

IV. SCHOOL FINANCES

POLICY #6

PROCUREMENT

**1. General.** Lanikai Elementary Public Charter School will follow accounting policies and procedures that comply with generally accepted accounting principles (GAAP). Any procurement of goods and services shall be made by the Business Manager or Principal with the approval of the Principal or Local School Board and shall be in the best interest of Lanikai Elementary Public Charter School, upon considering the totality of the circumstances surrounding the procurement, which may include but not be limited to, price, quality, availability, timelines, reputation and prior dealings.

**2. Related Parties.** Lanikai Elementary Public Charter School shall not purchase any goods or services from any immediate family member of any employee of Lanikai Elementary Public Charter School nor from any entity in which any employee may benefit from such a procurement, unless authorized by the Principal and Local School Board after a full disclosure of the potential benefits, and after the consideration set forth in paragraph 1 above.

**3. Federal Funds.** Lanikai Elementary Public Charter School understands that the policy cited above applies to purchases made using non-federal funds. As a condition of the receipt of certain federal funds, federal procurement requirements apply.

**4. Small Purchases.** A small purchase is an expenditure of less than \$5,000. 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 requirements.

**5. Competitive Proposals.** Unless otherwise provided by policy, contracts of \$5000 or more for goods, services, or construction shall be made pursuant to the competitive proposal process. Competitive proposals 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. Award is made to the lowest responsive and responsible proposal.

**6. Sole Source Procurement.** Sole source procurement may be authorized with the approval of the Principal or Local School Board, when there is only one source available for the goods, services, or construction for \$5,000 or more. To justify a sole source purchase it must be established that: (1) The good, service, or construction has a unique feature, characteristic, or capability; (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.

**7. Professional Services.** Professional services of \$5,000 or more are generally procured through a process that requires the development of a list of professional service providers who have been

qualified through Lanikai Elementary Public Charter School to perform an anticipated professional service for the Lanikai Elementary Public Charter School. When the need for the professional services arises, the Principal or Local School Board shall establish a review process resulting in a ranked order of those providers determined to be the most qualified. Lanikai Elementary Public Charter School shall negotiate a contract beginning with the first ranked professional service provider. If a contract cannot be negotiated with the first ranked provider then the Lanikai Elementary Public Charter School shall move on to the next highest ranked provider and so on until a contract with a provider is negotiated. After award, debriefing of non-selected provider(s) to be held, upon written request by non-selected provider(s).

**8. Reimbursements.** Reimbursements of expenditures made by Lanikai Elementary Public Charter School staff for the benefit of the Lanikai Elementary Public Charter School are permitted under the following circumstances:

- a. approval of the Principal or Local School Board
- b. written substantiation of the expenditure is provided which includes the purpose, time and place and original invoice or receipt for the purchase
- c. reimbursement of meals must also include a list of attendees and the business purpose of the meeting
- d. reimbursement requests must be made within 45 days of the date of the expenditure