

Purchase Orders

This section will provide information and detail procedures for the following:

- What a purchase order is.
- How a purchase order is issued.
- What to do after a purchase order is issued.
- What to do when goods are received or services are completed.
- How to complete a change or make a cancellation to a purchase order.
- How to follow-up on an open purchase order.

What A Purchase Order Is

A purchase order is *the second step* in the process of purchasing goods and services. A purchase order details the agreement between the school department and the vendor regarding the final cost of goods and services. When issued by the school department, and accepted by the vendor, the purchase order becomes the legal document between the school department and the vendor that confirms the ordering of the goods or services to be provided.

The Purchasing Office is the **only** division within the school department authorized to initiate a purchase order or to finalize purchase agreements with vendors.

Goods **cannot be received** and services **cannot be initiated** without a signed purchase order being issued from the Purchasing Office.

How A Purchase Order Is Issued

The Purchasing Office receives approved requisitions once the Budget Office has released them. The approved requisition indicates there are funds available to cover the cost of the requested goods (items) or services. For goods requested, it is the responsibility of the Purchasing Office to contact the vendor listed on the requisition, and at least two (2) other vendors that can also provide the goods, and obtain the best price for the purchase. This policy applies to all goods/services between \$100 and \$5,000. It is the responsibility of the requestor to forward the necessary back-up/detail for said requisitions directly to the Purchasing Office.

When the best price is established, a purchase order to the lowest responsible bidder is issued. The purchase order includes vendor information, detail of quantity, description of goods and final price for the goods.

If the cost of the goods is over \$5,000, then the Purchasing Administrator must present the information to the Board of Contract and Supply, and obtain approval for the purchase before the purchase order can be issued. The estimated timeline for this process

is 8-10 weeks. This is only an estimate. The timeline can be longer if there are any unanticipated delays in the process. This needs to be considered when determining a delivery date for the goods or services. More detail on the process of obtaining services over \$5,000 is provided in this Handbook within Section Four: Contracts.

The purchase order has three (3) copies. The original signed copy is sent to the vendor, a non-negotiable copy is sent back to the requester and a non-negotiable copy is kept in the Purchasing Office with a copy of the requisition and any appropriate back-up.

After A Purchase Order Is Issued

When a school/office receives their copies of the purchase order they should:

- Check vendor name on both the approved requisition and the purchase order. If the Purchasing Office has obtained a better price for the same item(s), the purchase order will be issued to the better price vendor. (This applies to goods only.)
- Check final cost on both approved requisition and the purchase order. If the purchase order is lower, the difference in cost is returned to the school or office's budget. If the price is higher, the difference is deducted from school or office's budget. It is important to compare costs to maintain accurate account balances at the school and office level.
- The school/office needs to keep purchase order on file until the goods are received or the service delivery is completed.

What To Do When Goods are Received

When goods are received at the school/office, a designated staff member must:

- Open package, retrieve packing slip and check all items against the packing slip and purchase order. This needs to be done no later than one week after receipt of package.
- After verifying that product delivered coincides with product ordered, receive delivered product into Lawson. Note "receiver #" on packing list and forward to Controllers' Office (Accounts Payable).
- Please do not use the "Add Receive All" button unless you have verified that all products listed on purchase order have been delivered.

- If some items are not received and are noted as no longer available, the money remaining in the purchase order will be added back into the account originally charged for the purchase. NOTE: If you choose to re-order the item through a different vendor, then a new requisition is needed and the process detailed in the Requisition Section of this Handbook is initiated.

What To Do When Services Are Being Provided

When services are being provided at a school or office, the following process is followed:

- When services are complete, the school or office acquires an invoice from provider and receives total amount into Lawson.
- If the services continue over more than one date, the school or office acquires an invoice from provider and receives into Lawson that invoice amount against the total amount on purchase order. This process continues until purchase order is complete.

Changes Or Cancellations

If a purchase order must be changed or cancelled for any of the following reasons, a Change Order/Cancellation Form must be completed and sent to the Purchasing Office:

- Billing for goods and services exceeds amount of purchase order.
- Change in address for vendor.
- Change in description of goods.
- Change in dates of service.
- Change in number of units requested for service.
- Any other changes to original purchase order that required an adjustment.
- Complete cancellation of purchase order.

If need for additional money is the reason for the Change Order/Cancellation Form, ***do not send*** requests for partial payments to Controllers' Office ***until*** you have received a signed/approved copy of the Change Order/Cancellation Form.

Purchase Order Follow-Up

If any of the following apply to a purchase order that was issued, then a Follow-up Form can be submitted to the Purchase Office to determine the status of the order:

- A purchase order was issued and at least six (6) weeks have passed without receiving the goods or service.

- A short shipment is received (items are missing and not indicated as being on back order). You must complete a Follow-up Form (and return to the Purchasing Department no later than) two (2) weeks after receipt of package.
- An item is on back order for at least six (6) weeks.

Information to Remember About the Purchase Order Process

- ***No services should be initiated before receipt of a signed/approved Purchase Order.***
- ***No goods should be purchased before receipt of a signed/approved Purchase Order.***
- Contact between vendors and the School Department regarding shipment, prices, damages, etc. **must** be processed through the Purchasing Office.
- A Change Order/Cancellation Form is the **only** accepted procedure for adjusting an approved purchase order.

ANY EXPENSE INCURRED AS A RESULT OF GOODS OR SERVICES OBTAINED IN A MANNER NOT CONSISTENT WITH PROVIDENCE SCHOOL DEPARTMENT PURCHASING GUIDELINES WILL NOT BE THE RESPONSIBILITY OF THE SCHOOL DEPARTMENT; IT WILL BE REFERRED TO THE INDIVIDUAL WHO INITIATED THE PURCHASE.

Flow Chart of Requisition and Purchase Order Issuance

The Flow Chart that follows details the steps and projected timelines in the process of submitting a requisition and obtaining a purchase order for the goods and services to be received.

Contracts

This section will provide information and detail procedures for the following:

- When a contract is needed
- How a contract is approved
- Timelines for contract approval

When is a Contract Needed

All services provided by outside agencies or vendors, no matter what the dollar value, require a contract.

How a Contract for Requests Under \$5,000 is Approved

- Originator submits contract transmittal form and complete contract signed by the vendor to the Purchasing Administrator. A requisition must be submitted and the number included on the form.
NOTE: School Board Agenda Summary Form ***does not*** need to be completed.
- Purchasing Administrator checks format and routes to Budget Office. Upon Budget Office approval, package is sent to the Chief Academic Officer.
NOTE: If not approved for funding, contract and requisition will be returned to the originator prior to Chief Academic Officer's review.
- Chief Academic Officer approves and initials contract transmittal form or forward to appropriate Senior Administrator. The contract packet is then forwarded to the Chief Financial Officer.
NOTE: If not approved, requisition and contract packet will be returned to the originator. The Chief Academic Officer's office will notify the Budget Officer and Purchasing Administrator of any contracts not approved.
- Purchasing Administrator will issue a purchase order.
- **NOTE: ALL SERVICES PROVIDED BY OUTSIDE AGENCIES OR VENDORS NO MATTER WHAT THE DOLLAR VALUE, REQUIRE A CONTRACT.**

How a Contract for Requests Over \$5,000 is Approved

FOR SOLE VENDOR:

- Originator submits contract transmittal form and contract with all completed (start date should be left blank), to Purchasing Administrator at least **6 weeks prior to the start date for services**. A requisition must be submitted and the number included on the form. Documentation that verifies vendor is a sole vendor must also be submitted.
- NOTE: School Board Contract Information Summary Form **must be** completed and submitted with the contract. Contact the School Board Office for the form.

FOR COMPETITIVE BID:

- Originator submits contract transmittal form and contract with sections 1 and 2 complete (start date should be left blank), and a Request for Proposal (RFP) with vendor list to the Purchasing Administrator at least **10 weeks prior to the start date for services**. A requisition must be submitted and the number included on the form.
- NOTE: School Board Contract Information Summary Form **must be** completed and submitted with the contract. Contact the School Board Office for the form.
- Purchasing and Budget check funding, format and route the complete packet to the appropriate Senior Staff Member.
NOTE: If not approved for funding, contract and requisition will be returned to the originator.
- The appropriate Senior Staff Member approves and initials contract transmittal form. The School Board Agenda Summary Form is removed from the packet and forwarded to the Chief Financial Officer. The contract packet is forwarded to Purchasing Administrator by the Chief Financial Officer. Originator must be present at School Board meeting. Superintendent's Office will notify originator of meeting date, time and location.
NOTE: If not approved, requisition and contract packet will be returned to the originator by the appropriate Senior Staff Member. The appropriate Senior Staff Member's office will notify the Budget Office of any contracts not approved.
- Purchasing Administrator, upon notice of School Board Approval, will forward RFP to the Board of Contract and Supply for bidding of the service. Purchasing Administrator will advise the originator if their

attendance is required at the Board of Contract and Supply Meeting. When bids are received back in the Purchasing Office, the Purchasing Administrator will review all bids with the originator. The lowest responsible bidder will be chosen. At the same time, the original contract will be returned to the originator so that sections 3 and 4 can be completed. Completed contract and award letter for bidder chosen will then be forwarded to the Board of Contract and Supply for approval of the award. Upon approval from the Board of Contract and Supply, the Purchasing Administrator will obtain vendor's signature on contract. When signed contract is returned to Purchasing from the vendor, a Purchase Order will be issued.

- **NOTE: ALL SERVICES PROVIDED BY OUTSIDE AGENCIES OR VENDORS, NO MATTER WHAT THE DOLLAR VALUE, REQUIRE A CONTRACT.**

Timelines for Contract Approval

The estimated timeline for approval of a contract is ten (10) weeks. This begins at the point the Contract Packet is sent to the Budget Office for review, and ends at Board of Contract award. This is only an estimate. The timeline can be longer if there are any unanticipated delays in the review process. It is important to plan the beginning date of any service activity with the estimated timeline and margin for delay in mind.

Copy of Contract Agreement Packet

A copy of the Contract Agreement Packet is included on the pages that follow in this section.