

CONTRACTING UPDATES AND BEST PRACTICES

Purchasing & Contracting

Signature Authority

- Signing authority is governed by Purchasing Rules, Board Policy, and Administrative Directive
- Purchasing & Contracting personnel sign most District contracts
- Principals and department directors have limited signing authority:
 - ▣ Personal Service Contracts less than \$2,000 and on the District contract template
 - ▣ Hotel/Catering/Space Rental contracts less than \$2,000
 - ▣ All other contracts must be submitted to Purchasing & Contracting for review and signature

Signature Authority

- Delegation of Authority 8.50.105-AD: No District employee may enter into or execute a contract on behalf of the District except as expressly authorized herein.
- Board Policy 8.50.090-P: If a procurement is made that is not authorized by the Public Contracting Rules, then the person responsible for entering into the agreement resulting in the procurement shall be personally liable for payment on the procurement.
- Summary: **Signing or authorizing work without proper authority violates District rules and Board policy and may result in personal liability or other consequences**

Contract Start Date

- No work under a contract may begin until the contract is signed by both parties
 - ▣ New contract language: “This Contract becomes effective on _____ or the date on which the Contract is fully executed by both parties, ***whichever is later. No party shall perform work under this Contract before the effective date.***”
- District will not pay for work that takes place before contract is fully executed by authorized signers
 - ▣ Exception: Some Intergovernmental Agreements
 - ▣ Consequences may include individual liability

Contract End Date & Amendments

- No work may extend beyond the contract end date
- Amendments to extend contract must be submitted to Purchasing & Contracting well in advance of contract end date
 - ▣ Expired contracts cannot be amended
 - ▣ Service cannot continue beyond contract end date
 - ▣ Amendment limits coming March 2016
- Principals and Directors should inform their staff of these requirements and ensure compliance

Board Approval

- Contracts \geq \$150,000 require Board Approval before execution
- New process:
 - ▣ Only fully negotiated contracts with all attachments and necessary documentation will be placed on the Board business agenda
 - ▣ Purchasing & Contracting will perform a full review of all contracts and documentation prior to placing them on the Board agenda
 - ▣ Board members will be provided copies of all contracts on the Board agenda

Board Approval

□ Implications:

- Contracts must be submitted to Purchasing & Contracting at least one week before the Board meeting
- Purchasing & Contracting may need to delay a contract from appearing on the Board agenda if questions arise during our review or if further documentation or a more detailed scope of work is required
- In order to avoid delays in work, Departments should submit contracts to Purchasing & Contracting well in advance of the planned start date

Best Practices – Scope of Work

- Contracts should include:
 - ▣ a detailed scope of work
 - ▣ detailed payment and invoicing terms
 - ▣ a budget and staffing/FTEs (where applicable)
 - ▣ resources required
 - ▣ measurable deliverables and expected outcomes
- When a flat fee arrangement is used, the scope of work and deliverables should be especially detailed.

Invoicing and Request for Payment

- Invoices should include:

- Invoice date

- Invoice number

- Dates of service

- Payment rate

- Remit to address

- Contact information

- Invoicing period

- Contract number

- Detailed description of service

- Total payment due

- Vendor name

- Insufficiently detailed invoices will be rejected.

Please review carefully before submitting with the request for payment.

INVOICE

[Company Name]
[Street Address]
[City, State, Zip]
[Phone: (000) 000-0000]
[Email Address]

DATE
12/1/2015
INVOICE #
CONTRACT #
INVOICING PERIOD
11/1/15-11/30/15

BILL TO
Portland Public Schools
[School Name, Department, or Contact]
[Street Address]
[City, State, Zip]
[Phone: (000) 000-0000]
[Email Address]

DETAILED DESCRIPTION OF SERVICE	DATE OF SERVICE	TOTAL HOURS	PAYMENT RATE	AMOUNT
Present professional development workshop to principals in the Roosevelt Cluster.	11/15/2015	3.7	\$35/hour	\$129.50
			TOTAL DUE	\$129.50

REMIT TO ADDRESS: Street or PO Box Address, City, State, Zip

Invoice to be paid Net 30.

Independent Contractor vs. Employee

- **Schools and departments cannot hire a contractor to do employee work**
 - Examples: Enrichment instructor, band tutor, artist in residence
- Purchasing & Contracting and/or HR will review all personal services contracts to determine appropriate classification
- Personal Services Contracts (PSC) \geq \$2000 must be submitted with a new PSC Contract Approval Form that includes an Independent Contractor Determination Worksheet
 - Worksheet must be fully completed and signed before the contract will be reviewed

Independent Contractor vs. Employee

□ Implications:

- Review process will take time and services may be delayed. Plan ahead!
- Contracts will be rejected where scope of work is more appropriately classified as that of an employee
- Human Resources will be available to discuss alternatives, including limited term employment

Resources

- All contract templates, Contract Approval Forms, and related forms are located on the Purchasing & Contracting website
 - ▣ Forms are updated regularly
 - ▣ Always download a new contract template when drafting a new contract

- Questions? Contact Purchasing & Contracting at 503-916-3305 or purchasing@pps.net