

BIDS, CONTRACTS AND PURCHASES

The purchase of supplies, equipment, and services represents a significant expenditure in the Supervisory Union and member District budgets. These purchases must be made in an open, fair, and economical manner and must guard against unethical behavior.

Bids

To be open and fair in awarding business and to ensure favorable pricing, best practice is to always seek estimates from multiple sources. As such, the following minimum requirements are established:

Oral quotations –

- A minimum of three quotations must be received for items valued between \$3,000 (\$2,000 for Davis Bacon) and the limit established in 16 VSA § 559, currently \$15,000.
- Quotations may be received by phone or in writing.
- A record of oral bids must be kept on file, submitted with the purchase order, or otherwise maintained for future reference.

Public bids –

- 16 VSA § 559 sets the threshold to publicly advertise or invite bids.
- A minimum of three quotations must be advertised or invited.
- A copy of the quotations must be received in writing.

Request for proposal (RFP) –

- In situations where negotiated contracts are appropriate (see Contracts), the Business Manager must prepare an RFP and include information in the bid invitation as to how vendors can obtain the RFP.
- The RFP will indicate pre-qualification criteria, minimum project or product specifications, acceptable performance or service levels, schedule constraints, and proposal due date. The RFP will also indicate that the Supervisory Union and/or member Districts reserve the right to reject any or all bids.
- A minimum of three quotations is required unless there are extenuating circumstances as discussed in the Contracts section (sole source contracts).

Board members, Supervisory Union and member District employees, or their immediate families, as well as business entities owned wholly or in part by these individuals, may submit bids. However, bids submitted by those individuals or entities may not be considered as part of the minimum number of required bids outlined above. If such an individual or entity is compelled to submit a bid, it must be in writing regardless of cost and can never be the only bid. Other Board member requirements are stipulated in 16 VSA § 557.

Contracts

Negotiated contracts are preferred when:

- the total cost cannot be determined because of variable quantity, schedule, or nature of service
- market fluctuations preclude achieving a fixed cost
- there is difficulty in quantifying services such as legal or architectural
- there is difficulty in comparing facility or equipment leases
- multi-year contract options are desired

Negotiated contracts should consider future costs, contingencies, project stages, and conditions.

Sole source contracts are to be avoided when possible and, if necessary, should be limited in duration. Sole source contracts will only occur when:

- an RFP results in only a single bidder
- the contracts calls for a specific product or specialized service
- the nature of the product or service requires future professional knowledge that can only be provided by the original vendor or
- only one local vendor is available

RFPs may define a process for clarifying questions prior to proposal submissions. In some cases, vendors may be asked to attend a tour or open evaluations of their proposal. All prospective vendors will be invited to attend a public opening of all bids. If contract requirements change after proposals are received, two options exist:

- all bids can be rejected and a new RFP released
- the Supervisory Union and/or member District(s) can enter into negotiations with the lowest responsible bidder

As a general rule, the lowest responsible bidder will be awarded the contract. However, other criteria may include: product or service quality; vendor experience and competency; warranties; guarantees; and/or conditions of default. Ultimately, contract award is limited by 16 VSA § 559.

Purchases

In addition to the bid and contract requirements specified above, authority to issue purchase orders, leases, or contracts is as follows:

1. Superintendent and Business Manager or designee when cost is **\$40,000** or less.
2. Supervisory Union and member District Boards when cost is above **\$40,000**.

All purchases funded by federal awards must indicate the rationale used for choosing the selected vendor, including but not limited to a cost analysis/comparison.

All Board members and employees who in the course of their duties are involved in the procurement process must sign the Supervisory Union and Member District conflict-of-interest statement annually.

Date Warned: 08/15/2022 - Caledonia Central Supervisory Union

Date Adopted: 08/15/2022 - Adopted by the Caledonia Central Supervisory Union Board on behalf of the District Boards: Caledonia Cooperative School District, Cabot School District, Danville School District, Peacham School District, Twinfield Union School District

Legal References: 16 VSA § 557, 559, and 563