



10th
Edition

Procurement Manual



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CHAPTER 1 - OVERVIEW

The Procurement Services Division (hereinafter, “PSD”) is committed to assisting schools, instructional offices, and non-instructional support offices, in procuring the highest quality goods and services at competitive prices for the support of student achievement. We are focused on securing goods and services from reputable and responsible vendors in compliance with applicable laws of the State of California, the federal government, the Board Rules set by the Board of the Education (hereinafter, “Board”), and policies and procedures of the Los Angeles Unified School District (hereinafter, “District”).

We will ensure that our business practices are carried out with the highest degree of professional ethics, integrity and competency. We value:

- A commitment to excellence
- Unquestionable integrity
- Prudent expenditure of funds
- Satisfied customers
- Inspired and proactive leadership
- Initiative and innovative ideas
- The use of business technological advances

We developed this manual as a tool to provide guidance and assistance in the procurement process, to schools, offices, and to contractors (we use the term “contractor” interchangeably with “supplier” and “vendor”).

Do’s and Don’ts

Included is a “Do’s and Don’ts” chapter at the end of this manual, to provide guidance in certain situations. The Do’s and Don’ts are also included in areas of the manual to reinforce their importance to particular situations. The notations, DD-1, DD-2, etc., which appear on section headers throughout the manual refer to the Do’s and Don’ts section at the end of this Procurement Manual.

MISSION STATEMENT

“To provide schools and administrative offices with goods and services they need – when they need them. In doing this, we must ensure procurement laws are followed and the District achieves the most cost-effective prices for goods and services.”

The Procurement and Contract Administration Branch (PCAB) manages the acquisition of various supplies, equipment, professional services and general services through a variety of competitive, fair, and ethical bidding methods. Efforts are centered on leveraging the District’s aggregate buying power to reduce acquisition costs, maintain quality and ensure timeliness of delivery or service.

Materiel Management Branch (MMB) assists District schools and offices by providing supplies, materials, and equipment through the District’s General Stores Distribution Section. MMB will be a partner and a resource to assist schools in the relief of the operational burden of multiple sourcing, ordering/receiving, and payment, by providing a “one-stop” shopping source to acquire thousands of classroom and office items in a cost savings manner. This branch also oversees the District’s credit card, conference and travel, rental of non-district facilities and vendor services.

The Facilities Contracts (FC) branch is responsible for the acquisition of professional services provided by consultants, contractors, and other private firms. Acquisitions are achieved through the use of requests for qualifications (RFQs) and requests for proposals (RFPs) which are developed, issued, evaluated and awarded through this branch. FC also administers the advertising, bidding and awarding of all formal, competitively bid school construction projects, including the prequalification of contractors and all post-award contract activities.

A. PURPOSE

This manual contains the official policies and procedures for procuring supplies, equipment, and general and professional services. By adhering to the manual, we ensure that supplies, equipment, general and professional services necessary for the operation of school sites and central operation are obtained at competitive prices in a manner that guarantees fairness in the selection of contractors and minimizes opportunities for fraud, waste and abuse.

These policies and procedures are consistent with applicable state and federal law.

These policies and procedures are not intended to address the procurement activities related specifically to school construction and modernization projects sponsored by the Facilities Services Division. Please visit the following site for that information: <http://www.laschools.org/>.

B. OBJECTIVE

The decision to purchase or to provide internally is sometimes called the “make or buy” decision. With professional services especially, the make or buy decision must be made with consideration given to Human Resources and/or Personnel Commission policies.

“Buy and Use LAUSD First” Board Resolution

On November 13, 2012, the Board of Education approved the “Buy and Use LAUSD First” Resolution. It was resolved that the Superintendent strongly encourage every school and office to use and/or buy District products and services whenever possible. It was further resolved that schools and offices will take full advantage of better value master contracts providing the same goods and services.

On the PSD website (<https://www.lausd.org/procurement>), PSD has posted the “Buy and Use LAUSD First” resolution with further information on how you can take advantage of PSD’s ability to maximize your budget and time by purchasing at General Stores Distribution and utilizing Master Agreements.

No purchases shall be made except as provided by applicable California Law, Federal Law, Board policies and these procedures for procurement of supplies, equipment, general and professional services. Only persons expressly authorized by Board policy or the Superintendent, via sub-delegation of authority, shall make any purchase or enter into any contract for the purchase of supplies, equipment, general and professional services on behalf of the District. School Principals, Office Administrators, Heads of Organizations and/or Senior Staff DO NOT have the authority to sign vendors’ contracts. Any purchase made or contract entered into in violation of the policies and procedures contained herein are void and not binding on the District. Those individuals who

violate these policies and procedures and engage in malfeasance shall be personally liable for such actions.

It is your responsibility to follow the policies and procedures of the District. PSD is available to assist you in following good business practices during the procurement process.

If you have questions regarding procurement, please contact (562) 654-9009 or visit the website at <https://www.lausd.org/procurement>.

C. DELEGATED AUTHORITY

On May 8, 2018 the Board approved delegations of authority to the Superintendent that have been designated or sub-delegated to the Chief Procurement Officer. No procurement shall be valid or constitute an enforceable obligation against the District if the policy and procedures in this manual are not followed or if the contract action is not approved or ratified by the Board. (Education Code §17604, Public Contract Code §20111, and §20118 et. seq.)

School Principals, Office Administrators, Heads of Organizations and/or Senior Staff DO NOT have the authority to sign vendors' contracts.

D. FORMAL COMPETITIVE BID LIMIT

The California Department of Education annually adjusts the dollar threshold that triggers procurements that shall be competitively bid. The threshold is applicable to supplies, equipment and general services (Public Contract Code §20111.d). Historically, effective January 1st of each year, the State Superintendent of Public Instruction will publish the annual increases for the bid threshold.

Subsequently, the Superintendent is delegated the authority to adopt the adjusted dollar threshold for the procurement of supplies, equipment, and general and professional services. Although professional services are not subject to Public Contract Code §20111.d, which require the competitive process, the Board adopted a parallel threshold for competitive negotiation of professional services. In 2003, the Board, under Board Rule 1850, established a competition requirement for Professional Services. In 2008, the Board "retired" Board Rule 1850, granting Business Services Division's Procurement Services Group the ability and authority to conduct procurements on behalf of the Board.

The California Department of Education issues a letter annually which states the current competitive bid limit. A web link to the letter is available on the PSD website <https://www.lausd.org/Page/5326>.

CHAPTER 2 - GETTING STARTED

The purpose of this chapter is to define and describe your role, including conduct and ethics during and after the procurement process.

It is extremely important to note that the District will not process invoices that do not have a valid contract or Purchase Order executed by authorized District personnel. Therefore, all vendors are required to have a valid contract or Purchase Order prior to providing services or delivering goods to a school or office within the District. If the vendor provides services or delivers goods in advance of a valid executed contract or Purchase Order, the vendor does so at its own risk and invoices received will not be processed for payment. Therefore, you must ensure that prior to receipt of services or goods delivered by a vendor, that the appropriate procedures are followed to ensure payment to the vendor.

In addition, purchases shall be made as provided by applicable California Law, Federal Law, Board policies and the policies and procedures within this manual. Any purchase or contracts entered into in violation of the policies and procedures contained herein are void and not binding on the District. You may be subject to personal liability if you willfully or intentionally violate the policies and procedures set forth in this Procurement Manual including liability for the costs of services or goods incurred by the District.

PSD Central Customer Service Team

PSD has a Central Customer Service Team that is available to assist you with PSD policies and procedures. Please contact them at (562) 654-9009 or fax at (562) 654-9019.

A. YOUR ROLE

A.1. Conduct

You have a fiduciary responsibility to protect the interest of the District, to place the District's interest above your own, and most importantly, to safeguard the District's resources.

A.2. Ethics

Ethics is an overarching theme for schools, offices, District staff, vendors, and consultants from the time preceding the initiation of the procurement process through the fulfillment of a contract. Procurements utilizing District funds are either direct or indirect spending of public funds and subject to public scrutiny. Therefore, before, during, and after the procurement process, we must all be responsible, honest, prudent, and avoid participating in any decision-making where there could be a conflict of interest or the appearance of a conflict.

All District contractors are subject to the District's Contractor Code of Conduct, which is the governing Board policy on responsible behavior for those conducting business with the District. All District representatives who work with District contractors must familiarize themselves with these standards. If you should have any questions regarding the District's ethics standards or necessary safeguards, please contact the Ethics Office at (213) 241-3330 or visit the website at <https://www.lausd.org/ethics>.

A.3. Splitting to Avoid Competition (DD-10)

It is unlawful to split or separate into smaller work orders/projects any work, project, service, or purchase for the purpose of evading the competitive process (Public Contract Code §20116). No person shall willfully split a single transaction into a series of transactions for the purpose of evading the requirements (Public Contract Code §20116). Moreover, it is against Board policy to split professional service contracts to avoid the competitive negotiation requirement. Internal control verification will be conducted routinely to monitor and provide oversight to prevent splitting. Violations may result in disciplinary action and/or restricted procurement ability.

Bid-splitting is never acceptable as it is a violation of the District policy and may result in disciplinary action and/or restricted procurement ability. Whether you are purchasing 50 items or 1 item, if the total of that purchase is greater than the dollar threshold and the purchase is split into multiple transactions in order to complete the transaction, it is still considered bid-splitting.

P-Cards shall not be used as a matter of convenience to replace what should be ordered on a Purchase Order. Further, a Purchase Order shall not be used in place of a competitively bid contract. If you are already anticipating that you will exceed the dollar threshold for a particular procurement, you must evaluate which procurement tool is appropriate and choose that tool rather than risk bid-splitting. For questions, please contact (562) 654-9009 or visit the website at <https://www.lausd.org/procurement>.

DD-10 Bid Splitting

DO recognize that according to the California Public Contract Code, “It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding.”

DON’T issue multiple contract requests (or low-value Purchase Orders) for smaller sections of your total requirement to avoid going through the competitive process, or to avoid obtaining the required District or Board approvals.

A.4. Anti-Kickbacks (DD-11)

It is District policy that all employees act with integrity and good judgment and recognize that accepting personal gifts from vendors may cause favoritism. No employee of the District shall solicit or accept any personal favor, gift, gratuity or offer of entertainment directly or indirectly from a vendor who is doing or seeking to do business with the District.

DD-11 Rebates, Premiums, Incentives, and Kickbacks

DO contact Procurement for advice if a vendor offers or suggests that you or your school accept something of value that is not part of the official offer.

DON’T accept any “kickback” from a vendor (personal favor, gift, gratuity or offer of entertainment). Don’t accept premiums, rebates or incentives for your school or office, unless they are clearly defined in the offer.

A.5. Incentives and Rebates (DD-11)

It is District policy to not use incentives and rebates **for personal benefit**. In addition, it is District policy to negotiate either quantity or trade discounts in lieu of accepting incentives or entering into rebate agreements with suppliers for all methods of purchase. District employees are not to accept either incentives or offers for rebates from a supplier without the explicit advance approval of PSD. If a vendor proposes incentives or rebate agreements, refer the vendor to PSD who will review the conditions of the offer to determine if:

- it is reasonable;
- more favorable prices are available from other vendors; and
either the rebate or incentive value can be applied toward the purchase price.

DD-11 Rebates, Premiums, Incentives, and Kickbacks

DO contact Procurement for advice if a vendor offers or suggests that you or your school accept something of value that is not part of the official offer.

DON'T accept any "kickback" from a vendor (personal favor, gift, gratuity or offer of entertainment). Don't accept premiums, rebates or incentives for your school or office, unless they are clearly defined in the offer.

A.5.a. Incentives (DD-11)

Incentives are deliberate enticements offered by a vendor to encourage a purchase. Incentives are tangible non-monetary benefits to the recipient and include any value-added goods and services offered at no charge. Examples include:

- Extra goods or services
- Gifts
- Tickets to an event
- Free merchandise

Incentives are generally not accepted because it is inappropriate for a public institution to accept either property or a service that is difficult to identify as tangible and administer to the benefit to the District.

DD-11 Rebates, Premiums, Incentives, and Kickbacks

DO contact Procurement for advice if a vendor offers or suggests that you or your school accept something of value that is not part of the official offer.

DON'T accept any "kickback" from a vendor (personal favor, gift, gratuity or offer of entertainment). Don't accept premiums, rebates or incentives for your school or office, unless they are clearly defined in the offer.

A.5.b. Rebates (DD-11)

Rebates are offers from the supplier either to return part of the cost of the order to the purchaser or to provide additional consideration or compensation to encourage the purchase of goods and/or services. Examples are:

- cash or credit based on total purchases
- value-added goods or services offered at a substantially reduced price
- checks to either the purchaser or the District

If a manufacturer rebate is offered on a purchase you make, policy requires that the rebate check is made payable to the Los Angeles Unified School District, and that the credit of the funds is returned to the same fund source as the expenditure. You must submit the rebate check to the Cash Receipts Unit and indicate the funding line which the rebate is to be credited to. Failure to do so may result in investigation, criminal prosecution and disciplinary action.

LAUSD
Cash Receipts
Revenue Accounting Branch
333 S. Beaudry Avenue, 26th Floor
Los Angeles, CA 90017
RE: "Indicate Accounting Line"

DD-11 Rebates, Premiums, Incentives, and Kickbacks

DO contact Procurement for advice if a vendor offers or suggests that you or your school accept something of value that is not part of the official offer.

DON'T accept any "kickback" from a vendor (personal favor, gift, gratuity or offer of entertainment). Don't accept premiums, rebates or incentives for your school or office, unless they are clearly defined in the offer.

B. PLANNING AHEAD

Planning ahead is the most important step. The dollar threshold of the acquisition will determine whether the procurement will need to be competed. If the procurement will be competed, you should plan ahead to ensure timeliness and efficiency. Urgency of a purchase because of lack of prior planning is not an acceptable reason to rush a purchase through. The competitive process can be lengthy depending on the complexity of the acquisition. Therefore, we recommend that you begin planning by utilizing the elements under B.1. below as well as Chapter 3 - Competition and Procurement Planning.

B.1. Planning the Acquisition Elements

When planning the acquisition approach, correctly determine the following:

- the need you are trying to address;
- existing options for meeting your need(s) and the inherent trade-offs;
- funding and estimated dollar value;
- type of procurement (goods, commodity, professional service, information technology, etc.);

- review and approval process;
- impact of existing District policies and procedures;
- method to acquiring goods, commodity and/or professional service;
- timeline;
- scope of work & evaluation criteria;
- specifications and updates; and
- management and back-up plan

B.1.a. Analysis of the Need

In planning for an acquisition, the first step is to validate the need you are trying to address. Is it an isolated problem or does it connect to a larger need or issues at other sites?

B.1.b. Research of Existing Options

What research has been conducted to determine the various options to meet the procurement need?

B.1.c. Funding and Estimated Dollar Value (DD-2)

In planning the acquisition elements, the first step is to identify the funding line and budget for the acquisition. Identifying a funding line and budget will assist in determining the ability to acquire the supplies, equipment, general and professional service. Moreover, you are required to complete a fully funded shopping cart to commence procurement unless the request is for a master or requirements contract.

DD-2 Funding

DO ensure that contract funding is in place or that the LAUSD Budget Office has certified via Memorandum that the contract funding will be available in the SAP system in sufficient time to meet the payment obligations of the contract. Federal “Anti-Deficiency” law requires that contracting officers not enter into contracts unless they can be fully funded.

DON’T submit contract requests without having “Approved” status Shopping Carts or funding lines that do not have enough money to cover the complete payment obligations of the contract (or for at least the first year of contract performance, in the case of a multi-year contract request). Processing of your contract request will be delayed until Procurement can confirm funding in the SAP System.

Initiating a Contract for Professional Services When Funds are Pending

Often schools and offices receive grant award notification and are required to begin service prior to receipt of funds by the District. In such cases, you are still required to submit the necessary forms to PSD to initiate the contract. In addition, you shall provide a copy of the grant award notification letter as evidence of funds availability and a letter from Budget Services.

It is strongly recommended that grant recipients contact Budget Services to ensure grant funds are placed in the appropriate account as soon as grant award notification is received. Budget Services can work with the grant recipient to establish a zero budget line, if necessary, to allow funds to be encumbered for expenditure on grant-funded contract services as soon as possible. A

zero-budget line will allow you to pre-encumber grant money not yet received, but you will also need a budget override to accept/pass the transaction. You should discuss with your Fiscal Specialists or Specially Funded Programs.

Categorical Funds/Grants

PSD can assist schools and offices in designing an organized approach in grant related procurements. This approach may consist of reviewing all line items for equipment, materials, supplies and services in proposed budgets submitted as part of a grant application and packaging them into an overall procurement solution that focuses on maximizing procurement process efficiencies while getting the best value with less (volume based approach). During this process, PSD and the school/office will also be in compliance with the specific grant terms and conditions.

There are restrictions on the types of procurements that are permissible with categorical funds and grants. It is your responsibility to ensure that categorical funds or grant funds are used properly. Please refer to your Fiscal Specialists or Specially Funded Programs for guidance.

B.1.d. Type of Purchase

Determining the type of purchase begins by identifying the major objective and/or purpose of the entire purchase. In doing so, ask yourself the following questions:

- What is the sole or main purpose of the purchase?
- Is it available in the District's General Stores Distribution Section?
- Is a Master Contract/Agreement available?
- Is it for supplies, equipment, general or professional services?

C. PROFESSIONAL SERVICES (Non-Facilities) (DD-4)

Professional service contracts will be processed under the following conditions:

Professional service contracts can be used to engage qualified individuals or firms to provide temporary special services in areas such as financial, economic, accounting, engineering, architect, technical, design-build, legal, or administrative matters.

Professional service contracts may not be used to hire persons who should be classified as employees rather than as contractors under federal and State guidelines, or to perform work that could be assigned to certificated, classified, or unclassified District employees. It is against District policy to contract with District employees such as teachers, specialty teachers, or instructors.

DD-4 Outsourcing

DO read Education Code section 45103.1 (Senate Bill 1419, Alarcon). The Education code addresses the outsourcing of services currently or customarily performed by classified school employees.

DON'T submit a Request for Procurement Action (RFPA) for services currently or customarily performed by classified school employees, unless ALL of the Ed Code 45103.1 criteria for doing so have been met, and you accompany your RFPA with documentation showing that you have met all of those criteria.

C.1. Legal Requirements for a Valid Independent Contractor Relationship (DD-4)

1. Under federal and State law, an independent contractor is one who renders a specified service for a specified result, under the control of the District as to work product only, not as to the manner and means of accomplishing the result. If the District has the right to control the method of performance, the worker is an employee and may not be hired by contract. Examples which are indicative of a right to control the method of performance include, but are not limited to: giving instructions, training, the requirement of personal service, requirements as to the sequence of performance and the submission of reports.
2. Federal and state guidelines which should be considered in determining whether a service provider is actually an independent contractor include, but are not limited to:
 - right to fire at will without cause;
 - service provider engaged in a distinct occupation or business;
 - kind of occupation;
 - skill required in particular occupation;
 - whether principal or service provider supplies instrumentalities, tools, and place of work;
 - length of time for which services to be performed;
 - method of payment;
 - whether service rendered integral part of principal's business;
 - whether parties believe creating employer-employee relationship;
 - whether classification bona fide and not ploy to avoid employee status;
 - service provider's degree of investment;
 - whether service provider holds self out to be in business with independent business license;
 - whether service provider has employees; and
 - service provider's opportunity for profit or loss.

Please contact the Office of General Counsel for specific questions and clarification.

3. The independent contractor relationship must comply with federal and State law guidelines.
4. Examples of workers who cannot be hired as contractors:
 - a. administrators, substitutes, tutors
 - b. teachers, school bus drivers, cafeteria workers
 - c. specialty teachers, clerical staff, counselors
 - d. instructors, athletic coaches, custodians
 - e. proctors, librarians, nurses
 - f. psychologists, examination monitors

If individuals are needed to provide services which do not meet federal and State law guidelines, please contact the Personnel Commission at (213) 241-7800 for assistance concerning clerical or other services similar to those performed by classified employees and the Human Resources Division at (213) 241-6359 for assistance concerning instructional or other services similar to those performed by certificated employees and for information regarding hiring Professional Experts.

Education Code section 45103.1 (Senate Bill 1419, Alarcon) further restricts the District's ability to contract for professional services. As of January 1, 2003, the District must show that a new

contract for personal (professional) services provides cost savings to the District or that it falls into one of the following statutory exceptions, or else it must hire an employee to perform the services:

1. The contract is for new functions and the Legislature has specifically mandated or authorized the performance of the work by independent contractors.
2. The services contracted are not available within the District, cannot be performed satisfactorily by District employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the school District.
3. The services are incidental to a contract for the purchase or lease of real or personal property. Contracts under this criterion, known as “service agreements,” shall include, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.
4. The policy, administrative or legal goals and purposes of the District cannot be accomplished through the utilization of persons selected pursuant to the regular or ordinary school District hiring process. Contracts are permissible under this criterion to protect against a conflict of interest or to ensure independent and unbiased findings in cases where there is a clear need for a different, outside perspective. These contracts shall include, but not be limited to, obtaining expert witnesses in litigation.
5. The nature of the work is such that the criteria for emergency appointments apply. “Emergency appointment” means an appointment made for a period not to exceed 60 working days either during an actual emergency to prevent the stoppage of public business or because of the limited duration of the work. The method of selection and the qualification standards for an emergency employee shall be determined by the District. The frequency of appointment, length of employment, and the circumstances appropriate for the appointment of firms or individuals under emergency appointments shall be restricted, so as to prevent the use of emergency appointments to circumvent the regular or ordinary hiring process.
6. The contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the location where the services are to be performed.
7. The services are of such an urgent, temporary, or occasional nature that the delay incumbent in their implementation under the District’s regular or ordinary hiring process would frustrate their very purpose.

For additional information, please refer to Bulletin BUL-6816.0 - Professional Services Contracts (Independent Contractors).

DD-4 Outsourcing

DO read Education Code section 45103.1 (Senate Bill 1419, Alarcon). The Education code addresses the outsourcing of services currently or customarily performed by classified school employees.

DON’T submit a Request for Procurement Action (RFPA) for services currently or customarily performed by classified school employees, unless ALL of the Ed Code 45103.1 criteria for doing so have been met, and you accompany your RFPA with documentation showing that you have met all of those criteria.

D. REQUIRED APPROVALS (DD-5 and DD-6)

Professional Services

DOLLAR THRESHOLD	APPROVALS & REQUIREMENTS ¹ :
\$1 up to \$25,000	<p>Approvals for Schools: Head of the Organization (Principal) Approvals for Offices: Head of the Organization</p> <p>Submit a zero-dollar SAP Shopping Cart with multiple vendor quotes and other documents supporting selection attached. Procurement will work with the requestor to ensure the District obtains the best price for the services.</p> <p>NOTE: Schools: Approval workflow will go to the head of the Cost Center that is being used in the funding line of the shopping cart. The Cost Center restriction allows for the use of only one Cost Center in the shopping cart within the requestor's Cost Center.</p> <p>Offices: Approval workflow will go to the head of the Cost Center being used, and in the case of multiple Cost Centers, it will go to the next higher level. The Cost Center restriction allows the use of one or more Cost Centers in the shopping cart within the requestor's division.</p>
Over \$25,000 to \$250,000	<p>Approvals for Schools: Head of the Organization (Principal) Approvals for Offices: Head of the Organization</p> <p>RFPA with appropriate signatures is required.</p> <p>Submit completed RFPA, a zero-dollar Shopping Cart, Scope of Work, and selection criteria. Procurement will conduct an informal competition and will work with you to select the vendor.</p>

¹ Procurement will be conducting internal control compliance verification to ensure that District policy and procedures are followed. If violations are found, the school or office Procurement privilege may be limited or suspended.

² If request is for multi-year contract, the funding line provided must have sufficient funds for the estimated costs for the first year with the remaining funding to be submitted on a yearly basis via an approved RFPA attached to the Shopping Cart.

Over \$250,000	<p>Approvals for Schools: Head of the Organization (Principal) and Senior Staff</p> <p>Approvals for Offices: Head of the Organization and Senior Staff</p> <p>Submit completed RFPA (including page 2 of RFPA), a zero-dollar Shopping Cart, Scope of Work, Evaluation Criteria, minimum requirements for the vendor to PSD. PSD will conduct a formal Request for Proposal (RFP).</p>
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Contract amendments over \$250,000 or to a cumulative amount of contract actions that exceeds \$500,000 for a single contractor in a 12-month period within a single division, advance Board approval is required. The contractor may not perform services until the contract or amendment has been approved by the Board of Education and executed by PSD.

Supplies, Equipment and General Services

Supplies, equipment and general services are tangible items such as, but not limited to, equipment, automotive parts, school supplies, and general services such as maintenance service of equipment armored car services or laundry service. Tangible items are subject to appropriate tax for both California and non-California vendors. LAUSD is a taxable entity.

APPROVALS:	
General Stores Distribution Section	Principal/Head of Organization for amount ordered from the District's General Stores Distribution Section.
DOLLAR THRESHOLD	APPROVALS & REQUIREMENTS:
\$1 - \$5,000	<p>Approving Official, if utilizing P-Card Principal/Head of Organization, if utilizing SAP Shopping Cart</p> <p>You may use the P-Card for supplies, equipment and general services. However, if the vendor does not accept P-Card, use the SAP Shopping Cart.</p>
Over \$5,000 to below the State Competitive Bid Limit	<p>Procurement and Contract Administration Branch will procure your request upon receiving the following approvals and documents stated below:</p> <p>Approvals for Schools: Head of the Organization (Principal)</p>

	<p>Approvals for Offices: Head of the Organization</p> <p>Submit a Shopping Cart in SAP with an Approved status and other documents supporting selection to PSD (Procurement and Contract Administration Branch).</p> <p><u>This does not apply to the General Stores Distribution Section or book purchases.</u></p>
At or above the State Competitive Bid Limit up to \$250,000	<p>Procurement and Contract Administration Branch will procure your request upon receiving the following approvals and documents stated below:</p> <p>Approvals for Schools: Principal Approvals for Offices: Head of Organization RFPA with appropriate signatures is required.</p> <p>Submit a fully funded Shopping Cart² along with product/technical specifications and any supporting documentation to Procurement and Contract Administration Branch. You must also submit a completed RFPA with proper approvals. Procurement Services and Contract Administration Branch will conduct an invitation for Bid (IFB) that is opened under seal at a pre- determined date.</p> <p><u>This does not apply to the General Stores Distribution Section or book purchases.</u></p>
Over \$250,000	<p>Procurement and Contract Administration Branch will procure your request upon receiving the following approvals and documents as stated below:</p> <p>Approvals for Schools: Head of the Organization (Principal) and Senior Staff Approvals for Offices: Head of the Organization and Senior Staff</p> <p>RFPA with appropriate signatures is required and Senior Staff Approval.</p> <p>Submit a completed RFPA, fully funded Shopping Cart along with product/technical specifications, any supporting documentation and Informative for Board review to PSD. The Informative shall include background on suggested award, details of usage and funding.</p> <p><u>This does not apply to the General Stores Distribution Section or book purchases.</u></p>

DD-5 Required RFPA Signatures

DO obtain the signatures required on the RFPA in Section 2.E, “Required Approvals.”

DON'T submit the RFPA to Procurement without the required RFPA signatures. Processing of your contract request will be delayed until Procurement has received a fully authorized RFPA.

DD-6 Shopping Carts

DO obtain the correct funding line information from your school or office's financial person.

DON'T send a Shopping Cart to a contractor. A Shopping Cart is not a contract or Purchase Order.

D.1. Additional Approvals Required³:

Additional approvals required:

- Health Services rendered to students and Healthy Start Programs approval required by Student Health and Human Services
- All structural changes such as, but not limited to, temporary or permanent fixture installation that require drilling hole(s) onto school/office walls, electrical work, etc., for example, mounting of television projector, white boards, and mural paintings require the approval of Maintenance & Operations
- Technology systems, services, software and hardware require the approval of Information Technology Division
- Automobile/vehicle purchases approval required by Transportation Branch Fleet Maintenance Services
- Chemicals, cleaning supplies, various equipment (pressure washers, floor care machines, gardening machines, saws, kilns, golf carts, etc.), electric maintenance vehicles, and other items that may pose a safety hazard to students, teachers and District staff require approval of the Office of Environmental Health & Safety, except when ordering from the District's General Stores Distribution Section.

D.2. Request for Procurement Action (RFPA) (DD-5)

A Request for Procurement Action (RFPA) is required for all supplies, equipment, and general service procurements above the state competitive bid limit and professional services above \$25,000. This does not apply to purchases from Master Agreements, General Stores Distribution Section or textbook purchases.

³ If payment through P-Card or SAP Shopping Cart, you must obtain written approval as indicated for proof of approval for auditors. A memo authorizing purchase is sufficient from the required approver.

The RFPA will be utilized for professional services above \$25,000 and for supplies, equipment and general services above the state competitive bid limit. A fillable PDF of the RFPA is available on the PSD website: <https://www.lausd.org/Page/4073>.

Section II of the RFPA form must be appropriately checked to indicate whether a procurement action is to create a new contract, amend an existing contract, renew an existing contract, fund an existing contract, or perform some other type of procurement action. Failure to clearly indicate the requested action can cause a delay in providing the requested product or service.

DD-5 Required RFPA Signatures

DO obtain the signatures required on the RFPA in Section 2.E, “Required Approvals.”

DON’T submit the RFPA to Procurement without the required RFPA signatures. Processing of your contract request will be delayed until Procurement has received a fully authorized RFPA.

E. STATEMENT OF WORK FOR PROFESSIONAL SERVICES

The elements of a Statement of Work (SOW) can vary with the objective, complexity, size, and nature of the work to be performed. A SOW should be drafted in clear, simple, and concise statements. There should never be a question as to what work is to be completed, or what the contractor is obligated to do – nothing should be implied. Requirements should be clearly stated to easily determine compliance to the contract. All requirements should be described in sufficient detail to assure clarity. Every effort should be made to avoid being ambiguous.

There are five (5) basic parts that will provide a practical discipline for drafting a SOW. They are as follows:

Scope	A broad, non-technical sketch of the nature of the work required. This part summarizes the actions to be performed by the contractor and the results expected by the District.
References	All documents invoked elsewhere in the SOW should be listed by document number and title. Pinpoint specific chapter sections, etc. applicable to the contract. Explain where the material may be obtained. The documents may include District Bulletins, laws, scholarly studies and technical publications, reports, standards, specifications, and other references needed to clarify or support the work task.
Requirements (References/Tasks)	Explain precisely the work to be performed in clear, understandable language. Set out exactly what is needed and the specific objectives. Define the nature of the work, with strong “work” words, as objectives.
Program Management	This is where you indicate your project meeting requirements, reports required or anything to do with project management.
Deliverables	Specify what “tangible” or “intangible” work products should be produced as a result of project execution, and when they should be delivered (i.e. status report due 30 days after contract start).

A SOW is unique for each procurement, but usually consists of some or all of the following:

1. A general statement of the scope or extent of the work to be performed.
2. The period of performance of the work.
3. The place for performance of the work.
4. Reference documents, procedures, or specifications governing the work to be performed.
5. The specific work requirements:
 - a. A detailed statement of the purpose, objective or goals to be undertaken by the vendor.
 - b. The job classification or approximate skill level of the personnel to be made available by the vendor.
 - c. An identification of all significant data deliverables and material to be developed by the vendor and delivered to the District.
 - d. An identification of all significant data or materials to be delivered by the District to the vendor.
 - e. An estimated time schedule for the provisioning of these services by the vendor.
 - f. Completion and Acceptance criteria for the work to be performed.
6. Management or administrative requirements of the work.
7. Compliance or Progress Reporting requirements.
8. Completion or Close-out requirements.

Deliverables/Data/Proprietary Rights

It is important to include where applicable data or proprietary rights. For example:

“Contractor in performance of its duties described within the scope of services agreed upon between the school or office (District) and the contractor, acknowledges that the District holds all exclusive and proprietary rights to the deliverables produced under the referenced agreement (contract or Purchase Order). i.e., photographs taken as part of the scope of work; programs, software, lines of code written for a specific development project; intellectual properties developed as a part of a District paid/funded contract or project; documents written as a deliverable under an agreed upon project; etc.”

“Contractor acknowledges that the District has exclusive and unlimited rights to such deliverables, which the contractor shall not have any rights to use, reuse, sell, resell, re-engineer, reverse engineer, and provide to others, or maintains copies for work or archival purposes. Upon completion of the contract and within thirty (30) days from acceptance of final deliverables by the District, contractor shall provide written certification that it has purged and destroyed all copies of the deliverables (hard and electronic copies) from their possession, including subcontractors and those affiliated with the performance of duties under the agreement.”

Performance Oriented or Performance Based

Performance based SOW are the preferred method of stating needs. A performance-based SOW structures all aspects of procurement around the purpose of the work to be performed and does not dictate how the work is to be accomplished. It is written to ensure that the vendor is given the freedom to determine how to meet the District’s performance objectives and provides for payment only when the results meet or exceed these objectives.

F. SPECIFICATIONS FOR SUPPLIES, EQUIPMENT AND GENERAL SERVICES

F.1. Qualified Products List (QPL)

A qualified products list identifies various brands that have met specific criteria. Competition is limited to those manufacturers whose products are on the list. The purpose of this type of specification is to determine, in advance, those products on the QPL.

F.2. Design Specification

Design specifications detail the characteristics that an item must possess to meet your specific requirements. They state what materials or methods must be used, or tell the vendor how to go about doing the work. All it takes to turn an otherwise performance-type specification to a design specification is one design requirement. Some specifications are so detailed that they also may describe how the product is to be manufactured. Design specifications are not as applicable for purchasing items designed by a manufacturer. The tendency to specify equipment with exact characteristics can be too restrictive and cost prohibitive. This is the case when dealing with patented products. For items that are neither patented nor custom made, a modified design specification can meet the criteria of a good specification by describing only essential features. This allows offerors more flexibility when establishing their prices.

F.3. Performance Specification

Performance specifications say what the product must do or be capable of producing and describe the performance requirements that a product must meet. Performance specifications advise the vendor what the final product must be capable of accomplishing rather than describing how it is to be built or its design characteristics.

F.4. Item Specification

Specifying equipment by make and model may violate the competitive process required by State and federal laws and regulations. It is essential to include specific information that clearly identifies the level of quality and performance expected. It is appropriate to name the salient characteristics to be used in determining responsiveness.

CHAPTER 3 – COMPETITION AND PROCUREMENT PLANNING

A. COMPETITION OVERVIEW

Competition is the cornerstone of our procurement system and the benefits of competition are well established. PSD has a number of tools to facilitate the efficient and effective use of competition including various procurement methods such as the Invitation for Bid (IFB), Request for Proposal (RFP), and the Request for Qualifications and Information (RFQ/I). These methods are further described in Chapter 4 of this Manual.

The principle of competition has one primary and two secondary purposes. The primary purpose is to obtain the best quality and service at minimum cost. The secondary purposes are to guard against favoritism and profiteering at public expense, and to provide equal opportunities to participate in public business to every potential vendor.

Competition is a solicitation for any kind of asset (purchase or lease), whether material (goods, products, or construction) or immaterial (services) which enables all deemed responsible sources to compete in a fair and open environment. While procurement is supposed to bring fairness, impartiality, transparency, and suitability to internal practices, a competitive procurement process will ensure the highest level of openness, thus maximizing the suitability of the requested assets or services, and the best return on investment.

If you have not conducted formal procurement planning, this process is a way to establish the need for a separate procurement function and demonstrate its value to you and your school or office. Specific suggestions for useful procurement planning activities are discussed below under Section C. Procurement Planning.

B. COMPETITION CONCEPTS

The competition concept is the premise that the public is best served and public funds (over a specified level) are spent wisely only after being subjected to the rigors of competitive procurement. It is incumbent on the District leadership in reinforcing the use of competition and related practices for achieving a competitive environment. As public officials, we must promote competition to its fullest extent through proper planning, make versus buy, coordination and communication, and taking the time to define each requirement carefully. Competition provides an equal playing field and opportunity.

The benefits of competition include the following:

1. saves the District monies;
2. improves vendor performance;
3. curbs fraud; and
4. promotes accountability for results.

C. PROCUREMENT PLANNING (DD-8)

Within the District, change occurs at a very rapid pace, coupled with seriously limited resources. The environment is pressurized with a compelling and urgent timeline for improving student achievement. Then, it seems evident that the procurement planning cycle exists in an arena where planning is extremely difficult. However, once done, a planning cycle can be attained, thus lessening pressure and the need for urgent or emergency requests. Procurement planning calls

for systemically strengthening acquisition streamlining within the District, while at the same time supporting the acquisition needs of the District in a timely fashion. More time must be spent on acquisition data collection, analysis, planning, defining of requirements, and planning in order to change and increase competition levels.

Procurement planning is a process in which Procurement can assist you to analyze and forecast your Procurement needs while organizing those needs by priority. This process takes into account the time necessary to conduct competitive procurements and any required approvals to include Board approval.

DD-8 Grant funded contract requests

DO check with Procurement prior to applying for a grant, to see what competitive processes can be started or planned in the early stages.

DON'T let a contractor write him/herself into the grant application, whenever possible. The service and price that you get may not be of good value.

D. PLANNING AND DEFINING THE REQUIREMENT

Caution During Planning (DD-7)

All too often a vendor is influential in presenting solutions, or District staff will view a single vendor as the preferred. Writing RFP specifications to match a specific vendor's product is prohibited. Vendors who write the Statement of Work or the RFP violate the Contractor Code of Conduct if they submit a bid.

Preparing specifications or Statements of Work is your responsibility because you have the greatest understanding of functional and performance requirements. However, Procurement will review the Statement of Work in order to avoid exclusionary specifications and to encourage free and open competition.

You and the leadership of your department or program need to clearly understand the scope of Procurement's role and partner to accomplish several objectives:

- to obtain the best value for your school/office and the District which requires an evaluation of all the service quality, cost, schedule, and other objectives of the District's operating functions;
- to comply with federal, State, local, and District Procurement requirements;
- to ensure an understanding of your precise authority in dealing with vendors who, while partners in many respects, have some interests that conflict sharply with yours;
- to control through finite, professional boundaries, the possibility of corruption or unethical practices; and
- to define specific deliverables with accountabilities.

DD-7 Statement of Work for Professional Services

DO attach a Statement of Work to your RFPA for Professional Services. You have the right to make your requirements known. The heart of a professional services contract is the Statement of Work.

DON'T use the contractor's proposal as your Statement of Work. The RFPA is a request for what YOU want, not what the contractor wants to sell to you.

Best Practices

The preparation of an advance procurement plan can begin with data already prepared for service and financial planning purposes. Although projects funded with operating funds are often smaller and the operating budget does not usually offer as much specificity, the school/office with the assistance of PSD may be able to identify many planned procurements from the operating budget as well. Historical usage is another valuable source for the plan, particularly when compared to the operating budget.

Another method available to assist with preparation of the plan is to conduct a survey of internal schools/offices. They may provide more detail on the budgeted projects and may be able to identify projects that are not differentiated in the budget. An annual survey of the major customers will encourage the customers themselves to plan their needs for goods and services.

E. MAKE VERSUS BUY

The decision to outsource a service is often based on lack of internal resources, refocus of core competencies, or cost reduction. The question is, "Is it in the District's best interest to continue to (or start to) perform the activity itself using its own people, process expertise, and technology or to 'buy' the activity from the service provider marketplace?"

A make versus buy cost analysis involves four basic steps:

Step 1: Define the service.

Step 2: Calculate the in-house costs that could be avoided by outsourcing the service.

Step 3: Calculate the total costs of outsourcing.

Step 4: Compare the cost savings from outsourcing to the costs incurred.

F. DISTRICT STRATEGIC SOURCING

The District through PSD encourages cross school and office collaboration and adoption of industry best practices. This allows the District to aggregate requirements, streamline processes and leverage its buying power. As a result, best value and repeatable processes are created that can be used in any acquisition environment to drive down the cost of commonly purchased commodities and services.

The primary goals of Strategic Sourcing are:

- Strategically source District-wide to potentially include/partner with outside School Districts/Governmental Agencies
- Establish mechanisms to increase total cost savings, value, and socioeconomic participation
- Collaborate with industry to develop optimal solutions
- Share best practices
- Create a strategic sourcing community of practice

It is incumbent upon the District to identify commodities and services that could be purchased more efficiently through Strategic Sourcing.

Benefits

Strategic Sourcing solutions provide easy access to common procurement vehicles that offer greater discounts as collective volume increases, business intelligence and best practice solutions. Additional benefits include:

- Allows for cross-department participation
- Assists with small business goals
- Collect and analyze procurement data
- Identify procurement trends
- Re-engineer high cost business processes
- Replicate cost-saving business processes
- Share lessons learned and best practices
- Realize cost efficiencies
- Streamlines procurement process
- Drives additional discounts

CHAPTER 4 – WHERE TO BEGIN YOUR PROCUREMENT?

PSD encourages competition for all District acquisition, regardless of dollar value, to ensure the most competitive price.

A. PURCHASING SUPPLIES AT DISTRICT GENERAL STORES DISTRIBUTION

The General Stores Distribution Section stocks over 2,800 educational tools, office supplies, furniture, equipment, and specialty items that support a variety of instructional programs. In accordance with Memorandum MEM-6326.0, schools and offices are required to purchase items from the District's General Stores Distribution Section. The District's *Supplies and Equipment Catalog*, which is distributed to all schools and offices at the beginning of each school year, provides specifications and photos of all items stocked. A special section entitled *Best Sellers* highlights the most frequently purchased items. The catalog may also be viewed online at <https://storecatalog.lausd.net>.

All products available through the General Stores Distribution Section carry a 100% satisfaction guarantee.

A.1. Ordering

Schools and offices may place orders for items from the General Stores Distribution Section by entering a Shopping Cart transaction in SAP.

Regular Delivery (3 to 4 business days)	Items may be ordered by entering a Shopping Cart (Delivery Priority 1 – Regular) transaction in SAP and scheduling for regular delivery to the school or office. Orders are delivered within four (4) business days after the order is accepted and approved in SAP. For instructions on entering a Shopping Cart transaction, refer to the Job Aid available at http://www.lausd.net/ol/basetraining/jobAids.html .
Same-Day Delivery	Items may be ordered by entering a Shopping Cart (Delivery Priority 4 – Same Day) transaction in SAP and accepting it before 9:00 a.m. If school/office does not have access to SAP, school/office may fax or personally submit an approved requisition (signed by site administrator) to the Customer Service Unit before 9:00 a.m. and make a notation in the “Comments” section that order is a “Same-Day Delivery.” Orders processed or received after 9:00 a.m. are not guaranteed to reach the ordering location on the same day. There is a \$13.00 charge for each order up to 80 pounds (the approximate weight of two (2) cartons of paper) and an additional \$13.00 for each 80 pounds thereafter.

	<p>For Same-Day Delivery transactions entered in SAP:</p> <ul style="list-style-type: none"> • Refer to the Create Shopping Cart STO Business Process Procedure available at http://www.lausd.net/ol/basetraining/shoppingCartBPP.html. • When faxing an approved requisition, <ul style="list-style-type: none"> a. Include “Same-Day Delivery” in the “Comments” section, and the same-day delivery charge of \$13.00 for each 80 pounds using stock number 999-97-70000. • Fax the completed requisition, with approved signature, to the Customer Service Unit at (562) 654-9019.
Overnight Delivery	<p>Items may be ordered entering a Shopping Cart (Delivery Priority 3 – Overnight) transaction in SAP and in “Approved” status before 12:00 p.m.</p> <p>If school/office does not have access to SAP, school/office may fax or personally submit an approved requisition (signed by site administrator) to the Customer Service Unit before 12:00 p.m. to ensure delivery by the next business day. School/office must make a notation in the “Approval Note” field that order is an “Overnight Delivery.”</p> <p>Orders processed or received after 12:00 p.m. are not guaranteed to reach the school or office the next business day. There is a \$9.00 charge for each order up to 80 pounds (the approximate weight of two (2) cartons of paper) and an additional \$9.00 for each 80 pounds thereafter.</p>
	<p>For Shopping Cart (Delivery Priority 3 – Overnight) transactions entered in SAP:</p> <ul style="list-style-type: none"> • Follow step 1, 2 and 3 above for Same-Day Delivery. • For 2.a. include on the requisition form “Overnight Delivery” in the “Approval Note” section, and the overnight delivery charge of \$9.00 for each 80 pounds using stock number 999-98-00000. • Fax must be sent before 12:00 p.m.
Walk Through (Will-Call)	<p>General Stores Distribution Will-Call Office 8525 Rex Road, Pico Rivera Telephone (562) 654-9005</p> <p>Hours 6:00 a.m. to 3:30 p.m.</p> <p>Schools and offices may walk-through (will-call) an order and pick up supplies from the Will-Call office of the General Stores Distribution by entering a Shopping Cart (Delivery Priority 2 – Will-Call) transaction into SAP. School/office must make notation in “Notes and Attachments” field of the date and time of pick up. For example: “Pick-Up 08/12/08; ETA: 2:00 PM.” Call General Stores</p>

	<p>Distribution at (562) 654-9005 to verify the transaction was processed before coming to the Will-Call office to pick up items. If schools/offices do not have access to SAP, they may also fax or walk-through an approved requisition.</p> <p>There is no fee for walk-through orders.</p> <p>For Will-Call transactions entered in SAP:</p> <ul style="list-style-type: none"> • Refer to the Create Shopping Cart STO Business Process Procedure available at http://www.lausd.net/ol/basetraining/shoppingCartBPP.html. • Call the Stores General Stores Distribution at (562) 654-9005 to verify the transaction was processed before coming to the Will-Call office to pick up items. • When faxing a requisition: <ul style="list-style-type: none"> ○ Include on the requisition form the date and time of pick up in the “Comments” section. ○ Fax the completed requisition, with approved signature, to the Customer Service Unit at (562) 654-9019. • When walking-through a requisition: <ul style="list-style-type: none"> ○ Hand-deliver the completed requisition form, with approved signature, to the General Stores Distribution Will-Call office between 6:00 a.m. and 3:30 p.m.
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A.2. P-Card Purchases

General Stores Distribution no longer accepts P-Cards as a form of payment.

A.3. Student Body Purchases from District General Stores Distribution

Ordering Procedures

Schools should complete and submit a stock requisition form to the Materiel Management Branch, Customer Service Unit, 8525 Rex Road, Pico Rivera, CA. Orders can also be faxed to the Customer Service Unit at (562) 654-9019.

Include on the stock requisition the school's Student Body name (e.g., South Gate High Student Body), school location code, contact person and telephone number.

For Secondary Schools, the requisition only needs the name and signature of a school site administrator provided that the appropriate Student Body approvals are kept on file at the school.

For Elementary Schools, the requisition must show the name and signature of an administrator.

Materiel Management Branch inputs and processes requisitions into the SAP system as an Over-The-Counter (OC) document and indicates “STUDENT BODY ORDER” in the “Comments” field. The total cost for the supply order is faxed to the financial manager by the Customer Service Unit.

General Stores Distribution fills, checks, and packs the order for shipment to the Student Store or the Main Office. No backorders will be permitted. All boxes are marked "STUDENT BODY ORDER."

Truck Operations Section (562) 654-9001 delivers the order to the requesting Student Body Store or the Main Office. The truck driver presents a copy of the General Stores Distribution invoice to the Financial Manager (High/Middle Schools) or the School Administrative Assistant (Elementary Schools) and picks up a check to pay for delivered supplies. (All checks shall be made payable to the District).

For recordkeeping purposes, the pink copy of the General Stores Distribution invoice, with the total of the purchases, will be retained by the requesting Student Body Organization. The invoice number will also be noted on the check.

Upon receipt of the Student Body check, the Customer Service Unit will attach a memo with relevant information and forward to the Cash Receipts Unit, Business Accounting Branch.

A.4. Emergency Walk-Through Procedures

In case of an emergency, authorized Student Body staff may follow the walk-through procedure for ordering stock items, see Section A.1 in this chapter. However, before starting the procedure, schools should fax the requisition to the Customer Service Unit at (562) 654-9019 to determine availability of the items and the exact amount of the order. Upon notification of the availability and amount, school staff can take a check to the General Stores Distribution and pick up the order. General Stores Distribution will forward the check to the Customer Service Unit who will then forward to the Cash Receipts Unit in Business Accounting Branch.

A.5. Independent Charter School Purchases from District General Stores Distribution

Ordering Procedures

Independent Charter Schools should call a Fiscal Services Manager from the Charter School Services office at (213) 241-0399 to request a funding line (this step is required one time per funding line). Inform the Fiscal Services Manager that the school would like to purchase supplies from General Stores Distribution.

Once the funding line has been set up, schools should complete and fax a stock requisition form to the Materiel Management Branch, Customer Service Unit at (562) 654-9019. Indicate the school is a charter on the requisition (e.g., in the school name), and include the location code, contact person name, contact telephone, and administrator's signature.

Customer Service Unit will input the order and it will be delivered to the school within 5 days of when the order was processed and accepted.

A.6. Damaged Goods or Shortages from General Stores Distribution

To report damaged goods, shortages, or delivery/order errors for General Stores Distribution orders, complete and fax an *Order Adjustment Form* within 10 days after receipt of the merchandise. Fax the form and a copy of the General Stores Distribution pink invoice (Pick &

Issue document) to the Claims Clerk at (562) 654-9015. *Order Adjustment Form* is located in the back of the *Supplies and Equipment Catalog* or may be downloaded from <https://storescatalog.lausd.net>.

B. BENCH CONTRACTS

A “Bench” of firms is a group of pre-qualified contractors who have been issued Master Contract/Agreements (“Bench Contracts”) for various kinds of professional services of Indefinite Delivery and Indefinite Quantity (IDIQ). An often-employed feature of Bench Contracts is that each contract may be of no dollar value. Instead, Task Orders are issued to a Bench firm for services based on the Bench Contract pricing schedule, as the result of a mini-solicitation among similar Bench firms. Schools/offices requiring services covered by Bench Contracts must use the Bench Contracts. For more information, please refer to the website at <https://www.lausd.org/Page/14462>.

C. MASTER CONTRACT/AGREEMENTS

Master Contract/Agreements are one of the District’s main procurement vehicles for leveraging its buying power. Master Contract/Agreements can be utilized for a single school, office, or Local District, multiple schools/offices, consortium of schools/offices, or District-wide that have been competed through an open competitive process. Normally, they do not have dollar limits or limitations except as otherwise noted in the agreement or contract. Moreover, Master Contract/Agreements have completed the competitive process so that each school/office does not need to repeat the process, time and again, for the same products or services. Schools/offices requiring products or services covered by Master Contracts/Agreements must use the Master Contract/Agreements.

For a list of Master Service Agreements approved by the District, please refer to the website at <https://www.lausd.org/Page/14462>.

C.1. Ordering Services Using Online Shopping Carts

You may not utilize your P-Card or auto-generate a low dollar value Purchase Order under a Master Contract/Agreement.

You may utilize the Shopping Cart without a Vendor Number to order under a Master Contract/Agreement. Some Master Agreements also require that a fully executed Task/Work Order/Authorization document be submitted to Procurement with the Shopping Cart.

In addition, please observe the following special instructions:

- When entering the Shopping Cart, the Supplier Number must be left blank. Procurement will enter the correct Supplier Number when it creates the Purchase Order.
- An Order Form (Task Order) must accompany the Shopping Cart and have two signatures (authorizer and vendor) for Professional Services Master Agreements.
- The vendor is obligated to render services only in accordance with the terms of the Purchase Order which PSD will distribute to the school/office and to the vendor.

C.2. Master Contract/Agreement for Computer Software/Hardware Systems

It is required that all computer software and hardware (i.e., desktops and mobile devices) be purchased from available Master Contracts. Information Technology Services (ITS) sets the requirements for computer specifications for the District. This ensures that computer software and hardware are compatible with the District's systems and that adequate support can be provided. Reference Guide REF-6277.3 provides computer software and hardware ordering procedures.

C.2.a. Internet Access

To allow schools and offices the flexibility to gather information on their own, each contracted vendor has established a dedicated page on their web site to allow access by District users. The web site will provide product line information and availability, contract pricing, Purchase Order tracking, warranty status, message center, inventory tracking, etc.

C.2.b. Warranty/Service

All computer products purchased under the District's Master Contract(s) are provided with an extended warranty. Extended warranties provided are: three (3) years on-site for notebook computer systems, and five (5) years on-site for desktop and server computer systems. The warranty period starts the date of receipt of the equipment by the District. All computer systems purchased under District contracts automatically include the extended warranty service.

Extended warranty services include on-site repair or replacement within 24 hours or next business day from the time of a service call.

Please connect to <https://www.lausd.org/Page/11176> if service or repair is needed.

C.2.c. Integration Services

The integration services are included with the delivery of each computer system, and are included in the District's contracted price with the approved vendor in the Master Computer Contracts/Agreements:

- Delivery, unpacking, removal of packing materials, set-up equipment on desktop or other suitable area, connect system cables, boot up, configure system, software conflict resolution, load software as required, test system, apply District inventory tag, obtain sign off from user, and other tasks as may be required for a complete and efficient system install.
- Asset management of installed computers consisting of an electronic and hard copy of the information necessary for inventory purposes at the installation site will be provided by the equipment installer/integrator. Minimum information to be provided shall consist of the computer and monitor serial numbers, model numbers, location (room or office number) installed, name of location, District location code, and installed software on the computer. This information should be kept and used for insurance and inventory management purposes.

C.2.d. Recommended Expenditure

Schools and offices should plan to replace computers that are between five and seven years old. New computers purchased through the District's Master Computer Contracts include integration services and five-year on-site repair/replace warranty (as specified above). Schools and offices should budget between \$1,200 and \$2,000 per computer to replace outdated systems.

C.2.e. Administrative Password

Computers purchased under LAUSD contracts are configured with administrative passwords that must be entered to change the configuration of the computer or to load software. Administrative passwords are issued to the administrator signing off for delivery/installation of the computer. Password distribution is at the discretion of the site administrator.

C.2.f. Data Security

Data stored on hard drives should be considered volatile and it is strongly recommended users back up data in case of failure. Because all computers purchased under District contracts carry 24-hour repair or replace warranties, no requests for return of the same repaired computer (in the event of a replace) will be honored. In the event of a loss or theft, LAUSD School Police must be contacted immediately and a report filed. In addition, ITS Customer Support Services Center (Helpdesk) at (213) 241-5200 must be called and the loss or theft reported to begin the tracking and recovery procedures.

C.3. Unified Print Program

The Unified Print Program is a District-wide Imaging Program designed to provide the District with the most efficient and cost effective imaging services available. Schools and offices are provided networkable, multifunctional copiers and printers tailored to meet the specific needs of each location.

- Imaging services are provided to schools and offices on a cost per image model
- Locations pay for imaging services by the amount of copies they make
- Black and white copies cost less than a penny per copy (\$0.0095)
- Color copies cost less than four cents per copy (\$0.0395)
- Duplo copies (new and existing machines) cost less than a penny per copy (\$0.0085)
-
- This pricing is considered to be the best in the industry and is based on a total cost of ownership excluding paper

Schools and offices do not purchase equipment, pay lease/rental payments, pay for toner/supplies, or pay for maintenance service contracts. Network data drops and electrical connections for copier and print devices are provided at no charge. There are no excess copy charges. For more information about the Unified Print Program, please log into the District's Unified Print website at <https://www.lausd.org/Page/3839>.

For assistance or maintenance for Unified Print devices at your location contact Toshiba Customer Service at 1-800-260-6320.

The District no longer contracts to purchase copiers and Duplo machines; enter into maintenance agreements; offers copier supplies in the General Stores Distribution catalog; or enter into new long- or short-term leases. Schools and offices with leases which have not yet expired are responsible for all costs related to such leases. Upon lease expiration, schools and offices will be enrolled in the Unified Print Program.

Exceptions to enrollment in the program will be on a case by case basis and will be limited to schools and offices who can demonstrate superior savings to the Unified Print Program.

Invoices and Payment of Copy Charges

The Unified Print Ghost Account Credit Card is designated as the method of payment for invoices resulting from per copy charges incurred under the Unified Print Program. The Ghost Account Credit Card is not a physical card but is an account similar to a P-Card account. Schools and offices under the Program will no longer issue low value Purchase Orders. All per copy click charges will be paid using the Ghost Credit Card. Please log into the District's Unified Print website at <https://www.lausd.org/Page/3839> to obtain Ghost Credit Card application forms, Frequently Asked Questions, other related forms and information related to the Unified Print Program. The P-Card Unit manages the Unified Print Ghost Accounts. For new accounts or changes to existing Ghost Accounts contact your designated representative at the P-Card Unit.

C.4. Master Contract/Agreement for Ordering Diplomas

Diploma orders will be scheduled for production and delivery on the basis of date received. Please visit PSD website at <https://www.lausd.org/Page/14462> for information regarding the Master Contract/Agreement for diplomas.

C.4.a. Diploma Unit Prices

Diplomas may be charged to the school's Instructional Material Account unless they are backdated diplomas paid for by the requester. Imprest Funds or P-Card should be used when ordering less than \$5,000 worth of diplomas.

C.4.b. Special Education

Schools may order a Certificate of Completion for students with disabilities who meet the any of the following criteria but have not satisfied the requirements for a diploma:

- Satisfactory completion of 210 credits of a prescribed alternative course of study as identified on the students IEP; or
- Satisfactory achievement of the student's IEP goals and objectives during high school as determined by the IEP team; or
- Satisfactory high school attendance, participation in the instruction prescribed in the student's IEP, and achievement of the objectives of the statement of transition services.

For additional information, please refer to the Special Education Policy and Procedures Manual or contact Special Education.

C.4.c. Backdated Diplomas

For payment for backdated diplomas, the school should issue either an Imprest Check or use their P-Card (if under \$5,000) when the school is to pay. A Student Body Purchase Order should be used if the requestor (student/is to pay for the backdated diploma. A fee will be charged for backdated diplomas.

C.4.d. Ordering

The secure website for ordering is <https://diplomaorder.herffjones.com>.

List students' names on the name lists alphabetically by surname, exactly as they are to be printed on the diplomas, i.e., first name, middle initial or name, and surname (John A. Brown or John Allen Brown). The school is responsible for the correct spelling of students' names.

Computerized name lists may be used for submitting names. For more information regarding this option, contact School Information Branch/Secondary SIS at (213) 241-4850. Log in using the user name and password provided by the contractor. Lost login information can be obtained by contacting the vendor.

The use of a P-Card or a Purchase Order number is required to finalize the order. A confirmation e-mail will be sent once the order is finalized and submitted for production. An Imprest Check is required if the order is less than \$5,000. If the order is \$5,000 or more, a non-stock Shopping Cart can be processed in the SAP. PSD shall issue an "Open Purchase Order" to the contractor for the entire fiscal year's diploma requirements.

The contractor will not accept telephone orders or process any requests without receiving a Purchase Order, an Imprest Check or P-Card Number.

C.4.e. Facsimile Signature

If you changed school principals since the last diploma order, please use the facsimile signature information form to request a change in the principal's signature. If the principal is the same as last year, the signature is on file with the vendor.

C.4.f. Adjustments

Upon receipt of the diplomas, the school must verify the student's name, date and principal's signature. If there is an error with the student's name, return the incorrect diploma (This may be done when you place your next order). Vendor's errors will be corrected at no charge.

Problems regarding service, quality of work, etc., should be referred immediately to the vendor.

C.4.g. Diploma Accessories

Other diploma related items are available from the General Stores Distribution, such as diploma covers. These items should be ordered from the District's General Stores Distribution, listing the quantity, material number and description. These stock items may be charged to the school's Instructional Materiel Account. The catalog unit prices are fixed and include sales tax and delivery. See the General Stores Distribution Supplies and Equipment Catalog or contact the District's General Stores Distribution for any restrictions when ordering diploma accessories.

D. LOW-DOLLAR PURCHASES (\$1 up to \$5,000)

If you are unable to meet your needs through the General Stores Distribution, Master Contracts, or Bench Contracts, you may proceed to meet your need through the P-Card if the good, commodity, or general services purchase does not exceed \$5,000.

Low-dollar value purchases are procurements within the range of \$1 up to \$5,000. These procurements typically are not subject to competition; however, you should compete at all dollar thresholds to ensure that you obtain the best price. Also, keep in mind that conflicts of interests are to be avoided regardless of the purchase cost.

Due to the decentralization of purchases for \$1 up to \$5,000 for goods, commodities, and general services, schools and offices shall review Chapter 2 - Getting Started (page 4) for your responsibilities regarding these transactions.

D.1. P-Card for Purchases from \$1 to \$5,000

For low-dollar value transactions between \$1 to 5,000, you may utilize your location's P-Card for goods, commodities, and general services. If the vendor does not accept P-Card as a form of payment, you may utilize the Shopping Cart to select the vendor through SAP for the supplies, equipment and general services as indicated below in E.1. Supplies, Equipment and General Services. If the services are for professional services, you will need to create a Shopping Cart and follow the procedures described in E.2. Professional Service Contract.

D.1.a. SAP Online Procedures for Schools and Offices

If the vendor does not accept P-Card as a form of payment, create a Purchase Order request by following instructions for entering a Shopping Cart. Refer to the Create Shopping Cart – Free Text with Vendor Business Process Procedure available at <http://www.lausd.net/ol/basetraining/shoppingCartBPP.html>.

Enter the appropriate funding line, amount of the products and/or general services including the appropriate sales tax and freight charges and Product Category Code. Use appropriate Product Category Codes for each line item. A list of Product Category Codes is available at <http://www.lausd.net/ol/basetraining/shoppingCartDocs/JobAidProductCategoryCodesAssets.pdf>.

D.1.b. Printing and Distributing Purchase Orders

You may print an unofficial copy Purchase Order after it has been approved in SAP or save an electronic copy to your computer. The Purchase Order is electronically emailed to the vendor. The vendor may commence performance after receipt of Purchase Order. **Retain a copy of the Purchase Order for your records because they are subject to auditing and internal control verification.**

D.1.c. Acceptance of Products/Services

Since a Purchase Order represents an agreement between you and a specific vendor, you are responsible for all arrangements for the vendor's performance.

The vendor is obligated to deliver products or perform the services according to the terms specified on the quotation. Therefore, it is important to ensure the quotation includes any specific

arrangements including shipping and handling to which the vendor has agreed. After the vendor performs to your satisfaction, the responsible administrator acknowledges receipt of the services and completes the online Goods Receipt via the SAP system. After completion of the receiver process, the Accounts Payable Branch matches the Goods Receipt to vendor invoices. Also keep in mind that if you do not complete the Goods Receipt, Accounts Payable Branch cannot process payment for the vendor. The vendor will not be paid until Accounts Payable can do the three-way match with the Purchase Order, invoice and Goods Receipt. Therefore, it is up to you to ensure prompt payment to the vendor.

NOTE: The SAP system will send a notification when the invoice is entered and the Goods Receipt is missing or it is not sufficient to cover the vendor's invoice.

D.1.d. Purchase Order Cancellation

When Services May Be Cancelled

Orders placed with a vendor may be cancelled at any time prior to delivery of products or performance of services by mutual agreement between you and the vendor. Please note that canceling an order for convenience (no cause) may result in restocking charges being assessed by the vendor.

Orders for products/services not provided by the promised date(s) may be unilaterally cancelled by you on grounds that terms of the contract have not been met.

Procedure for Canceling Purchase Orders

Notice of cancellation should be given orally to the vendor and confirmed in writing to the vendor.

You are responsible for canceling your Purchase Order transactions in the SAP system. Enter notes on the Supplier Text to inform the vendor of the cancellation and attached any necessary documents to the purchase order in the SAP system.

E. PROCUREMENT BELOW STATE COMPETITIVE BID LIMIT

PSD recommends competition regardless of the dollar threshold. Please visit the PSD website at <https://www.lausd.org/Page/5326> for the current State Competitive Bid Limit.

E.1. Supplies, Equipment & General Services – over \$5,000

You must enter a Shopping Cart in SAP and validate it is in “Approved” status. In addition, PSD always encourages competition, and therefore it is recommended that you obtain price comparison/quotes to obtain the best price and attach the vendor quotes to the Shopping Cart. PSD will review the shopping cart transaction and confer with you to issue the purchase order to the vendor offering the product or service at the lowest cost to the District.

You are not authorized to enter into contracts or issue an order over \$5,000. In addition, a vendor cannot commence delivery of supplies, equipment and/or general services until they receive a valid Purchase Order.

Shopping Carts with a dollar threshold at or above State Competitive Bid Limit require formal competition conducted as a formal Invitation for Bid. These are handled exclusively by PSD.

E.2. Professional Services at \$1 to \$25,000

PSD requires competition even when the value of the contract is below the State Competitive Bid Limit. You are required to submit a zero-dollar Shopping Cart in SAP and attach multiple vendor quotes and other documents supporting selection. Procurement will work with you to ensure the District obtains the best price for the services.

E.3. Professional Services over \$25,000 to the State Competitive Bid Limit (Informal RFP Process)

PSD requires you to complete an RFPA and submit a zero-dollar SAP Shopping Cart with a Scope of Work and selection criteria attached for contracts between \$25,000 and the State Competitive Bid Limit. Following PSD’s review of the documentation and preparation of the IRFP package, you will need to identify three to five sources to notify about the solicitation. PSD will conduct an informal competition and will work with you to select the vendor.

Instructions for the Informal RFP (IRFP) process are found on the PSD website at <https://www.lausd.org/Page/12529>.

F. PROCUREMENTS AT OR ABOVE THE STATE COMPETITIVE BID LIMIT

F.1. Supplies, Equipment & General Services Only (at or above State Competitive Bid Limit)

Dollar thresholds at or above State Competitive Bid Limit require formal competition conducted as a formal Invitation for Bid. These are handled exclusively by PSD (Procurement and Contract Administration Branch).

F.2. Professional Services at State Competitive Bid Limit to \$250,000 ONLY (Informal RFP Process)

PSD requires written informal competition for professional services at or above the State Competitive Bid Limit up to \$250,000. The general requirements are the same as for professional services over \$25,000. You must complete an RFPA package, submit a zero-dollar

SAP Shopping Cart with a Scope of Work and selection criteria attached. Following PSD's review of the documentation and preparation of the IRFP package, you will need to identify three to five sources to notify about the solicitation. PSD will conduct an informal competition and will work with you to select the vendor.

The vendor may commence services once PSD has prepared and fully executed a contract.

Dollar thresholds above \$250,000 require competition conducted as a formal Request for Proposal. These are handled exclusively by PSD .

G. MATERIAL NUMBER

Due to Board approved recommendations to facilitate compliance with competitive bidding requirements and to improve the vendor payment process, all schools and offices are required to use specific material numbers.

When ordering from the District's General Stores Distribution, schools and offices shall continue to use the detailed material numbers as contained in the "Supplies and Equipment Catalog."

Please visit PSD website at <https://www.lausd.org/Page/3257> (LRP Interim Ordering Process User Guide) for a list of the material numbers (formerly known as commodity codes) to use for procurements.

CHAPTER 5 – FORMAL COMPETITION

Formal competition is required by law for the procurement of supplies, equipment and general services pursuant to Public Contract Code §20111. The intent of the law is to ensure a fair and open competitive process for bidders, so that governmental agencies get the best value for our dollars.

Therefore, it is District policy to require formal competition for supplies, equipment and general services in amounts above the State mandated threshold. Professional service contracts are not required by law to be competed. However, the Board has adopted a policy for competitive negotiation for professional services. It is District policy to require formal competition for professional services at the threshold of above \$250,000. Competition is a method to promote fairness, obtain competitive prices, and minimize opportunities for fraud, deceit and corruption. The dollar thresholds previously discussed indicate when competition is required. Formal competition is conducted by PSD staff and cannot be conducted by staff at the school/office.

Federally funded projects are required to be procured by competitive selection (34 CFR 80.36). It is required that competitive solicitation be publicized and identify all evaluation factors and their relative importance, solicitation from an adequate number of qualified sources, and conduct technical evaluations. Schools and offices shall follow the “Procurement Policies and Federal Procurement Requirements for Goods and Services” procedure found on <https://www.lausd.org/Page/3873> of the PSD website. The procedure establishes different applicable dollar thresholds and related procurement processes, depending on whether the procurement is for Instructional Materials, Professional Services, or Goods and General Services.

A. PURPOSE AND INTENT OF COMPETITIVE PROCESS

The purpose and intent of competition is to:

- safeguard public funds
- provide efficiency and effectiveness in selecting commodities, goods and services
- establish public confidence that Procurement is ethical and prudent
- ensure fair and open competition among contractors/vendors

B. SPLITTING TO AVOID COMPETITION (DD-10)

It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the competitive process (Public Contract Code §20116). No person shall willfully split a single transaction into a series of transactions for the purpose of evading the requirements (Public Contract Code §20116). Moreover, it is against Board policy to split professional service contracts to avoid the competitive negotiation requirement.

DD-10 Bid Splitting

DO recognize that according to the California Public Contract Code, “It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding.”

DON'T issue multiple contract requests (or low-value Purchase Orders) for smaller sections of your total requirement to avoid going thru the competitive process, or to avoid obtaining the required District or Board approvals.

C. INFORMAL COMPETITION

C.1. Streamlined Competitively Sourced Request for Proposal

In an informal RFP, it is neither necessary to advertise the RFP nor have a formal evaluation committee or negotiation unless greater than \$250,000 or otherwise deemed appropriate. Although the formal RFP steps are not required, evaluation of the proposals is conducted by the school or office with assistance from PSD.

D. SOLE SOURCE/SINGLE SOURCE

D.1. Sole Source

Sole source is a non-competitive purchase or procurement process accomplished with only one source, thus limiting full and open competition. The Board of Education and Procurement Services Division policies limit the use of the single source and/or sole source purchases. Every effort must be taken by schools and offices to solicit competition when procuring for goods and services. Schools must obtain prior approval from the Region Superintendent of their Region on the applicable justification memorandum to submit a Sole Source contract request. Offices must obtain prior Senior Staff approval on the applicable justification memorandum to submit a Sole Source contract request.

In cases where PSD and the school/office agree via justification that an article of a specified brand or trade name is the only article that will properly meet the needs of the District, competition is exempt. Specifications for commodities, goods or services may designate a product by brand or trade name when one or more of the following conditions apply:

- The product is designated to match others in use on a particular District improvement that has been completed or is in the course of completion.
- One product has a unique application required to be used in the District's interest.
- Only one brand or trade name is known (for example, patented technology).
- Upon resolution of the Board, the Board makes a finding that the item sought is the subject of a field test to determine its suitability for future use.

(Public Contract Code §3400)

D.1.a. Difference between Sole Source and Single Source

What is Sole Source?	Specific products or services available from one and only one source, also called sole source, sole provider, sole supplier, sole vendor, or sole distributor. The product or service must be so unique and innovative to reasonably conclude that, if the requirement were to be openly competed, the requirement could be satisfied by one and only one source.
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What is Single Source?	A single source is a source specifically selected amongst others, if any, due to specific reasons, i.e. availability, capacity, location, replacement parts, compatibility, quality, service, support, etc.
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D.1.b. Sole Source Evaluation Factors

Sole source solicitation constitutes a violation unless it is justified by one of the seven circumstances listed below:

1. Only one responsible source and no other supplies or services will satisfy agency requirements;

Must also meet the following sub-requirements:

- a. uniqueness, i.e. the item is only available from one single supplier (one-of-a-kind, parts maintenance, compatibility, standard compliance, patent, trade secret, copyright); or
 - b. immediacy, i.e. delivery date or delays resulting from competitive solicitation are not acceptable; or
 - c. emergency, i.e. delays resulting from other methods of solicitation are not bearable; or
 - d. legitimacy, i.e. specific contexts (geographic, contractual, political, legal, military, security, etc.) may allow such a non-competition of sources; or
 - e. inadequacy, i.e. all sources are qualified as inadequate (compatibility, compliance, price, quality, service, support, etc.); or
 - f. exigency, i.e. any other specific reason dictating the choice of a given provider.
2. Unusual and compelling urgency;
 3. Industrial mobilization; engineering, developmental, or research capability; or expert services;
 4. International agreement;
 5. Authorized or required by statute or grant;
 6. National security; and
 7. Public interest.

D.1.c. Inappropriate Sole Source Justification

Sole sourcing is not appropriately justified when used as a method of selecting a preferred vendor. Past performance alone is not an acceptable sole source justification. Notwithstanding the fact that they could be voided by potential sole source solicitation protests, purchases of this kind, when put under scrutiny, will surely attract auditors' interest in their quest for details suggesting a bit of favoritism, partiality, and other bias.

D.2. Single Source

In cases where PSD and the school/office agree via justification that only a single vendor will properly meet the needs of the District, competition is exempt. Schools must obtain prior approval from their Region Superintendent on the applicable justification memorandum to submit a Single Source contract request. Offices must obtain prior Senior Staff approval on the applicable justification memorandum to submit a Single Source contract request. The Board of Education and Procurement Services Division policies limit the use of the single source and/or sole source purchases. Every effort must be taken by schools and offices to solicit competition when procuring for goods and services.

Single source procurement is one in which multiple sources are available, but the item(s) or service must be purchased from a specific vendor for a specific reason. Such reasons would include, but are not limited to:

- Service issue;
- Location;
- Availability;
- Capacity;
- District or school emergency; and/or
- State or grant mandated provider

D.2.a. Justification

The following questions must be answered and must be provided to PSD by you (school/office):

- Why is this necessary?
Explain why this service is required.
- Why is this firm selected?
Do we have prior experience with the vendor that this procurement will build upon? Is the service to be provided unique or proprietary in nature? Please include whether the firm is a small business and/or its employees belong to a union. If grant-named vendor, indicate.
- Explain why this contract could not be competitively bid.
Describe why this contract request could not undergo the normal competitive bid process required by the Board.
- How was a fair price established?
Provide details and supporting documentation about the firm's competitors and pricing; how this is a best value for the District.
- What would happen if this were not approved?
Clarify ramifications of taking action versus not taking actions; including delay for competitive procurement.
- What are the terms of the proposed agreement?
Identify terms of any proposed agreement, including the funding sources. Identify any savings over the previous year, "green" initiatives.

D.3. Textbooks and Prepared Instructional Materials

The District may purchase basic textbooks, supplementary textbooks, library books, educational films, audio-visual materials, test materials, workbooks, instructional computer software packages, or periodicals in any amount needed for the operation of the District without taking estimates or advertising for bids (Public Contract Code §20118.3).

However, to the extent that federal funds may be used for such a purpose, the District must ensure compliance with the 2 CFR Section 200,320, which requires, absent the specific circumstances

identified in subparagraph (c) of that section, competitive bidding for the procurement of materials that exceed the simplified acquisition threshold (SAT) set forth in 48 CFR Section 2.101 (currently, \$250,000). In the event there are questions regarding the application of the competitive bidding requirement set forth in 2 CFR Section 200.320, consultation with the District's Office of the General Counsel is recommended.

E. HOW TO START THE CONTRACTING PROCESS

Schools/offices must complete the RFPA and submit it to PSD. PSD will review the RFPA and attached supporting documentation and determine whether competition is required. Therefore, it is critical that the school/office provide a clear, concise and detailed statement of work or specification.

Federally funded procurements require a cost or price analysis in connection with every procurement action including contract modifications (34 CFR 80.36). Similarly, non-federally funded contracts, including state-funded contracts, also include cost or price analysis as a best practice. Cost analysis is a rate review or price proposal audit performed by the Office of the Inspector General, at the request of PSD. Price analysis includes comparable price proposals or sealed bids, pricing history, published prices, or other objective evidence of price reasonableness.

F. CONE OF SILENCE

Upon completion of the IFB or RFP, it will be released to the general public. It is District policy that once the solicitation is released, a "Cone of Silence" is applied. This means that any lobbying or marketing activities to District Officials by a particular bidder or its representatives must cease from the moment the solicitation is released until the time the Board Report for the final contract is posted. (See the District's Contractor Code of Conduct or Lobbying Disclosure Code at <https://www.lausd.org/ethics> if you need further information.)

G. UNSOLICITED PROPOSALS

If you are approached by a vendor with a proposal for professional services, general services or goods, refer them to the Procurement and Contract Administration Branch.

It is the policy of the District to encourage the submission of new and innovative ideas. These ideas may be submitted as unsolicited proposals. Unsolicited proposals allow unique and innovative ideas or approaches that have been developed outside the District to be made available to the District for use in accomplishment of their missions. Unsolicited proposals are offered with the intent that the District will enter into a contract with the offeror for research and development or other efforts supporting the District's mission, and often represent a substantial investment of time and effort by the offeror.

Unsolicited proposals may come forth when companies see an opportunity to use the District to enhance their business interest. It may appear from such proposals that no other company could offer the same product or service. However, this does not justify a sole source contract. If the idea or activity is of interest to a department, the concept should be evaluated on its own merit. If the decision is to implement it, then a competitive process should be used to select the contractor, unless it is determined that the proposed concept itself is proprietary.

CHAPTER 6 – CONTRACTS

A. WHAT IS A BINDING CONTRACT WITH THE DISTRICT? (DD-3)

A contract is an agreement to do or not do a certain thing. For a contract to be legally binding, it must have: approval from designated personnel or designees, their consent, a lawful object, and sufficient cause or consideration. If any one of these elements is missing, the contract may not be enforceable in a court of law.

Only specified personnel within the District are capable of entering into a contract that binds the District. Authority to sign contracts in the District, evidencing consent, is limited to those employees who have been duly authorized in writing by one who has the capability. Currently, the Chief Procurement Officer has delegation of authority to bind the District. Personnel from schools/offices are not delegated to enter into contracts with the exception of low-dollar Purchase Orders. Anyone not following the guidelines herein, may be personally liable to the District for any and all money that the District paid out as a result of the malfeasance (Education Code 17604).

A contract or agreement signed by an unauthorized person or for an amount exceeding an individual's authority, will not be legally-binding, will not be honored by the District nor will payment be made for services rendered. In addition, the contract must be for a lawful purpose; a contract for an illegal purpose is not enforceable. And, finally, the contract must involve mutual obligations or promises, also known as consideration; *i.e.*, both parties have to have assumed a legal obligation under the contract. For the District, this means that one party has agreed to provide materials or services and the other party has agreed to render payment in return. If only one party has a legal obligation under the contract, it lacks consideration and no enforceable contract is created.

PSD is available to assist the school/office in meeting the requirements for a legally binding contract. Please note that IFB's do not require further development into contract form. RFP's do require a contract to be executed between the District and the awardee. Purchase Orders are considered enforceable contracts.

DD-3 Issuing a contract

DO check with Procurement if a vendor asks you to sign a contract.

DON'T sign a contract with a vendor. School Principals, Heads of Organizations and Senior Staff do not have vendors' contract signing authority. It is a matter of District policy and of public law that only the governing board of a school district may issue contracts. At LAUSD, the Board of Education has delegated the contracting authority to the Superintendent, who in turn has sub-delegated that authority to the Chief Procurement Officer. No school or office has contracting authority, except by specific sub-delegation via the above channel.

"Fully executed", for this purpose means that the contract or Purchase Order must carry the signature of a duly delegated contracting official of Procurement, except where a low-dollar Purchase Order may be issued by a school or office, or where a Master Services Agreement authorizes the school or office to issue a Task/Work Order accompanied by a Purchase Order.

B. CONTRACT AMENDMENTS

A contract can be amended to extend the period of performance, increase the contract amount to obtain additional services, allow for a change in the contract's current scope of work, or any combination of the above. Any change or alteration of a contract shall be specified in writing, processed through PSD, and the cost agreed upon with the District.

B.1. Board Approval

Prior Board Approval is required on all contracts, Purchase Orders, or amendments that increase the total amount in excess of the bid limit. These changes apply to all procurements for professional services, materials, supplies, equipment, and general services. In addition, the State bid limit changes on January 1st of each year therefore, each year, the above dollar amount will change.

B.2. The “75% Rule” and Dead Contracts (Professional Services Only)

A contract cannot be amended if there is a significant change in the contract scope of services, or if the contract value increases to greater than 75% of the original contract amount. Under limited circumstances, the Chief Procurement Officer or designee may waive the 75% Rule if it is in the best interest of the District. Adequate justification must be submitted and approved prior to continuation of the service.

Additionally, a contract cannot be amended if the contract period ended prior to the date of the amendment request (also known as a “dead contract”). In such cases, the school/office may need to initiate a new contract as the amendment request will not be approved. Services may not be continued or rendered by contractor until such time as a new contract is fully executed.

C. EXTENSIONS

At the discretion of the Chief Procurement Officer, extensions to contracts may be granted (Public Contract Code § 20118.4).

D. PRICE ESCALATION (Supplies, Equipment and General Services Only)

At the discretion of the Chief Procurement Officer and mutual agreement of the parties, adjustments due to price escalation may be made to contracts (Public Contract Code § 20118.4).

E. PRODUCT REPLACEMENT (Supplies, Equipment and General Services Only)

At the discretion of the Chief Procurement Officer and mutual agreement of the parties, adjustments due to product replacement may be made to contracts (Public Contract Code § 20118.4).

F. NAME CHANGES

When a vendor has changed its name, PSD must determine whether the interest of the District or vendor has been altered and whether the name change affects the legality of the contract.

G. CONTRACT TERM

Continuing contracts for work to be done, services to be performed, or for apparatus or equipment to be furnished, sold, built, installed, or repaired for the District, or for materials or supplies to be furnished or sold to the District may be made with an accepted vendor as follows: for work or services, or for apparatus or equipment, not to exceed five (5) years; for materials or supplies, not to exceed three (3) years (Education Code 17596).

H. CONTRACT EXTENSION/TERMINATION

All contracts have a definite start date (the date when the performance begins) and end date (the latest date by which the performance is concluded). The school/office is responsible for requesting a contract extension in the event that services will not be completed by the end date. Occasionally, the school/office may need to terminate the contract prior to the contract end date.

H.1. Reasons for Early Contract Termination

Reasons for early contract termination may include, but are not limited to, the following situations:

1. Lack of funding, as upon the implementation of a District-wide freeze on expenditures for contract services.
2. Vendor completes services earlier and at a lower cost than originally contemplated.
3. Vendor performance is unsatisfactory.
4. The District is no longer in need of the services or goods.

H.2. Importance of Written Documentation

In each of the above circumstances, the school/office shall document any conversations he or she has with the vendor to notify the vendor why early termination may be required. Such documentation is especially important when the vendor's performance is unsatisfactory.

H.3. Authority to Terminate a Contract

While a school/office may suspend a vendor's performance, only authorized personnel in PSD may officially terminate a contract.

H.4. Procedure

To partially or fully terminate a contract, you must complete a Request for Procurement Action and submit it to PSD along with the termination effective date and copies of any correspondence sent to the vendor and a chronology of events leading up to the request for termination, if applicable. In the case of a vendor performance issue, PSD will work with the school/office to either assist the vendor in improving his/her performance or terminate the contract in conformance with the contract terms.

I. CONTRACT RENEWAL OPTIONS

Contract renewal options are usually included in multi-year contracts to allow the District flexibility and their exercise (so that the contract continues) is always at the school's/office's

discretion. The District is not compelled to exercise an option. The below points are very important to understand when considering renewal options.

1. If an option is not exercised, the contract will expire on the date shown in the contract, and the school/office will need to request a new contract, showing competition, as appropriate, if the school/office wants to continue to receive the goods or services after the expiration date of the original contract.
2. Most renewal option exercises are unilateral because they are a right that the District obtains in the initial negotiation for the contract. By signing the original contract, the contractor has agreed to the renewal options.
3. Renewal options are not self-exercising. The school/office must request PSD to exercise an option no later than 30 days prior to the contract expiration date.
4. Option exercises may be priced or unpriced, but regardless, the decision to exercise an option is the sponsor's.
 - a. If priced, the option paperwork submitted to PSD by sponsor will consist of RFPA and funded Shopping Cart unless the option is for a master or requirements contract.
 - b. If unpriced, the option paperwork submitted to PSD by sponsor will consist of an RFPA to extend services, but not necessarily a Shopping Cart.
 - c. Only PSD is authorized to exercise the option on behalf of the sponsor. A letter or amendment must be sent by Procurement to the contractor.
5. Once exercised, the contractor is obligated to perform according to the terms of the renewal option. If the sponsor wants to change the scope of services during the renewal period, then it is a new negotiation, no longer at the sole discretion of the District.
6. "Optional Services," if included in a contract, are not necessarily part of a renewal option. Activation of optional services may occur at any time during an initial contract period or during an additional period that was created via renewal option exercise.

CHAPTER 7 - PAYMENT METHOD

It is the school or office's designated purchaser's responsibility to ensure that funds are available for procurements paid by Purchase Orders, P-Card, and Imprest funds. The following is a summary of the payment methods available for procurements.

Imprest Fund	<p>Review Reference Guide REF-1706.4 Imprest Funds Issued by Accounting and Disbursements Division.</p> <p>An Imprest Fund permits an administrator to make direct purchases of items utilizing a local site checking account. The Imprest Fund is another means of procuring material; it does not represent additional budgetary authority. Please refer to myLAUSD/eLibrary for the publication on Imprest fund.</p>
Shopping Cart – Catalog STO	Used to request purchase of General Stores Distribution items.
Purchase Order (Regular)	Shopping Carts for goods, general services and professional services are forwarded to PSD to perform necessary procurement activities in order to generate a Purchase Order.
Procurement Credit Card (P-Card)	P-Card must only be used for purchases for specified limits. Splitting transactions to avoid competitive bid thresholds or to avoid established card transaction limitations (e.g., single purchase limit) is prohibited. Please review section B.7 Restricted Items to ensure you do not violate District policy.
Travel Credit Card (T-Card)	Travel Credit Card may only be utilized for travel arrangement for Employees and Students. If parent travel is needed follow BUL-6748.2. For assistance, contact the Parent & Community Engagement Office at 213-481-3350.
M&O Buyer Credit Card	M&O Buyer Credit Card is only to be used for support of the operation of school site projects and is limited to a purchase amount in line with the current bid limit. In addition to reconciliation in SAP, purchase approval is also required in Maximo.
Recruiter Credit Card	Recruiter Credit Card may only be used by District Recruiters to arrange travel and other recruiting related expenses.
Fuel Credit Card	Issuance of the Fuel Card requires additional approval from the Transportation Division and may only be used for purchases of fuel as assigned to the user by their administrator.

Unified Print Ghost Account	Unified Print Ghost Account shall be utilized to pay for invoices resulting from the Unified Print Program. Note: for those copiers/imaging services that have remaining contracts that are not contracted under the Unified Print Program, you may utilize the P-Card to pay copier vendors directly for their lease maintenance contracts, excess copy charges and other copier related services until the lease expires and an opt-out has been approved by PSD. These leases may not be renewed.
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A. SHOPPING CARTS (DD-6)

All purchases begin with entering a Shopping Cart in SAP unless making a purchase with a credit card or Imprest Account. Shopping Carts created with items selected from the General Stores Distribution Catalog generates an internal Stock Transfer Order that gets fulfilled by the District's General Stores Distribution Section. All other Shopping Carts greater are routed to other PSD staff for processing.

DD-6 Shopping Carts

DO obtain the correct funding line information from your school or office's financial person.

DON'T send a Shopping Cart to a contractor. A Shopping Cart is not a contract and a Shopping Cart is not a Purchase Order.

B. DISTRICT CREDIT CARD PROGRAM

PSD oversees the District's official Procurement Credit Card (P-Card) program. Although PSD has introduced credit cards to facilitate purchases, participation of schools and offices in the program is not guaranteed: Adherence to program policies and procedures is required for continued use of District-issued Credit Cards.

Cardholders are strictly prohibited from using a District Credit Card to make purchases for personal use. In the event of malfeasance (misuse), the Cardholder will be subject to personal liability and may face disciplinary actions. All P-Card transactions are subject to auditing and internal control verification. It is of the utmost importance to exercise proper ethics and prudence, as well as avoid conflicts of interest while utilizing any District-issued credit card or payment method.

In response to the 2018 OIG Audit Recommendations, the Credit Card Unit has developed audit procedures that include a progressive policy for violation notifications. A violation may require corrective actions (e.g., retraining/recertification requirements). Repeated violations will likely result in the revocation of card privileges *and* notification of the violations to the Region Office, or the Office of the Superintendent for Schools and Central Offices, respectively.

Reminders for the Credit Card Program

- P-Cards
 - A signed Pre-Authorization form is needed for a P-Card purchase of a single item costing \$500 or more (before tax and shipping). The Pre-Authorization form is available on the P-Card website at <http://pcard.lausd.net>. This form is **not** required for Conference attendance/Travel expenses, or purchases with approved Credit Card Exceptions, as those purchases have separate approval processes.
 - The signed Pre-Authorization form must be uploaded/attached to the corresponding transaction(s) in SAP for the applicable purchase(s)
 - **Receipts for all P-Card purchases**, regardless of dollar amount, must be uploaded/attached in PDF format and attached to the corresponding reconciliation transaction(s) in SAP (receipts for Unified Print Ghost Account are not required).
 - The P-Card Unit conducts periodic reviews of the Merchant Category Codes (MCC) that are allowed for District Credit Card purchases, and may, at any time, determine that the removal of certain codes is necessary to provide program controls, prevent purchases of restricted items, and/or to protect against potential fraud or misuse. Note that while the P-Card Unit may determine which MCCs are permitted for District Credit Card purchases, the MCCs associated with a particular vendor are selected by that vendor to describe their business.
 - **All attachments (forms, receipts, invoices, copies etc.) must be saved and uploaded into SAP in PDF format (.pdf).**
- T- Cards
 - Approved Travel Request Notification (ATRN) numbers generated by entry and work-flow approval in the SAP Travel Management Module (TMM) must be obtained for travelers prior to booking or making travel purchases. *See BUL-5525.3 District Policy on Travel for more information*
 - Copies of the Approved Travel Request Notification (ATRN) and applicable receipts must be uploaded/attached to the corresponding T- Card reconciliation transaction(s) in SAP.
 - **All attachments (forms, receipts, invoices, copies etc.) must be saved and uploaded into SAP in PDF format (.pdf).**
- Unified Print Ghost Account
 - In order to reconcile Unified Print Ghost Account charges in SAP, a funding line for Commitment Item “580002” must be available. Schools and Offices must ensure sufficient funding to cover all UPP charges is available on funding line(s) with G/L 580002.
 - Title I funds can be used to pay for a **maximum** of 50% of total Unified Print charges.
 - Locations using Title I funds must also ensure they have a non-Title I funding line established for Commitment Item “580002” with sufficient funds to pay the remaining 50% of Unified Print charges. *See BUL-6518.1- Restricted Use of P- Card, Ghost Card and Travel Card (T-Card) for Title I Purchases, dated July 24, 2017*
 - Receipts/invoices for Unified Print Ghost Account transactions are **not** required to be scanned and uploaded to SAP.

The District Credit Card program includes various types of credit cards, in addition to the P-Card. Please be reminded that all credit card types are designated for use by District employees, on

behalf of students and/or employees, for official District-related use, and within the prescribed guidelines.

Type of Card	Purpose	Eligibility	Restrictions
P-Card (\$5,000) Blue credit card	School site/office may select to utilize a Purchase Credit Card to facilitate low-dollar purchases.	All locations may apply.	Two cards per location. Single purchase limit of \$5,000. Monthly purchase limit of \$20,000. <u>or</u> One card per location. Single purchase limit of \$5,000. Monthly purchase limit of \$40,000. Blue credit card is issued.
Travel Credit Card (T-Card) Silver credit card with green imprint	School site/office may select to utilize a Travel Credit Card (to make airfare and approved travel related purchases).	All locations may apply.	One account per location. Account issued to the Cardholder who should be the same individual as the P-Card holder. Silver card is issued. Travel arrangement for employees and students.
Fuel Credit Card Silver credit card with red imprint	School site/office may select for employees authorized to use District-owned vehicles for performance of assigned duties.	Locations with District-owned vehicles may apply.	One card per District-owned vehicle* – must provide license plate and LAUSD vehicle number at time of application. Requires approval from the Transportation Branch.
Recruiter Card Silver credit card with green imprint	Facilitate travel for recruiters	Only authorized Recruiters may apply.	Silver credit card is issued to Recruiter.
Buyer Card Dark blue credit card with white imprint	Maintenance and Operations Buyer Procurement Card to facilitate buying for M&O.	Maintenance and Operations only. (Authorized buyers only)	Dark blue credit card is issued to authorized M & O employees.
Unified Print Ghost Account No card issued	School site/office shall utilize a Ghost Account to pay for invoices that result from the Unified Print Program.	All locations may apply.	One account per location code. Account issued to the Cardholder who must be the same individual as the P-Card holder. A physical credit card is not issued.

*** Extenuating circumstances may require more than one card to be issued per vehicle. The P-Card Unit will review and approve/deny these Exception Requests on a case by case basis.**

B.1. Selecting a Cardholder and an Approving Official

Responsibility of Site Administrator

The Site Administrator must:

- a) Designate a Cardholder and an Approving Official
 - i. A Cardholder may not serve as Approving Official on the credit card issued in his/her own name

- ii. The Approving Official must always be in a senior position to the credit Cardholder that he/she supervises, oversees, and/or reviews
- iii. The designated Cardholder and Approving Official must be District employees with District employee numbers and may not be Pool employees.
- b) Be responsible for his/her location's expenditures and budget.
- c) Ensure that the Cardholder and Approving Official abide by District policies and procedures, provide oversight in the use and maintenance of any District issued credit cards.
- d) Ensure the Cardholder uploads/attaches original or copies of sales invoices or receipts (excluding Unified Print Ghost Account) for all purchases in PDF format to the P-Card/T-Card SAP transaction during reconciliation. The invoice/receipt must be legible and contain line item detail indicating price for each item purchased.

Responsibility of a Cardholder

The Cardholder must:

- a) Understand and follow District policies and procedures regarding use of credit card(s), including adherence to categorical program guidelines when reconciling transactions to state and federal funds.
- b) Never, under any circumstance, use the credit card to make a personal purchase. If a Cardholder inadvertently or mistakenly makes a personal purchase using a District credit card at the point of sale, the Cardholder should attempt to have the transaction immediately reversed with the supplier. If the supplier is unable to reverse the charge, the Cardholder must self-report this transaction within ten (10) business days to the Credit Card Unit to make immediate arrangements for reimbursement to the District. Otherwise, among other actions, the Cardholder will have their District credit card(s) suspended immediately and may permanently lose all future card privileges.
- c) Participate in mandatory training for new Cardholders and complete the recertification/quiz once every two years or as mandated by PSD. PSD may suspend accounts until the required training or re-certification has been completed.
- d) Be aware of current restricted items and not purchase these items (e.g., DO NOT purchase gift cards).
- e) Not exceed the single purchase limit, nor split a large purchase into two or more smaller purchases to avoid the limit. However, exceptions may be granted by contacting the District Credit Card Unit.
- f) Not exceed the monthly limit. However, exceptions may be granted by contacting the District Credit Card Unit.
- g) Monitor the availability of funds in the SAP online electronic reconciliation system to ensure sufficient payment of purchases at all times. If the Cardholder does not have sufficient funds to reconcile the purchase, the credit card may be suspended or terminated.
- h) Obtain the Principal/Administrator/Approving Official's signature on a pre-authorization form for purchases of a single item costing \$500 or more, and upload/attach the signed form to all SAP transactions for which it applies. This form is **not** required for Conference attendance/Travel expenses, or purchases with approved Credit Card Exceptions, as those purchases have separate approval processes.
- i) Upload/attach the sales invoice(s) and receipt(s) for all purchases, in PDF format, to the SAP reconciliation transactions management system (excludes Unified Print Ghost Account transactions). The attached invoice/receipt must be legible and contain line item detail indicating price for each item purchased. Note: a packing slip that does not include the line item detail with dollar amount will not be accepted as a receipt. Hard copy receipts are not required to be retained provided the above criteria for attachments in SAP is met.

- j) Ensure the Single Plan for Student Achievement (SPSA), ATRN and applicable Field Trip Approval Forms are attached for all Title I purchases using a P-Card or T-Card.
- k) Resolve incorrect charges or disputes with the vendor and/or bank within 60 days of the transaction date, as well as track disputes to resolution. Incorrect charges that are not resolved within the 60 days become the sole responsibility of the Cardholder. The Cardholder must reconcile the disputed transactions. Cardholders must never reject any disputed transaction in SAP.
- l) Reconcile purchases in the SAP online electronic reconciliation system by the close of business on the 15th day of the month (except for year-end closing). *For example, transactions made from January 26th – February 25th will be due March 15th. If the 15th day is a weekend or holiday, then reconciliation must be completed at the close of business the last business day prior to the 15th.* It's recommended for the CH to complete their portion of reconciliation by the 10th of each month to give the approver time to review each receipt for every purchase and approve by the 15th deadline. Unreconciled transactions may result in suspension or revocation of card privileges. **Note:** reconciliation deadlines for year-end closing may be earlier than the 15th, refer to Chapter 11, Section D. Year-End P-Card/Travel Card Account Procedures.
- m) Ensure security of the credit card at all times. Do not share the credit card or allow any other individual to make purchases using the card issued to the Cardholder. The Cardholder is the only authorized holder and purchaser.
- n) Report lost or stolen cards immediately to the credit card issuing bank and the District Credit Card Unit.
- o) Follow appropriate District policy regarding equipment inventory procedures as stated in Bulletin BUL-1158.2 Accounting for Supplies and Equipment Purchases, issued by Accounting and Disbursements dated April 22, 2015; Bulletin BUL-953.1 Control of Site Equipment issued by Accounting and Disbursements on August 23, 2010 and Bulletin BUL-3508.7 Inventory Requirements for Equipment Purchased with Categorical Program Funds dated March 12, 2015.
- p) Notify the Credit Card Unit when changing locations or no longer being employed by the District. The Cardholder must complete the Credit Card Update form and submit the form to the designated P-Card Representative. Please destroy the card, there is no need to return it to Credit Card Unit. Any charges made after changing location or no longer working at the site will be the responsibility of the Cardholder.

Do not destroy or cancel the card if the **Approving Official** changes location or is no longer employed by the District. The card can be used again once the new Approving Official has submitted the appropriate forms to the Credit Card Unit and is updated in SAP.
- q) Apply for any rebates that are available with purchase and submit the rebate to the Cash Receipts Unit, and identify the funding line that the rebate should be credited. Avoid any purchases where there is a conflict of interest or the appearance of a conflict.

Responsibility of Approving Official

The Approving Official must:

- a) Understand and follow District policies and procedures regarding use of the District credit card.
- b) Participate in mandatory training for new Approving Officials, and complete the refresher training recertification/quiz once every two years, or as mandated by PSD. PSD may suspend accounts until the required training or recertification has been completed.

Review reconciled transactions in the online electronic reconciliation system (in SAP) by the close of business on the 15th day of the month. *For example, transactions made from January 26th – February 25th will be due March 15th. If the 15th day is a weekend or holiday,*

*then reconciliation must be completed at the close of business the last business day prior to the 15th. Transactions that are not reviewed may result in suspension or revocation of card privileges. **Note:** approval deadlines for year-end closing may be earlier than the 15th. Refer to Chapter 11, Section D. Year-End P-Card/Travel Card Account Procedures.*

- Approving Officials are required to review all transactions prior to leaving the location where they are the Approving Official.
 - It is the responsibility of the new Approving Official to review recent transactions, even if the transactions were made prior to the new Approving Official. Approving Officials must review transactions of the Approving Official that they have replaced if there are transactions that have not been reviewed.
 - Verify the accuracy of funding; verify that purchases are made within District policy and identify questionable transactions.
- c) Report all suspect transactions, including restricted items, and transactions that are challenged because they are questioned to the Procurement Services Division.
 - d) Notify the Credit Card Unit if a Cardholder will be out on extended leave. The Credit Card Unit will either suspend the card during the absence, or request to cancel the card and have another card issued to an alternate person at the site. The card should not continue to be used in the absence of the Cardholder whose name is printed on the card.
 - e) Discourage any and all potential Cardholder violations of any District credit card policies.
 - f) Refrain from making purchases with the District credit card that is issued in the name of the Cardholder (Cardholder is the only authorized purchaser).
 - g) Ensure the Cardholder maintains legible invoice and receipt copies (or originals) in SAP (PDF format). Does not pertain to Unified Print Ghost Account transactions.
 - h) Review all outstanding transactions and notify the Credit Card Unit prior to transferring, retiring or otherwise leaving District employment. Submit the Credit Card Update form, along with the appropriate agreement forms to change the Approving Official (no need to destroy or cancel the cards).

Approving Officials may assign a substitute approver within the SAP system (must not be the Cardholder), however, the Approving Official will ultimately be responsible for the approval even if it is completed by the designated substitute.

B.2. Application for District Credit Cards

A complete application must be received in order to obtain a District credit card Applications for P-Card, T-Cards and Unified Print Ghost Accounts may be obtained at <http://pcard.lausd.net> (Credit Card Application). The application must be complete with all required agreement forms. Please follow the directions carefully. Incomplete applications will result in delays.

Applications for all other card types may be obtained by contacting your designated P-Card Representative, who will determine if the card type request is appropriate for your location/work type.

The Credit Card Unit will request the roles of “P-Card Reconciler” and “P-Card Display Reporter” and will assign Approvers the roles of “P-Card Expense Approver” and P-Card Display Reporter.”

The Credit Card Unit will issue the credit card within ten (10) business days after the application had been designated as “complete.” Applications are considered complete once the requesting location has provided all information, met all requirements, determining the application is

“complete.” The credit card will be sent to the Approving Official to be forwarded to the Cardholder. In addition, a letter of notification of issuance of the credit card will be mailed to the Cardholder. Once the Cardholder receives the credit card, he/she must immediately activate it and choose a PIN number by calling the phone number on the sticker located on the front of the credit card and provide his/her employee number (instead of Social Security number) when prompted.

The Cardholder will have an option of picking up the card in person. However, the Cardholder must make an appointment with the assigned P-Card representative and have a valid California Driver’s License or other appropriate identification.

Travel Credit Card (T-Card)

A location may apply for a Travel Credit Card if they wish to have the travel procurement options. T-Card accounts should be assigned to the location’s P-Card holder. District T-Cards are **not** meant to be issued to individuals who will be traveling, and are **not** meant to be taken with the individual (employee) to incur charges while they are traveling. District T-Cards are not the same as Corporate Cards Travel Cards and should not be treated as such.

The District T-Card:

- Is a physical Travel Credit Card (T-Card) assigned to the P-Card holder.
- Is no longer limited to employee travel, the card may be used to arrange travel for students.
- May NOT be used to arrange travel for parents unless a pre-approved Exception Request has been granted **and** the funding used specifically allows for this use (see BUL-6748.2 - Parent Conference Attendance).
- Can be used to make pre-paid travel arrangements after appropriate approvals have been obtained (e.g., Approved Travel Request Notification (ATRN) for employee conference attendance or Field Trip approval for students and employee chaperones).
- Can be used to book hotels through a third-party booking site (e.g., Expedia, Travelocity, Booking.com) such that the room fees are all completely paid for at the time that the T-Card holder books it. The traveler should take a printout of the room reservation/confirmation that shows payment has already been made. The traveler is still responsible to bring a personal credit card at check-in to present it to the hotel for incidentals. The T-Card is never to be used for incidentals, it should never be taken with the traveler and presented at the time of check-in to cover incidentals. Any incidental charges placed on the T-Card are the responsibility of the traveler and he/she will be required to personally reimburse the District for personal or incidental charges placed on the T-Card.
- Can be used to pay for airfare. Travelers should always fly coach, any upgrades to seats or preferences are the responsibility of the traveler and he/she will be required to personally reimburse the District for any upgrade expenses placed on the T-Card.
- Can be used to pay for pre-approved car rental by utilizing a third-party car rental booking site (e.g., Expedia or Travelocity). T-Card holder or traveler should ensure the car is fully paid for in advance and that the traveler takes the confirmation and receipt indicating that the car rental has been pre-paid.
- Can be used to make train reservations i.e., Amtrak.

Additional T-Card Program Requirements

Prospective T-Card holders must complete a T-Card application, agreement and required training for obtaining a T-Card. An Approved Travel Request Notification (ATRN) must be obtained for each traveler prior to making/charging any travel arrangements on the T-Card. For travel or conference attendance, Cardholders at school locations are required to scan and upload a copy of the Approved Travel Request Notification (ATRN) and any applicable receipt(s) for conference registration fees or travel expenses (e.g., airfare, hotel) placed on the P-Card and/or T-Card. This requirement also applies to Field Trip Request Forms if the P-Card or T-Card are used to pay for any associated field trips charges/costs. Note: if making travel arrangements for students, you must follow the Field Trip Handbook and obtain appropriate approvals for student travel. For additional information regarding travel and conference attendance, please review Chapter 12 - Policy for Travel and Attendance at Conferences, Conventions, or Meetings.

Please Note: The Superintendent may periodically impose a travel freeze as needed. Please review the applicable current freeze memorandum. The memorandum will provide procedures and criteria required to obtain the necessary approvals.

Changes to Credit Card Account

To make a change to the Credit Card Account, you must complete the District Credit Card Update Form along with the appropriate agreement form(s) and submit to the Credit Card Program Office. You may obtain the form from <http://pcard.lausd.net>.

B.3. Cards per Location

The school site or office may select to either have two (2) P-cards or (1) P-Card for single purchase limit of \$5,000.

One Travel Credit Card is allowed per location and issued to the existing P-Card holder.

Buyer credit cards are only issued on approval of Maintenance & Operations Director and the Chief Procurement Officer.

Recruiter cards are only issued to District Recruiters.

One Fuel Credit Card is issued per one District-owned vehicle – vehicle license plate and vehicle number required for application form. Extenuating circumstances may require more than one card to be issued per vehicle. The P-Card Unit will review and approve/deny these Exception Requests on a case by case basis.

One Unified Print Ghost Account is allowed per location code and issued to existing P-Card holder.

B.4. Training

To assure success of the Credit Card Program, it is essential that the Cardholder and Approving Official receive thorough training in all aspects of the program and demonstrate a good working knowledge of the program policies, procedures, and online electronic reconciliation system. It is mandatory that new Cardholders and Approving Officials participate in the MyPLN P-Card training and complete the quiz prior to cards being issued and will be required to complete refresher training courses once every two years. Should Cardholders or Approving Officials violate

P-Card Policies, a refresher course may also be mandated by PSD. Refer to the P-Card website <http://pcard.lausd.net> for information links to access current training and quiz/recertification options.

B.5. Restrictions and Controls

Any District issued credit card is intended for use in support of the educational mission of the District only and contains certain limitations such as limits for single purchase transactions, billing cycle purchase limits, and restricted items. Cardholders who purchase equipment having a value in excess of \$500 must follow appropriate District policy regarding equipment inventory procedures as stated in Bulletin BUL-1158.2, Accounting for Supplies and Equipment Purchases, issued by Accounting and Disbursements on April 22, 2015 and Bulletin BUL-953.1, Control of Site Equipment, issued by Accounting and Disbursements on August 23, 2010.

B.6. Termination of Participation in Credit Card Program

Participation in the Credit Card Program is a privilege that may be terminated on the basis of abuse, fraud or violation of District policies and procedures. Termination, revocation, restitution and disciplinary action will occur for any or all of the following:

- a) Restricted Items
- b) Unofficial/Unauthorized Use
- c) Failure to reconcile transactions (Cardholder) or review reconciled transactions (Approving Official)
 - Exceeding the Single Transaction Limit or the cycle limit, unless an exception is granted by the Credit Card Program
 - Splitting transactions to avoid competitive bid thresholds or to avoid established card transaction limitations (e.g., single purchase limit) is prohibited. "Transaction-splitting" on District credit cards is defined as the purchase of a single item, with the same vendor, whose purchase price (including tax and shipping) is greater than the single transaction limit. Notify the Credit Card Unit if a transaction-splitting purchase occurs inadvertently. Evidence that intentional transaction-splitting has occurred will result in receiving the applicable policy violation memo. Note: transaction-splitting may not apply to conference registration fees and/or travel arrangements provided the trip has been approved, entered in SAP and the Approved Travel Request Notification (ATRN) has been generated.

Solutions to Transaction-Splitting

- You may complete an Exception Request Form and ask that there be a one-time increase in the dollar transaction limit. Understand that this form must first be approved by your Site Administrator and *also* by Credit Card Unit. Submission of the form does not guarantee approval by Credit Card Unit.
 - Review past histories to determine if there is a trend in the spending and plan ahead to use the appropriate procurement tool (e.g., Purchase Order) to make the purchase.
- d) Insufficient funds
 - e) Failure to reconcile Unified Print Ghost Account (specifically) copier expenditures may result in suspension or termination of location's Procurement (P-Card) privileges.
 - f) Failure to complete mandatory refresher and mandatory training
 - g) Failure to respond to request for auditing and internal control verification

- h) Failure to fulfill duties as a Cardholder or Approving Official
- i) Failure to notify the Credit Card Program Office when the Cardholder or Approving Official changes location or is no longer with the District

The Cardholder will be notified of any questionable transactions and provided an opportunity to respond. Questionable transactions must be responded to within 15 business days of notice. Failure to respond within the time frame may result in termination of participation in the program.

B.7. Restricted Items

Personal use of any District credit cards is strictly prohibited. Intentional misuse of the District cards for other than “District’s official use” will be considered an attempt to commit fraud against the District. Proof of such fraud will result in immediate cancellation of the card, and may include disciplinary action against the employee under applicable District administrative procedures. The Cardholder will be personally liable to the District for the amount of any unauthorized or unofficial purchases and will be subject to criminal prosecution when warranted. Restitution will be sought against a District employee upon discovery of intentional misuse, fraud, abuse, and malfeasance.

Items on the restricted list are unauthorized purchases (unless an Exception Request Form has been submitted AND approved by the Credit Card Unit). Also, items available from the General Stores Distribution must be first purchased from the General Stores Distribution Section. It is against District policy to purchase items that are available at the General Stores Distribution Section from another location or source. An automatic decline may occur if the purchase is from the Prohibited Items List or if the amount exceeds the limits discussed above. It is against District policy to utilize the credit card to purchase any of these items below. If these items are purchased with a District issued credit card, the Cardholder may be held personally liable and audited.

Restricted Items: If the Approving Official identifies any of these unauthorized items as purchased by the Cardholder, s/he must notify the Credit Card Unit immediately and reject the transaction in the online reconciliation system.	
Restricted Item:	Alternate/Approved Payment Method:
Any P-Card/T-Card purchase using Title I funds (e.g., program codes 7S046, 70S46, 70A56, and 7E046) without pre-approval from Title I Office/included in site’s SPSA	Use SAP Shopping Cart transaction or obtain pre-approval to use P-Card/T-Card from Title I Office with purchase designated on Single Plan for Student Achievement (SPSA).
Book purchases for Program Code 14113 and 14152	Use SAP Shopping Cart transaction.
Travel expenses, including airline tickets, hotels/lodging, and car rental, telemarketing travel arrangements	Use Travel Credit Card. All other travel related expensive may be reimbursable upon submitting Expense Claim Form to Accounts Payable.

Gift cards	District issued credit cards may not be used to purchase gift cards.
Restaurants and bars, alcoholic and non-alcoholic beverages, and entertainment	District issued credit cards may not be used to purchase meals and beverages. If you are traveling, seek reimbursement by completing the Expense Claim Form and submitting to Accounts Payable as per diem reimbursement.
Refer to BUL-2188.0 Purchase of Meals, Refreshments and Foods issued by the Chief Financial Officer on January 24, 2006	District issued credit cards may not be used to purchase food. If you are traveling, seek reimbursement by completing the Expense Claim Form and submitting to Accounts Payable. If you have an Imprest Account, please use this account if allowed.
Food purchases for instructional purposes, such as Culinary Arts Program, livestock, Food Services and Healthy Network Program	P-Card may be used with prior approval by the District Credit Card Program. For exception request, visit http://pcard.lausd.net .
Gasoline, fuel, oil, coal and liquefied petroleum, towing, automotive parts and related services	Use Purchase Order if an approved District item or obtain prior approval from the District Credit Card Program. For exception request, visit http://pcard.lausd.net .
Rental of non-District facilities	Use SAP Shopping Cart. Instructions are available at https://www.lausd.org/Page/3868 .
Transportation, including rental/use of buses, trains, for employee travel or school sponsored field trips	Use Travel Credit Card. P-Card may not be used to pay for transportation related expenses. Contact Transportation for field trips, unless a prior approval obtained by the District Credit Card Program. If you are traveling, seek reimbursement by completing the Expense Claim Form and submitting to Accounts Payable. For bus rentals if there is no Travel Card at the site, P-Card can be used if the bus is on the Approved Charter Bus list; you must obtain prior approval using the Credit Card Exception Request form.
Taxi/Uber/Lyft	Not allowed on P-Card or T-Card. See BUL-5525. 3 District Policy for Travel and Attendance at Conferences or Conventions for the approval process for employees to self-pay and request reimbursement (note: tips are not reimbursable)
Personal items or services;	Not allowable District purchases. If District funds are utilized, you may be subject to disciplinary action and termination from the Credit Card program.
Cash refunds for returned purchases;	
Gifts, donations or contributions to individuals or organizations	

Tuition payments	Utilize Tuition Reimbursement Form.
Medical services, medical drugs, pharmaceutical products or controlled substances;	Use SAP Shopping Cart if an approved District item, unless pre-approval obtained by the District Credit Card Program.
Firearms, ammunition, explosives or other items considered being dangerous	
Parking fees, tickets or parking stickers and traffic tickets, tolls, violations and express lane fees	P-Card and/or Travel Credit Card may not be used to pay for parking fees. If you are traveling, seek reimbursement by completing the Expense Claim Form and submitting to Accounts Payable.
Flowers	Use Requisition, unless for instructional purposes such as floricultural, horticultural programs, then the P-Card may be used.
Computers, CPU and laptops;	Place order through ITS website at https://www.lausd.org/Page/4635 and following procedures in Reference Guide REF-6277.3.
Microsoft software; Adobe software (excluding Primary Schools and Elementary Schools);	
Cell phones, pagers and associated service fees	
Computer software and related purchases	Purchases involving student information or access must use SAP Shopping Cart.
Video game systems (Wii, Xbox, Nintendo), video game accessories (games, memory, controllers), iPODs, iPOD Shuffles, iPAD, iPhones and accessories	Use SAP Shopping Cart.
After the Fact invoices	It is against District policy to use the P-Card to pay for After the Fact invoices.
Student incentives, gifts, etc.	Use SAP Shopping Cart.
Surveillance cameras	Use SAP Shopping Cart.
Large appliances (e.g., refrigerators, ranges/ovens, washing machines, dryers, etc.)	Use SAP Shopping Cart.

Parental charges including supplies, equipment, refreshments, instructional materials, travel, fuel or printing services	Contact Region Parent & Community Engagement Office.
Amazon Prime	The District has an agreement to provide Amazon Business membership for all schools and offices. This feature provides “Prime” shipping. Using the P-Card to pay for individual Amazon Prime membership is prohibited.
Membership, Costco Membership, Sam’s Club Membership, etc.	These purchases/memberships are non-transferrable and require an individual set-up of the membership in order to use the service. Therefore, it is impossible to separate District use from personal use, thus making it prohibited.
iOS (iPad) mobile apps	The process for purchases these can be found at: https://www.lausd.org/Page/4543 .
Apple vouchers and apps	Use SAP Shopping Cart.
Note: Some items on the Restricted Items list may be purchased with pre-approval from the Credit Card Unit via the Exception Request Form.	

Note: Conference registration fees may be paid on the P-Card, however, if the vendor does not accept P-Card, you may use a SAP Shopping Cart. If seeking to pay conference registration fees for parents, you must follow policy outlined in BUL-6748.2, Parent Conference Attendance date May 24, 2021. Travel Credit Cards should not be used for conference registration fees.

B.8. Reconciliation

Cardholders must reconcile timely and not wait until the end of the billing cycle to reconcile their transactions. All purchases must be reconciled by the Cardholder by the 15th day of the following month. Receipts for all P-Card and Travel card purchases regardless of dollar amount must be uploaded and attached to the corresponding transactions in SAP when reconciling (excluding Unified Print Ghost Account transactions). **Failure to reconcile monthly transactions with receipts attached by the 15th will result in the card being placed in temporary suspension status until reconciliation is completed.** Cards will be cancelled due to failure to reconcile at the sole discretion of PSD. It is the responsibility of the Approving Official to review all reconciled transactions and either accept or challenge. The Approving Official must also review the reconciled transactions by the 15th day of the following month. If this is not completed timely, the privilege may be suspended. **Additionally, PSD reserves the right to force reconcile transactions to the default funding line for any transactions that are seriously out of compliance (two or more months in arrears).**

Note: Reconciliation requires itemization of individual transactions.

B.9. Placing Orders with the District Credit Card

Purchases may be made over the internet, by phone/fax or in person. In today's electronic, information-based economy, there is ample opportunity for others to commit fraud against you and the District. Therefore, protect your credit card as you would your own personal credit card by utilizing the following procedures:

- Look for a padlock in the locked position at the bottom of your screen.
- Read any security alerts that pop up informing you that you are entering or leaving a secure Internet connection.
- Try to avoid doing business with unknown vendors.
- When faxing an order form, never write the credit card number and expiration date on the form. Instead, contact the vendor and provide the card information over the phone.
- Never provide a photocopy of your P-Card to a vendor, front or back. Some vendors require the CVV code that appears on the back of a credit card. This code is printed after the credit card number and usually appears in the authorized signature strip. This code has been added by Master Card to help provide additional security for phone and Internet purchases. It is acceptable for you to provide this code.

Note: If the vendor refuses to comply with these security procedures, inform the vendor that you will not do business with that vendor and will go elsewhere instead.

Cardholders must obtain receipts/invoices from vendors for all purchase transactions. Receipts must be legible, include the item description and amount of each item purchased, must be saved in PDF format, and scanned and uploaded to the transaction during SAP reconciliation. If the purchase is placed over the internet, vendors will usually email a receipt to Cardholders and/or allow them to print a receipt directly from the website upon placing the order. If the order will be placed over the phone, require that a receipt be emailed, faxed or mailed to you. Additionally, vendors will often ship an invoice with the actual merchandise. Note: a packing slip that doesn't include the line item detail with dollar amount will not be accepted as a receipt.

For purchases on the T-Card or P-Card related to travel or conference attendance, Cardholders are required to upload a copy of the ATRN in PDF format in addition to the original or copies of receipts/email confirmations for hotel and travel expenses paid with the T-Card. This requirement also applies to Field Trip requests, in which a copy of the approved Field Trip Request form or ATRN (if applicable) is uploaded and attached in addition to required receipts.

Under no circumstances shall a Cardholder give his/her card to anyone else to use, for official use or otherwise. Use of the card by anyone other than the Cardholder is both a violation of Credit Card Company and the District's policies. Violation of this policy can lead to immediate suspension/cancellation of card privileges and disciplinary action under applicable District administrative procedures.

B.10. Funding

Default Funding Lines

The Credit Card Unit will no longer ask the school or office to choose a default funding line during the application process. Effective July 1, 2014 the funding line will be added based on the type of school or office location to which the card is issued to. The on-line reconciliation will not automatically reconcile to this funding. The Cardholder has the option to select the applicable

funding line for the location code associated with his/her card during reconciliation in SAP. However, PSD reserves the right to apply changes that are seriously out of compliance (two or more months in arrears or at year-end) to the default funding line on behalf of the Cost Center to which the card is issued. The LAUSD Budget Services Division provides the default funding lines for the current Fiscal Year to the P-Card for the current Fiscal Year for each location type (e.g., Elementary, Middle, High Schools, Option Schools, Special Education, Adult Schools, Early Education Centers and Central Offices).

Sample of Default Funding Lines (these may change yearly):

Credit Card Program	Location Type	Default Funding Line
P-Card G/L 430001	Elementary, Middle and High Schools (including Affiliated Charters)	010-0000/1110-1000-13027
	Options Schools	010-0000/3200-2700-14173
	Special Education	010-6500/5750-1110-12544
	Adult Schools	110-0000/4110-1000-14174
	Early Education Centers (EEC)	120-6105/0001-1000-17607
	Offices	010-0000/1110-7200-10025
T-Card (Travel Card) 520002	Elementary, Middle and High Schools (including Affiliated Charters)	010-0000/1110-1000-13027
	Options Schools	010-0000/3200-2700-14173
	Special Education	010-6500/1110-5750-12544
	Adult Schools	110-0000/4110-1000-14174
	Early Education Centers (EEC)	120-6105/0001-1000-17607
	Offices	010-0000/0000-7200-10025
Unified Print Ghost Account G/L 580002	Elementary, Middle and High Schools (including Affiliated Charters)	010-0000/1110-1000-13027
	Options Schools	010-0000/3200-2700-14173
	Special Education	010-6500/5750-1110-12544
	Adult Schools	110-0000/4110-2700-14174
	Early Education Centers (EEC)	Unified Print Paid Centrally 120- 6105 / 0001-2700-17588 /
	Offices	010-0000/0000-7200-10025
Fuel Cards G/L 430022	Offices	010-0000/0000-8100-11712

Sufficient Funding

The Cardholder must ensure that sufficient funding in an appropriate funding line is available to cover payments prior to purchasing items with the credit card. It is prohibited for Cardholders to spend more than the site's available budget even though there may still be available credit on the credit card. If the accounting line selected has insufficient funds, the on-line reconciliation system will display an error message. It is **always** the responsibility of the Cardholder to know the available balances of funding lines prior to making purchases even in the absence of accessibility to the online reconciliations system.

B.11. Cash Rebates

Cardholders should apply for any rebates that are available with purchases. If the rebate program requires the Cardholder to provide original receipts, then the Cardholder must attach a photocopy of the receipt to their monthly Statement of Account (bank statement) to keep on file. How to apply for a rebate:

Upon receipt of the rebate check from the vendor, complete the Cash Receipts Form and attach the purchase rebate slip with the following information:

LAUSD
Cash Receipts
Revenue Accounting Branch
333 S. Beaudry Avenue, 26th Floor
Los Angeles, CA 90017
RE: "Indicate Accounting Line"

It is a violation to have a rebate check made out to a Cardholder's personal name, therefore you must have the vendor issue the rebate payable to "The Los Angeles Unified School District." The Cash Receipts Unit in the Revenue Accounting Branch will record the cash receipts and abate expenditures previously charged to the prescribed accounting line.

B.12. Declined Transactions

If a decline occurs, contact your P-Card Representative as soon as possible for assistance.

B.13. Incorrect Charges and Disputes

If a charge on the Cardholder's statement is unrecognized, an item is billed incorrectly, or if an item is found to be faulty, defective or has not been received, the Cardholder must first attempt to resolve the problem with the vendor. If a merchandise replacement or credit is not provided by the vendor, the Cardholder must complete a Cardholder Dispute Form. Contact Citibank to initiate a disputed charge within 60 days from the date the transaction; Citibank will provide instructions via email on how to file the dispute form/affidavit. A copy of the Cardholder Dispute Form must be forwarded to the Approving Official. It is also the Cardholder's responsibility to track disputes to resolution. Cardholders must log and track credits in the online reconciliation system. Once the credit from the vendor or the bank appears in the on-line reconciliation system the transaction should be reconciled to the same funding line as the original transaction. Cardholders must never reject any disputed transaction(s) in SAP.

B.14. Lost or Stolen Cards

If the card has been lost or stolen, immediately notify the credit card company's customer service department at (800) 248-4553 (available 24 hours, 7 days a week) and the Approving Official. The credit card company's customer service department will request the following information: Cardholder's complete name, card number, employee number, date of loss or theft, and details of purchases made on the day the card was lost or stolen. A new card will be mailed to the Credit Card Program Office and will be forwarded to the Cardholder upon receipt. A new account number will be assigned. The Cardholder must carefully review the statement following the loss/theft since the purchase occurring immediately prior to the reported loss/theft will be billed under the new card number.

B.15. Cancellation of Cards

PSD may cancel cards based on violation of District policies and procedures.

B.15.a. Cardholder

A Cardholder who is no longer employed by the District, leaves a site, or transfers to a new location, must destroy the P-Card by cutting the card in half and returning it to the Approving Official. The Approving Official must oversee that this occurs. Cardholders may never take a card with them to their new District location regardless of their name being printed on the card. The Approving Official shall destroy the card. There's no need to return it to the Credit Card Unit. Submit a request to cancel the card using the Credit Card Update Form.

B.15.b. Approving Official

If an Approving Official is no longer employed by the District, leaves a site, or transfers, they must notify the Credit Card Program immediately. A Cardholder must not continue to utilize the credit card without an Approving Official. If the Cardholder utilizes the credit card without an Approving Official, the Cardholder will be audited and may result in temporary suspension of the P-Card.

The Credit Card Program will verify that all transactions have been reconciled and a Credit Card Update form with the appropriate agreement forms have been submitted to change the Approving Official before the Cardholder can proceed with purchases.

B.16. Exception Request Form

P-Card Exception Form is available at <http://pcard.lausd.net> for exceptions, but must be approved by the Procurement Services Division. You must submit a completed and properly authorized form five (5) business days prior to transaction payment deadline.

B.17. End of Year Procedures

All credit cards issued will be temporarily suspended on the date indicated on the memo issued by the Procurement Services Division for reconciliation and Approving Official review. If the transactions are not reconciled or reviewed by the Approving Official on the date indicated, the credit cards will be temporarily suspended until 100% compliance is obtained.

New applications submitted from June 3rd through June 30th may not be processed until July 1st of the next fiscal year.

If the transactions are not reconciled by the Cardholder or reviewed by the Approving Official by the date indicated (or the shutdown as assigned by the Credit Card Unit) a force reconciliation will be executed to the default funding line provided to the Credit Card Unit by Budget Services. If there is an insufficient balance on the default funding line, the Credit Card Unit shall reconcile against another appropriate account or create a negative balance on the default funding line that will be paid out of the new year's budget.

CHAPTER 8 – WHAT TO DO WHEN ITEMS OR SERVICES ARE RECEIVED

A. ON-LINE GOODS RECEIPTS

If you do not enter a Goods Receipt in SAP, payment cannot be processed by Accounts Payable.

Prior to entering the online Goods Receipt (GR), you need to have a copy of the invoice from the vendor and a copy of the Purchase Order (PO). If the order was placed by another office on your behalf, contact that office to obtain a copy of the PO and/or invoice. Schools and offices are responsible for verifying the accuracy of the order and entering the “online receiver” into SAP, immediately after delivery of materials. **Please ensure that the GR has been created.** Partial receiving is an acceptable process to account for only those materials received. Publishers may only invoice for materials as shipped. The Accounts Payable Branch will pay the publisher’s invoice based upon materials that have been received “online” either partially or in full. Entering GRs in a timely manner is crucial in processing the invoices and taking advantage of available discounts associated with your order. Additionally, it may avoid the potential vendor credit holds or providers halting business with the District. Furthermore, we can avoid penalties and interest to help preserve the District’s General Fund.

For instructions on how to enter a receiver please go to the following link:

<http://www.lausd.net/ol/basetraining/shoppingCartBPP.html>

B. DAMAGED GOODS & COMMODITIES

Prompt examination of the shipment by you at the school/office is essential to verify the condition of each shipment whether the shipment is from the District General Stores Distribution or an independent vendor. Where there is evidence of damage, the package(s) should be opened immediately for inspection. The extent of damage is to be noted and reported to the vendor or District General Stores Distribution.

In case of partial damage to a shipment which does not render the shipment worthless, the shipment, at your discretion, may be accepted. If not accepted, you must resolve the matter with the vendor directly. If the shipment was from the District General Stores Distribution, you must notify the District General Stores Distribution.

If no notification of damage is reported, it will be deemed that the shipment was received in apparent good order.

Damage discovered after the delivery of the shipment shall be reported to the vendor directly or District General Stores Distribution (if shipped from the General Stores Distribution).

If additional assistance is required, the school/office may contact PSD for assistance.

C. SHORTAGES

There are several types of shortages which could occur in the shipment. This includes shortages in the number of pieces or packages received, loss of contents, and shortages in the contents of the packages.

The number of pieces or packages received in a shipment are to be checked by the school/office against the number indicated in the Purchase Order or requisition.

In the event of any variance, a notation of that effect is to be placed on the Purchase Order or requisition. The school/office must notify the vendor or District General Stores Distribution immediately.

D. RETURN OF MATERIAL

Arrangements are made between you and the vendor or District General Stores Distribution as to return of shipments.

E. SERVICES (Professional Services Only)

If a discrepancy arises between the contracted services and the received services, you should attempt to resolve the matter with the contracted service provider utilizing the contract terms and conditions.

F. ACCOUNTS PAYABLE PAYMENT OF INVOICES

F.1. Payment for Materials

The Accounts Payable Branch will process payment if there is a: 1) Purchase Order, 2) Goods Receipt (via SAP) and 3) vendor invoice. A payment is processed when all three items above are matched in SAP.

Purchase Order - Prior to ordering materials, an executed Purchase Order must be in place. After the Fact or confirmation Purchase Orders or confirmation orders will not be generated. Ensure the correct Purchase Order type, vendor code, and object code are selected.

Goods Receipt - No payment will be made until the Goods Receipt (GR) is entered in SAP and matched with the Purchase Order and invoice by the Accounts Payable Branch. Enter a GR only for the materials which have been received. Do not enter a receiver based on pro-forma or quotes. You may enter partial receivers after receiving part of the materials.

Invoice - Accounts Payable will only make payments on “valid” invoices. Schools are strictly prohibited from requesting advanced billing, pro-forma, and quotes from vendors and submitting them to Accounts Payable as invoices.

NOTE: An electronic notification will be sent to the Shopping Cart requestor once Account Payables enters an invoice and the Goods Receipt is missing or is not sufficient to cover the invoice. Schools and offices should enter the Goods Receipt as soon as possible or research if the items have been received at the site.

To expedite the review and payment process, please note the following items:

- a. If you receive a copy of an invoice from a vendor and notice that the amount is greater than the Purchase Order amount, then modify the Purchase Order to reflect the invoice amount or request that the vendor provide a credit memo for the difference.

- b. Ensure all invoices include an invoice number, date and amount. If the invoice number is missing, request the vendor to assign an invoice number that is unique and will not be recycled.
- c. Purchase Orders for lease and service agreements involving office machines such as copiers, etc. must be monitored by school and office staff. It is crucial to ensure the Purchase Order covers the lease and/or services and extra copies for the time period being requested. This information should also be included on the Purchase Order.

F.2. Payment for Services Rendered

F.2.a. After the Fact and Unauthorized Commitments (DD-1)

The District will not process invoices that do not have a valid contract with Purchase Order or Purchase Order (low-dollar professional service Purchase Orders) executed by authorized District personnel. Therefore, all vendors are required to have a valid contract or Purchase Order prior to providing services or delivering goods to a school or office within the District. If the vendor provides services or delivers goods in advance of a valid executed contract or Purchase Order, the vendor does so at its own risk and invoices received will not be processed for payment. Therefore, you must ensure that prior to receipt of services or goods delivered by a vendor, that the appropriate procedures are followed to ensure payment to the vendor. Anyone who willfully and intentionally violates the procedures set forth in this Procurement Manual may be personally liable for the costs of services or goods incurred by the District.

For information regarding on who can enter into a contract or Purchase Order for the District, please read Chapter 6, Section A. What is a Binding Contract with the District?

DD-1 After the Fact Contracts

DO submit your contract request in sufficient time to allow processing of your request and development of the competitive solicitation and contract, or justification of single source and contract. A minimum of 15 business days is recommended for Single Source procurements. If prior approval by the Board of Education is required for a Single Source contract, a minimum of 40 business days is recommended. Call Procurement for time estimates where the process will be competitive.

DON'T create an "After the Fact" contract. Don't authorize a contractor to commence services or ship products unless a valid, fully executed contract or Purchase Order has already been established by Procurement.

Unauthorized Commitments (DD-3)

"Unauthorized commitment," as used in this subsection, means an agreement that is not binding solely because the District representative who made it lacked the authority to enter into that agreement on behalf of the District.

Policy:

- (1) Schools or offices should take positive action to preclude, to the maximum extent possible, the need for ratification actions. Although procedures are provided in this section for use in those cases where the ratification of an unauthorized commitment is

necessary, these procedures may not be used in a manner that encourages such commitments being made by District personnel.

(2) Subject to the limitations in paragraph (a) of this subsection, the Board of Education or Chief Procurement Officer (if dollar amount falls under delegated authority), may ratify or approve an unauthorized commitment.

(3) An After the Fact form must be submitted explaining the circumstances and detail of the unauthorized commitment to include what the school or office is doing to rectify not only the unauthorized commitment but also preventative measures to ensure such commitments do not occur in the future.

(a) *Limitations.* The authority in this subsection may be exercised only when:

(1) Supplies or services have been provided to and accepted by the District, or the District otherwise has obtained or will obtain a benefit resulting from performance of the unauthorized commitment;

(2) The ratifying or approving official has the authority to enter into a contractual commitment;

(3) The resulting contract would otherwise have been proper if made by an appropriate PSD representative or officer;

(4) The Procurement officer reviewing the unauthorized commitment determines the price to be fair and reasonable;

(5) The Procurement officer recommends payment and legal counsel concurs in the recommendation, unless District procedures expressly do not require such concurrence;

(6) Funds are available and were available at the time the unauthorized commitment was made; and

(7) The ratification or approval is in accordance with any other limitations prescribed under District procedures.

DD-3 Issuing a Contract

DO check with Procurement if a vendor asks you to sign a contract.

DON'T sign a contract with a vendor. School Principals, Heads of Organizations and Senior Staff do not have vendors' contract signing authority. It is a matter of District policy and of public law that only the governing board of a school district may issue contracts. At LAUSD, the Board of Education has delegated the contracting authority to the Superintendent, who in turn has sub-delegated that authority to the Chief Procurement Officer. No school or office has contracting authority, except by specific sub-delegation via the above channels.

"Fully executed", for this purpose means that the contract or Purchase Order must carry the signature of a duly delegated contracting official of Procurement, except

where a Master Services Agreement authorizes the school or office to issue a Task/Work Order accompanied by a Purchase Order.

F.2.b. Low-Dollar Professional Service Purchase Orders

For Low-Dollar Professional Service Purchase Orders, Accounts Payable will process payments when the following three items are matched: Purchase Order, Goods Receipt (via SAP) or approval for payment, and vendor invoice.

1. **Purchase Order** – Prior to receiving professional services, an executed Purchase Order must be in place. There will be no more After the Fact Purchase Orders generated. Ensure the correct Purchase Order type, vendor code, and object code are selected.
2. **Goods Receipt** – Enter a Goods Receipt (GR) transaction (via SAP) to verify that services have been rendered and to authorize payment.
3. **Invoice** – Contractors/vendors should submit invoices directly to the Accounts Payable Branch after services have been rendered.

F.2.c. Contracted Professional Services

For contracted professional services, Accounts Payable will process payments when the following four items are matched: executed contract/amendment, Purchase Order, vendor invoice, and authorization (approved invoice) for payment.

1. **Executed Contract/Amendment** – Contract/Amendment signed by both contractor and LAUSD.
2. **Purchase Order** – Prior to receiving professional services, an executed Purchase Order must be in place. There will be no more After the Fact Purchase Orders generated. Ensure the correct Purchase Order type, vendor code, and object code are selected. For audit, reporting and tax purposes, it is imperative to use the correct object code when creating a Purchase Order.
3. **Contract** – must be accompanied by Purchase Order prior to services or good delivered.

Invoice – Invoices are emailed to Accounts Payable and routed to appropriate staff for processing. In order to begin the process invoice must have a valid Purchase Order number, invoice number, invoice date, and invoice amount. Contractor should submit one copy of invoice to Accounts Payable at invoices@lausd.net and one copy to sponsoring school/office for review and approval. All invoices must include:

- Purchase Order number – specific to the services rendered
- Payee - Contractor's name – same as contract and Purchase Order
- Vendor address – must match vendor file information in SAP. If it does not match, vendor should request PSD to update address
- Invoice number – preferably 8 digits and should not be recycled
- Dates when services were rendered – within contract or amendment dates
- Description of work/service – specify activity or phase completed
- Quantity of hours billed – follow payment schedule or terms
- Unit price – Match to rate per person, position, package or module

4. Expense reimbursements need to be submitted with proper receipts
 - Itemized shipping, handling, and sales tax – professional service fees are not subject to sales tax while materials are generally subject to sales tax
 - Total amount due
 - If applicable, deduct any retention per the contract from the total amount due.
5. **Authorizations for payment** – To verify that services have been rendered, review invoice for accuracy. Instruct vendor to correct invoice if errors are found and notify Accounts Payable you have requested a revised invoice.
6. **Goods Receipt** – Acknowledgement that services have been received. Ensure invoice is accurate prior to entering Goods Receipt.
7. **Advance billing** – is not acceptable and vendor will not be paid until services or goods have been delivered.
8. **Advance payments** – Generally not permissible unless allowed under specific terms and conditions of the contract. The advance payment policy and procedures are described in Bulletin BUL-4589.1 (or current edition).

Questions concerning invoices and payments should be directed to the Accounts Payable Branch at (213) 241-4800 or accounts-payable@lausd.net.

F.3. Contract Close-Out

When a contract has reached its final expiration date or been terminated, several District departments have a role in ensuring that the contract is properly “closed out.” Generally, the process of closing out a contract is intended to make certain that:

1. The District has received all deliverables to which it is entitled under the agreement;
2. The District has received and paid the contractor’s final invoice for services provided under the agreement;
3. All expense-reimbursement or other contractor claims for indirect costs have been settled, invoiced and paid;
4. Any District property that the contractor is, by the contract, required to return to the District (e.g., security badges, laptops or other equipment) is duly returned;
5. Any excess or unused funds encumbered on account of the contract are un-encumbered and transferred to the appropriate District account; and
6. The contract file is completed and appropriately filed.

The following table shows which party, as between you, the sponsor organization, Accounts Payable (A/P), and PSD, is responsible for each of the indicated close-out actions:

	CLOSE-OUT ACTIVITY	RESPONSIBLE OFFICE		
		You	A/P	PROCUREMENT
1	Ensure that the District has received all contract deliverables	X		
2	Ensure that the District has received and paid the contractor's final invoice	X	X	
3	See that indirect cost reimbursement requests are invoiced and paid	X	X	
4	Have contractor return District property	X		
5	Un-encumber unused funds	X	X	X
6	Make sure contract file is complete and up-to-date			X

CHAPTER 9 – DOING BUSINESS ETHICALLY AND RESPONSIBLY WITH LAUSD

An executed contract must be entered into between the vendor and the District prior to the vendor providing supplies, equipment and general or professional services rendered. Payment for supplies, equipment and general or professional services may be delayed or denied if a contract is not entered into between the vendor and District prior to performance. Therefore, a vendor should not provide supplies, equipment and general or professional services prior to entering into a contract with the District. Schools/offices should not allow or encourage vendors to provide supplies, equipment and general or professional services without the vendor entering into a contract via PSD.

A. VENDOR REGISTRATION

The Los Angeles Unified School District (District) welcomes the opportunity to develop new vendor relationships.

A.1. Assigning a Vendor Number

Vendor numbers are issued to vendors desiring to do business with the District. A vendor number issued to a vendor is not pre-qualification or pre-approval to provide commodities, goods or services.

To become a District vendor, it is the responsibility of the vendor to register online at <https://www.lausd.org/Page/3904>. A vendor cannot be added to our database without providing a proper Tax Identification Number (TIN), i.e. Federal Tax ID or Social Security Number. When completing vendor profile, it is critical that the name given is the correct legal name and address, as they will appear on all invoices presented for payment. If your business uses a DBA, please complete your business name using the following example: John Doe and Associates DBA Home Securities, Inc.

After successfully becoming a District vendor, vendors have the responsibility of updating their information in SAP. Failure to do so may result in bid, Purchase Order or payment delays or returns. For additional information you may contact PSD (Procurement Vendor Services) at (562) 654-9404.

A.2. Vendor Marketing Activities

The District's Board Rule 1251 prohibits "advertising or sale to students or employees" on District premises with very limited exceptions. Vendor and commercial activities on school premises should generally be avoided. In addition, marketing activities are considered "lobbying" under the District's Lobbying Disclosure Code which requires registration with the Ethics Office at <https://www.lausd.org/ethics>.

Refer vendors interested in doing business with the District to the PSD website: <https://www.lausd.org/Page/3904>.

B. SMALL BUSINESS ENTERPRISE

In October 2020, the Board of Education approved a resolution to provide micro-business owners and veteran-owned businesses with a greater opportunity to compete for District contracts. This resolution upholds the small business and disabled veteran-owned business participation goals

originally adopted in 2003 and 2010 and reaffirmed in 2015 – and further advances the commitment to engage these businesses by expanding bid preferences and incentives to increase their viability in a competitive bid process.

The 2020 resolution, entitled “Recognition of the Small Business Advisory Council, Establishment of the Micro-Business and Veteran Business Participation Goals and Preferences” (Res 038-19/20), confirmed the following new goals, bid preferences and changes:

NEW

- Micro-business (MIC) participation goal of 10%;
- Micro-business (MIC) be provided a 10% preference when bidding for the procurement of goods, or delivery of services, in response to invitations for bids that do not exceed the annually adjusted bid threshold amount set for contracts, pursuant to Public Contract Code Section 20111;
- Micro-business (MIC) be provided a 5% bid preference when bidding on Formal Construction Contracts, valued up to \$1 million;
- Micro-business (MIC) be provided 15% qualifications evaluation scoring points when providing an Outreach Plan for Micro-Business on Facilities Professional Services, Best Value Construction, and Design Build Construction;
- Inclusive veteran-owned business (VBE) participation goal of 5% (incorporates disabled veteran-owned business participation)
- Veteran-owned businesses (VBE) be provided a 10% preference when bidding for the procurement of goods, or delivery of services, in response to invitations for bids that do not exceed the annually adjusted bid threshold amount set for contracts, pursuant to Public Contract Code Section 20111
- Veteran-owned businesses (VBE) be provided a (15%) of the qualifications evaluation scoring points to Veteran Businesses on Facilities Professional Services, Best Value Construction, and Design Build Construction.

CHANGES

- Small Businesses (SBE) be provided an eight percent (8%) bid preference when bidding for the procurement of goods, or delivery of services, in response to invitations for bids that do not exceed the annually adjusted bid threshold amount set for contracts pursuant to Public Contract Code section 20111;
- Small Businesses (SBE) be provided a three percent (3%) bid preference on formal construction contracts subject to Public Contract Code section 2002, valued up to \$1 Million;
- Small Businesses (SBE) earn up to 13% qualifications evaluation scoring points on proposals for Facilities Professional Services, Best Value Construction, and Design Build Construction contracts;
- SBE participation goal remains 25%.

In order to qualify for the incentives and preferences, the prime vendor and/or the subcontractor must be certified by the District. During eligibility determination, the District will accept and review certifications from the following agencies:

- State of California, Department of General Services
- Metropolitan Water District of Southern California
- County of Los Angeles Department of Consumer Affairs

- City of Los Angeles
- Los Angeles County Metropolitan Transportation Authority (MTA)

Please have vendors visit the LAUSD Small Business Enterprise Program website (<http://www.laschools.org/new-site/small-business/sbe-certification>) for further information.

C. PAYMENT AND INVOICE SUBMISSION

In order to receive payment for goods or services furnished to the District, the vendor is required to submit itemized invoices on a form acceptable to the District with contract and/or Purchase Order number clearly indicated. Invoices should be emailed to invoices@lausd.net as indicated on the Purchase Order or contract. Questions concerning invoices and payment should be directed to Accounts Payable Branch at (213) 241-4800 or accounts-payable@lausd.net.

Invoices must include:

1. Contract and specific Purchase Order number
2. Complete descriptions of the goods or services
3. Quantity
4. Unit Prices
5. All applicable taxes
6. Cash discount terms
7. Invoice Number

After a Purchase Order has been awarded to a vendor, five steps remain before the procurement cycle is complete.

These five steps are:

1. Delivery and acceptance of goods or services by requesting location
2. Processing the Goods Receipt (GR) by receiving location
3. Invoice submitted by the vendor to Accounts Payable Branch and referencing a valid PO or contract number
4. Accounts Payable Branch initiates payment
5. Issuance of warrant

D. SALES TAX

Tangible items are subject to appropriate sales tax for **both California and non-California** vendors. LAUSD is required to pay the appropriate sales tax when applicable. Purchase Orders must have appropriate sales tax rate. The Product Categories in the Shopping Cart will determine if an item is taxable or non-taxable. The tax rate will be determined based on the shipping location selected on the shopping cart/purchase order.

E. VENDOR EVALUATION

It is important that the District does business with the quality vendors. Vendor performance data is captured in PSD's Vendor Evaluation System (VES). Schools and offices should use the VES to submit evaluations for any District vendor with whom they conduct business. District staff may log into the VES using their single sign-on account and submit vendor evaluations. The VES may

be accessed by going to https://psd.lausd.net/lrp_shopping_cart. Additional information is available in Bulletin BUL-6811.0, *Vendor Evaluation System*, December 19, 2016.

CHAPTER 10 – AUDITING AND COMPLIANCE OF INTERNAL CONTROLS

PSD will conduct self-audits of all policies and procedures contained herein to ensure compliance with this Manual. Therefore, all transactions, acquisitions, competitive process and contracts will be subject to auditing.

Internal audits may be conducted by the District's Office of Inspector General (OIG). External audits may be conducted by outside agencies, such as, but not limited to, State and Federal Government.

All documents are subject to review by PSD, the Office of Inspector General, as well as, State and Federal auditors. Access shall be granted to all records, documents, etc. Documentation shall be retained in the system of record, SAP.

CHAPTER 11 – END OF YEAR PROCEDURES

It is critical that transactions which are to be posted to the current fiscal year have an Approved Status by the dates indicated below.

A. SAP CUT-OFF DATES

Cut-off dates applicable to SAP transactions are listed in the current version of Memorandum MEM-6016. These dates were developed to provide schools with as much time as possible to expend their funds in the fiscal year.

Please visit the PSD website (<https://www.lausd.org/Page/3873>) to find the SAP Cut-Off Dates as they become available.

B. ADVANCE YEAR ORDERS

Advance year orders are generally not allowed in SAP. Purchase Orders encumber funds from the current fiscal year. Open Purchase Orders that carry over into the next fiscal year encumber funds from the new fiscal year.

C. GOODS RECEIPTS

Schools and offices are required to acknowledge receipt of goods and services online by entering a Goods Receipt in SAP. Schools and offices should not submit the signed copies of Purchase Orders as a “receiver document” for items or services delivered and received.

To ensure that fiscal year expenditures are charged appropriately, Accounts Payable Branch requires that online receivers for deliveries made or services rendered during the fiscal year be entered and accepted in SAP no later than 4:30 p.m. on the last business day in June.

D. YEAR-END P-CARD/TRAVEL CARD ACCOUNT PROCEDURES

Cut-off dates applicable to P-Card/Travel Card accounts will be determined each fiscal year and will be posted on the P-Card website and communicated to Cardholders. These dates will be designated to provide schools with as much time as possible to expend their funds in the fiscal year and to ensure that their purchases are correctly charged to budgets.

Please visit the P-Card website (<http://pcard.lausd.net>) to find the P-Card/Travel Card account Cut-Off Dates as they become available.

To ensure proper recording of P-Card/Travel Card account charges, all charges must be reconciled in SAP before designated reconciliation date by 3:00 p.m. The SAP reconciliation system will be off-line and unavailable after 3:00 p.m. on the reconciliation deadline.

Cardholders are responsible to ensure that any outstanding P-Card/Travel Card account purchases are billed from the vendor and reconciled on-line before 3:00 p.m. on the reconciliation deadline. Any purchases that do not have a status of “posted” or “cleared” in SAP by 3:00 p.m. on the deadline will be charged to the following fiscal year’s budget.

Approving Officials must review all transactions for end of year.

If the Cardholders do not reconcile their transactions by end of year, and/or the Approving Official does not review all the Cardholder's transactions, the P-Card/Travel Card account purchases may be charged to default funding lines provided to the Credit Card Unit by Budget Services Division for the purpose of forced reconciliation, and additionally cards may not be reinstated for the following fiscal year.

CHAPTER 12 – TRAVEL AND CONFERENCE ATTENDANCE (DISTRICT EMPLOYEES ONLY)

The District is implementing a new travel module in SAP called Concur, a user-friendly system for submitting travel requests, obtaining approval and booking flights and hotels for employees. SAP Concur is anticipated to start in fall 2023 for central offices and be rolled out in phases to the school regions, thereafter employee travel needs will be processed through SAP Concur. Changes to the travel policies and process using the SAP Concur system will be detailed in an updated version of BUL-5525, District Policy for Travel and Attendance at Conferences and Meetings.

Prior to being rolled out to Concur, schools and offices will follow the current travel process outlined below.

The procedures for processing travel and conference requests are different for schools and offices. Offices are responsible for processing their requests using SAP. Schools submit their signed/approved 10.12.1 requests to PSD for processing in SAP. A summary of the travel and conference processing procedures for schools and central offices is provided below. Additional information is available in Bulletin BUL-5525.3 (or current version), District Policy for Travel and Attendance at Conferences, Conventions, or Meetings.

Travel Freezes

Freezes on Travel may periodically be imposed due to unforeseen circumstances (e.g., COVID-19). Refer to the TRAVEL AND CONFERENCE webpage to check if a Travel Freeze has been imposed. Additional information regarding required forms and procedures during a Travel Freeze will also be posted on the website at <https://www.lausd.org/Page/862>.

Virtual Conferences

The P-Card may be used to pay for virtual conference on-line registration fees. If the cost is over the P-Card limit, please submit a Credit Card Exception Form to the P-Card Unit. **However, if** the virtual conference attendee self-pays **for the conference** registration fees, a 10.12.1 Form will be required in order to process the reimbursement request.

A. TRAVEL AND CONFERENCE PROCESS FOR SCHOOLS

All school employee conference attendance and travel requires pre-approval by submitting a signed 10.12.1 form, *Request for Conference, Convention or Meeting Attendance*, to the Procurement Travel Desk. A Fillable Form 10.12.1 is available on the Travel and Conference webpage at <https://www.lausd.org/Page/862>.

All school travel requires Region approval. All out-of-state travel requires approval from the Region and the Office of the Superintendent. It is highly recommended that principals designate one point of contact to gather travel related forms and signatures on behalf of traveling employees.

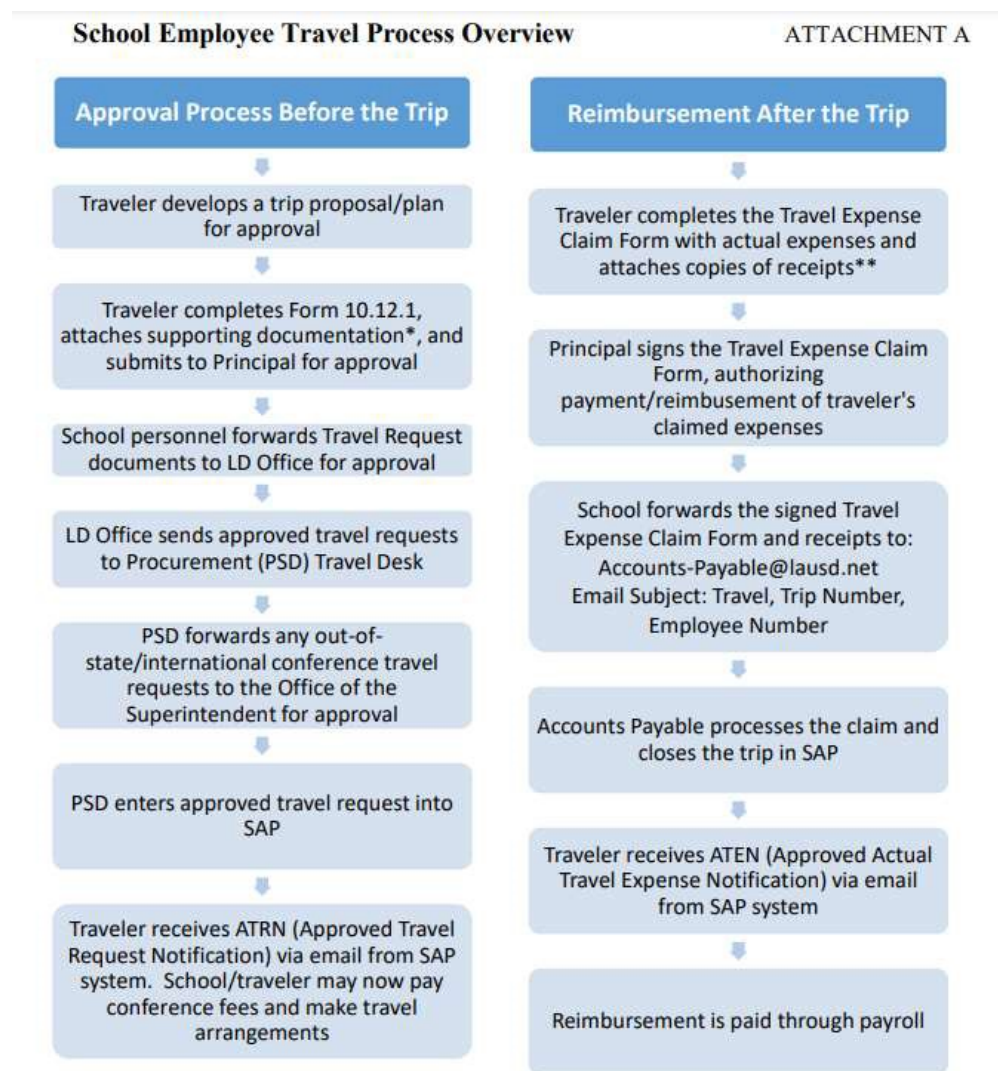
For reimbursement, the last page of form 10.12.1, *Travel Expense Claim Form*, must be signed by the principal and submitted to Accounts Payable within 45 days of returning from the trip. For trips with no cost/no reimbursement, the school must notify Accounts Payable that the trip has been completed and no reimbursement is required.

The following table describes when the Form 10.12.1 (*Request for Travel and Attendance at Conference, Convention or Meeting*) and SAP entry is required for school-based employees.

TRAVELER	WITH REIMBURSEMENT (REQUIREMENTS)	NO REIMBURSEMENT (REQUIREMENTS)	APPROVAL NEEDED BY:
Employee attending a conference at a non-District location	10.12.1 / SAP ENTRY	10.12.1 / SAP ENTRY	<ul style="list-style-type: none"> ✓ Principal ✓ LD Superintendent /or Executive Directors for DACE or ECED employees
Employee attending a conference at a non-District location. Only out of state travel requires approval from Office of Superintendent	10.12.1 / SAP ENTRY/ Superintendents approval (out of state travel)	10.12.1 / SAP ENTRY/ Superintendents approval (out of state travel)	<ul style="list-style-type: none"> ✓ Principal ✓ LD Superintendent /or Executive Directors for DACE or ECED employees ✓ Office of Superintendent (out of state travel)
Employee attending a conference at a District location	10.12.1 / SAP ENTRY (If mileage is the only reimbursement use Time Reporting, no SAP entry needed)	N/A or No Action needed	<ul style="list-style-type: none"> ✓ Principal ✓ LD Superintendent /or Executive Directors for DACE or ECED employees
Employee acting as Chaperone on District Approved Field Trip (in state)	10.12.1 / SAP ENTRY	No SAP ENTRY refer to Field Trip Handbook REF-2111.1	<ul style="list-style-type: none"> ✓ Principal ✓ LD Superintendent
Employee acting as Chaperone on District Approved Field Trip (out of state)	10.12.1 / SAP ENTRY/ Superintendents approval	No SAP ENTRY refer to Field Trip Handbook REF-2111.1	<ul style="list-style-type: none"> ✓ Principal ✓ LD Superintendent ✓ Office of Superintendent
Employee viewing a webinar	N/A or No Action needed	N/A or No Action needed	<ul style="list-style-type: none"> ✓ Principal
Parent attending a conference	No SAP entry needed, per BUL-6748.2, parents must complete 10.12.1 and obtain approvals	No SAP entry needed, per BUL-6748.2, parents must complete 10.12.1 and obtain approvals	<ul style="list-style-type: none"> ✓ Principal ✓ LD Superintendent

Student	No SAP entry needed (refer to Field Trip Handbook REF2111.1)	No SAP entry needed (refer to Field Trip Handbook REF-2111.1)	✓ Principal ✓ LD Superintendent
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School Process for Travel and In-Person Conference Attendance- BUL-5525.3



*Attach conference registration form (with date & price), Event Flyer, "Google Map" printout (if claiming mileage), and a print-out of the search for hotel/flight estimates.

**The Travel Expense Claim Form must be sent to Accounts Payable even if the cost is \$0.

Note: Confirm SAP reconciliation is complete for expenses paid with P-Card/T-Card, Imprest or PO

B. TRAVEL AND CONFERENCE PROCESS FOR NON-SCHOOLS

The below table describes the central office employees travel requirements and approvals.

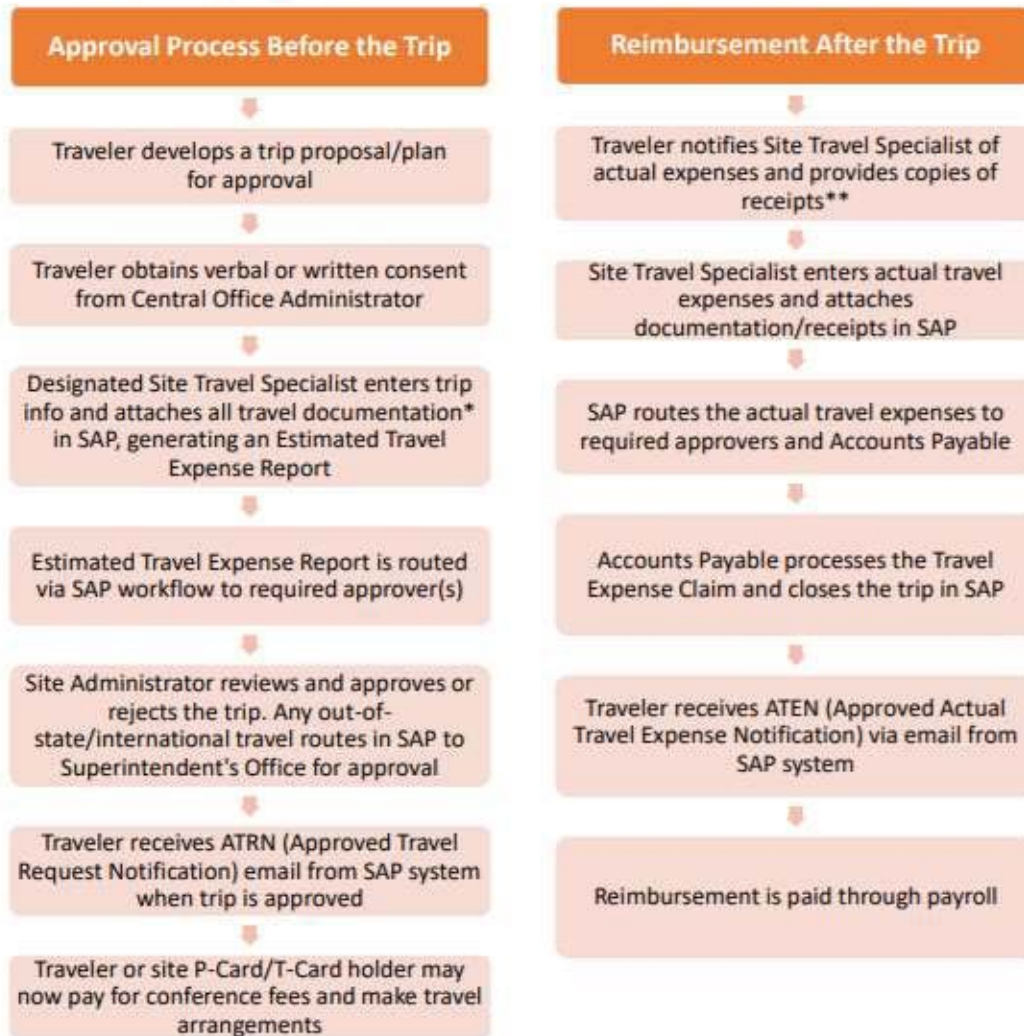
SITUATION	WITH REIMBURSEMENT DUE TO EMPLOYEE (REQUIREMENTS)	NO REIMBURSEMENT DUE TO EMPLOYEE (REQUIREMENTS)
Employee attending a conference at a non-District location	SAP entry and approval via workflow	SAP entry and approval via workflow
Employee attending a conference at a non-District location. Out of state travel requires Office of Superintendent approval.	Office of Superintendent approval, SAP entry and approval via workflow	Office of Superintendent approval, SAP entry and approval via workflow
Employee attending a conference or meeting at a District location	SAP entry and approval via workflow (If mileage is the only reimbursement, use Time Reporting, no SAP entry needed)	No action required
Employee acting as Chaperone on District Approved Field Trip	Field Trip approval process SAP entry and approval via workflow	Field Trip approval process only

Note: When a Cost Center other than the employee's is providing funding for the trip, two approvals in SAP will be required: both the site administrator responsible for the employee and the site administrator responsible for the Cost Center that is paying for the trip. Additionally, any trip costing \$2,000 or more requires the additional approval of the Division Head per the Organizational structure defined in SAP.

Central Office Process for Travel and In-Person Conference Attendance- BUL-5525.3

Central Office Employee Travel Process Overview

ATTACHMENT B



**Attach conference registration form (with date & price), Event Flyer, "Google Map" printout (if claiming mileage), and a print-out of the search for hotel/flight estimates.*

***The actual expenses must be entered in SAP even if there is no cost to the District (\$0).*

Note: Confirm SAP reconciliation is complete for any expenses paid with P-Card/T-Card, Imprest or PO

CHAPTER 13 – SURPLUS PROPERTY & RECYCLING ANNEX (SPRA)

PSD offers services for the pick-up and transfer of material and equipment between District sites and the Surplus Property and Recycling Annex (SPRA).

If you need to have surplus material and equipment to be picked up, please complete a Transportation Order (TO) form which is available on the PSD website, <https://www.lausd.org/Page/4019> or call 213-745-5910. This TO form must be completed as accurately as possible so that Truck Operations Section can determine the number and size of trucks required to pick-up the materials.

For example, a computer, a monitor and a printer are three separate items and must be listed separately. ONLY ITEMS LISTED ON THE FORM WILL BE PICKED UP BY THE TRUCKING PERSONNEL.

The required information on the acquisition of the equipment to be transferred is available in the Equipment Inventory file maintained at each District site. Refer to Bulletin BUL-953.1, “Control of Site Equipment,” dated August 23, 2010, regarding maintaining an inventory of fixed assets.

To request a surplus property pick-up, complete a Transportation Order form (TO) and email to truckop@lausd.net. You may also elect to place the form in school mail and address it to Truck Operations Section, Procurement Support Services Center. Truck Operations Section personnel will review the Transportation Order form and arrange for pick-up.

For routine transfer of salvage materials to the Surplus Property and Recycling Annex, schools and offices will not be required to provide funding for this service.

Redistribution of Surplus and Recyclable Materials to Schools or Offices

The greatest opportunity for received surplus materials is to redistribute them amongst District schools and offices. Anytime that a District location can find use for surplus materials, they are likely saving money by not purchasing similar new furniture or equipment. Because of this, every attempt is made to determine if the safety, quality, and usability of surplus materials is high enough to be used again. Only the highest quality items returned will be considered, held and staged for possible selection and re-issued to another District site. Potential items for redistribution are first and foremost inspected for safety and usability. If the items appear safe and able to perform their functions, then a quality judgment is assessed. If the item appears to be of relatively good quality as well, it may be staged and maintained within the Surplus Property and Recycling Annex for potential redistribution. Electronic equipment such as but not limited to televisions, printers, laptops, computer towers, monitors, chrome books, and i-Pads are not available for repurposing.

District schools and offices may call the Surplus Property and Recycling Annex at any time to inquire about the availability of furniture and equipment items, and/or they may choose to come to the Annex itself to see what is available. Once a District site determines that it wants some of the surplus material(s), it can complete a Request for Surplus Materials form available on the PSD website (direct link: https://achieve.lausd.net/cms/lib/CA01000043/Centricity/domain/95/mmb/Request_for_Surplus_Form.pdf). The price for the requested materials is usually free, although management reserves the right to assign prices at its own discretion. A site administrator must sign the request to verify the validity of the request, as well as authorize payment to Truck Operations Section via

funding line if transportation is requested. If District trucking services are requested, Office personnel will coordinate the pick-up with the Truck Operations Section.

CHAPTER 14 – TEXTBOOKS, LIBRARY BOOKS AND INSTRUCTIONAL MATERIALS

A. EXEMPTION FROM COMPETITION

Textbooks, library books, educational films, audio-visual materials, test materials, workbooks, instructional computer software packages, or periodicals in any amount needed for the operation of the schools of the District may be procured without taking estimates or advertising for bids (Public Contract Code §20118.3).

B. POLICIES AND PROCEDURES

The Office of Curriculum, Instruction, and School Support establishes policies and procedures related to all requirements for textbooks, library books and instruction materials. Bulletin BUL-6210.2 (or latest edition), *Targeting the Purchase of Textbook for Grades K-12*, August 22, 2016, provides ordering instructions and an explanation of appropriate expenditures for State textbook funding. Bulletin BUL-5772.2 (or latest edition), *Textbook Policies and School Site Procedures*, dated May 17, 2012, provides guidance to Regions and schools in the development and implementation of legally compliant textbook policies and procedures. Bulletin BUL-5209.2 (or latest edition), *Criteria for Evaluating Instructional Materials and Off-Site Instructional Activities*, provides guidelines in evaluating and selecting instructional materials. Additional related policies and procedures are available at <http://www.iltss.org/libPublications.php>.

C. ORDERING PROCEDURES

Similar to ordering any goods or services, ordering of textbooks, library books and instruction materials begin with entering an SAP Shopping Cart. Since textbooks, library books and instruction materials are not subject to competitive bidding, Shopping Carts with their Product Categories are not routed to Procurement and Contract Administration unless the order amount exceeds \$250,000.

Procedures for processing Shopping Carts for supplemental books and instructional materials are at <http://www.lausd.net/ol/basetraining/shoppingCartBPP.html>. Procedures for ordering textbooks utilizing State textbook funding are available at <http://www.iltss.org/textbooks.php>.

CHAPTER 15 – ARRANGING EVENTS AT NON-DISTRICT FACILITIES AND/OR CATERING SERVICES

A. INVESTIGATE THE AVAILABILITY OF A DISTRICT OR NO-COST FACILITY

It is expected that all schools and offices will hold District-related events and conferences at District-owned and/or no-cost facilities. Before a school or office submits a Request for Use of Non-District Facility/Catering form for use of a non-District facility, that school or office must investigate the possibility that the event can be held at a District or other no-cost facility.

B. INPUT SAP SHOPPING CART

Once a determination is made that a non-District facility will be required for an event or that catering services will be needed, and upon approval of a Freeze Exemption, if applicable, the school or office is to input a Shopping Cart into SAP for the short-term rental of facilities or catering, as applicable.

When creating the Shopping Cart Number, the vendor name/code should be omitted from the **‘Preferred Vendor’** and **‘Sources of Supply/Service Agent’** sections of the Shopping Cart request. This will prevent the Shopping Cart from auto-generating the Purchase Order before the request receives Procurement approval.

Product Category 91852 and Object Code 560001 must be used for facilities rental and Product Category 64020 and Object Code 450002 must be used for catering services.

If you are purchasing food/refreshments, review BUL-6747.1 – Purchase of Refreshments/Meals for School and District Advisory Committees (Dated May 10, 2019) and follow accordingly for your event as necessary.

C. SUBMIT REQUEST FORM

- In order to process a request for the rental of a non-District facility or catering, a school or office must provide:
 - The [Request for Use of Non-District Facility/Catering form](#)
 - If over \$250,000, submit the Transmittal Form for the Office of the Superintendent approval.
 - An approved Shopping Cart using Product Category 91852 (Rental of Facilities) or 64020 (Catering), and General Ledger 560001.
 - When creating the Shopping Cart, requestor should omit the Vendor Code/Name to prevent the Purchase Order from auto-generating.
 - Provide the event-related, unsigned vendor's contract, invoice or quote.
 - For processing, scan and email forms, quote and Shopping Cart/LRP to procurement.rof@lausd.net.
 - **Do not sign a contract with a vendor. School Principals, Office Administrators, Heads of Organizations and/or Senior Staff DO NOT have the authority to sign vendors' contracts or agreements.**
 - If you have any questions concerning Non-District Facility/Catering transactions please email procurement.rof@lausd.net.

If the vendor requires advanced payment, please refer to [BUL-4589.1](#) for policy and procedures.

Completed forms and the approved shopping cart number should be emailed to PSD at procurement.rof@lausd.net for processing no later than 30 days prior to the desired date of the event. Incomplete documents will be returned to the requester unprocessed and processing timelines may be affected.

The event-related contracts that accompany the request must not be signed by the requesting organization, as the site administrator does not have signature authority. The Board has delegated the authority to execute contracts and to obligate the District solely to PSD. **Only PSD's authorized signature will be considered valid and binding to the District.** School Principals, Office Administrators, Heads of Organizations and/or Senior Staff **DO NOT** have the authority to sign vendor's contracts or agreements.

D. PURCHASE ORDER

Upon receipt of the completed [Request for Use of Non-District Facility/Catering form](#) referencing a successfully-funded Shopping Cart (status of Approved), PSD staff will then issue the Purchase Order and send a copy of the Purchase Order to the requesting location and the original Purchase Order to the facility (or catering service) vendor.

Note that the school or office making arrangements for the rental of non-District facilities or the acquisition of catering services is responsible for the maintenance of the related contract records, which may need to be produced for annual audits.

E. SUBMIT INVOICE DISCREPANCIES

To process payment after the event or receipt of catering services, the requesting school or office should direct the vendor to submit invoices in PDF format to the centralized Accounts Payable email address: invoices@lausd.net

Requesters are required to enter the proper Goods Receipt into SAP (indicating that the services have been received) in order to ensure payment.

If the invoice amount is appropriately documented and the invoice amount matches the authorized Purchase Order, or is for less than the authorized Purchase Order amount, then payment will be promptly processed.

F. RECONCILIATION OF INVOICES

It is the responsibility of the requesting school or office to work directly with the Accounts Payable Branch and/or the vendor to reconcile invoice discrepancies.

G. EXPENDITURES IN EXCESS OF AUTHORIZED PURCHASE ORDER AMOUNT

If the invoice amount is more than the authorized Purchase Order amount such that the Purchase Order amount must be increased, the requesting school or office shall provide a revised quote that explains the increase in PO amount. Only when PSD has reviewed, approved and issued the modified Purchase Order for the increased amount may the requestor submit the invoice to Accounts Payable for payment.

Requesters should be vigilant in ensuring that actual events or catering expenditures do not exceed the authorized Purchase Order amount.

CHAPTER 16 – PROCUREMENT DO’S AND DON’TS

Below are 11 “Do’s and Don’ts” to provide guidance in certain situations. The Do’s and Don’ts are also included in areas of the Manual to reinforce their importance to particular situations. The notations, DD-1, DD-2, etc., which appear on section headers throughout the Manual refer to the Do’s and Don’ts in this chapter.

Procurement Do’s and Don’ts

DD-1 After the Fact Contracts

DO submit your contract request in sufficient time to allow processing of your request and development of the competitive solicitation and contract, or justification of single source and contract. A minimum of 15 business days is recommended for Single Source procurements. If prior approval by the Board of Education is required for a Single Source contract, a minimum of 40 business days is recommended. Call Procurement for time estimates where the process will be competitive.

DON’T create an “After the Fact” contract. Don’t authorize a contractor to commence services or ship products unless a valid, fully executed contract or Purchase Order has already been established by Procurement.

Please refer to the Inter-Office Correspondence from Michelle King, *Prohibition Against After-the-Contracts*, March 9, 2012. There is no longer any “grace period” available. Contractors who provide services or goods without a fully executed contract or Purchase Order will not be paid.

DD-2 Funding

DO ensure that contract funding is in place or that the LAUSD Budget Office has certified via Memorandum that the contract funding will be available in the SAP system in sufficient time to meet the payment obligations of the contract. Federal “Anti-Deficiency” law requires that contracting officers not enter into contracts unless they can be fully funded.

DON’T submit contract requests without having “Approved” status Shopping Carts or funding lines that do not have enough money to cover the complete payment obligations of the contract (or for at least the first year of contract performance, in the case of a multi-year contract request). Processing of your contract request will be delayed until Procurement can confirm funding in the SAP System.

DD-3 Issuing a contract

DO check with Procurement if a vendor asks you to sign a contract.

DON’T sign a contract with a vendor. School Principals, Heads of Organizations and Senior Staff do not have vendors’ contract signing authority. It is a matter of District policy and of public law that only the governing board of a school district may issue contracts. At LAUSD, the Board of Education has delegated the contracting authority to the Superintendent, who in turn has sub-delegated that authority to the Chief Procurement Officer. No school or office has contracting authority, except by specific sub-delegation via the above channel.

“Fully executed”, for this purpose means that the contract or Purchase Order must carry the signature of a duly delegated contracting official of Procurement, except where a low-dollar Purchase Order may be issued by a school or office, or where a Master Services Agreement authorizes the school or office to issue a Task/Work Order accompanied by a Purchase Order.

DD-4 Outsourcing

DO read Education Code section 45103.1 (Senate Bill 1419, Alarcon). The Education code addresses the outsourcing of services currently or customarily performed by classified school employees.

DON'T submit a Request for Procurement Action (RFPA) for services currently or customarily performed by classified school employees, unless ALL of the Ed Code 45103.1 criteria for doing so have been met, and you accompany your RFPA with documentation showing that you have met all of those criteria.

DD-5 Required RFPA Signatures

DO obtain the signatures required on the RFPA in Section 2.E, “Required Approvals.”

DON'T submit the RFPA to Procurement without the required RFPA signatures. Processing of your contract request will be delayed until Procurement has received a fully authorized RFPA.

DD-6 Shopping Carts

DO obtain the correct funding line information from your school or office's financial person.

DON'T send a Shopping Cart to a contractor. A Shopping Cart is not a contract and a Shopping Cart is not a Purchase Order.

DD-7 Statement of Work for Professional Services

DO attach a Statement of Work to your RFPA for Professional Services. You have the right to make your requirements known. The heart of a professional services contract is the Statement of Work.

DON'T use the contractor's proposal as your Statement of Work. The RFPA is a request for what YOU want, not what the contractor wants to sell to you.

DD-8 Grant Funded Contract Requests

DO check with Procurement prior to applying for a grant, to see what competitive processes can be started or planned in the early stages.

DON'T let a contractor write him/herself into the grant application, whenever possible. The service and price that you get may not be of good value.

DD-9 Competition

DO recognize that the money spent using contracts and Purchase Orders belongs to the public, and that competition is required by Board policy and by the California Public Contract Code Section 100, to ensure full compliance with competitive bidding statutes as a means of protecting

the public from misuse of public funds; to provide all qualified bidders with a fair opportunity to enter the bidding process, thereby stimulating competition in a manner conducive to sound fiscal practices; to eliminate favoritism, fraud, and corruption in the awarding of public contracts. See section E.2 of this Manual for application of school/office process when the contract amount is not greater than the State Bid Threshold.

DON'T submit an RFPA with a Single Source Justification, if competition can be obtained. Check with Procurement before attempting to write a Single Source Justification. Within certain dollar ranges, you can conduct your own informal competitive process, and you can also request Procurement to issue a competitive solicitation at the higher dollar amounts.

DD-10 Bid Splitting

DO recognize that according to the California Public Contract Code, "It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding."

DON'T issue multiple contract requests (or low-dollar Purchase Orders) for smaller sections of your total requirement to avoid going through the competitive process, or to avoid obtaining the required District or Board approvals.

DD-11 Rebates, Premiums, Incentives, and Kickbacks

DO contact Procurement for advice if a vendor offers or suggests that you or your school accept something of value that is not part of the official offer.

DON'T accept any "kickback" from a vendor (personal favor, gift, gratuity or offer of entertainment). Don't accept premiums, rebates or incentives for your school or office, unless they are clearly defined in the offer.