



**REVIEW OF PURCHASING  
PROCEDURES  
2019-2020**

# Board Policy – CH (Local)

- “Persons making unauthorized purchases shall assume full responsibility for all such debts.”
- “All purchase commitments shall be made by the Superintendent or designee on a properly drawn and issued purchase order, in accordance with administrative procedures.”

# Purchase Order Required

- Purchase Orders must be printed **before** placing an order and/or receiving items/services.
- Corrective Action Forms (“CAF” - <https://4.files.edl.io/42d9/07/22/19/135155-4761c9c6-5cf4-4b6b-841e-073e9ffe46bf.pdf>) will be required for non-compliance with CH Local/Legal if:
  - PO was not in place *before* placing an order and/or receiving items/services
  - a Change Request on a Purchase Order if
    - adding items or
    - increasing quantity of items on Purchase Order
    - Changing vendor to a non-awarded vendor
- Do not approve requisitions on behalf of Principal/Administrator
- Do not share passwords, nor accept someone giving you their password to approve on their behalf.

# Corrective Action Form ("CAF")

Purchasing Corrective Action Form	
Date: _____	Requisition No. _____
Employee Name: _____	Supervisor Name: _____
<b>CH (LOCAL) POLICY</b> <b>RESPONSIBILITY FOR DEBTS:</b> The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with the adopted budget, state law, Board policy, and the District's purchasing procedures. [See CE] The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.  <b>PURCHASE COMMITMENTS:</b> All purchase commitments shall be made by the Superintendent or designee in accordance with administrative procedures, including the District's purchasing procedures.	<b>CORRECTIVE ACTION</b> A purchase for goods or services cannot be made using District funds without prior approval from Purchasing Services in the form of an approved Purchase Order form with an approval signature from Purchasing Services. The Assistant Superintendent for Business Operations or Designee must approve any exceptions to this practice prior to committing any District funds.
Describe Reason For Non-Compliance with Board Policy: _____ _____	
Describe "Corrective Action" (future steps that will be taken to ensure compliance with Board Policies): _____ _____ _____	
Note: Staff member may be held financially liable for future purchase(s) if prior approval from Purchasing Services in the form of an approved Purchase Order is not obtained. <i>This form must be attached to requisition.</i>	
Employee Signature _____	Date _____
Supervisor Signature _____	Date _____
Rev. 8/18	

# Awarded Vendors

- Listed on Purchasing webpage
  - “Awarded Vendors by Category”
    - “Tabulations” (Bids)
    - “Awarded Vendors (RFP)
- Newsletter– informs staff about upcoming solicitations, processes, etc.

# Purchasing Thresholds

- Less than \$10,000 – **1 quote required.** Use awarded vendor (RFPs), Co-Op vendor, or Primary vendor (bids). *If you are not using the Primary vendor, you may use the Secondary or Qualified vendor and provide justification. Submit the Quote Form and include justification. In the event that none of the awarded vendors can be used, a justification must be provided.*
- \$10,000 - \$49,999.99 – **3 quotes required and Quotation Form.** Use awarded vendors (RFPs), Co-Op vendors, or Primary vendor (bids). *If you are not using the Primary (bids) vendor, you may use the Secondary or Qualified vendor and provide justification. Submit the Quote Form and include justification.*
- \$50,000+ in District annual aggregate – require competitive procurement (solicitations) and Board approval, unless using Co-Op.

# DEE (LOCAL)

## COMPENSATION AND BENEFITS: EXPENSE REIMBURSEMENT

- Prior Approval Required by Department Director/Campus Principal
  - “An employee shall be reimbursed for reasonable, allowable expenses incurred in carrying out District business only with the prior approval of the employee's supervisor and in accordance with administrative regulations.”
- Documentation Required
  - “For any allowable expense incurred, the employee shall submit a statement, with receipts to the extent feasible, documenting actual expenses.
  - Attach “**Reimbursement Approval Form**” to requisition (<https://4.files.edl.io/a7ee/08/29/18/201546-ec703314-271e-4918-bccc-918425dbb73e.pdf>)
- **PO must be in place *prior* to making any purchases/services**

# DEE (LOCAL)

## COMPENSATION AND BENEFITS: EXPENSE REIMBURSEMENT (CONT'D)



### Reimbursement Approval Form

#### DEE (LOCAL) - COMPENSATION AND BENEFITS: EXPENSE REIMBURSEMENT

##### Prior Approval Required

An employee shall be reimbursed for reasonable, allowable expenses incurred in carrying out District business only with the prior approval of the employee's supervisor and in accordance with administrative regulations.

##### Documentation Required

For any allowable expense incurred, the employee shall submit a statement, with receipts to the extent feasible, documenting actual expenses.

As per Board policy DEE (Local), \_\_\_\_\_ has been authorized to be reimbursed for the following purchases:

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\_\_\_\_\_  
Supervisor's Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor's Signature

\*Please note – This form does not substitute a Corrective Action Form, in the event that prior authorization for a purchase was not secured.



# Catalog Bids

- Awarded on a Primary, Secondary, or Qualified Vendor basis for a category of goods/services
- Primary Vendor was evaluated to provide the best overall pricing
- Secondary and Qualified Vendors used for comparing pricing through quotes
- If Primary can't meet the needs, purchase from Secondary or Qualified; provide justification

# Obtaining Quotes

- Quotes are required for all purchase orders (excluding meals, gas, mileage) to ensure: vendors are consistent with bid awards; pricing is competitive; and we are being fiscally responsible
- Contact **at least** 3 vendors if purchase is \$10,000+.
- When requesting quotes,
  - email awarded vendors and provide them the specification and quantities:
    - Brand Use “or equal”
    - Model #
    - Description
  - Give them a deadline to submit
  - Request itemized quotes
- Submit Quote Form with the following:
  - Itemize items
  - Recommended vendor
  - Include justifications, if you are not selecting lowest priced-quote and/or primary or secondary
  - Obtain signature approvals
- Upload and attach the following to the requisition on SunGard
  - documentation from vendors (quotes, confirmation, invoice, etc.)
  - Quote Form
- When using a Co-Op’s, vendor must provide the following on the quote(s):
  - Co-Op pricing
  - Co-Op contract number for all items on quote
  - Attach Co-Op contract to requisition

# Sole Source Exception

1. an item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
2. a film, manuscript, or book;
3. a utility service, including electricity, gas, or water; and
4. a captive replacement part or component for equipment.

*To be a bona fide exemption to the Texas Education Code District purchasing law requirements, there must be **no other like items** available for purchase **that would serve the same purpose or function**, and only one price for the product because of exclusive distribution or marketing rights. **The fact that a particular item is covered by a patent or copyright is but one factor** in determining if the purchase falls under the sole source exemption to the purchase requirements. § 44.031 (j)(1), TEC*

## **Steps for Sole Source approval:**

1. Complete the Request for Sole Source Form (“RSSF”), and submit it along with the Sole Source letter (sample on website) to Purchasing Director for review  
(<https://l.cdn.edl.io/5Zho1xxAIdQkN00wMImQhA0YAMwgopo0sUGhWEkyu76fBbbT.pdf>)
2. If RSSF is approved, proceed with requisition.
3. If RSSF is denied, you must use awarded vendors or purchase through open market if the commodity is under \$50k and there are no bids awarded for this good/service. Thresholds for quotes must be followed.

# Request For Sole Source Form



## REQUEST FOR SOLE SOURCE PURCHASE

Complete and submit this form to request approval prior to submitting a requisition for a noncompetitive, sole-source proposal. Limit one proposal per form\*.

### Description of Request

Describe the items/services being purchased: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

List a minimum of three (3) vendor names who have been contacted for these goods/services. Include phone numbers, and state the reason why they do not meet the department's needs.

*Attach all written communication/documentation/quotes.*

Vendor	Phone number	Reason
1.		
2.		
3.		
4.		
5.		

Provide a reason that this purchase is noncompetitive and/or sole-source. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Department requesting: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Director/Campus Principal Signature: \_\_\_\_\_

Approved: _____ Denied: _____		<i>For Purchasing Use</i>	
Purchasing Services Authorized Signature _____		Date _____	

\*Completion and submission of this form satisfies the requirement in 2 CFR 200.320(f) for Federal Purchases



# Open Market Purchases

- Purchase orders for goods or services where the annual **District** aggregate does not exceed \$50,000 may be purchased through open market
- Purchasing Department monitors expenditure levels on each commodity (NOT total for vendor)
- Reasons for purchasing through Open Market:
  - Travel (meals, mileage, gas, hotels etc.)
  - Services or items not available through an awarded vendor (solicitation or Co-Op)

# Blanket Purchase Orders

- \$500 maximum (exceptions for certain circumstances)
- Contact Director of Purchasing if you need a larger amount approved.
- Maximum is six months
  - Exception: copiers, leases, etc. – stay open until end of fiscal year or end of contract term, whichever occurs first.
  - Exception: HEB – maximum is one month since statements are received monthly.
- Vendors approved for Blanket POs:
  - HEB
  - Suppliers for FMO, Transportation, and Child Nutrition Departments, CTE

# Cooperative Purchasing

[https://www.mcallenisd.org/apps/pages/index.jsp?uREC\\_ID=1097282&type=d&pREC\\_ID=1397334](https://www.mcallenisd.org/apps/pages/index.jsp?uREC_ID=1097282&type=d&pREC_ID=1397334)

 <b>2020-001</b>	 <b>2020-002</b>	 <b>2020-003</b>
 <b>2020-004</b>	 <b>2020-005</b>	 <b>2020-007</b>
 <b>2020-009</b>	 <b>2020-010</b>	 <b>Region One Purchasing Co-op</b> <b>2020-011</b>
 <b>2020-012</b>	 <b>2020-013</b>	 <b>2020-014</b>
 <b>2020-015</b>	 <b>Allied States Cooperative</b> <b>2020-021</b>	 <b>Library Services &amp; Media Co-op</b> <b>2020-022</b>
 <b>Child Nutrition Program-South Texas Cooperative (CNP-STC)</b> <b>2020-006</b>		

# Separate, Sequential, or Component Purchases

- The following types of purchases are illegal (TEC §44.032):
  - "Component purchases" - purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.
  - "Separate purchases" - purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.
  - "Sequential purchases" - purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase.
- Violation of this provision is a Class B misdemeanor and an offense involving moral turpitude
- Conviction shall result in dismissal from employment.



# Line Item Descriptions

- Be specific (What are we buying?)
  - Consultant services - Date of event, Topic, Audience, Location
  - General items - Include item numbers followed by the description of the item being purchased
  - Line I – Name of project
- Include pertinent information such as Board approval date, if known
- If reimbursing an employee, state where items were purchased even if purchased at different locations.

# Attachments Required

- Valid quote (quote valid only for 30 days unless otherwise specified)
- Bid Tabulation when using a Vendor on Bid
- Copy of Awarded Vendor List when using a Vendor on a Solicitation
- PDF current version of SAMs when using a Federal funds (<https://sam.gov/SAM/>)
- Quote form (itemized) when requisition is over \$10,000, and/or when needing a comparison quote (i.e. using secondary or qualified vendor instead of primary).
- Approval emails (i.e. blankets over \$500)
- When using a Student Activity account, attach minutes of meeting, signatures of students who attended the meeting, and check request form.
- “Cleared” Waiver for Criminal History/Insurance clearance, if needed
- Corrective Action Form, if needed
- Reimbursement Approval Form, if needed

# Things To Remember

- When using Enterprise, use link on RapidIdentity and make sure that our billing number is shown on the reservation.
- Attach tabulations/AVL/quotes/Quote Form to requisitions.
- Attach SAMs to all Federal fund purchases
- 48 hrs are needed to approve Requisitions (please plan accordingly)
- Amazon needs to be approved and processed 7 days from when cart is created.
- When submitting a change request, make sure form is completely filled out and signed by supervisor.
- Meals: When eating within in the District, you must use an Awarded Vendor.
- Make sure to give both pages of PO to Vendor.

# Purchase Order Path

1. Verify that the Vendor you are using is an awarded vendor  
([www.mcallenisd.org/apps/pages/index.jsp?uREC\\_ID=1097282&type=d&pREC\\_ID=1406975](http://www.mcallenisd.org/apps/pages/index.jsp?uREC_ID=1097282&type=d&pREC_ID=1406975))
2. Request quote(s)
3. Is Criminal Background check cleared?
4. If vendor requires District to sign their quote/ Terms & Conditions (T&Cs), send them to Director of Purchasing for legal review. Will they accept a PO as a contract ?
5. Once T&Cs are approved/contract in place, clerk/bookkeeper enters the requisition is and uploads backup information (see next slide)
  - a. quotes,
  - b. Quote Form,
  - c. contract/signed,
  - d. email backup, etc.
  - e. SB9 clearance
  - f. when attaching documentation, use requisition number as description (i.e. R1912345-Quote)
6. Administrator (end-user) approves workflow
7. PO Clerk reviews and approves workflow
8. Final Approver (Purchasing Director/Buyer) reviews and approves workflow
9. PO is printed
10. End user places order with vendor
11. Items delivered or picked up (HP, FA, textbooks shipped to Whse)
12. Invoice received
13. Clerk processes PO for payment
14. Accounting pays vendor
15. Checks cut every two weeks on a schedule

# Requisition Requirements

- **Quotes**

- Open market allowed IF commodity has not reached \$50k in a fiscal year. Use as last resort.
  - Co-op:
    - award letter and/or contract term from co-op website printed within 30 days
    - quote must reflect co-op contract #
  - Bid/RFP:
    - Bid Tab/awarded vendor list should be attached with pricing if using bid tab
    - Must include justification if not using Primary.
  - Contract:
    - Current/updated agreement needs to be attached
  - Services/construction/coming on property:
    - entire email for Background clearance must be attached (NOT the form)
    - Insurance certificate with current expiration dates must be attached
  - **Verify vendor name**
    - Vendor name should match on quote and requisition and all other related attachments
  - **Verify totals**
    - total on requisition should match total on attachments (quote, etc.)
  - **Verify quote**
    - Check if quote has specific vendor terms, send to Purchasing *before* entering requisition (may need District contract)
    - Check if quote requires signature, send to Purchasing *before* entering requisition.
  - If over \$10k:
    - quotes required
    - quote form required
  - Services over \$25k require an agreement. Send to Purchasing *before* entering requisition.
- **Purchases that connect to the District network must have “T3” on duty code.**
  - **EACH line item must be descriptive (no abbreviations and/or acronyms).**
  - **IF correct backup documentation is attached on the requisition, you can expect a PO in two (2) business days from the moment our department receives it.**

**Note: The list is not all-inclusive.**

# Emergency Exception To Procurement

- “Contracts for repair or replacement if school equipment, a facility, a part of a school facility or personal property is destroyed, severely damaged, or as a result of an unforeseen catastrophe undergoes major operational or structural failure.”
- “Board must determine that the delay posed by competitive procurement **would substantially prevent or substantially impair the conduct of classes or other school activities**”

Tex. Ed. Code § 44.031(h); 44.0312

# Senate Bill 9

- Criminal Background Check
- In September 2007, Senate Bill 9 went into effect, codified as Section 22.0834 of the Texas Education Code.
- Affects both employees of districts and contractors of districts

Three Questions to Determine Whether a Criminal Background Check is Required:

- Is there a direct contractual relationship?
    - Subcontractors are exempt
  - Are the duties to be performed by the contractor continuing in nature?
    - More than one day
  - Will the contractor be at a location where there are students?
- Waiver for Criminal History must be completed by contractor and submitted to [purchasing.staff@mcallenisd.net](mailto:purchasing.staff@mcallenisd.net), for approval (<https://4.files.edl.io/a7ec/08/29/19/141546-9badcb6e-38a7-4e1f-8949-763408996969.pdf>)

# Conflict Of Interest

- Disclose to your immediate supervisor a personal financial interest, a business interest, or any other obligation or relationship that in any way creates a potential conflict of interest.
  - Relatives working for a vendor that you deal with regularly
  - Buying from a company you have a financial interest in
- An employee shall disclose in writing to his or her immediate supervisor any outside employment that in any way creates a potential conflict of interest.
- <https://4.files.edl.io/ed2e/09/04/19/182951-1a528ab6-a6f0-4a22-b8ca-53f2769dbcbc.pdf>



# Delinquent Taxpayer Vendors

In accordance with law, the District shall not enter into a contract or other transaction with a person indebted to the District, nor shall the District award a contract to or enter into a transaction with an apparent low bidder or successful proposer indebted to the District.

# Ethics

- Avoid conflict of interest situations:
  - Accepting gifts, money, going out to lunch with vendors, etc.
  - preferential treatment of vendors
- Do not offer unfair advantage to any one vendor.
- Do not use your position to secure gifts, discounts or special treatment from vendors.
- Do not use restrictive specifications that inhibit competition.
- Do not disclose a competitor's price.
- If a vendor is allowed to re-price then all vendors should have a chance to re-price through a best and final offer.
- An employee shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee's discharge of assigned duties and responsibilities.
- District employees shall not be permitted to purchase supplies or equipment for personal use through the District's business office.

# Change Requests

1. Print PO status Inquiry Report (PO00130).
2. Add legible changes.
3. Add supervisor name for signature/obtain supervisor's signature.
4. Print Budget Report by Fund (GL00020) to ensure they have sufficient funds when doing a change request.
5. Send PO00130 and GL00020 in one attachment to your PO Clerk.

# Texas Education Code

## §44.031

- Competitive Procurement includes:
  - Competitive bidding for goods and services other than construction services (bids);
  - Competitive sealed proposals (CSP) for goods and services other than construction services;
  - Request for proposals (RFP) for services other than construction services;
  - Interlocal contract;
  - A method provided by Chapter 2269, Government Code, for construction services;
    - Competitive Bidding (defined project)
    - Competitive Sealed Proposals (defined project)
    - Construction Manager at Risk (defined project)
    - Design-Build (defined project)
    - Job Order Contracting or Coop (projects not yet defined; to be determined/assigned later)
    - Construction Manager-Agent (defined project(s) or program)Reverse auction procedure (real time internet bids)

*44.031(f) exempts architects, attorneys, certified public accountants, engineers, or fiscal agents*

# Evaluation Criteria

“Except as provided by this subchapter,” the District shall consider:

- 1) the purchase price;
- 2) the reputation of the vendor and of the vendor’s goods or services;
- 3) the quality of the vendor’s goods or services;
- 4) the extent to which the goods or services meet the district’s needs;
- 5) the vendor’s past relationship with the district;
- 6) the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses;
- 7) the total long-term cost to the district to acquire the vendor’s goods or services;
- 8) bidder/proposer’s in-state residency; and
- 9) any other relevant factor listed in the bid/proposal request.

Tex. Ed. Code 44.031(b)

# Specifications/Scope of Work

- Specification (“Specs”) - any type of description that characterizes the item desired..
- Purchasing has the responsibility for the competitiveness
- Department/end-user initiates/prepares specs (expertise related to exact needs )
- Joint effort
- Common delays - incomplete presentation of specifications
- **Tips to Developing Specifications:**
  - Include a brief description of the commodity and its end use.
  - Describe the commodity fully or reference an approved brand name (check with Purchasing).
  - Description of the item should be written without the use of confusing abbreviations or acronyms.
  - List all standards used and referenced within the specification such as American National Standards Institute (ANSI), State of California specifications, etc.
  - Specify dimensions, class or type, color, size, material, quality level, etc. including functional or performance characteristics.
  - Define supplier deliverables and the District’s responsibilities (if any).
- **Specification Checklist**
  - Size - dimensions, weight, volume, shape, etc.
  - Composition – material (plastic, aluminum, steel, etc.), chemical formulation, strength, color, finish, weight
  - Estimated requirements – quantity/packaging (52 packages per carton; 12 bottles per case)
  - make, model and part number, if known (to be used for “or equal”). Avoid unnecessary features.
  - Drawings or photographs, when useful;
  - Purpose - briefly describe intended use. (i.e. bearings for a XYZ 60hp motor, Model 123A). Mention significant factors (24-hour, 7-day per week usage)
  - Performance – electrical, mechanical, chemical, etc.
  - Contractor submittal requirements;
  - Appropriate reference specifications, codes and standards;
  - Execution and installation requirements.
  - Quality Assurance – state conditions under which commodity will be inspected/tested.
  - Delivery requirements –shipped /delivered, installation, start-up
  - Warranties –type of warranty required
  - Execution/installation requirements;
  - Other special terms and conditions

# Payment and Performance Bonds

- Payment Bond
  - Required if project is over \$25,000
- Performance Bond
  - Required if project is over \$100,000

# Length of Time To Pay

- Texas Government Code Chapter 225I, Payment for Goods and Services, dictates when a penalty can be assessed for late payment.
  - Include a statement that the district is on a Net 30 payment basis after receipt or goods/services or invoice, whichever **occurs last!**
  - Interest on late fees must Code Chapter be in accordance with Texas Government 225I.025, currently 1% plus prime rate.
- Invoices need to be submitted to Accounting ASAP



# Contracts

- Contract required for services \$25k+
  - insurance requirements
    - Workers Compensation
    - Builders Risk (construction)
    - Employers Liability
    - Owners Protective Liability (construction)
    - Umbrella Liability (Construction)
    - Professional Liability IM
    - Commercial General – IM
    - Auto Liability (\$IM combined, single limit)
    - District named as additional insured
- **All** Professional and Contracted services (62xx) using federal funds (2xx-4xx) for **any** amount require a contract (25k+) or Form I (under 25k)

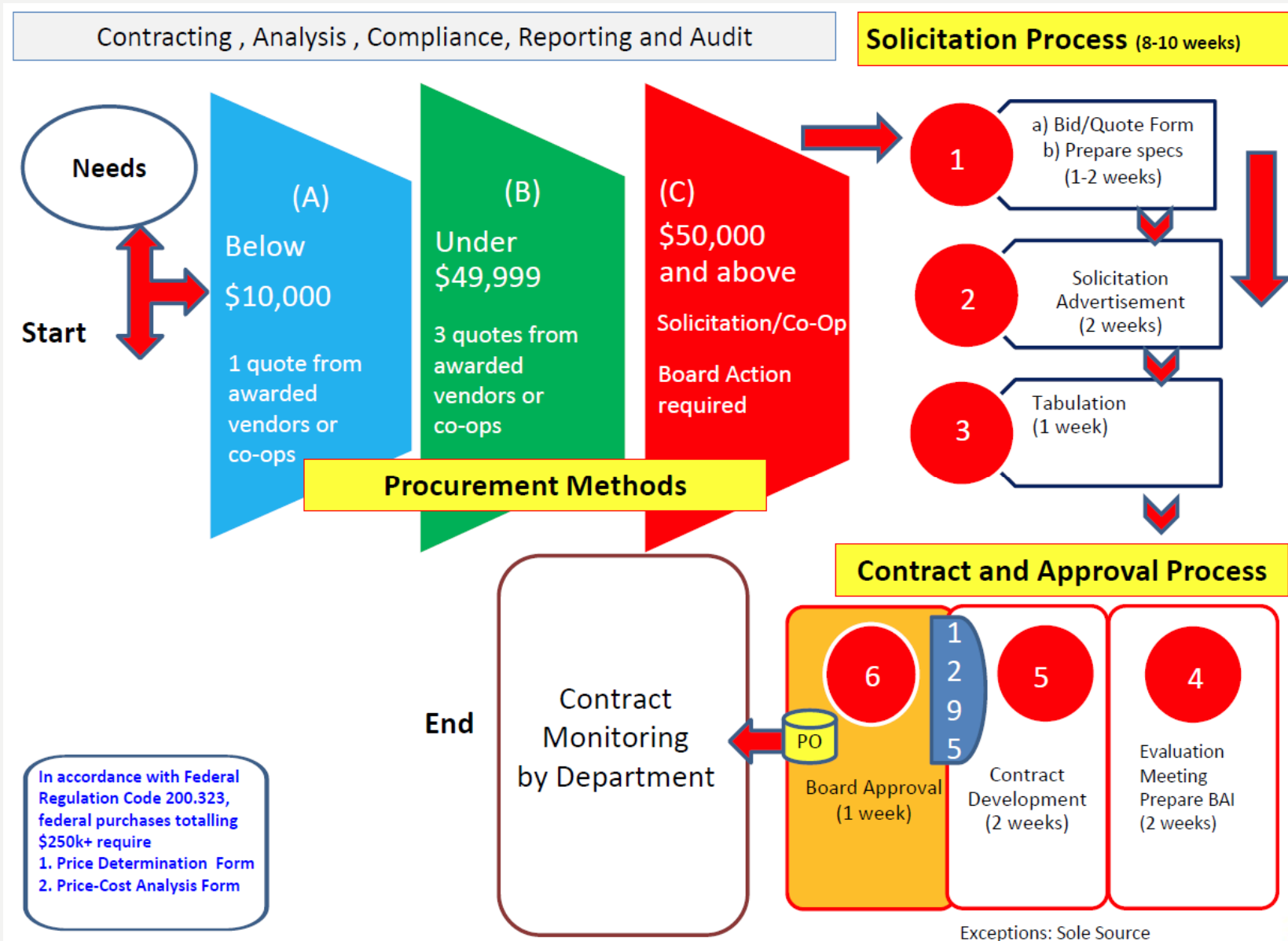
# Bid Calendar

- Reminders sent several months prior to contract expiration dates
- Plan accordingly

# Approval of Contracts

- Contracts, agreements, and MOUs can **ONLY** be signed by:
  - Superintendent
  - Board of Trustees

# PROCESS





**QUESTIONS??**