

CHAPTER 14

CONTRACTS

14-1 GENERAL

A contract is a written agreement for the purchase or disposal of supplies, services, insurance, equipment or construction. To be effective, a contract must include an offer and acceptance by competent parties to furnish goods and/or services for an agreed monetary consideration.

14-2 TYPES OF CONTRACTS

There are several types of contracts used by the Palm Beach County School District.

- A. **Blanket Agreements**. These contracts establish the commitment of a vendor to furnish the purchaser's requirements for items or services on an as required basis.
- B. **Term Contracts**. These contracts establish a source of supply for goods or services during a specified period of time.
- C. **Requirements Contracts**. These are agreements in which the vendor agrees to supply all of the purchaser's normal requirements for an item(s) at a specified price during a specified period.

14-3 ORIGIN OF CONTRACTS

Contracts used by the Palm Beach County School District.

- A. **Palm Beach County School District Contracts**. The Purchasing Department specifically procures these contracts either for District wide purposes or for a specific school/department.
- B. **State Contracts and Other Governmental Agency Contracts**. These contracts are entered into by the State of Florida and/or other governmental agencies within the State of Florida. These agreements have an "alternate source" or "piggyback" clause acknowledged by the contractor and may be used by other political jurisdictions, such as the Palm Beach County School District.
- C. **Cooperative Purchase Contracts**. These are contracts where two or more named public entities combine their requirements in order to realize a volume cost advantage. The Palm Beach County School District may use these contracts even if they are not named in the cooperative purchase.

For purposes of reference, the Purchasing Department may assign a Contract Number, Unit Price Agreement Number or Blanket Agreement Number to any of these contracts. These reference numbers are used when placing order to assure that the order is linked to the correct agreement and to keep track of all expenditures against these contracts.

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14-4 USE OF DISTRICT CONTRACTS

Principals/District Directors are required to use bid awarded vendors or contracts where available unless otherwise approved by the Director of Purchasing.

14-5 CONTRACTS / AGREEMENTS

- A. Only the Superintendent, School Board Chairman, Chief Operating Officer and the Director of Purchasing are authorized to sign contracts which bind the District for the purchase of goods, services, insurance or construction, unless a specific delegation or exemption is made by Board Policy.
- B. All other administrators are limited to signature approvals up to \$5,000 per vendor per fiscal year per school or department for Consultant Contracts and for certain purchases by Principals using Internal Funds (See Chapter 12 – Internal Fund).
- C. Non-standard contract documents requiring the Superintendent's signature shall be processed as follows:
 - 1. The using school/department shall review the document and forward to the Purchasing Department;
 - 2. The Purchasing Department shall approve if it is in accordance with Policy 6.14 and then forward the document to Legal Services for approval as to legal form;
 - 3. After Legal Services approval, the document shall be returned to the Purchasing Department; and
 - 4. The Purchasing Department shall secure the signature of the Contractor, and if necessary, the Superintendent. The Purchasing Department will make distribution of the contract documents.

NOTE: Grants and other documents requiring the Superintendent's approval, but not that of Purchasing Department shall be processed in accordance with the instructions from the Superintendent's office.

14-6 CONTRACT ADMINISTRATION

- A. The Purchasing Department in conjunction with the School District of Palm Beach County's Contract Administrator will review all major goods and services contracts awarded by the District. Included in the review will be the Purchasing Agent assigned to the commodity, the Contract Administrator and/or the General Manager of Purchasing and the Contract Manager. The purpose of the review is to educate the Contract Manager on the contract's terms and conditions including pricing structure to ensure compliance.

1. The Contract Administrator will:
 - Participate in contract reviews;
 - Train and support Contract Managers;
 - Assist in resolving invoice discrepancies; and
 - In collaboration with the Purchasing Department, prepare the Report of Contracts for review by the audit committee.

2. The Contract Manager will:
 - Ensure vendors are performing in accordance with the contract;
 - Ensure invoices are accurate and in accordance with the contract;
 - Approve invoices for payment; and
 - Notify the Purchasing Department of any Contract compliance issues.