**Policy Booster: Purchasing and Competitive Bids and Quotes**

This ISFIS Policy Booster includes recommended changes to streamline the bidding process by distinguishing between the superintendent authorizing a purchase and being required to sign a purchase order, which is most likely delegated to another authorized person in the district.

This is also a good reminder to check that current bid thresholds and quote thresholds are updated in your policy, so your policy manual doesn’t inadvertently set lower thresholds of expectation. The newest competitive bids and quotes as shows on the Iowa Department of Transportation’s website <https://iowadot.gov/local_systems/Bid-and-quote-thresholds> are included in this Policy Booster, too. Although they oversee horizontal infrastructure bid and quote thresholds, the vertical infrastructure thresholds have been required by law to match those after Jan. 1, 2012.

The thresholds shown above apply to construction, reconstruction, or improvement projects. Repair or maintenance projects are not subject to these thresholds. Competitive quote procedures are not required for horizontal infrastructure. Competitive quote procedures for vertical infrastructure were not implemented until January 1, 2007. Many of these terms are defined and regulated by Iowa Administrative Rules, chapter 180 found here: <https://www.legis.iowa.gov/docs/ACO/chapter/761.180.pdf>

Attached is sample Policy #709 showing the new thresholds in bold for comparison with your local board policy. Some school districts may have the thresholds included, in some cases at an even lower number than these legal mandates. In no case should your local policy have a specific threshold higher than these limits.

# **Competitive Bids and Quotes**

Thresholds are updated every other year or annually as determined by vertical and horizontal infrastructure subcommittees pursuant to Iowa Code 26.14 and 314.1B. These updates are effective in 2019 (and did change from 2018):

|  |  |  |
| --- | --- | --- |
|  | Old Threshold | New Threshold |
| Competitive Bid | $135,000 | $139,000 |
| Competitive Quote: (<50,000 population) | $55,000 | $57,000 |
| Competitive Quote:(>50,000 population) | $75,000 | $77,000 |

# **Thresholds for Purchases of Goods and Services**

District purchases for goods and services typically have thresholds determined by the school board which regulate the authority of the superintendent. These thresholds which limit the authority of the superintendent to purchase goods or services vary across the state based on many factors and may range from $5000 to over $100,000. In setting these upper limits on the purchase of goods and services, school boards should consider the relative size of the district budget, whether an interim threshold should distinguish between competitive quote and competitive bid limits, time since the limit was revisited, and historic practice and experience in the district.

**Sample Draft Policy**

We’ve attached redlined and clean versions of our sample Board Policy to this Policy Booster for your reference. Contact margaret@iowaschoolfinance.com with questions.

***The “dot your I’s and cross your T’s” disclaimer:*** *This Policy Booster is not a substitute for legal advice, but rather, the impetus to get the local ball rolling. Check with your local school attorney and consider the impact this policy will have on other policies, handbooks, bargaining agreements, administrative procedures and forms in the district.*

**709 Purchasing - Bidding (Changes Tracked)**

The board supports economic development in Iowa.  Purchases by the school district will be made in Iowa for Iowa goods and services from a locally-owned business located within the school district or from an Iowa-based company which offers these goods or services if the cost and other considerations are relatively equal and they meet the required specifications.

It shall be the responsibility of the superintendent to approve purchases, except those authorized by or requiring direct board action. The superintendent shall have the authority to authorize purchases without competitive bids for goods and services costing under $\_\_\_\_\_\_\_\_ without prior board approval. For all purchases for goods and services costing over $\_\_\_\_\_\_\_\_, the superintendent shall seek competitive quotes or bids as appropriate and shall submit to the board for its review.

The superintendent may coordinate and combine purchases with other governmental bodies to take advantage of volume price breaks. Joint purchases with other political subdivisions will be considered in the purchase of equipment, accessories or attachments with an estimated cost of $50,000 or more.

Public Improvement Projects

For goods and services utilized in public improvement projects, as defined under Iowa law, costing **$57,000** or less, the superintendent shall receive quotes of the goods and services to be purchased prior to approval of the board.

For goods and services utilized in public improvement projects, as defined under Iowa law, costing more than **$57,000**and less than **$139,000**, the superintendent shall receive competitive quotes of the goods and services to be purchased prior to approval of the board.

For goods and services utilized in public improvement projects, as defined under Iowa law, costing more than **$139,000**, the superintendent shall receive competitive sealed bids of the goods and services to be purchased prior to approval of the board, including construction contracts and school buses.

The purchase will be made from the lowest responsible bidder based upon total cost considerations including, but not limited to, the cost of the goods and services being purchased, availability of service and/or repair, delivery date, and other factors deemed relevant by the board.

The board and the superintendent shall have the right to reject any or all bids, or any part thereof, and to re-advertise. The board will enter into such contract or contracts as the board deems in the best interests of the school district.

The procurement of all supplies, equipment, and services shall be initiated by the issuance of an official purchase order authorized by the superintendent or by the superintendent’s designee and signed by an authorized staff member. Only those supplies, equipment, and services procured by formal contract shall be exempt.

**709 Purchasing - Bidding (Clean Version)**

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