



PURCHASING OPERATING PROCEDURES

SECTION V- A – District Approval Limits For Purchases

TITLE: District management approval limits for purchases of goods and services.

Purpose:

In accordance with DPS Board policies for purchasing (policies DJ-DJGA) these procedures outline the process and steps to be followed to obtain internal reviews and approval for purchasing and committing of district funds.

1. Definitions:

Approval level- The internal level of DPS management authorized to approve a purchase on behalf of the District.
District Department Head- The individual within DPS who has ultimate budget authority for a department or school (i.e. Director of Purchasing, Director of Transportation, School Principal).

Non-Capital procurement- All purchases for goods and services, which are accounted for and performed with non-capital District account numbers and budgets.

Capital procurement- Those purchases for goods and services, accounted for and paid out of capital accounts and budgets.

Professional Services- Those purchases documented on ICA's-Independent Contractor Agreements or Professional Services Agreements, and Master Services Agreements. By the nature of these purchases, these services are normally selected on the basis of professional services qualifications. These services are documented on properly executed agreements and approved through with routing forms for appropriate District management approvals.

2. Policy:

In accordance with Board of Education Purchasing Policies, DJA, management approval limits have been established for purchasing approvals. (See attached policy). These below signature limits for both Capital and Non-Capital do not change District policies and procedures which require these procurements be processed through the Purchasing, Legal and Finance Departments. No procurements shall be artificially divided to avoid the appropriate level of authority for approval. Additionally, the Purchasing Department will provide reports on procurements to the Superintendent and to the Board of Education.

These policy limits are as follows-

Non-capital procurement approval limits (effective January 1, 2009)

Approval level	Newly recommended limits
Board of Education	Greater than \$1,000,000
Superintendent and Chief Operating Officer	Up to \$1,000,000
Chief Financial Officer	Up to \$500,000
Executive Director of Finance (Budget review)	Up to \$250,000
Director of Purchasing	Up to \$250,000
Manager of Purchasing	Up to \$100,000
District Department Heads**	Up to \$100,000

**All independent contractor agreements are to be processed through the Purchasing Department.

Capital procurement approval limits (effective January 1, 2009)

Approval level	Newly recommended limits
Board of Education	Greater than \$1,000,000
Superintendent and Chief Operating Officer	Up to \$1,000,000
Chief Financial Officer, Executive Director of Facility Management	Up to \$500,000
Director of Purchasing	Up to \$250,000
Executive Director of Finance (Budget review)	Up to \$250,000
Manager of Purchasing	Up to \$100,000
District Department Heads	Up to \$100,000

4. Purchasing of goods and services procedures:

PROCEDURE	BY WHOM
Less than \$500 Purchases- use petty cash	School/requesting departments

PROCEDURE	BY WHOM
Greater than \$500-\$2,500 Purchases- These types of purchases are considered 'small buy'. The use of the District's Visa card is encouraged. Also, the use of Cayenta contract releases, or "CR's", except for textbooks, computers and other peripherals.	School/requesting departments Purchasing- processes requisitions above \$2,500 in Cayenta

PROCEDURE	BY WHOM
<p>Greater than \$500-\$20,000- Purchases \$2,500-\$10,000 <u>Contract releases-</u>Schools or departments check for existing term and supply vendor. Item is entered into Cayenta by account number and commodity code.</p> <p>\$2,500-\$10,000 <u>Purchase orders-</u> Schools or departments enter purchase requisitions by commodity code into Cayenta.</p> <p>Receives items on line in Cayenta.</p> <p>Invoices are sent to accounts payable by vendors.</p>	<p>Schools/requesting departments Purchasing department-reviews daily contract release report.</p> <p>Schools/requesting departments Purchase orders are issued by assigned Buyer by commodity code. Purchasing department completes purchase order (this occurs in Cayenta).</p> <p>Schools/Receiving department</p>

Receives invoices, matches to purchase order, payments made.	Accounts Payable
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PROCEDURE	BY WHOM
<p>Greater than \$20,000- Purchases</p> <p>Purchase orders- Schools or departments enter purchase requisitions by commodity code into Cayenta systems.</p> <p>Receives items on line in Cayenta</p> <p>Invoices are sent to accounts payable</p> <p>Receives invoices, matches to purchase order, payments made to vendor</p>	<p>Schools/requesting departments Purchasing department buyers-reviews daily activity reports. Performs competitive bids, proposals, and vendor selection and awards. Purchases of goods and services are routed to the appropriate levels as required in policy DJA. Purchasing department completes purchase orders.</p> <p>Schools/requesting departments</p> <p>Schools/Receiving department</p> <p>Accounts payable</p>

<p>Greater than \$20,000- District goods, services, term and supply contract Agreements, Grants</p> <p>Contract agreements, grants are routed to the purchasing department via the use of a 'Contract routing' form. (see attached). Formal competitive bidding is conducted by the Purchasing Department. If competitive bidding is not possible, a single/sole source justification form shall be provided on single/sole source purchases. Professional services selections and agreements based upon their nature, are exempt from competitive bidding, however, proper supporting documentation is required (contract and certifications).</p> <p>If contract agreement is on 'supplier' paper, DPS legal review and approval is required prior to processing of the agreement for approval.</p> <p>Contract agreement and routing form forwarded to appropriate level of DPS management review and approval. These are pre-established limits set by Board of Education policies – DJA. Receives invoices, matches to purchase order, payments made</p>	<p>Schools/requesting departments Furnishes contract agreement to purchasing department.</p> <p>Purchasing department- routes agreement for legal review. Legal department- performs review and negotiates terms and conditions in conjunction with the purchasing department.</p> <p>School/Department</p> <p>Legal Department</p> <p>School/Department</p> <p>School/Department enters a requisition</p> <p>Accounts Payable</p>
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5. Forms

Cayenta Purchase Requisition (sample attached)

Cayenta Purchase Order (sample attached)

Buyer activity report (sample attached)

Contract routing form (sample attached)

Sole/single source form (see attached procedure and form)