



**POLICY 4050  
PROCUREMENT OF GOODS  
AND/OR SERVICES**

**Board of Education**

Effective: July 1, 2022

---

**Policy Outline**

- I. Policy Value Statement
- II. Purpose
- III. Standards
- IV. Responsibilities
- V. Delegation of Authority
- VI. Definitions
- VII. References
- VIII. History

**I. Policy Value Statement**

The Board of Education of Howard County expects that all funds provided to the Board for use by the Howard County Public School System (HCPSS) for all goods and/or services will be expended and managed in the most ethical, effective, and efficient manner possible and that procurement activities will be carried out in compliance with the Public School Laws of Maryland including, the Annotated Code of Maryland, Educational Article, §5-112.

Procurement serves the educational program by providing necessary supplies, equipment and related services with student welfare as the foremost consideration. HCPSS must procure goods and services competitively without prejudice or favoritism, and seek the maximum educational value for every dollar expended.

The Board is committed to promoting equality of economic opportunity for small, local, minority businesses, women's business enterprises, and eliminating known barriers to their participation when contracting with the HCPSS.

The Board acknowledges the necessity to pursue best practices, both tactically as well as strategically and embraces the values and guiding principles of procurement, which include accountability, ethics, impartiality, professionalism, services, and transparency.

**II. Purpose**

The purpose of this policy is to provide direction, set guidelines, and establish appropriate business processes regarding procurement of goods and/or services for the HCPSS.

---

### III. Standards

- A. Provisions of this policy will apply to all HCPSS funds, including but not limited to, school activity funds, grants, and monetary donations except as explicitly exempted in the policy.
- B. Procurement of goods and/or services will:
  - 1. Fall within the framework of budgetary limitations.
  - 2. Be consistent with the educational goals and programs of the HCPSS.
  - 3. Be made only after the Board has budgeted funds available.
- C. Procurement
  - 1. The Board requires competitive procurements for all goods and/or services except when the goods and/or services are Sole Source, Single Source, or Emergency Procurements.
  - 2. Procurement will operate ethically, with impartiality, transparency, and professionalism.
  - 3. Procurement Procedure Thresholds:
    - a. Procurement of goods and/or services with a value over \$50,000 require a formal solicitation as outlined in the Implementation Procedures, Section III.C and require Board, Superintendent approval.
    - b. For contracts and procurements below \$50,000:
      - i. Approval of all contracts for Board appropriated funds will be made by the Purchasing Office.
      - ii. Contracts with a value less than \$10,000 require at least one (1) written quotation.
      - iii. Contracts with a value between \$10,000 and \$50,000 require at least three (3) written proposals or quotations. The Purchasing Office will award an HCPSS purchase order to the vendor who has submitted pricing that is deemed lowest, reasonable and most responsive.
      - iv. A quarterly report of contracts between \$25,000 and \$50,000, including the item/service contracted, amount and the organization awarded the contract will be provided to the Board.
      - v. Approval of all contracts using school activity funds will be made by the school principal after review by the Purchasing Office.

- 
- D. Other regulatory considerations for procurement and contracts:
1. Goods and commonalities acquired through a purchasing cooperative will follow public bidding procedures described in Annotated Code of Maryland, State Finance and Procurement Articles §11-203, §14-301 and §13-109.
  2. Architectural and construction management services selection are addressed in Policy 6030 Procurement of Architectural and Construction Management Services.
  3. Contracts established through intergovernmental purchases are exempt from this policy.
  4. Procurements related to legal services are exempt from this policy.
  5. Contracts with software providers, online services, and mobile applications will comply with federal, state, and local student data privacy protections, including those provisions identified in the Annotated Code of Maryland, Education Article, §4-131 and HCPSS policies.
  6. For all purchase contracts involving the expenditure of federal funds, federal grants and/or federal awards, the HCPSS will comply with the Uniform Guidance procurement rules issued by the United States Office of Management and Budget.
- E. The Board reserves the right to reject any and all responses, any or all items, or to waive defects of specifications or any specific(s) whenever such rejection is in the best interest of the school system.
- F. Contracts must comply with the Annotated Code of Maryland, Education Article, §5-112 and this policy to be considered valid.
- G. The Purchasing Office will be consulted throughout the design process of all programs and/or activities that require the use of third parties.
- H. The Purchasing Office will:
1. Review all contracts and Memorandum of Understanding (MOUs) prior to approval by General Counsel.
  2. Implement and maintain an effective contract management system.
  3. Develop a formal training program for all HCPSS employees who procure goods and services.
  4. Establish small, local, minority and women owned business participation goals, to be determined by the Purchasing Office, relative to the availability and past utilization of these groups in contracting and purchasing, and develop appropriate measures to remediate ongoing market discrimination against these groups that has impacted their ability to participate in contracts.

5. Develop appropriate Key Performance Indicators (KPI's) to provide key data insights to enable effective evaluation of the performance and efficiency of the procurement function.
  6. Maintain an open and public procurement contracting process except during a procurement process where an award has not been made.
- 
- I. School-sponsored events such as proms and graduations as determined by the Purchasing Office, may be exempt from this policy.
  - J. All employees engaged in procurement activities for HCPSS programs and/or activities are responsible for understanding the provisions of this policy and the Procurement Manual.
  - K. The Board will be notified of contracts greater than \$50,000 prior to the contracts being recommended to be awarded.
  - L. The Board authorizes the use of purchasing cards consistent with the purposes and responsibilities in the Procurement Manual to expedite small dollar purchases for materials, supplies, and other items needed for daily operations or for authorized travel.

#### **IV. Responsibilities**

- A. The Superintendent/designee will establish the acceptable procurement method and process for establishing contracts at the threshold levels set in this policy and implementation procedures.
- B. The Superintendent/designee will establish manuals or other documentation to inform all HCPSS employees and community members of the appropriate expenditure of funds.
- C. All employees will follow this policy and implementation procedures and comply with Policy 2070 Ethics and HCPSS Ethics Regulations.
- D. The authority to obligate Board funds to an agency outside the school system is vested solely in the Superintendent/designee who will use the Director of Procurement and Materials Management as the purchasing agent for the HCPSS.
- E. Responsibility for the performance of the contract will reside with the Program Manager. The Director of Procurement and Materials Management/designee will act as a liaison with the contracted party in the event that there are performance issues with the contract.
- F. Responsibility for the execution of contracts will reside with the Director of Procurement and Materials Management/designee.

- G. The Purchasing Office annually, will report to the Board a review of the procurement system to include, but not limited to:
1. Numbers of contracts awarded above and below the threshold for Board Authorization.
  2. Small, local, minority, and woman owned business participation levels.
  3. Numbers of intergovernmental contracts awarded.
  4. Number of contracts awarded through purchasing cooperatives.
  5. Any changes in the contract management system in its entirety.
  6. Numbers of individuals trained on procurement procedures.
  7. Other metrics as appropriate.

## V. Delegation of Authority

The Superintendent/designee is authorized to develop appropriate procedures to implement this policy.

## VI. Definitions

Within the context of this policy, the following definitions apply:

- A. Contract – A legally binding agreement, enforceable by law, for money or other consideration for the procurement or disposal of goods, services, or construction.
- B. Donations – Equipment, materials, money, or property given to a school or to the school system, without compensation or other consideration, for use in or in conjunction with educational or extracurricular programs or activities with no expectation of return and become the property of the Board.
- C. Emergency Procurement – The awarding of a contract due to a sudden of a serious, urgent, and threatening nature that demands immediate action to avoid termination of essential services or a danger to life, health, safety, or property condition.
- D. Formal Solicitation – A formal invitation to receive quotes, in the form of a request for proposal or an invitation to bid.
- E. Goods – Tangible commodities provided to the Board in exchange for payment.
- F. Intergovernmental Purchase – The acquisition of goods or services from another government agency such as the county, state or other public entities, allowing the school system and other jurisdictions to standardize and share specifications, technical services, and procurement information provided the goods or services meet the desired specifications and prices.
- G. Key Performance Indicator (KPI) – A critical (key) indicator of progress toward an intended result that provides a focus for strategic and operational improvement, creates

an analytical basis for decision making, and helps focus on attention on what matters most.

- H. Local Business – A Howard County business with (a) a substantial presence in the County’s geographical boundaries; (b) fully operational for twelve consecutive months and; (c) has a valid business tax certificate.
- I. Memorandum of Understanding (MOU) – For the purposes of this policy this is an agreement between parties often used to clarify terms and may be used as a basis of a future formal contract or deed.
- J. Minority Business – A business that is at least fifty-one percent (51%) owned, operated, and controlled by minority group members, who are citizens of the United States. Controlled means that the minority owner(s) must exercise actual day-to-day management of the business. Minority groups covered by this procedure include African-Americans, Hispanic-Americans, Asian-Americans, and Native American Indians.
- K. Small, Local, Minority, and Women Owned Business Participation – The inclusion of these business enterprises as either prime or subcontractors in Board contracts.
- L. Procurement – The process of obtaining goods and/or services.
- M. Procurement Methods – Method by which goods, services, or materials may be acquired, and which are determined by Board policy threshold levels.
- N. Purchasing Card – A type of credit/commercial card issued to an individual HCPSS employee, department, or school for making authorized purchases within certain limits.
- O. Purchasing Cooperative – Participation in or use of a contract for goods and/or services that are awarded by other public agencies or by intergovernmental purchasing organizations.
- P. Quotation – A written offer by a supplier that includes the supplier’s name, contact information, brief description of work, associated price and date for delivery or completion of work.
- Q. Response – A written or verbal quote, bid, proposal, or offer.
- R. School Activity Funds – All cash funds held in the name of a school including fundraising proceeds, cash donations, funds transferred from the Board, and funds provided to a school not allocated through the Board budget.
- S. Services – The rendering of time, effort, or work rather than the furnishing of a specific physical product. Includes, but is not limited to, the professional, personal, and/or contractual services provided by architects, engineers, attorneys, accountants,

physicians, consultants, appraisers, land surveys, and where services are associated with the provision of expertise or labor, or both.

- T. Single Source – A contract for the procurement of goods and/or services entered in which two or more vendors can supply the commodity, technology and/or perform the services required by an agency, but one vendor is chosen over the others because of past and demonstrated experience and/or uniqueness of the service or goods provided.
- U. Small Business – A business that (a) meets the size standard set by the Howard County for small businesses; (b) is an independent business headquartered in Howard County; (c) has a substantial presence within Howard County’s geographic boundaries; (d) is a full operation conducting business for at least 12 consecutive months, and; (e) holds a valid business tax certificate.
- V. Sole Source – A contract for the procurement of goods and/or services entered in which only one supplier can provide the commodity, technology and/or perform the services or provide the goods required.
- X. Solicitation – A requirements document that outlines the procurement process and selection criteria to obtain goods and/or services to be delivered or completed that is formally advertised to the general public.
- Y. Solicitation Threshold – The dollar amount if equaled or exceeded, requires a formal solicitation.
- Z. Specifications – A clear, complete, and accurate description of the goods and/or services required in a procurement activity.
- AA. Supplier – A person or entity providing goods and/or services.
- AB. Women Business – A business that is a least fifty-one percent (51%) owned, operated, and controlled by a woman or women, who are citizens of the United States. Controlled means that the woman owner(s) must exercise actual day-to-day management of the business.

## VII. References

- A. Legal
  - Md. Ann. Code, Education Article, §4-131
  - Md. Ann. Code, Education Article, §5-112
  - Md. Ann. Code, Finance and Procurement Article, §11-203
  - Md. Ann. Code, Finance and Procurement Article, §14-301
  - Md. Ann. Code, State Finance and Procurement, §13-109
- B. Board Policies
  - Policy 2070 Ethics

---

Policy 4000 Grants  
Policy 4010 Donations  
Policy 4030 School Activity Funds  
Policy 6030 Procurement of Architectural and Construction  
Management Services

C. Relevant Data Sources

D. Other  
HCPSS Ethics Regulations  
Procurement Manual

### III. History<sup>1</sup>

ADOPTED: December 3, 1968  
REVIEWED: December 21, 2015  
MODIFIED:  
REVISED: June 28, 1990  
December 13, 2001  
February 27, 2003  
December 14, 2006  
January 13, 2011  
June 7, 2018  
June 9, 2022  
EFFECTIVE: July 1, 2022

---

<sup>1</sup> Key: *Adopted*-Original date the Board took action to approve a policy; *Reviewed*-The date the status of a policy was assessed by the Superintendent's Standing Policy Group; *Modified*-The date the Board took action to alter a policy that based on the recommendation of the Superintendent/designee did not require a comprehensive examination; *Revised*-The date the Board took action on a policy that based on the recommendation of the Superintendent/designee needed a comprehensive examination; *Effective*-The date a policy is implemented throughout the HCPSS, typically July 1 following Board action.



**PROCUREMENT OF GOODS  
AND/OR SERVICES**

Effective: July 1, 2022

---

**I. Implementation Procedures Statement**

The purpose of Policy 4050 Implementation Procedures is to provide clarity and instruction for procuring goods and/or services necessary to support the educational and auxiliary departments of the school system. Implementation procedures also ensure that the procurement function and processes follow best practices and that prudent procurement decisions made on behalf of the Howard County Public School System (HCPSS) are made with the utmost consideration for what is in the best interest of the HCPSS. It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based and the meaning and intent of the procedures themselves.

**II. Procurement Manual**

The Purchasing Office will maintain an effective Procurement Manual to assist HCPSS employees in accordance with Policy 4050 and for the purposes of:

1. Establishing the legal authority of procurement within the school system.
2. Simplifying, clarifying, and reflecting the regulations and policies governing procurement.
3. Establishing uniform procurement guidelines throughout the school system.
4. Building public confidence in public procurement.
5. Ensuring fair and equitable access for individuals who use the procurement system.
6. Providing for increased efficiency, economy, and flexibility in public procurement activities and fully maximizing the purchasing power of the school system.
7. Fostering effective broad-based competition from all segments of the supplier community.
8. Safeguarding the integrity of the procurement system and protecting against corruption, waste, fraud, and abuse.
9. Ensuring appropriate public access to contracting and purchase information.
10. Fostering compliance with legal requirements (e.g., equal employment opportunities, etc.) in the policies and practices of suppliers and subcontractors wishing to do business with the school system.

### III. Method of Procurement

- A. All procurements, regardless of the method used, will include the following basic elements:
1. Scope of work and/or specifications in sufficient detail
  2. Date for delivery of goods or completion of services
  3. Pricing format, if applicable
  4. Approval and signature by authorized individuals
  5. Identified source of proposed funding
  6. Selection criteria
- B. All procurement of goods and/or services for the HCPSS will be made pursuant to one of the competitive purchasing methods, dependent upon the total dollar amount of the purchase, as set forth in the policy.
- C. The criteria to determine the appropriate procurement method are defined as follows:
1. Procurement of goods and/or services costing \$10,000 and above in aggregate value per year will only be considered after receipt of at least one written quotation by the Purchasing Office and may reflect the lowest price available given the situation. This purchase will be initiated by using an approved HCPSS-purchase order.
  2. Procurement of goods and/or services costing \$10,000 and above, but less than the solicitation threshold of \$50,000 in aggregate value per year will only be considered after the receipt of three written quotations by the Purchasing Office. Contracts will be awarded to the lowest bidder who confirms to specifications with special consideration given to: quantities involved, time required for delivery, purpose for which required, competency of the bidder to perform satisfactory service, if applicable. This contract will be formulated by the use of an approved HCPSS purchase order or other acceptable contract form approved by the Purchasing Office. Documentation of written or verbal quotations must be attached to the purchase requisition paperwork.
  3. Procurement of goods and/or services for amounts equal to or above the solicitation threshold of \$50,000 require a formal solicitation and approval from the Board.
- D. Competitive procurement is not required when:
1. The need for services complies with the definitions of Sole Source, Single Source, or Emergency Procurement.
  2. The procurement is made through contracts formally solicited and obtained by the State of Maryland, the federal government, or some other

- governmental agency pursuant to that agency's competitive procurement policies.
3. The procurement is for personnel employment services rendered by full-time or part-time employees who are under the control of the Board and are paid wages for their services.
  4. The procurement is a continuation of an existing purchase agreement, bid, request for proposal, time and material contract, rental, lease, or purchase order duly authorized by the Board.
  5. The procurement is for maintenance services from the original vendor or an authorized agent of the original vendor and these services cannot be competitively bid.
  6. The procurement is for additional orders of like equipment, materials, supplies, services, rentals, or leases previously approved, provided the additional order is at the same or a lower price, or the original contract included an automatic price adjustment based on the Consumer Price Index or the Producer Price Index for commodities and services. This does not apply for additional orders if unit prices have increased.
  7. The procurement is for Workers Compensation and Risk Management insurance claims made under existing legal policy or contract requirements, provided Board funds are available.
  8. The procurement is for Special Education and other legally mandated student services that are required by state or federal law, provided there are budgeted funds available.
- E. Procurement related to professional services will be awarded in the manner best suited to allow a full assessment of professional abilities and other relevant criteria, while also ensuring an open and fair selection process that engenders public confidence. Competitive bidding seldom will be the best method for selecting professional services.
- F. Sole source procurement of goods and/or services will be permitted only if the required goods or services can only be obtained from one source in the marketplace. Such goods or services will usually be of a unique nature and have performance characteristics that can only be obtained from that source.
- G. Single source procurement of goods and/or services will be permitted only if the required goods or services can only be obtained from one source among others in a competitive marketplace for a substantial reason such as compatibility or standardization provided a reasonably diligent search has been made for other vendors or other appropriate information has been obtained to determine a vendor's single source status.
- H. Emergency procurement of goods and services will be permitted only if the procurement is necessitated by an emergency, defined as any situation that threatens to jeopardize the health, welfare of students, employees, the HCPSS or the public, or the loss of an essential HCPSS service, including but not limited to interruption of the instructional program. Such emergency purchases will be made with as much competition as is practicable under the circumstances.

Emergency purchases of \$50,000 or more require prior approval by the Superintendent/designee and timely notification to all Board members.

Not later than the next regular meeting of the Board following the emergency purchase, any contract or procurement awarded in an emergency situation will be ratified by the Board. The Board will receive a written report describing the nature of the emergency, services procured under the contract or procurement, the selection process for the provider, the name of the provider, and the amount of the purchase.

- I. Procurement of goods and/or services will not be manipulated to avoid taking bids as required by law, HCPSS policy or procedures. Small orders of similar commodities or significant underestimation of needs will be considered an attempt to avoid the bid process.
- J. The Purchasing Office will take affirmative steps to increase utilization of qualified small, local, minority, and women owned business enterprises, including but not limited to:
  - 1. Placing these enterprises on solicitation lists.
  - 2. Assuring that these enterprises are solicited whenever they are potential sources.
  - 3. Using services and assistance, as appropriate, of such organizations as the Howard County Economic Development Authority (HCEDA).

#### **IV. Award or Rejection of Contracts**

- A. If the cost of any item or group of related items and/or service(s) is for an amount above the solicitation threshold, the Board, at least two weeks before bids are filed, will advertise for bids in a medium accessible to the general public (which includes a newspaper of general circulation in the region, the eMaryland Marketplace, or comparable state publication), or a posting on an electronic bid board and a physical posting in the Purchasing Office.
  - 1. Contracts for amounts above the solicitation threshold can only be made after the receipt of formal sealed responses and the approval of the Board.
  - 2. Awards of contracts under the solicitation threshold will be approved by the Superintendent/designee.
- B. Vendor responses to Requests for Proposals (RFPs) for HCPSS contracts will be evaluated by an evaluation committee, as outlined in the Procurement Manual, who are required to complete a non-disclosure/non-conflict of interest agreement. Predetermined evaluation considerations include:
  - 1. Quantities involved

2. Time required for delivery
  3. Purpose for which it is required
  4. Competency and responsibility of the bidder
  5. Ability of the bidder to perform satisfactory service
  6. Plan for utilization of small, local, minority and women owned business enterprises
  7. Past performance of bidder
- C. A contract for the procurement of goods and/or services will be awarded to the lowest responsive and responsible bidder who conforms to or exceeds specifications. Justification and documentation of any contract awarded to an offeror other than the lowest responsive and responsible bidder will be provided, setting forth the reasons why such award is in the best interests of the HCPSS.
- D. Firms not awarded a contract as a result of a formal solicitation will be issued a notice of non-award.
- E. A contract entered into or purchase made in violation of §5-112 of the Education Article of the Annotated Code of Maryland and Policy 4050 Procurement of Goods and/or Services is void.

#### **V. Signing of Contracts**

- A. Contracts for amounts at or above the solicitation threshold of \$50,000 are executed by the Board Chair/designee and the Superintendent/designee as appropriate.
- B. For contracts below the solicitation threshold:
1. The Purchasing Office will provide appropriate comprehensive training for all HCPSS employees involved in procurement, including but not limited to training on school activity funds, purchasing cards, Key Performance Indicators (KPI's), contract management and performance, conflict of interest, and compliance with laws and regulations.
  2. The Superintendent/designee will approve all contracts for Board budgeted funds.
  3. In collaboration with the Purchasing Office, principals will approve all contracts for school activity funds.

#### **VI. Contract Management**

- A. The Purchasing Office will implement and maintain a contract management system that will serve as a means or repository for storing all contracts, including school-based contracts paid with school activity funds and all MOU's.

- B. The Purchasing Office will develop and maintain appropriate KPI's to align with the HCPSS's strategic goals and be used to measure specific aspects of the procurement function.

## **VII. District Level Implementation**

- A. The Superintendent/designee will oversee implementation and compliance with this policy, including:
  - 1. Conduct periodic evaluations and report on systemwide compliance with the policy.
  - 2. Conduct periodic, systemwide review and assessment of this policy and other related HCPSS policies on their effectiveness and, based on this assessment, propose policy revisions.
  - 3. Retain records documenting compliance with the requirements of the policy.
  - 4. Document accurate and complete records as to the performance of any contractor/vendor so that "failure to perform" can be well established.
  - 5. Retain bid files, purchase orders, requisitions and appropriate supportive documentation for a period of not less than five (5) years.
  
- B. The Superintendent delegates the following powers and duties to the Director of Procurement and Materials Management/designee:
  - 1. The Director of Procurement and Materials Management/designee will serve as the public purchasing official for the HCPSS.
  - 2. The Director of Procurement and Materials Management/designee will establish procedures governing the school system's purchasing functions with the written approval of the Superintendent/designee.
  - 3. The Director of Procurement and Materials Management/designee will purchase or supervise the purchasing of all goods and services needed by the school system.
  - 4. The Director of Procurement and Materials Management/designee will ensure compliance with HCPSS policy and the procedures governing the HCPSS's purchasing functions established in accordance with HCPSS policy by reviewing and monitoring purchases conducted by any designee, school, department or official delegated authority under this policy.
  - 5. The Director of Procurement and Materials Management/designee will ensure that the HCPSS policy, procedures and practices conform to accepted public purchasing policies and procedures.
  - 6. The Director of Procurement and Materials Management/designee may delegate authority to designees or to any school, department or official as required to assist in the performance of their duties.
  
- C. Any powers and duties not so delegated to the Director of Procurement and Materials Management/designee will remain with the Superintendent/designee.

## VIII. Definitions

Within the context of these implementation procedures, the following definitions apply:

- A. Purchase Order – A legally binding commercial document used to detail the types and quantities of goods and/or services provided by a supplier in return for payment.
- B. Request for Proposal (RFP) – A document that announces a project, describes it, and solicits proposals or responses from qualified contractors to complete. The RFP sets out specifications describing the solution it seeks and evaluation criteria disclosing how proposals are graded. RFP's will include a statement of work describing tasks to be performed by the bidder and a timeline for providing finished work.

## IX. Monitoring

Policy 4050 implementation procedures will be overseen by the Division of Operations.

## X. History<sup>1</sup>

ADOPTED: June 28, 1990  
REVIEWED: December 21, 2015  
MODIFIED:  
REVISED: July 13, 1995  
December 13, 2001  
February 27, 2003  
December 14, 2006  
January 13, 2011  
June 7, 2018  
June 9, 2022  
EFFECTIVE: July 1, 2022

---

<sup>1</sup> Key: *Adopted*-Original date the Board took action to approve a policy; *Reviewed*-The date the status of a policy was assessed by the Superintendent's Standing Policy Group; *Modified*-The date the Board took action to alter a policy that based on the recommendation of the Superintendent/designee did not require a comprehensive examination; *Revised*-The date the Board took action on a that policy based on the recommendation of the Superintendent/designee needed a comprehensive examination; *Effective*-The date a policy is implemented throughout the HCPSS, typically July 1 following Board action.