



BUSINESS SERVICES

5735 47th Avenue • Sacramento, CA 95824

Lisa Allen, Interim Superintendent

Janea Marking, Chief Business and Operations Officer

2024-25 NO. BS 28

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DATE: February 22, 2024

TO: All Principals, Administrators, Admin Assistants, and Office Managers

FROM: Janea Marking, Chief Business and Operations Officer 

RE: Contract Procedure Update

The purpose of this bulletin is to provide an update and clarification on the procedures and requirements for the authorization of contracts and agreements with third parties for services. Please note that the responsibility to manage a contract, to ensure its compliant processing, to communicate with the vendor, to transmit invoices, to ensure all documentation is on file, and to oversee that procedures are met - all rests with the department or site.

At the December 14, 2023 Board Meeting, Business Services provided information on the Contract Procedures Audit conducted by Dannis Woliver Kelly (DWK). DWK reviewed the district's purchasing procedures to ensure compliance and success using best practices and policies to implement adequate controls. The Purchasing Team has implemented procedures as recommended by DWK.

To avoid any interruption in service and ensure payment(s) are processed in a timely manner, below are a few important reminders:

1. Cease all services that are not operating with an approved Purchase Order (PO) and do not allow services to begin without a PO
2. Vendors may not perform work that is assigned to a bargaining unit without approval from HR first
3. When providing approved services, vendors must document evidence of meeting all district minimum thresholds for the work to be performed
 - This includes insurance, fingerprinting, and background checks
4. Only the Business Services department may legally endorse and approve such contracts and agreements, which are subject to additional review by internal departments and the Board of Education.
5. Approval is not guaranteed; services **may not** be rendered prior to obtaining approval, executing a contract, and receiving a purchase order.
6. All Service Agreement (SA) requisitions are approved online, in Escape, by assigned approvers.

Payment information:

For approved purchase orders, send a signed invoice to invoices@scusd.edu.

Business Services has established a new procedure for transparency and approval of unauthorized contracts. **An unauthorized contract is a vendor who provides services without an approved contract in place.** Beginning in January, in the event that a contractor seeks payment without an approved contract, the payment amount will appear on the Consent Agenda seeking Board approval for payment.

1. Vendors that cannot be approved should provide invoices for the services provided (and work should cease until approved)
2. Departments or sites should contact Purchasing to complete an “Unauthorized Vendor Form” for board approval of payment owed
3. Attach the signed invoice(s) to the vendor form
4. Create a requisition for the total amount owed
5. Vendor will be paid upon board approval

A bulletin with information regarding district **insurance requirements** is coming soon. Several contracts are held up due to not meeting minimum insurance requirements. If you have any contracts that are held up ONLY due to insurance

1. Cease services until insurance is obtained
2. Work with vendor
 - a. Are they likely to get insurance soon for an approved PO? Pay with approved PO
 - b. If payment is needed and they are not likely to get the insurance, submit invoice to Purchasing as an Unauthorized Vendor for payment

For more information, please see the attachments

- Contracts Flow Chart
- Approval Process for Consultants & Other Contracted Services.

These procedures are to ensure compliance and fair treatment of our vendor partners. Most importantly, contracting procedures are critical to protecting students, staff, and the community. Please remember that a quick conversation across departments before an action is taken can resolve a number of problems before they start. The Purchasing Team is always available to answer questions about the process.

If you have any questions, please contact the Contracts Office at (916) 643-2464 or email Tina-Alvarez-Bevens@scusd.edu.



Friendly reminder from Business Services regarding Approval of Consultants & Other Contracted Services

To our Staff,

The purpose of this communication is to remind Principals and Department Administrators about procedures and requirements surrounding the authorization of contracts and agreements with third parties for services.

Principals and Department Administrators should be aware only the Business Services department may legally endorse and approve such contracts and agreements, and that they may be subject to additional review by internal departments and the Board of Education. Prior to submitting such agreements and contracts for approval, Principals and Department Administrators should always engage with internal stakeholders who maintain oversight for any organizational function(s) related to or impacted by the products, resources or services under consideration.

Approval is not guaranteed; services ***may not*** be rendered prior to obtaining approval and executing a contract and/or purchase order. **PRINCIPALS AND DEPARTMENT ADMINISTRATORS CAN BE HELD PERSONALLY RESPONSIBLE FOR EXPENSES RELATED TO UNAUTHORIZED SERVICES.**

All requests for consultants and other service providers, including services related to academics, technology and facilities, must be submitted on a Service Agreement (SA) requisition for approval ***prior to*** the service(s) being performed. The Contracts Office will review for compliance, process your requests, submit for signatures, and Board approval, if necessary.

- Reference the **Contracts Flowchart** and **SIA insurance requirements** guidelines at the link below for visual guidance of the necessary steps to entering into a contract.

<https://www.scusd.edu/pod/contracts-process>

Be prudent – spend wisely. Our Board of Education monitors expenditures to ensure that they align to our district goals and support positive student outcomes. Administrators are encouraged to review their requirements carefully and use due restraint before submitting a SA requisition.

- If a written agreement, contract or MOU with the District is required by the party providing the services, even if there is no use of district funds, it must be signed/approved by the Superintendent or Chief Business Officer after completion of a Contract Routing Form, initiated by the Contracts Office through DocuSign.
No other signature is authorized.
- Due to the structural deficit, a Purchasing Review Committee has been formed to review and approve all service agreements over \$25,000 (non-restricted resource) or over \$50,000 (restricted resource), including contracts and MOUs.
- All SA requisitions are approved on-line, in Escape, by funding approvers. SA requisitions over \$20,000 typically require written contracts which the Contracts Office can assist if necessary. The Superintendent or the Chief Business Officer must approve/sign these contracts before a purchase order is printed and payment is issued.
No other signature is authorized.
- As of January 1, 2024, contracts that exceed \$114,500 require Board approval. The threshold for Board approval changes every January 1st.
- Any requisition that involves the use of services or products requiring access to district data must include a Data Sharing Agreement. This document serves to ensure that data security and privacy requirements will be met by outside agencies with access to district information. Please contact the Technology Services department at support@scusd.edu to request the initiation of a Data Sharing Agreement.
In addition, all purchases of technology resources will be reviewed in detail to maintain conformance to District standards and to ensure fit to purpose. Requisitions may be adjusted to maximize the value of specific items being purchased.
- If the services of an independent contractor are being considered, please reference the Independent Contractor Guidelines posted on the Contracts Office webpage at www.scusd.edu/contracts-department. This document will help you determine whether the individual providing services is truly an independent contractor or should be treated as an employee.
- Contracts over \$5,000 paid from Associated Student Body funds must also be reviewed by the Contracts Office.