

Waikiki Community Preschool

Article VIII. Financial Performance

Procurement Policy

The Procurement Policy complies with the Charter Contract which requires that the Governing Board adopt and adhere to a policy for the procurement of goods, services and construction consistent with the goals of public accountability and public procurement practices pursuant to HRS 302D-25 and 302D-12.

Waikiki Community Preschool (the School) will follow accounting policies and procedures that comply with generally accepted accounting principles (GAAP).

1. Procedures

a. Authorization

- i. All purchases must be approved by the Center Director
- ii. Purchases over \$2000 that are not part of the approved School budget must be approved by the Governing Board
- iii. Purchases over \$10,000 require a formal bid process
- iv. Costs relating to the maintenance of School facilities that are \$30,000 and higher shall be subject to approval by the Commission.

b. Vendor Management

- i. The Center Director, with appropriate approval, performs vendor evaluations, prepares Requests For Proposals (RFP) reviews proposals, and selects vendors and manages vendor relationships.

2. General Requirements:

- a. Whenever bids or price quotations are solicited, a clear and accurate description of the technical requirements of the items or services required shall be provided. Such description shall not contain features that unduly restrict competition. "Brand names or equal" descriptions may be used as a means to define the performance or other salient requirements of the items being sought.

- b. Contracts shall only be made with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed contract. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or access to other necessary resources.
- c. Awards shall be made to the bidder or offeror whose bid/offer is responsive to the solicitation and most advantageous to the School, price and other factors considered.
- d. All contractual agreements must be appropriate to the type of items or service being procured and promote the best interests of the school. "Cost-plus-a-percentage-of-cost" contracts shall not be used.
- e. All purchases shall be verified to ensure the type, quantity and quality of the items are carefully monitored to ensure all terms and conditions are met and the quantity and quality of the services are performed as specified.

3. Applicability of Federal Requirements:

- a. When federal funds are used for the procurement, this policy and procedure is intended to comply with all requirements of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).
- b. Further, the Uniform Guidance specified additional requirements pertaining to contractual agreements that shall be, as applicable, attached to and/or incorporated in all such documents.
- c. Lastly, the policy is in alignment with 2 CFR Part 200 that informs purchase thresholds.
 - i. Micro purchases (2 CFR 200.67) having a value of \$3,000 or less.
 - 1. May be awarded without soliciting competitive quotations if the school considers the price to be reasonable.
 - ii. Purchases over \$3,000, but less than \$10,000
 - 1. Requires documentation of the cost and price analysis from three vendors. Price analysis may be made in various ways, including comparison of price quotations submitted or market prices. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability
 - 2. Equipment (2 CFR 200.33) with an acquisition cost of \$5,000 and have a useful life of at least 1 year

- a. Identified as fixed asset and capitalized
- b. Equipment and fixed assets purchases are approved in advance by the CEO as well as the awarding agency.
- c. A physical inventory of all equipment is performed at least once every 2 years by instructional staff. The results of the physical inventory are reconciled to the School's accounting records.
- d. Equipment disposition is handled with the awarding agency and may involve returning the equipment to the awarding agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the awarding agency.

iii. Purchases over \$10,000

- 1. Formal bid process required which includes obtaining competitive proposals from at least 3 responsible vendors. Sealed bids will be used when required by a federal awarding agency.
- 2. Requires the School governing board approval
- 3. Solicitation of goods and services are the responsibility of the Center Director with the guidance of the Governing Board. Solicitations for goods and services (requests for proposals (RFPs) or bids) should provide for all of the following:
 - a. A clear and accurate description of the technical requirements for the material, product or services to be procured. Descriptions shall not contain features which unduly restrict competition.
 - b. Requirements which the bidder/offer must fulfill and all other factors to be used in evaluating bids or proposals
 - c. The specific features of "brand name or equal" descriptions that bidders are required to meet
 - d. The preference, to the extent practical, for products and services that conserve natural resources and protect the environment and are energy efficient
 - e. A description of the format, if any, in which proposals must be submitted, including the name of the person to whom proposals should be sent
 - f. The date by which the proposals are due
 - g. Required delivery or performance dates/schedules
 - h. Clear indications of the quantity(ies) requested and unit(s) of measure
- 4. Center Director will make the final selection of the vendor with Governing Board approval and provide contracts and service agreements.

iv. Purchases or contracts having a value of more than \$100,000:

- a. Will follow same procedures listed for purchases over \$10,000 referenced in 4,iii.
- b. Obtain certification from organizations receiving sub-awards (contract and subcontract) over \$100,000, certifying the organization and its principals are not suspended or debarred by any unit of the State or Federal Government.

Approved by the Office of the Attorney General:

Date: 5/16/25

Name: Jonathan Marchuk

Signature: *Jonathan Marchuk*