



**TITLE:** Low-Dollar Value Professional Services Contracts

**NUMBER:** REF-918

**ISSUER:** Michael A. Eugene, Business Manager  
Business Services Division

**DATE:** May 3, 2004

**ROUTING**  
Fiscal Services Managers  
Local District Business Managers  
Local District School Support Directors  
Local District Superintendents  
Purchasing Services Coordinators  
School Administrative Assistants

**PURPOSE:** The purpose of this Reference Guide is to instruct schools and offices on procedures for processing low-dollar value purchase orders for professional services.

**MAJOR CHANGES:** Effective May 3, 2004, schools and offices are no longer required to submit to Procurement Services Group, Contract Administration Branch, requests for Professional Service Contracts not exceeding \$5,000. Due to the high volume of such requests, schools and offices can now use the Professional Services Decentralized Purchase Order (PD CS) to procure low-dollar value professional services. The PD CS is a decentralized purchasing process that allows schools and offices to procure professional services directly from contractors. There is a maximum \$5,000 dollar limit on orders for Professional Services using the PD CS; there is no minimum dollar limit. These purchases are subject to District procurement policy, which recommends obtaining two (2) telephone quotes. Orders for professional services valued at over \$5,000 must continue to be processed via the Contract Administration Branch.

**INSTRUCTIONS:** I. AUTHORIZED USES

A PD CS may be used to procure professional services such as those listed below.

- After-School, School Reform, and School Support Services, including test preparation, science/math/literacy activities
- Business/Financial Services, including court reporting, transcription, and administrative hearing officers
- Enrichment Services, Academic and Cultural Activities, including student assemblies/workshops, performing arts (music and dance performances), playwrights, fine arts, book reading, and motivational speakers for students.
- Evaluation and Grant Preparation Services
- Facilities/Environmental Services
- Health and Human Services, including physical and psychological exams for employees. Prior written approval from Student Health and Human Services may be required for services rendered to students. Please contact John DiCecco via email at [john.dicecco@lausd.net](mailto:john.dicecco@lausd.net) or via School Mail at Integrated Student Health Partnerships 333. S. Beaudry Ave., 18<sup>th</sup> Floor.



- Professional Development and Trainer Services
- Technology Services. Technology services for maintenance of site servers may be ordered by schools and offices. For any other technology services, prior written approval by Information Technology Division is required. Please contact Dr. Julie Crum via email at [julie.crum@lausd.net](mailto:julie.crum@lausd.net) or via School Mail at 333 S. Beaudry Ave., 10<sup>th</sup> Floor.

## II. UNAUTHORIZED USES

A PD CS MAY NOT be used to order/pay for:

- Professional Services valued at over \$5,000. Instead, use an online requisition (RX) and complete Form CS001 for submittal to Contract Administration Branch. (See BUL-426, “Professional Services Contracting Policies,” dated November 3, 2003.)
- Services under a Master Services Agreement. Instead, use an online requisition (RX) and complete Form CS015, if applicable, for submittal to the Contract Administration Branch. (See REF-427, “Enrichment Services – Master Services Agreements” and REF-428, “Professional Services - Master Services Agreements,” both dated November 3, 2003.)
- Textbooks or library books. Instead, use the PD BPO process. (See REF C-5, “Book Purchase Orders” and REF C-23, “Commodity Code Usage,” both dated May 9, 2003.)
- Muralist services. Instead, use an online requisition (RX) and complete Form CS001 for submittal to Contract Administration Branch. (See BUL-426.) Approval from your Local District Facilities Complex Project Manager is required.
- Alterations and Improvements (A&I) projects. (Contact your Local District Facilities Complex Project Manager.)
- Any order that does not fit into the categories in Section I, above (e.g., no-cost agreements, memoranda of understanding, reimbursement agreements, etc.). Such orders must be processed through the Contract Administration Branch using Form CS001. (See BUL-426.)

## III. ORDERING SERVICES USING THE PD CS

### A. Selecting a Contractor

1. It is recommended that at least two (2) contractors are contacted to provide a telephone quote for the desired professional services. Document the quotes obtained using the Note Pad table (NOTE) available for IFS or on a separate piece of paper (IFS Menu Driven/School Screen Users). Quote documentation should include the following: vendor name, contact person, phone number, description of services and total dollar value. Print NOTE screen and retain on file at the school/office site so that it is available in case of audit.



## LOS ANGELES UNIFIED SCHOOL DISTRICT REFERENCE GUIDE

---

2. Request the date(s), time and location where services are to be performed.
3. Notify contractor that payments will be processed within 45 days from approval of invoice.
4. Ensure selected contractor has a Los Angeles Unified School District Vendor Identification Number. To obtain a Vendor Identification Number, contact the Vendor Services Unit at (213) 241-3115.

### B. IFS Online Procedures for Schools and Offices

1. Enter transaction into IFS as follows:
  - Schools:
    - Transaction entry should read: PD AREA CSn#
    - PD Area - where PD is the transaction type and Area is your school 3-character area code
    - CSn# - where *n* represents the letter of each Local District (e.g., CS A#=Local District A), and where # is the special character for the automatic numbering feature of IFS.
  - Offices:
    - Transaction entry should read: PD AREA CSX#
    - PD Area - where PD is the transaction type and Area is your office 3-character area code
    - CSX# - where # is the special character for the automatic numbering feature of IFS.
2. Enter the Vendor Identification Number assigned to the contractor in the Vendor Code field.
3. Indicate "BILL TO" as Accounts Payable (AP). District policy requires all invoices be mailed directly to Accounts Payable Branch.
4. Enter the appropriate funding line and amount of the services. See Attachment A for the list of object codes to be used for professional services.
5. Use appropriate commodity codes for each line item. See Attachment A for list of approved commodity codes.
6. Enter the contract amount as the Quantity. Enter the Unit Cost as 1.00.
7. Approve the transaction for Offline Processing.
  - For contracts valued at \$1,000 or less, the PD CS transaction requires one level of approval. The site administrator is authorized to APPROVE (PEND1) PD CS transactions in IFS. The transaction will not be approved if commodity code(s) and/or object code(s) used are not listed in Attachment A.



- Contracts valued at over \$1,000 to \$5,000 require two levels of approval. The site administrator approves the PD CS transaction to place it in a PEND2 status. The Purchasing Services Coordinator (schools and Local Districts) and the Contract Administration Branch (offices) are authorized to APPROVE (PEND2) PD CS transactions in IFS. The transaction will not be approved if commodity code(s) and/or object code(s) used are not listed in Attachment A.

C. Procedures for IFS Menu Driven (School) Screen users (offices, Adult Schools and Early Education sites)

1. Follow steps 1 through 4 in Section B, above.
2. Fax a screen print of the PD CS transaction awaiting processing along with the quote documentation to the Local District PSC (schools and Local Districts) or to the Contract Administration Branch (offices). The PSC or Contract Administration Branch will schedule the PD on School Screens and perform the approval process on EZ Doc.
3. Keep a copy of the screen print and quote documentation on file at the school/office site so that it is available in case of audit.

IV. PRINTING AND DISTRIBUTING THE PURCHASE ORDER

- A. Sites that have the ability to print Purchase Orders may print a hard copy Purchase Order after it has been accepted in IFS. Sites without printing capability will receive a hardcopy from Job Cost Accounting.
- B. Have the site administrator sign the Vendor copy of the Purchase Order. Retain a copy of the signed Purchase Order for your records.
- C. Send the signed Vendor copy of the Purchase Order and copy of the Tips to Vendors to Expedite the Invoice Review and Payment Process, Attachment B, to the contractor either by U.S. mail or special overnight mailing service.

V. ACCEPTANCE OF SERVICES

Since a PD CS represents an agreement between a school or office and a specific contractor, the school/office is responsible for all arrangements for the contractor's performance. However, very specific terms and conditions may be required for certain specialized services, such as complex information technology services, and certain health-related services.

The contractor is obligated to perform the services according to the terms specified on the quotation. Therefore, it is important to ensure the quotation includes any specific arrangements to which the contractor has agreed. **District policy prohibits services from being performed prior to the Purchase Order authorization.**



After the contractor performs to the school/office's satisfaction, the responsible administrator acknowledges receipt of the services and completes the online Receiver (RC) via the IFS system. After completion of the receiver process, the Accounts Payable Branch matches the receiver (RC) to contractor invoices. Schools/offices should keep a copy of the PD CS stapled to a copy of the contractor's invoice (if available).

## VI. PURCHASE ORDER MODIFICATION AND CANCELLATION

### A. Modification of a Purchase Order

Purchase Orders can be modified anytime prior to acceptance of the services. Please note: Purchase Orders MAY NOT be modified to amounts greater than \$5,000. Instead, a new Purchase Order must be generated. **NOTE: Splitting contracts to avoid exceeding \$5,000 is strictly prohibited and will be closely monitored.**

### B. When Services May Be Cancelled

Orders placed with a contractor may be cancelled at any time prior to performance of services by mutual agreement between the school/office and the contractor.

Orders for services not provided by the promised date(s) may be unilaterally cancelled by the school/office on grounds that terms of the contract (PD CS) have not been met.

### C. Procedure for Canceling Orders

Notice of cancellation should be given orally to the contractor and confirmed in writing to the contractor.

Schools and offices are responsible for canceling their PD CS transactions in the IFS system.

When a partial cancellation is made, annotate the Report of Goods Received/ blue copy of the PD CS to indicate the quantities and/or dollar amount cancelled and received. The phrase "Consider Order Complete" should be visible on the form. The annotated copy must be sent to the Accounts Payable Branch. Accounts Payable will make payment for services received and cancel the encumbrance of funds for services cancelled.

## VII. PAYMENT FOR SERVICES RENDERED

Accounts Payable can process payment with the following three items: Purchase Order, contractor invoice, and an online receiver.

- A. Purchase Order – A purchase order is generated when a PD CS transaction is successfully entered into IFS by the ordering location.



- B. Invoice – Contractors are required to send invoices directly to the Accounts Payable Branch. Contractor invoice information is entered into IFS by Accounts Payable staff. Attached is the Tips to Vendors to Expedite the Invoice Review and Payment Process for the Contractor’s reference to insure payments are processed within specified timeframe. (See Attachment B.)
- C. Online Receiver – Schools/Offices submit receivers to Accounts Payable by entering a Receiver (RC) transaction via IFS to verify that services have been received and to authorize payment.

Payment is processed when all three items above are matched in IFS. A report will be available in DSS for locations to view each week listing open invoices that have not been processed for payment.

**NO PAYMENT MAY BE MADE UNTIL THE ONLINE RECEIVER (RC) IS ENTERED IN IFS AND MATCHED BY THE ACCOUNTS PAYABLE BRANCH.**

#### VIII. AUDIT AND INTERNAL CONTROLS

All transactions are subject to audit by the Office of the Inspector General and should therefore follow all District policies and procedures listed in this Reference Guide and in all other referenced District Memoranda, Bulletins and Reference Guides. Care must be taken by all schools and offices to maintain files to support the receipt and acceptance of services obtained through this PD CS process.

**RELATED RESOURCES:**

Attachment A: Commodity Codes and Object Codes for Low-Dollar Value Professional Services Transactions Using PD CS.

Attachment B: Tips to Vendors to Expedite the Invoice Review and Payment Process.

For information regarding professional services contract policies, refer to Bulletin No. BUL-426. For general IFS processing instructions for the new PD CS, please refer to the IFS GUI PD and IFS EZ Doc PD User Manuals.

**ASSISTANCE:**

For assistance with the appropriate process for acquiring professional services, call your Local District Purchasing Services Coordinator (schools) or Contract Administration Branch Help Desk (offices) at (213) 241-3089 or send an email to [psg-contracts@lausd.k12.ca.us](mailto:psg-contracts@lausd.k12.ca.us). For assistance with IFS online ordering or receiving, call the ITD Help Desk at (323) 224-2277. For assistance with contract payments, contact Accounts Payable Branch Customer Service Unit at (888) 241-2726. For vendor identification number assistance, contact the Vendor Services Unit at (213) 241-3115.



LOS ANGELES UNIFIED SCHOOL DISTRICT  
REFERENCE GUIDE

---

Attachment A

COMMODITY CODES  
FOR LOW-DOLLAR VALUE ( $\leq$  \$5,000)  
PROFESSIONAL SERVICES TRANSACTIONS USING PD CS

COMMODITY CODE	DESCRIPTION
9625829001	AFTER SCHOOL, SCHOOL REFORM, AND SCHOOL SUPPORT SERVICES
9625829002	BUSINESS/LEGAL, COURT REPORTING & HEARING OFFICER SERVICES
9625829003	ENRICHMENT SERVICES, ACADEMIC AND CULTURAL
9625829004	EVALUATION AND GRANT PREPARATION SERVICES
9625829005	FACILITIES/ENVIRONMENTAL, INCLUDING MURALS
9625829006	HEALTH & HUMAN SERVICES, INCLUDING PHYS. & PSYCH. EXAMS
9625829007	PROFESSIONAL DEVELOPMENT AND TRAINER SERVICES
9625829008	TECHNOLOGY SERVICES, TROUBLESHOOTING & WEBSITE ASSISTANCE

OBJECT CODES  
FOR LOW-DOLLAR VALUE ( $\leq$  \$5,000)  
PROFESSIONAL SERVICES TRANSACTIONS USING PD CS

OBJECT CODE	DESCRIPTION
5110	PERS SVC CONTRACTS-G.P.-INSTR
5140	PERS SVC CONTRACTS-EL-INSTR
5150	PERS SVC CONTRACTS-SEC-INSTR
5801	PERS SVC CONTRACTS-NONINSTR
5802	OTHER NONINSTRUCTION CONTRACTS



## LOS ANGELES UNIFIED SCHOOL DISTRICT REFERENCE GUIDE

---

### Attachment B

#### TIPS TO VENDORS TO EXPEDITE THE INVOICE REVIEW AND PAYMENT PROCESS

To expedite the reviewing process for payment processing, contractor's invoice should include the following information:

- Invoice date
- Payee (same as contractor on Purchase Order)
- Address and/or remittance address (same as Purchase Order)
- Invoice number, preferably 8 digits or less. If your invoice number is greater than 8 digits, please inform Accounts Payable which numbers should be included as the 8 digit number. (This invoice number will show on check stub and will facilitate contractor's cash application process.)
- Purchase Order Reference number
- Date(s) of services rendered
- If project, description of phase completed as stated on Purchase Order
- Quantity or number of hours associated with the services
- Unit Price
- Total amount due
- If applicable, deduct from amount due any retention per contract
- Mail one original invoice to:

Los Angeles Unified School District  
Accounts Payable Branch  
333 South Beaudry Avenue, 27th Floor  
Los Angeles, CA 90017