



PROCEDURES FOR PROCUREMENT of GOODS and CONTRACTED SERVICES

I. Purchase Orders, Procurement, Contracted Services

Purpose: Procedures used in obtaining best price and quality of goods to be purchased. Depending on the cost, obtaining quotes or a formal bid process may be implemented with the assistance of the Director of Purchasing. A procedure for preparing and approving contracts for services is described.

Functional Lead

- ❖ Office Manager/Business Manager

Notes

- ❖ Procurement rules for textbooks vary by State. Purchasing of additional copies of an existing textbook does require quotes/bids. Purchasing a new textbook series must follow the procurement process below.
- ❖ If contract services are being procured for asbestos containing building materials (ACBM) treatment and/or work in which the contractor will be working around ACBM, Office Manager will then refer to the AHERA management plan for documentation that must be acquired and/or processed.
- ❖ Capital Improvement Projects in Arkansas over \$20,000 additional requirements. Please consult the DOP on this matter.

II. Related Policies and Procedures:

- ❖ Purchase Requisitions and Orders

III. Technical Assistance:

- ❖ Regional Director
- ❖ Director, Finance & Procurement (DFP)-LFM

IV. Administering Policy:

#	Responsibility	<u>Procedures For Procurement Of Goods And Contracted Services</u>
1.	Office Manager/Business Manager	When the value of the purchase is estimated to be under \$5,000: <ul style="list-style-type: none"> • The quantity sought must be determined. • The quality sought must be described. • More than one quotation should be obtained when possible to ensure best price. • A firm price must be obtained. • Obtain estimate of shipping prices. • The requisition process must be followed once the vendor is selected.



2.	Principal	When the value of the purchase is estimated to be above \$5,000 contact the Regional Director to determine the need and to coordinate with LFM.
3.	DFP	<ul style="list-style-type: none"> • Will develop a written statement of quantity, quality, delivery, terms of payment, and insurance requirements, if applicable. • Send the description to <u>three (3) vendors</u>. • Request a firm bid in writing agreeing to provide supply/services at the price and terms specified. The bid may be lump sum, hourly, or daily. The vendor must specify in writing any additional costs/expenses. • Obtain three (3) written quotations and send to the school for review. The school will select the lowest or best price and attach quotes to requisitions. • For amounts exceeding \$25,000 an open bid process must be followed. The request for bids must be advertized in a least one paper one time. Note: In Arkansas the notice must be in a paper having state wide circulation. • Vice President Finance (VPF) must verify funding source prior to ordering item(s) in excess of \$25,000 • VPF will be notified of textbook cost prior to order submission
4.	Office Manager/Business Manager	After selecting vendor follow procedures in "Purchase Orders".

#	<u>Responsibility</u>	<u>Procedure for Contracted Services</u>
1.	Principal	Services shall follow the same procedures described under the above "Procurement" section.
2.	Office Manager/Business Manager	Draft agreement, using consulting agreement template and consult with Regional Director about any questions. <ul style="list-style-type: none"> • Consultant's name and full address • Consultant's project or responsibilities – in detail • Compensation to be paid to Consultant – based on hours? Based on project? • Expenses to be reimbursed to Consultant, if any • Maximum amount to be paid to Consultant • End date of Consultant's work • Follow PO Procedure



3.	Office Manager/Business Manager	<p>Have the agreement signed by the Principal and the Consultant.</p> <p>The signed consulting agreement should be filed in a consulting file at the school. A copy of the agreement should then be sent to the LHA Staff Accountant.</p> <p>The Consultant should be given a copy. The consultant must complete Form W-9, required by the IRS.</p>
4.	Staff Accountant	<p>Once the agreement is received by the LHA Staff Accountant, invoices for services shall be processed as an account payable.</p>
5.	Principal	<p>Approved invoices will be submitted to Lighthouse Academies in the same manner as a packing slip (See Receiving Goods procedure.) The Consulting Agreement should be used where applicable. The scope of work from the consulting agreement can be used as the receiving ticket. (Note: Some are subject to procurement procedures in some states.)</p> <p>When issuing a Consulting Agreement make sure W-9 tax form accompanies the consulting agreement.</p>