



LOS ANGELES UNIFIED SCHOOL DISTRICT
Policy Bulletin

TITLE: Professional Services Contracting Policies

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Business Services Division

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ROUTING

All Schools
All Offices

POLICY: The procurement of professional services shall be done in a manner where qualified and responsible vendors are notified of Los Angeles Unified School District requirements and have a fair opportunity to enter into the competitive negotiation process.

MAJOR CHANGES: This bulletin updates policies and procedures outlined in Bulletin No. BUL-426, Professional Services Contracting Policies, dated November 3, 2003. This bulletin makes the following changes:

- Transfers the responsibility for creating low-dollar value purchase orders for professional services (i.e., valued at \$5,000 or less) to the contract sponsor
- Clarifies the Request for Proposal waiver process
- Adds guidelines regarding contract termination
- Updates the Request for Contract Action (Form CS001)
- Reinforces the prohibition against after-the-fact contracts and limits exceptions to urgent and compelling necessity. This Bulletin supersedes information previously provided in Memorandum No. MEM-429, "After-the-Fact Contracts--Urgent and Compelling," dated November 3, 2003.



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I. INTRODUCTION

A contract is a legally binding agreement between two or more parties. A professional services contract is an agreement with an independent contractor to provide special services that cannot be obtained through regular District sources. This bulletin reinforces existing District policies concerning professional services contracts with independent contractors.

II. AUTHORITY TO ENTER INTO CONTRACTS

Under State law, only the Board of Education may enter into professional services contracts to be paid for with District funds. Schools, Local District and central office administrators are not authorized to do so. Any agreement not authorized by the Board of Education is not valid and not authorized for payment.

- A. For a contract or amended contract in the amount of \$250,000 or less, the Board of Education has delegated approval authority to Contract Administration, Procurement Services Group. Such contracts are signed by those delegated such authority and then are ratified by the Board of Education. The contractor may not perform the services until the contract has been approved and executed by Contract Administration.
- B. For a contract over \$250,000 or an amendment that increases the total amount to more than \$250,000, advance Board approval is required. The contractor may not perform services until the contract or amendment has been approved by the Board of Education and executed by Contract Administration.
- C. Any contract or amendment which increases the aggregate amount payable to a particular vendor to over \$500,000 for the current fiscal year requires advance Board approval, unless the contractor is a government or non-profit agency. In no event shall the contractor perform services until the contract or amendment has been approved by the Board of Education, or via Contract Administration's delegated authority, and executed by Contract Administration.
- D. Any District employee who fails to adhere to the above policy shall be subject to disciplinary action by his/her supervisor.

III. POLICIES ON APPROPRIATE USES OF PROFESSIONAL SERVICES CONTRACTS

- A. Professional services contracts can be used to engage qualified individuals or firms to provide temporary special services in areas such as financial, economic, accounting, engineering, legal, or administrative matters.
- B. Professional services contracts may not be used to hire persons who should be classified as employees rather than as contractors under Internal Revenue Service (IRS) guidelines, or to



perform work that could be assigned to certificated, classified, or unclassified District employees.

Legal Requirements for a Valid Independent Contractor Relationship.

1. Under federal and State law, an independent contractor is one who renders a specified service for a specified result, under the control of the District as to work only, not as to the manner and means of accomplishing the result. If the District has the right to control the method of performance, the worker is an employee and may not be hired by contract.
2. The independent contractor relationship must comply with IRS requirements.
3. Examples of workers who cannot be hired as contractors:

| | | |
|--------------------|----------------------|-------------------|
| administrators | substitutes | tutors |
| teachers | school bus drivers | cafeteria workers |
| specialty teachers | clerical staff | counselors |
| instructors | athletic coaches | custodians |
| proctors | librarians | nurses |
| psychologists | examination monitors | |

- C. If individuals are needed to provide services which do not meet IRS contractor guidelines, please contact the Personnel Commission at (213) 241-7800 for assistance concerning clerical or other services similar to those performed by classified employees; or Personnel Research and Assessment Section at (213) 241-6356 for assistance concerning instructional or other services similar to those performed by certificated employees and for information regarding hiring and Professional Experts and Temporary Certificated Assignments (e.g., academic coaches).
- D. Education Code section 45103.1 (Senate Bill 1419, Alarcon) further restricts the District's ability to contract for professional services. As of January 1, 2003, the District must show that a new contract for personal (professional) services provides cost savings to the District or that it falls into one of the following statutory exceptions, or else it must hire an employee to perform the services:
 1. The contract is for new functions mandated or authorized by the Legislature to be performed by independent contractors;
 2. The services are not available with the District or cannot be satisfactorily performed by District employees or require expertise or technical knowledge;



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3. The services are incidental to a purchase or lease contract (e.g., office equipment maintenance);
4. The policy, administrative or legal goals and purposes of the District cannot be accomplished through the regular or ordinary hiring process;
5. The work meets criteria for emergency appointment as defined in statute;
6. Equipment, materials, facilities, or support services will be provided that could not feasibly be provided by the District; or
7. The services are of an urgent, temporary, or occasional nature, which could otherwise be frustrated by the hiring process.

IV. PROHIBITION AGAINST AFTER-THE-FACT CONTRACTS

A. Definitions.

1. After-the-Fact Contract: A contract that is approved by the Board of Education and executed by Contract Administration after the contractor has already begun providing services.
2. Urgent and Compelling Necessity. A situation where the District's need for the services is of such an urgent and compelling nature that the District would be seriously injured unless the contractor is permitted to begin services before the contract is approved by the Board or via Contract Administration's delegated authority. (This definition is consistent with Board Rule 1758 and Public Contract Code section 20113, which, generally, allow the Board to make contracts when necessary for the continuation of existing school classes or to avoid danger to life or property.)

- B. Policy. Board policy prohibits a school or office from allowing a contractor to start providing services prior to receiving Board approval. Exceptions to this policy will only be granted if the contract sponsor can demonstrate an urgent need based on an urgent and compelling circumstance. Only the Chief Procurement Officer or his/her designee may approve an after-the-fact contract.

C. Examples of Urgent and Compelling Necessity

1. Delayed receipt of grant funds or grant award letter. This may occur when a school or office is awarded a grant, but the contractor's services are needed prior to receipt of grant funds or grant funding will be lost if services do not begin by a certain date.



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2. Protection of health and welfare. The District operates several school-based health clinics and other essential health-related programs that are heavily dependent on outside funding. In order to avoid any interruption in the care provided through these programs while funding is secured, requests for extensions or renewals of those contracts after the fact may be considered under the designation of urgent and compelling necessity.
3. Discovery of unanticipated issues. Occasionally, the unanticipated passage of legislation or other government actions affect the District's ability to enter into a contract before the contractor starts services. An example would be where the District historically received essential services that are paid for by an outside agency, but new legislation requires that the District pay for the services directly. In this case, the District would be required to contract with the service provider in order to pay him/her directly. To avoid an interruption in service, the District may allow the contractor to continue providing services during the contract approval process, thereby creating an after-the-fact situation.
4. Emergency Situations. In the event of an emergency when repairs, alterations, work or improvements are necessary for the continuation of existing school classes or to avoid danger to life or property, Board policy may permit a contractor to begin services prior to final contract approval.

D. Situations That Do Not Constitute an Urgent and Compelling Necessity

1. Failure to plan for a contract and/or the procurement process. Schools and offices must not allow a contractor to begin services unless and until the contract has been approved by the Board or via Contract Administration's delegated authority, regardless of the length of time it takes for that approval to be granted. Similarly, if the request is for a contract amendment, the contract sponsor must not allow the contractor to continue services once the contract expires.
2. Potential expiration of funds. Fear of losing funds due to impending budget cuts is not a valid reason to spend limited funds on professional services contracts, nor is end-of-the-year spending to avoid loss of funds that do not carryover into the new fiscal year.

E. Approval Procedure. Requests for after-the-fact contracts will be processed only if the contract sponsor can demonstrate an urgent need based on an urgent and compelling circumstance. Any contract not meriting urgent and compelling necessity will be rejected.

1. Contractor has not yet begun providing services.
 - a. The contract sponsor shall submit a memorandum to the Chief Procurement Officer or his/her designee requesting pre-approval for the contractor to begin providing services prior to Board approval, citing the appropriate urgent and compelling



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circumstance. The memorandum must be substantially in the same format as the "Sample After-the-Fact Memorandum," Attachment A.

- b. Once the Chief Procurement Officer or designee approves the urgent and compelling necessity, the contract sponsor shall complete a Request for Contract Action (Form CS001, Rev. 1/06) and submit it to Contract Administration. Contract Administration will prepare the appropriate contract instrument under Contract Administration's delegated authority to allow services to begin prior to contract finalization and final Board approval.
 - c. Once the contract is approved by the Board or via Contract Administration's delegated authority, the temporary contract instrument will be replaced (superseded) by a final contract.
2. Contractor began services prior to Board approval. If services are allowed to start prior to contract approval, the contract sponsor must provide appropriate justification to the Chief Procurement Officer that the services meet the definition of urgent and compelling necessity, above, by following the process outlined below.
- a. Complete a memorandum approved by the appropriate executive administrator and addressed to the Chief Procurement Officer, citing the urgent and compelling circumstance for allowing the contractor to begin services prior to receiving Board approval. The memorandum must be substantially in the same format as, "Sample After-the-Fact Memorandum," Attachment A
 - b. Complete a Request for Contract Action (RFCA) (Form CS001, Rev. 1/06) and an online requisition (RX) for the services.
 - c. Submit the RFCA, RX and memorandum to Contract Administration for review.

If the Chief Procurement Officer determines that the contract request meets the requirement of urgent and compelling necessity, and the appropriate executive administrator approves, Contract Administration will process the contract for approval by the Board or via Contract Administration's delegated authority.

- F. Denial. If the Chief Procurement Officer determines that the contract does not meet the requirement of urgent and compelling necessity, the contract will not be approved and the contract request will be returned to the contract sponsor.



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V. POLICY GOVERNING SELECTION OF CONTRACTORS, INCLUDING REQUEST FOR PROPOSAL (RFP) REQUIREMENTS

Consistent with Board Rule 1850, adopted June 24, 2003, the procurement of professional services shall be done in a manner where qualified and responsible vendors are notified of District requirements in the area of professional services and have a fair opportunity to enter into the competitive negotiation process. All professional services procured must meet high performance standards and be performed in a manner that meets the best interests of the District. Professional services contracts above the formal bid threshold must be competitively procured through an RFP process.

A. Contract Value \$5,000 or Less

The contract sponsor shall obtain at least two (2) telephone quotes from potential contractors. The quotes must be documented and kept on file at the requesting school or office. See Reference Guide No. REF-918 (dated 5/04) for detailed procedures.

B. Contract Value: Over \$5,000 but Less than the Bid Threshold (Currently \$62,400)

The contract sponsor shall obtain at least three (3) written quotes/proposals from potential contractors. When evaluating the quotes and choosing the contractor, cost should be considered; however, the ultimate goal is to obtain the services at the best value for the District. Quote information or a justification for not collecting quotes must be included in the Request for Contract Action (Form CS001, Rev. 1/06).

C. Contract Value: Over the Bid Threshold (Currently \$62,400) to \$100,000

An Informal Request for Proposal (IRFP) process is required for obtaining professional services with a value over the bid threshold (currently \$62,400) to \$100,000.

D. Contracts Value: Over \$100,000

A formal Request for Proposal (RFP) process is required for obtaining professional services with a value over \$100,000.

VI. SMALL BUSINESS ENTERPRISE PROGRAM

The District Board of Education has established a goal of 25% Small Business Enterprise (SBE) participation. Firms responding to competitive District RFPs valued at or above \$100,000, and all firms negotiating contracts over \$250,000, must respond to this goal by reporting their SBE attainment and completing the SBE Utilization Report. (See Attachment G, Small Business Enterprise Program Utilization Report.) All SBE firms listed, either as prime contractors or subcontractors, must be certified.



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Failure to respond to the SBE requirement may result in a proposal being rejected as non-responsive, and failure to utilize SBE firms listed on a project team may result in contract termination or a later finding of non-responsibility.

All other contractors or vendors negotiating or receiving contracts over the formal bid threshold but under \$250,000 must report their SBE status to the Small Business Unit in the manner approved by the Small Business Unit.

Firms seeking details about the SBE program may contact Vendor Services at (213) 241-3064 or via e-mail to psg-vs@lausd.net. General information about the program, assistance preparing responses, certifications accepted by the District, and lists of certified firms will be provided upon request.

VII. NON-COMPETITIVE SITUATIONS: SELECTING A CONTRACTOR WITHOUT A RFP

A. How to Obtain a Waiver

In the event the contract sponsor proposes to select a contractor without going through the RFP process, advance written approval is required. After selecting a contractor, the contract sponsor must submit an Inter-Office Memorandum to, and receive approval from, the Chief Procurement Officer, or designee. The memo must include an explanation as to why the sponsor did not adhere to the RFP requirement, using the waiver criteria described in Section C, below. (See Attachment E, Sample Waiver Memorandum.) The sponsor must attach a completed Request for Contract Action (Form CS001, Rev. 1/06), the contractor's proposal and/or scope of work, and the payment schedule.

For contracts valued at over \$5,000 to the bid threshold, exceptions to the three (3) written quotes/proposals must be approved by the Principal (schools) or Branch Director (offices).

For contracts valued at over the bid threshold to \$100,000, exceptions to the RFP process must be approved by Local District Superintendent (schools and Local Districts). If the contract requester is an office, the next higher-level administrator above Branch Director must provide approval.

For contracts valued at over \$100,000, the approval of the Chief Procurement Officer, Procurement Services Group, is required in addition to the appropriate Local District Superintendent (schools and Local Districts) or next higher-level administrator (offices). Request for RFP waivers initiated by the Business Services Division must be approved by the General Counsel.



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B. If the Chief Procurement Officer, or designee, rejects the selection of the contractor, the sponsor must adhere to the procurement procedures for competitive contracts, described in Section XI, below. Schools and offices are strongly advised to submit waiver requests well in advance of the contract start date (i.e., 60 to 90 days, minimum), in the event the waiver requested is not approved.

C. Waiver Criteria.

Written quotations or formal RFPs may not be required in certain, limited, non-competitive contracting situations. Examples may include, but are not limited to:

1. Contractor is identified as a partner or services provider by a process similar to the RFP process but without the formality. Examples include parent involvement in contractor or service provider selection; collaborative partnering with other agencies in delivery of services to students; identification of partners to be included in grant application where timeline for submittal of application is insufficient to conduct a competitive process.
2. The service is available from only a single source. For example, a source has been identified through a State of California competitive process and use of that source is required as a condition of receipt of grant funds. Another example is off-the-shelf proprietary software that meets a specific District need and whose development would be likely to cause unacceptable delays or substantial cost duplication.
3. The District's needs are so urgent that the District's interest will be seriously injured unless a limit on sources is permitted. Poor planning is not an acceptable justification in this instance.
4. Award to a particular contractor is necessary to maintain that source in case of a District emergency.
5. The terms of the agreement between the District and another organization have the effect of requiring the use of noncompetitive procedures; for example, the State of California requires the use of a specific source.
6. A law or grant expressly authorizes that the procurement be made from a specified source; for example, a source named for performance in a grant.

D. A waiver will not be granted on the basis of any of the following circumstances:

1. The lack of adequate planning for the procurement of the required services.



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2. Delays in the procurement caused by administrative delays, lack of sufficient personnel to support the procurement, or improper handling of procurement requests or competitive procedures.
3. Pending expiration of a budget authority.

VIII. POLICY GOVERNING REQUIRED ADMINISTRATIVE APPROVAL LEVELS (See “Summary Chart of Delegation of Authority,” ATTACHMENT B)

- A. Contracts and amendments in the amount of the bid threshold (currently \$62,400) or less require the approval signature of the Principal/Branch Director.
- B. Contracts and amendments over the bid threshold to \$250,000 require the additional approval and signature of the appropriate Local District Superintendent if the request originates from a school, or of the next higher-level administrator if the request originates from an office.
- C. Contracts and amendments over \$250,000 to \$500,000 require the additional approval and signature of the appropriate Assistant Superintendent, Associate Superintendent, or Division Administrator or designee.
- D. Contracts and amendments over \$500,000 require the additional approval of the Chief Financial Officer, Chief Human Resources Officer, Chief Information Officer, Chief Facilities Executive, Chief Operating Officer, Chief Instructional Officer, Deputy Superintendent, General Superintendent, or designee of one of these administrators within each administrator’s area of responsibility.

IX. ADDITIONAL DISTRICT APPROVALS

- A. Effective January 9, 2006, all contract requests valued at over \$5,000 originating from schools require the approval of a Local District Director of Instruction in addition to the approval of administrators listed in Section VIII, above.
- B. Consistent with current Board policy, Contract Administration Branch may seek additional approval for certain types of contracts based on the type of services. Examples of contracts requiring additional approvals include the following:

| Description of Services | Additional Approval Required |
|---|--|
| Evaluation Services valued at over \$15,000 | Program Evaluation and Research Branch |
| Health Services rendered to students and Healthy Start Programs | Student Health and Human Services |
| Mural Painting | Maintenance & Operations Branch |
| Technology Services | Information Technology Division |



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C. Pre-Award Audits

1. Definition. A Pre-Award Audit, conducted by the Office of the Inspector General (OIG), examines the reasonableness of a contractor's cost proposal. It may also include an examination of the contractor's internal controls, accounting and billing systems, and financial capabilities.
2. Contract Administration Branch shall request that the OIG perform a Pre-Award Audit on all contracts valued at over \$5 million. Contract Administration Branch may request a Pre-Award Audit for contracts valued at \$5 million or less.
3. Timeline. The OIG endeavors to complete Pre-Award Audits within 30 days of the request.

X. INSURANCE AND FINGERPRINTING

A. Insurance

The District requires that all vendors, contractors, and professional service providers comply with contractual insurance requirements and provide evidence of insurance. The Division of Risk Management and Insurance Services (ORMIS) will request a Certificate of Insurance from the contractor prior to contract execution. A contract cannot be executed, and the vendor cannot receive payment, unless and until evidence of compliant insurance is provided.

A description of the District's basic insurance requirements is provided as Attachment H, Vendor Basic Insurance Requirements. Sole proprietors are not required to carry Workers' Compensation. However, they must sign the District's Waiver of Workers' Compensation form, which can be obtained from ORMIS.

B. Fingerprinting

California Education Code section 45125.12 requires that all contractors who may come into contact with pupils submit to fingerprinting and a background check in a manner authorized by the California Department of Justice. When services will be provided on a District campus, Contract Administration shall include the Education Code requirements in the contract terms.

- C. Additional information on District insurance and fingerprinting/background check requirements may be obtained from ORMIS at (213) 241-3139.



XI. PROCEDURES FOR REQUESTING PROFESSIONAL SERVICES CONTRACTS

Note: Attachment C, Request for Contract Action (RFCA), (Form CS001, Rev. 1/06) contains an Instructions page as well as a Checklist to assist schools and offices in submitting the necessary contract request forms and appropriate documentation.

A. Value: \$5,000 or Less

Schools and offices shall initiate their own purchase orders online through IFS. Procedures for selecting a contractor for contracts valued at \$5,000 or less are set forth in Reference Guide No. REF-918, Low-Dollar Value Professional Services Contracts (dated 5/04). The contract request should not be sent to Contract Administration.

C. Value: Over \$5,000 to the Bid Threshold (Currently \$62,400)

The contract sponsor must complete a Requisition (RX) online, and complete and submit the RFCA and supporting documents to Contract Administration. Contract Administration will prepare the contract on the sponsor's behalf.

D. Value: Over the Bid Threshold to \$100,000

Selection of a contractor to perform professional services valued at over the bid threshold (currently \$62,400) to \$100,000 must go through an Informal Request for Proposal (IRFP) process. The contract sponsor is responsible for conducting the IRFP process. Once the process is completed, the sponsor must complete and submit the RFCA, the statement of work and the contractor's proposal to Contract Administration. Contract Administration will prepare the contract on the sponsor's behalf.

E. Value: Over \$100,000

A formal Request for Proposal (RFP) process is required for obtaining professional services with a value over \$100,000. Contract Administration will work with the contract sponsor to conduct the RFP process and prepare the contract on the school or office's behalf. To initiate an RFP, the contract sponsor must complete and submit the necessary contract request documents, including the RFCA with the RX number, statement of work and evaluation criteria, to Contract Administration.

F. Right to Negotiate Contract Price, Terms and Conditions

In all cases, Contract Administration reserves the right to further negotiate prices and other contract terms and conditions to ensure that the District obtains the services at the best possible value.



XII. POLICY REGARDING CONTRACT AMENDMENTS – THE “75% RULE” AND DEAD CONTRACTS

A contract can be amended to extend the period of performance, increase the fee to obtain additional services, allow for a minor change in the current contract scope of services, or any combination of the above. An RFCA (Form CS001, Rev. 1/06), shall be used to request a contract amendment.

A contract cannot be amended if there is a significant change in the contract scope of services, or if the contract value increases to greater than 75% of the original contract amount. Under limited circumstances, the Chief Procurement Officer or designee may waive the 75% Rule if it is in the best interest of the District. Adequate justification must be submitted and approved prior to continuation of the service.

Additionally a contract cannot be amended if the contract period ended prior to the date of the amendment request (also known as a “dead contract”). In such cases, the contract sponsor may need to initiate a new contract instead, adhering to the policies and procedures outlined in Section XI.

XIII. TERMINATING A CONTRACT

All professional services contracts have a definite start date (the date when the contractor begins the services) and end date (the latest date by which the contractor is expected to the successfully complete the services). Occasionally, the contract sponsor may need to terminate the contract prior to the contract end date.

A. Reasons for Early Contract Termination. Reasons for early contract termination may include, but are not limited to, the following situations:

1. Lack of funding, including implementation of a Districtwide freeze on expenditures for contract services.
2. Contractor completes services earlier and at a lower cost than originally contemplated.
3. Contractor performance is unsatisfactory.

B. Importance of Written Documentation. In each of the above circumstances, the contract sponsor shall document any conversations he or she has with the contractor to notify the contractor why early termination may be required. Such documentation is especially important when the contractor’s performance is unsatisfactory.

C. Authority to Terminate a Contract. While a contract sponsor may suspend a contractor’s performance, only authorized personnel in Contract Administration may officially terminate a contract.



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- D. Procedure. To terminate a contract, complete a Request for Contract Action (Form CS001, Rev. 1/06) and submit it to Contract Administration along with copies of any correspondence sent to contractor and a chronology of events leading up to the request for termination, if applicable. Contract Administration will work with the contract sponsor to either assist the contractor in improving his performance or terminate the contract in conformance with the contract terms. The sponsor shall also complete and submit a Contractor Assessment Form (Form CS0010, Rev. 1/06).

XIV. PROHIBITION AGAINST USING A COMPLETED RFP FOR MEETING THE RFP REQUIREMENT

Once the RFP process has been completed and a contract awarded, that RFP may no longer be used to select a vendor to perform work under the same scope of work. Instead, the contract sponsor will need to initiate a new RFP process to select a new contractor.

XV. INITIATING A CONTRACT FOR PROFESSIONAL SERVICES WHEN FUNDS ARE PENDING

- A. Often schools and offices receive grant award notification and are required to begin service prior to receipt of funds by the District. In such cases, the contract sponsor is still required to submit the necessary forms to Contract Administration in accordance with Section B below, to initiate the contract. In addition, the sponsor shall provide a copy of the grant award notification letter as evidence of funds availability.
- B. It is strongly recommended that grant recipients contact Budget Services to ensure grant funds are placed in the appropriate account as soon as grant award notification is received. Budget Services can work with the grant recipient to establish a zero budget line, if necessary, to allow funds to be encumbered for expenditure on grant-funded contract services as soon as possible. Note: A zero-budget line will allow you to pre-encumber grant money not yet received, but you will also need a budget override to accept/pass the transaction.
- C. Upon receipt of an RX for purposes of pre-encumbrance, Contract Administration will create the purchase order and negotiate and execute the final contract with the selected contractor.

XVI. USING A REQUISITION TO ORDER SERVICES UNDER MASTER SERVICES AGREEMENTS

Schools and offices may process Orders for Services under a Master Services Agreement (MSA) using a Requisition, regardless of the dollar amount of the order, as long as the order does not exceed the MSA cap. The usual administrator approvals based on dollar amount will apply. (See Section VIII.)



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See Reference Guide No. REF-427, Enrichment Activities - Master Services Agreements, and Reference Guide No. REF-428, Professional Services - Master Services Agreements, for lists of master contractors, information about the services offered by each master contractor, and procedures for ordering services under master services agreements.

XVII. PROGRAM EVALUATION AND RESEARCH BRANCH EVALUATION OF CONTRACTORS

Memorandum No. Mem-430, Evaluation of Professional Services Contracts describes the District's formal process of having contractors who provide instruction-related services to schools, curriculum-related services, and/or professional development for principals, teachers, and paraprofessionals evaluated by the Program Evaluation and Research Branch (PE&RB). For the most current information regarding contractors that have passed and/or failed PE&RB evaluation, contact Contract Administration at (213) 241-3089.

XVIII. TIMELINE FOR PROCESSING CONTRACT REQUESTS

- A. The timeline for processing a contract is dependent on three factors: the dollar value of the services, whether or not a competitive process is used, and/or the complexity of the contract terms.

In general, a school or office must complete a Requisition (RX) online, and complete and submit a Request for Contract Action (RFCA) (Form CS001, Rev. 1/06), to Contract Administration for processing as soon as the need for services is determined. Contract Administration will engage in the appropriate action to procure the requested services.

Contract Administration will forward all contract requests valued at over \$100,000 to the Office of the General Counsel, Business Services Team, for legal review and approval as to form.

- B. Competitive Process, i.e., Request for Proposal (RFP) – At Least 90 Calendar Days

Because of the complexity of the formal RFP process, the contract sponsor should submit contract request documents to Contract Administration at least three months (90 calendar days) prior to the date when services are needed. Again, a formal RFP process is required for all services valued at over \$100,000.

In a formal RFP process, the contract sponsor in concert with Contract Administration uses the contract sponsor's scope of work and evaluation criteria to solicit proposals from contractors capable of providing the services. This process requires a significant amount of time in order to refine the scope of work and evaluation criteria as necessary, advertise the need for services, review and evaluate proposals, negotiate contract terms, select the



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prospective contractor, and obtain Board approval or Contract Administration approval through delegated authority.

C. Informal Request for Proposal Process – At Least 60 Calendar Days

In an informal RFP (IRFP) process, it is not necessary to advertise the RFP nor have formal evaluation and negotiation teams. However, the contract sponsor must perform some evaluation of the proposals received. Once the contract sponsor completes the IRFP process, he or she should submit the necessary contract request documents, including the scope of work and the selected contractor's proposal, to Contract Administration at least 60 calendar days prior to the date when services are needed. Contract Administration Branch will provide guidance to the sponsor on conducting the IRFP process.

D. Non-Competitive Process (i.e., without a RFP) – At Least 30 Calendar Days

The deadline for Contract Administration Branch to receive all contract request documents is 30 days prior to the date services are expected to begin.

XIX. INCOME CONTRACTS FOR PROFESSIONAL SERVICES

Occasionally the District enters into professional services contracts with other entities where the District receives payment for services it renders to the outside entity. Contracts covering such relationships are called "Income Contracts."

Examples of Income Contracts include:

- Detached Services Agreements (also know as Reimbursement contracts), where District staff provide services to other school districts or non-profit entities. Detached Services Agreements must be requested through Human Resources.
- District as subgrantee, where a grant recipient contracts with the District for professional services.
- Agreements to provide business services to other school districts.

To initiate an Income Contract, the contract sponsor should complete as much of the Request for Contract Action (Form CS001, Rev. 1/06) as possible and submit it with the scope of work and payment schedule to Contract Administration. It is not necessary to complete a Requisition.

XX. NO-COST CONTRACTS

Contracts where a contractor provides services to the District at no charge may require processing through Contract Administration, especially if the services can be valued on a



LOS ANGELES UNIFIED SCHOOL DISTRICT Policy Bulletin

monetary basis and/or expose the District to potential liability. Contact a Contract Administration Branch representative for more information.

- ATTACHMENTS**
- After-the-Fact Memorandum (Attachment A)
 - Summary Chart of Delegation of Authority (Attachment B)
 - Request for Contract Action (Form CS001, Rev. 1/06) (Attachment C)
 - Contractor's and Consultant's Code of Conduct, FORM CS007 (Rev. 11/02) (Attachment D)
 - Sample IRFP/RFP Waiver Memorandum (Attachment E)
 - Contractor Assessment (Form CS0010, Rev. 1/06) (Attachment F)
 - Small Business Enterprise (SBE) Utilization Program and Small Business Program Utilization Report (Attachment G)
 - Vendor Basic Insurance Requirements (Attachment H)

The above documents may also be downloaded from the Contract Administration Branch website: <http://contracts.lausd.net>.

AUTHORITY: Board Rule Number 1850

RELATED RESOURCES: Reference Guide No. REF-427, Enrichment Activities – Master Services Agreements
Reference Guide No. REF-428, Professional Services – Master Services Agreements
Memorandum No. MEM-430, Evaluation of Professional Services Contracts
Reference Guide No. REF-918, Low-Dollar Value Professional Services Contracts

ASSISTANCE: Contract Administration Branch: (213) 241-3089
Website: <http://contracts.lausd.net> E-mail: psg-contracts@lausd.k12.ca.us.

Vendor Services and SBE: Email psg-vs@lausd.net

Ethics Office: Ask Ethics (866)-322-5788 Website: <http://ethics.lausd.net>

Insurance and Fingerprinting/background checks: Call ORMIS (213) 241-3139.

Accounts Payable: (213) 241-4800.

Los Angeles Unified School District
Inter-Office Correspondence

SAMPLE AFTER-THE-FACT MEMORANDUM

TO: Chief Procurement Officer **DATE:**
FROM: Jane Q. Administrator
SUBJECT: REQUEST FOR AFTER-THE-FACT CONTRACT APPROVAL –
[CONTRACTOR NAME]

The purpose of this memorandum is to explain why the contract for [CONTRACTOR NAME] is being submitted for approval after the fact.

Contract Purpose: *This section describes the purpose of the contract and includes a brief description of the contractor's duties.*

Contract Period: *This section states the contract start and end dates.*

Contract Amount: *This section states the contract amount.*

After-the-Fact Explanation: *This section describes the "urgent and compelling" circumstance that required the contractor to commence services prior to contract approval and execution. The circumstance should meet one of the criteria listed in Section IV, Bulletin No. BUL-426.1.*

For additional information, please contact contract sponsor [Name] at [phone number].

APPROVED: _____ DATE: _____
By Local Dist. Supt. (school)/Next Higher-Level Administrator (office)

APPROVED: _____ DATE: _____
By General Superintendent or Chief Operating Office (if contract value over \$250,000)

APPROVED: _____ DATE: _____
By Chief Procurement Officer

LOS ANGELES UNIFIED SCHOOL DISTRICT
Business Services Division

BULLETIN NO. BUL-426.1
January 9, 2006

ATTACHMENT B

**SUMMARY CHART OF DELEGATION OF AUTHORITY
REQUIRED APPROVALS FOR PROFESSIONAL SERVICES CONTRACTS**

| CONTRACT AMOUNT | REQUIRED APPROVALS | REQUIRED CONTRACTOR SELECTION PROCESS | | | ACCOUNTABILITIES/ CONTROL |
|--|--|---------------------------------------|----------------|-------------|---|
| | | TELEPHONE QUOTES | WRITTEN QUOTES | RFP PROCESS | |
| Up to Bid Threshold* • Up to \$5,000 • Over \$5,000 to Bid Threshold | Principal Branch Director | 2 recommended | 3 required | | Contract sponsors must certify compliance with selection procedures including justification documents for exceptions. Random audits will be conducted by the Office of the Inspector General. Indications of non-compliance may result in disciplinary action. Non compliance with procurement regulations will be reflected in administrator's performance evaluation. |
| Over Bid Threshold to \$250,000 | Local District Supt. Branch Director | | | X | |
| Over \$250,000 to \$500,000 | Asst. Supt. Assoc. Supt. Div. Admin. or designee** or designee | | | X | |
| Over \$500,000 | CFE or designee CFO or designee CHRO or designee CIO or designee COO or designee Chief Instructional Officer or designee Supt. or designee | | | X | |

REQUIRED APPROVALS FOR RFP WAIVER

| CONTRACT AMOUNT | REQUIRED APPROVAL |
|---------------------------------|---|
| Over Bid Threshold to \$100,000 | Local District Superintendent Next Higher Level Administrator (office) |
| Over \$100,000 | Chief Procurement Officer or designee in addition to above approvals |

LOS ANGELES UNIFIED SCHOOL DISTRICT
Business Services Division

BULLETIN NO. BUL-426.1
January 9, 2006

ATTACHMENT C

**INSTRUCTIONS FOR COMPLETING
REQUEST FOR CONTRACT ACTION FORM**

PAGE 1

1. **REQUESTOR.** Enter the contact information for the school/office requesting the contract.
2. **ACTION REQUESTED.** There are three (3) options:
 - a. **Amend/Terminate Existing Contract.** Check if you have an existing contract that is still in effect and you need to (i) extend the time period to complete the services, (ii) increase the amount of an existing contract, (iii) make minor changes to the contract services, or (iv) terminate the contract. *NOTE: You cannot amend an expired contract.*
 - b. **Create New Contract – Non-Competitive, Income, or No-Cost Contract.** Check if you have selected a contractor through a process other than use of a Request for Proposal. Be sure to provide the selection criteria used. *Note: All payout contracts for services valued at over \$62,400 must go through a RFP process. Check this option if the District will receive payment (Income Contract) or if the services provided at no cost (No-Cost).*
 - c. **Create New Contract – Competitive.** *All contracts for services valued at over \$62,400 must go through a RFP process. Check if you selected a contractor through a RFP process (contract value is over \$62,400 to \$100,000) or if Contract Administration will perform the RFP for you (contract value over \$100,000).*
3. **CONTRACT/AMENDMENT TERM AND VALUE.** Enter start and end dates for a new contract. Enter original start date and new end date for a contract amendment that extends the contract period. Enter contract amount (or provide an estimate if Contract Administration will conduct the RFP); enter the increase or decrease in contract amount, if applicable, for an amendment.
4. **CONTRACTOR INFORMATION.** Enter contractor contact information.
5. **SCOPE OF WORK.** Provide a brief description of the services the contractor will provide. If the contract value is over \$62,400 to \$100,000, attach the Scope of Work and proposal of the contractor that was selected through the Informal RFP process. If the contract value is over \$100,000, attach a Scope of Work and Evaluation Criteria and Contract Administration will conduct the RFP on your behalf.
6. **FUNDING.** Required only for contract requests, including those to be handled through a RFP process, where the District pays the contractor. *Important: Identify whether services are federally funded and/or grant-funded. Submit a requisition (RX) for the requested services online.* Enter the requisition number on the RFCA.

To create the RX online, use the following document numbering formula: TRANS = RX; AREA = __ __ __; DOCUMENT NUMBER = CS#. Use Commodity Code 9610200000. For services to be procured via an RFP process with an estimated value over \$100,000, use dummy vendor code **000000** when doing the RX.

REQUIRED SIGNATURES. Refer to Bulletin No. BUL-426.1, Attachment B, Summary Chart of Delegation of Authority, for list of required approvals. Additional approvals are required for the following "Specialty Contract" types: Evaluation Services, Healthy Start, Student Health Services, Technology, and Legal Services. If a contract is requested and has not gone through a competitive process, an Inter-Office Memorandum requesting a waiver must be submitted and signed by the appropriate administrator(s). Refer to Bulletin No. BUL-426.1, Attachment E, Sample Waiver Memorandum.

PAGE 2

Answer all questions as thoroughly as possible. Attach applicable documents (refer to check boxes) and submit to Contract Administration via School Mail at Beaudry Bldg., 28th floor or via fax to (213) 241-8945.

For assistance completing the RFCA, please contact Contract Administration at (213) 241-3089. The RFCA may also be found on the Procurement Services Group website: <http://contracts.lausd.net>.

Request for Contract Action

Contract Administration

Los Angeles Unified School District

Procurement Services Group

Complete all information and send to Contract Administration, Beaudry Bldg., 28th Floor or fax to (213) 241-8945 or complete form online: <http://contracts.lausd.net>.

For assistance, call (213) 241-3089 or e-mail questions to psg-contracts@lausd.k12.ca.us.

School/ Office: _____ Loc. Code: _____ Local Dist.: _____ Requisition No. CS
Contact Person: _____ Title: _____

Telephone: _____ Fax: _____ Date: _____ Email Address: _____

ACTION REQUESTED (Please Check Appropriate Box)

- Amend/Terminate Existing Contract. Contract No. _____ Exercise Option # _____
- Create New Contract - Non-Competitive (No RFP), Income Contract or No-Cost Contract.
- Create New Contract – Competitive (IRFP/RFP). Refer to Bulletin No. BUL-426.1, Section V, "Policy Governing Selection of Contractors, Including RFP Requirements."

CONTRACT OR AMENDMENT TERM AND VALUE

Start Date: _____ End Date: _____
(If Amendment, enter original start date and new end date.)

Amount (Not to Exceed): \$ _____
(If Amendment, enter amount of increase/decrease. If No-Cost or Time Extension only, enter "0.")

CONTRACTOR INFORMATION

Contractor Name: _____ Contact Person: _____
Address: _____ Phone: _____
Fax: _____
Email Address: _____

Non-Profit? Yes No Will contractor provide services on school campus? Yes No

SCOPE OF WORK. Briefly describe services requested:

- \$5,000 to \$100,000 (or Income Contract of any amount): attach Scope of Work and Contractor Proposal.
- Over \$100,000, attach Scope of Work and Evaluation Criteria. Contract Administration will conduct RFP.

FUNDING: Override used to pass RX? No Yes Federally Funded? No Yes (If Yes, check if Title I used) Grant Funded? No Yes - Exp. Date _____

*REQUIRED SIGNATURES:

Principal/
Branch Director: _____ Date: _____

Print Principal/Director
Name and Title: _____

Next Higher-Level
Administrator: _____ Date: _____
(Required for contracts over \$62,400)

Print Administrator Name and Title: _____

Director of Instruction
Approval: _____ Date: _____
(Required for all school contracts)

Director of Instruction
Name (Print): _____

Executive
Administrator: _____ Date: _____
(Required for contracts over \$250,000)

Print Executive Admin.
Name and Title: _____

* Signature certifies that I have reviewed Education Code Section 45103.1 and have determined that this request is consistent with that statute (regarding the preference for using District personnel rather than personal service contracts with third parties for services customarily performed by classified District employees). Signature also certifies compliance with District procurement policies and procedures and that there is no conflict of interest with the vendor selected.

CONTRACT ADMINISTRATION USE ONLY:
BULLETIN NO. BUL-426.1

Contract/RFP No.: _____
Amendment No.: _____

**LOS ANGELES UNIFIED SCHOOL DISTRICT
 REQUEST FOR CONTRACT ACTION**

A. Contract Sponsor's Name _____ Title _____ Date: _____
 School/ Office _____ Loc Code _____ Phone _____
 School/ Office Address: _____

B. Answer the following three (3) questions:

1. What is the purpose of the contract? _____

2. What impact does the contract have on District policy? _____

3. Which of the eight (8) District 2005-06 goals does the contract support? (Check one. See list on next page.)

| √ | Goal | √ | Goal |
|---|--|---|---|
| | (1) Improve learning; raise performance; eliminate achievement gap | | (5) Enhance efforts to recruit/retain highly qualified staff |
| | (2) Effectively use data | | (6) Support school construction and renovation |
| | (3) Ensure access to core curricula for students with disabilities | | (7) Establish Small Learning Communities in secondary schools |
| | (4) Strengthen parent/community involvement | | (8) Align/manage programs to support student achievement |

If the work has already begun, follow procedures in Section IV, "Prohibition Against After-the-Fact Contracts"

C. Companies contacted/Suggested sources of services. (Attach separate sheet if necessary.)

| Company Name | Contact | Phone | Cost |
|--------------|---------|-------|-------|
| 1. _____ | _____ | _____ | _____ |
| 2. _____ | _____ | _____ | _____ |
| 3. _____ | _____ | _____ | _____ |

D. Attach all of the following documents that are applicable to this contract request. Incomplete submissions will be returned to requestor. Check appropriate attachments.

- Scope of work
- Evaluation criteria (for contracts requiring RFP process)
- Contractor proposal(s)
- Payment schedule
- Copies of memoranda, if applicable:
 - Inter-Office Memorandum addressing non-competitive situations: selecting a contractor without a RFP. (See Section VII, Bulletin No. BUL-426.1.)
 - Inter-Office Memorandum addressing urgent and compelling necessity ("After the Fact").

**LOS ANGELES UNIFIED SCHOOL DISTRICT
2005-06 GOALS**

1. Improve rigorous, standards-based teaching and learning in core curricular areas for all students, pre-kindergarten through adult, in order to raise student performance and eliminate the achievement gap.
2. Effectively use data to measure student progress toward achievement of the standards, inform instruction, and to gauge professional development needs.
3. Ensure all students with disabilities have access to the District's core curriculum in order to successfully meet all of the mandates of the Modified Consent Decree.
4. Strengthen parent and community involvement at all schools by providing opportunities for meaningful parent engagement that supports improved student achievement.
5. Enhance efforts to recruit and retain highly qualified staff.
6. Effectively utilize a budget supported by voter-passed bonds to help build 150 new schools and renovate existing schools.
7. Establish Small Learning Communities in secondary schools to provide students and teachers with a more personalized and caring learning environment.
8. Align and manage all programs, resources, and services to support student achievement goals.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Business Services Division

BULLETIN NO. BUL-426.1
January 9, 2006

ATTACHMENT D

LOS ANGELES UNIFIED SCHOOL DISTRICT

CONTRACTOR'S AND CONSULTANT'S CODE OF CONDUCT—2002

1. **Application Of The Contractor's Code Of Conduct.** This *Code of Conduct* shall govern the conduct of all contractors and consultants of the Los Angeles Unified School District ("LAUSD"). These standards supersede all prior written ethics policies duly adopted by the LAUSD which are in conflict with these standards. These standards are to be read in conjunction with the latest editions of applicable LAUSD contracting and procurement policies and procedures. All contractors shall insure that their subcontractors comply with this *Code of Conduct*.
2. **Purpose.** The purpose of this *Code of Conduct* is:
 - To protect the integrity of the procurement process;
 - To provide a comprehensive statement of expectations governing the conduct of contractors doing business with the LAUSD so they will be able to compete fairly, and perform their work and services in an ethical manner.
3. **Expectations.** This document does not address all ethical issues which may arise in the course of doing business with the LAUSD. Each person and entity is expected to act ethically at all times and in all things. The LAUSD Ethics Office is responsible for providing education and advice on ethical issues. Contact the Ethics Office with any questions regarding this *Code of Conduct*.
4. **Enforcement.** The provisions of this *Code of Conduct* are enforced by the LAUSD Inspector General, Office of the General Counsel and other appropriate enforcement authorities. The LAUSD may reject any bid or other proposal, or impose other sanctions against any person, contractor or entity that has not complied with the requirements of this *Code of Conduct* or the *LAUSD Lobbyist Registration Code*.
5. **Prohibitions.** No bidder, proposer, contractor or subcontractor shall fraudulently deceive or attempt to deceive any District official with regard to any material fact pertinent to any pending or proposed LAUSD action. Nor shall they do anything with the purpose or intent of placing any District official under personal obligation to the bidder, proposer, contractor or subcontractor.
6. **Avoid The Appearance Of Impropriety.** All contractors shall refrain from conduct which they know or reasonably should know is likely to create in the minds of reasonable, objective, fair-minded observers the perception that they are using their relationship with the LAUSD in an improper manner.

7. **Lobbying.** Under the *LAUSD Code of Ethics* (Lobbyist Registration Code), a “lobbyist” is defined as any person who receives \$4000 or more compensation in any quarter, other than reimbursement for reasonable travel expenses, to influence any LAUSD action. All persons classified as a lobbyist under this definition shall register with the LAUSD prior to the commencement of any lobbying activity. The LAUSD may disqualify any person or entity that is in violation of this policy from participating in the contracting process. The LAUSD definition of lobbyist may be different than definitions used by other agencies. You should consult the *LAUSD Lobbyist Registration Code* to determine whether you or others retained by you are lobbyists.
8. **Zero Tolerance Regarding Gifts.** No bidder or proposer shall offer, give, or promise to offer or give, directly or indirectly any money, gift or gratuity to any LAUSD procurement employee or consultant at any time.
9. **Zero Tolerance Regarding Offers Of Employment.** No bidder, proposer, or contractor shall offer, or promise to offer, either directly or indirectly, any future employment or business opportunity to any LAUSD employee or consultant, their immediate family, spouse, significant other or business associates of such persons if such offer of employment is conditioned expressly or implicitly on the awarding of a present or future contract, or preference in the awarding of a contract to anyone at any time by the LAUSD.
10. **Contacts By Staff Prior To The Issuance Of A Solicitation.** While informational and market research contacts with prospective contractors are a valuable source of data to the LAUSD, such contacts can be perceived as improper. All parties shall exercise sound judgment and caution to prevent an actual or implied impression that such contacts will result in preferential treatment of the prospective contractor.
11. **Receipt Of Preliminary Information.** No bidder, proposer or contractor shall request, attempt to request or accept from any LAUSD employee or consultant the dissemination of any information regarding present or future contracts, or expectations of such contracts, unless this information is made available at the same time and in the same form to all other bidders, proposers or contractors.
12. **Receipt Of Protected Information.** No bidder, proposer or contractor shall solicit, obtain or accept, directly or indirectly, from any LAUSD employee or consultant, any information developed during the course of the contracting process relating to the procurement prior to the contract award unless this information is a public record under the Public Records Act.
13. **Influencing Contract Decisions, Negotiations and Protests.**
 - a) Commencing with the issuance of a request for proposal, a request for qualifications or any other document initiating the contracting process, and ending at the time the staff recommendation for award is made public, no contractor or representative of a contractor participating in the contracting process shall contact by any means or engage in any discussion concerning the award of the contract with any Board Member or his or her staff, or any LAUSD employee or consultant. Any such contact may be grounds for the disqualification of the contractor. A recommendation for contract award is made public and contact may be initiated when the contract’s board report is published by the Board Secretariat.

- b) During price negotiations of non-competitive bid contracts, contractors or their representatives shall not contact, lobby or otherwise attempt to influence LAUSD employees or consultants (other than negotiation team members), or Board Members and their staff, relative to any aspect of the contract under negotiation. This provision shall apply from the time of award until the recommendation for execution of the contract is made public. Any concerns relative to any contract under negotiation shall be communicated only to the General Superintendent for resolution.
- c) No contractor or their representative who submitted a proposal or bid in response to a request for proposal, a request for qualifications or any other document initiating the contracting process shall contact a Board Member or his/her staff regarding a protest submitted regarding the recommended contract award or any lawsuit or potential lawsuit regarding the recommended contract award, or any dispute, lawsuit or potential lawsuit concerning the contract.

14. **Contractor Qualification.** The LAUSD will accept bids and proposals for contracts and procurement of goods or services having a value, to be determined by the LAUSD, only from firms or entities which are complying with the LAUSD contracting and procurement policies and procedures, the *Contractor's and Consultant's Code of Conduct* and the *Lobbyist Registration Code*.

15. **Disclosure of Former LAUSD Employees.** To prevent former LAUSD employees from using their relationship with the LAUSD, a LAUSD department or current LAUSD employees to improperly influence procurement decision-making, all bidders, proposers and contractors are required to disclose any of their employees, subcontractors or consultants who, within the last three years, have been or are employees of the LAUSD. The disclosure will be in accordance with current LAUSD contracting/procurement guidelines, but will include (at a minimum) the name of the former LAUSD employee, a list of the LAUSD positions the person held in the last three years, and the dates the person held those positions.

LAUSD will not contract with any bidder, proposer or contractor that compensates any former LAUSD employee or consultant to influence any action on a matter pending with LAUSD if that employee, within the last twelve (12) months, held a LAUSD position in which they personally and substantially participated in that matter.

LAUSD will not contract with any bidder, proposer, contractor or sub-contractor that employs a former LAUSD employee or consultant who, while serving in a LAUSD position within the last 2 years, substantially participated in the development of the contract's RFP, requirements, specifications or in any part of the contract's contracting process.

The LAUSD General Superintendent or his/her designee upon a showing of good cause may waive this prohibition in writing with notification to the Board prior to awarding the contract.

16. **Submitting Proposals After Developing Specifications.** No contractor or consultant who participates in the development of a scope of work, solicitation documents, contractual instruments or technical specifications on behalf of the District may participate as a proposer or sub-proposer or perform any work on that particular procurement. The LAUSD General Superintendent or his/her designee upon a showing of good cause may waive this prohibition in writing.

17. **Conflicts Of Interest.** A conflict of interest may exist when an LAUSD Board Member, employee or consultant has a financial interest in or towards a person or entity, which results in a real or apparent advantage to that person or entity. The existence of a financial relationship between a contractor and any LAUSD Board Member, employee or consultant, or a member of that employee's immediate family, who has participated in an LAUSD action or in the making of an LAUSD decision concerning that contractor, constitutes a conflict of interest. A conflict of interest may also exist if the contractor has previously employed, or is currently offering employment to, or considering the employment application of, any LAUSD staff or his or her immediate family.

If the contractor has a financial relationship with any LAUSD Board Member, employee or consultant, the contractor shall disclose this fact in writing to the General Superintendent or his/her designee as soon as this potential conflict of interest is known. The Contractor is under a continuing duty to advise the LAUSD of any conflicts of interest that arise during the term of the contract.

While not all conflicts will cause a contractor to be disqualified, failure to disclose a known conflict may justify disqualification and/or sanctions. **BE SAFE - DISCLOSE.**

The General Superintendent or his/her designee, in consultation with legal counsel, shall determine whether a conflict of interest exists and recommend appropriate action for resolution. If it is determined that an actual or apparent conflict of interest exists, the LAUSD General Superintendent or his/her designee shall notify the contractor in writing of this finding and the action that the LAUSD shall take to resolve this conflict of interest.

18. **Sanctions.** The LAUSD encourages good faith reporting of all suspected violations of this *Code of Conduct*. There shall be no adverse consequences suffered by anyone for making a good faith report of a suspected violation nor shall there be any adverse consequences suffered by anyone accused of violating these standards and subsequently found not to have violated this *Code of Conduct*. The identity of any persons reporting violations of these standards shall be kept confidential to the extent permitted by law.

All suspected violations shall be reported immediately to the Office of the Inspector General or the Ethics Office for investigation. If the Inspector General determines that the allegations have merit, the matter will be referred to the appropriate authorities. The LAUSD may take one or more of the following actions:

- a) Meeting with the contractor to discuss the violation;
- b) Suspending the contract or subcontract involving the offending contractor;
- c) Directing the prime contractor to remove the offending subcontractor from the project;
- d) Rescinding, voiding or terminating the contract; and/or
- e) Any other reasonable sanction deemed appropriate.

The General Superintendent or his/her designee shall state in writing to the contractor his/her findings regarding the violation and, if appropriate, recommend sanctions. The contractor may request an informal hearing with the General Superintendent or his/her designee to explain the contractor's position regarding the alleged violation and/or sanctions prior to the General Superintendent or his/her designee taking action. This request must be made in writing and received by the General Superintendent or his/her designee within ten (10) working days of the recommendation for sanctions. If no request is received within the ten (10) working day period the recommended action shall be taken.

If a timely request for a hearing is received, the informal hearing shall take place within ten (10) days after the General Superintendent or his/her designee receives the request. The contractor may be represented by legal counsel at the contractor's own expense at the hearing. Within ten (10) working days after the informal hearing, the Superintendent or his/her designee shall advise the contractor in writing the outcome of the hearing at which time the decision becomes final.

If the sanctions imposed by the General Superintendent or his/her designee are anything more than a conference with the offending contractor, the offending contractor may:

- a) File an appeal to the Los Angeles Board of Education, which reserves the right to determine whether to hear the appeal. The Los Angeles Board of Education's decision to hear an appeal is within its sole discretion.
- b) Request a full hearing before the American Arbitration Association (AAA) pursuant to its rules and regulations. This request must be in writing and directed to the General Superintendent or his/her designee. This request must be received within ten (10) working days after the General Superintendent's decision becomes final.

The contractor shall bear the costs associated with the arbitration. The hearing shall take place in the County of Los Angeles, State of California and shall take place as soon as possible. Any decision rendered by the AAA shall be binding on all parties.

In the case of a procurement in which a contract has not yet been awarded, the LAUSD shall determine whether to terminate the procurement or take other appropriate action.

NOTE: FOR UPDATED REVISIONS REFER TO THE FOLLOWING DISTRICT WEBSITE
<http://ethics.lausd.net>

LOS ANGELES UNIFIED SCHOOL DISTRICT
Business Services Division

BULLETIN NO. BUL-426.1
January 9, 2006

ATTACHMENT E

SAMPLE WAIVER MEMORANDUM

**Los Angeles Unified School District
Inter-Office Correspondence**

TO: Contract Administration Branch

DATE:

FROM: John Smith, Principal
XYZ Elementary School

**SUBJECT: REQUEST FOR WAIVER FOR SELECTING A CONTRACTOR
WITHOUT CONDUCTING A RFP**

XYZ Elementary School is proposing to contract with ABC Consultants without having gone through a Request for Proposal process.

ABC Consultants will be providing (describe services) in the amount of \$_____.

XYZ Elementary School did not adhere to and is requesting a waiver from the RFP requirement because (provide waiver criteria as indicated in Bulletin No. BUL-426.1, Section VII, Paragraph C.) .

Supporting documentation is attached.

Please contact me at (213) 123-4567 should you require additional information.

Attachment(s) (e.g., grant award letter, program description, etc.)

Required waiver approval(s):

If contract value exceeds bid threshold (currently \$62,400)

Approved: _____

Signature of Local District Superintendent (schools)/Next Higher-Level Administrator (offices)

Print Name

Additional Signature (Required if contract value exceeds \$100,000)

Approved: _____

Chief Procurement Officer, Procurement Services Group

LOS ANGELES UNIFIED SCHOOL DISTRICT
Business Services Division

BULLETIN NO. BUL-426.1
January 9, 2006

ATTACHMENT F

CONTRACTOR ASSESSMENT

This form must be completed by the Contract Sponsor, Site Administrator, Local District Superintendent, Assistant Superintendent or General Superintendent following receipt of services from any contractor under a professional services contract, including master services agreements. Please forward a copy to the Contract Administration Branch of the Procurement Services Group at the address listed herein or via fax to (213) 241-8945.

| | | | | |
|--------------------------------|--|-------------------|--|-------------------|
| Name of Contractor | | | | |
| Contract Number | | Dates of Service: | | Contract Value \$ |
| Brief Description of Services: | | | | |

Please provide answers to the following questions as frankly and objectively as possible, rating your response on a scale of 1 to 10, with 10 being the most positive/favorable response:

A. Timely Performance:

| | |
|---|--|
| 1. Was the contractor responsive to District needs? | |
| 2. Did the contractor adequately schedule the work? Did the contractor meet project milestones? | |

Comments: _____

B. Quality of Work:

| | |
|---|--|
| 1. Did the contractor perform the scope of services that was delineated in the contract? | |
| 2. Did the contractor provide a quality product/service? If the rating is a "6" or lower, please circle the deficiency in quality and the shortcomings in the contractor's quality control system responsible for it or specifically describe it below: | |
| a. Failure to perform necessary steps. | |
| b. Inadequate or incomplete documentation. | |
| c. Failure to identify and correct deficient work. | |
| d. Inadequate preparation or review of materials. | |
| e. Incorporation of unspecified or substandard materials. | |
| f. Other: _____ | |

Comments: _____

C. Effectiveness:

| | |
|--|--|
| 1. Did the contractor comply with District requirements as stated in the scope of services? | |
| 2. Was the service performed of practical value to the recipients? | |
| 3. If corrective action was necessary, was it taken without significant District intervention? | |
| 4. Do you believe this service is congruent with the District's goals? | |
| 5. Was the service rendered of such quality as to justify the amount of the contract? | |
| 6. Would you contract again with this vendor? | |

Comments: _____

PLEASE PROVIDE THE COMBINED TOTAL OF THE ABOVE NUMERICAL RATINGS:

COMBINED TOTAL SCORE _____

CONTRACTOR ASSESSMENT

Page 2

Contract Number

ADDITIONAL COMMENTS:

| |
|--|
| |
| |
| |

ASSESSMENT:

CHECK THE DESIGNATION BELOW THAT CORRESPONDS WITH THE COMBINED TOTAL SCORE.

| | |
|--|-----------------------------|
| | EXCEPTIONAL (90-100) |
|--|-----------------------------|

Performance met contractual requirements and exceeded many to the District’s benefit. The contractual performance of the scope of services was accomplished and highly effective with no problems for which corrective action was required.

All significant program elements, including technical performance and schedule, were above what was planned and the cost remained at or below the originally negotiated cost.

| | |
|--|--------------------------|
| | VERY GOOD (80-89) |
|--|--------------------------|

Performance met contractual requirements and exceeded some to the District’s benefit. The contractual performance of the scope of services was accomplished with some minor problems for which corrective actions taken by the contractor were effective.

Significant program elements took place as planned.

| | |
|--|-----------------------------|
| | SATISFACTORY (70-79) |
|--|-----------------------------|

Performance met contractual requirements. The contractual performance of the program elements or sub-elements contained some minor problems, for which corrective actions taken by the contractor appear or were satisfactory.

Some significant program elements were behind what was planned or above the negotiated cost.

| | |
|--|-------------------------|
| | MARGINAL (60-69) |
|--|-------------------------|

Performance did not meet some contractual requirements. The contractual performance of the scope of services reflects a serious problem for which the contractor did not identify corrective actions. The contractor’s proposed actions appeared only marginally effective or were not implemented.

Some significant program elements were greater than 10% behind the plan or well above the negotiated cost.

| | |
|--|----------------------------------|
| | UNSATISFACTORY (Under 60) |
|--|----------------------------------|

Performance did not meet most contractual requirements, and recovery did not occur in a timely manner. The contractual performance contained serious problem(s) for which the contractor’s corrective actions appeared or were ineffective.

| | | |
|-------|--|------|
| | | |
| Name | | Date |
| | | |
| Title | | |

**Please send the completed form to: Procurement Services Group, Contract Administration Branch
Beaudry Building, 28th Floor**

Or via Fax (213) 241-8945

LOS ANGELES UNIFIED SCHOOL DISTRICT
Business Services Division

BULLETIN NO. BUL-426.1
January 9, 2006

ATTACHMENT G

SMALL BUSINESS ENTERPRISE (SBE) UTILIZATION PROGRAM

- A. Pursuant to California Public Contract Code Section 4100 *et seq.*, it is the Los Angeles Unified School District's (District) policy to encourage utilization of Small Business Enterprise (SBE) firms in its contracts. On February 25, 2003 the District Board of Education established an SBE goal for all bids/proposals of twenty-five percent (25%) of the total contract price. Therefore, bidders/proposers shall document (on the attached SBE Utilization Report) firms subcontracting or supplying goods and services for the awarded contract.

Certification by DOD, DOT or DOT Unified Certification Program; CalTrans; SBA; MTA; LA County Office of Compliance and Certification; County of Los Angeles Office of Equal Opportunity; the City of Los Angeles; and/or the Metropolitan Water District may be utilized to gain SBE attainment for this program. All firms currently certified by the agencies listed above are accepted as certified by the District. Proposers are responsible for the verification of the currency of the certification status of any firm used in any bid or proposal. Proposers shall obtain a copy of the certification letter from those firms listed in their proposal.

Firms gaining contracts or bids to do business with the District are responsible for reporting SBE payments on invoices presented to the District, and are subject to audit on their annual reports.

Firms not submitting SBE attainment goals and reports shall have to document good faith efforts demonstrating their outreach to small businesses, or clearly demonstrating that there is no availability of SBE firms to do potential subcontracting work. Firms not submitting SBE goals shall be subject to audit on their good faith outreach efforts.

- B. The District affirmatively assures that SBE firms will be afforded full opportunity to submit bids/proposals in response to this IFB/RFP and will not be discriminated against on the grounds of race, sex, color, religion, ancestry, national origin, marital status, age (over 40), or disability (including AIDS, and cancer-related medical condition) in consideration for an award.
- C. District advises potential Bidders/Proposers that the SBE participation which the bidder/proposer commits to in their bid/proposal package becomes the goal of record. The District will enforce the SBE participation proposed.
- D. This action is financed through local funds or funds from the State of California.
- E. Firms will execute a copy of the Utilization Report, provide copies of the Report to all sub contractors listed, and include it in their bid/proposal response. Questions may be addressed to: LAUSD Vendor Services 333 S. Beaudry Ave., 28th Floor, Los Angeles, California 90017. Questions regarding certification, good faith outreach, or any terminology not herein defined may also be directed to the Vendor Services Unit at (213) 241-3064.

F. GOOD FAITH DETERMINATION

Firms bidding on Invitations for Bid and submitting proposals for RFPs shall be responsible for the submission of plans to utilize SBE firms as part of their Bid/Proposal response per the 25% SBE goal established by the Board.

SBE credit may be gained from the utilization of SBE firms in either prime or subcontracting capacities.

Responding firms will detail, per SBE Utilization Reports, the percentage or amount of any proposal amount to be assigned to SBE firms.

Firms responding to invitations to bid or requests for proposals will, if the established goal for that procurement action is not met in their bid or proposal, state that good faith efforts were made to attain the SBE goal established. Responding firms not meeting the established SBE goal shall be prepared to provide documentation showing steps taken in good faith to attain SBE participation.

DOCUMENTATION OF GOOD FAITH/COMPLIANCE PROCESS

Bidders/Proposers who do not meet a SBE goal must make diligent efforts to pass the requirement that the Bidder/Proposer made Good Faith Efforts in order to be deemed responsive to the SBE Program requirements. Successful achievement of Good Faith Efforts will be based on an audit of all or any of the criteria below:

- Advertisement
- Community Outreach
- Defining Scope of Work
- Written Requests for Proposal
- Solicitation Follow-up
- Assistance in Bonding and Insurance
- Attend Pre-Bid/Proposal Conference
- List of Proposals from SBE firms

The individual criteria mentioned above are listed below and are described in the following sub articles:

1. ADVERTISEMENT

Effort: Bidder/Proposer may advertise for SBE firms in general circulation media, trade association publications, and/or minority focused media. Advertisements should appear at least twenty (20) days prior to the District's bid/proposal due date. If the District solicitation does not allow twenty (20) days, a shorter publication time is acceptable.

Evidence: Include a list of advertisements placed, including a copy of the advertisements and/or tear sheets.

2. COMMUNITY OUTREACH - NOTIFICATION TO PROFESSIONAL ORGANIZATIONS AND COMMUNITY GROUPS

Effort: Notification may be made to outreach to minority, women, and other organizations and should include, at a minimum, a description of the Scope of Work, the company's contact, and the bid/proposal due date.

Evidence: Copies of letters, faxes, telephone logs, etc. used to contact organizations. Include names of organizations/groups, dates, names of contacts, and telephone numbers. Provide copies of correspondence received from any of these organizations/groups acknowledging contact by Bidder/Proposer. The Bidder/Proposer must outreach to a minimum of five (5) organizations/groups.

3. DEFINING SCOPE OF WORK - SELECT PORTION OF WORK TO BE SUBCONTRACTED

Effort: The Bidder/Proposer should determine the portion of the Work that is intended to be performed by its own workforce and that portion of the Work that has been identified for subcontracting to SBE firms.

Evidence: Include documentation showing the portion of the Work that the Bidder/Proposer intends to perform with its own workforce and the portion of the Work that the Bidder/Proposer has identified for subcontracting

4. WRITTEN REQUESTS FOR PROPOSAL/SPECIFICATION INFORMATION

Effort: Extend written Invitations for Quote to SBE firms for all Work that the Bidder/Proposer intends to subcontract and provide specification requirements to SBE firms.

Evidence: Names, contact persons, addresses, phone numbers, and dates of all SBE firms solicited at least ten (10) days prior to bid/proposal due date and by what means (letter, fax, phone, etc.). Include a copy of the solicitation letter.

5. SOLICITATION FOLLOW-UP

Effort: Oral and/or written follow-up of initial solicitation of SBE firms. The Bidder/Proposer negotiates in good faith and does not unjustifiably reject proposals.

Evidence: The Bidder/Proposer shall maintain a log of the contacts made with SBE firms, and a record of the SBE proposals submitted in return.

6. ASSISTANCE IN OBTAINING BONDS AND INSURANCE

Effort: Offer assistance to SBE firms in obtaining bonding and insurance.

Evidence: A brief description of assistance provided by the Bidder/Proposer to SBE firms in obtaining bonding and insurance.

7. ATTEND PRE-BID/PROPOSAL CONFERENCE

Effort: Attendance at Pre-Bid/Proposal Conferences scheduled by the District. Although attendance is optional, this is one of the criteria for meeting good faith efforts.

Evidence: Name and date of person(s) attending, to be verified by conference sign-in sheet.

8. LIST OF PROPOSALS FROM SBE FIRMS

Effort: Receiving proposals from SBE firms for specific portions of work in specific contracts.

Evidence: Copies of proposals or bids from SBE firms.

MONITORING/PENALTIES

The Procurement Services Group will be responsible for the monitoring of the SBE program, and for making quarterly reports to the Board of Education regarding the status of the outreach program as well as SBE attainment during the previous quarter. Monitoring shall include:

- Maintaining current lists of SBE firms for use by project managers, buyers, and contract administrators in soliciting proposals to the District.
- Verifying certification of SBE firms participating in District Bids and RFPs.
- Monitoring SBE attainment in all small procurements, and providing assistance to schools and programs in the implementation of the District SBE programs.
- Monitoring SBE attainment at contract/bid close out.
- Assisting buyers and contract administrators in determining SBE program responsiveness by bidders/proposers.

Failure by a firm to provide a properly executed SBE Utilization Report with each bid/proposal, or failure to adequately document good faith efforts may result in a determination of non-responsiveness.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
SMALL BUSINESS ENTERPRISE PROGRAM
UTILIZATION REPORT**

Pursuant to California Public Contract Code Section 4100 *et seq.*, the Los Angeles Unified School District (District) Board of Education adopted a policy to encourage participation by Small Business Enterprises (SBE) firms in District bids/contracts. Bidders/Proposers shall execute a copy of this Report, and provide copies of this Report to all SBE subcontractors. Executed SBE Utilization Reports are to be included in the bid response/proposal package. Questions may be addressed to: LAUSD Vendor Services, 333 S. Beaudry Ave., 28th Floor, Los Angeles, California, 90017, or emailed to psg-vs@lausd.net.

Firm/Bid _____

SBE FIRMS

SBE Firm(s) and E-mail address

Enclose proof of certification for each firm listed.

State percentage of award (bid price) to be attained by each SBE firm.

By signing below bidders/proposers represent that this is an accurate list of the SBE firms that are participating in the awarded contract, and that bidder/proposer has undertaken this responsibility in good faith, as documented.

Representative's Signature: _____

Print Representative's Name: _____

Date: _____

VENDOR BASIC INSURANCE REQUIREMENTS
Division of Risk Management and Insurance Services
(213) 241- 3139

BASIC LIMIT REQUIREMENTS

Required are INDEMNIFICATION CLAUSES which agree to indemnify, defend, save and hold harmless to the fullest extent permitted by law the LAUSD its members, officers, directors, agents, representatives, employees and volunteers and the BOARD OF EDUCATION its members, officers, directors, agents, representatives, employees, and volunteers.

Evidence of Insurance is required and Insurance Certificates are required to have a 30-day non-renewal/cancellation notice clause.

Required are NAMED ADDITIONAL INSURED ENDORSEMENTS naming the LOS ANGELES UNIFIED SCHOOL DISTRICT and the BOARD OF EDUCATION OF THE CITY OF LOS ANGELES as Additional Insureds on the liability policies [CGL, CA].

COMMERCIAL GENERAL LIABILITY (CGL)

Includes both bodily injury and property damage
\$1,000,000 per occurrence
\$ 100,000 fire damage
\$ 5,000 med expenses
\$1,000,000 personal & adv. injury
\$3,000,000 general aggregate*
\$3,000,000 products/completed operations aggregate

*\$3,000,000 general aggregate can be waived if the policy is endorsed stating that the \$1,000,000 occurrence applies solely and separately to the LAUSD.

COMMERCIAL [BUSINESS] AUTOMOBILE LIABILITY (CA or BA)

All owned, hired and non-owned autos, if no owned autos only hired and non-owned is required.

\$1,000,000 combined single limit

WORKERS' COMPENSATION (WC)

Part I – Statutory Limits

Part II - \$1,000,000/\$1,000,000/\$1,000,000 Employer's Liability

• SOLE PROPRIETORS WITH NO EMPLOYEES ARE EXEMPT FROM PROVIDING WC COVERAGE, BUT MUST PROVIDE A SIGNED WC WAIVER STATEMENT.

ERRORS & OMISSIONS (E&O)

Professional Liability coverage is required for all professional services and consulting contracts. Contact the Division of Risk Management and Insurance Services (ORMIS) if clarification is required.
- \$1,000,000 per occurrence /\$1,000,000 aggregate

OTHER COVERAGES & HIGHER LIMITS

Dependent upon exposure, pollution liability, medical malpractice, or excess may be required; as may performance and fidelity bonds.

OTHER COMMENTS:

A. Any deductibles or self-insured retentions (SIRs) shall be declared in writing. Deductibles and SIRs above \$25,000 require District approval.

B. Insurance will be placed with a California authorized insurer with an A. M. Best rating of no less than A-, VII; EXCEPT that for WC coverage, the California State Compensation Insurance Fund [non-rated] is acceptable; and on Professional Liability [E&O] the rating maybe relaxed per the approval of ORMIS.

C. Waivers of insurance requirements require the approval of ORMIS.