

Palacios ISD Purchasing Procedures/Guidelines



Overview

The District's Policies and Procedures, pertaining to purchasing are derived from State Law, Statute and District Policy requirements outline how school districts procure goods and services, the types of competitive processes that must be used, and the exceptions to these requirements.

This document should act as a guide to making purchases while it is not all encompassing for every situation that may arise it should provide guidance in routine district acquisitions.

Planning

Planning is a critical aspect to purchasing at **PISD**. Don't wait till the last minute to determine you need additional resources. Each purchase is a process that takes ample amounts of time for processing. Poor planning may make your good or service be unavailable to you during your desired time. Use this guide to assist you in acquiring what you desire in a timely fashion.

New Vendors

New vendors will complete and return to the Business Office PRIOR to any purchase.

- (a) W-9 form
- (b) Conflict of Interest form
- (c) Felony Conviction Notification
- (d) House Bill 89 Verification
- (e) SB 252 Certification

Authorized Purchases

For a purchase to be considered an authorized purchase of the District it must have been made in accordance with the procedures outlined in this guide. The following is required **prior** to committing the District for any expenditure:

1. A properly completed Purchase Order
2. Emergencies must have approval of the responsible Budget Administrator (district or campus administrator) and a memo explaining the emergency must accompany the request the next business day.
3. Employees should not purchase materials with their own money with the intention of being reimbursed by the district. Instead, purchasing procedures outlined in this section should be followed.

From CH (local) board policy *Persons making unauthorized purchases shall assume full responsibility for all such debts.*

Making a Purchase

Is the item/service available through a purchasing cooperative?

PISD has a number of interlocal agreements with entities that can provide goods or services to the District. Purchasing cooperative are useful tool for a small district such as PISD as the interlocal entity has competitively bid the item or service following the same requirements the District must follow. When the item or service is available through this method it should take priority.

BuyBoard, ECS 3 Purchasing Co-Op, etc. Contact the Business Office for more details on approved cooperatives.

Is the item/service available ONLY through a sole source provider?

If you wish to purchase something that is only available from a sole source provider or single source it must meet the legal and policy requirements prior to becoming a vendor with **PISD**. A vendor who markets a product through distributors, or more than one outlet, is not a sole source because the products are available from more than one source.

From TEC. Sec 44.031 Purchasing Contracts G)

A school district may purchase an item that is available from only one source, including:

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

The item/service is not a sole source and not on a purchasing cooperative:

In the case that the item is not on a purchasing cooperative nor a sole source provider list, the following avenues exist to satisfy legal requirements.

Purchases less than \$500

Purchases at this level are not required by statute to be competitively acquired. Quotes are allowed, but not required.

Purchases \$499 to \$34,999

Purchases at this level require the end-user to secure quotes from three (3) vendors or use vendors which are members of an approved Cooperative.

Purchases \$35,000 to \$49,999

Purchases at this level require **PISD** school board approval. Prior to **PISD** school board approval the end-user is required to secure quotes from three vendors.

If no Co-Op vendors exist this level requires three formal bids.

In awarding a contract, a district shall consider:

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.

Purchases greater than \$50,000

Purchases at this level require **PISD** school board approval.

As outlined in TEC 44.031, all school district contracts for the purchase of goods and services, 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:

- (1) competitive bidding for services other than construction services;
- (2) competitive sealed proposals for services other than construction services;
- (3) a request for proposals, for services other than construction services;
- (4) an interlocal contract;
- (5) a method provided by Chapter [2269](#), Government Code, for construction services;
- (6) the reverse auction procedure as defined by Section [2155.062\(d\)](#), Government Code;
or
- (7) the formation of a political subdivision corporation under Section [304.001](#), Local Government Code.

In awarding a contract, a district shall consider:

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.

Open Purchase Orders - When Approved

NOTE: Do not use open purchase orders when you know the quantity and unit price per item to be purchased or for one time purchases.

An open purchase order is issued to an approved vendor authorizing purchases from that vendor over a specified period of time. Open purchase orders are valuable, because they allow the purchase of items quickly. Both paperwork and related processing costs usually are reduced by open purchase orders. However, open purchase orders must follow certain criteria: approved vendors, limitation on the maximum amount for purchases, a specific time frame for purchases covered by the open purchase order (usually one month), and identification of authorized purchasers.

Open purchase orders are issued so that supplies, materials, or services are available "as needed" by end users. For example, open purchase orders may be requested on a regular basis by the Food Service department for perishable items. These purchase orders eliminate numerous individual purchase orders for small dollar-value items.

Certain controls shall be in place for the use of open purchase orders:

- The number of vendors to whom open purchase orders are issued is limited.
- Those who can make purchases under open purchase orders shall be clearly designated.
- Dollar limits shall be carefully observed.

Backorders

Backorders are not allowed and will require the end user to cancel the order and obtain a different purchase order for the remaining desired items. It is always in your best interest to request availability of goods/services prior to entering a purchase order requisition.

Payment to Vendors

The Business Office strives to pay all invoices promptly in the most accurate and efficient manner. Required documentation confirming verification of receipt of goods/services should be submitted to the Business Office in a timely manner.

PALACIOS ISD PURCHASING LEVELS AND REQUIREMENTS					
Purchases with State and Local Funds					
Purchase Commitment Amount	Support Required	Additional Forms	RFP/RFQ	Board Approval	Advertising
For purchases 0-\$499	Prefer COOP Vendor/Not Required	None	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED
\$500 - \$34,999	3 QUOTES or COOP Vendor	None	NOT REQUIRED (Supt. Decision)	NOT REQUIRED	NOT REQUIRED BUT ALLOWED
\$35,000 - \$49,999	3 QUOTES or COOP Vendor	Specifications	NOT REQUIRED (Supt. Decision)	REQUIRED	NOT REQUIRED
50,000 or Above SINGLE ITEM OR IN AGGREGATE	(Education Code 44.031) RFP, Bids or Interlocal Contract allowed for all except Construction.	Specification Sheet Tabulation Form	REQUIRED	REQUIRED	REQUIRED
SOLE SOURCE PURCHASE	1 QUOTE	SOLE SOURCE Document	NOT REQUIRED	\$35,000 or over REQUIRED	NOT REQUIRED
REFER TO DISTRICT POLICY CH Local FOR PURCHASES \$50,000 OR OVER					
Purchases with Federal Grant Funds (EDGAR GUIDELINES MUST BE FOLLOWED)					
Purchase Commitment Amount	Support Required	Additional Forms	RFP/RFQ	Board Approval	Advertising
For purchases 0-\$499	Prefer Coop Vendor/Not Required	None	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED
\$500 - \$3,000	2 Coop Quotes/ Or 3 Quotes Other	None	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED
\$3001 - \$49,999	3 Quotes	None	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED
50,000 or Above	COMPETITIVE PROUREMENT (Education Code 44.031)	Specification Sheet Tabulation Form	REQUIRED	REQUIRED	REQUIRED

\$250,000 and over Single Acquisition	COMPETITIVE PROCUREMENT EDGAR Methods Cost/Price Analysis	Specification Sheet Tabulation Form	Specification Sheet Tabulation Form	REQUIRED	REQUIRED (2 Consecutive Weeks)
SOLE SOURCE PURCHASE	1 QUOTE	SOLE SOURCE Document	NOT REQUIRED	\$35,000 or over REQUIRED	NOT REQUIRED

Purchases with Child Nutrition Funds					
Purchase Commitment Amount	Support Required	Additional Forms	RFP/RFQ	Board Approval	Advertising
Small INDIVIDUAL PURCHASES (Up to \$3,000)	<ul style="list-style-type: none"> Coop Vendor 3 Quotes 	Receipts/ Invoices	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED
Micro Purchases 0 - \$10,000 IN AGGREGATE	<ul style="list-style-type: none"> Purchase Order Bids/ 3 Quotes or from 3 separate COOPs 	Receipts/ Invoices	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED
Small Purchases \$10,001 - \$49,999 SINGLE OR IN AGGREGATE*	<ul style="list-style-type: none"> Specs Provided Bids/ 3 Quotes Responses Purchase Orders 	Evaluation of Responses Receipts/ Invoices	REQUIRED	\$35,000 or Over	REQUIRED**
Formal Purchases \$50,000 and Over SINGLE OR IN AGGREGATE*	<ul style="list-style-type: none"> Specs Provided Bids/ 3Quotes Response Purchase Orders Cost/Price Analysis (Expectations) 	<ol style="list-style-type: none"> Evaluate Responses Receipts/ Invoices Contract Invoices 	REQUIRED	\$35,000 or Over	REQUIRED**

*FOR USDA AND TDA PURCHASE THESE LIMITS APPLY TO INDIVIDUAL AND IN AGGREGATE.

**Advertise in Large Newspaper and/or TDA Website