

# **TULARE COUNTY OFFICE OF EDUCATION**

Audit Report

## **MIGRANT EDUCATION PROGRAM**

*July 1, 2013, through June 30, 2014*



**BETTY T. YEE**  
California State Controller

August 2016



**BETTY T. YEE**  
California State Controller

August 12, 2016

Veronica Aguila, Director  
California Department of Education  
English Learner Support Division  
Migrant Education Program  
1430 N Street, Suite 2204  
Sacramento, CA 95814-5901

Dear Ms. Aguila:

The State Controller's Office, pursuant to an Interagency Agreement with the California Department of Education (CDE), conducted an audit of the Tulare County Office of Education's (COE) Migrant Education Program (MEP) for the period of July 1, 2013, through June 30, 2014.

The purpose of the audit was to determine whether the Tulare COE complied with the United States Department of Education Office of Migrant Education's MEP requirements; specifically, that the Tulare COE maintained proper internal controls to ensure that the program-related costs were incurred for eligible and approved activities, and the accounts and records substantiate that the funds were expended for allowable activities.

We determined that the Tulare COE lacked proper internal controls regarding the documentation of procuring a contracted service. The two contracts sampled, worth \$63,600, did not comply with state and federal procurement requirements. In addition, one of the Tulare COE's districts-subrecipients (Hanford Educational School District) did not comply with state and federal cost principles when it made \$12,312.75 in purchases of iPads. Therefore, we could not substantiate whether these MEP services were procured properly and whether the purchase of iPads was reasonable.

If you have any questions, please contact Andrew Finlayson, Chief, State Agency Audits Bureau, by telephone at (916) 324-6310.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/as

Attachment

cc: Kevin Chan, Director

Audits and Investigations Division  
California Department of Education  
Celina Torres, Education Administrator I  
English Learner Support Division  
California Department of Education

# Contents

## **Audit Report**

<b>Summary .....</b>	<b>1</b>
<b>Background .....</b>	<b>1</b>
<b>Objectives, Scope, and Methodology .....</b>	<b>2</b>
<b>Conclusion .....</b>	<b>3</b>
<b>Views of Responsible Official .....</b>	<b>3</b>
<b>Restricted Use .....</b>	<b>3</b>
<b>Schedule 1—Summary of Reported, Audited, and Questioned Costs .....</b>	<b>4</b>
<b>Findings and Recommendations.....</b>	<b>5</b>
<b>Attachment—Tulare COE’s Response</b>	

# Audit Report

## Summary

The State Controller's Office (SCO) conducted an audit of the Tulare County Office of Education's (COE) Migrant Education Program (MEP) for the period of July 1, 2013, through June 30, 2014.

The purpose of the audit was to determine whether the COE complied with the United States Department of Education Office of Migrant Education's MEP requirements; specifically, that the COE maintains proper internal controls to ensure that program-related costs were incurred for eligible and approved activities, and that the accounts and records substantiate that the funds were expended for allowable activities.

We determined that the Tulare COE lacked proper internal controls regarding the documentation of procuring a contracted service. The two contracts sampled, worth \$63,600, did not comply with state and federal procurement requirements. In addition, one of the districts-subrecipients (Hanford Educational School District) did not comply with state and federal cost principles when it made \$12,312.75 in purchases of iPads. Therefore, we could not substantiate whether these MEP services were procured properly and whether the purchase of iPads was reasonable.

## Background

The MEP is authorized under the federal "No Child Left Behind Act" and is funded by Title I, Part C, with the mission of providing supplementary services to ensure that migrant children meet the same academic standards that non-migrant children are expected to meet.

Funds support high-quality education programs for migrant children and help ensure that those children who relocate are not penalized in any manner by disparities among states in curriculum, graduation requirements, or state academic content and student academic achievement standards. Funds also ensure that migrant children are provided with appropriate education services (including supportive services) that address their special needs and that migrant students receive full and appropriate opportunities to meet the same state academic content and student academic achievement standards that non-migrant children are expected to meet. Federal funds are allocated by formula to state educational agencies, based on each state's per-pupil expenditure for education and counts of eligible migrant children, ages 3 through 21, residing within the state.

The allowable MEP efforts are identified, formulated, and developed in concert with the California Department of Education (CDE) and the State's 23 MEP regions/sub-grantees. The regions/sub-grantees include COEs and/or school districts. At the state level, the CDE also administers and monitors the federal pass-through funds for the MEP sub-grantees and recipients.

The Tulare COE provides, administers, and directly oversees 54 school districts, with eight districts through District Service Agreements (DSA) and 46 districts through Memorandum of Understandings (MOUs). These sub-recipient districts are responsible for directly providing and

administering MEP services to its students and are subject to regional oversight. Tulare COE also funds a consortium of school districts, typically with an enrollment of fewer than 200 migrant students, in which MEP services are provided through an MOU. The Tulare COE and sub-recipient districts offer migrant instructional services to eligible migrant students through various extended day settings: after school instruction, Saturday school, summer school, etc. These services are offered to provide instructional support to meet the unique needs of migrant students.

The Office of Migrant Education conducted a review of the MEP program and issued the review in September 2011. The California State Auditor audited the administration of the federally-funded MEP administered by the CDE and issued its audit report in February 2013. The reviews did not identify any specific administrative oversight concerns of the Tulare COE or its sub-reipients.

The CDE requested that the SCO assess administrative oversight efforts<sup>1</sup> and conduct this performance audit of the MEP sub-grantees.

The SCO's authority to conduct this audit is given by:

- Interagency Agreement No. CN 140308 effective February 1, 2015, between the SCO and the CDE, which provides that the SCO will conduct an independent management review of the CDE's administrative oversight efforts, including technical assistance provided to MEP sub-grantees, and an independent management review of MEP sub-grantee fiscal administrative and reporting practices over MEP funding.
- Government Code section 12410, which states, "The Controller shall superintend the fiscal concerns of the state. The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment ...."

## **Objectives, Scope, and Methodology**

The purpose of the audit was to determine whether the Tulare COE complied with the federal MEP requirements; specifically, that the Tulare COE maintains proper internal controls to ensure that the Tulare COE's efforts and program-related costs were incurred for eligible and approved MEP program activities, and that accounting records and source documents substantiate that the MEP funds were expended for approved allowable activities for the audit period of July 1, 2013, through June 30, 2014.

Audit methodologies included, but were not limited to the following:

- Reviewing applicable state and federal requirements related to the MEP, including the California MEP Fiscal Handbook, 2007;
- Reviewing prior audits and single audit reports, and written policies and procedures relating to the MEP;

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<sup>1</sup> This assessment will be covered in a separate management letter to the CDE.

- Reviewing the MEP regional application, and budget and quarterly expenditure reports;
- Conducting inquiries with personnel, and reviewing and assessing related internal controls; and
- Obtaining and reviewing supporting documentation to ensure that MEP expenditures for costs were necessary, reasonable, and allowable.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## **Conclusion**

We determined that the Tulare COE lacked proper internal controls regarding the documentation of procuring a contracted service. The two contracts sampled, worth \$63,600 did not comply with state and federal procurement requirements. In addition, one of the Tulare COE's districts-subrecipients (Hanford Educational School District), did not comply with state and federal cost principles when it made \$12,312.75 in purchases of iPads. Therefore, we could not substantiate whether these MEP services were procured properly and whether the purchase of iPads was reasonable.

## **Views of Responsible Official**

We issued a draft report on June 7, 2016. Tony Velasquez, Administrator, Tulare COE MEP, responded by letter dated June 21, 2016. See Attachment—Tulare COE's Response.

## **Restricted Use**

This report is solely for the information and use of the Tulare COE, the United States Department of Education, the CDE, and the SCO. It is not intended to be and should not be used by anyone other than these specified parties. The restriction is not intended to limit distribution of this report, which is a matter of public record.

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

August 12, 2016

**Schedule 1—  
Summary of Reported, Audited, and Questioned Costs  
July 1, 2013, through June 30, 2014 (includes 5<sup>th</sup> Quarter\*)**

Object Code	Description	Reported Costs	Audited Costs	Questioned Costs	Reference
<b>Certificated Personnel Salaries</b>					
1100	Teachers	\$ 2,254,200	\$ 2,254,200	-	
1200	Pupil Support Services	81,051	81,051	-	
1300	Supervisor/Administrators	793,476	793,476	-	
1900	Other Certificated Salaries	218,806	218,806	-	
	<b>Subtotal</b>	<b>\$ 3,347,533</b>	<b>\$ 3,347,533</b>	<b>-</b>	
<b>Classified Salaries</b>					
2100	Instructional Aides	\$ 259,780	\$ 259,780	-	
2200	Support Services Salaries	442,571	442,571	-	
2300	Supervisor/Administrators	-	-	-	
2400	Clerical, Technical, and Office Staff	236,755	236,755	-	
2900	Other Classified Salaries	205,964	205,964	-	
	<b>Subtotal</b>	<b>\$ 1,145,070</b>	<b>\$ 1,145,070</b>	<b>-</b>	
<b>Benefits</b>					
3000-3900	Employee Benefits	\$ 1,265,676	\$ 1,265,676	\$ -	
	<b>Subtotal</b>	<b>\$ 1,265,676</b>	<b>\$ 1,265,676</b>	<b>\$ -</b>	
<b>Books and Supplies:</b>					
4100	Textbooks Curricula Materials	-	-	-	
4200	Books & Reference Materials	\$ 36,775	36,775	-	
4300	Materials & Supplies	749,232	\$ 736,919	\$ 12,313	Finding 1
4400	Noncapitalized Equipment	57,605	57,605	-	
4700	Food	-	-	-	
	<b>Subtotal</b>	<b>\$ 843,612</b>	<b>\$ 831,299</b>	<b>\$ 12,313</b>	
<b>Services and Other Operating Expenditures</b>					
5100	Subagreements for Services	\$ -	\$ -	\$ -	
5200	Travel & Conference	153,828	153,828	-	
5300	Dues & Memberships	-	-	-	
5400	Insurance	-	-	-	
5500	Operations & Housekeeping Services	37,078	37,078	-	
5600	Rentals, Leases, Repairs & Noncapitalized Improvements	35,229	35,229	-	
5700	Transfers of Direct Costs	126,577	126,577	-	
5800	Professional and Consulting Services and Expenses	284,221	220,621	63,600	Finding 2
5900	Communications	19,713	19,713	-	
	<b>Subtotal</b>	<b>\$ 656,646</b>	<b>\$ 593,046</b>	<b>\$ 63,600</b>	
<b>Capital Outlay</b>					
6000	CAPITAL OUTLAY	\$ -	\$ -	\$ -	
	<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
	<b>Subtotal</b>	\$ 7,258,537	\$ 7,258,537	\$ 75,913	
	<b>Indirect Cost</b>	\$ 434,938	\$ 434,938	\$ -	
	<b>Total*</b>	<b>\$ 7,693,475</b>	<b>\$ 7,693,475</b>	<b>\$ 75,913</b>	

\*Note: The 5<sup>th</sup> Quarter is the first quarter of a subsequent fiscal year, during which the COE is allowed to spend MEP funds that were not expended in the preceding fiscal year.

# Findings and Recommendations

## **FINDING 1— Unreasonable Costs**

In performing a substantive testing of selected expenses in the Materials and Expenses Account (Object Code 4300), we noted that one of the Tulare COE districts-subrecipients (Hanford Educational School District) purchased 30 iPads in the amount of \$12,312.75 without performing a cost price analysis. We question the district's total claim of \$12,312.75, as we question the reasonableness of the district's purchase.

### Criteria

Title 2, *Code of Federal Regulations*, Part 225 (2 CFR 225), Appendix A, Section C Basic Guidelines, Subsection 2, Reasonable costs, states that:

A cost is reasonable if, in its nature and amount, it does not exceed what which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur to cost.

### Recommendation

To ensure compliance with the standards prescribed in 2 CFR 225, the Tulare COE should improve its monitoring of districts-subrecipients' expenditures when it reviews supporting documentation. Furthermore, the Tulare COE should evaluate whether its districts-subrecipients receive sufficient technical assistance to ensure their compliance with applicable regulations, and provide them with such assistance if necessary. Tulare COE should also work with the CDE on the \$12,312.75 in questioned costs.

### COE's Response

The region will take the recommendation of the audit team to ensure compliance with the standards prescribed in 2 CFR 225. Along with this recommendation, TCOE hereby, confirm that we consistently and routinely, monitor the activities of its sub-recipients districts' expenditures, consulting with the California Department of Education Migrant Education administrators as needed.

### SCO's Comment

The finding remains unchanged.

## **FINDING 2— Insufficient documentation support**

In performing a substantive testing of selected expenses in the Professional Consulting Services and Operating Expenditures Account (Object Code 5800), we noted that the Tulare COE failed to provide sufficient documentation to support its expenses, in the amount of \$63,600, for the following items:

- West Hills Community College Foundation in the amount of \$23,100
- California State University, Fresno Foundation in the amount of \$40,500

The Tulare COE lacked the following:

- Maintenance of records sufficient to detail the significant history of a procurement, including the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- Written selection procedures for procurement transactions that: 1) incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured, and 2) identify all requirements that the contractor must fulfill and all other factors to be used in evaluating proposals.
- Documented evidence that a cost or price analysis was performed, including making independent estimates before receiving proposals.
- Documented evidence that awards were made to the offeror whose proposal was most advantageous, with price considered.

### Criteria

California MEP Fiscal Handbook, 2007, Section 5.5, Audit Requirements and Record Retention, Subsection B.3 Source documentation, states “Accounting records shall be supported by source documentation such as purchase orders, invoices, payrolls, contracts, and sub-grant documents.”

34 CFR 80.36 (b) (9) states:

Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

34 CFR 80.36 (c) states, in part:

Competition. (1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of section 80.36

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations: (i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use... (ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

34 CFR 80.36 (d) Methods of procurement to be followed- (1) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403 (11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

(4) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or

(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(f) Contract cost and price. (1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

### Recommendation

To ensure compliance with the standards prescribed by 34 CFR 80.36 and the California MEP Fiscal Handbook, 2007, the Tulare COE should improve its monitoring of its own expenditure documentation process and maintenance. Tulare COE should also work with CDE to resolve the \$63,600 in questioned costs.

### COE's Response

Regarding the findings with respect to insufficient documentation support, we acknowledge the finds that we did not have the level of documentation required in the professional consulting services and operating expenditures account (object code 5800), as interpreted by your office. The level of documentation was completed based on our understanding at the time of this audit and the period of this audit and the amount of necessary documentation. The 2007 Fiscal Handbook refers to the authority of OMB-A87 and outlines the keeping of records such as "purchase orders, invoices, payrolls, contracts and subcontract documents."

### SCO's Comment

The finding remains unchanged.

**Attachment—  
Tulare COE's Response**

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# Tulare County Office of Education

*Committed to Students, Support and Service*

**Jim Vidak**  
County  
Superintendent  
of Schools

P.O. Box 5091  
Visalia, California  
93278-5091

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tcoe.org

**Administration**  
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fax (559) 627-5219

**Business Services**  
(559) 733-6474  
fax (559) 737-4378

**Human Resources**  
(559) 733-6306  
fax (559) 627-4670

**Instructional Services**  
(559) 733-6328  
fax (559) 739-0310

**Special Services**  
(559) 730-2910  
fax (559) 730-2511

#### *Main Locations*

**Administration  
Building & Conference  
Center**  
6200 S. Mooney Blvd.  
Visalia

**Doe Avenue Complex**  
7000 Doe Ave.  
Visalia

**Liberty Center/  
Planetarium &  
Science Center**  
11535 Ave. 264  
Visalia

June 21, 2016

Mr. Andrew Finlayson, Chief  
State Agency Audits Bureau  
State Controller's Office, Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874

Dear Mr. Finlayson:

In response to the draft of Tulare Office of Education Audit Report Migrant Education Program: July 1, 2013, through June 30, 2014, dated June 2016, I want to express my appreciation to your office and highly professional audit staff for their courteous interactions and the support they offered through the process in our continuous efforts to improve our fiscal work of our region. It was defiantly a beneficial process for our program.

I inform you that we acknowledge the findings that you have identified for our program. It is evident that we lacked sufficient evidence in the two finds during this period of audit. During the exit interview, you provided clear and concise information that will allow us to make the necessary adjustments to correct the findings immediately.

#### **Finding 1 – Unreasonable Cost**

The region will take the recommendation of the audit team to ensure compliance with the standards prescribed in 2 CFR 225. Along with this recommendation, TCOE hereby, confirm that we consistently and routinely, monitor the activities of its sub-recipients districts' expenditures, consulting with the California Department of Education Migrant Education administrators as needed.

#### **Finding 2 – Insufficient Documentation support**

Regarding the findings with respect to insufficient documentation support, we acknowledge the finds that we did not have the level of documentation required in the professional consulting services and operating expenditures account (object code 5800), as interpreted by your office. The level of documentation was completed based on our understanding at the time of this audit and the period of this audit and

# Tulare County Office of Education

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**Jim Vidak**  
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Visalia

the amount of necessary documentation. The 2007 Fiscal Handbook refers to the authority of OMB-A87 and outlines the keeping of records such as "purchase orders, invoices, payrolls, contracts and subcontract documents."

We understand that the formal documentation of our efforts was less than exemplary. We assure you that our practices regarding price quotations, reviewing proposals, cost analysis and careful, prudent selection for quality and value have consistently and continuously been an integral part of day to day practice. We have acted in good faith with the support of our office's guiding practices to follow the content of the law as we understood it. Enclosed you will find the Tulare County Superintendent of Schools Purchasing Policy and our Comparative Cost-Benefit Analysis Rubric, which we are beginning to incorporate into our procurement process.

We wish to assure your office that we will continue to act in the best interest of the public we serve, abiding by the principles and guidelines the various federal and state authorities set forth to the best of our knowledge. Thank you for assisting our continuing efforts to improve all forms of practice.

Sincerely,



Tony Velásquez  
Migrant Education Program Director

Migrant Education, Region VIII Comparative Cost-Benefit Analysis Rubric						
Name of Service:	Year-Round	HSG	OSY	Parent Involvement	School Readiness	APPROVAL
Regular RA Area: ELA/Math	Summer					<input type="checkbox"/> Approved <input type="checkbox"/> Not Approved Signature: _____ Duration of Service: _____
Scope of Services:	Vendor 1		Vendor 2		Vendor 3	
<b>Monetary Cost Comparison Breakdown</b>						
Cost per Participant						
Components of Cost						
<b>Benefits Comparison Breakdown</b>						
Accepts PO's and/or contract with TCOE?	Yes	No	Yes	No	Yes	No
Services available when programmatically needed?						
Knowledge and/or experience providing services of this type?						
Experience working with California Education Agencies?						
Ability of contractor/vendor to meet all tasks and/or services						
Meets the unique needs of migrant students?						
Supports quality delivery of services?						
Other (Specify)						
<b>Recommendations based on the comparison</b>						
Based on the cost-benefit analysis presented above, the following is recommended:						

BusinessSoliciting Prices (Bids and Quotations)

Purchasing of equipment, supplies, and manpower services shall be based on a competitive bidding process unless otherwise authorized by law. Advertised bid procedures shall be used whenever the cost of materials or services exceeds the bid limits established by law. Written bids and informal quotations shall be obtained for those purchases that are below the amounts required for advertised bids.

The Superintendent is directed to ensure that the department seek bids from those businesses which are able to offer the best prices in terms of quality, delivery and service required.

All bids, after opening, shall be available for review of all interested parties and for the purpose of obtaining copies. The bids are not to be removed from the department premises for this purpose.

Purchases will be made within Tulare County whenever possible.

Legal Reference:EDUCATION CODE

35276 - *Competitive bidding*  
 39642 - *Purchase through public corporations without advertising for bids*  
 39643 - *Purchases through department of general services*  
 39651 - *Purchase of materials and supplies without estimates or bids*  
 39873 - *Purchase of perishable foodstuffs and seasonal commodities*  
 40000 - *Purchase of supplies through county Superintendent*  
 40001 - *Purchases by district governing Board*  
 40002 - *Direct purchasing by district*

GOVERNMENT CODE

4330-4334 - *Preference for California-made materials*

PUBLIC CONTRACTS CODE

20111-20112 - *Notice calling for bids*

COURT DECISIONS

*Konica Business Machines v. Regents of the University of California, (1988) 206 Cal.App.3d 449*  
*City of Inglewood-Los Angeles County Civic Center Authority v Superior Court, (1972) 7 Cal.3d 861*

Policy adopted: 10/21/87

Tulare County Board of Education  
 Visalia, CA

10/87

**Business****Bids****Perishables and Seasonal Commodities**

Pursuant to the provisions of Education Code section 38083, all vegetables, meats and dairy products are defined as perishable commodities under the meanings of that section. Bids for these items and seasonal commodities including canned goods may be accepted in written, oral, formal or informal manner. Purchases may be made from bids or on the open market, whichever method appears to be most advantageous to the County Office.

**Non-Perishables (Letting Contracts to Lowest Bidder)**

The County Office shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project. "Public project" includes construction, reconstruction, erection, alteration, renovation, improvement, painting, repainting, demolition and repair work involving a County Office-owned, leased or operated facility.

Competitive bids shall be sought through advertisement for contracts exceeding \$59,600\* for the following:

1. The purchase, rent or lease of equipment, material or supplies
2. Services, not including construction services, professional services or advice and insurance services.
3. Repairs, including maintenance that is not a public project

"Maintenance work" means routine, recurring and usual work for preserving, protecting and keeping a County Office facility operating in a safe, efficient and continually usable condition for the intended purpose for which it was designed, improved, constructed, altered or repaired. "Maintenance" includes, but is not limited to, carpentry, electrical, plumbing, glazing and other craft work designed to preserve the facility as well as repairs, cleaning and other operations on machinery and other permanently attached equipment.

Unless otherwise authorized by law, contracts shall be let to the lowest responsible bidder who shall give such security as the Governing Board requires, or else all bids shall be rejected.

When letting a contract for the procurement and/or maintenance of electronic data processing systems and supporting software, the Superintendent may contract with any one of the three lowest responsible bidders.

\*The amount by which contracts shall be competitively bid shall escalate automatically based upon the annual adjustment by the Superintendent of Public Instruction. As of January 1, 2004, it has been increased to \$59,600.

No work, project, service or purchase shall be split or separated into smaller work orders or projects for the purpose of evading the legal requirements of Public Contract Code 20111-20116 for contracting after competitive bidding.

**Business****Bids****Instructions and Procedures for Advertised Bids**

The Superintendent or designee shall call for bids by advertising in a local newspaper at least once a week for two weeks. The notice shall state the work to be done or materials or supplies to be furnished and the time and place where bids will be opened.

Such bids shall be opened publicly at a point designated by the Assistant Superintendent for business or designee.

1. The business department shall periodically estimate requirements of standard items or classes of items and make quantity purchases, thereby effecting economies. Whenever storage facilities or other conditions make it impractical to receive all of any item at one time, the total quantity should be bid and staggered delivery dates made a part of the bid specifications, or estimated quantities should be bid with deliveries to be made as requested.
2. Bid instructions and specifications should be clear and complete, setting forth all necessary conditions conducive to competitive bidding.
3. The business department shall seek bids from those sources able to offer the best prices, consistent with quality, delivery and service.
4. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:
  - a. Cash
  - b. A cashier's check made payable to the Tulare County Office of Education
  - c. A certified check made payable to the Tulare County Office of Education
  - d. A bidder's bond executed by an admitted surety insurer and made payable to the Tulare County Office of Education
5. When two or more identical bids are received, the Board may determine by lot which bid shall be accepted.
6. The bids shall be opened in public at the prescribed time and place and tabulated for study. Whether or not bid opening occurs exactly at the time advertised, no bids may be accepted after said advertised time.

**Business**

**Bids (continued)**

7. After the bids have been opened and tabulated, they will be available for those interested to copy or study. They shall not, however, be removed from the business office.

**Protests by Bidders**

A bidder may protest a bid award if he/she believes that the award was inconsistent with Board policy, the bid's specifications or not in compliance with law.

Protests must be filed in writing with the Superintendent or designee within five working days after receipt of notification of the contract award. The bidder shall submit all documents supporting or justifying the protest. A bidder's failure to timely file a protest shall constitute a waiver of his/her right to protest the award of the contract.

The Superintendent or designee shall review the documents submitted with the bidder's claims and render a decision in writing within 30 days. The Superintendent or designee also may convene a meeting with the bidder in order to attempt to resolve the problem.

The bidder may appeal the Superintendent or designee's decision to the Board. The Superintendent or designee shall provide reasonable notice to the bidder of the time for Board consideration of the contract award.

Regulation  
approved: 11/19/80  
Revised: 4/1/04

Office of the Tulare County Superintendent  
of Schools, Visalia, CA

**Business****Expenditures/Expending - Authority**

It is the policy of the County Board of Education that the administration strictly observe the letter and the spirit of all laws and regulations relating to purchases by the County Office and to the control of its finances and property. It is the intent of the Tulare County Board of Education that the Tulare County Department of Education will purchase in Tulare County whenever possible.

The Superintendent shall develop procedures for the regulation of purchases by the department and for the efficient maintenance of all department finances and property. It is the intent of the County Board of education that all such activities be undertaken in accordance with good business practices and in strict observance of all applicable laws and regulations.

In implementing this policy, the Superintendent or other Board-designated officer shall be authorized to purchase all supplies, materials, and equipment according to department policies and regulations. The authorized designee shall ensure that all such purchases do not exceed the limits imposed by the Education Code and Public Contracts Code, which require advertised bids and prior Board approval.

The Superintendent shall ensure that the ordering procedure will, as far as possible, guarantee that goods and services purchased by the department will meet the needs of the person or department ordering them, yet will permit purchasing at the lowest possible cost to the department.

The department may, at its discretion and upon a case-by-case determination of the Board, purchase; lease and contract for equipment and supplies through a public corporation without advertised bids, to the extent permitted by state law.

The County Board of Education holds the County Superintendent of Schools directly responsible for carrying out this policy, and toward that end the Superintendent shall detail, in written administrative directives, the procedures of executing this policy.

Business

Expenditures/Expending - Authority (continued)

*Legal References:*

EDUCATION CODE

1267 - Use of school maintenance and repair fund

1500 - Expenses payable out of county school service fund

1510 - Expenses payable out of county general fund

1602 - Uses of county school service fund

1604 - Approval of Superintendent of Public Instruction required for

expenditures from county school service fund not previously approved by him

1605 - Title to, and jurisdiction over fund and property

41010 - Accounting System

41014 - Requirement of budgetary accounting

CALIFORNIA-SDSS-MANUAL-EAS

42-750 Supportive Services, Rev. 734 and 734a replaces Rev. 655a

Policy adopted: 11/19/80

Revised: 10/21/87

Tulare County Board of Education  
Visalia, CA

1/6/93

Business

Purchasing Guides

It is the policy of the County Superintendent of Schools to support the concepts set forth in the Purchasing Code of Ethics (California Association Public School Business Officials I Handbook of Public School Purchasing, 1963):

1. To regard public service as a sacred trust, giving primary consideration to the interests of the County Office by which we are employed.
2. To purchase without prejudice, seeking to obtain the maximum benefit for each tax dollar expended.
3. To avoid unfair practices, giving all qualified vendors equal opportunity.
4. To respect our obligation and to require that obligations to us and the County department of Education be respected.
5. To accord vendor representatives the same courteous treatment we would like to receive.
6. To strive constantly for improvement of purchasing methods and of the materials we buy.
7. To counsel and assist fellow purchasing agents in the performance of their duties, whenever occasion permits.
8. To conduct ourselves with fairness and dignity and to demand honesty and truth in buying and selling.
9. To cooperate with all organizations and individuals engaged in enhancing the development and standing of the purchasing profession.
10. To remember that everything we do reflects on the County department of Education, and to govern our every action accordingly.

*Legal Reference:*      EDUCATION CODE  
40000 - Purchase of standard supplies and equipment  
40002 - Direct purchases by districts

Regulation  
approved: 11/19/80

Office of the Tulare County Superintendent  
Visalia, CA

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

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