



I. Legal Basis of Operation

The power and authority to contract is the responsibility of the School Board and may be implemented by staff (RCW 28A.335.190). The mechanics of the purchasing function are usually delegated by the School Board through written Board policies, with the School Board having the sole authority to contract or to expend funds, except under certain very limited conditions (functions and acts specifically authorized).

Basic legal requirements governing purchasing for public school districts are to be found in the Common School Manual. Published by the Superintendent of Public Instruction, this is a manual of common school laws of the State of Washington, rules and regulations of the State Board of Education and rules and regulations of the Superintendent of Public Education.

State laws provide "ground rules" for taking of bids in various monetary brackets, and provide certain exceptions to bidding requirements (See Chapter 3, Bids and Bidding). Provision is also made for the purchase of items without bid through:

- Department of General Administration, Office of State Procurement
- Department of Informational Services (DIS)
- United States Government surplus property through Office of Superintendent of Public Instruction
- State Penal institutions through Correctional Industries
- Contracts bid by Purchasing Cooperatives (i.e., KCDA, WSIPC)
- Interlocal Agreements with Other Public Entities

II. Objectives

Purchasing for a school district is a service function. The statutes of the State of Washington and the direction of the School Board provide the guidelines for purchases made by and for public schools. The students, classroom teachers, and other school personnel, are the customers for the Purchasing Department's services. Statutes, School Board policies and good business practices are the criteria for a successful purchasing operation. The measurement of success of a district's total purchasing function depends upon how well the assigned functions are performed as measured against the objectives listed.

The objectives of any service oriented purchasing department are:

- A. To support the institution's operations with an uninterrupted flow of supplies, equipment and services purchased in accordance with legal codes, school board policies and sound business practices.
- B. To buy competitively and to buy wisely, keeping informed of current trends that affect price and availability. This involves constant searching for better value and the best combination of price, quality, and service.
- C. To keep inventory investment and losses resulting from deterioration, obsolescence or theft at a minimum.



- D. To develop reliable alternate sources of supply for use when usual sources are unavailable.
- E. To deal with all vendors fairly and without favor, and to develop good vendor relationships.
- F. To furnish maximum cooperation and service to all departments of the district.
- G. To train and develop professionally competent personnel dedicated to the success of the district as well as the purchasing department.
- H. To develop policies and procedures, which permit accomplishment of the above objectives efficiently, effectively and at the lowest possible operating cost.

III. Functions

Each district varies and may require the purchasing department to perform any or all of the following functions when a purchase is required:

- A. Verify that funds are available.
- B. Develop standards or specifications.
- C. Identify the most appropriate purchasing method.
- D. Obtain and evaluate prices, products, services and sources.
- E. Negotiate prices, terms and conditions of delivery.
- F. Prepare bid documents and contracts and recommend awards.
- G. Issue purchase orders, contracts and agreements.
- H. Follow-up on delivery.
- I. Investigate short or damaged shipments.
- J. May perform some or all of the receiving and invoice verification prior to payment.
- K. Arrange for return to vendors

The Purchasing Department may be assigned additional related functions, which often include the following:

- A. Operation of district centralized receiving department and/or coordinate decentralized receiving operations performed at district sites.
- B. Operate a central warehouse or storeroom: this would include determining the depth and range of items to be carried in the warehouse, ordering, receiving, issuing, storing, accounting for and performance of an inventory of warehouse stock.
- C. Perform the inventory control function for the central warehouse.
- D. Dispose of district owned surplus and obsolete property.
- E. Operate the inventory accounting (fixed asset) system for accountable property.
- F. Operate a central reprographics or printing center.
- G. Coordinate the district's safety program, particularly those aspects, which involve the acquisition,



storage, use, and disposal of toxic and hazardous materials.

- H. Contract for public works projects.
- I. Contract for professional services.
- J. Purchase for Food Service and Maintenance and Operations Departments.
- K. Coordinate the district-recycling program.
- L. Coordinate the district records and/or textbook retention and destruction program.
- M. Maintain the district Material Safety Data Sheets.
- N. Contract Administration

The success of a district's total purchasing function depends on how well the assigned functions are performed as measured against the objectives listed.

IV. The NIGP Code of Ethics*

The WASBO Purchasing Committee adheres to the National Institute of Governmental Purchase *Code of Ethics* which reads:

"The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by any public sector procurement or materials management organization:

- A. Seeks or accepts a position as head or employee only when fully in accord with the professional principles applicable thereto and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization.
- B. Believes in the dignity and worth of the services rendered by the organization and the social responsibilities assumed as a trusted public servant.
- C. Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.
- D. Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- E. Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- F. Believes that members of the Institute and its staff should at no time or under any circumstances, accept directly or indirectly, gifts, gratuities or other things of value from suppliers, which might influence or appear to influence purchasing decisions.
- G. Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations but by emphasizing the importance of the facts.



- H. Resists encroachment on control of personnel in order to preserve integrity as a professional manager. Handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics.
- I. Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.
- J. Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc. “

V. Additional Suggested Code of Ethics for School District Personnel

- A. To purchase without prejudice, seeking to obtain the maximum benefit for each tax dollar expended.
- B. To respect our obligations and to require that obligations to our school district are respected.
- C. To accord vendor representatives the same courteous treatment we would like to receive.
- D. To strive constantly for the improvement of our purchasing methods and of the materials we buy.
- E. To counsel and assist fellow purchasing agents in the performance of their duties.
- F. To cooperate with all organizations and individuals engaged in enhancing the development of the purchasing profession.
- G. To remember that we act as a representative of the school district and to govern those actions accordingly.

VI. Organizational Staffing

Generally, the size of the district and the number of functions performed by the purchasing office will determine staffing requirements. In smaller districts, the purchasing function typically falls to the business manager or finance manager. In medium districts, one person, generally designated as purchasing agent, may perform the bulk of all purchasing tasks directly under the supervision of the assistant superintendent or business manager or another administrator in the business services office. In larger districts, a number of buyers and support personnel, as well as central warehouse and receiving staff, may function under the direction of a director, manager or supervisor of purchasing and warehouse.

There are literally hundreds of different statutes and regulations found in the Revised Code of Washington (RCW's), Washington Administrative Code (WAC), **Code of Federal Regulations**. There are also the Professional Codes, Labor Code, the Uniform Commercial Code and others, which govern the procurement of goods and services for public school districts and community colleges in the State of Washington. There are also many different purchasing procedures, methods and strategies that may be employed to acquire goods and services. It



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is useful to have the procurement functions of a district consolidated under a central purchasing system to ensure that the best procedures are employed which will comply with the appropriate laws and regulations.

Centralization also affords the opportunity to benefit through specialization. As might be expected, the degree of specialization that will be found generally increases as the size of the district increases. In large districts it is not uncommon to find a department, headed by a manager or a director of purchasing, which may include senior buyers, buyers, specification writers, purchasing clerks, clerk typists, secretaries, warehouse supervisor, warehouse workers, inventory control clerks, receiving clerks, delivery drivers, etc. The following is a list of various positions that might typically be found in a centralized purchasing operation. The list provides a brief statement defining the responsibilities usually associated with each.

- A. **Director of Purchasing or Purchasing Agent** - Generally manages the central purchasing office and staff in addition to some related functional areas such as: stores, warehousing, contract management, property and records control, reprographics, etc. They are expected to develop policy and procedures as well as implement them and manage the organizational elements, which accomplish them.
- B. **Purchasing Managers** - Generally implement directives and regulations developed by others and manage day-to-day functions assigned to the purchasing department.
- C. **Purchasing Supervisor** - Generally found where the purchasing department functions are limited to the procurement of supplies and equipment, and where there are few subordinate levels of supervision.
- D. **Senior Buyer** - An experienced, professionally trained buyer capable and responsible for performing the complete purchasing cycle. This includes identifying the purchasing strategy to be employed, selecting potential sources, preparing invitations to bid or requests for proposals for major purchases, evaluating bids, negotiating price, terms, delivery and evaluating vendor performance. The senior buyer frequently trains and supervises other purchasing personnel.
- E. **Buyer** - Performs the complete purchasing cycle but generally under the direction of or with the help of a Senior Buyer or Manager, especially in the areas of preparing complex specifications, selecting the appropriate purchasing strategy, and selecting vendors.
- F. **Assistant Buyer** - An entry level buyer position with responsibilities for contacting vendors, soliciting prices, terms or delivery and payment, comparing and evaluating prices, and making recommendations to award on routine, repetitive and less complex purchases. Generally works under supervision of or as assistant to a more experienced buyer.
- G. **Purchasing Clerk** - Generally performs clerical level tasks associated with purchasing functions such as maintenance of bid lists, vendor files, purchasing records, and the preparation of purchasing correspondence (purchase orders, contracts, agreements, etc.), distributes purchase documents to various offices, requisitioners, receiving points, files, etc. Prepares purchase orders using word processing, data processing equipment or data terminals.
- H. **Warehouse Supervisor/Manager** - Supervises the operation of a district central warehouse employing more than one employee. Responsible for inventory process, receiving, inspection, storing, issuing, distributing, and delivering supplies and equipment and the operation and housekeeping of the district warehouse. May supervise stock workers, delivery workers, drivers and receiving clerks.



- I. **Inventory Control Clerk** - Maintains perpetual inventory records of items carried in a central warehouse and is responsible for posting issues and receipts, maintaining available balances, setting reorder points and identifying when items reach reorder points, determining requisitioning objectives, and calculating the amount of stock to be ordered. May place orders for warehouse stock and expedite delivery of items from predetermined sources on agreements or bids established by others. Establishes retention limits and identified excess and slow moving stock for disposition. May perform these functions using either manual or computerized inventory control systems. May also maintain fixed asset records.
- J. **Storekeeper/Stock Worker/Warehouse Worker/Delivery Driver** - Receives, inspects, counts, issues, and delivers material. Maintains the warehouse locator system, picks, packs, and stages materials, and delivers to requesting sites. Maintains open order files, processes receipt documentation and issues documents, takes inventory and marks accountable property.

(NOTE: No effort has been made to include actual position descriptions in this manual. It is generally best to contact a similar sized district for sample job descriptions for various purchasing related descriptions under consideration or review.)

VII. Accountability Considerations

Many of the functions related to purchasing involve substantial public trust and provide considerable opportunity for abuse and must be closely controlled to minimize the probability that they will be misused or abused. The purchasing function should be organized to minimize such temptations employing some or all of the following concepts:

- A. No one position should be given the authority to create and approve requisitions, place orders, receive and certify receipt of goods and services, and issue payment. Users may initiate requests, which should be approved by others. Buyers should place orders. Individuals working in another part of the organization should be designated to receive, inspect, and certify the acceptance of goods and services. Others should issue payments for goods and services. The account's payable function is performed by the accounting department rather than the purchasing department for this reason. Similarly, the purchasing office staff should not perform the receiving function for goods and services.
- B. The inventory control function should be performed outside the warehouse organization, and the inventory control clerk and records should not be under the supervision or control of the warehouse supervisor or warehouse employees. This will make it more difficult to alter records, to conceal losses or to misappropriate warehouse stock.
- C. Purchasing and receiving of materials by Maintenance and other user departments should be kept to a minimum and be carefully controlled. Procedures will undoubtedly be necessary to expedite acquisition of repair parts and supplies for personnel who perform emergency maintenance and repair functions

Generally, however, the purchasing department should control the issuance of purchase orders for all such purchases in a way which will permit them to know what is required, the approximate cost, the vendor to be used, and the nature of the emergency.



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Those to whom such emergency purchase order authorizations are issued should be required to submit confirming requisitions immediately showing the cost, descriptions of items acquired and identifying the work order or jobs for which the material was acquired. They should be directed to ensure that the vendor had proper billing instructions.

- D. "Open" or "blanket" purchase orders should be kept to a minimum, and the individuals who are authorized to call for and pick up material should generally not be authorized to certify receipt. Require that goods picked up or delivered under open orders be signed and received by others designated to perform such receiving certification at sites.
- E. No one person shall be allowed to select a vendor or contractor, specify the goods or work to be performed, place the order, and receive and certify the acceptability of goods and services. In most recent instances where purchasing abuses or improprieties have occurred, this principle was not strictly enforced. In cases where such improprieties have occurred, the district director or manager of purchasing was found to be partly responsible or negligent for permitting such abuses to occur even though the perpetrators were not under their direct control.
- F. Those who prepare specifications should not be allowed to control or limit the bidder's list. It will often be necessary to have requisitioners prepare detailed specifications and recommend vendors, particularly for complex equipment such as telephone, word processing, or data processing systems; however, they should not be allowed to totally control or limit the vendors from whom bids or proposals will be obtained.
- G. Limit accesses to highly pilferable material. In cases where a number of employees have access to a central warehouse or storage facility in which materials such as AV equipment, personal computers, office equipment, athletic equipment or photographic equipment may be received and or stored, it may be desirable to establish locked security cages, which are accessible to a single employee. The person is then personally responsible for all material stored therein and holds the only key. Similar security cages may be required for pilferable materials that are in the process of receipt and awaiting delivery. The spare keys for such security cages should be kept in a safe, in a sealed envelope, and the cage custodian's signature affixed across the flap. If emergency entrance is ever required, it will be mandatory on the next working day for the regular custodian to reseal the spare key, in a new envelope, with a new signature and thereafter check for the presence of all items.