

Palm Bay Education Group, Inc. - Procurement Policy

The following policies and procedures shall be followed by directors and employees when Palm Bay Education Group, Inc. purchases equipment, materials, supplies, property, or services from an outside source.

A. General Policy

No Conflict of Interest. All directors and employees of the non-profits who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with the nonprofit's conflict of interest policy. No director or employee will participate in the selection or acceptance of a contract involving a conflict of interest without the approval of the board. "Conflict of interest" includes situations in which the employee, family member, or board member has a financial interest in the business or individual selected for the contract. See the board approved "Conflict of Interest Policy" for further details.

No Purchase of Items for Personal Use. No director or employee who participates in the selection or acceptance of a contract for equipment, materials, supplies, or services shall use such items for personal use.

No Receipt of Gratuities. No director or employee shall solicit or accept gratuities, favors, or anything of material value from contractors, potential contractors, or parties to agreements with the nonprofit.

No Purchase of Items Not Approved in the Budget. No director or employee shall solicit or accept any equipment, materials, supplies, or services that have not been approved by the Board of Directors in the annual budget without prior approval of the board.

Document Cost/Benefit Analysis. For all major purchases with total price of \$100,000 or more, the nonprofit or its assigns shall conduct a cost / benefit analysis and document the analysis in the procurement files in conjunction with such purchases. The procurement file should include a justification for the lack of competition if competitive bids or offers are not obtained, including sole source vendors. The nonprofit will also utilize a formal bid process for all purchases over \$100,000.

Contract with Winning Bidder. If a contract is competitively bid, the nonprofit will enter into a contract with the winning bidder that describes the equipment, materials, supplies, property, or services to be purchased and the payment terms.

Evaluate Each Contractor. The nonprofit may evaluate each contractor at the completion of each contract. The evaluation will be utilized to make decisions to award future contracts. The non-profit values long term relationships and will place significant value on such when making procurement decisions.

B. Acquisition Procedure

The nonprofit will conduct all procurement transactions in a manner that maximizes opportunities, increases quality, leverages payment terms, maximizes long term relationships with vendors and partners, and minimizes the total cost of ownership. The nonprofit reserves the right to reject any bids or offers, if deemed to be in its best interest to do so.

One of the following procurement procedures shall be utilized for all purchases of equipment, materials, supplies, property, and services involving federal funds or involving amounts over \$500:

- Open Market Inquiry. The nonprofit may inquire in the open market to ensure advantageous price, terms of service, payment terms, and quality are provided. The file should document the inquiries made and rationale for the selection.
- Request for Competitive Quotes. The nonprofit may request competitive quotes, in writing, from at least three different sources. The file should document each invitation made and relevant offers received.
- Formal Proposal Procedure. The nonprofit may solicit competitive responses through a formal bid procedure. The nonprofit will maintain documentation of all proposals received through the formal bid procedure. All requests for proposals shall contain the phrase "Equal Opportunity Employer."
- Document Prices and Terms. The nonprofit will maintain files on quotations solicited and offers or bids received and any criteria for selection. In instances in which the lowest bid is not awarded in the contract, justification for the selection should be contained in the file.
- District Approved Vendor. The nonprofit may select a district approved vendor without the use of a formal bid process.

The nonprofit will include a written justification for each selected vendor.

C. Property and Equipment Policy

When purchasing property (both real estate and equipment), the following procedures must be followed:

- Property Inventory. A list of all property of material value shall be kept showing the type of property, identification number, original cost, and depreciated value. The inventory list must be completed at the time of purchase and annually at the end of the nonprofit's fiscal year.
- Insurance Coverage. The nonprofit will maintain insurance coverage for all property owned by the nonprofit and maintain documentation of each policy in a safe place.

D. Purchases Under \$20,000.00

Purchases of or contracts for materials, supplies, equipment, improvement or services for which funds are provided and approved in the budget, with the total amount to be expended is less than \$20,000.00 may be made or entered into by the Executive Director without submittal to the school's Board, provided that any contract associated with that purchase has been reviewed and approved by the Board's attorney.

E. Emergency Purchases Exceeding \$20,000.00

The Executive Director may waive the acquisition procedures and approve the emergency purchase of goods and services only after making a written finding, supported by reasons that an emergency exists. An emergency is a rare, unexpected and critical situation requiring swift and immediate procurement action which is necessary to protect the health, welfare and safety of the organization. (An example of an emergency situation is the need to correct unsafe structural issue after hurricane). Purchases awarded on an emergency basis shall be submitted to the School Board for ratification at its next scheduled meeting.