

Purchasing Authorization and Control – Goods and Services (AP) Procedures

Applicability

ESD 123 purchasing is expected to be performed via purchase orders or procurement cards in accordance with Policy 6210 and Procedure 6210-P.

By obligating ESD 123 funds, ESD staff agree to follow all regulations herein stated. The originator of the purchase is responsible for compliance with relevant laws, regulations, policies, and any specific grant funding source requirements, including that budget capacity is available.

To improve equity in public spending, ESD staff involved with the procurement and acquisition process should use approved, legally compliant strategies that encourage and facilitate the purchase of goods and services from small, diverse, and veteran-owned businesses to the maximum extent possible. Agency leadership should take action to remove barriers that prevent small, diverse, and veteran-owned businesses from receiving equitable access to state goods and services procurements.

Definitions

Goods – Products, materials, supplies, or equipment provided by a contractor or vendor.

Services – Labor, work, analysis, or similar activities provided by a contractor or vendor to accomplish a specific scope of work.

Professional/personal services: Rely on the unique skills and experience or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work. These activities and products are mostly intellectual in nature. Consultants may be either individuals operating under a business license (contractor) or a federal employer identification number (vendor). Certain personal services may require licensing or certification by state agencies, such as accounting, legal, or medical services. *Examples: presenters, professional development trainers and facilitators, legal services, real estate agents, educational consultants, psychologists, therapists, and financial consultants.*

Purchased services: Services provided by a vendor for routine, necessary, and continuing functions of the agency. Purchased services are typically repetitive or routine, support the day-to-day functions of the ESD, and involve minimal decision-making by ESD staff. Purchased services may not require a contract unless the services to be rendered require documented understandings, pose a significant liability to the ESD, or exceed the small purchasing threshold. *Examples: equipment servicing, maintenance and repair, custodial services.*

Intergovernmental & purchasing cooperatives: Washington State public school districts, ESDs, and the Office of Superintendent of Public Instruction (OSPI) are considered partners in the Washington K-12 Education System. Washington State and federal law encourage and authorize the use of intergovernmental transactions and purchasing cooperatives as an economically responsible alternative to competitive procurements from private providers and reflect a presumption that they result in the most efficient and effective use of public funds ([RCW 39.34.010](#)). Service provided to ESD 123 under an interlocal agreement or ESD approved

purchasing cooperative (i.e. State of Washington Master Contracts) do not require small purchase quote documentation.

Electronic data processing and telecommunications systems – see [RCW 39.04.270](#) for guidance.

Vehicle acquisition—School bus categories – see [RCW 28A.160.195](#) for guidance.

General Purchasing Guidelines

Unless the Superintendent determines an exception to be appropriate, the following requirements shall apply to all purchases:

- Purchases of supplies, materials, non-personnel services, and equipment are to be made via purchase order, procurement card, or other authorized reimbursement.
- Services purchased by ESD may require a contract to properly document a mutual understanding between the parties.
- Purchase orders are to be submitted in advance through the prescribed process for budget authority approval.
- Delivery address for all purchases to be paid with ESD funds shall be an ESD 123 location.
- Billing address shall be 3924 West Court Street, Pasco, WA 99301.
- The department/program supervisor is responsible for approving the purchase confirming the expenditure is allowable, allocable, and reasonable for the related grant or program; relevant laws, regulations, policies, procedures, and any grant or other funding requirements are satisfied. The department/program supervisor may designate this authority to another knowledgeable individual in times of absence.
- Upon receipt of merchandise, the receiving party shall verify contents against packing slip or detailed order information and submit invoice for payment using the prescribed process. By submitting an invoice for payment or procurement card processing you are certifying receipt of goods.

Purchase orders are not required for utility services provided by qualified vendors.

External Providers

Vendor – An entity selling a good or service to the agency. Vendors include but are not limited to: retail businesses, consultants, contractors, manufacturers, and credit card companies. A vendor may be an individual, corporation, non-profit organization, federal government or federal agency, local government or local agency, another state or another state agency, a Washington state agency, or an Indian nation.

To qualify as a vendor, the person or business shall provide a W-9 with a valid Federal Tax ID number (otherwise known as Employer Identification Number or EIN).

Contractor (consultant) – An individual or entity contracting with an agency to perform a professional service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work. The agency monitors progress under a contract and authorizes payment.

For ESD 123 to do business with an individual as a contractor, the individual should meet all the following criteria:

- provide all the appropriate tools and supplies needed to complete the work;
- not be supervised or managed as an ESD 123 employee, or be presented or misconstrued as an employee of ESD 123 in any way;

- have provided the same or similar service to multiple entities;
- not be paid for their work in a manner consistent with ESD 123 employment.

The contractor or consultant shall submit a W-9 with a valid social security number or tax ID unless compensation is less than \$600 annually.

Any contractor or consultant that is to be paid more than \$10,001 per year shall have a current business license on file.

For services provided to ESD 123 that total more than \$50,000 per year, the contractor or consultant shall provide proof of insurance.

All required documentation should be submitted to the ESD 123 Fiscal Office.

If an individual is unable to qualify as a contractor or provide the required documentation, the individual may be hired as a temporary employee of ESD 123. Work with Human Resources to determine proper processing.

New vendors (suppliers, contractors, and consultants) - The ESD is committed to promoting diversity and economic opportunity. When considering new vendors, the ESD encourages the use of women-owned, minority-owned, emerging small businesses, and labor surplus area firms in procurement, contracting, and business engagement processes. Vendors meeting these classifications should receive special consideration in the evaluation processes.

New vendors shall be approved by ESD Purchasing. Vendors providing services to ESD 123 shall submit an IRS W-9 Request for Taxpayer Identification Number and Certification to ESD 123 Purchasing unless compensation is to be less than \$650 annually. The W-9 form shall be attached to the vendor record and used for IRS 1099 reporting requirements.

Forms should be forwarded to Accounts.Payables@esd123.org.

Purchase of Services

ESD 123 adopts the following determining factors for all services provided to the agency to reduce any significant risk or potential liability to the agency.

Professional/Personal Services

Personal services, as defined herein, to be received by the ESD shall be processed using an ESD 123 Contract, or vendor contract, with an ESD 123 purchase order.

Purchased services

Purchased services, as defined herein, to be received by the ESD may be processed using an itemized purchase order if under the small purchase threshold and services to be rendered do not require documented understanding or pose a significant liability to the ESD. Use ESD 123 Contract, or vendor contract, if a written agreement is needed.

Any service that is expected to cost less than six hundred fifty dollars (\$650) per fiscal year may be processed using an itemized purchase order. No formal written contractual agreement for service is required.

Method of Purchasing

Purchase Order

An electronic document that authorizes the purchase of specified merchandise or services. Upon acceptance by a supplier, a purchase order has the full force and effect of a contract. This electronic document is used by the ESD to encumber, liquidate, and authorize payment. The purchase of services may also require a written contract. See PURCHASE OF SERVICES section.

Procurement Card

ESD procurement cards (P-cards) may be assigned to an ESD 123 department or individual employee. P-card transactions shall be reconciled monthly by the cardholder or designee with receipts and program expenditure codes submitted through the accounting system.

If a P-card reaches its limit but still needs to make a purchase, the best practice is to first verify available funds and check for pending transactions. If necessary, request a temporary limit increase with proper approval or use an alternative payment method, such as a purchase order (PO), direct invoice, or an authorized P-card from another department. For non-urgent purchases, consider delaying or reprioritizing expenses. Always communicate with the Fiscal office to explore solutions and ensure compliance with procurement policies, maintaining proper documentation for accountability.

An ESD 123 Form 6210-F10 Procurement Card Agreement shall be completed and approved prior to issuance and use of the procurement card.

Personal Card Purchases

Use of a personal credit card for ESD purchases is limited to emergencies and is preapproved by the Superintendent. Employees are expected to use an ESD purchase order or procurement card whenever possible. If an ESD 123 purchase is processed using an employee's personal credit card, the employee may request reimbursement, pursuant to policy/procedures and preapproved by the Superintendent. When using a personal credit card for business purchases, the delivery address shall be a valid ESD 123 address unless a prior exemption has been granted.

Online Purchasing

When making ESD 123 purchases utilizing online vendors/retailers, the following guidelines shall be adhered to:

- All ESD policies & procedures shall be followed.
- An ESD 123 online account shall be utilized if applicable, account information can be found on the ESD website.
- The method of payment shall be a valid ESD 123 procurement card or purchase order.
- Care should be taken to validate the credibility of the online seller or supplier related to quality products, delivery, and returns.
- Cost comparison should include consideration of any fees such as shipping, handling, restocking fees, etc.

Threshold

Total aggregate purchase price, inclusive of all shipping, handling, and taxes. Purchases shall not be split to avoid threshold limitations. Intentionally splitting purchases to willfully avoid threshold requirements violates the law and may result in personnel action.

ESD 123 uses the purchasing thresholds listed below. These thresholds are to be used when selecting a supplier (other than OSPI, an ESD or school district, or another governmental entity of Washington State) to make a purchase or contract for public works.

Purchase Type	Funding Source Purchasing Threshold	
	Non-Federal	Federal
Micro-Purchase Reasonable Price	\$0-\$15,000	\$0-\$15,000
Small Purchase 3 Quotes	\$15,001-\$100,000	\$15,001-\$250,000*
Formal Competitive Bid RFI/RFQ/RFP	\$100,001 and over	\$250,001 and over*

*All federal purchasing over the micro-purchase threshold must be accompanied by a SAM Report.

Micro-purchase

No required quotes. However, the price must be considered as reasonable and, to the extent practical, distributed equitably among suppliers.

Small purchase - quote

Informal quotes from a reasonable number of suppliers, with at least three documented to demonstrate price comparison. Examples may include vendor quotes, internet searches, catalog pricing, records of phone conversations, or responses to email inquiries. Documentation of each quotation, indicating the reason for your selection, for such purchases, shall be attached to the requisition or procurement card transaction.

Formal public bid procedure – RFI/RFQ/RFP

Formal bidding procedures shall be followed. Formal bidding procedures shall be solicited from responsible suppliers as identified in [RCW 28A.335.190](#). Advertising for these solicitations shall be posted on Washington's Business Solutions Website.

RFI (Request for Information) – A market research tool used to obtain price, delivery, capabilities, qualifications, and supplier interest for planning purposes.

RFQ (Request for Quote) – A solicitation method in which the agency describes the goods/services needed and invites suppliers to submit a bid to provide the goods/services and to specify their costs or fees.

RFP (Request for Proposal) – A written solicitation method that identifies the agency's need or problem, and suppliers are invited to submit proposals that outline their solution to the need or problem, their qualifications and experience to provide the services, and their costs or fees.

Exceptions to Purchasing Threshold

Competitive procurement procedures may be waived only in the following instances:

- Emergencies – Purchases, including public works, in the event of an emergency.
- Professional/Personal Services – Personal or professional services procured with non-Federal funds include but are not limited to attorneys, real estate agents, educational consultants, psychologists, therapists, and financial consultants. For further information, see the Professional/Personal Services definition above.
- Architect and Engineering – to the extent that services fall under [RCW 39.80](#).
- Insurance – Purchases of insurance or bonds.
- Sole Source – Purchases that are clearly and legitimately limited to a single source of supply or services. Sole-source purchases are rarely warranted. Form 6210-F20 Sole Source Justification must be approved prior to entering a binding commitment.
- Awarding Agency Approval – Expressly authorized by the awarding or pass-through agency in response to a written request from ESD 123. Form 6210-F20 Sole Source Justification shall be approved prior to entering a binding commitment.
- Purchasing Cooperatives – Purchasing cooperatives, also called piggybacking, rely on the bid awards and contracts of others. ESD 123 has identified the following Purchasing Cooperatives that meet piggybacking requirements:
 - State of WA Department of Enterprise Services: <https://apps.des.wa.gov/DESContracts/>
 - KCDA: www.kcda.org
 - OMNIA Partners: www.public.omniapartners.com

Any agreements not listed above must be evaluated and approved by the Business Office prior to use. The contract number must be referenced on the purchase order or procurement card transaction when used.

Approval Process

The following is applicable to all purchase transactions. Approvals and required signatures shall be obtained before entering into a purchase agreement. Purchase orders and credit card transaction approvals shall be obtained in the accounting system.

Purchase Order & Credit Card Approval

Dollar Amount	Approval
\$1,000 or less	ESD 123 Program Administrator/Director; Executive Director
\$1,001 to \$10,000	ESD 123 Program Administrator/Director; Executive Director; Assistant Superintendent, Finance & Operations; and Assistant Superintendent, Educational Services
\$10,001 and over	ESD 123 Program Administrator/Director; Executive Director; Assistant Superintendent, Finance & Operations; Assistant Superintendent, Educational Services; and Superintendent

Contracts should be processed for approval using the prescribed electronic signature process.

Contracts \$10,000 or less – Electronic Signature Routing for Contracts

ROUTE TO	EXPECTED TASK	SIGN/INITIAL
ESD 123 Program Administrator/Director	Review for completeness and accuracy	Initial
ESD 123 Assistant Superintendent, Finance & Operations	Review for compliance	Initial

Procedure: 6210P
Section: 6000 – Management Support

ESD 123 Assistant Superintendent, Educational Services	Review for compliance	Initial
ESD 123 Executive Director	Final Approval	ESD Signing Authority
Vendor	Review and acceptance	Sign
ESD 123 Contracts	Receive a signed copy	None
ESD 123 Accounts Payables	Fiscal Office acceptance	None

Contracts \$10,001 to \$50,000 – Electronic Signature Routing for Contracts

ROUTE TO	EXPECTED TASK	SIGN/INITIAL
ESD 123 Program Administrator/Director	Review for completeness and accuracy	Initial
ESD 123 Executive Director	Review for completeness and accuracy	Initial
ESD 123 Assistant Superintendent, Finance & Operations	Review for compliance	Initial
ESD 123 Assistant Superintendent, Educational Services	Final Approval	ESD Signing Authority
Vendor	Review and acceptance	Sign
ESD 123 Contracts	Receive a signed copy	None
ESD 123 Accounts Payables	Fiscal Office acceptance	None

Contracts \$50,001 and Over – Electronic Signature Routing for Contracts

ROUTE TO	EXPECTED TASK	SIGN/INITIAL
ESD 123 Program Administrator/Director	Review for completeness and accuracy	Initial
ESD 123 Executive Director	Review for completeness and accuracy	Initial
ESD 123 Assistant Superintendent, Finance & Operations	Review for compliance	Initial
ESD 123 Assistant Superintendent, Educational Services	Review for compliance	Initial
ESD 123 Superintendent or Designee	Final Approval	ESD Signing Authority
Vendor	Review and acceptance	Sign
ESD 123 Contracts	Receive a signed copy	None
ESD 123 Accounts Payables	Fiscal Office acceptance	None

Contracts for services should be attached to the purchase transaction in the accounting system.

A summary should be provided to the Superintendent's Office and ESD 123 Contracts upon receipt of a fully executed agreement for board notification.

Suspension and Debarment

If federal funding is the basis for the purchase, verify that neither the vendor nor its principles are presently suspended, debarred, declared ineligible, or voluntarily excluded from participation in transactions by any federal department or agency. Consult the "Systems of Awards Management" (www.sam.gov) before the contract or purchase is made. Attach the dated search results to the purchase transaction in the accounting system.

Federally Funded Subrecipient Agreements

Subrecipient agreements may be executed for pass-through awards of federal funding to partner agencies or contractors. The ESD 123 Assistant Superintendent, Finance & Operations, or their designee, may make a case-by-case determination whether services contracted for under federal award funding to

accomplish the purposes of the award are delivered under a contractor or subrecipient relationship. Guidelines for this determination are found in 2 CFR §200.331.

Subrecipients – A subaward is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-federal entity as a subrecipient include when the non-federal entity:

- determines who is eligible to receive what federal assistance;
- has its performance measured in relation to whether objectives of a federal program were met;
- has responsibility for programmatic decision-making;
- is responsible for adherence to applicable federal program requirements specified in the federal award; and
- in accordance with its agreement, uses federal funds to carry out a program for a specified public purpose under the authorization, as opposed to providing goods and services for the benefit of the receiving entity.

Contractors – A contract is for the purpose of obtaining goods and services for the non-federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-federal entity and a contractor are when the contractor:

- provides the goods and services within normal business operations;
- provides similar goods or services to many different purchasers;
- normally operates in a competitive environment;
- provides goods or services that are ancillary to the operation of the federal program; and
- is not subject to compliance requirements of the federal program because of the agreement, though similar requirements may apply for other reasons.

Requirements for subrecipient agreements

If a subrecipient agreement is established from federal funding received, ESD 123 is required to fulfill certain requirements and responsibilities in accordance with 2 CFR §200.332.

Prior to executing a subrecipient contract and annually thereafter, the program, together with their budget staff, shall review and document potential risks that may need to be addressed through contractual provisions and requirements and should be considered in drafting the subaward contractual agreement.

The following additional expectations/considerations shall apply to federally funded purchase orders:

Department/program supervisors are primarily responsible for the monitoring of expenditures of federal monies by subrecipients.

Subrecipients shall be notified that they are receiving federal funds. A packet of information to be sent to the subrecipient by the department/program supervisor should include:

- a letter identifying the amount of grant dollars being issued,
- the federal ALN (Assistance Listing Number), formally the CFDA number,
- allowable expenditures (activities), restrictions (if any),
- matching requirements (if applicable),
- documentation required for reimbursement,
- timelines/deadlines, and
- any other necessary information.

When approving payment (reimbursement) to a subrecipient, the program/department supervisor shall review the claim documentation provided by the subrecipient to:

- determine whether the subrecipient expenditures are legal and proper expenditures,
- determine whether the expenditures are made in support of authorized grant activities, and
- obtain documentation, if matching expenditures are required, that the subrecipient has fulfilled its obligation.

Prevailing Wage

Per [RCW 39](#), the hourly wages to be paid to laborers, workers, or mechanics, upon all public works and under all public building service maintenance contracts of the state or any county, municipality, or political subdivision created by its laws, shall be not less than the prevailing rate of wage for an hour's work in the same trade or occupation in the locality within the state where such labor is performed. Reference [RCW 39.12.020](#) and [WAC 296-127-023](#).

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