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# **PURCHASING PROCEDURES MANUAL**

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Goal: To ensure a systematic process to review and approve the purchase of goods and services in compliance with federal grants requirements, state law, Board Policy and local procedures.

### **Section 1. Purchase Order Approval Authority:**

- ❑ The Superintendent has delegated the Chief Financial Officer to approve all purchases that are less than \$5,000 through Skyward Finance.
- ❑ All purchases over \$5,000 must be approved by the Superintendent of Schools.
- ❑ The Board of Trustees retains the authority to approve all contracts for the purchase of goods or services for any single purchase that exceeds \$50,000.

### **Section 2. Statutes, Regulations and Board Policies Applicable to Purchasing**

- ❑ The district shall comply with all Texas laws, regulations and Attorney General Opinions related to the purchasing of goods and services.
- ❑ The district shall comply with all local policies and procedures, such as School Board Policy CH Local and these written purchasing procedures.
- ❑ **For all purchases with federal grant funds, the district shall comply with the federal regulations, EDGAR related to the purchasing of goods and services. [2 CFR 200.317-200.326] effective July 1, 2016.**
- ❑ All relevant statutes, regulations, board policies and procedures shall be made available to all purchasing stakeholders, as appropriate in a paper or electronic format.

### **Section 3. Requisition and Purchase Order Processing**

#### **On-Line Requisition System:**

- ❑ The district shall use an on-line requisition system for all purchases (Skyward Finance).
- ❑ The Chief Financial Officer shall create all requisition system users/approvers and assign the appropriate account code(s).

#### **Purchase Requisitions:**

- ❑ Requisitions are internal documents and should not be forwarded to a vendor to place an order.
- ❑ All requisitions from grant funds (state/federal) shall comply with the **TEA Guidelines for Related Costs** and the **State & Federal Grants Handbook**.
- ❑ The approval path of requisitions shall be as noted below.
- ❑ The requestor (and/or the campus secretary/bookkeeper) shall “submit” a purchase requisition using the on-line requisition system.
  - If the vendor that the requestor intends to purchase from does not exist in the vendor database, the requestor shall submit a Vendor Request form to the business office.
  - If the account code(s) that the requestor intends to purchase with do not have sufficient funds, the requestors shall follow the **Budget Change/Amendment Procedures**.

- The requestor shall forward all attachments for requisitions such as order forms, registration forms, or other special instructions via email. The attachment(s) shall include the system-generated requisition number.
  - If the requisition is for travel, follow the **Travel Procedures**.
  - If the requisition is for a field trip, Co-Curricular, or Extra-Curricular trip, follow the **Student Travel Procedures**.
  - If the requisition is for the purchase of food and non-food items, follow the **Food and Non-Food Purchase Procedures** designated through TDA.  
(<https://www.texasagriculture.gov/>)
  - If the requisition is for professional services, follow the **Contract Management Procedures**.
  - If the requisition is for incentives and/or awards for staff or students, follow the **Staff and Student Incentive & Award Procedures**.
- The requestor's supervisor (campus principal or department head) should receive an email notifying him/her that a requisition(s) are pending approval.
- The campus principal or department head shall review and approve all requisitions.
- All requisitions from federal grant funds shall be reviewed and approved by the appropriate grants manager. **Refer to the State and Federal Grants Manual.**
- The Administrative Secretary to the Chief Financial Officer shall review all requisitions prior to releasing the requisition for review by the Chief Financial Officer or Superintendent, if applicable.
  - The Administrative Secretary to the Chief Financial Officer shall review the pending requisitions at 8:00 am in the morning, throughout the day, and at the end of each day.
- The review shall include the following:
  - Requestor name
  - Shipping address
  - Vendor name and number
  - Reason - Verify that the reason matches the purchase and is properly spelled out
  - Reference – Name of person (and room number if classroom teacher) that goods should be delivered to and who it is for
  - Attachment - If box is checked, the requisition should not be released until the attachment is received and reviewed
  - Bid Number – Bid, quote, or Co-Op contract number, as appropriate. NOTE. If the requisition is for goods or services that were competitively procured, a copy of all bid/proposals shall be on file in the business office.
  - Catalog number
  - Description – Detailed description of item or service (exceptions may include: Web Order, Order List attached, Contract/Scope of Services attached, etc.

- Unit of measure
- Unit price – If equipment with a unit cost equal to or over \$500, the object code must be 664X; if equipment with a unit cost equal to or over \$5,000, the object code must be 663X.
- Account code(s) – the account code(s) must match the purchase and location/department
- If any deficiencies are noted with a requisition, the Administrative Secretary to the Chief Financial Officer shall contact the requestor to resolve the discrepancies.
  - If the discrepancies cannot be remedied, the Administrative Secretary to the Chief Financial Officer shall “return” the requisition to the requestor.
- The Administrative Secretary to the Chief Financial Officer shall “approve” all requisitions that meet the required review.
- The Administrative Secretary to the Chief Financial Officer shall notify the Chief Financial Officer if any requisitions are pending final approval or are time sensitive.

**Purchase Orders:**

- The Chief Financial Officer shall serve as the final approver of all requisitions under \$5,000 in which the Superintendent will be the final approval. Upon approval by the Chief Financial Officer or Superintendent, the requisition becomes a purchase order and is assigned a system-generated number.
- Purchase Orders are similar to a “promissory note” in the sense that it conveys to the vendor that if they provide the goods or services, the district promises to promptly pay for the goods or services.
- The Administrative Secretary to the Chief Financial Officer shall print 3 copies of all purchase orders. The white copy is to be given to the vendor, the pink copy is for the business office and the green copy is to be sent back signed by the principal/director once services are rendered in order to make payment.
  - The Administrative Secretary to the Chief Financial Officer shall print purchase orders at 8:00 am in the morning, throughout the day, and at the end of each day.
- The Administrative Secretary to the Chief Financial Officer shall distribute the purchase orders as noted below:
  - 1 District copy – 1 for Receiving Secretary
- The Accounts Payable Specialist shall file a district copy of all purchase orders in an alphabetic file pending receipt of the invoice, packing list, and receiving confirmation.
- The Administrative Secretary to the Chief Financial Officer shall generate an Aged Purchase Order Report on a monthly basis (at the end of the month) and research all aged purchase order. The research shall entail a review with the Accounts Payable Specialist of all purchase orders pending receipt.

- All purchase orders that are pending receipt after 60 days shall be cancelled unless there is clear documentation that the order for goods or services will be filled within a reasonable amount of time.
- At the end of the fiscal year, all purchase orders shall be cancelled/void if not completed.

## **Section 5. Competitive Procurement Methods and Procedures**

### **Purchasing Methods:**

- The Chief Financial Officer (or the Superintendent) shall determine the appropriate purchasing method for each type of purchase as noted below:
  - All purchases of supplies, materials and equipment that, in the aggregate, are **less than** \$50,000 in a fiscal year, shall be made by selecting the lowest practical prices from the most qualified vendors.
  - Purchases of supplies, materials and equipment that, in the aggregate, are **more than** \$50,000 in a fiscal year, shall be made by one of the procurement methods allowed by state law and/or federal regulations, as appropriate based on the source of funds.
  - The priority order of competitive procurement methods for the district shall be as noted below:
    - Interlocal contract or cooperative purchasing program
    - Competitive sealed proposals
    - Competitive bidding
  - All purchases of professional services, such as architects, engineers, certified public accountants, etc., shall be obtained through a Request for Qualifications process
  - All purchases with federal grant funds shall also adhere to the EDGAR Procurement Standards.
  - When a conflict exists between the state and federal purchasing methods, the district shall adhere to the more restrictive of the purchasing methods

## **Section 6. Vendor Selection and Relations**

### **Vendor Selection:**

- The Chief Financial Officer shall oversee the selection of vendors and the maintenance of the district's approved vendor database.
- The Administrative Secretary to the Chief Financial Officer shall maintain the vendor database in the Skyward Finance System.
- The Adding/Renewing Vendors Procedures shall be adhered to in the selection, renewal and removal of district approved vendors.
- Vendor selection – The district shall select vendors that are qualified and capable to providing the goods and/or services to the district. The vendor selection criteria for competitively procured goods and services shall include:

1. Purchase price.
  2. The reputation of the vendor and of the vendor's goods and 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 relating to historically underutilized businesses.
  7. The total long-term cost to the District to acquire the goods or services.
  8. For a contract that is not for goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner has its principal place of business in this state or employs at least 500 persons in this state.
  9. Any other relevant factor specifically listed in the request for bids or proposals. *Education Code 44.031(b)*. [Examples: Vendor response time, compatibility of goods/products purchased with those already in use in the district.]
- ❑ This criteria shall also be used to select vendors for the procurement of non-competitively procured goods and services.
  - ❑ This criteria shall also be used to select vendor for the procurement of goods and services paid with federal grant funds.
  - ❑ In addition to the criteria list above, the district shall establish and publish in construction services specifications, the relative weights of each criteria.
  - ❑ The district shall not use vendor selection criteria that restricts full and open competition among qualified vendors.
    - Specifically, the district shall not consider the following in selecting vendors for purchases or goods or services with federal grant funds (EDGAR), as this criteria may restrict full and open competition among qualified vendors:
      - Unreasonable requirements on firms for them to qualify to do business,
      - Requiring unnecessary experience and excessive bonding,
      - Noncompetitive pricing practices between firms or between affiliated companies,
      - Noncompetitive contracts to consultants that are on retainer contracts,
      - Organizational conflicts of interest
      - Specifying a brand name instead of allowing an approved-equal product in specifications,
      - Any arbitrary action in the procurement process.

- Vendor renewal – The district shall renew an inactive vendor using the vendor selection criteria.
- Vendor removal – The district shall investigate all vendor complaints such as non-responsiveness, poor quality of goods or services, or other documented, substandard performance. In the event that the complaint is verified and not remedied on a timely basis by the vendor, the Chief Financial Officer shall notify the vendor [in writing] that they will be removed from the district’s approval vendor database.
- Vendor inactivation – The Chief Financial Officer may inactive a vendor due to inactivity over one (1) full fiscal year, or as appropriate, if the vendor ceases to provide goods or services to the district or the general public.

**Vendor Relations:**

- Purchase order initiators, such as campus-based or department-based staff, are strictly prohibited from ordering goods or services from vendors without a purchase order. Such orders, if any, shall be financial responsibility of the initiator. Furthermore, this action will be in violation of the district’s School Board Policy CH Local.