

Charter School Purchasing Threshold Procedure

Purchasing Threshold	Procedure	Form(s) Required	Approval Needed
Up to \$1000 (for a single item)	Select best source after two or three documented phone or written bids . Decision heavily , if not exclusively price-driven .	Requisition or Check Request Form.	Signature of requestor and immediate supervisor (if not pre-authorized).
\$1,001-\$5,000 (for a single item)	Select best source after two or three written competitive quotes . Decision heavily price-driven.	Requisition or Check Request Form.	Requestor, immediate supervisor or director and business manager*.
\$5,001-\$10,000	Select the best source after two or three competitive written quotes . Decision is price-driven, considering overall value (lead-time, warranty, delivery, etc.)	Requisition or Check Request Form.	Requestor, immediate supervisor, director and business manager*.
\$10,001-\$50,000	Select the best source after three competitive written quotes. Decision is price-driven, considering overall value (lead-time, warranty, delivery, etc.)	A Requisition, Check Request and/or Purchase Order (possibly with a signed vendor quote), Contract.	Requestor, immediate supervisor, director, Board and business manager*.
\$50,001 and greater	Competitive bidding, ITB, RFP-type process per Code . Select best source. Decision is price-driven, considering overall value (warranty, delivery, experience, etc.)	A Requisition, Check Request and/or Purchase Order (possibly with a signed vendor quote), Contract.	Requestor, immediate supervisor, director, Board and business manager*.
Small construction projects up to \$25,000	Select best source after two or three written bids . Decision heavily , if not exclusively price-driven .	A Requisition, Check Request and/or Purchase Order (likely with a signed vendor quote), Contract.	Signature of requestor, supervisor and Director or Board (if not pre-authorized per policy).
Small construction projects greater than \$25,001 up to \$100,000	Select best source after two or three written bids. Decision is price-driven, considering overall value (warranty, delivery, experience, references, insurance, etc.)	A Requisition, Check Request and/or Purchase Order (likely with a signed quote), a Contract highly recommended.	Requestor, immediate supervisor, director, Board and business manager*.
Professional services up to \$100,000 and Small construction projects up to \$2,500,000	Competitive bidding, SOIQ (architect) or RFP-type process . Select best source after documented proposals. Decision is price-driven, considering overall value (warranty, delivery, experience, references, insurance, etc.)	Possibly a Requisition or Check Request Form from requestor. Contract authorized and signed by the Board, filed in the business office.	Requestor, immediate supervisor, director, Board and business manager*.
Professional services greater than \$100,001. Large construction projects greater than \$2,500,001	Competitive bidding, SOIQ, ITB, RFP-type process . Select best source after documented proposals. Decision is price-driven, considering overall value (warranty, delivery, experience, references, insurance, etc.)	Possibly a Requisition or Check Request Form from requestor. Contract authorized and signed by the Board, filed in the business office.	Requestor, immediate supervisor, director, Board and business manager*.

**Approval is required in writing except for the business manager, who does not have authorization to approve purchases other than to confirm availability of budget funds.*

For additional information, please see the Procurement Notes on next page and UCA 63G-6s and Administrative Rule R33-3

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Thresholds

- A. The "individual procurement threshold" for the LEA is \$1,000. This is the maximum amount that the LEA can expend to obtain a single item/service from one vendor at one time without requiring competitive purchasing.
- B. The "single procurement aggregate threshold" for the LEA is \$5,000. This is the maximum amount that the LEA can expend to obtain any combination of individual procurement items/services costing less than \$1,001 from one vendor at one time up to \$5,000, without requiring competitive purchasing.
- C. The "annual cumulative threshold" for the LEA is \$50,000. This is the maximum total annual amount that the LEA can expend to obtain individual procurement item(s) costing less than \$1,001 purchased from the same vendor during the fiscal year (July 1 – June 30) not to exceed \$50,000. If a purchase exceeds \$50,000, it is not considered a small purchase and shall be processed through a bidding process or a request for proposal (RFP) process

Purchases Requiring Quotes

- A. For procurement item(s) costing between \$1,001 and \$5,000, obtain a minimum of two competitive quotes that include minimum specifications and shall purchase the procurement item from the responsible vendor offering the lowest quote that meets the specifications.
- B. For procurement item(s) costing between \$5,001 and \$50,000, obtain a minimum of two competitive quotes that include minimum specifications and shall purchase the procurement item from the responsible vendor offering the lowest quote that meets the specification.
- C. For procurement item(s) costing over \$50,000, conduct an invitation for bids or other procurement process outlined in the Utah Procurement Code.

Professional Services

Professional service means labor, effort, or work that requires an elevated degree of specialized knowledge and discretion, including labor, effort, or work in the field of: accounting; administrative law judge service; architecture; construction design and management; engineering; financial services; information technology; the law; medicine; psychiatry. Professional services over between 50,000 and 100,000 need a minimum of two competitive quotes.

Professional services, over \$100,000 shall be acquired using a competitive bidding or RFP process, or by selecting a provider from an approved potential vendor list created using an invitation for bids or an RFP.

Small Construction Projects

- A. Costing less than \$25,001 may be procured by direct award without seeking competitive bids or quotes after documenting that all applicable building code approvals, licensing requirements, permitting and other construction related requirements are met.
- B. Costing between \$25,001 and \$100,000 may be procured by obtaining a minimum of two (2) competitive bids or quotes that include minimum specifications and be awarded to the contractor with the lowest bid or quote that meets the specification after documenting that the requirements are met from (1).
- C. Costing more than \$100,000 require an IFB or RFP procurement process. Large construction projects over 2.5 million must follow the requirements contained in Utah Code 53A-20.

Prohibition Against Artificial Division of Procurements and Invoices

The Utah Procurement Code states that it is unlawful for a person to intentionally or knowingly divide a procurement into one or more smaller procurements with the intent to make a purchase:

- (a) qualify as a small purchase if, before dividing the procurement, it would not have qualified as a small purchase; or
- (b) meet a threshold established by rule if, before dividing the procurement, it would not have met the threshold.

A prohibited division of a purchase includes any of the following with the intent or knowledge described in (3)(a) or (3)(b):

- (a) making two or more separate purchases;
- (b) dividing an invoice or purchase order into two or more invoices or purchase orders; or
- (c) making smaller purchases over a period of time

A person who engages in the conduct made unlawful under Subsection (8)(a) is guilty of:

- (a) a second degree felony, if the value of the procurement before being divided is \$1,000,000 or more;
- (b) a third degree felony, if the value of the procurement before being divided is \$250,000 or more but less than \$1,000,000;
- (c) a class A misdemeanor, if the value of the procurement before being divided is \$100,000 or more but less than \$250,000; or
- (d) a class B misdemeanor, if the value of the procurement before being divided is less than \$100,000.