



Book	Policy
Section	FINANCE
Title	Purchasing/Contracting
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A. Procurement Procedures

All supplies, equipment, materials, services and real property for the school system shall be purchased in accordance with applicable laws, this policy, and good purchasing practices.

The following factors shall be considered in each transaction:

1. Each item will be selected on the basis that it most effectively meets the needs of the school system.
2. Each item should represent the best value for each dollar expended.
3. Care should be given to making certain that minority-owned, women-owned and small business enterprises (collectively M/W/SBE) as well as other responsible suppliers have an opportunity to participate in accordance with Board Policy [O-MWSB](#).
4. Consideration should be given to purchasing recycled materials.

B. Approval Authority

1. Contracts that must be approved by the Board of Education:

The Board of Education shall approve all contracts for:

- a. acquisition of real property (including leases);
- b. disposition of real property (including agreements for easements and rights-of-way);
- c. construction and repair of school facilities where the amount of the contract is \$90,000 or more;
- d. change orders to construction and repair contracts where the amount of the change order is \$90,000 or more; and
- e. any contracts that the Board is prohibited by applicable law from delegating the approval of to staff, including sole source contracts as defined in N.C.G.S. § 143-129(e)(6).

2. Contracts that must be approved by the Board Chairperson and the Superintendent or authorized designee:

Except as provided in Section 1 above, the Superintendent or authorized designee, and Board Chairperson or authorized designee, collectively, shall approve all contracts where the contract amount is \$90,000 or more.

3. Contracts that must be approved by the Superintendent or authorized designee:

Except as provided in Sections 1 and 2 above, the Superintendent or authorized designee, shall approve all contracts where the contract amount is less than \$90,000, provided, if such contract requires the expenditure of funds, that the budget resolution for the current fiscal year includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay such obligation in the current fiscal year.

The Superintendent or authorized designee is also authorized to approve memoranda of understanding, joint use, permissive use or similar agreements that do not require the expenditure of any funds by the Board of Education or involve the disposition of property.

C. Signature Authority

The Superintendent or authorized designee is authorized to execute all documents referenced in this policy that have been appropriately approved.

D. Authorized Designees

The Superintendent shall exercise his/her authority to designate individuals who are authorized to approve and sign contracts only by regulation or written memorandum of delegation provided to the members of the Board of Education, the Chief Financial Officer and the Board Attorney. The Board Chairperson shall exercise his/her authority to designate an individual authorized to approve and sign contracts for services where the contract amount is \$90,000 or more by written memorandum provided to the members of the Board of Education, the Superintendent, the Chief Financial Officer and the Board Attorney.

E. Other Requirements

If an obligation is evidenced by a contract or agreement requiring the payment of money or by a purchase order for supplies and materials, the contract, agreement or purchase order shall include on its face a certificate stating that the instrument has been pre-audited by the Chief Financial Officer. The certificate shall be signed by the Chief Financial Officer and shall take the form required by applicable law.

Contracts shall not be divided in order to keep them under the various dollar thresholds referenced herein and thereby avoiding the applicable approval procedure.

F. Change Orders

1. All Contracts for Construction or Repair Work

a. Use of Change Orders

After a contract for construction or repair work has been awarded, the need may arise to amend the terms, conditions, or specifications of the contract by a change order. Change orders may not be used or divided to evade bidding requirements or the requirements of this policy.

b. Superintendent Approval Authority and Reports to the Board

i. Unless otherwise prohibited by statute or regulation and in accordance with Section B. of this policy, the Superintendent or authorized designee is authorized to approve change orders involving additive or deductive sums up to \$90,000.

ii. The Superintendent shall notify the Board of all change orders that were approved by the Superintendent, including those that do not impact the contract amount. The report will be provided to the Board in writing on a monthly basis and will include the following information: (1) the contractor's name; (2) the project name; (3) a brief description of the change; (4) the contract amount, including amount(s) of any prior changes; and (5) the change order amount.

c. Change Orders Requiring Board Approval

Change orders that involve amounts of \$90,000 or more require Board approval. The Superintendent shall present all such proposed change orders that are recommended for approval to the Board at a board meeting. The Superintendent is not required to present to the Board any change order that the Superintendent does not recommend for approval.

If, in the Superintendent's opinion, a change order requires expedited review, the Superintendent shall notify the Board Chair, who will decide whether a special meeting will be called to address the proposed change order before the next board meeting.

2. Additional Requirements for Contracts

When amendments to a contract are necessary, the contractor shall submit a proposed change order in writing to the project architect/engineer for review. If the project does not have an architect/engineer, the proposed change order shall be submitted to the Superintendent or authorized designee. Any request for expedited review must also be in writing and accompany the proposed change order. The contract for construction projects in excess of \$300,000 must specify the manner in which proposed change orders will be submitted on those projects.

