

Policy Title: PROCUREMENT	Policy No.	No. of Pages
	ACC04	3
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	10/2009	1/9/2014 3/7/2016

- I. **POLICY:** The School will follow accounting policies and procedures that comply with generally accepted accounting principles (GAAP). Procurement of goods, services and construction shall be made by the authorized Business Office Staff or designee with the approval of the Principal or the Ho'okāko'o Executive Director when required. All procurement shall be in the best interest of the School, upon considering the totality of the circumstances surrounding the procurement, which may include but not be limited to, price, quality, availability, timelines, reputation and prior dealings.

- II. **APPROVED VENDOR LIST:** Goods, services and construction must be procured from the School's Approved Vendor List. New vendors must be pre-approved by the Ho'okāko'o Executive Director or his designee. Prior to payment, the vendor must submit Form W9 to the Business Office for review and filing.

- III. **CONTRACTS & AGREEMENTS:** All contracts or agreements must reviewed by Ho'okāko'o staff and approved by the Ho'okāko'o Executive Director prior to execution.

- IV. **RELATED PARTIES AND CONFLICT OF INTEREST:** No member of the Board, employee, officer or agent of the School shall participate in selecting, awarding or administering a contract if a conflict of interest exists. A conflict exists when:
 - A Board member, Principal, school employee or agent;
 - the immediate family of the Board member, Principal, school employee, or agent;
 - the partner of the Board member, Principal, school employee, or agent; or
 - an organization that employs, or is about to employ any individual in clauses above
 has a financial or other interest in the entity with which the School is procuring goods or services from. A violation of this prohibition renders any procurement agreement or contract void.

An Annual Certification of conflict of interest related to the Approved Vendor List will be completed in July by all School staff that are responsible for purchasing. The Annual Certification will be submitted to the Ho'okāko'o office for review and appropriate action, as needed.

When a conflict exists, an exception may be authorized by the Principal when the conflict involves a subordinate employee or by the Ho'okāko'o Executive Director if the Principal has the conflict of interest, after a full disclosure of the potential benefits, and after the consideration set forth in paragraph 1 above. Benefits must be tangible and transparent

(e.g., appreciably lower cost, the only available source, an urgent timeline without other options, etc.).

It is the responsibility of the employee who has the conflict to give notice of such conflict and the employee shall be held accountable for failure to give such notice.

Full disclosure will be documented by the person approving the contract and filed with the purchase information prior to the procurement of goods or services.

- V. **FEDERAL FUNDS:** The School understands that the policy cited above applies to purchases made using non-federal funds, federal procurement requirements apply.
- VI. **COMPETITIVE PROPOSALS:** The small purchase threshold is \$25,000. The procurement of \$25,000 or more for goods, services, or construction shall be made pursuant to the competitive Request for Proposal (RFP) process. The RFP shall include the solicitation of proposals, contain the scope of work, purchase description, specifications, and the contractual terms and conditions applicable to the procurement. An exception to this policy is the purchase of food-service related materials & supplies for the non-profit food services program, in which the small purchase threshold is \$150,000.

The School must make a good faith effort to secure a minimum of three (3) written proposals are to be obtained and filed at the school. Awards will generally be made to the vendor with the lowest proposal. Awards that are not made to the vendor with the lowest proposal must be justified in writing and approved by the Ho'okāko'o Board of Directors (or designee).

In the case of construction contracts, additional information may be required.

- VII. **SOLE SOURCE PROCUREMENTS:** Sole source procurements are appropriate when only one responsible source can provide the goods or services needed to satisfy the user requirements or when emergency circumstances exist which necessitates an unusual and compelling urgency. Examples of good or services that may be considered sole source procurements include: instructional curriculum materials (i.e. Reading Street, Success-For-All, Saxon Math, Everyday Math, etc.); certain types of technology (Apple products); evaluation consultants with unique knowledge of the School. Sole source procurements may be authorized by the Ho'okāko'o Executive Director or his designee.

To justify a sole source purchase it must be established that: (1) The good, service, or construction has a unique feature, characteristic, or capability; (2) The unique feature, characteristic, or capability is essential in order for the agency to accomplish its work; and (3) The particular good, service or construction is available from only one source. The basis for awarding a sole source contract will be documented and made part of the contract file prior to the award of the contract.

- VIII. **BREACHES OF PROCUREMENT POLICY:** Any breach of the procurement policy will be reported at the time of discovery (1) by the Principal to the Ho'okāko'o Executive Director for leadership review and direction, and (2) by the School Business Manager/Account Clerk to the Ho'okāko'o Chief Operating Officer for administrative documentation.

