



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



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"> <li>• Will develop a written statement of quantity, quality, delivery, terms of payment, and insurance requirements, if applicable.</li> <li>• Send the description to <u>three (3) vendors</u>.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Vice President Finance (VPF) must verify funding source prior to ordering item(s) in excess of \$25,000</li> <li>• VPF will be notified of textbook cost prior to order submission</li> </ul>
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"> <li>• Consultant's name and full address</li> <li>• Consultant's project or responsibilities – in detail</li> <li>• Compensation to be paid to Consultant – based on hours? Based on project?</li> <li>• Expenses to be reimbursed to Consultant, if any</li> <li>• Maximum amount to be paid to Consultant</li> <li>• End date of Consultant's work</li> <li>• Follow PO Procedure</li> </ul>



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>