

Snyder Independent School District

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Purchasing Procedures Manual

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PURCHASING ETHICS

Public purchasing and the expenditure of public funds require that ethical standards be incorporated into every aspect of the District's purchasing functions. Purchasing personnel and school District employees face the difficult task of developing good vendor relations and encouraging vendor competition while avoiding even the appearance of favoritism or other ethical misconduct. In an effort to get the job done successfully and on time, one may be tempted to circumvent policies, procedures, and laws, or make their own liberal "legal" interpretations of existing policies. Such activity, although well intentioned, will cause ethical problems.

In addition to the information provided in this section, please read the following Board Policy and Administrative Regulation:

- Board policy DH (Legal/Local), Employee Standards of Conduct. This policy resides on the District's web site.

The Texas Education Agency's (TEA), *Financial Accountability System Resource Guide – General Ethical Standards and other documents*, prescribes common standards of ethics governing the conduct of employees involved in the purchasing function. These standards are incorporated in the procedures prescribed below.

Sequential Purchases – District employees shall not make purchases, over a period, of items that in normal purchasing practices would be made in one purchase.

Component Purchases – District employees shall not make purchases of the component parts of an item that in normal purchasing practices would be made in one purchase.

Separate Purchases – District employees shall not make purchases separately in order to circumvent board approval of items that in normal purchasing practices would be made in one purchase.

Conflict of Interest – In accordance with Board Policy DBD (LEGAL), an employee who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall not solicit, accept, or agree to accept any benefit from a person the employee knows is interested in or likely to become interested in any such transactions of the District. *Penal Code 36.08(d)*. A conflict of interest is defined as any circumstance that could cast doubt on an employee's ability to act with total objectivity with regard to the District's interest.

Gifts - District employees shall not solicit, accept, or agree to accept any gifts or benefits from a person conducting or intending to conduct business with the District.

Note: The prohibition of accepting gifts does not apply to accepting an unsolicited item

with a value of less than \$50, excluding cash or a negotiable instrument (Penal Code 36.10).

Financial Interest - District employees shall not participate directly or indirectly in procurement when the employee or the employee's family member has a financial interest pertaining to the procurement.

Personal Use - District employees shall not make any commitment to acquire goods or services in the name of the District for personal use or ownership.

Equal Consideration - District employees shall grant all competitive suppliers equal consideration in so far as state or federal laws and District policy permit. This is especially important when evaluating bids and proposals.

Under Texas Education Code § 44.032:

(b) An officer, employee, or agent of a school district commits an offense if the person with criminal negligence makes or authorizes separate, sequential, or component purchases to avoid the requirements of Section 44.031(a) or (b). An offense under this subsection is a Class B misdemeanor and is an offense involving moral turpitude.

(c) An officer, employee, or agent of a school district commits an offense if the person with criminal negligence violates Section 44.031(a) or (b) other than by conduct described by Subsection (b). An offense under this subsection is a Class B misdemeanor and is an offense involving moral turpitude.

(d) An officer or employee of a school district commits an offense if the officer or employee knowingly violates Section 44.031, other than by conduct described by Subsection (b) or (c). An offense under this subsection is a Class C misdemeanor.

(e) The final conviction of a person other than a trustee of a school district for an offense under Subsection (b) or (c) results in the immediate removal from office or employment of that person. A trustee who is convicted of an offense under this section is considered to have committed official misconduct for purposes of Chapter 87, Local Government Code, and is subject to removal as provided by that chapter and Section 24, Article V, Texas Constitution. For four years after the date of the final conviction, the removed person is ineligible to be a candidate for or to be appointed or elected to a public office in this state, is ineligible to be employed by or act as an agent for the state or a political subdivision of the state, and is ineligible to receive any compensation through a contract with the state or a political subdivision of the state. This subsection does not prohibit the payment of retirement benefits to the removed person or the payment of workers' compensation benefits to the removed person for an injury that occurred before the commission of the offense for which the person was removed. This subsection does not make a person ineligible for an office for which the federal or state constitution prescribes exclusive eligibility requirements.

(f) A court may enjoin performance of a contract made in violation of this subchapter. A county attorney, a district attorney, a criminal district attorney, a citizen of the county in which the school district is located, or any interested party may bring an action for an injunction. A party who prevails in an action brought under this subsection is entitled to reasonable attorney's fees as approved by the court.

PURCHASING AUTHORITY

Snyder ISD Board Policy Manual lists the following under CH (LEGAL) and CH (LOCAL):

- The Board may adopt rules and procedures for the acquisition of goods and services. Education Code 44.031(d).
- The Board may delegate its authority regarding an action authorized or required to be taken by the District by Education Code Chapter 44, Subchapter B to a designated person, representative, or committee.
- The Board may not delegate the authority to act regarding an action authorized or required to be taken by the Board by Education Code Chapter 44, Subchapter B.
- Authorized District employees in charge of a department or school budget may purchase items included in their approved budget, in accordance with administrative procedures.
- 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 adopted Board policy and current administrative procedures. 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.**
- All purchase commitments shall be made by the Superintendent or designee on a properly drawn and issued purchase order, in accordance with administrative procedures.

PURCHASING LIMITS

Schools and departments are encouraged to use vendors currently under contract with the District for all procurements. If the District does not have a current contract for the commodity or service needed, the following procedures apply.

For purchases of personal property or services totaling less than \$50,000 in the aggregate for the fiscal year, schools and departments will be allowed to purchase using the Best Value criteria for the individual transaction, with the following guidelines:

- Purchases up to \$500 may be made in the most expeditious manner possible in order to meet the needs of the schools and departments. Although encouraged to utilize vendors within the system, new vendors may be entered as needed.
- For purchases \$501 to \$5,000, schools and departments must include a written quotation with the requisition. All should seek assistance from the Purchasing Department to obtain lists of interested vendors.
- Purchases \$5,001 to \$49,999, three written quotes are required. The requisition will not be processed until written documentation of the quotes is provided. Again, the Purchasing Department maintains lists of vendors who have expressed interest in doing business with the District. All are recommended to seek assistance from the Purchasing Department in obtaining information on potential vendors.
- For any purchases over \$50,000, the Purchasing Department should be contacted so that Best Value practices can be followed in the procurement process. The Purchasing Department can provide lists of potential vendors and identify any potential problems or pitfalls that might occur with the procurement.

Failure to follow these guidelines could result in a delay in processing your request. For assistance in this process, or obtaining quotes, please contact the Purchasing Department at (325)573-5401.

COMPETITIVE PROCUREMENT METHODS

Purchases over \$50,000

Under Texas Education Code 44.031 (a);(b), all contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate, for each 12-month period shall be made by the method, of the following methods, that **provides the best value** for the district. Additionally, purchases that costs or aggregates to a cost of \$50,000 or more require Board approval before a transaction may take place.

1. Competitive bidding;
2. Competitive sealed proposals;
3. A request for proposals, for services other than construction services;
4. An interlocal contract;
5. A design-build contract;
6. A contract to construct, rehabilitate, alter, or repair facilities that involves using a construction manager;
7. A job order contract for the minor construction, repair, rehabilitation, or alteration of a facility;
8. The reverse auction procedure as defined by Section 2155.062 (d), Government Code.
9. The formation of a political subdivision corporation under Section 304.001, Local Government Code.

EXCEPTIONS TO COMPETITIVE PROCUREMENT REQUIREMENTS

Professional and Consulting Services

Under Texas Education Code 44.031 (f), this section does not apply to a contract for professional services rendered, including services of an architect, attorney, or fiscal agent. A school district may, at its option, contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section. **NOTE:**

federally funded professional service contracts must be let on a competitive basis.

Competitive bids shall not be solicited for professional services of any licensed or registered:

- certified public accountant,
- architect,
- landscape architect,
- land surveyor,
- physician,
- optometrist,
- professional engineer,
- state-certified or state-licensed real estate appraiser,
- or registered nurse.

Contracts for these professional services shall be made on the basis of demonstrated competence and qualifications to perform the services and for a fair and reasonable price. *Government Code 2254.002, 2254.003(a).*

Fuel

Due to fuel being a high volatile commodity, three local vendors will be contacted for quotes. The vendor with the lowest price will be awarded the bid.

Cooperative Purchasing Contracts

To conserve and coordinate the use of public funds, school districts may enter into agreements for the cooperative purchase of goods and services between itself and other local governments or agencies (interlocal agreement).

Such contracts, if competitively bid by the cooperative administration, satisfy the requirement for competitive procurements listed under School Code, Chapter 44.031.

Participation is allowed through the execution of an Interlocal Agreement between the Snyder ISD Board of Trustees and the administration of the Cooperative. Currently, Snyder ISD is an active member in a number of Purchasing Cooperatives. These include, but are not limited to:

TPASS – Texas Procurement & Support Services Cooperative Purchasing Program

www.window.state.tx.us/procurement/

TCPN – The Cooperative Purchasing Network

www.tcpn.org

Texas Association of Schools Buy Board (Buy Board)

www.buyboard.com

DIR – Texas Department of Information Resources

www.dir.state.tx.us

TIPS – The inter-local Purchasing System

www.tips-usa.com

WTEPC – West Texas Educational Purchasing Cooperative

www.lubbockisd.org/Purchasing/WTEPC

TPPA – Texas Public Purchasing Association

www.txppa.org

Sole Source Exception

As allowed under School Code, 44.031, the District is allowed to purchase items available from a single source without complying with the competitive procurement provisions.

Sole source items are defined as follows:

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, water (if available through a single source) or;
4. A captive replacement part of component for equipment.

These exceptions do not apply to main-frame data-processing equipment and peripheral attachments with a single-item purchase price of \$15,000 or more.

Vendors claiming sole source status will be asked to provide written and signed documentation stating the reason. Departments or schools may be requested to document the reason why the particular product is required.

It is incumbent upon the district to obtain and retain documentation from the vendor which clearly delineates the reasons which qualify the purchase to be made on a sole source basis.

Emergency Damage or Destruction

If school equipment, a school facility, or a portion of a school facility or personal property is destroyed or severely damaged or, as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the Board determines the delay posed by the methods for procurement listed School Code Chapter 44.031 would prevent or substantially impair the District's ability to conduct classes or other essential school activities, then other procurement methods may be utilized as needed.

School Bus Purchases

Any contract for the purchase or lease of one or more school buses must be submitted to competitive bidding when the contract is valued at \$20,000 or more.

Leases & Rentals

Any leases or rentals of personal property or services are subject to the procurement procedures outlined in this document. An exception may be made for lease of real property where sole-source limitations might apply due to location or building requirements.

However, it is mandatory that any contracts for such transactions contain the time period for the contract, stating both the beginning and ending date. If the ending date extends past the current fiscal year ending date, a cancellation clause must be contained in the contract allowing cancellation for non-appropriation.

BIDDING PROCESS

If it is determined that the personal property or service needed will require either a Request for Bids or Request for Proposal process on the open market, the Purchasing Department will prepare the bid documents. The requesting department will be responsible for providing specifications of the products or services needed. Upon conclusion of the bidding process, the Purchasing Department will open, tabulate, and provide the school or department with written documentation of the results. The school or department will be asked to evaluate and score the results, and provide a written recommendation for award. The Purchasing Department will review and prepare an Agenda Item for Board approval and submit it for consideration. If approved and awarded by the Board, the Purchasing Department will notify the using school or department as well as all vendors involved in the process.

Notices of the time and place when the bids or proposals or other responses to a request for qualification may be examined must be published once a week for at least two weeks before the deadline for receipt. This notice must include the notice as to where the bids shall be opened as well as the date and time due. Such notice must be published in the county where the District's administrative office is located.

Bids or Proposals will be opened in a public meeting by the Purchasing Department. All such openings are open to the general public or any interested party.

Advertisement

Under Texas Education Code 44.033 (g), notice of the time and place where the bids or proposals, or the responses to a request for qualifications, will be received and opened shall be published in the county in which the district's central administrative office is located, once a week for at least two weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications.

Competitive Bidding Defined

Competitive bidding is a formal process consisting of procedures that may also be referred to as competitive sealed bidding, or more simply as sealed bidding or formal bidding. Competitive bidding is the preferred method of procurement.

The request for bids contains the purchase description or specifications covering the item(s), work and/or services needed, the terms and conditions for the proposed bid contract, the time and place for opening bids and other provisions, as necessary. The advertisement for bids; and description in the request for bids of item(s), work and/or services needed, and specific terms and conditions must be done in a manner that accomplishes the primary purposes of competitive bidding - stimulate competition and obtain the lowest practical price for the work, service and/or item(s) needed.

Purpose and Intent for Competitive Bidding

The purpose and intent of competitive bidding is to help public schools secure the best work and materials at the lowest practical prices by stimulating competition. If a district advertises purchasing needs relating to large expenditures, purchasing in large quantities will probably result in lower costs either per unit item or in the aggregate.

Bid Document Elements

The following items are necessary in the preparation of a bid document and in requesting bids.

Note: It is important to note that each element must be appropriately structured to suit the items or services bid.

- Newspaper Advertisement
- Notice to Bidders
- Instructions to Vendors
- General Conditions
- Responsibilities of Owners
- Specifications including Evaluative Criteria and Relative Weights
- Offer Form
- Felony Conviction Notice
- Conflict of Interest Questionnaire
- Certification Form

Competitive Proposals Defined

Competitive proposal procedures provide for full competition among proposals. The procedures allow for negotiation with the proposer or proposers to obtain the best services at the best price.

During the evaluation process prior to award of a contract, the negotiation process allows modification and alteration of both the content of the proposals and price. *(Note: The competitive bidding process requires that bids be evaluated and awards be made solely upon bid specifications, terms and conditions contained in the request for bids document, and according to the bid prices offered by vendors and pertinent factors that may affect contract performance; no substantive changes are permitted to the bid terms, conditions and specifications).*

Professional and nonprofessional service contracts involving federal funds are required to be let on a competitive basis, under 34 CFR Section 80.36 (Code of Federal Regulations). Competitive procurement procedures, Section 44.031(a) (2)-(8), TEC, are for certain procurement situations as an alternative to competitive bidding procedures. Chapter 2254, Government Code, prohibits competitive bidding for certain types of professional services, including engineering, architectural, accounting and certain other services; and requires a two-step procedure, as defined in Chapter 2254, Government Code, for the procurement of architectural and engineering services. Competitive proposal procedures are recommended, where other procurement procedures are not required according to state or federal rules, laws or regulations, to stimulate competitive prices for services.

In connection with certain professional service contracts, specifically architectural or engineering, Chapter 2254, Government Code, requires a two-step negotiation process. The two step process only allows negotiation of price after an initial selection based upon demonstrated competence and qualifications of the person/firm.

The Request for Proposals and Competitive Sealed Proposals

- Competitive Sealed Proposal must be used for award of a construction contract
- Newspaper Advertisement is identical to competitive bidding
- Notice to Proposers is identical to competitive bidding
- Impartiality and equal access and opportunity is identical to competitive bidding

Below is an example of a RFCSP process. It may also be used for a RFP, with appropriate modifications made to accommodate the less structured requirements of that method.

Competitive Sealed Proposals

The use of a RFCSP shall be determined by a responsible purchasing authority who determines that the use of competitive sealed bidding is either not practicable or not advantageous to the district (for construction services use of this method must be determined by the board of trustees before the advertisement for proposals).

Terms and conditions are identical as those for competitive bidding except any reference to bids or proposers should be changed or interpreted as offers or offerors. Additionally, anything addressing the finality of the offer needs to be disregarded because proposals are negotiable.

Competitive Sealed Proposals Document Elements

The following items are necessary in the preparation of a proposal document and in requesting proposals. *Note: It is important to note that each element must be appropriately structured to suit the items or services bid.*

- Newspaper Advertisement
- Notice to Proposers
- Instructions to Offerors
- General Conditions
- Responsibilities of Owners
- Specifications including Evaluative Criteria and Relative Weights
- Offer Form
- Felony Conviction Notice
- Conflict of Interest Questionnaire
- Certification Form

Vendor Award Criteria

Under Texas Education Code 44.031 (b), except as provided by this subchapter, in determining to whom to award a contract, the district may 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; and
 8. Any other relevant factor specifically listed in the request for bids or proposals. Factors that the district may consider under this criteria would include:
- Vendor response time compatibility of goods/products purchased with those already in use by the district.

Negotiation

Negotiation is the most difficult part of the Request for Competitive Sealed Proposal/Proposal process, and the most difficult to control. From the beginning of the process through contract award, it must be made clear to vendors and using departments/campuses that designated person(s) may do the negotiation for the district.

Negotiation is subject to the same guidelines as any purchasing action: impartiality and equal opportunity to compete.

As in any purchasing action, record keeping is vital, and accurate records of conversations must be kept in order to prove fairness throughout the negotiating process.

Special requirements apply in connection with negotiating a contract for construction services. Effective September 1, 1999, in connection with any contract for construction services for which request for proposals or qualifications are published or distributed on or after that date, it is important to note that offerors must be notified in writing when negotiations are terminated in order to initiate negotiations with the next best ranked offeror.

Proposal Document Elements

This section includes a brief explanation of each element contained in a proposal document. The following items are necessary in the preparation of a request for proposal. Note: It is important to note that each element must be appropriately structured to suit the proposed items or services and to identify acceptable ways to customize request for proposal documents. Districts are encouraged to obtain example documents from other districts.

- Newspaper Advertisement
- Notice to Proposers
- Introduction / Process
- Standard Terms and Conditions
- Specifications (may include)
- Scope and Intent
- Definitions and Applicable Documents
- Requirements - tend to be more open ended than competitive bid
- Quality Assurance

- Offer Form/Response Sheet
- Felony Conviction Notice
- Conflict of Interest Questionnaire
- Certification Form

Evaluative Criteria and Relative Weights for Proposals and Competitive Sealed Proposals (*mandatory for construction services*):

The evaluative criteria and relative weights are as follows:

1. Price (x%);
2. Qualification and reputation of proposer (x%);
3. Quality of the vendor's proposal (x%);
4. Technical aspects of goods and services in the vendor's proposal (x%); and
5. Other relevant factors specifically listed in the request for proposals (x%).

Model for the Competitive Procurement Process

The competitive procurement process is lengthy and adequate time must be allowed to complete the tasks identified below. A minimum of two months should be expected from complete specifications to award of a Bid/Proposal.

TASK	DESCRIPTION	RESPONSIBLE
Evaluate Purchasing Needs & Confirm Availability of Approved Funds	Establish the minimum acceptable requirements that the product or service must meet	User Department/campus
Prepare Bid/Proposal Specifications	Prepare detailed specifications in accordance with guidelines listed. Specifications must contain adequate technical descriptions to clearly identify the type of material, equipment, or services required. Descriptions must include quantitative data such as size, weight, or volume and qualitative data such as commercial grade, texture, finish, strength, chemical analysis, or composition where required. The specifications must also include; <ul style="list-style-type: none"> • Detailed description of the item/service that specifies the minimum acceptable requirements of the user 	User Department/campus

	<p>department/campus.</p> <ul style="list-style-type: none"> • Industry standards should be utilized whenever possible. • Quantity required. • Approximate required delivery and/or period of performance time. • Any relevant prints, diagrams, and/or samples of the item requested. • Suggested source(s) of supply. 	
Review Bid/Proposal Specifications	Review the item/service specifications to determine if competitive bids/proposals can be obtained and to ensure that Board policies and state laws are followed.	Purchasing Department
Advertise	Ensure bid/proposals are published once per week for at least two weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications.	Purchasing Department
Pre-Bid/Proposal Conference	Optional procedure as needed. This conference is used to allow vendors to meet with District personnel to clarify specification requirements or to conduct site visits.	User Department/campus Purchasing Department
Open Bid/Proposal	Bids/proposals will be opened at the date, time, and place specified in the request for bids or proposal.	Purchasing Department
Evaluate Bid/Proposal	Review bids/proposal responses and evaluate responses using established Vendor Award Criteria.	User Department/campus
Prepare Written Recommendation	<p>Prepare a written recommendation containing the following information and forward to the Purchasing Department.</p> <ol style="list-style-type: none"> 1. Description of supply, product, or service 2. Evaluation results (list criteria used to evaluate) 3. Name of recommended vendor 4. Justification for recommendation: <ol style="list-style-type: none"> a. If low bid is not recommended, list reasons for rejecting low bid b. Explain how best value was determined (price, quality, delivery, etc.?) 5. Annual estimated cost/expenditures 6. Fund code, fund name, and budget 	User Department/campus

	owner 7. Signature of appropriate approval authority for award recommendation and board letter. 8. If all bids/proposals are rejected and a rebid process needs to take place purchasing should be notified in writing.	
Obtain Board of Trustees Approval	Board approval is required before the successful bidder/proposer is notified of the award.	Purchasing Department
Award Bid/Proposal	Notify successful and unsuccessful bidder(s) via award/reject letters or properly executed purchase orders.	Purchasing Department
Monitor Performance	Monitor the vendor's performance and ensure they comply with all specifications regarding the product or service, including the condition of product upon delivery, and whether the service was performed or product was delivered within the stated delivery/performance period.	User Department/campus Purchasing Department

VENDOR RELATIONS

The purchasing department is primarily responsible for vendor relations, contact, and communication. However, school campuses, departments, and staff must also communicate with vendors in order to obtain information necessary to properly prepare requisitions. Therefore, every employee involved in procuring goods or services for the District is responsible for fostering good vendor relations.

Approved Vendor List

An “**approved vendor**” is a vendor that has been awarded a Bid/Proposal through the Snyder ISD competitive procurement process or through an Interlocal Agreement.

Approved vendors are preferred because they have competed for business through the competitive procurement process and normally provide greater savings.

New Vendor Request

Often vendors contact schools and departments and offer goods and services. If a school or department is interested in purchasing goods or services from a new vendor, they will have to send a request to the purchasing department with the vendors email address and a vendor information sheet will be sent to the vendor.

Vendor Performance Evaluation

Evaluation of vendor performance is an important aspect of decentralized purchasing. Problems encountered by a particular school or department can be avoided by other District entities when these occurrences are communicated to the Purchasing Department. Factors to consider when dealing with vendors:

- Timeliness of deliveries
- Service availability
- Completeness and accuracy of the order
- Quality of products or services received

Whenever problems are encountered with a vendor, (i.e., a vendor fails to deliver certain items or delivery does not meet specifications) **it is important to document the problem**, noting the date and an accurate description of the problem. In addition to contacting the Purchasing Department, the vendor should be contacted. Keep a record of all phone calls, including the dates and what was discussed and send a copy to the Purchasing Department preferably by email.

If the problem is not resolved, coordinate with Purchasing to prepare written correspondence stating the problem, the corrective action required and that the vendor's failure to correct the problem to be sent from the Purchasing Department.

If a significant problem continues, legal counsel will be obtained regarding the removal of the vendor from the vendor list and discontinuing business with the vendor.

Gifts from Vendors

Vendors are prohibited from offering gifts or favors that could influence, or that could be perceived to influence purchases utilizing District funds. Any such offers should be refused by the employee and immediately reported to their principal or department director. The principal or department director should then report such activity directly to the Purchasing Department.

Such gifts could include meals, trips, tickets for entertainment, or electronics. Employees should note that acceptance of such gifts can be a violation of state statutes, and a basis for criminal prosecution.

It is permissible to accept small incidental advertising items with a value of less than \$5 retail. These items must be clearly identified as marketing items with the company's name or logo clearly displayed. Such items may be accepted by staff or distributed to campus staff, as desired. These items include, but are not restricted to, coffee mugs, calendars, notepads, pens, and pencils. Care should be taken that the display of such items is not done in such a manner that would give the perception of vendor preference.

PURCHASING PROCEDURES

It is the goal of the Snyder ISD Purchasing Department to give the best service possible while remaining in compliance with the law. Some of our objectives include better communication, being fair and consistent with our customers (that's you) **and** vendors, providing direction when requested and streamlining purchasing procedures within the law. We are committed to continued improvement of our Purchasing Procedures in an effort to make them as user friendly as possible. We welcome your input and suggestions for improvements on how to better serve you.

Purchase orders are among the most commonly utilized methods for procuring goods and services within Snyder ISD. As its name implies, this document serves as a formal order (contract offer) for goods, materials and/or services from a vendor. A PO, after the final approval process, is a binding commitment for a district to remit payment to the vendor after the district receives the items.

A PO is also an important accounting document. It should contain information on the expenditure to be made and the account code to be charged. Once issued, the PO encumbers funds, which serves as an expenditure control mechanism. Finally, the PO is utilized in the accounts payable process as it documents that an order has been placed and is acceptable by the user, and the user can make payment to the vendor upon verified receipt. The receiving process from the user is a very important process. With current law, failure for the originator to show that the item(s) is/are received could delay payment.

Until a PO receives final authorization/approval, it is a purchase requisition. Those individuals having proper authority should initiate requisitions (detailed instructions are provided below). Each Principal or Department Head is responsible for approving their organization's purchases. After this approval, the requisition is routed through the Purchasing Department and Business Office for final approval. Phoning in to a vendor a requisition number in lieu of a PO number prior to final approval, or faxing a "print screen" of the entered requisition or any other unauthorized document(s) is a violation of these administrative regulations.

The requisition should always include the following;

- A description of the items to be purchased (the description should be complete enough for anyone to understand the item(s) being purchased)
- The quantity needed/requested
- The name of the person making the request so that they can be easily contacted if more information is needed.
- The Bid Number included on the PO
- An approved vendor (from the District's approved vendor list, making sure a bid vendor is used if applicable)
- The appropriate code of the account to be charged

- Pricing / per unit, extended and in total
- Any applicable payment terms
- Discounts if applicable
- Shipping arrangements if applicable
- Any other pertinent factors such as color selection, etc.
- The CIP (Campus Improvement Plan) and DIP (District Improvement Plan), goal, objective and strategy must be referenced on the requisition/PO if the purchase is to be paid out of a grant.

Requisitions/POs are reviewed by the Purchasing Department for the following:

- Accuracy
- Budget Code
- Availability of funds (automatic with on-line system)
- Bid number if applicable
- Adequate description (anyone would know what is being ordered)
- Proper account coding for this type of purchase
- Proper approved vendor name and address
- Ensure that the appropriate competitive purchasing (i.e. competitive bidding, pricing quotes, etc.) is determined and performed before the requisition is approved for processing
- Feasibility of purchase
- Is item available from the warehouse?
- Overall completeness

Once all of the above are in place, the Purchase Requisition is approved and becomes a Purchase Order. It is then printed and transmitted to the vendor either by fax or mail.

Cancellation of a Purchase Order

In the event it is necessary to cancel a Purchase Order, the campus or department must contact the Purchasing Department. The Purchasing Department will close the purchase order and liquidate the funds encumbered. The Purchasing Department will notify the vendor of the cancellation of the purchase order.

Emergency Purchases

Two types of emergency purchases are made in school districts. One type results from an eminent threat to the health, safety, or welfare of students. Such purchases must comply with state law and may be made only after a formal board action declaring an emergency and authorizing the purchase. An example of an emergency purchase of this type is the authorization to repair a school after a fire or a natural disaster.

Emergency purchases exceeding the dollar amount triggering competitive procurement requirements shall be made in accordance with subsection (h) Section 44.031 Texas Education Code.

Text of subsec. (h) as amended by Acts 1999, 76th Leg., ch. 922, § 1

(h) If school equipment, a school facility, or a portion of a school facility is destroyed, severely damaged, or experiences a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contract methods required by this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment, school facility, or portion of the school facility may be made by a method other than the methods required by this section.

The second type of emergency purchase provides for the acquisition of goods or services to meet an immediate need such as purchases to repair damage to a facility which may imperil students or the security of the facility. For example, if windows are broken at a school by vandals, an immediate need exists to not only secure the building, but also to protect the contents from damage by the elements. This type of emergency purchase is normally utilized after regular business hours or on weekends and holidays. After purchases of this type are made, a purchase order should be issued after the fact on the next business day.

DELIVERY AND RECEIPT

Carefully checking deliveries and ensuring that the end user who ordered the goods/services actually obtain them is a critical part of the purchasing process. Snyder ISD utilizes decentralized receiving and relies on end users to receive goods/services.

The school/department should assign the receiving responsibility to an individual trained in receiving procedures. Procedures regarding the receipt of goods should be in place at each school/department; this includes specific procedures for receiving goods during summer and winter breaks.

Monitoring the delivery and receipt of purchase orders is the end user's responsibility. This ensures that the district actually receives what it purchases.

Receiving Goods

1. Merchandise is received at the Warehouse and logged in when received.
2. Maintenance delivers merchandise to the appropriate campus/building. The person receiving the merchandise signs for delivery.
3. Any discrepancies in the order should be noted to the Purchasing Department immediately so the vendor can be contacted.
4. Do not return any merchandise to the vendor before contacting the Purchasing Department. A package pickup form must be completed.
5. If all of the merchandise has been approved, the secretary will receive the merchandise in the Skyward Financial Management System so payment can be made to the vendor.

PAYMENT PROCEDURES

By law the school district has 30 days after the receipt of a correct invoice or after the receipt of goods to present payment. It is the intent of the school district to pay all invoices as promptly as possible.

District payment procedures shall be as follows:

1. Payment shall be made by original invoice only (no copies, faxes, statements, packing lists, etc.)
2. Invoices **must** include detail of the work that was performed or items purchased.
3. All invoices shall be submitted to the Business Office for payment.
4. Vendors shall be paid for goods purchased by the District after the goods have been received and an original invoice has been received.

Check Run Dates

Deadline	Check Run Schedule
Two (2) Weeks Prior to Check Run	15 th and Last Day of Month

- If the Check Run date falls on a Saturday, checks will be processed on Friday.
- If the Check Run date falls on a Sunday, checks will be processed on Monday.

Disputed Invoice Procedures

These are the procedures to follow when you do not approve the payment of an invoice:

1. The Purchasing Department will notify you and send you a Payment Dispute Form.
2. Please complete the form with very specific details as to why you do not approve the payment.
3. The Purchasing Department will notify the vendor. The District is required by law to pay an invoice within 30 days of receipt. If the District has a valid, documented reason for not paying the invoice, we must notify the vendor.

Credit Card Purchases

Snyder ISD has charge accounts with United Supermarket and Wal-Mart. The cards are located at the Business Office. Under no circumstances is the card to be loaned or used for personal purposes. Snyder ISD requires a purchase order issued prior to any purchases being made with a credit card. The card is to be returned to the Business Office immediately by the employee after use. Employees should turn in the receipt/charge slip to the Purchasing Department when returning the card.

Payment Authorizations – (PA)

A Payment Authorization form is used to request payment for goods/services received that are not ordered with an approved purchase order. Examples of when to use a Payment Authorization are:

1. To reimburse an employee when a purchase has been made without a purchase order. **This should be a rare occurrence, not a standard practice.**
2. To pay for services or goods that do not constitute supply purchases.

Petty Cash
Registration Fees

Utilities
Contracted Services

All Payment Authorizations are to be typed and include the following:

1. Vendor name and complete remit to address
2. List the account number to be charged
3. List the invoice number
4. Include any special processing of check under remarks
5. The preparer should sign the PA
6. The principal or appropriate administrator will authorize the PA with their signature

All Payment Authorizations must have the appropriate account code, an appropriate authorized signature and be signed by the preparer. The Business Office requires the **original invoice and a copy** for payment. The original invoice is necessary back-up documentation for the Accounts Payable file that is subject to audit by the district's external auditor, the copy is sent with the check.

Send completed Payment Authorizations to the Business Office for payment.

Petty Cash Purchases

A petty cash fund is used to reimburse employees for small expenditures for district supplies. Such a fund can save time, paperwork and associated administrative costs. Authorization to purchase from this source should be clearly defined in district and campus procedures and the dollar amount for each purchase should be limited.

Purchases made by petty cash may occur at both the campus and department level. It is important that petty cash purchases be kept to a minimum and that accurate accounting records are maintained for all purchases. Petty cash, like all cash, should be kept in the campus vault.

Petty cash is to be used for purchases when unforeseen circumstances arise that preclude the issuance of a Purchase Order (PO) or a Payment Authorization (PA) for the item. Petty cash should be used to make purchases of one time, low dollar items.

Purchases made through petty cash must comply with bid laws and District Policy.

1. The petty cash funds should be used for purchases of less than \$50.00 unless given prior approval. All other purchases should be made with the issuance of a Purchase Order.
2. When a petty cash purchase is made a Texas Sales and Use Tax Exemption Certification should be presented so that no sales tax is charged. Petty cash will not reimburse for any sales tax paid.
3. All petty cash expenditures must be supported by a cash paid out slip. This slip will show to whom the money is given, for what and how much. The slip should be placed in the petty cash box to take place of the cash paid out. All receipts for the expenditure must be attached to the cash paid out slip.
4. Meal reimbursements must have a detailed explanation along with a list of persons who attended the meal and the nature of business.
5. The petty cash account should be balanced at least once a month. The petty cash receipts plus the petty cash balance should always equal the total amount established for the petty cash fund.
6. When the petty cash fund is near depletion, a Payment Authorization (PA) should be submitted to the Business Office. The Payment Authorization submitted to “reimburse” the petty cash account should be for an amount equal to the unreimbursed receipts or invoices on hand. The original documents (sales slips, receipts, or invoices) must be attached to the PA when submitted.

You may NOT use petty cash for the following:

- Contracted Services
- Salary – related expenditures
- Travel
- Reimbursements without a receipt
- Vendors that will accept purchase orders

BOARD OF TRUSTEES APPROVAL

Bids/Proposals requiring Board approval are submitted to the Superintendent in the form of a recommended Board Agenda Item. The Superintendent, if in agreement, will then add the item to the board agenda for the appropriate Board meeting.

Categories for Board Approval

- Competitive Procurement (i.e. Bid or Proposal) Contracts
- Professional and consulting Services Contracts
- Interlocal Agreements

Purchases over \$50,000

Under Texas Education Code 44.031 (a);(b), all contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate, for each 12-month period shall be made by one of the methods of competitive procurement. Additionally, under Board Policy CH (Local) purchases that costs or aggregates to a cost of \$25,000 or more shall require Board approval before a transaction may take place.

Purchases under \$25,000

There are times when items valued less than \$25,000.00 are submitted to the Board for action. In these instances, it is anticipated that purchases of these items and/or like items will exceed \$25,000.00 in the aggregate over a 12 month period.

CONTACT INFORMATION

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Purchasing Specialist