



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

Board of Education

Effective: July 11, 2024

Policy Outline

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I. Policy Value Statement

The Board of Education of Howard County (Board) 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 applicable laws 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, women's business enterprises, and minority businesses.

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 establish standard practices and procedures to create an efficient and effective purchasing program for the HCPSS and to establish a centralized purchasing function with vested authority to purchase goods and/or services necessary for the efficient operation of 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. General 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, emergency procurements, or otherwise allowed by law and HCPSS policy. General procurements, sole source, single source, and emergency procurements will be reviewed by the Board's Audit Committee, as determined by the committee.
 - 2. The Office of Purchasing will administer all procurement activities in accordance with State law, the Board's ethics code, and HCPSS policies, and Policy 4050 Implementation Procedures and will be developed based on Board policy.
 - 3. Procurement Procedure Methods:
 - a. Procurement of goods and/or services costing less than \$10,000 in aggregate value per fiscal year will only be considered after receipt of at least one written quotation by the Office of Purchasing and may reflect the lowest price available given the situation.
 - b. Procurement of goods and/or services costing \$10,000 and above, but less than the solicitation threshold of \$50,000 in aggregate value per fiscal year will only be considered after the receipt of three written quotations by the Office of Purchasing. This contract will be formulated by the use of an approved HCPSS purchase order or other acceptable contract form approved by the Office of Purchasing. Documentation of written quotations must be attached to the request.
 - c. A formal solicitation is required for procurement of goods and/or services for amounts equal to or greater than the solicitation threshold of \$50,000 and requires approval from the Board.
 - d. For contracts and procurements below \$50,000 the Superintendent/designee will establish procurement procedures for approval.
 - e. The formal solicitation threshold for transportation-related contracts will be \$50,000 and will be presented to the Board for review and approval.
 - f. All sole source contracts require Board review and approval.

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 Office of Purchasing, 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.
- F. School-sponsored events as determined by the Office of Purchasing may be exempt from this policy.
- G. All HCPSS employees engaged in procurement activities for HCPSS programs and/or activities are responsible for understanding the provisions of this policy and implementation procedures, and the Procurement Manual.
- H. 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.
- I. The process to review HCPSS contracts will be presented and discussed with the Board's Audit Committee.
- J. Project managers are HCPSS employee representatives who are responsible for the day-to-day monitoring of contract-related requirements after the contract has been awarded. The project manager is the primary contact for the vendor in relation to the contract. HCPSS divisions will appoint a project manager for all procurements that require a formal solicitation. At a minimum, a project manager is required for all service-related contracts regardless of the value of the contract.

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 HCPSS employees will follow this policy and implementation procedures and comply with Policy 2070 Ethics and HCPSS Ethics Regulations.
- D. The Budget Office will ensure sufficient funding authority has been appropriated for the procurement of goods and/or services.
- E. Responsibility for the performance of the contract will reside with the program manager in the office that requested the solicitation. The program manager will do the following:
 - 1. Develop performance measures and liquidated damages (if necessary) that ensure the contract meets the needs of the system and aligns with the strategic call to action and are SMART goals.
 - 2. Monitor contractor performance, including deliverables, milestones, and compliance with contractual requirements.
 - 3. Complete a Contractor Performance/Evaluation Scorecard prior to any option renewals being issued by the Office of Purchasing. This requirement should at a minimum be done annually and submitted to the Office of Purchasing for recordkeeping.
 - 4. Maintain accurate and up-to-date contract records, documentation, and correspondence.
 - 5. Program Managers will act with integrity, impartiality, and transparency in all dealings with suppliers and stakeholders.
 - 6. 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. The Director of Procurement and Materials Management/designee will have signature authority to execute contracts under this policy.
- G. The Office of Purchasing annually, will report to the Board a review of the procurement services 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. Number of sole source contracts awarded.
 - 6. Numbers of individuals trained on procurement procedures.
 - 7. Reporting of Key Performance Indicators (KPIs).

V. Delegation of Authority

The Superintendent/designee is authorized to develop appropriate procedures for the implementation of this policy within the limits set forth by this policy.

VI. Definitions

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

- A. Contract – A legally binding agreement or Memorandum of Understanding, between the Board and a vendor, merchant, consultant, organization, entity, or business, 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. HCPSS Employee – Any individual who is a permanent or temporary employee of the HCPSS whose compensation is paid in whole or part by the Board, including but not limited to, school-based administrators, teachers, substitute teachers, paraeducators, and other school-based and Central Office support staff.
- G. 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.
- H. 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.

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- I. 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.
 - J. 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.
 - K. 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.
 - 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 HCPSS 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. Single source contracts are limited to a 12-month term.

- U. Small, Local, Minority, and Women Owned Business Participation – The inclusion of these business enterprises as either prime or subcontractors in Board contracts.
- V. 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.
- W. SMART Goals – Goals that are specific, measurable, achievable, relevant and time-bound.
- X. 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. Sole source contracts are limited to a 12-month term.
- Y. 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.
- Z. Solicitation Threshold – The dollar amount if equaled or exceeded, requires a formal solicitation.
- AA. Specifications – A clear, complete, and accurate description of the goods and/or services required in a procurement activity.
- AB. Supplier – A person or entity providing goods and/or services.
- AC. 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

VIII. History¹

ADOPTED: December 3, 1968
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December 13, 2001
February 27, 2003
December 14, 2006
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¹ 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.

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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 HCPSS 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 Office of Purchasing 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.
11. Ensuring that HCPSS employees know who the point of contact is for contracts and the escalation process for contractual performance concerns.

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. 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 through intergovernmental purchase.
 - 3. The procurement is for personnel employment services rendered by full-time or part-time HCPSS 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 Workers Compensation and Risk Management insurance claims made under existing legal policy or contract requirements, provided Board funds are available.
 - 7. 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.

- D. Sole source 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. Such goods or services will usually be of a unique nature and have performance characteristics that can only be obtained from that source. Sole source contracts are limited to a 12-month term.

- E. 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. Single source contracts are limited to a 12-month term.
- F. 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, HCPSS 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.

The Board will receive notification at the next regular meeting following the issuance of an emergency related contract. 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.

- G. Procurement of goods and/or services will not be manipulated to avoid following HCPSS policy or procedures. Small orders of similar commodities or significant underestimation of needs will be considered an attempt to avoid purchasing policies and procedures.
- H. The Office of Purchasing will take affirmative steps to increase utilization of qualified small, local, minority, and women owned business enterprises, including but not limited to:
1. Assuring that these enterprises are solicited whenever they are potential sources.
 2. Departments are encouraged to select and prioritize local businesses when purchasing goods or services that are under \$50,000.00.
 3. Setting MBE participation goals on Board approved construction contracts are determined by the Procurement Review Group.
 4. Purchase orders will be approved and issued by the Office of Purchasing prior to any order being placed by an HCPSS employee. Purchase order requests that are not in accordance with this policy will be sent through a review and approval process to be determined by the Superintendent/designee.
- I. Procurement of transportation services must be with an approved vendor of the HCPSS Office of Student Transportation.

1. All legal entities awarded school bus contracts with the Board will be evaluated and approved based on, but not limited to, experience, criminal background checks, personal and professional references, garage location, safety and driving records, appropriate financial position, school bus inspection records, and sufficient, available qualified personnel.
2. All personnel provided by the school bus contractor in fulfillment of the requirements of the school bus contract with the Board will meet all applicable federal and state motor vehicle licensing requirements, Code of Maryland Regulations (COMAR), and HCPSS requirements.
3. All vehicles provided by the school bus contractor for transportation services will comply with all United States Department of Transportation (USDOT), Maryland Vehicle Administration (MVA), COMAR, and HCPSS requirements and specifications as defined in the school bus contract.
4. Transfer or assignment of school bus contracts is prohibited unless expressly approved by the Board.
5. In emergency situations which result in non-fulfillment of school bus contract requirements, school bus contracts may be temporarily assigned by the Superintendent/designee without prior approval of the Board. Temporary school bus contract assignments are limited to less than one fiscal year.

J. Contract Modifications

1. Contract modifications that result in a change where the total contract value would exceed \$50,000 require Board approval.
2. Contract modifications less than \$50,000 are under the approval of the Director of Procurement and Materials Management.
3. Contract modifications to extend the period of performance are under the approval of the Director of Procurement and Materials Management.
4. Contract modifications that result in a vendor name change are under the approval of the Director of Procurement and Materials Management.

K. HCPSS Issued Credit Card and Purchase Order Guidance

1. The single transaction limit is \$10,000. Purchases for \$10,000 and under are allowed to be made on a HCPSS issued Credit Card.
2. Purchases greater than \$10,000 are to be issued a Purchase Order/School Check.

3. Transactions may not be split for the same or similar goods and/or services to avoid the single transaction limit.
4. Exceptions can be approved/denied by the Director of Procurement and Materials Management/designee upon review of supporting justification.

IV. 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. The Superintendent/designee will approve all contracts below the solicitation threshold for Board budgeted funds.

V. Contract Management

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

VI. 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.

VII. Monitoring

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

VIII. Definitions

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

- A. Modification – Any written alteration in specifications, performance period, price, or other provision of any contract accomplished by mutual action of the parties to the contract.
- B. Procurement Review Group (PRG) – A standing group charged with reviewing all construction-related procurements that require goal setting in order to maximize opportunities for Minority Business Enterprise (MBE) participation in solicitations.
- C. 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.
- D. 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.

- E. School Bus Contract (Contract) – A binding written agreement between the Board and a school bus contractor to provide school transportation services for the HCPSS.
- F. School Bus Contractor (Contractor) – A legal entity approved to operate school buses when awarded a school bus contract by the Board.
- G. School Bus Inspection – A scheduled or non-scheduled inspection of school buses performed by HCPSS staff, Maryland Motor Vehicle Administration (MVA) inspectors, or licensed private service providers.

IX. History¹

ADOPTED: June 28, 1990
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