

Palm Bay Education Group, Inc. - Procurement Policy

The following policies and procedures shall be followed by directors and employees when Palm Bay Education Group, Inc. purchases equipment, materials, supplies, property, or services from an outside source.

A. General Policy

No Conflict of Interest. All directors and employees of the non-profits who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with the nonprofit's conflict of interest policy. No director or employee will participate in the selection or acceptance of a contract involving a conflict of interest without the approval of the board. "Conflict of interest" includes situations in which the employee, family member, or board member has a financial interest in the business or individual selected for the contract. See the board approved "Conflict of Interest Policy" for further details.

No Purchase of Items for Personal Use. No director or employee who participates in the selection or acceptance of a contract for equipment, materials, supplies, or services shall use such items for personal use.

No Receipt of Gratuities. No director or employee shall solicit or accept gratuities, favors, or anything of material value from contractors, potential contractors, or parties to agreements with the nonprofit.

No Purchase of Items Not Approved in the Budget. No director or employee shall solicit or accept any equipment, materials, supplies, or services that have not been approved by the Board of Directors in the annual budget without prior approval of the board.

Document Cost/Benefit Analysis. For all major purchases, the nonprofit or its assigns shall conduct a cost / benefit analysis and document the analysis in the procurement files in conjunction with such purchases. The procurement file should include a justification for the lack of competition if competitive bids or offers are not obtained.

Contract with Winning Bidder. If a contract is competitively bid, the nonprofit will enter into a contract with the winning bidder that describes the equipment, materials, supplies, property, or services to be purchased and the payment terms.

Evaluate Each Contractor. The nonprofit may evaluate each contractor at the completion of each contract. The evaluation will be utilized to make decisions to award future contracts. The non-profit values long term relationships and will place significant value on such when making procurement decisions.

B. Acquisition Procedure

The nonprofit will conduct all procurement transactions in a manner that maximizes opportunities, increases quality, leverages payment terms, maximizes long term relationships with vendors and partners, and minimizes the total cost of ownership. The nonprofit reserves the right to reject any bids or offers, if deemed to be in its best interest to do so.

One of the following procurement procedures shall be utilized for all purchases of equipment, materials, supplies, property, or services involving federal funds or involving amounts over \$500:

- Open Market Inquiry. The nonprofit may inquire in the open market to ensure advantageous price, terms of service, payment terms, and quality are provided. The file should document the inquiries made and rationale for the selection.
- Request for Competitive Quotes. The nonprofit may request competitive quotes, in writing, from at least three different sources. The file should document each invitation made and relevant offers received.
- Formal Proposal Procedure. The nonprofit may solicit competitive responses through a formal bid procedure. All requests for proposals shall contain the phrase "Equal Opportunity Employer."
- Document Prices and Terms. The nonprofit may maintain files on quotations solicited and offers or bids received and any criteria for selection. In instances in which the lowest bid is not awarded in the contract, justification for the selection should be contained in the file.

C. Property and Equipment Policy

When purchasing property (both real estate and equipment), the following procedures must be followed:

- Property Inventory. A list of all property of material value shall be kept showing the type of property, identification number, original cost, and depreciated value. The inventory list must be completed at the time of purchase and annually at the end of the nonprofit's fiscal year.
- Insurance Coverage. The nonprofit will maintain insurance coverage for all property owned by the nonprofit and maintain documentation of each policy in a safe place.