



Hamilton County Schools Procurement Rules Handbook

2023 Edition

**Office of Procurement
3074 Hickory Valley Rd
Chattanooga, TN 37421**

INTRODUCTION

HAMILTON COUNTY SCHOOLS

PROCUREMENT RULES HANDBOOK

2023 Edition

This manual contains the information and instructions regarding the official Procurement (or Purchasing) Rules as approved by Hamilton County Schools (herein after referred to as HCS). These Rules have been established to assist the Purchasing Department, all departments, and offices to buy the best available goods and services required for HCS operations at the lowest possible prices while providing an open and fair competitive process for all affected parties. This edition of the *Procurement Rules Handbook* supersedes all previous editions and changes thereto.

Please note that the processes and, occasionally, even the Rules set forth herein may be changed. Any approved material changes to these Procurement Rules, and any associated procedures, will be communicated to all Hamilton County Schools and offices. However, we recommend that you always refer to the online edition of this document found on the HCS's intranet site <https://www.hcde.org/staff/purchasing> as it will always contain the latest version of the HCS's Rules.

The Purchasing Department staff is committed to assisting you in procuring the best possible material, equipment, and services at the best possible prices, in order for you to do the best job possible. We are always willing and readily available to assist any HCS office, department or school.

We encourage any suggestions you may have to improve the effectiveness of the purchasing process. Comments, suggestions, or questions should be addressed to the Purchasing Department at 423-498-7030 or via email at DOE_PURCHASING@HCDE.ORG.

Table of Contents

PART ONE PROCUREMENT ORGANIZATION	6
SECTION 1.1 PURPOSE	6
SECTION 1.2 SCOPE	6
SECTION 1.3 AUTHORITY STATEMENT	6
SECTION 1.4 POLICY STATEMENT	6
SECTION 1.5 PROCUREMENT ACCOUNTABILITIES.....	6
SECTION 1.6 MISSION, VISION AND VALUES	7
SECTION 1.7 CODE OF ETHICS.....	7
PART TWO GENERAL RULES	9
SECTION 2.1 ACCESS TO INFORMATION	9
SECTION 2.2 BID / PERFORMANCE / PAYMENT BOND.....	9
SECTION 2.3 DISCOUNTS FOR PROMPT PAYMENT	9
SECTION 2.4 CHANGE ORDER / AMENDMENT / CORRECTION	9
SECTION 2.5 CONTRACT MANAGEMENT	10
Section 2.5.1 Formal Contract Development and Use	10
Section 2.5.2 Contract Execution & Board Approval.....	10
Section 2.5.3 Blanket Contract.....	11
SECTION 2.6 COST-NEUTRAL & REVENUE-GENERATING SERVICES.....	11
SECTION 2.7 SMALL, LOCAL, AND DISADVANTAGED BUSINESSES.....	11
SECTION 2.8 FUNDING AVAILABILITY	11
SECTION 2.9 INSURANCE REQUIREMENTS.....	12
SECTION 2.10 REBATES AND INCENTIVES	12
SECTION 2.11 RECEIVING AND INSPECTION	12
SECTION 2.12 SEVERABILITY.....	12
SECTION 2.13 TAX EXEMPT TRANSACTIONS.....	12
SECTION 2.14 VENDOR RELATIONS	12
PART THREE PROCUREMENT POLICIES AND PROCEDURES.....	14
SECTION 3.1 AUTHORIZED MECHANISMS	14
Section 3.1.1 Purchase Orders	14
Section 3.1.2 Procurement Cards	14
Section 3.1.3 School Issued Purchase Orders	15
SECTION 3.2 STANDARD PROCUREMENT THRESHOLDS.....	15
Section 3.2.1 Purchases between \$1 and \$9,999.99.....	15
Section 3.2.2 Informal Purchases between \$10,000.00 and \$49,999.99	16
Section 3.2.3 Formal Purchases of \$50,000.00 and Over	16
SECTION 3.3 ALLOWABLE PROCUREMENT VARIATIONS	17

Section 3.3.1	Emergency Procurement.....	17
Section 3.3.2	Urgent Purchases	17
Section 3.3.3	Single/Sole Source Procurement.....	18
Section 3.3.3.1	Standardization of Equipment and / or Services	18
Section 3.3.3.2	Computer Hardware and Software	18
Section 3.3.3.3	Telecommunications Equipment.....	19
Section 3.3.4	Designated Professional Services – Independent Consultant	19
Section 3.3.5	Purchase of Used or Secondhand Goods	19
Section 3.3.6	Repairs	19
SECTION 3.4	REQUEST FOR CHECK (DIRECT PAY ITEMS)	19
Section 3.4.1	P-Card (Direct Pay Items)	19
SECTION 3.5	COOPERATIVE PURCHASING PROCUREMENT	20
SECTION 3.6	OVERVIEW OF COMPETITIVE SEALED SOLICITATIONS	20
SECTION 3.7	COMPETITIVE SEALED BIDS	21
Section 3.7.1	Specifications	21
Section 3.7.2	Waiving of Informalities	21
Section 3.7.3	Mistakes in Bids.....	21
SECTION 3.8	COMPETITIVE SEALED PROPOSALS	21
Section 3.8.1	Requirements.....	22
Section 3.8.2	Preparation and Contents	22
Section 3.8.3	Evaluation and Recommendation	22
Section 3.8.4	Discussions	22
Section 3.8.5	Negotiations	23
SECTION 3.9	COMPETITIVE SEALED QUALIFICATIONS	23
Section 3.9.1	Requirements.....	23
Section 3.9.2	Preparation and Contents	23
Section 3.9.3	Discussions	23
Section 3.9.4	Negotiations	23
SECTION 3.10	PUBLIC NOTICE	24
SECTION 3.11	AMENDMENTS TO OR CANCELLATION OF COMPETITIVE SEALED SOLICITATIONS	24
SECTION 3.12	PRE-BID / PRE-PROPOSAL CONFERENCES.....	24
SECTION 3.13	METHODS FOR SUBMISSION.....	24
SECTION 3.14	WITHDRAWAL OR REPLACEMENT	25
SECTION 3.15	OPENING OF SEALED SOLICITATIONS	25
Section 3.15.1	Sealed Bids	25
Section 3.15.2	Sealed Proposals or Qualifications	25
Section 3.15.3	Information Availability	25
SECTION 3.16	SPECIAL CIRCUMSTANCE NEGOTIATIONS.....	26
Section 3.16.1	Competitive Solicitations.....	26
Section 3.16.2	Non-Competitive Circumstances	26
SECTION 3.17	BEST VALUE PROCUREMENT	26
SECTION 3.18	BLANKET CONTRACT	27

SECTION 3.19	PROCUREMENT AWARDS	28
SECTION 3.20	PROTEST OF SOLICITATION	28
Section 3.20.1	Protest of Specifications	28
Section 3.20.2	Protest of Award	28
Section 3.20.3	Contents of Protest	28
Section 3.20.4	Certification.....	29
Section 3.20.5	Stay of Award	29
Section 3.20.6	Resolution of Protest	29
SECTION 3.21	SEALED BID / QUOTE CONTINUATION	29
SECTION 3.22	GRANT FUNDING SOURCES.....	29
PART FOUR	EQUIPMENT LEASE / RENTAL.....	31
SECTION 4.1	LEASE AND RENTAL OF EQUIPMENT	31
PART FIVE	DISPOSAL OF DISTRICT OWNED PERSONAL PROPERTY	32
SECTION 5.1	DISPOSAL OF DISTRICT OWNED PERSONAL PROPERTY	32
PART SIX	APPENDICES	33
APPENDIX A	NIGP CODE OF ETHICS.....	34
APPENDIX B	HCS CODE OF ETHICS	37
APPENDIX C	DEFINITIONS	39
APPENDIX D	HCS DBE GUIDELINES.....	44
APPENDIX E	TYPES OF SPECIFICATIONS	46
APPENDIX F	PROCUREMENT PROCEDURES SUMMARY.....	47

PART ONE

PROCUREMENT ORGANIZATION

SECTION 1.1 PURPOSE

The primary purpose of this document is to set forth rules, procedures and relevant guidance to govern procurement and procurement-related activities for the HCS. It serves as a “procurement user’s guide” for HCS employees and officials, and all purchases shall be processed in accordance with these policies and procedures. The contents are not intended to conflict with any existing law. In the unlikely event that any aspect of the document conflicts with law, the law shall take precedence.

SECTION 1.2 SCOPE

Except as otherwise provided, all necessary and appropriate goods, materials, equipment, bonds, insurance, and services bought, leased, or rented by HCS shall be according to these Rules for all departments, offices, and elected officials of Hamilton County Schools. Purchases made in any manner other than that described herein may not constitute a binding obligation payable by HCS.

SECTION 1.3 AUTHORITY STATEMENT

The Procurement Rules for HCS as set forth in this document are established under authority granted by the Tennessee Code Annotated 49-2-203(a)(2) and (3) and Hamilton County Board Policy No. 1.601 and the subsequent adoption of such act by the HCS BOE.

SECTION 1.4 POLICY STATEMENT

In an attempt to secure the best and most suitable goods and services at the best possible prices, it is the policy of HCS to:

- Promote competition via a competitive process wherever practical when purchasing or securing goods and services for HCS.
- Select the lowest priced and best value goods and services offered, balancing multiple factors regarding costs, quality, service, risk, and other values. Neither the price nor the product / service qualities in excess of established specifications shall be the sole criterion for selection.
- Establish and maintain integrity as the foundation upon which each and every action conducted is executed.
- Pursue continuous improvement in the procurement processes and results throughout HCS.

SECTION 1.5 PROCUREMENT ACCOUNTABILITIES

HCS shall maintain a Procurement or Purchasing Department as a unit of the HCS’s Finance Division. This department shall be managed by the Director of Procurement who is the legally authorized Purchasing Agent for HCS. The Director of Procurement delegates purchasing authority to authorized purchasing/procurement supervisors, specialist, and/or buyers. The creation of credit accounts, lines of credit or similar devices for purposes of acquiring goods or services subject to these HCS Procurement Rules and is exclusively limited to the HCS’s Director of Procurement or his / her designated appointee.

The Purchasing Department is charged with overall responsibility for procuring and / or supervising the

procurement of all goods and services, needed by HCS its departments and Board of Education (BOE). The Purchasing Department will be primarily responsible for developing and administering a standard set of contractual terms and conditions designed to apply to purchasing contracts entered into by HCS. The Purchasing Department will administer the appropriate, effective, and efficient disposition of surplus and scrap personal property for HCS.

The Purchasing Department is permitted to update this document so long as the revisions reflect either:

1. Changed procedures which do not alter the essence of the Rules, or
2. The adoption of any newly passed state legislation which does not require BOE approval.

Before any such changes occur, they must be submitted in writing for approval by the Chief Financial Officer and Superintendent. The Superintendent however retains the right to refer any / all such requested changes to the BOE before they can be affected.

SECTION 1.6 MISSION, VISION AND VALUES

The primary mission of the Purchasing Department is to administer and continuously improve upon a procurement process that facilitates HCS's ability to consistently buy the best available products and services at the lowest possible prices while adhering to established policies and rules that are designed to provide an open and fair competitive process for all.

Our vision is focused upon serving our primary customer base in a manner that consistently promotes integrity, respect, efficiency and effectiveness in all activities and operations administered by the HCS Purchasing Department. For these purposes, our primary customer base is comprised of the schools and employees of HCS, suppliers and potential suppliers of goods and services needed for HCS whose procurement activities are subject to the HCS Procurement Rules Handbook.

The Purchasing Department's guiding values have been adopted with the intent of assuring that the Department's operations are always conducted in a manner that is consistent with both the Department's and the HCS's stated missions while doing the right things the right way. Accordingly, these values include Continuous Improvement, Customer Service, Efficiency, Effectiveness, Impartiality, Integrity, Quality, and Transparency.

SECTION 1.7 CODE OF ETHICS

As a long-time member of the National Institute of Governmental Purchasing (NIGP), the Purchasing Department will follow the respective Code of Ethics of the National Institute of Governmental Purchasing (See [APPENDIX A](#)) as well as the HCS Code of Ethics (See [APPENDIX B](#)) when carrying out the duties of this office.

Additionally, all HCS employees and officials must conduct all business with honesty, fairness, integrity and loyalty to HCS. They must discharge their duties impartially so as to assure fair competitive access to procurements issued by HCS. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of HCS's purchasing activities.

Any HCS employee or official, who attempts to realize a personal gain through public employment, by conduct inconsistent with the proper discharge of such employee's duties, is a breach of public trust. Further, any effort of an individual to influence an HCS employee to breach the standards of ethical conduct set forth in these guidelines is also a breach of ethical standards.

No elected official of BOE, nor employee of the HCS, shall make, participate in making, or use his official

position, to influence an HCS decision in which he knows or has reason to know he has any financial interest. All BOE members and HCS employees must comply with the HCS's Code of Ethics in fulfilling their purchasing responsibilities.

Any HCS employee or official found to be in violation of either Code shall be subject to appropriate disciplinary action up to and including termination of employment and pursuit of legal remedy as further outlined in the HCS Code of Ethics [\(APPENDIX B\)](#).

PART TWO

GENERAL RULES

The information contained in the sections below provides general rules which apply regardless of the procurement method or threshold requirements. Definitions for frequently used terminology relative to Purchasing can be found in [APPENDIX C](#) of this document.

SECTION 2.1 ACCESS TO INFORMATION

All public records pertaining to purchasing shall be open for inspection during normal business hours. Information relating to the award of a particular contract shall be open to the public only after evaluation and recommendation of applicable quotes, bids or proposals has been completed. Under no circumstances may any information concerning known vendor quotes, sealed bids, or proposals be disclosed to any third party (e.g., competing vendor, media, etc.) during the quotation, sealed bid, or proposal evaluation process.

The Purchasing Department may set a schedule of fees that may include per page copy costs along with production charges for any work requiring more than one (1) hour of staff time for the requested material; provided that said fee shall not be exorbitant and shall be reasonably calculated to cover the costs of the service.

The records of the Purchasing Department may be inspected, provided nothing herein shall require the compilation of the records in any particular manner or order other than that normally kept by the Purchasing Department. Such inspection shall not unduly disrupt the operations of the Department.

SECTION 2.2 BID / PERFORMANCE / PAYMENT BOND

At the direction of State law or the discretion of the Purchasing Department, a bid, performance, or payment bond may be required. The standard threshold for the requirement of a Performance and Payment Bond for the contract of any let public work project such as those by the Maintenance Department and HCS construction projects will be \$100,000.00.

SECTION 2.3 DISCOUNTS FOR PROMPT PAYMENT

Bidders may include cash discounts in their quoted price, with terms of payment to be a minimum of Net 15. If cash discount for prompt payment is offered by the bidder, it must be shown in the bidder's response; however, discounts for prompt payment will not be considered in the evaluation of bids or proposals. If earned, HCS will take all discounts offered for prompt payment, provided correct and proper invoices, prepared in accordance with the terms of the purchase order or contract, are processed and payment is issued or post-marked to the successful bidder within the stipulated time frame.

Note: The time for computing prompt pay begins upon HCS's receipt of an accurate invoice.

SECTION 2.4 CHANGE ORDER / AMENDMENT / CORRECTION

When it becomes apparent that a Change Order or correction of a contract is necessary, the Purchasing Department receives the request and in collaboration with the User Department or requesting Department takes the appropriate action as necessary.

SECTION 2.5 CONTRACT MANAGEMENT

The Purchasing Department oversees and maintains all procurement-related contracts with the exception of Construction projects managed by the Maintenance and Capital Projects Department. Prior to execution, any purchasing-related contract must include a review by the Director of Procurement as outlined in the sections which follow.

Section 2.5.1 Formal Contract Development and Use

Formal contracts shall be used for more complex procurement-related goods or services. Generally, the HCS Pro Forma Contract, developed in conjunction with the Office of the BOE Attorney, is utilized unless the Supplier furnishes a contract that requires less editing than the HCS Contract. The Contract is written to reflect requirements of the solicitation and any amendments, Terms and Conditions, and the Response Documents to the solicitation. Once written and / or reviewed by Purchasing, the Contract is sent to the User Department for review along with any addendums to the contract. After review by the User Department, execution of the Contract begins.

When a Supplier contract is utilized, it shall include applicable required clauses from the HCS Contract, e.g., Incorporation of Documents, Conflicts of Interest, TN Revenue Registration, Consumer Price Index / escalation clauses, etc.

Section 2.5.2 Contract Execution & Board Approval

Contract execution & Board approval shall be as detailed below for all contracts with budget available and approved.

PROCUREMENT AUTHORIZATION:

- Standard Procurement Activities
 - A contract resulting from a standard procurement activity shall be approved by the Director of Procurement.
- Allowable Procurement Variation / Non-Competitive Activities
 - A contract \$249,999.99 or less resulting from an allowable procurement variation or non-competitive procurement action shall be approved by the Director of Procurement.

BOARD AUTHORIZATION:

- Allowable Procurement Variation / Non-Competitive Activities
 - A contract \$250,000.00 or more resulting from an allowable procurement variation or non-competitive procurement action shall be approved by the Board.

The calculation of the contract amount shall be based on the total anticipated costs for the initial term of the award and all stated renewal options.

A standard procurement activity is identified for purposes of this Handbook as one of the following:

- One (1) Written Quote or P-Card
- Three (3) Written Quotes
- Competitive Solicitation

An allowable procurement variation or non-competitive procurement activity is identified for purposes of this Handbook as one of the following:

- Emergency Procurement

- Urgent Purchases
- Single / Sole Source
- Independent Consultant Agreement – Professional Services
- Purchase of Used or Secondhand Goods
- Repairs

The following Hamilton County Schools personnel have signature authority to execute procurement-related contracts on behalf of Hamilton County Schools where all procedural, policy, and regulation elements have been met:

- Board Chair
- Superintendent
- Chief Financial Officer
- Purchasing Agent(s) - (Director of Procurement and Principals)

Submission of a Contract by a User Department for approval and execution request shall represent the User Department's approval and support of the services or commodity being requested. **No other employee is authorized to execute procurement-related contracts unless designated such authority by the Director of Schools.** Contracts and/or renewals shall be signed by both the authorized HCS official and an Authorized signatory from the Supplier.

Section 2.5.3 Blanket Contract

When a Blanket Contract (or unit price/contract pricing) is the methodology used for Purchasing goods and services, the Notice of Contract Award may be utilized in place of a formal contract execution, regardless of the length of the term.

The initial award for the Blanket Contract shall be approved by the BOE. Subsequent purchases from Blanket Contracts, regardless of the total purchase amount, shall be made with a reference to the original BOE approval and without further BOE approval assuming sufficient budget availability. Upon award, the User Department(s) is provided an associated contract/file number, allowing them to proceed with requesting POs using contract pricing.

SECTION 2.6 COST-NEUTRAL & REVENUE-GENERATING SERVICES

While the vast majority of goods and services acquired by HCS result in payments to vendors, HCS does occasionally acquire services that are cost-neutral or revenue-generating for HCS. At the discretion of the Director of Procurement, acquisitions of cost-neutral and revenue-generating services may be procured through utilization of an informal or formal solicitation procedure.

SECTION 2.7 SMALL, LOCAL, AND DISADVANTAGED BUSINESSES

Nothing herein shall be construed as prohibiting the Purchasing Department from taking affirmative steps to assure that small and disadvantaged businesses are utilized when possible as sources of goods and services. Furthermore, the Purchasing Department shall routinely adhere to and promote HCS's Small Disadvantaged Business Enterprises (DBE) guidelines (See [APPENDIX D](#)) and other applicable non-discriminatory laws as it conducts HCS's procurement activities.

SECTION 2.8 FUNDING AVAILABILITY

The Purchasing Department will work with the User Department to assure that sufficient operating or capital budget funds are available to cover the amount of each requisitioned purchase. For items which are not budgeted in either the Operating or Capital Budget in a given year, the User Department will obtain

approval from the Chief Financial Officer, and the Superintendent as applicable, to fund the project prior to project quote or sealed bid / proposal and subsequent approval of contract or PO.

SECTION 2.9 INSURANCE REQUIREMENTS

Certain purchases made by HCS are subject to the insurance provisions set forth by HCS's Risk Management Department. This is not limited to but is especially applicable to purchases involving vendor-supplied goods, services, construction or installations on HCS properties. Additionally, some purchases having financial / medical / personal information or data security elements may also require specific insurance coverage(s) on the part of the vendor or service provider as determined by the Risk Manager. The Purchasing Department shall assist User Departments by assuring that HCS's insurance requirements are satisfied before a transaction is approved.

SECTION 2.10 REBATES AND INCENTIVES

Manufacturers and vendors frequently offer mail-in rebates or other incentives to buy (e.g., extended warranties, extra product, gifts, etc.) with their products. When such an opportunity applies to an HCS purchase, the Purchasing Department must be consulted in advance of enrolling in any rebate / incentive programs by the User Department. It should be noted that all such rebates and incentives belong to HCS and any effort by an HCS employee to convert such item to personal use / gain will subject the offending individual(s) to serious discipline up to and including, but not limited to, termination of employment and legal prosecution.

SECTION 2.11 RECEIVING AND INSPECTION

The User Department is responsible for examining all deliveries for assurance that the quality and quantity of the items requisitioned and delivered comply with the specifications. Such examination should take place immediately upon receipt of delivered items. The User Department shall inform the Purchasing Department when an item does not meet specifications or has been damaged prior to receipt.

Goods may be returned to the business when an inferior product, an unacceptable substitute, a damaged product, or an item in an unserviceable condition is received, or an item is received in error. The Purchasing Department is available to assist with such returns, if needed.

SECTION 2.12 SEVERABILITY

If any provisions of these Rules or any application thereof to any person or under any circumstance is held to be invalid, such invalidity shall not affect the provisions or applications of these rules which can be given effect without the invalid provision or application, and to this end the provisions of these Rules are declared to be severable.

SECTION 2.13 TAX EXEMPT TRANSACTIONS

As an instrument of the State of Tennessee, HCS is exempt from Tennessee and local sales taxes on transactions made by HCS for its exclusive use. Furthermore, HCS may be exempted from certain Federal taxes on items purchased exclusively for HCS's use or consumption (e.g., Federal fuel tax). Contact the Purchasing Department for further guidance on taxes applicable to purchases.

SECTION 2.14 VENDOR RELATIONS

HCS is committed to working with credible vendors when acquiring goods and services needed for its operations. No person officially connected with or employed by the school system will be an agent for or have any financial compensation or reward of any kind from any vendor for the sale of supplies, materials,

equipment or service.

In the event of a dispute with a vendor, the Purchasing Department will lead efforts to identify and resolve matters of conflict to the mutual satisfaction of all affected parties.

Anytime the Purchasing Department becomes aware of a vendor conducting or attempting to conduct business with HCS in a questionable manner, it will investigate the matter and, wherever warranted, utilize a progressive-discipline approach tailored to the situation at hand. This approach could lead to serious consequences for the involved vendor(s) including, but not limited to, temporary or permanent suspension (i.e., debarment) of the vendor's eligibility to directly or indirectly sell its goods or services to HCS. However, if a matter of concern involves illegal or unethical practices, the Director of Procurement shall bypass the progressive discipline routine and petition the Chief Financial Officer to approve temporary or permanent suspension of the offending firm's eligibility as an HCS vendor and / or the BOE Attorney for legal remedy if appropriate.

Once a determination has been made to suspend a vendor's eligibility for "cause", the following steps shall be taken:

- The reasons for the action must be documented and kept on file in the Purchasing Department.
- The representatives of the suspended firm must be made aware of their rights to protest their suspension with the Director of Procurement and CFO.
- The firm must be provided with a written copy of HCS's decision and copies of the same shall be forwarded to the CFO, the BOE Attorney, the Superintendent, and the then-current Chairperson of the BOE.

PART THREE

PROCUREMENT POLICIES AND PROCEDURES

SECTION 3.1 AUTHORIZED MECHANISMS

HCS utilizes the following procurement mechanisms to support the acquisition of goods and services:

- Purchase Orders
- Procurement Cards
- School Issued Purchase Orders

The above mechanisms are to be used in HCS's procurement of goods, services, and construction projects unless otherwise specifically exempted by State Law. A general overview of each is presented below.

Section 3.1.1 Purchase Orders

A purchase order, when fully executed, authorizes a vendor to deliver a specific good(s) or service(s) to the issuing organization (e.g., HCS) at an agreed-upon price and set of terms and conditions. In certain circumstances the Purchase Order along with the General Terms and Conditions serves as the contract document for the item; in others a separate contract outlining a detailed agreement between HCS, and the provider is required, either with or without the Purchase Order.

The User Department creates the requisition which begins the Purchase Order procurement process, outlining its needs, including specifications, when known. The User Department should provide as much detail as possible regarding their specifications and shall ensure that the Procurement Rules have been met. At all stages of the procurement, the User Department should avoid use of specifications which would restrict competition. The head of the User Department or designee will approve and forward the Requisition to the Purchasing Department.

Purchase Orders may only be issued by the HCS Purchasing Department or designated school personnel. All such Purchase Orders will include an appropriate description, quantity, and total price of the goods and services to be purchased. Furthermore, all purchase orders issued by the Purchasing Department include the link (www.hcde.org/staff/purchasing) to access HCS's General Terms and Conditions for purchases. Note: Solicitation documents may contain additional customized terms and conditions. For this, any terms and conditions set forth in the solicitation documents will govern.

Section 3.1.2 Procurement Cards

Significant numbers of small dollar transactions are required to carry out HCS's daily operations. Neither the Purchase Order nor the Purchase Contract methodologies described above are efficient for administering these transactions. Therefore, HCS has established a Procurement Card program for the primary purpose of providing an efficient, well-controlled and cost-effective method for purchasing and paying for transactions with amounts at or below the minimum quote threshold ([SECTION 3.2](#)). Since transactions on Procurement Cards are restricted to amounts at or below the minimum quote threshold ([SECTION 3.2](#)), there are no requirements for obtaining competitive pricing when acquiring goods or services with an HCS Procurement Card. However, comparison pricing is recommended with procurement card purchases, whenever practical. It is also recommended to use contract pricing whenever available for

contract items that fall within procurement card guidelines.

For more detailed information regarding HCS's procurement card program, please refer to the current Procurement Card Procedures Guide, located on HCS's intranet website.

Section 3.1.3 School Issued Purchase Orders

Purchase Orders may only be issued by the designated school personnel. All such Purchase Orders will include an appropriate description, quantity, and total price of the goods and services to be purchased. Furthermore, all purchase orders issued by the designated school personnel include the link (www.hcde.org/staff/purchasing) to access HCS's General Terms and Conditions for purchases.

SECTION 3.2 STANDARD PROCUREMENT THRESHOLDS

HCS recognizes that not all purchases require the same level of administrative effort and attention. Therefore, HCS has adopted an escalating scale of effort / formal process for requisitioned purchases for any office of HCS.

- Less than \$10,000.00 require no competitive pricing quote;
- Between \$10,000.00 and \$49,999.99 require three (3) written quotes when possible; and;
 - See Section 3.2.2 regarding Director of Procurement discretion to increase limit per TCA § 12-3-1212;
- \$50,000.00 and above require a competitive sealed procurement process (See [SECTION 3.8](#) et. seq.).

Be aware that a purchase transaction cannot be divided into multiple (smaller dollar) requisitions for the purpose of circumventing the process and documentation standards set forth in these Rules. The Purchasing Department is authorized to reject any requisition which appears to be artificially divided so as to avoid these rules.

The following sections define the requirements and rules relative to each level of effort.

Section 3.2.1 Purchases between \$1 and \$9,999.99

Purchases at this level can be awarded without formal advertisement and without a requirement for competitive quotes. However, an informal check as to the competitiveness of pricing may be beneficial so as to acquire the best value for HCS. There are two mechanisms by which purchases at this level can be accomplished.

A. Procurement Card

For those employees who are authorized users of HCS's Procurement Card program and dependent on their individual approved transaction limits, this purchasing mechanism is an efficient administration of transactions at this level.

Note: DUE TO CONTROLS REQUIRED FOR FIXED ASSETS INVENTORY TRACKING PURPOSES, COMPUTER HARDWARE, SOFTWARE, ACCESSORIES, AND SUPPLIES ARE NOT ALLOWABLE CATEGORIES FOR PURCHASES UTILIZING PROCUREMENT CARDS.

PROCUREMENT CARDS CAN'T BE USED FOR FEDERALLY FUNDED PURCHASES.

Additional details about the Procurement Card methodology and the Rules which govern procurement card transactions are found in [SECTION 3.1.3](#).

B. Purchase Order

Purchases at this level can be made by use of a written quote by the User Department and / or Purchasing. Such purchases can be made by entering purchase detail on a requisition and attaching required supporting notes and / or accompanying documentation. This requisition is then processed with the standard approvals in the Purchasing system as detailed further in [SECTION 3.1.1](#) of this document.

C. School Issued Purchase Orders

The use of the Procurement Card is not possible for school activities. Purchases at this level can be made by use of a written quote by School Personnel and / or Purchasing. Such purchases can be made by entering purchase detail on a requisition in the Schools Purchasing system and attaching required supporting notes and / or accompanying documentation. This requisition is then processed with the standard approvals in the Schools Purchasing system.

Section 3.2.2 Informal Purchases between \$10,000.00 and \$49,999.99

Purchases at this level require three (3) written quotes, where possible, however do not require formal advertisement. Written quotes can be in the form of specific quotes on vendor letterhead or quote forms and / or emailed or faxed detailed quotes which have appropriate vendor identifications. Emailed or faxed quotes that do not include vendor identification are not acceptable.

Please note, in certain circumstances, the Request for Proposal method ([SECTION 3.10](#)) may be used for informal purchases between \$10,000.00 and \$49,999.99 (without the requirement for formal advertisement) at the discretion of the Director of Procurement.

Purchases at this level can be made by use of written quotes obtained by either the User Department and / or Purchasing. If support is required from Purchasing for this level of purchase, the User Department should provide as much detail as possible as to their need and associated product specifications. Additionally, the User Department is encouraged to suggest any prospective vendors who may be qualified to provide their needed goods and services.

Such purchases can be made by entering purchase detail on a requisition along with any supporting notes, quotes obtained, and / or accompanying documentation. Quotes obtained must be attached to the requisition for Purchasing and / or authorization party review. This requisition is then processed with the standard approvals in the Purchasing system as detailed further in [SECTION 3.1.1](#) of this document.

School based purchases at this level can be made by use of written quotes obtained by School Personnel and / or Purchasing. Such purchases can be made by entering purchase detail on a requisition in the Schools Purchasing system and attaching required supporting notes, quotes obtained, and / or accompanying documentation. This requisition is then processed with the standard approvals in the Schools Purchasing system as detailed further in [SECTION 3.1.1](#) of this document.

Notice: At the discretion of the Director of Procurement, the informal purchase minimum limit may be increased, on a case-by-case basis, to the current TCA § 12-3-1212 allowable amount of up to 40% of the competitive sealed procurement threshold.

Section 3.2.3 Formal Purchases of \$50,000.00 and Over

All purchases (including school-based purchases) estimated to cost \$50,000.00 or more must be publicly advertised and a formal competitive sealed procurement process utilized to promote open and fair competition as outlined in the sections which follow. Purchases at this level shall be administered by the

Purchasing Department in support of the needs of the User Department. The User Department should provide as much detail as possible as to their need and associated product specifications. The Purchasing Department is charged with responsibility for ensuring that specifications issued for all purchases in this range are prepared in a manner that properly facilitates competitive bidding and are not unnecessarily restrictive. Therefore, the Purchasing Department will review all bid specifications, require modifications (as necessary) and ultimately approve a final set of specifications for each purchase.

Additionally, the User Department is encouraged to suggest any prospective vendors who may be qualified to provide their needed goods and services.

Please note that Emergency Purchase, Sole Source, and Cooperative Purchases are exempt from this process and are included in [SECTIONS 3.5 through 3.7](#) below.

SECTION 3.3 ALLOWABLE PROCUREMENT VARIATIONS

Unless specifically addressed in this Section, all transactions are to be executed in full compliance with the Rules set forth herein.

Section 3.3.1 Emergency Procurement

The head of a User Department and / or his / her designee are authorized to purchase or lease any services, supplies, materials or equipment in **actual emergencies** arising from unforeseen causes, including delays by contractors, delays in transportation, unanticipated volume of work, and acts of God. Emergency Purchases do not require public posting or competitive bidding. In the event of an Emergency Purchase, the following procedures are required:

- A. A record of any emergency purchase shall be made by the person or body authorizing such emergency purchase, and shall specify the amount paid, the items purchased, from whom the purchase was made, and the nature of the emergency.
 - A report of any emergency purchase shall be prepared as soon as possible by the User Department and submitted to the Director of Procurement. The Director of Procurement then compiles the documentation relative to the emergency for submittal to the appropriate approval authority.
 - Emergency purchases less than \$250,000.00 shall be submitted to and ratified by the Director of Schools and the Executive Committee.
 - Emergency purchases \$250,000.00 or more shall be submitted to and ratified by the Director of Schools, Executive Committee, and Board.
 - If the purchase is of such significant magnitude as to impact the integrity of the budget, the Director of Schools may seek the Board to call a special or emergency meeting of the Board to deal with the matter.
- B. When requesting financial assistance through FEMA or TEMA, the User Department along with the Procurement Department must ensure compliance with procurement standards relative to FEMA or TEMA. The User Department's documentation shall be sufficient and adequately detailed to provide FEMA or TEMA with an understanding of the purchase and to allow for their respective audit reviews and potential subsequent reimbursements.

Section 3.3.2 Urgent Purchases

If the head of the User Department or their management designee substantiates that: 1) goods or services costing between \$10,000.00 and \$50,000.00 are urgently needed; 2) immediate action is required; and 3) competitive quote and insurance requirements have been satisfied, the Director of Procurement or his / her designee may authorize immediate placement of the order and instruct the User Department to follow-up immediately with a requisition marked "Confirmation Only".

Section 3.3.3 Single/Sole Source Procurement

Single or Sole source purchases are allowed when items are unique and possess specific characteristics that can be filled by only one source. A contract may be awarded without public notice /advertisement or competitive bidding only when the Purchasing Department, in collaboration with the User Department, determines after a good faith review of available sources that there is only one source for the required goods or services. Factors to be considered in sole source purchases include, but are not limited to:

- A. Whether the vendor possesses exclusive and / or predominant capabilities or the items contain a patented feature providing superior utility not obtainable from similar products;
- B. Whether the product or service is unique and easily established as one of a kind;
- C. Whether the program requirements can be modified so that competitive products or services may be used;
- D. Whether the product is available from only one source and not merchandised through multiple wholesalers, retailers, etc.;
- E. Whether items must be interchangeable or compatible with items or systems currently utilized by HCS;
- F. Due to warranty requirements; or
- G. Other justifications as approved in advance by the Director of Procurement.

Justification for declaring a vendor to be a "Single Source" or "Sole Source" supplier shall be submitted with the purchase requisition by the User Department and appropriate documentation, (e.g., a signed letter with a sole source declaration from the supplier and/or the Single/Sole Source Justification Form), shall be maintained in the financial system for review by the HCS Auditor.

The recommendation and approval of the procurement award for single/sole source purchases will follow the procedures set forth in [SECTION 3.21](#) after such purchase is approved by the Purchasing Department.

Section 3.3.3.1 Standardization of Equipment and / or Services

For standardization and compatibility purposes, specific equipment brands and / or service vendors, which have typically been previously selected utilizing a competitive process, may be specified when it is in the best interest of HCS to ensure compatibility with existing equipment and supporting effective and efficient future operations. Such decision will be based on the joint recommendation of the controlling Department (e.g., including, but not limited to, Information Technology, Telecommunications, Maintenance, etc.) and the Director of Procurement to ensure optimal and effective ongoing operation without additional competitive bidding. This would be considered a Single Source.

Section 3.3.3.2 Computer Hardware and Software

To assure standardization and compatibility with existing equipment, computer hardware (i.e., personal computers, laptops, tablets, printers), excluding other peripherals, and all specialized or customized computer software purchases for HCS offices, will be purchased on the joint

recommendations of the User and the Information Technology Department. Purchases of equipment controlled by Contract Pricing of the IT department must be ordered through IT and not by other mechanism (i.e., Procurement Card, etc.). This would be considered a Single Source.

Section 3.3.3.3 Telecommunications Equipment

The selection and purchase of telecommunications equipment will be upon the joint recommendations of the User and Telecommunications Departments to assure standardization and compatibility with existing resources. This would be considered a Single Source.

Section 3.3.4 Designated Professional Services – Independent Consultant

Contracts with legal services, educational consultants, and similar services by professional persons or groups of high ethical standards shall not be based on competitive bids but shall be awarded on the basis of recognized competence and integrity (TCA §12-3-1209). These services require an advanced, specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience in the field. Departments are encouraged to conduct market research and vendor comparison to ensure a vendor's recognized competence and integrity is evaluated prior to award or contracting activities and that associated fees are fair and reasonable.

Section 3.3.5 Purchase of Used or Secondhand Goods

HCS may purchase used or secondhand goods, materials, supplies, commodities, and equipment from any federal, state, or local governmental entity without public advertisement or competitive solicitations (TCA §12-3-1202). In addition, HCS may purchase or trade, upon approval of the governing bodies involved in the transaction, any used or surplus property from another governmental entity (TCA §12-2-420).

The HCS Purchasing Department should be consulted for detailed guidance before pursuing a potential purchase of used or secondhand goods.

Section 3.3.6 Repairs

The Purchasing Department may authorize repairs costing up to \$25,000.00 to machinery or equipment (including equipment vehicles) for which limited repair facilities exist without use of competitive quotes when, in its sole discretion, such action is in the best interest of HCS. The Executive Committee of the BOE may authorize repairs costing more than \$25,000.00 to machinery or equipment (including equipment vehicles) for which limited repair facilities exist without use of competitive quotes when such action is deemed to be in the best interest of HCS.

SECTION 3.4 REQUEST FOR CHECK (DIRECT PAY ITEMS)

Some types of transactions in stand-alone amounts may be paid by invoice in lieu of other authorized mechanism. Request for Checks (Direct Pay Items) should only be used to pay for things for which quotes cannot be acquired or where competitive pricing cannot be achieved, such as utility bills, postage and shipping charges, dues and subscriptions, legal notices, travel reimbursements, seminars, refunds, field trip destination vendors, etc. where no viable competitive alternative exists. The Accounts Payable Department in collaboration with the Purchasing Department will review all Requests for Check (Direct Pay) submissions for adherence to this section.

Section 3.4.1 P-Card (Direct Pay Items)

The Central Office Purchasing P-Card may be utilized for direct payment of HCS invoices as an efficient and effective payment method at the discretion of the Director of Procurement and the P-Card Administrator. This alternate payment method shall not circumvent required procurement activities, but shall be utilized

as a payment support tool.

SECTION 3.5 COOPERATIVE PURCHASING PROCUREMENT

HCS may participate in, sponsor, conduct or administer cooperative purchasing agreements or contracts as approved by (TCA § 12-3-1205) without public posting and additional competitive bidding when such contracts or agreements are open to HCS and, in the sole discretion of the Purchasing Department, such action being in the best interest of HCS. Currently, this law does not apply to cooperative agreements for vehicles, construction, engineering, or architectural services; construction materials, or construction machinery services. It is important to be aware that in some instances (i.e., furniture, larger equipment, etc.), competitive quoting or bidding may yield lower prices than purchasing off a cooperative contract, thus the best interest of HCS will be solely determined by the Purchasing Department.

This includes, but is not limited to, the following as permitted by the then-current state law:

- A. **TN State Contract:** HCS may purchase goods or services under the provisions of contracts or price agreements entered into by the Tennessee Department of General Services (i.e., Statewide Contracts). When such contracts / agreements are not open to HCS, but HCS can obtain an item with equal or better specifications from local sources at a price that is the same or lower than current state contract pricing, HCS may acquire such item(s) without public advertisement or competitive bidding.
- B. **TN Cooperative Purchasing:** Also known as piggybacking, HCS may purchase supplies, goods, equipment, and services under contracts or price agreements entered into by any other local governmental unit of the State of Tennessee so long as the solicitation of the originating entity was competitively awarded.
- C. **Other Governmental Cooperative Purchasing Contracts:** HCS may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any goods, supplies, services, or equipment with one (1) or more other governmental entities outside this state, to the extent the laws of the other state permit the joint exercise of purchasing authority, in accordance with an agreement entered into between or among the participants; provided, such goods, supplies, services, or equipment were procured in a manner that constitutes competitive bidding and were advertised, evaluated, and was awarded by a governmental entity and made available for use by other governmental entities. HCS may participate in a master agreement by adopting a resolution accepting the terms of the master agreement. The Purchasing Department has the sole authority to commit HCS to participate in any such master agreement by submitting the required memo to the BOE and will maintain a list of such approved agreements.
- D. **General Services Administration (GSA) Contracts:** HCS may purchase goods or services under the provisions of contracts or price agreements entered into by the federal General Services Administration (GSA), providing they are open to local governments.

SECTION 3.6 OVERVIEW OF COMPETITIVE SEALED SOLICITATIONS

As previously defined in [SECTION 3.2.3](#), all purchases estimated to cost \$50,000.00 or more must be publicly advertised and a formal competitive sealed bid, proposal, or qualifications process utilized to promote open and fair competition as outlined in the sections which follow.

Bids, proposals and qualifications shall be evaluated based upon the specifications and any other relevant requirements set forth in the solicitation such as the Invitation to Bid (“ITB”), Request for Proposal (“RFP”) or Request for Qualifications (“RFQ”). Criteria which are to be considered in the evaluation shall be objectively measured.

For any competitive sealed solicitations, the Purchasing Department administers a standard set of contractual terms and conditions designed to apply to purchasing contracts entered into by HCS. A copy of these terms and conditions (www.hcde.org/staff/purchasing) can be found on HCS's internet website. Additionally, at the direction of the Purchasing Department, in conjunction with HCS Attorney's Office, supplemental terms and conditions may be developed and / or agreed to on a contract-by-contract basis.

Note that the terms "bid", "proposal" or "qualifications" may be collectively or separately referred to as "solicitation", "competitive solicitation", or "competitive sealed solicitation" throughout subsequent sections of this document ([SECTIONS 3.9 through 3.22](#)).

SECTION 3.7 COMPETITIVE SEALED BIDS

Contracts for goods or services amounting to less than (\$50,000.00) are exempt from the following competitive sealed bid methodology. Otherwise, all contracts shall be awarded by competitive sealed bid except for Emergency Purchase, Single/Sole Source, and Cooperative Purchasing with consideration given for allowable variations as outlined in [SECTION 3.3](#) above. As previously stated in [SECTION 3.2](#), a purchase transaction cannot be divided into multiple (smaller dollar) requisitions for the purpose of circumventing the competitive sealed bid process.

When it is determined that a sealed bid is necessary, the Purchasing Department is responsible for administering an Invitation to Bid ("ITB") process as outlined in this section as well as [SECTIONS 3.12 through 3.22](#) below. All Invitations to Bid shall include appropriate specifications and applicable contractual terms and conditions.

Section 3.7.1 Specifications

The Purchasing Department is charged with responsibility for ensuring that specifications issued for all bids are prepared in a manner that facilitates competitive bidding. Therefore, the Purchasing Department will review all bid specifications, require modifications (as necessary) and ultimately approve a final set of specifications for each bid. For reference, a listing of representative types of specifications is provided as [APPENDIX E](#) of this document.

Note: The Purchasing Department may delegate these responsibilities to other appropriate individuals (e.g., Architects and / or Engineers for construction projects, etc.); however, the applicable HCS Procurement Rules will still govern any such solicitation.

Section 3.7.2 Waiving of Informalities

HCS reserves the right to waive minor informalities or technicalities when it is in the best interest of HCS.

Section 3.7.3 Mistakes in Bids

No change in bid prices or other provisions of the bids which are prejudicial to the interest of HCS or fair competition shall be permitted. Where requested, unit price(s) must be shown for all products or services. In case of error in extension by a vendor, unit price will govern.

SECTION 3.8 COMPETITIVE SEALED PROPOSALS

On those purchases of goods or services which are expected to exceed (\$49,999.99), when the Purchasing Department determines that it is neither practicable nor advantageous to HCS to use the competitive, sealed bid method, a purchase may be executed by using the competitive sealed proposal method described below. A Request for Proposal ("RFP") is utilized when factors, such as qualifications, experience or

competence, are more important than price; and when (1) there is more than one solution to a purchasing issue and the competitive sealed proposals will assist in choosing the best solutions; or (2) there is not readily identifiable solution to a purchasing issue and the competitive sealed proposals will assist in identifying one or more solutions. Typically, RFPs are used where there are no concrete specifications and HCS is looking for the vendor to propose its own solution to satisfy HCS's need as described in the solicitation.

A multi-step sealed method may be used when it is not practical to initially develop definitive specifications sufficient enough to elicit information. This two-phase process consists of the first phase, in which HCS issues a solicitation requesting submission of a technical proposal (either an RFP or RFQ), which does not include pricing, based on established criteria set by HCS. Once the submissions have been reviewed, HCS compiles a list of responsive and qualified proposers based upon the responses to the criteria of the solicitation. In the second phase, those proposers deemed responsive and qualified during the first phase, submit price proposals to be considered.

This methodology could also apply to purchases between \$10,000.00 and \$49,999.99 at the discretion of the Director of Procurement; however, at this lower threshold public notice / advertising would not be required and shall be awarded per [SECTION 3.21](#).

Section 3.8.1 Requirements

RFP documents shall be prepared in such a manner that clearly defines HCS's minimum requirements without unnecessarily limiting competition, solicits proposals and gains adequate information from which HCS can evaluate Proposer responses. A prototype RFP document is available from the Purchasing Department.

Section 3.8.2 Preparation and Contents

The User and Purchasing Departments shall cooperatively prepare the Request for Proposals (RFP) to be issued by the Purchasing Department. The request shall indicate the factors to be evaluated in considering the proposals. Such factors may include costs, business qualifications, experience, staffing, and any other factors deemed relevant by the User and / or Purchasing Departments. Cost proposals may be submitted either with the proposal, submitted in a separate sealed envelope, or submitted at a later specified time as directed in the Request for Proposal document.

When it is determined that an RFP is appropriate, the Purchasing Department is responsible for administering the process in accordance with SECTIONS 3.12 through 3.22.

Section 3.8.3 Evaluation and Recommendation

The Purchasing Department shall ensure that the RFP evaluation committee members for any solicitation know and understand that the Purchasing Department is in charge of ensuring the integrity of the evaluation process. The User Department or evaluation committee lead will be responsible for providing written documentation of the recommendation which shall be submitted to the Director of Procurement for approval prior to the presentation of the memo to the Board for approval and award where applicable.

Section 3.8.4 Discussions

Discussions and / or oral presentations may be conducted with the businesses which have submitted proposals determined to be reasonably likely of being considered for selection, to assure a full understanding of, and responsiveness to, the solicitation requirements. A good faith effort shall be afforded to assure fair and equal treatment with respect to the opportunity for discussion and / or revision of their respective proposals. Revisions may be permitted after the submission and prior to the award for the

purpose of obtaining the best and final offer.

Section 3.8.5 Negotiations

HCS may conduct negotiations with the apparent successful proposer, whose proposal is determined to be the most advantageous to HCS, taking into consideration price as well as the evaluation factors. During the negotiations, HCS and the vendor may agree to alter the proposal in a way more favorable to HCS; however, HCS personnel must not disclose information contained in other proposals. Upon successful negotiations, HCS, by and through the responsible User Department, will enter into a negotiated contract. In the event negotiations with the apparent successful proposer fails, HCS may conduct negotiations with the next best proposer.

SECTION 3.9 COMPETITIVE SEALED QUALIFICATIONS

Certain Services may require a high degree of skills and technical expertise by the provider. Contracts for such services are not based on competitive bidding and are awarded on the basis of recognized competence and integrity and may be conducted as described in this section.

Section 3.9.1 Requirements

Request for Qualifications (“RFQ”) documents shall be prepared in such a manner that they clearly define HCS’s minimum requirements and gain adequate information from which HCS can evaluate Proposer qualifications.

Section 3.9.2 Preparation and Contents

The User and Purchasing Departments shall cooperatively prepare the Request for Qualifications (RFQ) to be issued by the Purchasing Department. The Request shall indicate the factors to be evaluated in considering the proposals. Such factors may include costs where applicable and/or allowable, business qualifications, experience, staffing, and any other additional factors deemed relevant by the User and / or Purchasing Departments.

When it is determined that an RFQ is necessary and appropriate, the Purchasing Department is responsible for administering the process in accordance with [SECTIONS 3.12 through 3.22](#).

Section 3.9.3 Discussions

Discussions and / or oral presentations may be conducted with the businesses which have submitted qualifications determined to be reasonably likely of being considered for selection, to assure a full understanding of, and responsiveness to, the solicitation requirements. A good faith effort shall be afforded to assure fair and equal treatment with respect to the opportunity for discussion and / or revision of their respective qualifications documents. Revisions may be permitted after the submission and prior to the award for the purpose of obtaining the best and final offer.

Section 3.9.4 Negotiations

HCS may conduct negotiations with the apparent successful proposer, whose proposal is determined to be the most advantageous to HCS, taking into consideration the evaluation factors. During the negotiations, HCS and the vendor may agree to alter the proposal in a way more favorable to HCS; however, HCS personnel must not disclose information contained in other proposals. Upon successful negotiations, HCS, by and through the responsible User Department, will enter into a negotiated contract. In the event negotiations with the apparent successful proposer fails, HCS may conduct negotiations with the next best proposer.

SECTION 3.10 PUBLIC NOTICE

Notice of an Invitation to Bid (“ITB”), Request for Proposal (“RFP”), and / or Request for Qualifications (“RFQ”) shall be publicly posted, not less than ten (10) calendar days prior to the date set for the opening. The notice shall state where solicitation documents may be obtained, as well as, the place, date, and time of the opening. In the event that the Request for Proposal methodology is utilized for transactions below the competitive sealed bid / proposal threshold, public notice is not required.

SECTION 3.11 AMENDMENTS TO OR CANCELLATION OF COMPETITIVE SEALED SOLICITATIONS

At the discretion of the Purchasing Department, the solicitation (i.e., Invitation to Bid, Request for Proposal, or Request for Qualifications) may be amended by way of addendum or the solicitation canceled entirely. When such changes are necessary, notice and associated details shall be published to the project webpage of the platform utilized for public electronic posing of the solicitation.

In the event addenda/amendments are necessary, if the Purchasing Department determines that sufficient time does not exist to permit businesses to change their bid / proposal, the solicitation may be cancelled or the bid / proposal opening may be moved to a later date in accordance with Tennessee State Law (TCA §12-4-113). If it is in the best interest of HCS to cancel the solicitation, all submissions received up to that time will be rejected.

SECTION 3.12 PRE-BID / PRE-PROPOSAL CONFERENCES

At the discretion of the Purchasing and User Departments, a pre-bid / pre-proposal conference may be held to impart information to potential providers about the item(s) to be bid / proposed. If the Purchasing Department determines that attendance by a prospective provider at the pre-bid / pre-proposal conference is necessary, it may make such attendance a mandatory prerequisite for the submission of a sealed bid / proposal. Notice of the pre-bid / pre-proposal conference (whether mandatory or not) will be made in the same manner as the Invitation to Bid or Request for Proposal if the conference requirement is not known / disclosed when the original Invitation to Bid or Request for Proposal is advertised.

Note: The Purchasing Department may delegate these responsibilities to other appropriate individuals (e.g., Architects and / or Engineers for construction projects, HCDE Project Managers, etc.); however, the applicable HCS Procurement Rules will still govern any such solicitation actions delegated to others.

SECTION 3.13 METHODS FOR SUBMISSION

There are two acceptable methods of submitting competitive, sealed solicitation documents (i.e., ITB, RFP, or RFQ) to the Purchasing Department. Submissions may be either manual or electronic so long as they conform to the guidelines set forth in this Section. The acceptable method will be specified in the initial offering document/advertised solicitation package.

- HCS considers bids received through U.S. mail, courier service, or in-person delivery to be manual submissions.
- HCS defines electronic submissions as ONLY those submitted via the internet submission link provided in its website and / or the link / email address provided in any electronically distributed Invitation to Bid, Request for Proposal, or Request for Qualifications.
- UNDER NO CIRCUMSTANCES WILL FAXED OR EMAILED SUBMISSIONS OTHER THAN THE METHODS OUTLINED ABOVE, BE ACCEPTED FOR COMPETITIVE SEALED SOLICITATIONS.

SECTION 3.14 WITHDRAWAL OR REPLACEMENT

Withdrawal of an inadvertent or erroneous bid or proposal by the vendor (before or after opening) may be permitted, when the Purchasing Department determines it to be appropriate.

For an unopened manually submitted bid or proposal in exclusive possession of HCS to be withdrawn, a written request for withdrawal must be submitted to the office of the HCS Purchasing Department by a duly authorized representative of the vendor. To take effect, such requests must be received prior to the time set for the opening. A successfully withdrawn submission may be replaced with another sealed bid / proposal if it is received prior to the time set for the opening. In all cases, determination of bid / proposal receipt will be solely governed by the clock-in time as determined by a clock or timepiece designated by the Purchasing Department. No other clock or timepiece will have any bearing on determining whether or not the bid / proposal has been received prior to the time set for the opening.

Electronic bids / proposals are available to be withdrawn by the vendor until the specified opening.

An apparent successful bidder alleging a material mistake may be allowed to withdraw their Bid at the option of HCS.

SECTION 3.15 OPENING OF SEALED SOLICITATIONS

Section 3.15.1 Sealed Bids

Bids shall be publicly opened by the Purchasing Department at the time and place designated in the Invitation to Bid and in the public notice.

In all cases, determination of bid receipt for manual submissions will be solely governed by the clock-in time as determined by a clock or timepiece designated by the Purchasing Department. No other clock or timepiece will have any bearing on determining whether or not a manual bid is received prior to the time set for the opening of bids. At the time of the bid opening, information deemed relevant by the Purchasing Department, together with the names of each Bidder, will be read aloud.

The determination of bid receipt for electronic submissions shall be governed by the clock-in time as maintained by the bid processing software. At the time of the bid opening, information deemed relevant by the Purchasing Department, together with the names of each Bidder, will be read aloud. In the event of hardware or software failure at bid opening time, manual bids will be opened as scheduled. However, the affected electronic bids will be opened upon the system's return to operation.

Section 3.15.2 Sealed Proposals or Qualifications

Requests for Proposals and Requests for Qualifications are not opened publicly. However, Proposals or Qualifications submissions shall be opened by the Purchasing Department at the time and place designated in the Request for Proposal and in the public notice.

In all cases, determination of Proposal receipt will be solely governed by the clock-in time as determined by a clock or timepiece designated by the Purchasing Department. No other clock or timepiece will have any bearing on determining whether or not a Proposal has been received prior to the time set for the opening of Proposals.

The name of each Proposer will be recorded and provided upon request; however, no other information regarding the proposal will be made available prior to the recommendation of award.

Section 3.15.3 Information Availability

Information relating to submissions and / or any resulting award of a particular contract shall be open to the public only after evaluation of that bid or proposal has been completed and a recommendation of award has been publicly announced to the BOE.

SECTION 3.16 SPECIAL CIRCUMSTANCE NEGOTIATIONS

Section 3.16.1 Competitive Solicitations

If, after a competitive process has been utilized, the Director of Procurement working with the User Department determines that if one or more of the following conditions exist, the contract may be competitively negotiated if:

- the pricing received is not reasonable;
- there are no additional funds available;
- the specifications were not completely satisfied in the submission as to all or parts of the requirements;
- there were no submissions received after at least two attempts; and / or
- the delay required for re-solicitation under revised specifications and / or quantities by competitive sealed bidding would not be in the best interest of HCS.

After making this determination, then a competitively negotiated award may be pursued. The process for utilizing competitive negotiations is as follows:

- A. Negotiation begins with the lowest responsive and responsible bidder or if no submissions were received, then negotiations may begin with known suppliers.
- B. The standards of the project are not substantially lowered or materially changed.
- C. The negotiated price is the lowest price offered by any responsible supplier.

Section 3.16.2 Non-Competitive Circumstances

A contract may be made by non-competitive negotiations when competition is not feasible as determined by the Director of Procurement in conjunction with the User Department prior to award. Non-competitive negotiations would include, but not be limited to, such situations as Single/Sole Source or Emergency Purchases.

SECTION 3.17 BEST VALUE PROCUREMENT

In most circumstances, awards will be made based on the best bid or proposal meeting specifications. However, in certain instances, it may be in the best interest of HCS to use Best Value Procurement in concert with normal quote or sealed submission processes. As defined by NIGP's *Best Values in Government Procurement* (2013), "in a best value selection, judges of comparative value seek to choose the provider offering the best combination of performance, qualifications, price and other values of importance to the organization, but must always do so with methods that promote full and open competition and reflect the core values of the public procurement profession." The use of Best Value Procurement begins with the planning and design of the definition of requirements which must include assessment and award criteria, evaluation, selections, negotiation, execution and award of contract, and contract administration; each of which must be described in the solicitation document.

The Director of Procurement shall have the authority and responsibility to ensure the organization's procurement processes maintain that integrity and cannot be improperly manipulated. That said, the User Department shall receive advance approval from the Director of Procurement before considering the use

of Best Value as a means soliciting the procurement and of awarding a contract.

In determining the best value, the purchase price and whether the goods or services meet specifications are the most important considerations. However, the Purchasing Department may consider other relevant factors, including, but not limited to, the following:

- A. The quality and reliability of the goods and services;
- B. Installation costs;
- C. The delivery terms;
- D. Indicators of probable vendor performance (further explained below);
- E. The cost of any employee training associated with a purchase;
- F. The effect of a purchase on agency productivity; and / or
- G. Other factors relevant to determining the best value for HCS in the context of a particular purchase.

As indicated above, the Director of Procurement will consider probable future as well as past performance of a company when evaluating the best value for HCS. Examples of factors that may reflect negatively on a company seeking to enter into a new agreement with HCS include:

- A. Financial resources and ability to perform;
- B. Experience or demonstrated capability and responsibility;
- C. A history of insurance shortfalls, lapses, or other inadequacies;
- D. A demonstrated lack of good faith in resolving prior contract disputes short of litigation;
- E. Documented past failure to meet specifications;
- F. Documented delivery of poor service or poor-quality merchandise in the past;
- G. Documented failure to make timely delivery of goods or services in past agreements with HCS; or
- H. A documented history of seeking numerous (more than three) change orders or contract amendments from HCS when such change orders or contract amendments have been denied in the past.

HCS is under no obligation to have notified such businesses of poor past performance prior to receiving their bids, quotes, or proposals. However, the User Department must provide the Director of Procurement with documentation of such rationale, based on departmental input. The Purchasing Department must include this rationale in the solicitation file.

SECTION 3.18 BLANKET CONTRACT

When frequent orders for the same goods or services may be expected to occur for an extended period of time, the Purchasing Department may determine HCS's interests are best served by soliciting for a Blanket Contract (or unit price/contract pricing) bids or proposals for such items.

The initial need for the Blanket Contract is identified by the User Department(s), including specifications, estimates of annual volumes, and anticipated annual spend. The Purchasing Department then determines the appropriate procurement process by which goods or services will be procured. After pricing has been obtained, the evaluation has been completed, and the recommendation approved, a Notice of Contract Award will be issued to the vendor(s).

The initial award for the Blanket Contract shall be approved by the BOE. Subsequent purchases from Blanket

Contracts, regardless of the total purchase amount, shall be made with a reference to the original BOE approval and without further BOE approval assuming sufficient budget availability. Upon award, the User Department(s) is provided an associated contract/file number, allowing them to proceed with requesting POs using contract pricing.

SECTION 3.19 PROCUREMENT AWARDS

Purchases shall be awarded by the Director of Procurement in conjunction with BOE approval where necessary and in accordance with [SECTION 2.5.2](#). In certain circumstances the Purchase Order along with the General Terms and Conditions serve as the contract document for the item; in others a separate contract outlining a detailed agreement between HCS and the provider is required, either with or without the Purchase Order.

In all cases, if a sealed bid or proposal other than the lowest amount is to be recommended / awarded, justification created by the User Department and approved by the Director of Procurement will be provided in the documentation accompanying the procurement award.

NOTES:

- (1) The Superintendent and / or Chief Financial Officer retain the right to refer any / all HCS recommendations of award to the BOE.

SECTION 3.20 PROTEST OF SOLICITATION

Any vendor may protest either HCS's solicitation specifications or the contract award recommendation, if done so in the time frame and manner outlined in this section.

Section 3.20.1 Protest of Specifications

Any vendor may protest the terms of the specifications and / or solicitation. Any protest regarding the specifications or solicitation requirements must be submitted in writing to HCS's Director of Procurement at no less than seventy-two (72) hours prior to the bid / proposal due date and time, excluding weekends and legal holidays.

FAILURE OF A VENDOR TO SUBMIT A PROTEST IN THIS TIMEFRAME CONSTITUTES A WAIVER OF THE PROTEST AND ANY RESULTING CLAIMS REGARDING THE SPECIFICATIONS OR SOLICITATION REQUIREMENTS.

Section 3.20.2 Protest of Award

Any vendor who has submitted a timely bid or proposal in response to a solicitation may protest the recommendation of award for a contract by submitting such protest to HCS's Director of Procurement. Any protest must be submitted in writing and be in the possession of the Purchasing Department before noon (ET) of the 2nd working day following the public recommendation of contract award.

FAILURE OF A VENDOR TO FOLLOW THE PROTEST REQUIREMENTS WITHIN THE TIME FRAMES PRESCRIBED IN THIS SECTION CONSTITUTES A WAIVER OF THE PROTEST AND ANY RESULTING CLAIMS.

Section 3.20.3 Contents of Protest

The bid protest must be clearly designated "PROTEST OF AWARD" and contain the following:

1. The solicitation number and title as well as a complete statement of the basis for the protest;
2. The name, title, company name, physical address, email address, and telephone number of the

person representing the protesting vendor;

3. The specific portion of the bid / proposal document(s) which forms the basis for the protest, as well as the specific objection of the vendor;
4. A statement indicating the relief sought by the protesting vendor; and
5. All other relevant information / documentation in support of the protest.

Section 3.20.4 Certification

By submitting a protest of award, the protester certifies, to the best of his / her knowledge, information and belief, that the protest is well grounded in fact and is warranted by existing law, policy or a good faith argument for the extension, modification or reversal of existing law or policy, and that it is not interposed for any improper purpose, such as to harass, limit competition, or to cause unnecessary delay or needless increase in the cost of the procurement or of the litigation.

Section 3.20.5 Stay of Award

In the event of a timely protest, HCS shall not proceed further with the solicitation or with the award of the contract unless the Director of Procurement, after consultation with the head of the User Department, makes a written determination that the award of the contract without delay is necessary to protect substantial interest of HCS.

Section 3.20.6 Resolution of Protest

The Director of Procurement has the authority to settle and resolve any solicitation protests. The Director of Procurement will investigate the matter and make a diligent effort to issue a decision in writing within ten (10) calendar days of the receipt of the protest stating the reasons for the action taken.

Nevertheless, any bidder / proposer who may disagree with the final recommendation of the Director of Procurement shall have the right to present their reasons for disagreement by submitting a written Request for Administrative Review to the Superintendent or Chief Financial Officer within five (5) calendar days from receipt of the written decision of the Director of Procurement. A written decision will be provided to the protester stating the reason(s) for the final determination.

THE PROTEST PROCEDURE SET FORTH IN THIS SECTION IS A MANDATORY ADMINISTRATIVE PROCEDURE THAT MUST BE UTILIZED AND EXHAUSTED PRIOR TO SEEKING JUDICIAL REVIEW OR REMEDY OF THE PROTEST.

SECTION 3.21 SEALED BID / QUOTE CONTINUATION

At the discretion of the Director of Procurement and with the proper level of approval, purchase of like goods and services may be made from previously approved sealed bids / quotes for a period not to exceed sixty (60) calendar days from the original award date or written quote date as long as the vendor is willing to extend the pricing and the purchase does not circumvent the sealed solicitation process. This section is intended to apply to specified quantity bids or quotes, but is not applicable to unit price contracts.

SECTION 3.22 GRANT FUNDING SOURCES

In some instances, procurements funded by grants may have special conditions attached to the grants. In such circumstances, the requirement for procurement of goods and / or services shall abide by the special conditions as specified in the grant. The User Department is responsible for ensuring that they fully understand any grant requirements and that their documentation is sufficient and adequately detailed to

provide the grant source with an understanding of the purchase and to allow for their respective audit reviews and potential subsequent reimbursements.

For federal and State grant funded projects HCS shall follow the Procurement process required by the funding agency and grant agreement. Unless otherwise specified in the grant, all grant funded Purchases shall follow HCS Purchasing regulations and requirements.

The provisions and regulations of Title 2 of the Code of Federal Regulations (CFR) Part 200, also referred to as the “Uniform Guidance”, are hereby incorporated herein by reference and shall be applicable to Procurements funded pursuant to a grant agreement that is governed by those provisions. Amendments and updates to such provisions shall be automatically incorporated herein. Where applicable, HCS shall follow Title 2 CFR Part 200.318 General Procurement Standards through 2 CFR Part 200.327 Contract Provisions.

Note: Grants should not be written in a manner that are in contradiction to procurement rules and Board policy. The grant also should not be written in a manner that specifies a “name brand” or denotes a specific vendor.

PART FOUR

EQUIPMENT LEASE / RENTAL

SECTION 4.1 LEASE AND RENTAL OF EQUIPMENT

The Director of Procurement has sole authority to enter into agreements as agent for HCS for the lease or rental of equipment, including, but not limited to, copy machines, information technology equipment, telephones, vehicles, and other equipment deemed necessary by the User Department.

All equipment lease agreements must contain or provide a “funding out” clause or non-appropriation termination rider for each fiscal year or other appropriate cut-off point during the term of the lease. All leases for more than \$49,999.99 annually shall be subject to competitive, sealed bid while those under this amount shall be subjected to HCS’s competitive quote guidelines.

PART FIVE

DISPOSAL OF DISTRICT OWNED PERSONAL PROPERTY

SECTION 5.1 DISPOSAL OF DISTRICT OWNED PERSONAL PROPERTY

The disposal of all equipment, books, materials, and other personal property that no longer have an intended use by the system or are no longer capable of being used because of condition, shall be declared surplus property and disposed of in accordance with HCS Board Policy and applicable Tennessee State Law.

PART SIX

APPENDICES

Note: Documents included in these appendices are attached for ease of access and reference. Except for those expressly controlled by the Purchasing Rules Handbook, these documents may be updated and replaced without approval or adoption by the BOE.

APPENDIX A

NIGP CODE OF ETHICS

The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by a public sector procurement or materials management organization:

- Seeks or accepts a position as head (or employee) only when fully in accord with the professional principles applicable thereto and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization.
- Believes in the dignity and worth of the service rendered by the organization, and the societal responsibilities assumed as a trusted public servant.
- Is governed by the highest ideals of integrity in all public and personal relationships to merit the respect and inspire the confidence of the organization and the public being served.
- Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- Believes that members of the Institute and its staff should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.
- Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.
- Resists encroachment on control of personnel in order to preserve integrity as a professional manager; handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics.
- Seeks or dispenses no personal favors; handles each administrative problem objectively and empathetically, without discrimination.
- Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.

Guidelines to the NIGP Code of Ethics

I. RESPONSIBILITY TO YOUR EMPLOYER

- Follow the lawful instructions or laws of the employer.
- Understand the authority granted by the employer.
- Avoid activities, which would compromise or give the perception of compromising the best interest of the employer.
- Reduce the potential for any charges of preferential treatment by actively promoting the concept of competition.
- Obtain the maximum benefit for funds spent as agents for the employer.

II. CONFLICT OF INTEREST

- Avoid any private or professional activity that would create a conflict between your personal interest and the interests of your employer.
- If possible, avoid engaging in personal business with any company that is a supplier to your employer. In situations where engaging in personal business with a supplier is unavoidable, the employee shall make it clear to the supplier that he / she is not allowed to and cannot accept preferential treatment from the company.
- Avoid lending money to or borrowing money from any supplier.

III. PERCEPTION

- Avoid the appearance of unethical or compromising practices.
- Avoid business relationships with personal friends and family.
- Avoid noticeable displays of affection, which may give an impression of impropriety.
- Avoid holding business meetings with suppliers outside the office.

IV. GRATUITIES

- Never solicit or accept money, loans, credits or prejudicial discounts, gifts, entertainment, favors or services from your present or potential suppliers which might influence or appear to influence purchasing decisions.
- Never solicit gratuities in any form for yourself or your employer.
- Items of nominal value offered by suppliers for public relations purposes are acceptable when the value of such items has been established by your employer and would not be perceived by the offeror, receiver or others as posing an ethical breach.
- Gifts offered exceeding nominal value should be returned with an explanation or, if perishable, either returned or donated to a charity in the name of the supplier.
- In the case of any gift, care should be taken to evaluate the intent and perception of acceptance to ensure that it is legal, that it will not influence your buying decisions, and that it will not be perceived by your peers and others as unethical.

V. BUSINESS MEALS

- There are times when during the course of business, it may be appropriate to conduct business during meals. The meal should be for a specific business purpose.
- Avoid meals with the suppliers unless absolutely necessary.
- The purchasing professional should pay for meals as frequently as the supplier.
- Budgeted funds should be available for such purposes as necessary.

VI. CONFIDENTIAL INFORMATION

- Keep bidders' proprietary information confidential.
- Develop a formal policy on the handling of confidential information.

VII. RELATIONSHIP WITH THE SUPPLIER

- Maintain and practice, to the highest degree possible, business ethics, professional courtesy, and competence in all transactions.
- Infrequent association with suppliers at lunches, dinners or business organization meetings is an acceptable professional practice enabling the Buyer to establish better business relations provided that the Buyer uses discretion and keeps free of obligation. Reciprocating is strongly recommended.
- Always strive to obtain the maximum value for each dollar of expenditure.
- Preclude from showing favoritism or being influenced by suppliers through the acceptance of gifts, gratuities, loans or favors. Gifts of a nominal value that display the name of a firm which is intended for advertisement may or may not be accepted in accordance with the recipient's own conscience or jurisdictional rules.
- Adhere to and protect the supplier's business and legal rights to confidentiality for trade secrets, and other proprietary information.
- Refrain from publicly endorsing products.

VII. RELATIONSHIP WITH THE EMPLOYER

- Remain focused on the best interests of the employer.
- Buyers do not engage in activities if there is a significant personal / financial interest.
- Exercise discretionary authority on behalf of the employer.
- Avoid acquiring interest or incurring obligations that could conflict with the interests of the employer.

IX. RELATIONSHIPS WITH OTHER AGENCIES AND ORGANIZATIONS

- A Buyer shall not use his position to exert leverage on individuals or firms for the purpose of creating a benefit for agencies or organizations that he may represent.
- All involvement and transactions shall be handled in a professional manner with the interest of the Buyer's employer taking precedent.

X. RELATIONSHIP WITH PROFESSIONAL PURCHASING ORGANIZATIONS AND ASSOCIATIONS

- It is the responsibility of the Buyer, through affiliation with professional organization, to represent that organization in a professional and ethical manner.
- A Buyer shall not use his position to persuade an individual or firm to provide a benefit to an organization.

XI. POLICY

- It is the policy of NIGP that any member of the Institute who personally, or on behalf of his local chapter, is involved in the process of acquiring advertisers and / or exhibitors on behalf of the Institute, shall act only in the capacity of providing referrals of potential or interested parties to the Institute.
- As a result of such referral, should the Institute form a contractual obligation, appropriate credit shall be given to the individual or chapter.

APPENDIX B

HCS CODE OF ETHICS

Definitions.

(1) "School district" means Hamilton County School District, which was duly created by a public or private act of the General Assembly; and which includes all boards, committees, commissions, authorities, corporations or other instrumentalities appointed or created by the school district or an official of the school district.

(2) "Officials and employees" means and includes any official, whether elected or appointed, officer, employee or servant, or any member of any board, agency, commission, authority or corporation (whether compensated or not), or any officer, employee or servant thereof, of the school district.

(3) "Personal interest" means, for the purpose of disclosure of personal interests in accordance with this Code of Ethics, a financial interest of the official or employee, or a financial interest of the official's or employee's spouse or child living in the same household, in the matter to be voted upon, regulated, supervised, or otherwise acted upon in an official capacity.

DISCLOSURE OF PERSONAL INTEREST IN VOTING MATTERS

An official or employee with the responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before the vote and to be included in the minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the official's or employee's vote on the measure. In addition, the official or employee may, to the extent allowed by law, recuse himself or herself from voting on the measure

DISCLOSURE OF PERSONAL INTEREST IN NON-VOTING MATTERS

An official or employee who must exercise discretion relative to any matter other than casting a vote and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose, before the exercise of the discretion when possible, the interest in written form satisfactory to HCS and file the disclosure form with the school district's central office. In addition, the official or employee may, to the extent allowed by law, recuse himself or herself from the exercise of discretion in the matter.

ACCEPTANCE OF GIFTS AND OTHER THINGS OF VALUE

An official or employee, or an official's or employee's spouse or child living in the same household, may not accept, directly or indirectly, any gift, money, gratuity, or other consideration or favor of any kind from anyone other than the school district that a reasonable person would understand was intended to influence the vote, official action or judgment of the official or employee in executing decision-making authority affecting the school district.

It shall not be considered a violation of this policy for an official or employee to receive entertainment, food, refreshments, meals, health screenings, amenities, foodstuffs, or beverages that are provided in connection with a conference or meeting sponsored by an established or recognized statewide association of school board officials or by an umbrella or affiliate organization of such statewide association of school board officials.

ETHICS COMPLAINTS

The school district may create a School District Ethics Committee (the "Ethics Committee") consisting of three members who will be appointed to one-year terms by the Chair of the Board of Education with confirmation by the Board of Education. At least two members of the committee shall be members of the Board of Education. The Ethics Committee shall convene as soon as practicable after its appointment and elect a chair and a secretary. The records of the Ethics Committee shall be maintained by the secretary and shall be filed in the office of the director of schools, where they shall be open to public inspection.

Questions and complaints regarding violations of this Code of Ethics or of any violation of state law governing ethical conduct should be directed to the chair of the Ethics Committee. Complaints shall be in writing and signed by the person making the complaint, and shall set forth in reasonable detail the facts upon which the complaint is based.

The School District Ethics Committee may investigate any credible complaint against an official or employee charging any violation of this Code of Ethics, or may undertake an investigation on its own initiative when it acquires information indicating a possible violation, and make recommendations for action to end or seek retribution for any activity that, in the Committee's judgement, constitutes a violation of this Code of Ethics. If a member of the Committee is the subject of a complaint, such member shall recuse himself or herself from all proceedings involving such complaint.

The Committee may:

- (1) refer the matter to the Board Attorney for a legal opinion and/or recommendation for action;
- (2) in the case of an official, refer the matter to the school Board body for possible public censure if the Board body finds such action warranted;
- (3) in the case of an employee, refer the matter to the official responsible for supervision of the employee for possible disciplinary action if the official finds discipline warranted;
- (4) in a case involving possible violation of state statutes, refer the matter to the district attorney for possible ouster or criminal prosecution;

The interpretation that a reasonable person in the circumstances would apply shall be used in interpreting and enforcing this Code of Ethics. When a violation of this Code of Ethics also constitutes a violation of a personnel policy or a civil service policy, the violation shall be dealt with as a violation of the personnel or civil service provisions rather than as a violation of this Code of Ethics.

APPENDIX C

DEFINITIONS

When used in the context of this manual and in the authorization of Purchase Orders, Contractual Agreements, Invitations to Bid, Request for Proposals or other pertinent documents, the words, conditions, and phrases below shall have the following meanings:

1. **Apparent Low Bid:** The bidder who submitted the lowest initial bid prior to conducting a complete bid review and evaluation.
2. **Award:** The presentation of a contract to a vendor; to grant; to enter into with all required legal formalities.
3. **Best Interest of HCS:** A term frequently used in granting a purchasing official the authority to use discretion in taking whatever action that is most advantageous to the District. The term is used when it is impossible to anticipate extraordinary circumstances that may arise, substituting for specific directions that would, under normal circumstances, be delineated by law or regulation.
4. **Best Value:** Means more than low cost. It includes initial cost, service, quality and other factors related to the acquisition.
5. **Bid:** A vendor's response to an Invitation for Bid; the information concerning the price or cost of materials or services offered by a vendor.
6. **Bidder:** Any individual, company, corporation, partnership or other organization or entity bidding on solicitations issued by Purchasing and offering to enter into contracts with HCS.
7. **Bid File:** A folder containing all of the documentation concerning a particular bid. This documentation includes: the names of all vendors to whom the invitation to bid was sent, the responses of the vendors, the bid abstract, and the award sheet.
8. **Bid Opening:** Conducted at the time and place stated in the invitation for bid and in the presence of anyone who wishes to attend.
9. **Bid Solicitation:** See Invitation to Bid below.
10. **Blanket Contract:** Also known as Contract Pricing / Unit Pricing, a method used to order only the materials or services actually required during a contract term with a predetermined price and an indefinite quantity for frequently used commodities or products. This method may consolidate agency requirements.
11. **Bonds:**
 - a. **Bid Bond:** An insurance agreement in which a third party agrees to be liable to pay a certain amount of money should a specific vendor's bid be accepted and the vendor fails to sign the contract as bid.
 - b. **Surety Bond:** An insurance bond, payment and / or performance, given to HCS to protect against loss in case the terms of a contract are not completed by the vendor (or contractor). A surety company assumes liability for nonperformance if the vendor fails to deliver the goods or services as contracted.
 - c. **Payment / Material Bond:** A bond given to HCS by a vendor (contractor) assuring the payment as required by law of all persons supplying material or labor in the prosecution of the work provided for in the contract.
 - d. **Performance Bond:** A bond given to HCS by a vendor (or contractor) guaranteeing the performance of services or delivery of goods within a specified time. The purpose is to protect HCS against a cash loss that might result if the vendor did not deliver as promised.

12. Buyer: An assistant to the Director of Procurement. The Buyer is delegated, by the Director of Procurement, the responsibility of negotiating with the vendors and obtaining the quotes and information from which bids are solicited.
13. Cash Discount: A discount from the purchase price allowed to the purchaser if payment is made within a specified time.
14. Commodity Code: A numbering system that enables the computer software to monitor the purchase and usage of items bought by HCS. Each item is assigned up to a five-digit commodity code that represents one item only.
15. Competitive Bidding: Bidding on the same project or material items by more than one vendor; competitive bidding must, by due advertising, give opportunity for everyone.
16. Competitive Negotiation: A procurement method for obtaining goods, services, and construction for public use in which discussion and negotiations may be conducted with responsible Proposers who submit responsive Proposals.
17. Competitive Solicitation: An Invitation to Bid, Request for Proposal, Request for Qualifications, telephone calls, or any document used to obtain bids or proposals for the purpose of entering into a contract.
18. Concealed Damage: Damage not readily identifiable by routine visual viewing.
19. Confidential Information: Information available only to specified personnel or officers of HCS that is not necessarily open to public scrutiny as allowed by State of TN law.
20. Confirming Order: A form used to verify a purchase order made by telephone, fax and / or any other approved electronic method of procurement that serves as the vendor's original hard copy. This is for verification only.
21. Construction: The building, alteration, demolition or repair of buildings, and other material improvements or additions to real property.
22. Contract: An agreement, grant or order for the procurement, use, or disposal of supplies, services, construction, insurance, real property or any other item.
23. Contract Modification: The alteration of an existing contract.
24. Contractor: A person or firm supplying labor, services, or materials for HCS.
25. Cooperative Purchasing or Procurement: The action taken when two or more entities combine their requirements to obtain advantages of volume purchases, including administrative savings and other benefits. Cooperative procurement efforts may result in Contracts that other entities may "Piggyback."
26. Debarment: The disqualification of a person / firm to receive requests for quotation, invitations for bids, requests for proposals, or a contract award. After debarment notification, the contractor may appeal the decision with any Court of jurisdiction.
27. Delivery Schedule: The required / agreed upon date of delivery of items.
28. Department: Any agency, or division thereof, which is authorized or created by the Superintendent or Private Act or General Ordinances.
29. Department Head: The chief administrative officer of a department.
30. Disadvantaged Business: A business that is owned or controlled by socially and economically disadvantaged individuals.
31. Discount for Prompt Payment: A predetermined discount that is time sensitive.
32. Dispute: A disagreement between parties to a contract over performance or other contract term requiring administrative action to resolve.
33. Encumber: Reserve funds against a line item; to charge against an account.

34. Established Catalog Price: A price included in the most current catalog, price list, schedule, or other source. This can also be referred to as Manufacturer's List Price.
35. Ethical: Conforming to professional standards of conduct; conforming to the Code of Ethics and / or Ethical Standards and Guidelines.
36. Evaluation of Bid or Proposal: The process of examining a bid or proposal to determine a submitter's responsibility, responsiveness to requirements, and other characteristics of the submittal that determine the eventual selection for award of contract.
37. Financial Interest:
 - a. Ownership of any interest, or involvement in any relationship, from which the individual or entity has, received, is presently receiving, or is entitled to receive compensation.
 - b. Holding a position in a business such as officer, director, trustee, partner, employee or the like, or holding any position of management.
38. Fiscal Year: An accounting period of 12 months, beginning July 1 of the current year through June 30 of the upcoming year.
39. Good Faith: Factual honesty in the conduct of a transaction; the observance of reasonable commercial standards of fair dealing.
40. Goods: All materials, equipment, and supplies.
41. Immediate Family: Spouse, children, grandchildren, parents, siblings.
42. Ineligible Bidder: A supplier, who by reason of historical financial instability, unsatisfactory reputation, poor performance, or other similar reasons, cannot meet the qualifications for placement on the bidder's list for award of a contract.
43. Inspection: Examination and testing, including processes, raw materials, components, intermediate assemblies, and end product items to determine whether the items conform to contract requirements.
44. Invitation to Bid (ITB): A formal request to prospective vendors soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.
45. Invoice: A written account of merchandise and process, delivered to the buyer; a bill.
46. Joint Venture: A partnership with two or more entities, government or private, formed to share in the risk or expertise of a special project or business venture.
47. Lead Time: The period from date of ordering to date of delivery that the Buyer must reasonably allow the vendor to prepare goods for shipment.
48. Non-Competitive Negotiations: The process of arriving at an agreement through discussion and compromise when only one source is available to meet the requirement.
49. Piggyback (Piggyback Cooperatives): A form of intergovernmental cooperative purchasing in which an entity will be extended the same pricing and terms of a contract entered into by another entity. Generally, the originating entity will competitively award a contract that will include language allowing for other entities to utilize the contract, which may be to their advantage in terms of pricing, thereby gaining economies of scale that they would otherwise not receive if they competed on their own.
50. Pre-bid /pre-proposal Conference: A meeting held with potential vendors after an invitation for bids or proposal (RFP) has gone out to promote uniform interpretation of work statements and specifications by all prospective contractors. This meeting may or may not be mandatory.
51. Procurement: Buying, renting, leasing or otherwise obtaining equipment, supplies, services, construction, insurance, etc. It also includes all functions that pertain to the above, including description of requirements, selection and solicitation of sources, preparation and award of contract, contract administration, and all phases of warehousing and disposal.

52. Protest: A complaint about a governmental administrative action or decision brought by a vendor with the intention of achieving a remedy. A protest is a controversy that may occur during solicitation and through award of a contract. It may be a written objection to an invitation for bid or request for proposal, or to a proposed award.
53. Purchase Order: A legal document used to authorize a purchase from a vendor. A purchase order, when given to a vendor, should contain statements about the quantity, description, and price of the goods or services ordered; agreed terms to payment, discounts, date of performance, transportation terms, and all other agreements pertinent to the purchase and its execution by the vendor.
54. Quotation: A statement of the market price of one or more commodities; the price specified to a correspondent.
55. Receiving: The act that physically receives shipments from a carrier.
56. Request for Proposal (RFP): All documents utilized for soliciting competitive proposals. A solicitation method used for requirements exceeding authorized limits when it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement, or other factors will be considered in the selection of the contractor in addition to price or only one source is being solicited.
57. Request for Qualifications (RFQ): A document used for soliciting qualifications and experience data from eligible persons or groups offering to render professional services. These professional services require high ethical standards, competency, and integrity in areas such as architecture, engineering, finance, medicine, and law.
58. Requisition: Any document whereby a user department requests that a purchase be made for a specified need.
59. Responsive Bidder: One who has submitted a bid that conforms in all material aspects to the invitation to bid.
60. Sealed Bids / Proposals: Written proposals or bids that are submitted in response to an invitation to bid or request for proposal, by potential vendors before a certain date. The bid or proposal is submitted in a sealed envelope to prevent dissemination of its contents before the deadline for the submission.
61. Services: Any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, the rental of equipment or materials, or supplies.
62. Single Source: A Procurement whereby purchases are directed to one source due to standardization, warranty considerations, support for original manufacturer, existing software continuity, economic feasibility, or other factors, even though other competitive sources may be available.
63. Sole Source: A Procurement whereby purchases are directed to one source due to the supplier possessing the unique ability or capability to meet the requirements of the procurement or where the supplier owns exclusive rights such as patent and/or copyrights of the said good or service.
64. Specifications: Any description of the physical or functional characteristics of a supply, service or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item.
65. Standardization: The making, causing, or adapting of items to conform to recognized qualifications.
66. Subcontractor: Any business that holds an agreement or purchase order to perform part of the work or to make or furnish any article or service required for the performance of a County or County-funded prime contract, or subcontract there under.
67. Suspension: The disqualification of any person or business to receive invitations for bid, or request for proposals, or to be awarded a contract by HCS for a temporary period pending the completion of an investigation and any legal proceedings that may ensue.
68. Termination for Cause: Action by which the purchasing entity, in accordance with contract provisions, unilaterally cancels all or part of the contract work due to the contractor's failure to perform in accordance with the terms of the contract
69. Termination for Convenience: Action by which the purchasing entity, in accordance with contract provisions, unilaterally cancels all or part of the work in the best interest of the district and with no reflection on the contractor's performance.
70. Unconcealed Damage: Damage visible upon arrival of the shipment and indicated on the receipt returned to the carrier.

71. User Department: Any department that utilizes supplies, services, insurance, construction or any other item procured under these rules.
72. Vendor List: A list of suppliers of various goods and services from whom bids, proposals and quotations can be solicited.

APPENDIX D

HCS DBE GUIDELINES

A. HAMILTON COUNTY SCHOOLS GUIDELINES ON DISADVANTAGED BUSINESS ENTERPRISE UTILIZATION IN FEDERAL, STATE AND LOCAL PROGRAMS

As used in these Guidelines, “Disadvantaged Business Enterprises (DBEs)” shall mean a for-profit small business concern:

1. That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and
2. Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

“Socially and economically disadvantaged individual means any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who is:

1. Any individual who is a recipient and is found to be a socially and economically disadvantaged individual on a case-by-case basis.
2. Any individual in the following groups, members of which are rebuttably presumed to be socially and economically disadvantaged:
 - a. “Black Americans”, which includes persons having origins in any of the Black racial groups of Africa;
 - b. “Hispanic Americans”, which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
 - c. “Native Americans”, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;
 - d. “Asian-Pacific Americans”, which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated State of Micronesia, or Hong Kong;
 - e. “Subcontinent Asian Americans”, which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka; and / or
 - f. “Women”.

HCS shall provide Disadvantaged Business Enterprises (DBEs) with the maximum equitable opportunity to participate in the performance of construction contracts and / or subcontracts, and the providing of goods and services financed in whole or in part with federal, state or county funds.

HCS has adopted certain Purchasing Rules that govern HCS’s purchase of all goods and services. The adoption of this DBE guideline in no way is intended to circumvent those Purchasing Rules, but is designed to encourage DBE participation in HCS’s purchase of said goods and services pursuant to those Purchasing Rules

HCS is proactive in encouraging purchases of goods and services from DBEs. HCS's Purchasing Department Staff will, within the context allowable by HCS's Purchasing Rules, offer information to assist DBEs and other firms in proposing or bidding on District purchases of goods and services.

B. CERTIFICATION

It shall be the responsibility of the vendor to become certified and maintain certification by the appropriate certifying agency, e.g., the Small Business Administration (SBA) and / or the Tennessee Department of Transportation (TDOT). Certification by the Small Business Administration and other federal and state agencies is free.

APPENDIX E

TYPES OF SPECIFICATIONS

Based on definitions provided by NIGP, User Departments should consult with Purchasing for guidance on the type of specification needed for a particular project.

- a. **Brand-Name¹ (or Equivalent²) Specifications:** (1) A descriptive form of Specification whereby the commodity or product is described by a unique identifier specific to a particular seller or manufacturer that distinguishes it from its competition. It may be a name, term, symbol, design, or any combination thereof. The use of this type of specification should be limited unless the item is the only one which will satisfy HCS's requirement or the brand name item is available through multiple distribution channels since this type of specification discourages competition. (2) Using one or more manufacturers' brand name, with identifying model numbers, to describe the standards of quality, performance, and other characteristics needed to meet the requirements of the Solicitation, and that invites Bids for equivalent products from any manufacturer. A requested single brand name tends to limit competition as vendors may not sell that particular brand and all other items will be excluded from further consideration.
- b. **Combination Specifications:** Specifications that incorporate, to the degree necessary, the attributes of both design and performance specifications. This is probably the most common type of specification.
- c. **Design Specifications:** A specification that establishes the characteristics an item must possess, including detail indicating how it is to be manufactured. May include engineering plans or drawings and blueprints. It tells the Contractor in prescriptive terms what they are to provide the Buyer.
- d. **Performance Specifications:** A description of the desired outcome or intended use of a commodity and how the commodity will perform (e.g., number of items, distance to travel, time required).
- e. **Qualified Products List Specifications:** A list of products identified by manufacturers' names and model numbers that are the only items that meet the minimum specifications as determined by the using entity. These products are used when quality is such a critical factor and testing so lengthy or expensive that the entity wants to stay with proven products. The list is prepared by testing products, either in the lab or in daily use. Items may be added to the list by the supplier demonstrating their quality by meeting specifications that have been defined by the using entity.
- f. **Standard Specifications:** A specification that is to be used for all or most purchases of an item; describes all required physical and functional characteristics of products, services, or construction. Standardized specifications will usually be more complete and detailed than one-time specifications.

APPENDIX F

PROCUREMENT PROCEDURES SUMMARY

This summary sheet is provided as a quick reference guide for the details and concepts describe herein.

STANDARD PROCUREMENT ACTIVITIES			
TIER	THRESHOLD AMOUNT	PROCUREMENT REQUIREMENT	APPROVAL AUTHORITY
Tier 1	< \$10,000.00	One (1) Written Quote or P-Card	Procurement
Tier 2	\$10,000.00 to \$49,999.99	Three (3) Written Quotes	Procurement
Tier 3	\$50,000.00 and Above	Competitive Solicitation	Procurement
ALLOWABLE PROCUREMENT VARIATIONS			
DESCRIPTION		PROCUREMENT REQUIREMENT	APPROVAL AUTHORITY
Professional Services		Independent Consultant Agreement	<\$250,000.00
			Procurement
			≥\$250,000.00
			Board
Single / Sole Source		Single / Sole Source Justification	<\$250,000.00
			Procurement
			≥\$250,000.00
			Board
Blanket Contracts		Only the initial award for the Blanket Contract shall be approved by the Board. Subsequent purchases from Blanket Contracts, regardless of the total purchase amount, shall be made with a reference to the original BOE approval and without further BOE approval assuming sufficient budget availability.	

- 1) The calculation of the threshold amount shall be based on the total anticipated cost for the initial term of the award and all stated renewal options.
- 2) The above structure shall apply only to contracts where funding is approved and available for the appropriate use.
- 3) The following Hamilton County Schools personnel have signature authority to execute procurement-related contracts on behalf of Hamilton County Schools where all procedural, policy, and regulation elements have been met:
 - Board Chair
 - Superintendent
 - Chief Financial Officer
 - Purchasing Agent(s) - (Director of Procurement and Principals)