



1437 Kilauea Ave, Suite 104, Hilo, HI. 96720

## **PROCUREMENT POLICY AND PROCESS**

**Revised and Approved: May 2019**

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In order to ensure that goods and services are acquired at fair and reasonable prices, and the highest personal standards of conduct are maintained in all relationships with vendors, suppliers and subcontractors, KOKL will follow purchase requirements, required competition, vendor selection, and internal accounting controls.

**STATE LAW: HRS 302D-12** Governing boards and charter schools shall be exempt from 103D, but shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the goals of public accountability and public procurement practices. Governing boards and charter schools are encouraged to use the provisions of chapter 103D whenever possible; provided that the use of one or more provisions of chapter 103D shall not constitute a waiver of the exemption from chapter 103D and shall not subject the charter school to any provision of charter 103D.

**HRS 302D-25(2)(b)** “Charter schools, the commission, and authorizers shall be exempt from 103D, but shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the goals of public accountability and public procurement practices. Charter schools, the commission, and authorizers are encouraged to use the provisions of chapter 103D whenever possible; provided that the use of one or more provisions of chapter 103D shall not constitute a waiver of the exemption from chapter 103D and shall not subject the charter school, commission, or authorizer to any other provision of chapter 103D. Charter schools, the commission, and authorizers shall account for funds expended for the procurement of goods and services, and this accounting shall be available to the public.”

**Procurement Policy:** Any procurement of goods and services shall be made by the School Business Manager/Fiscal Manager or designee with the approval of the Principal or Head of School and shall be in the best interest of School upon considering the totality of the circumstances surrounding the procurement, which may include but not be limited to: price, equality, availability, timelines, reputation and prior dealings.

**Related Parties:** The School shall not purchase goods or services from any immediate family member of any employee of the school nor from any entity in which any employee may benefit from such a procurement, unless authorized by the Principal or Head of School after a full disclosure of the potential benefits.

**SMALL PURCHASES:** A small purchase is an expenditure of less than \$10,000.00. Small purchases shall not be parceled by dividing the purchase of same, like or related items of goods, services, or construction, during any 12- consecutive month period, so as to evade the competitive source selection

**COMPLETITIVE PROPOSALS:**

1) Contracts of \$10,000 or more for goods, services, or construction shall be made pursuant to be competitive proposal process. Competitive proposals may include the solicitation of proposals containing the scope of work, purchase description, specifications, and the contractual terms and conditions applicable to the procurement. A minimum of three proposals are to be obtained if possible.

2) Unless otherwise provided by policy, contracts of \$25,000 or more for goods, services, or construction shall be made pursuant to the competitive proposal process. Competitive proposals include the solicitation of proposals, contain the scope of work, purchase description, specifications, and the contractual terms and conditions applicable to the procurement.

A minimum of three (3) written proposals are to be obtained if possible and filed at the school. Awards will generally be made to the vendor with the lowest proposal. Awards that are not made to the vendor with the lowest proposal must be justified in writing and approved by the Board for Principals (or designee).

In the case of construction contracts, additional information may be required.

3) A recurring annual approved contract may be renewed for up to 5 years by the Principal or Head of School.

**SOLE SOURCE PROCUREMENTS:**

Sole procurements are appropriate when only one responsible source can provide the goods/services needed by satisfy the user requirements or when emergency circumstances exist which necessitates an unusual and compelling urgency. Sole source procurements may be

authorized by the School Business Manager/Fiscal Clerk with the approval of the Principal or Head of School.

To justify a sole source purchase it must established that:

- (1) The good, service, or construction has a unique feature, characteristic, or capability i.e. curriculum determined by Principal or Head of School
- (2) The unique feature, characteristic, or capability is essential, in order for the agency to accomplish its work; and
- (3) The particular good, service or construction is available from only one source. The basis for awarding a sole source contract will be documented and made part of the contract file prior to the award of the contract.

**REIMBURSEMENTS** Re-imburements of expenditures made by Kua O Ka La Charter School staff for the benefit for the school are permitted using the following procedure.

1. Pre-approval for purchases is required before any reimbursements are granted. 2. Employee reimbursements require approval by the Principal or Head of School or Governing Board Treasurer. A completed Employee Reimbursement Form is submitted to the Principal for approval. 3. A completed request will include original receipts and/or all other applicable source documentation. 4. The Principal will review and approve the form, noting the funding source and expense account for the purchase and compare to the budget. 5. The Principal will forward the completed and approved reimbursement form to the Fiscal Manager for processing 6. The Fiscal Manager will attach the approve reimbursement form, source documentation, and a check stub and filed. 7. Head of School Re-imburements are approved by Board Treasurer.

**BREACHES OF PROCUREMENT POLICY:** Any breach of the procurement policy will be reported at the time of discovery to members of the Administrative team and the Governing Board of Principals.

**Negotiation and Award** 1. Consistent with KOKL's goal of expanding opportunities for Hawaiian and locally owned business enterprises, or companies, to the extent they are available locally and qualified, are given an opportunity to bid on a procurement in KOKL's selection process. 2. Awards may be made to other than the low bidder in circumstances where the higher bid demonstrates best value contracting procedures to benefit KOKL. In such situation, the Principal shall prepare a justification statement for such awards, furnishing a brief explanation of the factors leading to such decision.

**FEDERAL FUNDS:** All current Federal procurement procedures shall be compliant with the Uniform Guidance that is published annually. This includes but is not limited to Suspension, Debarment, Micro-purchasing, small purchasing and Internal Controls. See link: June 2019 Uniform Guidance Publication – Compliance Supplement- 2 CFR Part 200, Appendix X1 Part 1,2,3.

[2-CFR\\_Part-200\\_Appendix-XI\\_Compliance-Supplement\\_2019\\_FINAL\\_07.01.19.pdf](#)

Method	Dollar Threshold
Micro-purchase	Not to exceed micro-purchase threshold (\$3,500.00)
Small purchase procedure	Greater than micro-purchase, not to exceed Simplified Acquisition Threshold (SAT) (\$150,000.00)
Sealed bid	Greater than SAT
Competitive proposal	Greater than SAT
Non- competitive proposal	Greater than micro-purchase

**Sole Source Procurement:** UG use of sole source in four distinct justifications.

- 1) Product/service is only available from a single source
- 2) Public Emergency Procurement
- 3) Federal Awarding Agency Authorization: the awarding agency specifically authorizes a non-competitive procurement after a written request from the Non-federal entity.
- 4) Inadequate competition after solicitation of multiple sources.

**Note:** The “continuity of research” is no longer an acceptable justification for sole source approval.

**UDSA CHILD NUTRITION PROGRAMS**

We adopt in full the ‘PROCUREMENT PLAN FOR CHILD NUTRITION PROGRAMS’.