

GANADO ISD

PROCEDURES: VENDOR MANAGEMENT

Goal: To ensure a systematic process of adding and renewing vendors on the finance database. The process is designed to meet local, state, and federal guidelines related to vendor relations and procurement by a school district.

Vendor Application

- ❑ The requestor shall forward the Vendor Application Packet to the prospective vendor. An inactive vendor must complete a new Vendor Application Packet after a 1-year period of inactivity.
- ❑ The Vendor Application Packet shall include the following:
 - Vendor Application
 - Form W-9
 - Conflict of Interest Questionnaire
 - Felony Conviction Form
 - Criminal History Verification (if applicable)
 - Certificate of Insurance (with Ganado ISD as additional insured, if applicable)
 - Debarment Certification Form (if contracted with federal grant funds)
- ❑ The completed Vendor Application Packet should be forwarded by the requestor to the Business Office.

Vendor Review

The CFO/Business Manager shall review the packet to ensure that all required items have been submitted and are properly executed, including the signature of an authorized individual.

- ❑ The CFO/Business Manager shall review and verify the following requirements, as appropriate. Possible non-compliance with the requirements shall be forwarded to the Chief Financial Officer for a final determination regarding the vendor eligibility to contract with the District.

(1) Texas Ethics Commission Requirements:

- ❑ If the district contracts with a business entity (vendor) and the purchase/contract is approved by the School Board, or exceeds \$1,000,000 the Form 1295 procedures must be completed as part of the contract/purchase order approval process. Note. If the Board approves a contract for an amount less than \$1,000,000, the contract requires a Form 1295.

- Sec. 2252.908. DISCLOSURE OF INTERESTED PARTIES

Text of subsection as amended by Acts 2017, 85th R.S., Ch. 526 (SB 255)

(Changes identified by italicized text apply only to a contract entered into or amended on or after January 1, 2018).

*(c) Notwithstanding Subsection (b), **this section does not apply to:***

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- (1) a sponsored research contract of an institution of higher education;
- (2) an interagency contract of a state agency or an institution of higher education;
- (3) a contract related to health and human services if:
 - (A) the value of the contract cannot be determined at the time the contract is executed; and
 - (B) any qualified vendor is eligible for the contract;
- (4) **a contract with a publicly traded business entity, including a wholly owned subsidiary of the business entity;**
- (5) a contract with an electric utility, as that term is defined by Section 31.002, Utilities Code; or
- (6) a contract with a gas utility, as that term is defined by Section 121.001, Utilities Code.

The CFO/Business Manager shall notify the vendor that a Form 1295 is required and directed to the Texas Ethics Commission website to create an account and submit their Form 1295. A signed, notarized copy of the Form 1295 should be sent by the vendor to the CFO.

Website for vendor and district access is noted below:

o <https://www.ethics.state.tx.us/TECCertInt/pages/login/certLogin.jsf>

After the contract is signed, the CFO shall log on to the Texas Ethics Commission website and “acknowledge” the Form 1295 within 30 days of the date the contract is signed by both parties.

A copy of **both** the signed, notarized and acknowledged forms shall be added to the vendor contract/purchase order file.

(2) Insurance Requirements:

- If the vendor will perform services on Ganado ISD Property, the vendor must provide the Certificate of Insurance (with Ganado ISD as additional insured) **prior** to the start of any work and only after a purchase order has been approved by the final approving authority. The Certificate of Insurance must be including the following lines of coverage and limits and must be with a carrier with at least an “A” rating with A.M. Best.
 - o Employer’s Liability - \$500,000 Each Accident
 - o Commercial General Liability - \$1,000,000 Combined Single Limit. \$500,000 Combined Single Limit Each Occurrence
 - o Business Automobile Liability - \$1,000,000 Combined Single Limit Each Occurrence (Hired/non-owned coverage, too)
 - o Workers Compensation – Certificate of insurance, certificate of authority to self-insure issued by the TDI, or a coverage agreement showing statutory workers compensation insurance coverage for the person’s or entity’s employees providing services on a project is required for the duration of the project.
 - o **Note: The Commercial General Liability and Business Automobile Liability limits may be adjusted dependent upon the size, scope and nature of contract.**

(3) Felony Conviction/Criminal History Verification:

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- ❑ All vendors shall complete a **Felony Conviction Form** and disclose if the owner or operator has been convicted of a felony.
- ❑ Contractors who will have “continuing duties” [defined as providing the service on a regular, repeated basis] or “direct contact with students” [defined as providing substantial opportunity for verbal or physical interaction with students that is not supervised by a district employee] shall obtain criminal history record information and provide it to the District.

(4) Employer TIN-Matching:

- ❑ The Admin Support Secretary shall verify the TIN of vendors through the IRS TIN-Matching online service. If any discrepancies are noted between the TIN-Matching online service and the vendor-completed Form W-9, the matter shall be referred to the Chief Financial Officer to make a determination regarding the vendor’s eligibility to conduct business with the District.
- ❑ [IRS TIN-Matching Log-In](#)

(5) Bonding Requirements [Construction Only]:

- ❑ If a construction contract exceeds \$25,000, the Admin Support Secretary shall verify that the bond [cashier’s check or certified check in the amount of not less than 5% of the contract price] with the appropriate amount has been submitted to the District.

(6) Licensed or Registered Contractors:

- ❑ If the contractor is required to be licensed or registered with the State of Texas (such as plumbers, electricians, HVAC technicians), the Admin Support Secretary shall verify that the contractor’s license is “active” and that there are no sanctions against the contractor.
 - The Texas Department of Licensing and Regulation (TDLR) website shall be used to search for licensed contractors and to search for contractor violations.
 - TDLR Licensed Contractor search: <https://www.license.state.tx.us/licensesearch/>
- ❑ If the contractor is not required to be licensed by the State of Texas, the Admin Support Secretary shall verify if the contractor is registered with the City of San Antonio (such as remodeling, painting, or other skilled trades).
- ❑ The City of San Antonio Contract Search website shall be used to search for registered contractors. The District shall contract with a registered contractor is a preference.
- ❑ City of San Antonio Contractor Search: <http://sanantonio.gov/DSD/Online/Contractor.aspx>

(7) Debarred Vendor Verification:

- ❑ The Admin Support Secretary shall verify that a vendor to be contracted with federal grant funds has completed a **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion for Covered Contracts and Grants Form**.
- ❑ The Admin Support Secretary shall verify that the vendor is not debarred from doing business with the State of Texas.
 - The Texas Comptroller of Public Accounts maintains a list of vendors debarred from doing business with the State of Texas, effective from the Date of Debarment for the length of time indicated.

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- o http://comptroller.texas.gov/procurement/prog/vendor_performance/debarred/
 - The Admin Support Secretary shall verify that all new vendors are not debarred from receiving federal contracts [contracts funded with federal grant funds].
 - o The [SAM.GOV website](#) shall be used to search for ineligible vendors.
 - o The contractor name should be entered in the “search” field. Entities with “Exclusion” listed in purple are currently debarred, while those labeled “Entity” in green do not have exclusions. **The search results shall be printed and attached to the Vendor Database for audit purposes.**
 - The Admin Support Secretary shall refer any detection of a vendor’s debarment (state of federal) to the Chief Financial Officer to make a determination regarding the vendor’s eligibility to conduct business with the District.
- After the Admin Support Secretary has verified that a Vendor Application Packet and all required documents are complete, the packet shall be forwarded to the Accounting Manager and/or Chief Financial Officer for final review and approval.

Vendor Final Review and Approval

- The final review shall include the following vendor selection criteria:
 - Past experience with the district
 - Cost of goods and services, including future costs of maintenance
 - Vendor’s financial stability and position as it relates to the ability to provide the goods and/or services
 - Small, minority, woman-owned, or labor surplus area firms
 - Adequate financial resources to provide the goods and/or services
 - Vendor reputation in the marketplace – any civil or criminal actions against the vendor
 - Vendor owned (wholly or partially) by a district employee or relative
 - Vendor with financial or personal ties to a district employee or official (board member)
- The Accounting Manager and/or Chief Financial Officer shall approve or disapprove the vendor.
- After the final approval, the vendor shall be added on the vendor database. NOTE: Vendors will be added to the vendor database only if a purchase requisition has been submitted by the requestor.

Vendor Database Management

- The Admin Support Secretary shall create a complete vendor record, including but not limited to the following:
 - Vendor legal name and DBA, if applicable
 - Mailing address
 - Remit address, if applicable

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- Tax Identification Number or Social Security Number
- Date W-9, Felony Conviction, and CIQ forms were received from vendor
- Company phone numbers: voice and fax
- Company email
- Prior to adding a new vendor, the Admin Support Secretary shall verify if the vendor does not exist in the Vendor Database in an active or inactive status.
 - If the vendor does exist, and the vendor identification information is the identical, the inactive vendor may be reactivated.
- The Admin Support Secretary shall make changes to the vendor database upon receipt from a vendor of a change in address, phone number, email, etc.
- The Admin Support Secretary shall seek approval from the Chief Financial Officer prior to adding a new vendor, if the vendor notifies the district of a change of their company name, tax identification number, etc.
- Throughout the fiscal year, on at least a quarterly basis, the Admin Support Secretary shall verify that the vendors paid with federal grant funds are not debarred from federal contracts.
- At the end of each calendar year, the Chief Financial Officer shall review Vendor activity to determine which vendors, if any, to inactivate.

Vendor Number Tracking

- The District shall use the auto numbering feature in the finance system. At no time, shall a vendor number be reused as this will create data quality issues for historical finance files.**