

## BUSINESS AND NONINSTRUCTIONAL OPERATIONS

### Payment for Goods and Services

#### Payment for Construction Contracts

Payment on any contract for the creation, construction, alteration, repair, or improvement of any district property or facility or other public works project shall be made in accordance with the estimates, process, and/or schedule approved by the Governing Board.

As necessary, the Superintendent or designee may make progress payments as actual work is completed or materials are delivered. When a payment request is properly submitted by a contractor, any undisputed portion of the payment request shall be paid within 30 days. If the Superintendent or designee determines any payment request to be improper, he/she shall return the payment request to the contractor with a written statement of reasons why the request is not proper. (Public Contract Code 9203, 20104.50)

*(cf. 3312 – Contracts)*

The district may withhold up to five percent of the proceeds due to the contractor until completion and acceptance of the project (Public Contract Code 7201)

The proceeds to be withheld by the district may exceed five percent when the Board has made a finding, prior to the bid and during a properly noticed and regularly scheduled meeting, that the project is substantially complex and requires a higher retention amount than five percent. In such cases, the Board's finding shall include a description of the specific project and why it is a unique projects that is not regularly, customarily, or routinely performed by the district or licensed contractors. The bid documents shall include details explaining the basis for the funding and the actual amount to be withheld. (Public Contract Code 7201)

*(cf. 3311 – Bids)*

*(cf. 9320 – Meetings and Notices)*

*(cf. 9324 – Minutes and Recordings)*

At any time after 50 percent of the work has been completed, the Board may release the withheld proceeds if it finds that satisfactory progress is being made. (Public Contract Code (9203)

Proceeds withheld by the district from payments to contractors for public works contracts shall be released within 60 days after the construction or improvement is completed. In the event of a dispute between the district and the contractor, the district may withhold from the final payment an amount not to exceed 150 percent of the disputed amount. (Public Contract Code 7107)

#### Requisition Process

Items needed by schools and other district office departments are to be ordered by a requisition process rather than issuing a purchase order at the site. The requisitions themselves are not usable as a purchasing instrument since they do not have an authorized signature.

The requisitions are created by the end user, usually a teacher or secretary, and approved by the principal or vice principal. If the requisition is for the disbursement of restricted/categorical funds the requisition will be forwarded to the administrator in charge of program compliance for their signature of approval. The requisition will then be forwarded to the purchasing department. This requisition would authorize the purchasing department to encumber the budget for the sum of money indicated on the requisition, to be charged to the account shown on the requisition, by entering the requisition into the county purchase order system.

All requisitions will be reviewed for suitability and a decision as to the actual vendor to be used and actual price to be paid, if this information is available. Should this information not be known, then the purchase order will be made up to conform with the details show on the requisition. This will be particularly true for items of a unique nature, items available from only one vendor, or where a substitution is inadvisable.

The purchasing department will print out purchase orders from the county system for review and approval by the staff indicated in Administrative Regulation 3326.4.

#### Purchase Orders

Payment will be made to vendors via a purchase order that has been reviewed and signed by the appropriate staff. Adjustments made to the purchase orders will be honored only if the following conditions are met.

The vendor has to make last minute substitutions for the items listed on the purchase order as long as the total purchase order amount is not exceeded by 10% and there is sufficient budget to cover any price increases. Adjustments made cause the purchase order amount to be for less or equal to the original purchase order amount. The funds being spent are not from restricted sources, or if funds are being spent from restricted sources the adjustments/substitutions items must inherently be the same as the original items listed on the original purchase order. (i.e. Changing from one math book to another higher priced math book is a substitution that is inherently the same as the original time ordered.)

All other adjustments made on purchase orders concerning content and or price must go through the process as an additional or supplemental purchase order in order to cover the differences.

In order to facilitate the purchase of low cost items, generally of a disposable nature, the district will allow "Blanket Purchase Orders." These orders will be for such items as stationery items, food items for the extended child care program, auto parts and hardware items for the facilities and transportation departments. The Blanket Purchase Order will be created from a requisition in the same way every purchase order not to exceed the purchase order amount. This Blanket Purchase Order will not cover line items exceeding \$500.00 including tax and shipping per unit."

Blanket Purchase Orders will not be for any amounts greater than \$5,000.00. The schools or departments will be responsible for sending all sales slips through to accounts payable. The bills will be paid upon receiving the sales slips from the schools or departments and a statement from the vendor. The Superintendent or designee may deny the use of Blanket Purchase Orders to those

schools, departments, or staff that have shown a history of not being able to properly work with the Blanket Purchase Order system.

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