ONALASKA ISD
PROCEDURES: PURCHASING

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 Business Manager to approve all purchase orders and apply the appropriate electronic encrypted signatures based on the department or campus.
    - Administration - Anthony Roberts
    - Curriculum Instruction & Federal Programs - Laura Redden
    - Child Nutrition, Maintenance & Custodial - James Ard
    - Elementary Campus - Principal, Crystal Byrd
    - JSHS Campus - Principal, Kenneth Fraga
    - Technology - Charles Boyce
    - Transportation - Mike Skaggs

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

- The Board of Trustees retains the authority to approve all contracts for the purchase of goods or services for any single purchase that exceeds $25,000.
- 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 tot he purchasing of goods and services. [2 CFR 200.317-200.326] effective July 1, 2017.
- 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 purchases, except for non-purchase order purchases such as administrator travel expenses and some food service.
- The Business Manager or Administrative Assistant shall create all requisition system users/ approvers and assign the appropriate account code(s).
- The Business Manager or Administrative Assistant shall create all of the requisition approval paths in accordance with the district's **Purchasing Flow Chart** (refer to Exhibits).

- 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 or Inner-Office mail.
  - If the requisition is for travel, follow the **Travel Procedures**.
  - If the requisition is for professional services, follow the **Contract Management Procedures**.
  - If the requisition is for Activity Accounts, follow the **Activity Account 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 with the exception of Child Nutrition shall be reviewed and approved by the Assistant Superintendent of Curriculum and Special Programs. **Refer to the State and Federal Grants Manual**.
- The Business Manager shall review all requisitions prior to releasing the requisition for distribution by the Administrative Assistant.
- The review shall include the following:
  - Originator & Requestor name
  - Shipping address
  - Vendor name and number
  - Order For (Person)
  - Commodity Code
  - Reference # - Corresponding District/Campus Goal and Objective from DIP/CIP
  - Reason - Verify that the reason matches the purchase and is properly spelled out
  - Campus_Department
  - 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
  - Quantity
  - Unit Price
  - Applicable discount percentages/amounts, freight percentages/amounts
  - Budget Account Code
  - Notes that might be needed to explain purchase in more detail
  - Date check is needed for pickup if travel related

- If any deficiencies are noted with a requisition, the Business Manager shall contact the requestor to resolve the discrepancies.
    - If the discrepancies cannot be remedied, the Business Manager shall "return" the requisition to the requestor.
- The Business Manager shall "approve" all requisitions that meet the required review.

Purchase Orders:

- The Business Manager shall serve as the final approver of all requisitions. Upon approval by the Business Manager, 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 Assistant shall email the purchase order to the Shipping/Receiving Clerk and to the Originator. One copy will be printed for accounts payable purposes.
- The Administrative Assistant shall distribute the purchase orders as noted below:
    - 2 Email copies – 1 for Receiving Clerk and 1 for Originator to send to vendor
    - 1 District copy – Printed for Accounts Payable purposes
- The Administrative Assistant shall file the district copy of all purchase orders in an alphabetic file pending receipt of the invoice, packing list, and receiving confirmation.
- The Administrative Assistant 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 Receiving Clerk of all purchase orders pending receipt.
- At the end of the fiscal year, all purchase orders shall be either cancelled or cleared for payment prior to year end.

Credit Card (Visa):

- Visa transactions are authorized with all district fund groups, including federal grant funds. If a Visa purchase is made with federal grant funds, the Assistant Supt. of Curriculum & Special Programs shall approve the transaction to verify that the expense is reasonable, necessary and allowable in the federal grant fund with the exception of Child Nutrition. These are approved by James Ard, Director of Auxiliary Services.
- Each professional administrative staff member and select instructional staff (CTE Dept. Chair, Cheer/UIL Sponsor) shall be eligible for a Visa.
- To request a Visa, an employee shall complete an Employee Credit Card Agreement and forward to his/her supervisor.
- The campus principal or department head shall be notified of all credit card requests.
- The Business Manager shall review and approve all credit card requests to include the following:
    - Corporate Visa
    - Sam's Club Direct (requires authorization letter to Sam's Club
    - Lowe's
- The Business Manager shall request all credit cards
- The Business Manager shall be responsible for activation and/or the safekeeping of all credit cards to include the issuance and collection of cards
- The credit card holders shall submit a purchase requisition for proper approval prior to the purchase of supplies, materials or services.
- Corporate Visa holders using their card for travel lodging need to have a purchase requisition submitted prior to travel dates in order to properly encumber funds.
- Corporate Visa holders using their card for travel meals need to return itemized/detailed meal receipts into the Administrative Assistant for payment with a PA (Payment Authorization). A purchase requisition is not required.
- Sales tax charges, other than on meals, shall be collected from the credit card holder and deposited to the appropriate expenditure account code(s).
- The Administrative Assistant shall review all credit card receipts/transactions prior to processing the invoices for payment.
- The review shall include the following:
    - Original, detailed receipt – the amount must not include sales tax (meals excluded)
    - Purchase is in compliance with **Purchasing Policies and Procedures**.
    - Account code(s) for each transaction – the account code(s) must be appropriate for the purchase
    - Approval from the campus principal or department head
- If any deficiencies are noted, the Administrative Assistant shall contact the appropriate person to resolve the discrepancies.

- If the discrepancies cannot be remedied, the Administrative Assistant shall forward the matter to the Business Manager.

Section 5. Competitive Procurement Methods and Procedures

Purchasing Methods:

- The Superintendent or Business Manager 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 through cooperative purchasing programs.
  - 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

Competitive Procurement Procedures:

The following procurement methods and procedures shall be utilized to ensure that the district meets its purchasing goal(s).

Interlocal contract or cooperative purchasing program

The Business Manager shall ensure membership renewal in the district's interlocal contract(s) or its cooperative purchasing programs such as BuyBoard, Reg 6 ESC, Choice Partners, TCPN, Pace, TIPS/ TAPS, etc.

Competitive Sealed Proposals and Competitive Bidding

- The Business Manager shall follow state and local board policy when the Superintendent or School Board has chosen this method for a specific procurement of goods or services.

The following procurement methods and procedures shall be utilized for all purchases with federal Child Nutrition grant funds:

Micro-purchase procurement (less than $49,999)

- Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable. The Business Manager shall ensure that these regulations are followed.

Small purchase procurement (up to $250,000)

- Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. The Business Manager shall ensure that these regulations are followed.

Non-competitive procurement (sole source, etc.)

- Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
  (1) The item is available only from a single source;
  (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
  (4) After solicitation of a number of sources, competition is determined inadequate.
  The Business Manager shall ensure that these regulations are followed.

Section 6. Vendor Selection and Relations

Vendor Selection:

- The Executive Assistant shall maintain the vendor database in the Ascender Finance System in accordance with the **Internal Control Procedures: Vendor Maintenance**.
- 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. 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 Business Manager shall notify the vendor [in writing] that they will be removed from the district's approval vendor database.
- Vendor inactivation – Business Manager or Administrative Assistant 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:

- The district operates under a de-centralized purchasing system; therefore, the business department is tasked with distributing the Purchase Order to the originator which then distributes the Purchase Order to the vendor and corresponds with vendors regarding pending purchases.
- Purchase order originators 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.

Section 7. Receiving & Distribution

- The district shall utilize a centralized receiving system for all goods ordered through the purchase order process.

- The Central Receiving Area shall be in a controlled environment to protect the goods until they can be inspected, counted and labeled for delivery.
    - No goods shall be removed from the Receiving Area without the prior approval of the Receiving Clerk.
- The Maintenance Director shall notify the Receiving Clerk if any goods were received at the Campus.
    - If goods include multiple boxes on a pallet, the Maintenance Staff shall break apart the pallet and deliver all boxes/packages to the Central Receiving Area.
    - If goods include goods that require assembly, the Maintenance Director shall open, inspect and sign-off in receipt of the goods. The packing list shall be forwarded to the Receiving Clerk. The Maintenance Director shall assign the assembly of the goods to one of the Maintenance staff members.
    - If the goods will be delivered and/or installed directly at a campus or department, the Maintenance Director shall notify the Receiving Clerk of the receipt of the goods and shall deliver the goods directly to the campus or department.
    - In no event, shall goods received at the Maintenance Department remain in that department for more than two (2) days.
    - Child Nutrition deliveries go directly to the respective campus Cafeteria for check-in.
- The Administrative Assistant shall forward a copy of all purchase orders to the Receiving Clerk.
- The Receiving Clerk shall file all receiving copies of purchase orders.
- On at least a daily basis, the Receiving Clerk shall inspect all packages/boxes received for damage. If damages have occurred, the vendor should be promptly notified by the Receiving Clerk.
- The Receiving Clerk shall open, count and record all goods received on the appropriate open purchase order.
- The Receiving Clerk shall "check off" all items on the purchase order/packing list. The vendor shall be promptly notified of any discrepancies.
- If the order includes inventory or fixed asset equipment, the appropriate "property barcode/tag number" should be affixed to the equipment by the Receiving Clerk.
- All boxes/packages should be labeled for delivery to the appropriate campus or department.
- The signed, receiving copy should be forwarded to the Administrative Assistant for payment to the vendor.
- At the end of the month, the Administrative Assistant shall generate and review an Outstanding Purchase Order report [over 60 days].
- All orders that have been outstanding for more than 60 days should be researched and cancelled, if appropriate, by the Administrative Assistant. All order cancellations should be relayed to the campus/department and/or Purchase Order Originator.

Section 8. Disposal of Obsolete and Surplus Property

- The disposal or obsolete and surplus property shall be in accordance with the **Fixed Assets/Inventory Procedures.**