

PURCHASING AND CONTRACTS

Purchasing Procedures

All purchases must be supported by an approved district purchase order. Purchases are to be made from the Board approved vendor list or from a vendor listed with one of the purchasing co-operatives of which Comfort I.S.D. is a member. Any purchase made by an individual staff or faculty member prior to the issuance of the official purchase order will be considered the personal transaction of the faculty or staff member who placed the order and, therefore, will not be paid with school funds. Reimbursements to staff members for items already purchased are prohibited. Employees are not permitted to purchase supplies or equipment for personal use through the district's business office.

Purchasing Co-operatives/Vendors

Small businesses, minority-owned firms, and women's business enterprises are encouraged to participate in our procurement process. Purchases from vendors that operate on a cash basis (do not accept purchase orders) will not be allowed. The district participates in several cooperative purchasing programs. Comfort I.S.D. belongs to the BuyBoard (www.buyboard.com), The Cooperative Purchasing Network (www.tcpn.org), the Texas Procurement and Support Services (TPASS) (www.window.state.tx.us/procurement), and U.S. Communities Government Purchasing Alliance (www.uscommunities.org).

Priority should be given to these vendors since the goods and/or services have been subjected to the rigors of a competitive bid process.

Requests to add new vendors shall be accompanied by the **Vendor Application Packet**, which includes Vendor List Application, Felony Conviction Notice, Conflict of Interest Questionnaire (CIQ) and a completed W-9 form.

As a matter of law, all existing and new vendors shall be required to complete and file a CIQ with the business office. The governing body (School Board) and the Superintendent shall complete and file Local Government Officer Conflicts Disclosure Statement (CIS) with the business office.

If a vendor is not on one of the Purchasing Co-operatives, then written price quotations must be obtained from at least three vendors on the Board approved vendor list before a staff member initiates a purchase requisition. If fewer than three vendors are on the list, the staff member shall contact each vendor. The price quotation records shall be attached to the requisition and submitted to the business office for approval. The records shall be retained with the District's competitive bid records and are subject to audit. Purchases shall be made from the lowest responsible bidder. See Board Policy CH (LEGAL & LOCAL).

Purchase Requisitions

A purchase order form is used to purchase supplies, equipment, or services from an external vendor. For purchases in excess of \$25.00 the requestor must initiate a purchase order through the TxEIS requisition module. This is done by completing the **Requisition Form** and submitting it to the campus office or your program director. The forms are available at campus and department offices. They should be typed or printed, including the vendor address, and properly coded. Upon completion of the form by the requester it is to be entered into the TxEIS requisition system for approval. The electronic system allows users to enter purchase requests electronically, verify account balances, select pre-approved vendors, etc. at the point of data entry. Budget codes must be noted on all requisitions. If adequate funds do not exist in the appropriate account, the originator shall submit and receive approval of a budget change or amendment.

After the requisitions pass all electronic approval paths, the purchase order form is automatically numbered for audit tracking purposes. When approved, the white copy of the purchase order is mailed or faxed to the vendor and the pink copy is returned to the campus or department. The blue encumbrance copy remains in the business office.

Campus Purchase Orders

Campuses or departments are authorized to make purchases for up to \$25.00 without the prior approval of the business office. These purchases require completion of a three part numbered form found in the purchase order book at each campus office or department. Two signatures are required on this form, the requester's and the principal's or director's. Please be sure to include a description and the budget code. The white copy is to be given to the vendor, the yellow copy is to be kept in the book for the campus records. Upon receipt, attach packing slips and invoices to the pink copy of the purchase order and send to the business office for payment. These purchase orders should, if possible, be issued from the Board approved vendor list or consumable items from local or area vendors.

Credit Cards

The district utilizes several credit cards for purchasing of goods such as food items, instructional supplies, and maintenance supplies. Currently, the credit cards in use by the district include: Wal-Mart, Sam's Club, HEB, Exxon, Shell and Home Depot. The credit cards shall be maintained at the business office and issued to the purchaser upon approval of a purchase order.

All credit receipts (detailed, itemized) shall be submitted to the business office within five (5) days of the purchase to ensure prompt payment to the vendor. If a receipt is not received from the purchaser, the purchaser may be held liable for reimbursement of the entire purchase. District credit card usage may be suspended and/or revoked if receipts are not submitted on a timely basis.

The district does allow the use of the selected merchant credit cards for purchases from federal grants. Expenditure of federal funds with a credit card shall be allowable under the grant program. The Grants Manager may be required to approve questionable credit card expenditures. If a credit card expense does not meet the requirements of a state or federal grant, the expenditure shall be reclassified to local funds (Fund 195, 199 or 461).

Additional guidelines are included in the **Citibank® Corporate Card Cardholder Guide**

On-Line Purchasing

Since external vendor on-line purchasing generally does not have internal controls which include verification of available budgeted funds, use of on-line purchasing will be limited to specific vendors and authorized users. The district will utilize on-line purchasing through vendors such as Office Depot, Amazon and School Specialty. The Accounting/Purchasing Specialist, and the Business Manager are the only authorized users at this time. Additional on-line users shall be added as needed. Training for this type of purchasing will occur on an as-needed basis.

Purchasing Deadlines

In an effort to maximize the use of budgeted funds during the current fiscal year, the purchasing deadline for supplies and equipment shall be April 15th. Summer needs for staff development and summer school should be anticipated and ordered prior to the deadline. Purchasing documents for services and travel should be submitted by August 1st. At times, the purchasing deadlines for state or federal grants may be earlier than the deadlines stated above due to grant ending dates.

Purchase of Food and Non-Food Items

Food and non-food items (such as paper plates, cups, silverware, etc.) shall be for instructional purposes (Food Science & Nutrition, science projects, etc.), for meetings/training sessions, or other approved functions. These food and non-food items may not be consumed or used for personal use. Excess prepared food items may be consumed or disposed of as appropriate.

Generally, snacks, food, and non-food supplies for staff development purposes shall be charged to a staff development account code (function 13). Use of district funds for food or snacks shall be allowed only during a “working lunch”. Documentation to support the “working lunch” shall include a meeting agenda with the inclusion of a “working lunch”.

When these items are utilized for faculty, site-based meetings, etc., the expense shall be code to the Campus Activity Account. All other uses should be coded to the appropriate account code.

The purchase of refreshments and snacks are strictly prohibited with state and federal grants. Meals [breakfast and lunch] may be allowable on a limited basis if the meal meets the “working lunch” or “light lunch” exceptions as described in TEA’s Guidelines Related to Specific Costs (located at www.tea.state.tx.us).

Purchasing Laws

All school district contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at \$10,000 or more in the aggregate for each 12-month period shall be made by the method that provides the best value for the district in accordance with the Texas Education Code (TEC 44.031).

According to Board Policy CH Local, any single, budgeted purchase of goods or services that costs \$10,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place. All purchases, which may exceed these limits, should be brought to the attention of the business office well in advance of the need for the goods or services. The bidding process may take approximately 2 to 3 months, from bid specification development to School Board approval. Since non-compliance may result in criminal penalties, this requirement will be strictly enforced.

Exceptions to the procurement methods described in TEC 44.031, include the following:

Sole Source

A school district may purchase an item that is available from only one source, such as an item with an existing patent, book, film, utility service, or replacement/component part. A common sole source purchase for school districts is the purchase of iPads, which shall be purchased only from Apple, Inc. The vendor shall provide written confirmation of their sole source status to the business office for audit purposes.

School Bus

The purchase or lease of one or more school buses, including a lease with an option to purchase, must be submitted to competitive bidding when the contract is valued at \$20,000 or more.

Professional Services

The services of an architect, attorney, certified public accountant, engineer, 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 Government Code, Section 2254.003 in lieu of the methods provided by TEC 44.031.

Construction

The procurement of construction is governed by the Government Code, Chapter 2267. This section addresses the selection of the architect, engineer and contractor; the evaluation criteria, advertising requirement, and methods of procurement.

Change Orders

Change orders require more formal procurement processes in certain situations when “a change in plans or specifications is necessary after the performance of a contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the district may approve change orders making the changes,” in accordance with subsection 44.0411(a), Texas Education Code. Requirements related to change orders changed significantly following the enactment of new statutory provisions by the 82nd Legislature in 2011.

Change orders that exceed 25% of the original contracted amount of less than \$1 million will require the district to apply competitive procurement processes in accordance with Chapter 44 of the Texas

Education Code and/or Chapter 2269 of the Government Code. This requirement applies to contracts when “a change order for a contract with an original contract price of less than \$1 million increases the contract amount to \$999,999.

Change orders that exceed 25% on original contracted amount of less than \$1 million will require the district to apply competitive procurement processes in accordance with Chapter 44 of the Texas Education Code and/or Chapter 2269 of the Government Code. This requirement applies to contracts when “a change order for a contract with an original contract price of less than \$1 million increases the contract amount to \$1 million or more, the total of the subsequent change orders may not increase the revised contract amount by more than 25 percent of the original contract price,” in accordance with subsection 44.0411(d), Texas Education Code.

Change orders that exceed 25% on original contract amount of \$1 million or more will require the district to apply competitive procurement processes in accordance with Chapter 44 of the Texas Education Code and/or Chapter 2269 of the Government Code.

Although state law related to quotes was repealed, the district may solicit quotes for purchases when advantageous to the district to obtain the best price.

Receiving of Goods

The district utilizes a de-centralized receiving system. All goods are delivered to the appropriate campus or department. A copy of every purchase order will be forwarded to the requesting campus or department upon approval. Upon receipt of the goods, the campus/department clerk shall promptly verify that the order was received complete and in good condition.

All receiving discrepancies such as damaged goods, shortage of goods, etc. should be settled directly with the vendor. The Accounting/Purchasing Specialist shall be notified if any goods are returned to a vendor for exchange or credit.

All assets and inventory that require a tag will be tagged by the receiving staff member and the asset sheet completed. All packing lists, asset sheets and related paperwork shall be attached to the pink copy of the purchase order. Discrepancies, if any, should be reported to the receiving clerk. Upon receipt of the signed receiving copy and the invoice, the vendor will be paid for the order.

Sales Tax Exemption

Taxes, which should have been exempt, will be unauthorized for reimbursement if the exemption form is not presented to the vendor at the time of the purchase. The purchaser shall pay the sales tax immediately upon submission of the sales receipt. The campus secretary/bookkeeper shall issue a receipt for the sales tax and forward the funds to the business office for deposit to the account(s) used for the purchase.

Contracts for Consultants or Contracted Services

Consultants are non-employees who are contracted to perform a personal or professional service such as staff development, medical services, etc. A written contract is required for all contracted services. If the consultant (vendor) does not provide their own company contract, a Consultant Service Contract shall be executed by the vendor. All contracts shall be submitted to legal review by the Business Manager. After approval by the Business Manager, the Superintendent shall sign the contract on behalf of the district. The Superintendent is the only individual authorized to sign contracts on behalf of the district. **No other employee is authorized to sign a contract or agreement on behalf of the district.** Contracts that exceed \$10,000 [School Board Policy CH Local] shall be approved by the School Board at a regularly scheduled board meeting.

All contracts that exceed \$10,000 [Policy CH Local] shall be procured using the competitive procurement requirements established in the appropriate state law (TEC or the Government Code). The evaluation criteria [such as cost and prior performance] for the review of the proposals shall be determined prior to the solicitation for proposals/bids. The review and recommendation process shall include a separation of duties: the originator of the contract request should work collaboratively with the business office to evaluate the proposals/bids.

The approval path for all contracts shall be in accordance with the work flow illustrated below:



If a contract for a consultant or contracted services will be funded through a federal grant, the Grants Manager shall also approve the contract to ensure that it is: 1) included in the grant application; 2) budgeted in the grant; 3) verify that the contracted services is allowable under the grant; and 4) approved by the granting agency (such as TEA).

The contract originator (campus or department administrator) shall be directly responsible to ensure that the contractor performs the services covered by the contract.

Please follow these procedures when submitting a contract for contracted services:

Submit a completed vendor contract or Consultant Service Contract to the Business Manager for review. The Business Manager shall forward the contract to the Superintendent for final approval, or schedule at the next School Board meeting, as appropriate.

Obtain the following documents from the consultant: Vendor List Application, Felony Conviction Notice, Conflict of Interest Questionnaire (CIQ) and a completed W-9 form.

If the consultant will work directly with students, a Criminal Check Authorization form and State Board of Educator Certification fingerprinting documentation.

Submit a requisition to encumber the funds required for the contract. The contract will not be released to the consultant, nor will the consultant be allowed to begin work for the district, until a purchase order is approved by the final approver [Superintendent].

Contracted services include services such as repairs, maintenance, technical support, and related services. Documentation of insurance, such as general liability, workers compensation, and auto liability, shall be submitted to the business office with the purchase order. The Certificate of Insurance shall name "Comfort ISD" as additional insured.

Contracts for Service Agreements

All contracts for rentals, service agreements, etc. must be signed by the Superintendent. **No other employee is authorized to sign a contract or agreement on behalf of the district.** An employee who signs a contract or agreement, without proper authorization, will be personally liable for the terms of the contract or agreement. Contracts that exceed \$10,000 [School Board Policy CH Local] shall be approved by the Board of Trustees. Refer to the Contracts for Consultants and Contracted Services for additional guidance related to contract administration.