review the contracts.
280

281 **H. HISTORICALLY UNDERUTILIZED BUSINESSES**

282
283 The board affirms the state’s commitment to encouraging the participation of historically
284 underutilized businesses in purchasing functions. The board will comply with all legal
285 requirements and the standards in policy 6402, Participation by Historically
286 Underutilized Businesses.

287
288 Legal References: 2 C.F.R. 200.317-326; G.S. 64 art. 2; 115C-36, -522; 143, art. 8; 143B art.
289 4415; 147 art. 6E, art. 6G; Sess. Law 2013-128

290
291 Cross References: Participation by Historically Underutilized Businesses (policy 6402),
292 Organization of the Purchasing Function (policy 6410), Contracts with the Board (policy 6420),
293 Federal Grant Administration (policy 8305)

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295 Adopted: March 20, 2017

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297 Revised: March 5, 2018; [DATE]