

# Purchasing & Supply Services



# Forward

The mission of Purchasing and Supply is to facilitate timely delivery of goods and services to the District's instructional and non-instructional departments to build a foundation for life-long learning. In addition, the mission is extended by our commitment to Minority, Women, and Local Business Participation Program in Prince George's County and State of Maryland Businesses.

The Manual has been prepared for use of Prince George's County Public School (PGCPS) personnel and other interested parties, to serve as PGCPS Policy for all Contracting and Procurement related activities and supersedes all previous PGCPS procurement policy, regulation and procedures.

**TABLE OF CONTENTS**

**SECTION 1: INTRODUCTION..... 11**

- A. Procurement Ethics ..... 11-12
- B. Purchasing Code of Ethics..... 11
- C. Procurement and Integrity .....12
- D. Important Things to Know about Procurement..... 12
- E. Performance Management Core Services and Objectives..... 13

**CHAPTER 1 – PROCUREMENT**

- STATE Policy ..... 14
- PGCPS Policy..... 14
- PGCPS Policy – General .....14-15
- Authority for Procurement .....15
- Approval Thresholds and Position Levels.....15
- Procurement Approval Requirements.....16-17
- Bidding Requirements and Exceptions.....17
- Approval Level Chart – Quick Reference.....18
- Requisitions
- Preparation – Budget Fund ..... 19-20
  - A. Required Delivery
  - B. Description
- Service Contracts .....20
- Delegation of Authority/Approval Requirements ..... 20-21
- Requisition Distribution ..... 21
- Competitive Procurements
- General Info. .... 21

Compliance with Competitive Bidding Law and PGCPS Policies . . . . .	22
Procedures for Obtaining Bids.....	22-23
Bid Specification.....	23
Selecting Sources of Supply.....	23
Pre-Bid/Pre-Proposal Conferences . . . . .	23-24
Opening of Bids . . . . .	24
Evaluation of Quotations and Bids.....	24
Bidder/Proposer Protests . . . . .	24-25
Procurement of Erate Services, Equipment and Supplies.....	25-26
Construction Projects . . . . .	26-27
1). Applicability	
2). Advertisement	
3). Bid Security	
4). Late Bids	
5). Public Opening of Bids/Option to reject all Bids	
Methods of Construction Procurement.....	27-29
Procurement of Architectural and Engineering Services . . . . .	29-32
1.) Definitions	
2.) Regulations	
3.) Implementation Procedures	
Evaluation of Bids for Construction Projects.....	32-33
Purchases of Materials, Supplies or Equipment – Personal Property . . . . .	33-34
Services . . . . .	34-35
Cooperative Purchases . . . . .	35-36
A. Inter-local Agreement Purchases	
B. Rider and Piggy-Backing Option	
C. Joint Purchases	
D. Purchases Through Third Parties	
<u>General Requirements Applicable to PGCPS Procurements</u>	
Procurement Clearance – Recommendation for Award . . . . .	36
Processing Time for Procurements . . . . .	36-37

A. Less than \$25,000	
B. Greater than \$25,000	
C. Services	
Specifications Development . . . . .	37
Bonding Requirements . . . . .	38
A. Bid Bond/Proposal Guarantee	
B. Performance Bonds	
C. Payment Bonds	
D. Bonding Company Requirements	
Insurance Requirements . . . . .	38-39
Change Orders to Purchase Orders and Contracts . . . . .	39
Vendor Relations . . . . .	39
Code of Ethics . . . . .	40
Gifts and Gratuities . . . . .	40
Debarred/Suspended Vendors . . . . .	40-41
<u>Types of Purchase Orders/Contracts</u>	
Contracts . . . . .	42
Freight Charges . . . . .	42
<u>Receipt of Orders</u> . . . . .	42
Receiving and Inspection . . . . .	42
Special Requirement Deliveries . . . . .	43
Receiving Report . . . . .	43
Expediting . . . . .	43
Acknowledgement of Receipt of Material (ARM) . . . . .	43
<u>Shipping</u> . . . . .	43
Return of Incorrect Merchandise . . . . .	43
Debit Memo/Shipping Order . . . . .	43
Items Sent Out for Repair . . . . .	44
<u>Payments</u>	

Payments on Contracts . . . . .	44
Payments Other Than Contracts Authorized by Request for Payment . . . . .	45
Request for Payment . . . . .	45
<u>Payments/reimbursements From Petty Cash</u>	
Purchases/Reimbursements from Petty Cash-General . . . . .	45

**CHAPTER 2 – CONSULTANT SERVICES**

Consultant Services

General – Consultant Service.....	46
Background.....	46
➤ How to Contract Professional Service.....	46
➤ Contracting Method and Related Documentation.....	47
➤ Guidelines for Selection of Professional Service Provider.....	47

Classification of Independent Contractor versus Employee.....	47-50
---	-------

Classification of Service Providers

- a) Employee
- b) Former Employee
- c) Independent Contractor
- d) Withholding Requirements
- e) Penalties for Misclassification
- f) Common Law Rules
- g) Behavioral Control
- h) Financial Control
- i) Type of Relationship
- j) Twenty Common Factors

Contracting Procedures . . . . .	50
I. Definition: Independent vs. Employee.....	51
II. General Rules.....	52
III. Determining Factors for Independent Contractor and Employee.....	53
IV. Independent Contractors or Employee – Additional Information.....	53

Processing of Consultant/Employee.....	53
a) Scope of Work	
b) Independent Contractor Verification Work Sheet	
c) Service Provider Questionnaire	
d) Client List	
e) Certificate of Insurance	
f) Requisition Checklist	

Reimbursement Restrictions . . . . .	54
--------------------------------------	----

- a) Independent Contractors Fee
- b) Concurrent Service
- c) Other Restricted Funds

**CHAPTER 3 – MINORITY AND WOMEN BUSINESS PARTICIPATION**

**Minority Suppliers/Contractors – Compliance with PGCPs’s**

PGCPS Policy: Minority and Women-Owned Business Enterprise (M/WBE) . . . . . 55  
 Bid Process . . . . .56  
 Procurement Contract Review Committee . . . . . 56-57  
 Technical Assistance and Outreach . . . . . 57  
 Non-Compliance with MBE Policies . . . . . 57

**CHAPTER 4 - SUPPLY AND SHOP STORES SERVICES**

Supply/Shop Store services – General . . . . . 59  
 Supply and Shop Stores Service Centers. . . . . 59  
 Pickup and Delivery Service . . . . . 60  
Items Carried in Inventory..... 60  
 Types of Items Carried in Inventory . . . . .60  
 Adding New Items . . . . .60  
 Minimum/Maximum Quantities . . . . .61  
Inventory Issues  
 Authority to Receive Issues . . . . .61  
 Inventory Issues . . . . . 61  
 Charges for Inventory Issues . . . . .61  
Physical Inventory  
 Scheduling Physical Inventory . . . . . 61  
 Purge of Obsolete Items in Inventory . . . . . 61-62  
 Relocation of Offices and Personnel . . . . .62

## **CHAPTER 5 – SURPLUS PERSONAL PROPERTY**

### Surplus Personal Property

Surplus Personal Property – General . . . . . 63

Surplus Personal Property – Policy/Administrative Procedures. . . . . 63

### Excess./Surplus Personal Property

Transfer of Surplus Personal Property to PGCPs. . . . . 64

Recycling Surplus Personal Property . . . . . 64

### Disposition of Surplus/Obsolete Personal Property

PGCPS Disposition Approval . . . . . 64

Disposition of Personal Property . . . . . 65

Public Auctions . . . . . 65

Restrictions on Purchase of PGCPS-Owned Personal Property . . . . . 65

Surplus Sales Accounting . . . . . 65-66

## **CHAPTER 6 – US AND INTER-OFFICE MAIL**

### Mail Services

Mail Services – General . . . . . 67

Postal and Mail Administrative Procedures. . . . . 67

### Mail Handling

Pickup and Delivery of Mail . . . . . 67

Special Handling – Registered, Certified, Etc. . . . . 67-68

### Interoffice Mail

Interoffice Mail and Other Items . . . . . 68

Special Handling of Confidential Interoffice Mail . . . . . 68

**APPENDIX I - DEFINITIONS**

Definitions ..... 69-72

**APPENDIX II – COMMON LAW QUESTIONS**

Twenty Common Law Factors Used to Determine Employment Status.....73-75

**APPENDIX III – POLICIES AND REGULATIONS**

POLICIES .....76

- Board Policy 3323 Bids
- Board Policy 3150 Solicitations and Acceptance of Funds and Other Resources
- Board Policy 3260 Sales and Disposal of Books, Equipment and Supplies
- Board Policy 7100 Capital Improvement Program
- Board Policy 7211.1 Selection of Architects
- Board Policy 7430 Change Orders

ADMINISTRATIVE PROCEDURES.....76

- A.P. 2702 Distribution of Materials by Central Office Mailing Facility - Functions External To School System
  - Attachment to A.P. 2702
- A.P. 2703 Courier Mail Services
- A.P. 3325 Minority Business Enterprise Procurement Procedures
  - Attachments to A.P. 3325
- A.P. 3260 Property Disposal
- A.P. 3355 Donation of Equipment, Furniture
- A.P. 7100 Capital Improvement Program New Construction
  - Attachment to A.P. 7100
- A.P. 7211.1 Selection of Architects
- A.P. 7419 Minority Business Procedures for State Funded Projects
  - Attachment 1 to A.P. 7419
  - Attachment 2 to A.P. 7419
  - Attachment 3 to A.P. 7419
  - Attachment 4 to A.P. 7419
  - Attachment 5 to A.P. 7419
  - Attachment 6 to A.P. 7419
  - Attachment 7 to A.P. 7419
  - Attachment 8 to A.P. 7419

A.P. 7430 Change Orders for Construction Contracts

BULLETINS.....76

**APPENDIX IV – STAFF CONTACTS**

PURCHASING..... 77

SUPPLY SERVICES..... 77

SHOP STORES..... 77

MAILROOM..... 77

## INTRODUCTION

The Purchasing Department is a component of the Chief Financial Office and reports to the Director of Purchasing & Supply Services. The function of the Purchasing Department is to provide procurement and contract services for all Prince George's County Public Schools/Departments in accordance with the responsibility and authority delegated by the Superintendent and the Board of Education of Prince George's County.

The Director of Purchasing and Purchasing Staff are expected to conduct themselves in a professional, courteous and ethical manner, maintain good relations with its customers and promote fair, ethical and legal procurement practices.

The following purchasing policy and procedures are provided to assist in the overall procurement process for Prince George's County Public Schools. Even though this manual is for the most part fairly detailed, it does not cover every purchasing related eventuality. Any exceptions will be worked out as circumstances and good business practices warrant.

### A. PROCUREMENT ETHICS

The definition of ethics according to "Webster's New World Dictionary" is (1) the study of standards of conduct and moral judgment, (2) a treatise on this study and (3) the system or code of morals of a particular person, group or profession. Ethics and ethical practices are a major concern in the realm of public purchasing today. Statutes, administrative law, rules and regulations mesh to provide a mechanism for public purchasing; however, only people can make it work. In purchasing, as in all professions, there are values of pride and worth, standards and ideals, specifics of conduct and performance. Impediments to the process must be detected early and safeguards provided at all levels. This applies both to purchasing personnel and the vendor community.

### B. PURCHASING CODE OF ETHICS

1. Give first consideration to the objectives and policies of Prince George's County Public Schools.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.

8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with Association of School Business Officials (ASBO) members and promote a spirit of unity and a keen interest in professional growth among them.

### C. PROCUREMENT AND INTEGRITY

Fairness and impartiality in all phases of the procurement process are the essential ingredients in public purchasing. Transactions with vendors, divisions/programs and peers must always be open, honest and objective.

### D. IMPORTANT THINGS TO KNOW ABOUT PROCUREMENT

**Know the rules before you buy.** As a Prince George's County Public Schools employee, you have flexibility in purchasing goods and services. However, Prince George's County Public Schools must remain in compliance with laws, policies affecting the expenditure of state and county funds. All purchase requests must follow established policies, procedures, and guidelines. A good rule to follow is to always discuss your needs with your department budget manager or involve the Purchasing Department from the very beginning of planning your purchase request. Please call with questions at any time.

**Don't sign any contracts.** There are only a few designated individuals at Prince George's County Public Schools who are approved by the Board of Education to sign contracts and legally bind the system. The Purchasing Department will review and edit contracts and sign all contracts. Contract authority is limited to Board Chair, Superintendent, Deputy Superintendent, General Counsel, Chief Financial Officer, Purchasing Director and the Director of Title 1 (Title 1 programs only). School Principals and administrators can sign contracts within their signatory authority, per administrative bulletin M-107. Additionally, in some cases the Purchasing Department will consult with General Counsel, if necessary, and obtain the appropriate signatures for contract requirements.

**Contract Depository.** The Purchasing Department is the depository for all contracts in the Prince George's County Public Schools. All contracts must reside in the Purchasing Department to comply with internal controls and best practices. Therefore, all contracts must be forwarded to the Purchasing Department.

## E. PERFORMANCE MANAGEMENT CORE SERVICES AND OBJECTIVES

### I. ACQUISITION OF QUALITY GOODS AND SERVICES

- On-time Delivery of Goods and Services: 100% of goods and services delivered in 30 days.

### II. DISTRIBUTION OF INVENTORY, MAIL AND SYSTEM RELOCATION SERVICES

- Provide quality customer service to schools to ensure system needs are met and facilitate a safe and secure learning environment.
- 100% of Warehouse/Shop Stores orders are delivered within 5 days of requisition unless other arrangements are made in writing in advance.

### III. MINORITY BUSINESS PARTICIPATION

- Maximize opportunity for contracts for Minority Businesses consistent with Board goals of 30% for construction and 15% for materials and supplies.

## CHAPTER 1 – OVERSIGHT AND PROCUREMENT AUTHORITY

STATE POLICY: Procurement governance and authority in the State of Maryland derives from Maryland Education Code, Section 5-112 and Annotated Code of Maryland, Education Article 7-106.

PRINCE GEORGE’S COUNTY BOARD OF EDUCATION (PGCPS):

Board Policy # 3323 governs the procurement of goods and services in the Prince George’s County Public Schools (PGCPS). The policy covers procurement for Business and Non-Instructional Operations. Execution of this policy standard is the responsibility of all staff that procures goods and services. Purchasing is responsible for support and guidance of policy requirements. The policy can be accessed at the website address below:

<http://www.pgcps.org/~board/policy/>

### PGCPS POLICY – GENERAL

The procedures referenced in this Manual have been designed to provide guidelines for procuring the items and services necessary to support the PGCPS’s operational functions. PGCPS personnel will recognize new emphasis on policy that all services – professional, consulting, accounting, information technology, among others – must be engaged with the involvement of Purchasing Department according to the procedures set forth in this Manual. Although competitive bidding is not required for all services, the Purchasing Department can greatly assist Departments in generating Solicitations and Requests for Proposals and Requests for Qualifications in a way to obtain the most qualified service providers at the most economical rates. Procurement policy 3323 set threshold dollar limits for respective categories that are cumulative. Cumulative in this case means across the entire system and not relegated to one unit. No one department, school or office can execute single threshold amount listed in the policy unless approved by the Board of Education. Therefore, guidance set forth in this manual shall serve as the administrative procedure for the system.

It is PGCPS’s administrative procedure that the electronic requisition is the standard document utilized for the systematic submission of requests for items and services to be procured through the Oracle Financial System. The only exceptions to this Policy are for those items which, by Policy, are authorized to be purchased according to exceptions granted by the State of Maryland Laws and for the acquisition of real estate. Nonetheless, the Purchasing Department recommends encumbrance of such request should be through the Oracle Financial iPurchasing System.

Although the actual procurement responsibilities are vested in the Purchasing Department, the procurement process cannot generally begin until a duly authorized request has been received by Purchasing Department. In certain circumstances, the Purchasing Department may initiate the solicitation phase of the procurement process prior to request. However, no Purchase Order or Contract will be issued until the authorized bids have been received. Moreover, it is improper for

any Department or employee to incur obligations on behalf of the PGCPs for the procurement of items or services without submitting a Requisition and obtaining a Purchase Order or a signed Contract.

#### AUTHORITY FOR PROCUREMENT

- A. As set forth in Board Policy, the Superintendent has the ultimate authority/responsibility for the day-to-day operations of PGCPs and only the Superintendent and/or a Designee has signature authority for all matters pertaining to PGCPs procurements. Board approval is not required for any procurement by PGCPs through the bidding process unless the period extends beyond one-year or is mandated by State of Maryland, Board Policy 3323 and/or the Superintendent. However, the Board/Superintendent reserves the right to designate any procurement type for approval at a duly authorized public meeting. Procurements that cross multiple fiscal years must be approved by the Board of Education.
- B. The Purchasing Department is aligned under the direction of the Chief Financial Officer and to assure that purchasing activities are run in accordance with all applicable laws, directives from the Superintendent, Board of Education Policy and sound business practices.
- C. The Chief/Director/Principal or other duly appointed individuals of each Department/School are responsible for expenditures from approved budgets for their Department. The Superintendent has delegated the responsibility to the Area Chief/Principal of each Department or Designee, to approve Requisitions for their respective Departments and/or Schools.
- D. The Requisition is the official document by which departmental/school needs are made known to the Purchasing Department and by which the authority to obligate specified funds is transferred to Purchasing Department.

#### APPROVAL THRESHOLD AND POSITION LEVELS

The following signature authority and fiscal thresholds are in effect for contracts and purchase orders (P.O.). Authority for approval of a requisition/purchase request is granted to the local fiscal authority based on a signed request for such authority from a Director or higher level of authority. Approval levels are based on spending authorization as defined in the ABC's of Purchasing manual and outlined in Bulletin M-2-10. Principals have P.O. authority approval for all purchases up to \$5,000. Purchases of \$5,000 or more must be approved by their Area Assistant Superintendent or an authorizing official above.

**Approval Chart by Position (Bulletin M-2-10)**

Position	P.O. Threshold	D.A.Threshold
Superintendent of Schools	Unlimited	Unlimited
Chief Financial Officer	Unlimited	Unlimited
Director of Purchasing	Unlimited	Unlimited
Deputy Superintendent	\$50,000	\$50,000
Supervisor of Purchasing	\$50,000	\$10,000
Chief Officer/Administrator	\$25,000	\$25,000
Regional Assistant Superintendent	\$25,000	\$25,000
Director/Officer	\$10,000	\$5,000
Principals	\$5,000	\$1,000

- **D** eputy Superintendent’s signature authority is unlimited when signing in the absence of the Superintendent.

**PROCUREMENT APPROVAL REQUIREMENTS**

PGCPS procurement dollar limits. Other than the exceptions noted later, the following guidelines apply to obtaining competitive quotations (see also Approval Level Chart immediately following this section):

- \$0 to \$5,999** No bids required. Use of local and Minority vendors is highly encouraged.
- \$6,000 to \$14,999** a minimum of three (3) telephone quotations are required on single or multiple “like items” totaling \$6,000 to \$14,999.99. At least one (1) quote should be obtained from a minority or locally-owned business. Such quotations shall be documented and sent to the Purchasing Department.
- \$15,000 to \$24,999** a minimum of three (3) written quotations are required for single or multiple “like items” totaling \$15,000 to \$24,999.99. At least one (1) quote should be obtained from a minority or locally-owned business. Quotations can be solicited by School/Office site or Purchasing Department, if requested.

<b>\$25,000</b>	State Law requires a formal bid for all equipment purchases \$25,000 or greater.
<b>\$25,000 to \$49,999</b>	a minimum of three (3) formal written sealed bids shall be solicited for single or multiple “like items” totaling \$15,000 or more. The Purchasing Department will obtain at least three quotations on behalf of the school/office site. The quotations will be obtained in writing using the Request for Quotation (RFQ) process. The Purchasing Department may obtain formal competitive written quotations based on written specifications supplied by departments, and advertised in local newspapers as required by the Purchasing Policy.

## BIDDING REQUIREMENTS AND EXCEPTIONS

There are times when bidding requirements are not conducive to obtaining the best possible outcomes. As such, Departments must submit a letter of exception to bidding request to the Purchasing Department listing all potential advantages for not obtaining solicitations. This document must be thorough, including timing, cost, reduced options, etc., that clearly provides the benefit for not bidding. Upon review, the Purchasing Director will make a ruling. Listed below are several examples of bid exceptions.

1. **Purchasing Contracts** - Bidding for many items has already been conducted by the Purchasing Department in the form of Term Agreements contract pricing through the State of Maryland, Maryland Industries for the Handicapped, and by the County are available for use by the PGCPS.
2. **Sole Source** - Due to the nature of the item or to the sales structure of the company, only one source is available to purchase the item. Documentation from the requesting department or the vendor must be submitted to for consideration. Purchasing reserves the right to accept or deny request or pursue other competitive requirement.
3. **Facsimile (FAX) Bids** - Bids transmitted via facsimile machines will be accepted unless specifically prohibited in the bid specifications. Formal acceptance (>\$25,000) of the bid will not occur until the original document is received in the Purchasing Department.
4. **Consultant and Professional Services** - Consulting and professional services shall be purchased outright or sought on a request for proposal basis. Each request for such services may be independently reviewed depending on service. Procedures for engaging professional and consultative services are outlined further in this Chapter 2. Due to the highly specialized nature and the individual expertise of potential consultants, services will sometimes be purchased outright as it will not be feasible or reasonable to use a Request for Proposal process. Request for contracting of Individual Consultants must be accompanied with a resume or vitae and sent to Purchasing to ensure Federal (IRS) and State Tax regulations are obeyed.
5. **Travel & Conference Services** – Travel and conference services are subject to competitive bidding rules. Contracted travel agencies will provide all required services regarding travel needs. Conference lodging is limited to one hundred eighty dollars (\$180) or less per night or the IRS lodging rate for that city, whichever is most economical. Due to the nature of conference and travel schedules, a school or office may purchase these services outright.

6. **Leasing and Rentals** - There are occasions when the PGCPS has to decide if it should lease, rent or buy an item of major equipment. Schools/central offices are not permitted to enter into lease or rental agreements without approval of the Superintendent, General Counsel and Chief Financial Officer.

7. **Taxes** – The Prince George’s County Public Schools is exempt from federal, state and most local taxes. A formal statement to this effect will be provided by the Purchasing Department upon request by the vendor.

**APPROVAL LEVEL CHART - QUICK REFERENCE FOR PURCHASING AND PROCUREMENT**

AMOUNT	REQUIREMENT	PROCUREMENT APPROVAL
\$ 1 - \$5999	<b>NO BIDS REQUIRED</b> NO BIDS REQUIRED, EXCEPT FOR EQUIPMENT, COMPUTER AND OTHER TECHNOLOGY RELATED PURCHASES	<ul style="list-style-type: none"> <li>▪ PRINCIPAL</li> <li>▪ EXECUTIVE DIRECTOR</li> <li>▪ COMPONENT MANAGER</li> <li>▪ NO BOARD RESOLUTION REQUIRED</li> <li>▪ REQUISITION/PURCHASE ORDER APPROPRIATE FORM</li> </ul>
\$6,000 - \$24,999	TELEPHONE QUOTATIONS ACCEPTED UP TO 14,999.00. THREE WRITTEN BIDS REQUIRED IF OVER 14,999.00.	<ul style="list-style-type: none"> <li>▪ PRINCIPAL</li> <li>▪ DIRECTOR</li> <li>▪ AREA CHIEF APPROVAL &gt; \$10K</li> <li>▪ COMPONENT MANAGER</li> <li>▪ NO BOARD RESOLUTION REQUIRED</li> <li>▪ PURCHASE ORDER APPROPRIATE FORM</li> </ul>
\$25,000 - \$49,999	THREE WRITTEN BIDS SOLICITED AND CONFIRMED IN WRITING EXCEPT FOR ITEMS/SERVICES ALREADY UNDER CONTRACT. SEALED BID/QUOTES MANDATORY FOR EQUIPMENT PURCHASES. RESOLUTION REQUIRED FOR ALL STATE FUNDED CONSTRUCTION SERVICES/ PURCHASES GREATER THAN \$25,000,	<ul style="list-style-type: none"> <li>▪ PRINCIPAL</li> <li>▪ DIRECTOR</li> <li>▪ AREA CHIEF APPROVAL</li> <li>▪ COMPONENT MANAGER</li> <li>▪ BOARD RESOLUTION REQUIRED (STATE/CIP)</li> <li>▪ PURCHASE ORDER APPROPRIATE FORM</li> </ul>
\$50,000 AND OVER	SEALED BIDS REC'D AFTER ADVERTISEMENT AND CONTRACT ESTABLISHED AFTER AWARD IN CONFORMANCE WITH BOARD OF EDUCATION PROCEDURES SET FORTH HEREIN, INCLUDING OPENING OF BIDS AT A PUBLIC READING.	<ul style="list-style-type: none"> <li>▪ SUPERINTENDENT APPROVAL</li> <li>▪ BOARD RESOLUTION REQUIRED</li> <li>▪ ALL PERTINENT INFORMATION IS REQUIRED, INCLUDING SUMMARY INFORMATION ON SELECTION OF VENDOR.</li> <li>▪ PURCHASE ORDER APPROPRIATE FORM</li> </ul>

## REQUISITIONS

### PREPARATION – BUDGET FUND

The Requisition is the initial document submittal required for the purchase of items and engagement of service providers and transfers the authority to expend funds. Unless otherwise approved by the Director of Purchasing & Supply Services, this document will be prepared electronically through the PGCPs's Oracle Financial System or replacement thereof by authorized persons within the respective Departments.

- A. **REQUIRED DELIVERY:** In the "Comments" section of the Requisition, the delivery should be specified as "Normal", "Expedite", or "Urgent" defined as follows:
1. **Normal:** Delivery should be anticipated within seven to ten days if the items are locally available for delivery. Depending on the item and industry, the delivery for certain items will extend beyond ten (10) days and will reflect a "normal" delivery for the industry market conditions, etc.
  2. **Expedite:** Purchasing Department will make every possible effort to affect delivery within forty-eight (48) hours if the goods are locally available.
  3. **Urgent:** This category should be used only when immediate delivery is required; i.e. if delivery is not immediate, adverse impact to the PGCPs will occur. Purchasing Department should be notified by telephone or e-mail when an urgent Requisition is being prepared.
  4. In the event delivery is required in conjunction with a phrase of a project and an actual "need-by-date" is available, the Requisitioner may insert that date.
  5. "Expedite" or "Urgent" delivery requests may increase the cost of the order in the event expedited production, air freight, less competitive suppliers, etc., are required. Therefore, adequate funding authority should be transmitted to allow for potential increased delivery costs.
  6. Purchasing will make every possible effort to meet departmental stated delivery requirements. However, such factors as supplier stock levels, production schedules, strikes, and other unforeseen contingencies may preclude delivery of goods within the time frame requested. In such instances, the Requisitioner will be notified.
  7. For Requisitions for services, Purchasing Department will contact the Requisitioner to discuss how quickly a service provider can be engaged and the best process for identifying the service provider.

- B. DESCRIPTION: Provide a complete and accurate explanation of each item on the Requisition. Manufacturers' part numbers, catalog numbers, and/or complete descriptions are essential. If the required item is not a standard stock item from a known source, give the best detailed possible. Requisitioners shall indicate the required quantity, unit of measure, suggested vendors, etc., if known, in an effort to comply with certain PGCPs policies, Purchasing Department may select Vendors on a rotation basis. Requisitions for services should define and list the required services expectations and deliverable items resulting from services provided (reports, studies, plans, systems, expected conditions or changes to PGCPs property or facilities resulting from services, etc.)

### SERVICE CONTRACTS

A Requisition is required for the procurement of all services that are not ordinarily provided by PGCPs personnel. Below are examples of services that must be obtained through a Requisition:

- Academic/Educational Instruction
- Information Technology
- Legal Services
- Accounting Services
- Academic Training
- Maintenance Repair
- Support Services
- Consultants
- Human Resources
- Health Care Services
- Architectural and Engineering Services
- Land Surveying
- Real Estate Appraisal Services
- Professional Development
- Project Management Services
- Construction Management Services

### DELEGATION OF AUTHORITY/APPROVAL REQUIREMENTS

- A. The Superintendent has designated the Director of Purchasing & Supply Services as the authorized Designee(s) on all matters relative to this Procurement Policy Manual.
- B. The Superintendent further has delegated authority, except as limited herein or by order of the Superintendent, to the Executive Staff, Officers, Executive Directors, Principals, Directors and other individuals to approve expenditures of his/her division/department/school's Budget Funds.
- C. Each Department/School's Authorized Representative may delegate this authority to one or more authorized Designees to submit and approve requisitions. Designees of Record are maintained on the PGCPs's Oracle Financial System. Purchasing Department cannot accept a Requisition for processing unless the appropriate authorization has been accomplished through the Oracle

Financial System. The Superintendent, Chief Financial Officer or Director of Purchasing & Supply Services may revoke or limit the extent of any delegation granted herein.

- D. Requisitions for certain funds and/or dollar value may require one or more additional approvals, as well as, or in lieu of, the Administrator/Director/Principal's or Designee's approval. Note: Certain Requisitions may require additional coordination. Examples include coordination with the Information Technology Services Department for information systems requests, etc., and other types of service contracts. In the event such coordination is not indicated with the transmitted Requisition, the Requisition may be returned to the initiator of the Requisition for the required coordination. The initiating Department is responsible for the coordination. This often occurs due to the selection of the inappropriate category.

### REQUISITION DISTRIBUTION

Requisitions are entered into the Oracle system and proceed as follows:

- A. The authorized Requisition, as prepared by the applicable Department, is routed to Purchasing Department.
- B. Upon receipt of the authorized Requisition by Purchasing Department, a Purchase Order/Contract will be issued in accordance with applicable Federal and/or State Law and PGCPs Policy. The status of Requisitions is available, via the users Oracle SSP Module.

### COMPETITIVE PROCEDURES

#### GENERAL

Maryland law requires competitive bidding for any PGCPs purchase or contract involving the following kinds of procurements which, individually or as a group, total \$25,000 or more:

- a) the construction, addition to, renovation or repair or improvement of a school building; or
- b) the purchase of materials, supplies, or equipment.

The Purchasing Department may require competitive bidding using informal or formal procedures for purchases that are less than \$25,000, if such means are practicable and could generate a savings for the PGCPs. The procedures that must be followed for fostering competition differ depending on whether the procurement falls within paragraph a) or b) above or is a service contract.

For services, which are not covered by the competitive bidding law, the Purchasing Department may require a Request for Proposals or Request for Qualifications to obtain a poll of candidates and/or price quotations. Purchasing Department will work with the Requesting Department to prepare Requests for Proposals or Qualifications.

State Law and PGCPs Policy do not require competitive bidding for the purchase or sale of real estate. However, real estate must be sold at fair market value.

## COMPLIANCE WITH COMPETITIVE BIDDING LAW AND PGCPS POLICIES

- A. Violations of Intent/Law: Contracts entered into in violation of competitive bidding laws are void and the PGCPS reserves the right to refuse payment for any such procurement. PGCPS employees who fail to abide by competitive bidding laws risk criminal sanctions, including up to 3 months in jail and a \$500 fine per violation. Examples of actions violate competitive bidding laws are:
- i. Segmenting/Splitting Jobs or Purchases: Segregating a distinct construction project or dividing a purchase or goods into smaller components in an attempt to avoid competitive bidding. It is a serious violation to split or segment orders if the intent is to avoid the \$6,000 quote level or authority dollar limitations. Schools/Offices should carefully review repetitive small purchases for similar commodities or services because annual dollar spend can be substantial and may be perceived as order splitting or segmenting. Such purchases must be directed to the Purchasing Department. Purchasing will conduct a quarterly review with agencies to determine if new contracting opportunities exist.
  - ii. Negotiate - Then Change Order: Entering into a contract below \$15,000 and then making substantial change orders so as to evade competitive bidding.
  - iii. Tailoring Specifications for Sole Source: Designing specifications or criteria so that only one Vendor can submit a valid bid.
- B. Violation of PGCPS Policy: A PGCPS employee who violates competitive bidding law or policy may be subjected to discipline, up to and including dismissal.
- C. Cost and Price Analysis: By virtue of a PGCPS Contracting Officer executing a contract, the PGCPS is satisfied that both price and/or cost are fair and reasonable. Further documentation will not be required. If however, the PGCPS Contracting Officer deems the price unreasonable or unsatisfactory, then Purchasing Department shall conduct negotiations to seek a fair and reasonable price or cost. If parties are unable to reach a fair price or cost, then a solicitation for competitive bidding will take place.

## PROCEDURES FOR OBTAINING BIDS

Depending on the most suitable source for the supply of the goods, materials and supplies, Purchasing Department will identify the most appropriate procedures for competitive bidding likely to generate the best combination of price, quality and delivery. Some of the kinds of notification include:

- A. Placing a request for bids to the Purchasing Department.
- B. Placing an advertisement in a newspaper or trade publication likely to attract bids
- C. Direct mail or e-mail among a minimum of three vendors deemed qualified by Purchasing Department
- D. For urgent Requisitions, making telephone calls to know, reliable suppliers

- E. **eMaryland Marketplace**: Per State of Maryland law HB 865, all bidders should be registered with eMaryland Marketplace to receive an award of a bid. If not already registered, bidders may register at the following website: <https://ebidmarketplace.com/>. No award will be made to a vendor who is not registered with eMaryland Marketplace.

In each case, where the procurement will exceed \$24,999 sealed competitive bids must be obtained. As a general rule, Purchasing Department will provide for a minimum of five (5) business days for bids under \$50,000 to be submitted.

### **BID SPECIFICATIONS**

All bid specifications submitted to the Purchasing Department shall require compliance with procurement and industry standards. However, the bid specifications will permit PGCPs to waive any criteria it deems to be non-material or minor. Purchasing Department will also reserve the right to reject all bids. In such event, a new round of competitive bidding must be initiated before a contract may be awarded.

### **SELECTING SOURCES OF SUPPLY**

After receiving a requisition, Purchasing Department shall rely on one or more of following sources for obtaining competitive bids:

- A. Purchasing Department's experience and knowledge of sources for various commodities and services.
- B. Reference sources such as *The Thomas Register*, Vendor catalogs, trade journals, telephone companies' yellow pages, and other related publications, as well as the Internet.
- C. The Vendor Database maintained by Oracle Financials for Purchasing Department, which includes identification of Minority and Women suppliers and is compiled by commodities/services grouping. Information for the Vendor Database is obtained from the information submitted by potential suppliers wishing to conduct business with the PGCPs.
- D. Sources known to the requisitioning Unit when such information is reflected on the Requisition.
- E. Vendors responding to published advertisements/postings.

### **PRE-BID/PRE-PROPOSAL CONFERENCES**

Pre-Bid/Pre-Proposal Conferences are held whenever Purchasing Department determines that such a Conference is needed. Certain conferences may be mandatory. Conferences shall be conducted in accordance with PGCPs guidelines. Pre-Bid/Pre-Proposal Conferences may be for

projects that involve installation on PGCPS property and/or when warranted by the complexity of the Work.

### OPENING OF BIDS

Competitive Sealed Bids, whether for construction related contracts or for the purchase of personal property, shall be publicly opened, read aloud, and recorded at a designated location at the scheduled date and time. All Vendors submitting bids are invited to attend these bid openings, as well as PGCPS Staff representing the Requisitioning Department(s), Title I representatives if the Contract costs are to be partially reimbursed by Federal funds and other interested parties.

Bids received after the pre-scheduled date and time for the bid opening shall be returned, unopened, to the bidder with an explanation that the bid was received late; date and time bid was received will be given in the explanation. The PGCPS reserves the right to destroy such bids.

### EVALUATIONS OF QUOTATIONS AND BIDS

All Competitive Bids, Proposals, and/or Offers received will be evaluated by PGCPS Staff according to the evaluation criteria established and included in the Bid/Proposal documents. If required, an evaluation team will be established by the Procurement Director and the User Department or Designee.

- A. Prince George's County Public Schools recognizes that through the awarding of public contracts it can aid in the maintenance of a viable economic community. For this reason, the Director of Purchasing & Supply Services may give equalization credits to Prince George's County headquartered businesses on contracts greater than \$100,000.00 of four percent (4%). Such credit(s) may not be considered if it violates federal, state, or grant provisions.
- B. The bids/quotations received will be evaluated by the Senior Buyer/Procurement Clerk soliciting the bids and, unless all bids are rejected, a Purchase Order/Contract will be placed with the Vendor offering the best value and delivery that meet the requirements of the PGCPS. Purchasing Department Staff shall make reasonable efforts to also meet PGCPS's policy for Minority Business and Maryland-based participation.

### BIDDER/PROPOSER PROTESTS

- A. Any interested party may file protest to an award or proposed award of a Bid or Proposal, against alleged solicitation defects, alleged overly restrictive specifications, omissions of required provision(s), or ambiguous or indefinite evaluation factors, etc.
- B. All protests are to be submitted to the responsible Director/Contracting Officer of Purchasing Department within 10 calendar days after the Bid(s) or Proposal(s) is/are opened, in writing, signed, and include the following information.
  - 1. Name, address, and telephone number of the protester.
  - 2. Identify of the solicitation or Contract number.

3. A detailed statement of the legal and factual grounds for protest, information demonstrating its timeliness, copies of relevant documents, and reasons the protest should be sustained.
  4. A specific request for a ruling by the Director/Contracting Officer of Purchasing Department, and a statement of the relief requested.
- C. Failure to provide this information may result in a determination that the protest is without merit.
- D. If the Bid or Proposal has not been opened and there is a protest regarding overly restrictive specifications, omissions, ambiguous or indefinite evaluation factors, or other concerns, protesters must contact Purchasing Department to explain any concerns to the Director/Contracting Officer not later than five working days before the Bid(s) or Proposal(s) is/are scheduled to be opened. If the protest is determined to have merit, the Director/Contracting Officer will make a reasonable effort to issue an addendum or resolve any issue prior to bid opening or receipt of Bids/Proposals.
- E. The Director/Contracting Officer shall evaluate the submittals and respond to the protester with a timely decision. To assist in the decision making process, the Director/Contracting Officer may contact the affected parties via telephone, facsimile, or in person for clarification or information. The Director/Contracting Officer will issue a Contracting Officer's final decision. This decision will be forwarded to the protestor.
- F. The protestor may appeal a decision of the Director/Contracting Officer by submitting a copy of the initial written protest, the written decision and a brief written statement of the appeal to the Director of Purchasing & Supply Services within five (5) business days of the decision. The Director of Purchasing & Supply Services shall render a decision within fifteen (15) business days of receiving the appeal. This decision will exhaust all appeals permitted within the PGCPs.

#### PROCUREMENT of ERATE SERVICES, EQUIPMENT and SUPPLIES

E-Rate Program Background - The Universal Service Discount Program for Schools and Libraries known as E-Rate was created in 1997 to ensure that schools and libraries have affordable access to advanced telecommunications services. Under the program, discounts ranging from 20% to 90% on telecommunication services, internet access and internal connections are provided to eligible schools and libraries. Prince George's County Public Schools is committed to fully using all funds available through the E-Rate program. Procurement staff must keep abreast of all program requirements and obligations. Each year an assessment of telecommunication services, internet access, and internal connections needed to support our technology plan is completed and used for application for funds from the program. The district compares aspects of the program to its budgeted funding requests and applies for funds as appropriate. The district keeps appropriate records and adheres to all federal required statutes.

Prince George's County Public Schools' policy number 0124 further explains the governance of the E-Rate Programs. Below are the procurement and operational procedures for execution of an E-Rate contract.

- **E-Rate Procurement** – Price is the primary factor for all E-Rate solicitation. PGCPs must comply with FCC E-Rate Competitive Bidding requirements, e.g.:
  1. E-Rate 28 day bid posting requirement.
  2. Bidders cannot be on USAC's debarment list (cannot be on Maryland State debarment list)
  3. Applicants must file (online or manually) FCC Form 470 (Schools and Libraries Universal Service Description of Services Requested and Certification Form)
- **Contracts** – Conduct a formal advertised competition using sealed bids or proposals a minimum of 28 days. In a bid competition, you award the contract to the qualified bidder who meets your specifications and offers you the best price. In a proposal process, you award the contract to the offer or submitting the most advantageous proposal taking into consideration price. See procurement manual page 24 and 25 for more information on soliciting bids and proposals.
- The FCC requires that an applicant select the most cost-effective bid or proposal as a result of the Form 470 posting. This means that cost of eligible products or services must be the primary factor in the selection process. Cost does not necessarily have to hold the majority of weight, but it must have a higher weight than any other single factor used in the evaluation of service providers. The other factors must be relevant to the selection process.
- Before the Form 470 is posted, the person or people who will evaluate the responses should establish the criteria that will be used during the process. Having these criteria in place before receiving any responses eliminates the possibility that it may appear you crafted your evaluation criteria to give an unfair advantage (or disadvantage) to a particular service provider.
- E-rate rules require that the price of “E-rate eligible” goods and services be given the highest weight of any criterion used. The price of eligible goods and services does not necessarily have the majority of the weight, but it does have to have more weight than any other single criterion. The SLD provides the following as acceptable criteria that can be used during the evaluation process: “prior experience including past performance; personnel qualifications including technical excellence; management capability including schedule compliance; and environmental objectives.”
- PGCPs procurement rules and policies will guide the process of scoring the proposals received from potential service providers, so it's important to make sure that these are followed. Evaluation criteria must conform to SLD requirements for price of eligible goods and services and be the highest weighted factor in each stage of the evaluation process. Each person on the evaluation committee scores bids and then the scores are aggregated to arrive a total score for each service provider. Copies of each individual score sheet must be maintained for document retention purposes.

Superintendent and Board Approval

All E-Rate contracts with a value in excess of \$25,000 must be presented to the Board of Education for approval at a duly authorized Board meeting. The Superintendent presents the contracts to the Board for approval.

## CONSTRUCTION PROJECTS

According to state law, all material and labor necessary for the construction of a school building must be obtained through competitive bidding. The following procedures apply to such contracts:

(1) *Applicability:* All projects involving the construction, addition to, or the repair or renovation of a school building must have competitive bidding for all material and labor.

(2) *Advertisement:* The bid must be advertised for a minimum of three (3) consecutive weeks on eMaryland Marketplace, and in a newspaper of general circulation in the area where the building or addition is to be constructed or where the repair or renovation of an existing building is to take place. The advertisement for bids must do all of the following:

- (a) Specify the date and time by which all bids must be received;
- (b) State that no bids will be considered or accepted after the date and time specified for bid submission.
- (c) Identify the time, date, and place of a public meeting at which the Director of Purchasing or designee will open and read aloud each bid received by the date and time specified in subdivision (a).

(3) *Bid Security:* Each bid must be accompanied by a bid bond or other security for at least 1/20 of the amount of the bid to ensure that the bidder will not withdraw the bid and will enter into the awarded contract.

(4) *Late Bids:* Late bids will be returned unopened or destroyed.

(5) *Public Opening of Bids/Option to reject all Bids:* At a public meeting identified in the advertisement for bids described in subsection (2), the bids shall be opened and read aloud. If only bid is received on a first time solicitation, PGCPs will return bid unopened. If only one bid is received on a after a second solicitation, then PGCPs reserves the right to accepted bid if it is deemed in the best interest. Further, PGCPs reserves the right to reject all bids. If all bids are rejected, no contract may be awarded without re-advertisement.

The only exceptions to the foregoing requirements are for:

- (a) “repairs” that constitute an “emergency.” Both conditions must be met. Construction and renovation projects do not constitute repairs and may not be undertaken without following these procedures, even if the project is considered an emergency. An “emergency” involves a repair that affects health or safety; and welfare of students, employees and the public at large.
- (b) repair work normally undertaken by PGCPs employees.

Examples of construction, repair, maintenance projects that are subject to this policy are:

- New construction or renovation projects
- Roof repair and replacement

- Electrical work
- Plumbing
- School additions
- Swimming pool installation and repair

## METHODS OF CONSTRUCTION PROCUREMENT

Construction procurement shall be conducted in accordance with all Governing Board Policies, and District procedures.

The District may procure design services, construction and construction services, as applicable, under any of the following project delivery methods:

1. Design-bid-build.
2. Construction-manager-at-risk.
3. Design-build.
4. Job-order-contracting.

## DEFINITIONS

- 1) Design-bid-build is the process in which separate procurements are conducted for architect/engineer services and general construction. The design provided by the architect/engineer is utilized as part of the bidding document for the general contracting services.
- 2) A Construction-manager-at-risk acts as a general contractor at the contracted-for price and provides consultation to the institution regarding construction during and after the design of the facility.
- 3) Design-build is a method of contracting in which a single contract is created with a firm or group of firms in partnership to build or renovate a building or group of buildings. The intent is for the architect/engineering professionals to work more closely with the general contractor and subcontractors to provide a single source of responsibility for the design and construction of the project. This contrasts with the separate contracts with architects/engineers and general contractor involved in the standard design-bid-build or Construction Manager at Risk.
- 4) Job-order contracting is a construction contract used for new construction, maintenance, rehabilitation, and alterations of a recurring nature but which is of an indefinite delivery and indefinite quantity. The Job Order Contract shall include a comprehensive compilation of detailed real property repair, rehabilitation, alteration, maintenance, and minor construction task descriptions or specifications, a pre-determined and agreed upon pricing, discount coefficient or mark-up pricing structure. JOC

## Job-Order-Contracting Dollar Limits and Subcontracting

For job-order-contracting construction services only: Purchasing shall issue a Request for Quotes to those authorized selected pool of JOC firms short-listed as a result of the Qualifications Based Competitive Sealed process.

- A. The dollar amount of an individual job order shall not be more than one million dollars (\$1,000,000.00) Requirements shall not be artificially divided or fragmented in order to constitute a job order that satisfies this requirement.

- B. If the contractor subcontracts or intends to subcontract part or all of the work under a job order and if the job-order construction services contract includes descriptions of standard individual tasks or standard unit prices for standard individual tasks, then:
  - 1. The contractor has a duty to deliver promptly to each subcontractor invited to bid, a copy of the descriptions and the standard unit prices of all standard individual tasks on which the subcontractor is invited to bid.

The contractor has a duty to deliver promptly the following to each subcontractor that has agreed to do any of the work included in any job order, a copy of the description, the number of units and the standard unit price of each standard individual task that is included in the job order.

### Indefinite Quantity (IDIQ) Job-Order-Contracting Dollar Limits and Subcontracting

The job order contracting system ("JOC") provides for an indefinite quantity contract with a predefined set of bid items that are assigned on a periodic or task order basis for the performance of public work maintenance, repair and minor construction projects. The department head authorized to execute contracts for task order work projects are authorized to utilize JOC according to the procedures set forth below. Purchasing shall issue a Request for Quotes to those authorized selected pool of IDIQ JOC firms short-listed as a result of the Qualifications Based Competitive Sealed process.

- C. The dollar amount of an individual job order shall not be more than one hundred fifty thousand dollars (\$150,000.00) Requirements shall not be artificially divided or fragmented in order to constitute a job order that satisfies this requirement.
- D. If the contractor subcontracts or intends to subcontract part or all of the work under a job order and if the job-order construction services contract includes descriptions of standard individual tasks or standard unit prices for standard individual tasks, then:
  - 1. The contractor has a duty to deliver promptly to each subcontractor invited to bid, a copy of the descriptions and the standard unit prices of all standard individual tasks on which the subcontractor is invited to bid.

The contractor has a duty to deliver promptly the following to each subcontractor that has agreed to do any of the work included in any job order, a copy of the description, the number of units and the standard unit price of each standard individual task that is included in the job order.

### PROCUREMENT OF ARCHITECTURAL AND ENGINEERING SERVICES

In accordance with Board Policy and Administrative Procedure 7211 procedures for selection of Architectural and Engineering Services will be based on qualifications through a the proposal process. Administration of selection process will be conducted by the Purchasing Department along with the Capital Improvement Program Office. The Purchasing Department will oversee all administrative procurement functions including solicitations, review of Dunn's Report and compliance logistics for evaluation and confirmation of recommendation. The Capital Improvement Office will lead the evaluation proceedings including application and qualification review, committee selection, selection criteria/weights and recommendation of Area Chief.

#### I. DEFINITIONS

A. Architect/Engineering Firm (A/E) is a designation reserved usually by law, for a person or organization professionally qualified and duly licensed to perform architectural and/or engineering services, including but not necessarily limited to analysis of project requirements, creation and development of the project design, preparation of drawings, specifications, and bidding requirements. It may also be an individual or firm offering professional services as both Architect & Engineers.

B. A capital improvement is any physical betterment or improvement and any preliminary studies and surveys relative thereto, including, but not limited to, any property of permanent nature, and equipment needed in connection with such improvement.

C. Interagency Committee on Public School Construction (IAC) is the state agency responsible for the review/approval of construction documents and funding of schools or school construction project.

## II REGULATIONS

A. The regulations and procedures apply to all capital construction projects requiring contracts, consultant's agreements, or other obligations in excess of \$25,000.

B. The following rules will govern administration of the selection process by which architectural and engineering services are procured.

1. All projects for which design services will be sought will be included in an approved capital improvement program.
2. All plan specifications and related documents for each construction project will be developed under the supervision and responsibility of an architect or engineer who is licensed or registered in the state of Maryland, qualified Board of Education staff, or approved qualified consultants.
3. Public notice shall be given of intention to procure architectural and engineering services for each project except that in special cases the Superintendent may recommend waiver of the public notice and institute an abbreviated process when the estimated project cost is less than \$500,000 for construction, when plans for previous capital projects are to be site adapted and revised, or because of the other extenuating circumstances.
4. Applicants for the design of capital projects will be thoroughly screened and evaluated.
5. Selection of consultants for such projects will be approved by the Board of Education upon recommendation by the Superintendent.
6. The selection process shall contain at least the following:
  - a. Pre-qualification of architectural and engineering firms.
  - b. Provision for application.
  - c. Qualification screening of applicants.
  - d. Fee negotiation.
  - e. Final selection.

## III. IMPLEMENTATION PROCEDURES

A. The selection process will consist of the following steps:

A. Pre-qualification

- A. An architect/engineer (A/E) firm can pre-qualify to provide professional services by submitting two copies of Government Standard Form 254 and/or other prequalification documents to:

Purchasing Department  
Prince George's County Board of Education  
13300 Old Marlboro Pike  
Upper Marlboro, Maryland 20772

This form may be submitted annually until March 31. Firms should submit supplementary information, such as, major changes in project experience, whenever appropriate.

B. Pre-qualified firms with current forms on file will receive notification of projects for which qualifications appear applicable.

C. Upon notice of pre-qualification, the Director shall furnish each pre-qualified A/E firm a description of the projects in the approved capital program, a description of the process A/E firms must follow to be considered for selection, as well as evaluative criteria upon which A/E selection will be based.

B. Public Notice

At selected times each approved project in the current year's capital program will be advertised in at least one local newspaper soliciting application for architect/engineer services. The information may also be disseminated at the same time to F. W. Dodge Information Systems and American Institute of Architects.

The Director shall conduct a pre-qualification evaluation for those firms not already qualified within 15 days of the receipt of 254's.

C. Qualification and Initial Selection

1. All applications from architect/engineer firms will be reviewed by a selection committee. As a result of these reviews, appropriate firms may be interviewed.

2. The Selection committee will be chaired by the Director of Facilities, Maintenance and Operations. Committee members will include the Superintendent of Schools, Director of Facilities, Maintenance and Operations, Director of Finance and Personnel, and one Garrett County citizen from the area in which the project is to be constructed. Additional members may be appointed at the discretion of the Superintendent.

3. The committee will recommend an appropriate firm based on:

- a. General competence,
- b. Past performance,
- c. Firm size and composition,

- d. Current work,
- e. Special qualifications to perform the work required for the specific project.

4. The selection effort will seek a balance between firms which have performed well for the school system on past projects an attempt to distribute work among qualified architects and engineers.

5. The committee will identify at least three firms in priority order, deemed capable of performing the required work.

#### D. Fee Negotiations

1. The Superintendent will negotiate an agreement with the firm ranked number one by the selection committee.

2. Prior to the start of negotiations, the firm shall prepare a technical proposal based on the complete scope of work including special and unique management approached, involvement of principals and consultants, and a proposed schedule, together with a detailed breakdown of proposed fees for all A/E services.

3. Negotiations will center upon mutual understanding of the scope of work, of basic service fees by project phase, expectations as to specific architect and consultant costs, and the level of activity and fees for each phase. Additional service rates, by discipline, will also be established during this negotiation.

4. The type of fee shall be limited to one of the following:

- a. Lump sum
- b. A percentage of the construction contract awarded in accordance with the fee schedule shown on proposal.
- c. An hourly not-to-exceed contract amount.

5. Should the Superintendent be unable to negotiate a satisfactory contract with the firm ranked first at a price considered to be fair and reasonable, negotiations shall be formally terminated. The Superintendent shall then undertake negotiations with the second-ranked firm, and if necessary, the third-ranked firm.

#### E. Final Appointment

The Superintendent will forward his recommendation to the Board of Education. If the Board rejects the recommendation, it will go back for review and further action by the Superintendent.

### EVALUATION OF BIDS FOR CONSTRUCTION PROJECTS

*Evaluation Criteria:* The evaluation criteria will be set forth in the bid specifications. Bidders who fail to meet the bid specifications risk having their bids rejected. PGCPS reserves the right to waive individual specifications.

*Best Value:* Maryland law permits, and PGCPS employs, a “best value” approach to the award of contracts for construction, renovation and repairs to PGCPS buildings. PGCPS shall consider

multiple factors in determining best value including price, quality, and service factors as well as contractors meeting PGCPS's Minority Business Policy.

*Contractors in Legal Proceedings with the PGCPS:* PGCPS recognizes the significant costs and imposition on the time of personnel associated with legal proceedings. Accordingly, PGCPS has adopted a process stating that:

“one factor, among others, that are to be considered when awarding a contract or purchase order is the existence of a pending legal dispute – whether in court or an alternative dispute forum – with any contractor or vendor which has submitted a bid or proposal. Before including consideration of the legal dispute as a factor, the Procurement Officer shall seek the advice of the Office of General Counsel regarding the legal dispute and shall obtain the concurrence of the Superintendent or his designee.”

*Contractor Performance Evaluations:* PGCPS believes in the performance evaluation process for its vendors and is required on all construction projects. Departments are advised to document performance of a company, especially when requirements aren't being met which should be reflected in the evaluation. PGCPS may consider prior performance of a contractor when making a best value determination on subsequent bid.

*Debarment Policy:* The PGCPS reserves the right to adopt a debarment policy which would establish procedures for the debarment of contractors from bidding on PGCPS procurements. Such a policy shall be adopted in conformity with applicable legal requirements. This procedure is further defined in the section on Debarment.

## PURCHASES OF MATERIALS, SUPPLIES OR EQUIPMENT – PERSONAL PROPERTY

Maryland law requires the PGCPS to obtain sealed, competitive bids before purchasing materials, supplies, or equipment in an amount in excess of \$15,000.00. Examples of items that this law applies to are:

- Textbooks
- Office Supplies
- Toilet paper
- Janitorial products
- Furniture
- Computers and other office equipment
- Textbooks
- Gymnasium equipment
- Uniforms
- School buses
- Maintenance equipment and vehicles

Although computers and office equipment, such as copier, are typically “leased,” leases must be competitively bid if either of the following is true about the lease: (a) the lease provides for a nominal purchase option at the conclusion of the lease; or (b) the lease from extend for substantially all of the useful life of the equipment.

Maryland law does not mandate the procedures for competitive bidding of materials, goods and supplies, except for equipment and to say that “sealed competitive bids” must be received.

Additional procedures are left to school PGCPSSs to establish. Accordingly, the PGCPSS has adopted the procedures set forth in this Manual.

**Prince George's County Public Schools** through its Division of Academics periodically reviews and makes textbook adoption decisions. This Division maintains its own policy regarding the textbook adoption process. The Department of Purchasing & Supply Services will only initiate procurement of those formally adopted textbooks based upon the recommendations of the Division of Academics.

## SERVICES

- A. Although Maryland law does not require competitive bidding for services, it is the practice of PGCPSS that all services be procured after determining the whether a competitive process can be established, either through a Request for Qualifications (RFQ) and/or Request for Proposals (RFP.) After receipt of a Requisition, Purchasing Department will work with the Requisitioner to determine the extent to which these methods will aid in identifying quality service providers and generating competitive prices for the services – either fixed fee or hourly rates. Factors such as urgency of need, unique expertise, etc., will be considered in making the determination to issue formal Requests for Quotations/Requests for Proposals.
- B. Services for the purposes of PGCPSS are defined as those “services not covered by competitive bidding for construction-related projects and which are not primarily associated with and included in the cost of goods, materials and supplies. Examples of services include: law, accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, project management and construction management services, real estate appraising, or professional nursing, consulting, training, professional development, etc.”
- C. Architectural and Engineering: When procuring architectural or engineering services, the PGCPSS shall use a two-step process. First, PGCPSS shall base such requests on a Request for Proposal and Qualifications to select an individual firm capable of performing the service on the basis of demonstrated competence and qualifications. Then PGCPSS shall request a Proposal for specifically defined services and enter into negotiations for a Contract at a fair and reasonable price. These processes are simultaneous and co-joined.

If the PGCPSS is unable to negotiate a satisfactory price with the selected individual or firm, it shall formally end negotiations, and proceed to the next most highly qualified individual or firm and repeat the process. Negotiations are carried on in this sequence until an agreement on price is reached and a Contract is executed or until the PGCPSS determines not to proceed with the service or project.

- D. Auditing Services: Rotation of auditing services is essential to the continual improvement of PGCPSS audits and to creating objectivity in the evaluation of PGCPSS financial practices. Therefore, the PGCPSS shall, every five (5) years, issue an RFP for auditing services. The firm selected, as well as the lead partner assigned, shall not be a firm, or the lead partner, performing auditing services to the PGCPSS during any of the immediately preceding five (5) years. Purchasing Department shall assist the Finance Department in the preparation of an RFP for auditing services.

- E. The Evaluation Criteria shall be included in the RFP. On certain solicitations, evaluation committees shall be established. Committee members must execute a confidentiality Agreement and Conflict of Interest Statement. PGCPS reserves the right to make a selection based upon the initial scoring, conduct interviews and negotiate what it considered to be a reasonable contract. The solicitation shall always state the relative importance of price in relationship to the other evaluation criteria. In certain solicitations, price may not be the determining factor. Departments are advised to submit selection and recommendations to Purchasing for compliance and concurrence. The Purchasing Department reserves the right to deny recommendations based on non-compliance with evaluation and selection processes outlined in the solicitation or failure by department to comply with Board policy and procedures.

## **COOPERATIVE COMPETITIVE PURCHASING**

Pursuant to the State of Maryland contract rider option, the PGCPS may enter into an agreement with another state agency (including other PGCPS schools, a city, county or township, or state or federal political subdivision) to, among other things, jointly purchase materials or exercise any other joint powers. Joint or coordinated purchases can reduce administrative costs, take advantage of quantity discounts, share specifications, or create a heightened awareness of the legal requirements. The PGCPS shall, where possible, enter into joint agreements with other state agencies. Such agreements shall be reviewed by the PGCPS's General Counsel prior to execution. Examples of the kinds of cooperative agreements permissible under the State of Maryland House Bill are as follows:

### A. INTERLOCAL AGREEMENT PURCHASES

Local governments may contract with and between each other, for the purchase of goods. Such agreements shall be drafted so that purchases satisfy the competitive bidding laws of this state and PGCPS policy.

**Multi-agency Participation:** It is the intent of the Prince George's County Public Schools to make this bid available to any and all governmental and educational agencies within the State of Maryland. This shall include public schools, private schools, parochial schools and/or state, community and private colleges located within the State of Maryland. A copy of the contract pricing and the bid requirements incorporated in this contract will be supplied to requesting agencies. This agreement would be upon mutual consent between the Contractor and those agencies. Each participating agency would enter into its own agreement with the Contractor and this contract shall be binding only upon the principals signing such an agreement.

### B. RIDER AND PIGGY-BACKING OPTION

Rider or Piggy-backing occurs when one governmental agency purchases for itself and for others as a convenience to the others. Before taking advantage of another

governmental agency's purchase agreement, PGCPs shall determine if the procurement complies with competitive bidding laws and PGCPs policy.

#### C. JOINT PURCHASES

Joint purchasing occurs when two or more governmental agencies join together to purchase one or more items jointly. This may involve each entity handling part of the administrative duties or agreeing to have one of the entities handling the transactions under the guidance of the others. All parties to a purchase must agree to the product specifications so that the result will be a satisfactory purchase.

#### D. PURCHASES THROUGH THIRD PARTIES

Purchasing through third parties occurs when several local governments agree to allow independent agency to do all or part of the purchasing for the entities. This may be done by an agency formed especially for this purpose, or through an established agency. This type of agreement should be implemented by a contract, which details the duties and responsibilities for both the agency and the local governments involved. It may include a continuing arrangement or be for a single purchase.

### GENERAL REQUIREMENTS APPLICABLE TO PGCPs PROCUREMENTS

#### PROCUREMENT CLEARANCE – RECOMMENDATION FOR AWARD

Procurement Clearances are prepared in accordance with the PGCPs Policy. Departmental Chief approval in writing is necessary for all Contracts, Change Orders and Purchase Orders according to authority listed in Bulletin M-107. The recommendation shall follow the review process required by the Superintendent. The requisitioning department is responsible for providing information necessary to complete Procurement Clearance. Procurement Clearance shall describe the goods and/or services being procured, dates involving the solicitation, number of proposers, recommended awardees and other information required to give a complete description of the steps used to reach the recommended decision.

#### PROCESSING TIMES FOR PROCUREMENTS

- A. Less than \$25,000: Generally within three (3) days from the time an authorized Requisition is received by Purchasing Department, a Purchase Order will have been placed for the items on the Requisition if the total order is for \$25,000.00 or less. The exceptions to this would be when the Requisition does not contain adequate information to determine what is to be purchased, insufficient account code or other required information, the item has become obsolete, or if procurement staff cannot acquire the pricing and delivery information, via telephone, backlog, etc.
- B. Greater than \$25,000: The time required for the processing of procurements in excess of \$25,000 is generally 0 days, depending on when Purchasing Department receives the Requisition and whether the order will be placed by a Purchase Order or Contract. A typical cycle is as follows:

1. Receipt of the Requisition or specification request.
  2. Specifications are developed, drafted, and reviewed by the requesting Department and Purchasing Department Personnel within 5-8 days.
  3. Advertisement for construction-related projects is between 15-35 days. Advertisement or posting on EMaryland Marketplace for non-construction projects may be shorter, but no less than fifteen (15) business days unless approved by General Counsel and the Director of Purchasing & Supply Services.
  4. If a Pre-Bid/Pre-Proposal Conference is necessary, this could add seven (7) days.
  5. Addenda are issued, as needed, and add seven (7) days to the process.
  6. Bids or Proposals are received, opened, tabulated, and evaluated within seven (7) days.
  7. A recommendation is prepared and presented to the Superintendent or Designee for approval within seven (7) days.
- C. Services: Requisitions for a service that requires a Contract, may take up to four (4) weeks, depending on the nature of the requirements, before a “notice proceed” can be issued. Shorter periods are possible depending on the magnitude of the procurement, the number of qualified service providers, among other factors.

#### SPECIFICATIONS DEVELOPMENT

- A. Upon receipt of a Requisition that will require Competitive Sealed Bids or Proposals (over \$25,000.00,) the Requesting Department will develop the technical specifications to be incorporated into the Bid or Proposal package for the item(s.) In complex acquisitions where the PGCPs may not have the expertise, the specifications may be developed through the Requesting Department’s Consultant, resource data such as manufacturers’ cut sheets, technical handbooks, and industry practices and standards and whatever else is required to effect a complete and accurate description of the goods or services required. This is accomplished in such a manner as will not be restrictive or propriety to the specific manufacturer or supplier, and as necessary to comply PGCPs Policy free and open competition.
- B. Completed “draft” specifications are forwarded for final review to the Requesting Department prior to being mailed to the prospective Bidders or Proposers. Specifications may be submitted to the PGCPs’s Legal Counsel for review. Comments are then reviewed and incorporated.
- C. The time required for developing the specifications will vary depending upon the complexity of the item(s), the availability of information and Purchasing Department’s workload at the time the Requisition is received. To facilitate the preparation of the specification, the Requesting Department should supply Purchasing Department with any/all known information regarding the item(s) requested.

## BONDING REQUIREMENTS

Maryland law requires bonds only in connection with construction-related procurements. In appropriate circumstances, Purchasing Department may elect to require bonds to protect the PGCPs from contractor default.

- A. *Bid Bond/Proposal Guarantee:* This is a legal document used to bind the Vendor to honor the Bid/Proposal. In the event the Vendor fails to honor a Bid/Proposal, the Bid Bond/Proposal Guarantee may be forfeited and the issuing Surety shall pay the PGCPs the amount of the Bond/Proposal Guarantee to defray the PGCPs's cost. A bid bond equal to %% of the bid amount must be provided along with the bid for any contract for the construction, addition to, or renovation or repair of a PGCPs building. The PGCPs may require a bid bond for other procurements and may increase the minimum amount of any required bid bond/proposal guarantee depending on the type of procurement.
- B. *Performance Bonds:* A Performance Bond is a legal document insuring faithful performance of the Work of the Contract by the Vendor. In the event of Contractor's failure to perform the Work, the Surety is liable for the satisfactory completion of the Work or may pay the PGCPs up to the full Contract amount. Maryland law requires a principal contractor under a contract for the construction, alteration or repair of a public building to provide the governmental entity with a performance bond in the amount of at least 25% of the contract amount. The PGCPs generally requires a 100% performance bond.

Performance Bonds must be submitted by the successful Vendor along with the duly executed Contract documents prior to receiving a "Notice to Proceed" for the work.

- C. *Payment Bonds:* A Payment Bond is a legal document insuring faithful payment by the Vendor of material and labor under the contract. Maryland law, MCL 129.201 requires a principal contractor under a contract for the construction, alteration or repair of a public building to provide the governmental entity with a payment bond in the amount of at least 25% of the contract amount. The PGCPs generally requires a 100% payment bond.

Payment Bonds must be submitted by the successful Vendor along with the duly executed Contract documents prior to receiving a "Notice to Proceed" for the work.

- D. *Bonding Company Requirements:* All bid bonds, performance bonds and payment bonds shall be issued by sureties registered with and authorized to do business in the State of Maryland and who maintain a credit rating of B+ or better by A.M. Best insurance ratings service.

## INSURANCE REQUIREMENTS

- A. When the work of a Contract is to be performed on PGCPs property, the Contractor must provide proof of required insurance coverage. Standard coverage and requirements have been established by the Risk Management Department. Variations to the standard provisions are determined on a case-by-case basis, but must be approved in writing by Purchasing Department and Risk Management.
- B. The various coverage and amounts of the coverage are determined by the nature of the work to be performed and the potential risk for losses. These coverage and amounts are set at the time the Bid or Proposal Packages are being prepared, with full disclosure being

made to Vendors under the section titled "Insurance Requirements." Insurance requirements are coordinated with the PGCPS's Risk Management Department.

- C. The successful Bidder or Proposer is required to submit an appropriate Certification(s) of Insurance reflecting that all required coverage in no less than the required amounts are in effect and current, along with the executed Contract documents and required Bonds or Proposal Guarantee.
- D. The Insurer is required to maintain these required insurance coverage and notify the PGCPS of any changes affecting the Contractor's insurance coverage during the term of the Contract.

### CHANGE ORDERS TO PURCHASE ORDERS AND CONTRACTS

Change Orders are Contract changes made after execution of the Contract to effect necessary changes to plans and specifications or to increase/decrease the scope or quantity of the work to be performed or the materials, equipment, or supplies to be furnished.

- A. Generally, a Requisition from the responsible Department is required to initiate changes to a Contract/Purchase Order. However, other documentation may be used, dependent upon the circumstances. Under no circumstances (except in an emergency) may the revised work of the Contract begin prior to the issuance of the Notice to Proceed.
- B. The original price of a contract required to be bid under State law may not be increased by Change Order by more than twenty-five percent (25%) unless approved by the Superintendent or is consistent with change order policy and administrative procedures. Material changes in scope may also require re-bidding.

### VENDOR RELATIONS

- A. PGCPS Vendors are to be selected in such a manner as to foster public confidence in the integrity of the Prince George's County Public Schools.
- B. The Purchasing Department is designated as the point of contact for potential suppliers.
- C. Product evaluations or demonstrations shall be coordinated through Purchasing Department to ensure that Vendors are treated fairly and equitably and to protect the PGCPS from unnecessary exposure to potential risk.
- D. All Vendor claims or disputes shall be referred to Purchasing Department for resolution.
- E. No favoritism shall be extended to any vendor. Each order shall be placed on the basis of quality, price and delivery. Past service shall be a factor if all other considerations are equal.
- F. The school board believes in patronizing local businesses; therefore, in the purchasing procedure, when proposals are equal, the contract or purchase order should be awarded to the firm whose location is within the boundaries of the school division.

CODE OF ETHICS

The Purchasing & Supply Staff shall comply with the conflict of interest and financial disclosure policies of the PGCPS, with all conflict-related provisions of State and Federal laws and regulations, with the Code of Ethics adopted by the PGCPS, and with the Codes of Ethics of the following organizations: National Association of Purchasing Management (NAPM), National Purchasing Institute (NPI), National Contract Management Association (NCMA), and National Institute of Governmental Purchasing (NIGP).

GIFTS AND GRATUITIES

It is the policy of the PGCPS to decline personal gifts or gratuities in connection with a purchasing function. Board members, school officials and employees must comply with ethics and conflict of interest polices 0107, 0109 and 4116. Members of the board, district officials and employees are specifically forbidden to solicit, accept or receive, either directly or indirectly, from any person, firm or corporation to whom any purchase order may possibly be awarded by rebate, gift or otherwise, any money loan, gratuity, favor or anything of value or any promise, obligation or contract for future reward or compensation.

Note: Accepting inexpensive gifts of nominal value, such as advertising items of general distribution, i.e., pens, calendars and the like are acceptable under this policy.

DEBARRED/SUSPENDED VENDORS

Vendors or contractors, on the basis of documented unsatisfactory performance, may be debarred from contracting for particular types of supplies, services, and construction, permanently or for a specified period of time. The vendor will be notified in writing of the particulars of the debarment. Any purchases conducted on a state or federally funded contract or grant shall be checked against a State of Maryland and the federal debarment list. Random sampling of vendor purchases/services will be performed throughout the year on purchase/services under and over \$25,000. These procedures identify the processes to be followed for these reviews.

2. Definition: A Debarred Vendor is a vendor that has been debarred, suspended, proposed for debarment, excluded or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. A list of debarred vendors may be found on the Excluded Parties List System at <http://www.epls.gov/epls>.

**Debarment Review Procedure**

All PGCPS purchases (purchase orders, contracts, and independent contract agreements), regardless of account coding, in excess of \$25,000 (as per FAR regulations) for goods or services shall be checked against the state and federal government debarment listing. This check is to be performed to the following links for Federal and State, respectfully. - <http://www.epls.gov/epls> and

<http://www.bpw.state.md.us/procurement/debarments.asp>

All individual Buyers within the Purchasing department will verify that the selected Vendor is not on the Debarred Vendor list & will report the status of the vendor back to the School or Department. The vendor clerk shall note or comment shall be made in the purchasing system records using the "header comment" field, enter the comment: "Vendor checked against the Debarred Vendor list, listing name and date of the person verifying.

If the vendor is on the debarred list, the school/department will need to select a different vendor. Ok to process per the Purchasing Department. Once the requisition has been edited and approved it will appear on the buyer's activity report and will be converted into a purchase order and faxed to the vendor.

## TYPES OF PURCHASE ORDERS/CONTRACTS

### CONTRACTS

Depending upon the item/service to be procured, Purchasing Department will determine the Contract form.

### FREIGHT CHARGES

The Purchasing Department shall determine freight terms for all items procured by the Department. The two most common freight charges are F.O.B. Destination and F.O.B. Origin.

- A. F.O.B. Destination – Vendor is responsible for payment of all shipping charges from point of shipment to the designated PGCPSS location. Vendors will generally send shipments on a prepaid basis with the freight companies sending their invoices directly to the Vendor(s) for payment. The Vendors can recover their freight costs by including them in their initial bid/quote prices. Purchasing Department attempts to arrange for all shipments to be F.O.B. Destination. Unless specifically exempted, title to the items shipped F.O.B. Destination remains vested in the supplier until the shipment reaches the designated PGCPSS location.
- B. F.O.B. Origin – The PGCPSS is responsible for payment of all shipping charges from point of shipment (origin) to the designated PGCPSS location. Claims for any damages to the items suffered in shipment must be filed with the Freight Company by the PGCPSS.
- C. For orders on which freight charges are invoiced separately, Accounts Payable will pay reasonable invoiced shipping amount as long as the Purchase Order number is referenced.

### RECEIPT OF ORDERS

### RECEIVING AND INSPECTION

Supply Service, PGCPSS Office or School Staff are responsible for the receiving and initial inspection of all deliveries of equipment and supplies ordered for the PGCPSS's use, with the exception of Special Requirement Deliveries such as procurement Card. Receiving Reports are prepared and the items are delivered by Support Service Center Staff to the Requisitioning Departments on a scheduled basis. Requisitioning Department Personnel must make final inspection to determine that the items are as ordered and meet specifications in the case of competitive sealed bid items. Some specialty items require immediate inspection by Staff from the Requisitioning Department. For these items, Receiving Reports are not prepared until the inspection has been completed and the items declared acceptable by the Requisitioning Department.

### SPECIAL REQUIREMENT DELIVERIES

Items requiring delivery to locations other than the Instructional Supply Services Center, including gasoline, diesel fuel, sand, gravel, office supplies, etc., constitute Special Requirement Deliveries.

## RECEIVING REPORT

A Receiving Report will be prepared by Instructional Supply Services Center Receiving Staff for each and every deliver, including Special Requirements Deliveries.

## EXPEDITING

Expediting of open Purchase Orders/Contracts is accomplished by Purchasing Department. Vendors are contacted to ensure that items specified on the Purchase Order will be received in a timely manner. In the event such items will be delayed for some reason, the Requisitioning Department will be contacted in order to determine what impact the delayed delivery may have in respect to the PGCPS's needs. If the delayed delivery will adversely affect the requirements of the particular project or departmental need, the supplier will again be contacted in order to determine whether or not it can improve its delivery schedule. If the supplier is unable to meet its original commitment, Purchasing Department Staff involved may contact other sources of supply. If an alternate source is located with appropriate delivery promised, the original Purchase Order may be cancelled and a new Purchase Order placed with the new supplier. Occasionally a requested product may have been discontinued or has an abnormally long lead time. In such cases the requesting Department will be contacted by the Purchasing Department and an effort will be made to identify and locate a suitable substitute for the item(s). Vendors should not be contacted directly by Departmental Personnel regarding the status of a Purchase Order/Contract.

## ACKNOWLEDGMENT OF RECEIPT OF MATERIAL (ARM)

- A. When an item is received at the Instructional Supply Services Center for which a Purchase Order was not issued, such as samples, software updates, etc., the item is forwarded to the appropriate Department or individual and is accompanied by an Acknowledgment of Receipt of Materials (ARM.)
- B. The ARM must be signed by the receiving Department acknowledging receipt.

## SHIPPING

### RETURN OF INCORRECT MERCHANDISE

If incorrect item(s) is/are received, contact the Instructional Supply Services Center. The appropriate Purchasing Department Staff will be notified and the incorrect item(s) is/are returned for credit or replacement.

### DEBIT MEMO/SHIPPING ORDER

A Debit Memo/Shipping Order form is used to ship material to a Vendor for credit, replacement, repair, etc. All items shipped by the PGCPS must be covered by this document, in order to maintain accountability and documentation on all such shipments. The Debit Memo/Shipping Order shall identify the Purchase Order number and/or, if applicable, the return authorization number for the material being shipped.

## ITEMS SENT OUT FOR REPAIR

- A. Departments having items requiring repair shall initiate a Requisition, listing the description of the item, the manufacturer, manufacturer's part number, and serial number (if available.) The item to be repaired shall be delivered to the Supply Instructional Supply Services Center for shipping. Purchasing Department will locate a repair center and ship the item using a Debit Memo/Shipping Order. The estimated cost of repair shall be authorized prior to performance of repair work.
- B. A Purchase Order for the repair is not issued until the cost is known and a decision is made whether or not to have the item repaired. If the Contract Specialist considers the estimated repair cost to be economically unfeasible (i.e. the cost of repair would approach or exceed the cost of replacement,) he/she will contact the Requisitioning Department and determine whether the item should be repaired or returned for salvage and replaced.
- C. If items need repair/replacement that the using Department considers to be covered by a Vendor's warranty; the above procedures shall be followed. The Department shall issue a Requisition for the repair/replacement of the item. This Requisition should identify the original Requisition number (and Purchase Order number, if available.) Warranties do not normally cover items such as shipping costs, some labor costs, etc. The Requisition will be used by the Purchasing Department to issue a Purchase Order to cover such expenses. If the item is repaired/replaced at no cost to the PGCPSS, the Requisition will be cancelled.

## PAYMENTS

### PAYMENTS ON CONTRACTS

- A. The Accounts Payables Office in the Finance Department processes payments associated with a particular Contract/Purchase Order. It provides to review and payment approval signatures. The objective is to pay Contractors and Consultants in the manner specified by the Contract Documents while meeting all prompt payment requirements and regulations.
- B. The following certifications are required for payments on Contracts:
  - (1) Quantity and Quality – The Construction Manager, Architect and/or PGCPSS AP Specialist shall review the Request for Payment and attached documentation and/or verify that the quantity and quality of work completed to date supports the amount invoiced by Contractor or Consultant.
  - (2) Technical Management – The Construction Manager, Architect and/or PGCPSS Inspector shall certify that adequate management controls exist and are operating and that sufficient quantity and quality reviews have taken place to establish that the payment is proper.
  - (3) Departments responsible for project administration shall ensure that individuals having direct project knowledge are the only individuals whom will sign the above mentioned certifications.

## PAYMENTS BY REQUEST FOR PAYMENT

### PAYMENTS OTHER THAN CONTRACTS AUTHORIZED BY REQUEST FOR PAYMENT.

- A. For Contracts administered by Purchasing Department, the Purchase Order for payment shall be signed by the Director of Purchasing & Supply Services or Designee. Purchasing Department is responsible for obtaining approval of the quantity and quality and technical management of items received prior to forwarding to Finance for payment.
- B. Items valued at \$5,000 or less may be procured via Purchase Order, Request for Payment (DA), Procurement Card, Petty Cash, Restricted Checks or any other avenue available in accordance with applicable PGCPS Policies.
- C. For items other than those listed above, the originating Department is responsible for obtaining payment authorization in accordance with the PGCPS's Finance Department requirements.
- D. The Finance Department is not permitted to make payments in excess of the purchase order or contract nor is it permitted to receive on behalf of a department without its express written consent.

### REQUEST FOR PAYMENT

The Request for Payment Form is controlled by and issued to various PGCPS Departments by the Finance Department. They are maintained by the requesting Department for all forms issued. Departments are accountable for all Request for Payment Forms issued for their use.

## PAYMENTS/REIMBURSEMENTS FROM PETTY CASH

### PURCHASES/REIMBURSEMENTS FROM PETTY CASH-GENERAL

Only certain departments have access to petty cash for the purpose of conducting transactions on behalf of Prince George's County Public Schools. Purchases from Petty Cash shall be as specified by the Finance Department.

## CHAPTER 2 – CONSULTANT SERVICES

### CONSULTANT SERVICES

To comply with Federal IRS requirements for individual consultants Independent Contractors vs. Employee Contractors section of this manual.

#### GENERAL

The PGSPS classifies and pays individuals who provide services as Employees, unless the nature of the services and other circumstances satisfy the criteria for Independent Contractor status. Section 3121(d) (2) of the Internal Revenue Code (IRC) provides that the term "employee" means any individual who, under the common law rules applicable in determining the employer-employee relationship, has the status of employee. The Internal Revenue Service (IRS) ignores contract labels, and instead examines the facts and circumstances of each situation and analyzes specific characteristics, such as behavioral and financial control and the relationship between the employer and the individual performing services, before a determination can be made whether the individual is classified as an employee or an Independent Contractor under common law.

An example of **behavioral control** is when the Department/School provides direct instruction/supervision of the contracted provider. Service Providers are **Independent Contractors** and as such are not overseen by the contracting party in this manner. They supervise their own actions to accomplish the goals and expectations articulated through an agreement and Scope of Work. Once an employer-employee relationship is established, the employer is required to withhold the appropriate income and employment taxes. Penalties may be imposed by the IRS in instances where the employer fails to properly withhold such taxes. This section incorporates the IRS guidelines that are currently in effect.

#### BACKGROUND

PGSPS Schools and Offices may contract for the purchase of Professional Services to support and accomplish objectives when such services are specialized, highly technical, and cannot be economically or satisfactorily or timely performed by employees in the normal course of their duties. Professional Services is providing advice in a particular area of expertise. Specific types of consulting include Educational, Environmental Consulting, Consulting Software Engineer, Human Resource Consulting, IT Consulting, Management Consulting, etc. Prior to working with the Consultants, a Certificate of Insurance (COI) is required. Service Providers are used for specific tasks and for explicit periods of time. Service Providers can be business firms or individuals who are not Employees or Board Members.

##### 1.1.2 How to Contract for Professional Services

The policies and procedures to contract for Professional Services are based on the total anticipated fees and allowable expenses for the duration of the contract including all renewal periods. For any Professional Services agreements entered into with individuals, departments must follow the administrative procedures outlined in Classification of Independent Contractors versus Employees section of this policy.

### Contracting Methods and Related Documentation

Before services commence, the department should ensure that all required documentation for contracting for a Service Provider has been completed **PRIOR** to the performance of any service(s). Department should not sign any document presented by Service Provider (i.e. Letters of Intent, Engagement Letters, Scope of Work, Agreements, etc.) without first providing these documents to Purchasing for review. Payment may not be made to the Contractor without a fully executed Purchase Order or contract.

### Guidelines for Selection of Professional Services Provider

A determination is made that the services **cannot** be performed more economically or satisfactorily through the employment process. An appropriate and competitive selection process is used to secure the most qualified firm or business entity or person available, subject to the constraints of timeliness and costs.

**Note:** A competitive process should be done each time an agreement has expired. Charges are appropriate considering the qualifications of the Independent Contractor, the Contractor's normal fees and the nature of the services. Conflict of interest is avoided. In general, the following individuals are prohibited from contracting with PGCPs:

- a) Members of The Board
- b) School Officers and Employees
- c) One's Spouse and Minor Children

If the services are to be provided by an individual and not by a business entity or firm, the Service Provider is properly identified and classified as an Independent Contractor versus an employee. The first step in contracting is to make this classification determination using the procedures and guidelines contained herein

### Classification of Independent Contractors versus Employees

#### Classification of Service Providers

Before the performance of services commence, departments contracting for services must assess the relationship with the individual providing services to ensure that individuals hired or contracted to perform services are properly classified as an employee or an Independent Contractor. An initial misclassification may result in a substantial delay in payment.

**Employee** — An individual who performs services subject to the employer's right to direct and control the work is classified as an employee. The employer can allow the employee considerable discretion and freedom of action, provided that the employer has the legal right to direct or control the work.

**Former Employee** — A former employee whose services are requested by PGCPs to perform the same or similar service within twelve (12) months from the date of the last pay period is usually classified as an employee. However, each situation should be analyzed first from the IRS's perspective and written approval must be provided by Payroll and Human Resources.

The three main categories for determining whether a relationship should be categorized as an employee or Independent Contractor are listed below and are defined in succeeding sections:

1. Behavior Control
2. Financial Control
3. The Individual's Relationship with PGCPs

(See Appendix III section **Common Law Rules** additional information).

Also, the **20 Common law Factors** should be evaluated before making the determination of Contractor versus employee.

### Independent Contractor

An individual who performs services wherein the employer has the right to control or direct only the result of the work, but not the means and methods of accomplishing the result, is classified as an Independent Contractor.

### Withholding Requirements

Unless otherwise exempt from required withholdings, PGCPs is required to withhold certain deductions from wage payments. If the individual is classified as an Independent Contractor, PGCPs is not responsible for withholding income and employment taxes. However, PGCPs is responsible for reporting compensation over \$600 paid to individuals who are classified as Independent Contractors on Form 1099-MISC, Miscellaneous Income to the IRS.

### Penalties for Misclassification

The IRS may assess penalties for misclassification of an individual providing service to PGCPs. If an individual is determined by the IRS to be an employee instead of an Independent Contractor, PGCPs may be held liable for the individual's employment taxes, penalties and interest assessed for not withholding income and employment tax, and a separate misclassification penalty.

**Note:** As provided under IRC Section 3509, an employer is liable for 1.5 percent of wages paid if the employer erroneously treats the individual as a nonemployee for Federal income tax withholding purposes, and the penalty increases to 3 percent if no information returns were filed. The department will be responsible for the payment of additional taxes, penalties, and interest assessed.

However, liability for Federal employment taxes may be relieved under Section 530 of the Revenue Act of 1978, also commonly referred to as Section 530 Safe Haven Relief. Section 530 Safe Haven Relief protects employers who have consistently treated workers as Independent Contractors. The rule provides that an individual who has not been treated as an employee will not be reclassified as an employee if (1) the employer had a reasonable basis for not treating the individual as an employee, (2) the employer did not treat the individual or any individual in a similar position as an employee for payroll tax purposes, and (3) the employer has filed all required Federal tax returns, including information returns, in a manner consistent with the individual not being an employee.

### Common Law Rules

Prior to 1997, the IRS used twenty common law factors (Appendix III) derived from case law and rulings in determining whether an individual performing services is classified as an employee or an Independent Contractor. However, all factors were not necessarily pertinent or present in all situations. Also, as

previously mentioned, all facts and circumstances of each case must be considered. Additional relevant information that assists in determining the extent to which the individual or employer for whom services were performed retained the right to control should also be considered. Therefore, although the twenty common law factors referenced below are still taken into account, simply another way of analyzing the pertinent factors is to focus on (1) behavioral controls, (2) financial controls, and (3) the relationship between the employer and the individual performing services. These three main categories are described below and additional detailed information may be found at [IRS Publication 1779, Independent Contractor or Employee](#) and at [IRS Publication 15-A, Employer's Supplemental Tax Guide under the "Employee or Independent Contractor" section](#).

#### Behavioral Control

Behavioral controls are evidenced by facts that determine whether the employer has a right to direct and control how the individual performs the tasks for which the individual is hired, including the type of instructions the employer gives the individual and how the individual obtains training for providing such services.

#### Financial Control

Financial controls are evidenced by facts that determine whether the employer has a right to direct or control the financial/business aspects of the individual's business activities, including (1) the extent to which the individual is reimbursed for business expenses, (2) the extent of the individual's investment in the business and whether a profit or loss is realized, (3) the extent to which the individual offers similar services to the relevant market, and (4) how the employer pays the individual, such as hourly, salary, or a flat fee.

#### Type of Relationship

The relationship between the individual performing services and the employer is evidenced by examining how the employer and the individual perceive their relationship, including:

- a.) Whether a written contract exists explaining the employer's and individual's intent,
- b.) The provision of, or lack of employee benefits,
- c.) The permanency of the relationship,
- d.) The right to terminate the relationship, and
- e.) The extent to which services are performed that are a part of the employer's regular business activities.

#### Twenty common Law Factors

Revenue Ruling 87-41, 1987-1 Cumulative Bulletin 296 (Rev. Rul. 87-41) provides the list of 20 Common Law Factors to assist in determining whether an individual should be classified as an employee or an Independent Contractor. These factors are intended as guidelines, not as strict rules. In fact, Rev. Rul. 87-41 states, "The degree of importance of each factor varies depending on the occupation and the factual context in which the services are performed." Listed below are five basic questions that capture the essence of the twenty common law factors, which may assist in clarifying the determination of employment status:

- A. Will this individual provide essentially the **same** service as provided by a PGCPs employee?
- B. Has the individual previously been paid as a PGCPs employee to perform essentially the **same** tasks?

- C. Will PGCPs have a legal right to control how the individual will perform or accomplish the service?
- D. Will the individual **supervise or direct** PGCPs Employees as part of the service provided?
- E. Is it currently expected that PGCPs **will hire** this individual as an employee immediately following the termination of the contractual service provided?

If the answer to *any* of these five questions is yes, then the individual provider in question most likely should be classified as an employee, and the person certifying the status should contact the Human Resources and Payroll Departments.

### Contracting Procedure

If the answers to all of the above five questions are no, an Independent Contractor relationship may be established. The Purchasing Department reserves the right to request verification of the individual's classification as an Independent Contractor from the Human Resources and Payroll Departments.

**Note:** The Internal Revenue Service (IRS) may impose penalties on an employer that fails to correctly classify an individual as an employee and thereby fails to withhold the required income and employment taxes. If an individual is classified as an employee, departments should contact Human Resources or Payroll for information and assistance on how to process an appointment or payment for the individual in question. In unusual cases where consultation is across organizational lines, and the work performed is in addition to the individual's regular workload, special approval may be requested from the Office of the General Counsel pending approval from the Superintendent to enter into a separate consulting contract with the employee, including payment of a reasonable and customary consulting fee. This fee is in addition to the employee's salary as an employee. The Office of the General Counsel may be authorized to approve such consulting arrangements with an employee only if the services are deemed essential to PGCPs. If such a request is approved by these respective offices, a written copy of the approval must be provided to Purchasing along with the other required supporting documents to process the Purchase Requisition.

In addition, if a PGCPs employee is paid a Consultant fee or additional compensation from restricted funds provided by the U.S. government, **prior written approval must be obtained from the sponsoring agency.**

Procedures for contracting for Professional Services with resident aliens are the same as detailed in this section. No Immigration and Naturalization Service (INS) or IRS restrictions exist regarding contracting with resident aliens for services. Instructions for contracting for Professional Services with nonresident aliens as Consultants, scholars, and dignitaries who will receive a PGCPs payment or honorarium for services should be made with the Department of Human Resources.

This includes payments either directly to or on behalf of the nonresident alien for services as an Independent Contractor or expenses (i.e., Hotel, Meals, Transportation, etc.). Services as an Independent Contractor include Lecturing, Consulting, or Other activities for which the nonresident alien provides a service for payment.

I. DEFINITION: INDEPENDENT CONTRACTOR vs. EMPLOYEE CONTRACTOR

<b>IRS Variables</b>	<b>Independent Contractor - Factors</b>	<b>Employee - Factors</b>
Behavioral Control	<ul style="list-style-type: none"> <li>- Receives limited instruction about how to complete the work (Instruction about time and place may be less important than directions on how the work is performed.)</li> </ul>	<ul style="list-style-type: none"> <li>- Receives extensive instruction on how work is to be performed</li> <li>1. How, when and where to do work</li> <li>2. What tools or equipment to use</li> <li>3. what assistants to hire to help with work</li> <li>4. where to purchase supplies and services</li> </ul> <p>Provides training and procedures on how to perform work.</p>
Financial Control	<ul style="list-style-type: none"> <li>- Must have significant investment in work. (ownership rights to work and copyright privileges)</li> <li>- No reimbursement for some business expense (office supplies, rent, etc.)</li> <li>- Potential for Profit or loss. (Consultant stands to gain or lose revenue on projects.)</li> </ul>	<ul style="list-style-type: none"> <li>- No potential for loss or profit, other than the ability to complete assigned task</li> <li>- Reimbursement of expenses that a traditional employee would be entitled to</li> <li>- Non-ownership rights to work on projects</li> </ul>
Relationship of the Parties	<ul style="list-style-type: none"> <li>- Written agreement that clearly distinguishes independent contractor status</li> <li>- Responsibility for paying income taxes and self employment tax</li> <li>- Application of Business deduction on tax schedule C</li> <li>- Receipt of 1099 or MISC miscellaneous income from business</li> </ul>	<ul style="list-style-type: none"> <li>- Employer withholds taxes</li> <li>- Employer pays Medicare, Social Security, and unemployment taxes on wages</li> <li>- W-2 Form</li> <li>- Allow itemized deduction of expenses for non-reimbursed business expense when filing taxes</li> </ul>

## II. GENERAL RULES

1. No PGCPS employee may hire consultants without prior approval from the Area Chief or designee.
2. Departments are required to provide Letters of Intent, Engagement Letters, Scope of Work, Agreements for Consultant requests. Included in the departments request must be the consultant's resume, bio, qualifications and any other form that best represents consultant's competency for work assignment. All requests for hiring of consultants must be accompanied by an explanation of services, term and conditions, as well as the benefit and expected outcomes.
3. Acceptance and review of consultant agreement requests from the initiating office must identify budget, purpose and type of work being performed by said consultant
4. Each consultant agreement will be evaluated. This includes a Purchasing review and Human Resources/Payroll to determine if the proposed consultant is/was an employee, and the respective assignment at the time of employment.
5. Consultants identified as independent contractors will cause a purchase order to be generated by the Purchasing Department. Independent contractor will receive a copy of the purchase order to complete their file.
6. Consultants identified as employees, per IRS rules, will be forwarded to Human Resources for entry through the Employee System.
7. Consultants are not permitted to start work prior to approval from the proper authority and a duly encumbered purchase order or contract.
8. Pay rates for individual consultants shall be determined by the Area Chief or designee. Proper justification in written form for approval by the Area Chief or designee must be provided to the Purchasing Department. Rates deemed excessive will be denied.
9. All individuals/independent consultants working in schools must be fingerprinted, prior to the start of work. No exceptions.
10. All consultant activities should be in support of *The Goals and Objectives of Prince George's County School System.*
11. Any staff member who makes a commitment to a prospective consultant not in accordance with these regulations will be held personally responsible for the restitution of any funds, which are subsequently disbursed.
12. All consultants should be evaluated at the end of their assignments by the Principal or Approving Office. Failure to do so may result in delay regarding future consulting assignments for that individual.

### 1.1.3 Determining Factors for Independent Contractor and Employee

Per IRS rules and regulations (Publication 1779, catalog #16134) consultants can be deemed independent contractors or employees depending on certain criteria or distinction of their employment. Each consultant agreement request is evaluated separately based on the IRS set of criteria to determine which status best fits with the direction and responsibilities outlined in the above-mentioned publication. A brief summary of the IRS consultant status for independent contractor vs. employee is provided below. For further explanation, consultants are advised to review the IRS publication mentioned above, visit the IRS Website or contact the IRS office within their region.

### 1.1.4 Independent Contractors or Employee – Additional Information

Based on the chart above, each consultant request submitted will be reviewed to determine the status. We have compiled a checklist which must be completed as part of the purchasing/hiring process. If it is determined that the individual is an independent contractor, they will be processed in the Purchasing Department and Accounts Payable will issue a 1099 at year end. Additionally, Accounts Payable will process payment of all invoices. The independent contractor will be responsible for paying taxes required by the IRS. If it has been determined that the individual should be reclassified as an employee, Purchasing will forward the necessary documentation to the Employee Services Department and the Payroll Division for further processing. Upon completion of consultant requirements including the W-4 form, all required taxes will be deducted by the Payroll Department and a W-2 will be issued at year end. A brief synopsis of the process used in Purchasing is listed below.

#### Processing of Consultants/Employee - Supporting Documents/Forms

Before services commence, the department should complete and submit the following documents to the Purchasing Department for review and processing.

- a) **Scope of Work** — The SOW should clearly articulate the deliverables, expectations and responsibilities of both the Service Provider and the customer.
- b) **Independent Contractor Verification Worksheet** (*Sole Proprietor only*) — Determines Independent Contractor status.
- c) **Service Provider Questionnaire** (*first time Service Providers only*) — Provides information about Service Provider that is entered into the Purchasing system, also known as CAPS.
- d) **Client List** — List of Current Service Provider Customers.
  - **Resume or CV**
  - **Corporate Brochure**
  - **Competitive Bids and Analysis** — Recommended always, regardless of \$ threshold.
- e) **Certificate of Insurance**

f) **Requisition Checklist**

Reimbursement Restrictions

- a) **Independent Contractor fee (Excluding Allowable Expenses)** — Independent Contractor fees paid from U.S. government grants of contracts may not exceed the current daily equivalent rate paid a United States GS-18 unless specific advance written approval is received from the sponsor.
- b) **Concurrent Service** — If during the duration of the contract, an individual is also being compensated at 100% time for services from other funds provided by the U.S. government, regardless of whom the employer may be, such individual may not receive a fee. The individual may be reimbursed by PGCPS only for actual and reasonable allowable expenses. Any exceptions require prior written approval from the sponsoring agency.
- c) **Other Restricted Funds** — Services of Independent Contractors may be utilized subject to the terms and conditions of award documents. If an award document prohibits or restricts the use of an Independent Contractor, prior written approval must be obtained from the sponsor to secure such services.

## CHAPTER 3 – MINORITY AND WOMEN BUSINESS PARTICIPATION

### MINORITY SUPPLIERS/CONTRACTORS – COMPLIANCE WITH PGCPS’S PRINCE GEORGE’S COUNTY/MINORITY/WOMEN BUSINESS ENTERPRISE (D/MINORITY BUSINESS) POLICY

#### PGCPS POLICY: MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE (M/WBE)

1. Board Administrative Procedures 7419 - MINORITY BUSINESS PROCEDURES FOR STATE FUNDED PUBLIC SCHOOL CONSTRUCTION PROJECTS
2. Board Administrative Procedures 3325 - MINORITY BUSINESS ENTERPRISE PROCUREMENT PROCEDURES

The purpose of the Minority Business Enterprise Program is to enhance the participation of qualified minority and women-owned businesses in providing goods and services and construction contracts required by the Board of Education. The establishment of this program maximizes the opportunities for Minority/Women Business Enterprises to participate in the awarding of contracts to vendors, consultants and contractors. It is the responsibility of the Purchasing Minority Business Office, Schools and Office work location administrators to carry out the Administrative Procedures (7419 and 3325) designated to achieve the program’s objectives.

This program describes procedures to accomplish this purpose and to monitor and evaluate progress. All Departments and Divisions under the jurisdiction of the Board of Education are responsible for implementing the program. The scope of this program shall include:

1. Identify and work to eliminate barriers that inhibit M/WBE participation in Leon County’s procurement process.
2. Establish realistic goals to increase M/WBE utilization.
3. Provide information and assistance to M/WBE’s regarding procurement opportunities with PGCPS.
4. Implement mechanisms and procedures for monitoring M/WBE compliance by prime contractors and staff.
5. Implement mechanisms to evaluate the program’s progress.

The Purchasing Department encourages minority and women owned businesses to compete to provide goods and services. Certified and Non-Certified Minority/Women Business Enterprises are encouraged to respond to solicitation notices. The school system utilizes the State of Maryland Department of Transportation (MDOT), Prince George’s County and the Washington Metropolitan Area Transit Authority (WMATA) certification program. It is our goal to obtain an overall 30 percent goal of minority participation in total dollars spent. You may apply for minority certification from the following agencies.

1. <http://www.mdot.state.md.us/>
2. <http://www.pgc.org.us/>
3. <http://www.wmata.com/business/index.cfm>

## Bid Process - Competitive Bid Requirements

The specifications established for goods and services should be such that they do not preclude bidding by Minority/Women Business Enterprises. An exception is noted when the specifications are necessary to protect the interests of the School Board. Vendors are invited to bid on the "standard brands" cited as acceptable products by the Purchasing Department or on those the vendor believes to be equivalent according to the specifications. The acceptability of items quoted on the vendor's bid, other than those specified, shall rest with the School Board.

- A. The Purchasing Department, in accordance with the PGCP's MBE Policy (7419 and 3325), actively recruits **Prince George's County**-based, Minority and Women-Owned Vendors and ensures that **Prince George's County**/Minority/Women-Owned Business Enterprises are aggressively solicited.
- B. The PGCP recognizes that through the awarding of contracts, it can aid in the maintenance of a viable economic community within **Prince George's County Public Schools**. For this reason, the PGCP may give equalization percentage credits to **Prince George's County**-Based/Headquartered Businesses as certified by **Prince George's County Public Schools**. A **Prince George's County**-Based or headquartered Business may receive percentage bonus points of fifteen percent (15%) toward match on contracts greater than \$100,000.00. In addition, most PGCP Contracts contain a WOMEN/MINORITY BUSINESS subcontracting plans. All Contractors must comply with the terms of its subcontracting plan.
  - (1) The results of the PGCP's Minority efforts are reported by the PGCP quarterly.
  - (2) The PGCP shall apply the equalization percentage credits during its bid and proposal evaluation process.
  - (3) All Prince George's County-Based/Headquartered Business must maintain the certification status as such through **Prince George's County or MDOT** during contract period. Failure to maintain the certification may result in the immediate contract termination

## Procurement Contract Review Committee

In accordance with Policy 7419, the Procurement Review Committee was established to review and monitor all potential procurement and professional service contracts for inclusion in the Business Development and Assistance program, including, but not limited to, setting subcontract goals and/or smaller volume contracts, and to conduct other types of review as required. Prior to invitation for bid or request for proposal, a given contract will be evaluated by the Procurement Review Committee to determine whether it is in the best avenue of the School Board for M/WBE participation. The criteria to be applied in this decision making process is detailed below.

A. Affirmative action methods, other than set asides, have already been implemented and remain in effect but have not been successful in producing the desired results. Therefore, the minority/woman set aside is considered essential as a means of:

1. Meeting the M/WBE Assistance Levels established by the School Board; and/or
2. Providing the opportunity for minority/women vendors, contractors and consultants to successfully compete in the award of the product or service required.

B. A sufficient number of Minority/Women Business Enterprises offering the items or services to be purchased have been identified by staff. In most instances, it should be determined that there are at least three (3) Minority/Women vendors/contractors/consultants available to participate in the bid process and to generate reasonable competition. A solicitation may be structured to include either all classifications of M/WBE vendors/contractors/consultants or subgroups of M/WBE vendors/contractors/consultants. If sufficient competition is not generated from the identified bidders within one (1) minority classification, then the said solicitation may encompass more than one subgroup of Minority/Women Business Enterprises.

#### Technical Assistance and Outreach

In order to provide greater accessibility to bids and plans for M/WBE vendors, contractors and consultants, a formal document room will be made available to vendors, contractors and consultants. Tabulations of current bids shall be retained in bid files and made available for review.

The School Board shall maintain a public/private partnership with major organizations to provide administrative and, to the degree feasible, technical assistance, to minorities and women desiring to do business with the School Board. These affirmative action methods shall provide an opportunity for all interested and qualified vendors to participate in the formal written bid process.

#### Non-Compliance with MBE Policies

The following conditions will apply when there is noncompliance by contractors with the Prince George's County Public School's Minority Business Enterprise Policies:

1. Assistance for Contractors - Meeting M/WBE Participation Requirements

MBE Coordinator will monitor the level of M/WBE utilization by prime contractors. If a contractor is having difficulties meeting the contractual MBE goal(s), the MBE Coordinator will help the contractor develop and implement corrective measures.

2. Penalties for Contractors Not Meeting Promised M/WBE Goals

If a contractor's M/WBE participation falls below that provided for in the contract for goods or services, the contractor shall be in breach of the contract. The MBE Coordinator shall investigate whether a breach of contract has indeed occurred. Upon a determination by the MBE Coordinator that a breach has occurred, all payments under the contract may be immediately suspended. The Purchasing Director and General Counsel's Office shall be fully involved throughout this process. The findings and determination of the MBE Coordinator (in conjunction with Purchasing and General Counsel's) shall be review for a determination as to whether the contractor made a good faith effort to comply with the requirements of the contract.

The contractor will submit detailed information in writing to the MBE Coordinator that the contractor attempted (through reasonable and objective means and in good faith) to meet the M/WBE participation goal established by the contract, but was unable to do so. If determined that the contractor did not act in good faith, all amounts paid to the contractor under the contract, intended for expenditure with an M/WBE, shall be forfeited and recoverable by the PGCPs.

In addition, the contract may be rescinded and the may return all goods received and recover all amounts paid under the contract. Resolution of good faith issues shall occur within the time frames specified in the Prompt Payment Act, Florida Statutes, Chapter 218, as amended.

Contractors that fail to comply with program and/or contractual requirements may face suspension from bidding on future PGCPs contracts for a period of six months to one year, or longer, as recommended by the Purchasing Director for action by the Superintendent.

3. Penalties for Non-M/WBE's and M/WBE's that defraud the M/WBE Program.

Any vendor (M/WBE or Non-M/WBE) suspected of defrauding the PGCPs and/or M/WBE Program will be referred to the MBE Coordinator, the Purchasing Department and to General Counsel for review, investigation and possible legal action. Any monetary penalties imposed on the vendor found to have defrauded PGCPs and/or M/WBE Program shall be in keeping with State and Federal Law.

## CHAPTER 4 – SUPPORT SERVICES

### SUPPLY SERVICES AND SHOP STORES

#### SUPPLY SERVICES AND SHOP STORES – GENERAL

Supply Services and Shop Stores provides warehousing and timely distribution for all supplies, repair parts, furniture, equipment and materials of instruction stocked and issued through central facilities to schools, offices and the maintenance repair shops. Internal Ordering of commodities, supplies and goods are made thru the Oracle Purchasing and Supply SSP module or the most commonly used term by schools the MAIN STORE. Items in stock at both Supply Services and Shop Stores can be accessed thru the Main Store. To complete orders, sufficient funds must be available to complete orders and/or charge-backs can occur when funds become available. Once processing is completed in the internal ordering system, Oracle engages the distribution of assets into a new system called Warehouse Management System (WMS)

The salient features of the Warehouse Management System (WMS) focuses on the inventory and distribution aspects within supply chain management. WMS is designed to provide on-line inventory and order management for all materials received, warehoused, issued and distributed throughout the school system. In addition, the application will assist in the process of projecting requirements based on actual system demands, utilization patterns and product lead-times. This application also provides for the full accountability of all assets procured and maintained in the school system, utilizing its many management reports as the basis for conducting audits of system assets.

To increase distribution efficiency to 100% for deliveries within 6days and the number of CDL drivers in the warehouse, to develop an annual training program for warehouse personnel, To implement a warehouse bar-coding system that will track items across the entire School system.

- A. PGCPS's Supply and Shop Stores Service Center Personnel operate and maintain the facilities for the physical inventory of warehouse and materials management items required to support the various departmental functions.
- B. This section performs all receiving and shipping services for the PGCPS's operations and other ancillary services. Services include

#### SUPPLY AND SHOP STORES SERVICE CENTERS

- A. The Supply Service Center is located at 9201 East Hampton Drive, Capital Heights, Md. 20743 and Shop Stores Material Management is located at 4801 Brown Station Road, Upper Marlboro, MD 20772.
- B. These facilities serves as the primary area for the systematic ordering, receiving, storage, and issuing of all items carried as Inventory, as well as the receiving and shipping area for Prince George's County-owned items.
- C. These two Service Centers are open from 7:00 a.m. to 4:30 p.m., Monday through Friday.

## PICKUP AND DELIVERY SERVICE

- A. Supply Services shall coordinate the pickup and delivery of supplies from Vendors in the Prince George's County Public Schools area, as well as deliveries of items being sent out for repairs.
- B. All pertinent information is listed on a delivery ticket or pickup schedule. The Supervisor and Distribution Manager determine pickup/delivery schedules for the most efficient use of manpower and the PGCPS vehicles(s).
- C. Emergency pickup service is provided when required. Supply Services staff working on an emergency order for the requesting Department shall coordinate the emergency pickup request with the Receiving Manager.

## ITEMS CARRIED IN INVENTORY

### TYPES OF ITEMS CARRIED IN INVENTORY

- A. Numerous parts and supplies required on a day-to-day basis to operate and maintain the facilities, equipment, and grounds owned by the PGCPS are carried in inventory for immediate availability. There are approximately 4,000 different line items in inventory at any given time.
- B. In addition to the operations and maintenance type items, major repair components with long lead times may be inventories to facilitate timely repairs on vital systems.

### ADDING NEW ITEMS

- A. An Inventory Request Form shall be prepared by the requesting Department and submitted to the Supervisor of Supply Services and Manager of Shop Stores or Designee to add a new item to Inventory.

Justification shall consider:

- (1) Frequency of use;
  - (2) Lead time; and
  - (3) Whether the lack of component/part will shut down equipment or a system that will have detrimental effect on the operation of the PGCPS.
- B. The requesting Department will be notified if the justification does not offset the cost to the PGCPS of carrying the item in inventory. Otherwise, the requesting Department will be notified via a New Inventory Item form when the new item has been received and ready for issue.
  - C. Item(s) declared as surplus or obsolete, a supply of the item(s) in the Instructional Supply Services Center at the request of a Department(s), will result in the cost of the item(s) in Inventory being charged to the user Department(s) budget(s), as indicated on the Instructional Supply Services Center Inventory Request Form.

### MINIMUM/MAXIMUM QUANTITIES

The minimum/maximum quantities carried in inventory are computed based on the following:

- A. Usage as reflected on Supply and Shop Stores Center Inventory records;
- B. Economic order quantity; and,
- C. Lead time.

Minimum/maximum quantities may be adjusted upward or downward based upon: (1) history of usage; (2) change in economic order quantity; or (3) change in lead time.

### INVENTORY ISSUES

#### AUTHORITY TO RECEIVE ISSUES

Only persons authorized by the requesting Department Director or Designee may receive issues from the Instructional Supply Services Center inventory. Authorizations shall be accomplished through the ORACLE FINANCIAL System.

### INVENTORY ISSUES

- A. To receive items from the Supply and Shop Stores Inventory, authorized Personnel may request item(s) electronically via the pick list, or authorized Personnel may go to the issue counter and request the item(s) needed.
- B. Instructional Supply Services Center Personnel shall draw the items requested; enter the issue into the computer, producing a copy of the Inventory Issue for the person receiving the items.

### CHARGES FOR INVENTORY ISSUES

All Inventory issues must be charged to a General Ledger Account Number or Bond Fund, and Work Order Number, where appropriate.

### PHYSICAL INVENTORY

#### SCHEDULING PHYSICAL INVENTORY

A physical inventory is generally accomplished during each fiscal year. Overages/shortages resulting from the physical inventory reconciliation shall be recorded in the Overages/Shortages Detail Account, Instructional Supply Services Center Inventory. The Executive Director or Designee of Finance adjusts this account to \$0.00 at the end of each fiscal year with offsetting entries.

### PURGE OF OBSOLETE ITEMS IN INVENTORY

- A. Each year a list of inventory items will be prepared wherein the last issue date is greater than one year.

- B. The Use Department(s) will have the option of requesting that the items/materials be sent to their respective shop(s) or to Surplus for return on investment.
- C. These items will be charged to the department's Operating Budget unless a written justification is received from the Director of Purchasing & Supply requesting that the items/materials be retained in Inventory.
- D. Periodically, Instructional Supply Services Center Inventory items will be reviewed for the same form, fit, and/or function. When such duplication is found, a meeting will be held with the Using Department(s) to determine if like product(s) can be purged from Inventory.

#### RELOCATION OF OFFICES AND PERSONNEL

Supply Services provides relocation services to support to schools and offices moving to and from spaces within the boundaries of Prince George's County Public Schools. Relocation with the same school building should be handled internally with on-site Support Operations staff. All other moves are to be handled by the Supply Services Department.

- Transportation of equipment, furniture, computers, and supplies, etc.
- Supply boxes for Packing/Unpacking services. Packing and unpacking of the office is the department's responsibility.
- Pick up and delivery of personal effects from your current office to new office.

## CHAPTER 5 – SURPLUS PERSONAL PROPERTY

### SURPLUS PERSONAL PROPERTY – GENERAL

- A. Furniture, fixtures, equipment, or supplies which are no longer needed by a Department become excess or surplus property.
- B. This includes items of personal property purchased by the PGCPS's Consultants/Contractors for which they were reimbursed under Contract. Consultants/Contractors shall relinquish these items to the PGCPs upon completion of the project or the Contract performance period.
- C. PGCPs-owned surplus personal property shall be under the control and management of Purchasing & Supply Services. Supply Services shall transfer items from one Department to another and when items become surplus to the needs of the PGCPs, Supply Services shall dispose of the items.

### SURPLUS PERSONAL PROPERTY - POLICY/ADMINISTRATIVE PROCEDURES

Board Policy 3260 - Sales and Disposal of Books, Equipment and Supplies  
Administrative Procedure 3260 - Property Disposal

### EXCESS/SURPLUS PERSONAL PROPERTY

#### TRANSFER OF SURPLUS PERSONAL PROPERTY TO SUPPLY SERVICE CENTER

The procedures for transferring surplus property items to Supply Services are as follows:

- A. A Material Transfer Form will be completed by the Department having the surplus items if the items are of an accountable property nature (i.e., if they have an asset tag affixed to them.) The Transfer Form shall be signed by the individual requesting the transfer. The Transfer Form shall be the official document which will indicate the items final disposition. Schools and Offices must complete the Material Transfer Form online and gain approval from the authorizing official. Distribution will be as indicated on the form.

The Material Transfer Form is required for all items. Contact the Supply Services Manager to coordinate the transfer of property from the School/Department for delivery to Supply Services or salvage.

- B. Furniture, fixtures, and equipment purchased from any Funding source become surplus based on the filing of a declaration by PGCPs Personnel. These surplus items may be:
  - (1) Stored on the PGCPs's premises or in the warehouse for future use. The items must remain on PGCPs premises or be protected by storage.

- (2) Purchased by the PGCPS at fair market value and then moved off PGCPS premises. The proceeds of the sale shall be handled in accordance with the appropriate cash management procedures
- (3) Transferred to the PGCPS for disposition.
  - (a) In the event the furniture, fixtures, or equipment are transferred to the PGCPS, the following property management procedures will be used:
    - 1) If a bona fide, immediate use (within 60 to 90 days) is identified, and the items are in compliance with any funding and/or technical requirements, steps will be taken to store the property.
    - 2) Otherwise, Purchasing Department will proceed to dispose of The property in accordance with Maryland Law and applicable Prince George's County Public Schools Surplus Property Policy as stated herein.

RECYCLING SURPLUS PERSONAL PROPERTY

- A. Surplus personal property turned over to Supply Services which is still in good condition and/or mechanically sound will be retained until the next scheduled auction. Supply Services personnel shall contact Departments that have expressed a need for a particular item(s) or Personnel may visit the storage area to view the available items.
- B. For items issued/recycled from surplus personal property storage, an Accountable Property-Material Transfer Form shall be completed transferring the property to the requesting Department.
- C. Items of personal property that are no longer usable for their intended purpose will be classified as obsolete and disposed of according to this Policy.

DISPOSITION OF SURPLUS/OBSOLETE PERSONAL PROPERTY

DISPOSITION APPROVAL

- A. For items that have become surplus/obsolete to the PGCPS's needs and which were funded, either in whole or in part, with Federal Grant Funds, approval may be required prior to any type disposition of the items.
- B. Supply Services must be notified whenever any item of personal property procured, either in whole or in part, with Grant Funds is transferred to Supply Services as being surplus/obsolete to the PGCPS's needs. Supply Services is responsible for obtaining the necessary approvals and disposing of these items in accordance with the instructions received from grants department.
- C. In order to dispose of the surplus/obsolete personal property, the approval of the Superintendent or Designee approval is required.

## DISPOSITION OF PERSONAL PROPERTY

Methods of disposing of PGCPs property include, but are not limited to the following:

- A. Public auctions:
- B. On-line auctions:
- C. Advertisements for sealed bids;
- D. Transfers to other governmental agencies for auction or disposal;
- E. Soliciting bids from sources, known to use or purchase for sale, like items; and,
- F. Recycling.
- G. Trade-in on new equipment when in the best interests of the PGCPs.

The method to be utilized will depend upon the item. Primary consideration shall be given to the method that results in the greatest return on the PGCPs' investment.

When item(s) in surplus storage have been determined by the applicable Department Head, Principal, or Administrator to be of no further use for the PGCPs' functions, the Director of Logistics and Material Management through the Director of Purchasing & Supply Services will send a written request to the Superintendent listing the item(s) to be declared surplus. This request shall explain the plans for disposing of the item(s), contingent upon the Superintendent or Designee, declaring the item(s) surplus and disposal of it/them in the manner planned. This request is forwarded for Legal Counsel's approval prior to delivery to the Superintendent or Designee.

## PUBLIC AUCTIONS

In compliance with legal requirements and PGCPs policies referenced throughout this Chapter, public auctions will be conducted on an "as needed" basis.

## RESTRICTIONS ON PURCHASE OF PGCPs-OWNED PERSONAL PROPERTY

All employees of the PGCPs are prohibited from purchasing any item at public auctions conducted by the PGCPs. This prohibition extends to both direct and indirect participation such as through a friend, relative, or acquaintance and includes all lost and found items.

## SURPLUS SALES ACCOUNTING

- A. Items of personal property, which are sold under the surplus/obsolete procedures, were originally acquired from various Fund Accounts. However, proceeds from the sale of these items will be deposited to and accounted for in the General Fund.

- B.** For all surplus/obsolete items sold which were purchased under the various Funds, refer to the Finance “Chart of Accounts” for the assigned account number for recording the sale of fixed assets under the applicable Fund number. If there is no assigned account number for the recording of sales of fixed assets under the specific Fund number, Purchasing Department shall contact the Finance Department to provide an appropriate account number.

## CHAPTER 6 – U.S. AND INTEROFFICE MAIL

### POSTAL AND MAIL SERVICES – GENERAL

Mail service, domestic, international, and interoffice, is provided to and between all of the PGCPs's facilities throughout Prince George's County Public Schools.

### POSTAL AND MAIL ADMINISTRATIVE PROCEDURES

#### **Admin Procedures 270:** DISTRIBUTION OF MATERIALS BY CENTRAL OFFICE MAILING FACILITY FOR FUNCTIONS EXTERNAL TO SCHOOL SYSTEM.

Purpose: To provide for the use of the Central Office Mailing Facility of the Prince George's County Public Schools in distributing certain materials for organizations not a part of the school system.

#### **Admin Procedures 2703:** COURIER MAIL SERVICES WITH PRINCE GEORGE'S COUNTY GOVERNMENT

Purpose: To provide procedures for the exchange of official communications between the school system and the Prince George's County Government Offices.

### MAIL HANDLING

#### PICK-UP AND DELIVERY OF MAIL

- A. PGCPs mail is picked up at designated locations throughout PGCPs schools and facilities on a regular schedule. PGCPs is not responsible for the handling of personal mail.
- B. All mail coming in to the PGCPs's official Post Office Box is claimed by a Supply Services Worker and taken to the Mail Room where it is separated for distribution to designated locations in each facility.
- C. Postage for individual letter is the responsibility of the Supply Service Mail Center. Postage for packages and five letters or more is the responsibility of the individual school or department, this policy includes mailings to parents. The Instructional Supply Services Center will not mail these items without the receipt of a valid account.

#### SPECIAL HANDLING – REGISTERED, CERTIFIED, ETC.

Due to the nature of the correspondence, some mail requires special handling service, such as Registered, Certified, Express Mail, etc. Departmental Staff will attach a note to the correspondence that requires special handling in addition to the completion of all the necessary

documentation. The Mail Room Personnel shall affix the correct postage, and deliver to the Post Office on the next scheduled Post Office delivery.

#### SPECIAL HANDLING OF CERTAIN DELIVERIES

Packages sent to the PGCPs's official address are presumed to be PGCPs business, even if an employee's name has been added to the address. Since all materials and supplies acquired by PGCPs Purchase Order must be inspected for damage, shortages, etc. (first order inspection), and a Receiving Report for the item(s) must be prepared by Purchasing Department, all packages are delivered to the Supply Services Center. The following procedures will apply:

- A. Any shipment received in a PGCPs box will be opened by Supply Services Center Personnel for inspection and paperwork.
- B. Any envelope clearly identified by outside markings as containing items known to be related to a Purchase Order will be opened for inspection and paperwork.

#### INTEROFFICE MAIL

##### INTEROFFICE MAIL AND OTHER ITEMS

- A. Interoffice mail/memos will be picked up, sorted, and delivered between the various Departmental locations along with the U.S. mail pickups and deliveries.
- B. Requests for Printing Services will be delivered to Office of Printing and completed printing orders will be delivered to the requesting Departments at the earliest available mail run.

#### SPECIAL HANDLING OF CONFIDENTIAL INTEROFFICE MAIL

Interoffice mail of a confidential, nature must be placed in an envelope marked CONFIDENTIAL sealed, and reflect the addressee's name and Department.

## APPENDIX I – DEFINITIONS

For the purposes of this Manual, the terms listed below are defined as follows:

**AGREEMENT:** A property executed and legally binding contract, usually written, between two or more parties, i.e., Contract or Purchase Order.

**BEST VALUE PROPOSAL/BID:** A written response from a Vendor used for procurements of goods and/or services or insurance where Contract award may be based on stated criteria other than the lowest responsive bid.

**BID BOND/PROPOSAL GUARANTEE:** This is a legal document used to bind the Vendor to honor the Bid/Proposal. In the event the Vendor fails to honor a Bid/Proposal, the Bid Bond/Proposal Guarantee may be forfeited and the issuing Surety shall pay the PGCPS the amount of the Bond/Proposal Guarantee to defray the PGCPS's cost.

**BOND FUNDS:** Money in the treasury received from the sale of bonds and includes the proceeds of bonds that have been voted but have not been issued and delivered.

**BUSINESS CLEARANCE:** A summary document of a procurement action that details all the facts related to a contract or other action and requests approval thereof.

**CALENDAR DAY:** Any day, including Saturdays, Sundays, and holidays.

**CAPITAL ITEMS:** Those items with a unit value in excess of \$5,000.00 and having a useful life of more than one year.

**CAPITAL IMPROVEMENT PROGRAM:** An ongoing process intended to reflect the most current capital requirements at a given point in time, usually established for five year periods.

**CHANGE ORDER:** Modification to an agreement, i.e., Contract or Purchase Order.

**COMPETITIVE BID:** A written response from a Vendor for the purchase of goods, general services, and/or construction with an aggregate total dollar amount of more than \$15,000.00, where the Contract will be awarded to the lowest responsible and responsible bidder.

**COMPONENT PURCHASES:** Procurements of the component parts of an item that under standard purchasing practices would be procured in a single purchase.

**CONTRACT:** A written, legally enforceable agreement between Prince George's County Public Schools and one or more other parties to provide a product or service.

**CONTRACTOR:** See Vendor.

**PGCPS:** The governing elected body.

**PGCPS PERSONNEL:** Any regular employee of the PGCPS.

**DOE:** Department of Education, a Department of the United States Government.

**ECONOMIC ORDER QUANTITY (EOQ):** the order quantity, at which the annual cost of ordering equals the annual cost of holding inventory, thereby minimizing the sum of these two costs.

**EMERGENCY ORDER:** Orders that would adversely affect the operation of the PGCPS if the order were not processed as expeditiously as possible.

**EXPEDITE:** An attempt to persuade suppliers to deliver an ordered item ahead of schedule, which may result in additional costs. This also includes follow-up activities to correct mistakes in pricing, late delivery, etc.

**FREIGHT ON PGCPS/FREE ON PGCPS (F.O.B.):** The legally defined point at which ownership of the goods passes from seller to buyer.

- A. **F.O.B. DESTINATION:** Vendor is responsible for payment of all shipping charges from the point of shipment to the destination and for filing any claims for damages in shipment. Title for the goods does not pass to the buyer (PGCPS) until the goods are received.
- B. **F.O.B. ORIGIN OR SHIPPING POINT:** Owner (PGCPS) is responsible for the shipping charges and filing for any claims for damage to goods during shipment. Title passes to the Owner (PGCPS) upon acceptance of the goods by the shipper.
- C. **Other F.O.B. Points:** Special F.O.B. points can be established by contractual agreement such as:
  - (1) Transfer of ownership may occur after goods (or services) have been inspected and accepted.
  - (2) For large or complicated capital equipment, ownership may transfer after the equipment is delivered, installed, and tested to ensure functional and/or performance specifications have been met.
  - (3) Consignment inventory can remain the seller's property after receipt, until it is removed from storage for use. Ownership transfers when the goods are consumed by the PGCPS.

**FUNDING SOURCE:** The budgetary account code used to indicate the fund, division, department, object code, and potentially project code used to indicate the monies allocated for payment of items when needed.

**GENERAL FUND:** A category of PGCPS expenses relating to daily operation and maintenance of the PGCPS, i.e., personnel, fringe benefits, administrative expenses, utility charges and services, department supplies, professional and outside services, and principal and interest on debt service.

**HIGH TECHNOLOGY PROCUREMENT:** The procurement of equipment, goods, or services of a highly technical nature, including:

- A. Data processing equipment, software, and firmware used in conjunction with data processing equipment;
- B. Telecommunications equipment and radio microwave systems;
- C. Electronic distributed control systems, including building energy management systems; and
- D. Technical services related to those items.

**INFORMAL BID:** A solicitation for items which cost less than the legal requirement for competitive sealed bids.

**ITEM(S):** Product or service, including all commodities, construction materials, and supplies utilized by the PGCPS.

**LOCAL GOVERNMENT:** A school PGCPS, municipality, county, or hospital PGCPS of the State of Maryland.

**NOTICE TO PROCEED:** A written notice to the successful Vendor to begin work on a specified date.

A. **FAST ACTION NOTICE TO PROCEED:** A written notice to the successful Vendor to begin work on a specified date in an effort to expedite the work.

B. **LIMITED NOTICE TO PROCEED:** A written notice to the successful Vendor to begin a portion of the work on a specified date, prior to the issuance of a Notice to Proceed.

**OBLIGATE:** Commitment of resources for particular procurements.

**PAYING AGENT:** The financial institution that is designated by a local government as its agent for the payment of the principal of and interest on a debt obligation.

**PAYMENT BOND:** a payment bond, generally, in an amount of one hundred percent (100%) of the Contract amount, is a legal document insuring faithful payment by the Vendor of all invoices for material and labor under the contract. Maryland law requires a principal contractor under a contract for the construction, alteration or repair of a public building to provide the governmental entity with a payment bond in the amount of at least 25% of the contract amount.

**PERFORMANCE BOND:** A Performance Bond in the amount of one hundred percent (100%) of the contract amount is a legal document insuring faithful performance of the Work of the Contract by the Vendor. In the event of Contractor's failure to perform the Work, the Surety is liable for the satisfactory completion of the Work or may pay the PGCPS up to the full Contract amount. Maryland law requires a principal contractor under a contract for the construction, alteration or repair of a public building to provide the government entity with a performance bond in the amount of at least 25% of the contract amount. MCL 129.201.

**PRE-BID/PRE-PROPOSAL CONFERENCE:** A Conference held by PGCPS Personnel with potential Vendors to discuss the requirements contained in the bid or proposal documents. Conferences are held at the option of the PGCPS Personnel and are usually set at a time shortly after the second advertisement.

**PRIME CONTRACTOR:** See Vendor.

**PROCUREMENT CARD:** A VISA charge card offered by Bank One which is generally intended to be utilized to purchase low-value, maintenance, repair, and operational expenses items locally and replacement thereof.

**PROPOSER:** A respondent to a Request for Proposal.

**PURCHASE ORDER:** A legally binding commitment for material, facilities, or services made between the PGCPs and the Vendor.

**PURCHASE REQUISITION:** The initial document, transmitted electronically, with the appropriate approvals authorizing the purchase of items required, and transferring the authority to expense funds from a budget.

**REQUEST FOR OFFER:** A written instrument to soliciting pricing and delivery information for potential purchases.

**REQUEST FOR PROPOSAL:** An instrument to solicit offers from Vendors for a specific requirement for goods or services.

**REQUEST FOR QUALIFICATION:** The first of a two-step process for the selection of a professional service provider. The PGCPs will solicit statements of qualifications to determine competence and ability without pricing information, and will evaluate and select the qualified candidates for the particular scope of services.

**RESPONSIBLE BIDDER:** A bidder for which the PGCPs has a reasonable expectation to satisfactorily fulfill the Contract requirement(s), taking into account financial stability, past performance, safety record, and other pertinent factors.

**RESPONSIVE BIDDER:** A bidder who meets the criteria established in the bid or proposal requirements and specification.

**RESTRICTED CHECK:** An expedited payment process involving a controlled check requested by a department or school approved by the Finance Department and printed within the department or school.

**SEPARATE PURCHASES:** Consecutive purchases of items made over a period of time to avoid the competitive bidding limitations that in normal purchasing practices would be purchased in a single transaction.

**SOLE SOURCE:** Goods and/or services available from only one source, as defined in this policy.

**SPECIFICATION:** A concise, detailed description of an item(s) required by the PGCPs and the minimum requirements of the Vendor and provides the basis for acceptance and award.

**SUBCONTRACTOR:** A person, firm, or corporation that provides labor or material to fulfill an obligation to a prime Contractor or to a Contractor of the prime Contractor for the performance and installation of any of the work required by a Contract.

**VENDOR:** A business or individual that sells goods or services or both in return for payment.

**WORK:** The performance required of the Contractor under the Contract, including the furnishing of all labor, materials, tools, equipment, supplies, and required submittals, and incidentals to be performed by the Contractor.

## APPENDIX II

### **Twenty Common Law Factors Used to Determine Employment Status: Independent Contractor versus Employee**

Revenue Ruling 87-41, 1987-1 Cumulative Bulletin 296, lists the twenty factors that have been identified to serve as an aid when determining whether an individual is an Independent Contractor or an employee. The importance of each factor is dependent upon the facts and circumstances of every case. If the majority of questions 1-14 are answered as "no" and the majority of questions 15-20 are answered as "yes", then the relationship may be that of an Independent Contractor rather than an employer-employee. For additional information and assistance in applying these common law factors, contact the Purchasing Division.

#### **Instructions**

Will you instruct the individual (or have the right to instruct) on when, where, and how the work will be done?

*An employee must comply with instructions about when, where, and how to work. Even if no instructions are given, the control factor is present if the employer has the right to give instructions.*

#### **Training**

Will you train or provide training to the individual on performing services in a particular manner?

*An employee is trained to perform services in a particular manner. Independent Contractors ordinarily use their own methods and do not receive training from the purchaser of their services.*

#### **Integration**

Are the services that this individual will be providing a part of the business operations?

*An employee's services are integrated into the business operations because the services are important to the success or continuation of the business. This shows that the employee is subject to direction and control.*

#### **Services rendered personally**

Will the individual be personally performing the services?

*An Independent Contractor has the capability of hiring someone to personally perform the work. An employee renders services personally. This shows that the employer is interested in the methods, as well as the results.*

#### **Hiring, supervising, and paying assistants**

Will you be hiring, supervising, and paying others to assist the individual?

*An employee works for an employer who hires, supervises, and pays assistants. An Independent Contractor hires, supervises, and pays assistants under a contract that requires him/her to provide materials and labor, and to be responsible only for the result.*

#### **Continuing relationship**

Will this be an ongoing relationship?

*An employee has a continuing relationship with an employer. A continuing relationship may exist where work is performed at frequently recurring, although irregular, intervals.*

**Set hours of work**

Will you be setting the individual's hours of work?

*An employee has set hours of work established by an employer. An Independent Contractor is the master of his/her own time.*

**Full time required** Will the individual be working only for you?

*An Independent Contractor is free to work when and for whom he/she chooses.*

**Doing work on employers premises**

Will the individual work on the premises or at a location you designate?

*An employee works at a location or on a route designated by an employer. Generally an Independent Contractor would not be required to work at a location designated by the Contractor, unless required by the nature of the work to be performed.*

**Order or sequence set**

Will you define the order or sequencing of the work?

*An employee must generally perform services in the order or sequence set by an employer, which shows that the employee is subject to direction and control.*

**Oral or written reports**

Will the individual be asked or required to submit a report to you describing his/her actions?

*An employer may require an employee to submit report. This indicates that the employee must account to the employer for his/her actions. An Independent Contractor may submit a report or demonstrate accurate completion of the work performed by the Contractor.*

**Payment by hour, week, month**

Will you be paying the individual by the hour, week, or month?

*An employee is generally paid by the hour, week, or month. An Independent Contractor is generally paid by the job or on a straight commission or a set fee for services performed.*

**Payment of business and/or traveling expenses**

Will you be paying any expenses for the individual?

*An employer generally pays an employee's business and travel expenses. This shows the employee is subject to regulation and control.*

**Furnishing of tools and materials**

Will you be furnishing the individual with tools, materials, equipment, etc?

*An employer generally furnishes an employee significant tool, materials, and other equipment.*

**Significant investment**

Will the individual have any investment in the facilities he/she will be using?

*An Independent Contractor has a significant investment in the facilities he/she uses in performing services for someone else.*

**Realization of profit or loss**

Will the individual realize a profit or suffer a loss?

*An individual who can realize a profit or suffer a loss is generally classified as an Independent Contractor.*

**Working for more than one firm at a time**

Can the individual be working for more than one employer?

*Individuals may work for more than one employer and still be classified as an employee; however, an Independent Contractor may provide his/her services to multiple unrelated persons or firms at the same time and generally has a significant client base.*

**Making services available to general public**

Does the individual offer his/her services to the general public?

*An Independent Contractor makes his/her services available to the general public.*

**Right to discharge**

Have you given up your right to discharge the individual?

*An employee can be fired by an employer. An Independent Contractor cannot be discharged as long as he/she produces a result that meets the specifications of the contract.*

**Right to terminate**

If the individual quits, will he/she incur a liability for work not completed?

*An employee can quit his/her job at any time without incurring liability. An Independent Contractor usually agrees to complete a specific job and is responsible for its satisfactory completion, or is legally obligated to make good for failure to complete it.*

If after reading the rules you feel the person you are hiring should be paid as an independent consultant and you have any questions or need clarification on these instructions, please direct them to Keith Miles in our Purchasing Department. Likewise, if you feel the person should be paid as an employee and you need clarification, please contact \_\_\_\_\_, Human Resources Department, for assistance.

**APPENDIX III – POLICIES AND REGULATIONS**

**POLICIES - Website Link.**

Board Policy 3323 Bids - [Board Policy 3323 Bids](#)

Board Policy 3150 Solicitations and Acceptance of Funds and Other Resources -

[Board Policy 3150 Solicitations and Acceptance of Funds and Other Resources](#)

[Board Policy 3150 Solicitations and Acceptance of Funds and Other Resources](#)

Board Policy 3260 Sales and Disposal of Books, Equipment and Supplies -

[Board Policy 3260 Sales and Disposal of Books, Equipment and Supplies](#)

Board Policy 7100 Capital Improvement Program - [Board Policy 7100 Capital Improvement Program](#)

Board Policy 7211.1 Selection of Architects - [Board Policy 7211.1 Selection of Architects](#)

Board Policy 7430 Change Orders - [Board Policy 7430 Change Orders](#)

**ADMINISTRATIVE PROCEDURES.....**

A.P. [2702](#) : Distribution of Materials by Central Office Mailing Facility - Functions External To School System

- Attachment to A.P. 2702

A.P. [2703](#) : Courier Mail Services

A.P. [3325](#): Minority Business Enterprise Procurement Procedures

- Attachments to A.P. 3325

A.P. [3260](#): Property Disposal

A.P. [3355](#): Donation of Equipment, Furniture

A.P. [7100](#) : Capital Improvement Program New Construction

- Attachment to A.P. 7100

A.P. [7211.1](#) : Selection of Architects

A.P. [7419](#) : Minority Business Procedures for State Funded Projects

- Attachment 1 to A.P. 7419

- Attachment 2 to A.P. 7419

- Attachment 3 to A.P. 7419

- Attachment 4 to A.P. 7419

- Attachment 5 to A.P. 7419

- Attachment 6 to A.P. 7419

- Attachment 7 to A.P. 7419

- Attachment 8 to A.P. 7419

A.P. [7430](#) : Change Orders for Construction Contracts

FINANCIAL BULLETINS - <http://www1.pgcps.org/bms/>

## APPENDIX IV

### Purchasing and Supply Services Staff Contact List

Keith Miles, Purchasing Director	301-952-6565
Brenda Allen, Supervisor of Purchasing	301-952-6608
Jonathan Johnson, Warehouse Manager	301-808-8200
Wesley Owens, Shop Stores Manager	301-952-7812
Greg Jones, Head Mail Clerk	301-808-8217
Shirley McCaffrey	301-952-6567
Johnna Smarr	301-780-2519
Kenneth Evans	301-952-6598
Joann Harrison	301-952-7813
Angela Byrd	301- 952-8419
Nekeshi Hector	301-952-6726
Karen Johnson	301-952-6592
Susan Windsor	301-780-2512
Allyson Holley	301-780-2513
Angela Gaskins	301-952-6562
Diane Forde	301-952-6607
Fran Hood	301-780-5805
Michele Maiden	301-780-5824