

**CVUSD Guide to
Purchase Orders**
(BP §3300, PCC §20118)

Purchase Orders, or POs, are legally binding contracts for goods and services between our district and the vendors we work with on a daily basis. Thorough and accurate purchase orders will ensure proper communication is made with our vendors and provide clarity for the goods and services we are requesting from them.

All purchases must have a PO generated prior to orders being placed with a vendor or for any work being done by a vendor. Anything ordered without a PO in place is not a pre-approved purchase and is subject to an audit finding.

Any purchase order over \$50,000 must go to the Governing Board for approval prior to being released to the vendor.

QUOTES:

You will need a quote in order to begin most requisitions. A quote is a guarantee from the vendor and shall define the pricing, shipping/handling, sales tax and terms and conditions of the purchase or service being requested. If any of the terms of the quote change, a new quote will need to be obtained from the vendor.

Quotes are required in advance of the purchase and all information is to be transferred into your requisition in its entirety and as accurately as possible. If you receive a quote \$60,000-\$109,300, this will require an informal bid, usually 3 quotes. If you receive a quote exceeding \$200,000, this will require a formal bid. If this happens, please contact the Purchasing office for guidance prior to creating a requisition. (See section on Purchasing Limits).

Vendors provide the quote, however our purchase order is the legally binding contract between Castro Valley Unified School District and our vendor. We need spelling, numbers, dollar amounts, account codes, and terms and conditions to be correct. The more accurate the requisition is upon its creation, the quicker we can move it through the approval process and send it out to your vendor.

Quotes are required for General Goods and Services, Construction Requests, and Field Trip Requests. It is important to plan ahead so there is time to receive the quote, review it for accuracy, and allow the requisition to go through the approval process.

When all work is completed or goods have been received, Accounts Payable will pay any invoices from the vendor corresponding to the purchase order. If the invoice differs from the terms of the quote, the vendor will need to be contacted to update the invoice to honor the terms of the purchase order.

Purchasing Limits

In order to offer fair and equitable opportunities to vendors, we are required to receive bids for goods and services over mandated thresholds (PCC-10318, PCC-10339) . The requirements include like items, services or projects throughout the district over a fiscal year. If the total amount exceeds the bidding threshold, it is considered one purchase and will either need an informal or formal bid, depending on the total amount. Also, our school district is considered as a whole entity and all investments of goods, services and projects are purchased on behalf of the District. Per CUPCCAA, as of 2023, any projects, services or goods purchased between \$60,000-\$109,300 must be informally bid and anything over \$109,300 must be formally bid. These numbers are generally increased annually.

Examples:

- Three schools want to purchase graphing calculators next year. The cost for the calculators will be approximately \$330,000 for the high school and \$150,000 for each middle school to provide all students enrolled in Integrated Math. Because these calculators are of a similar type, the purchase is over \$109,300, and they will all be purchased within the same school year, the graphing calculators will need a formal bid. If the total happens to be between \$60,000 - \$200,000, we can obtain three quotes from reputable and reliable vendors and accept the lowest bid.
- If several classrooms need to be painted, an assessment would need to be made to determine the final cost. If several rooms are painted over the course of a fiscal year, that is considered one project because it is the same type of work being done.
- Districtwide services also need to be formally bid, such as copy machine contracts typically exceed the bid limits because of the size of our district.

If you anticipate making a large purchase or starting a large project, be sure to discuss this with the Purchasing Department so we can be sure we are compliant. If we get quotes for each project one at a time and end up spending over the threshold for informal or formal bids, that would be considered bid splitting and can result in fines. As stewards of public funds, it is also fiscally responsible to attempt to pay the lowest prices possible to conserve our limited resources.

ORDER TYPES:

- **Blanket PO:** A purchase order that can be used over a fiscal year for multiple purchases of goods or services. These goods or services must be clearly defined in the body of the PO to define the terms and conditions. If a purchase differs from the terms defined within an existing BPO, a separate one must be created.
 - No item over \$500 (including sales tax) may be purchased using a BPO. The reason for this is that all items over \$500 (including sales tax) must be recorded with an asset ID number and must be documented in Escape.

- Hazardous materials may not be purchased using a BPO
 - Only CVUSD employees authorized to make purchases using a particular BPO must be named in the terms and no other District employee may use the BPO.
 - Dollar amounts cannot be increased on an existing BPO.
 - Multiple account codes may be used in one BPO.
 - If there are not enough funds available to pay an invoice, you must close out the BPO and create a Confirming Requisition for the ENTIRE amount of the Invoice.
- **PO w/o Receiving:**
Services shall only be performed after the vendor has received a purchase order from the Purchasing Department.
 - A purchase order to pay for services.
 - Workflow of a PO w/o Receiving once approved by CVUSD:
 - i. Order is placed with the vendor
 - ii. Service(s) provided by the vendor
 - iii. Site Staff verifies work has been completed, signs invoice and forwards to Accounts Payable
 - **PO with Receiving:**
All vendors shall be instructed to only fill orders and ship items after they have received a purchase order from the Purchasing Department.
 - A purchase order to pay for goods (tangible items).
 - Workflow of a PO w/Receiving once approved by CVUSD:
 - i. Order is placed with the vendor
 - ii. Vendor processes and ships the order
 - iii. Once received at the warehouse, staff verifies and receives the products in Escape
 - iv. Warehouse staff delivers orders to sites
 - v. Receipt of items in Escape prompts Accounts Payable to pay invoice

CONFIRMING REQUISITIONS

Purchases made prior to fully approved purchase orders are considered “Confirming Orders”, and are subject to an audit finding and should not be common practice. These are essentially purchases that were not pre-approved. There are some instances where confirming requisitions are appropriate, however these can usually be avoided with proper planning.

Instances of permissible Confirming Requisitions:

- **Emergencies:** As defined by Public Resources Code Section 30624, an emergency is a sudden, unexpected occurrence demanding immediate action to prevent or mitigate loss or damage to life, health, property or essential public services.
- **Insufficient funds in an existing BPO.** If an invoice is more than the remaining balance of a BPO, CLOSE THE BPO, then create a confirming requisition for the full amount of the invoice. **Although this is permissible, proper monitoring of funds and continuation of services on a BPO should keep this practice from being necessary.**

ONLINE SHOPPING REQUISITIONS

We have an online shopping option with certain vendors. The vendor's website can be directly accessed through Escape to load your shopping cart and submit your order. Online orders are automatically placed upon approval and usually do not need backup attachments.

- 008675 - Amazon.com LLC
 - IMPORTANT NOTE: Amazon orders will expire on the sixth calendar day (not business day) once the cart is loaded. *Any Amazon orders that are not fully approved on the sixth day will be canceled and will need to be started over.* Amazon carts cannot be reloaded, nor can the requisitions be copied. It is very important to keep an eye on your Amazon requisitions and nudge your approvers in order to submit these orders within the vendor's timeframe.
- 002499 - CDW Government, Inc.
- 000285 - Lakeshore Equipment Company
- 001275 - ODP Business Solutions, LLC
- 001105 - School Specialty, LLC
- 000862 - Staples, Inc.

ODP Business and Staples orders are shipped directly to the school site. All other orders are shipped to the warehouse.

In preparation for various holiday closures, online shopping orders may be held to avoid delivery when the warehouse is closed. Because we are unable to hold Amazon orders, they will be canceled and will need to be reentered after the break. If you have questions regarding holiday closures, please contact the purchasing department.

INDEPENDENT CONTRACTORS:

- All independent contractors must have a current Independent Contractor Agreement and W-9 form with CVUSD, updated annually.
- It is the site's or department's responsibility to maintain current ICA packets since it is their decision whom to work with for specific needs.
- All Independent Contractor Agreement forms must be included in the Attachments tab on every purchase order for that contractor.