

PURCHASING DEPARTMENT

POLICY AND PROCEDURE GUIDELINES

2010-11

2010-2011

TABLE OF CONTENTS

INTRODUCTION.....	3-8
PURCHASING DEPARTMENT	9-12
PURCHASING ETHICS/LAW	13-22
VENDORS.....	25-27
CO-OPERATIVE PURCHASING/MORE VENDORS	28-29
PURCHASE ORDERS.....	30-34
PROCUREMENT CARD AND GIFT CARDS.....	35-36
NEW CAMPUS GUIDELINES.....	37-39
CONTRACTED SERVICE GUIDELINES	40-41
FAQ AND MISCELLANEOUS INFORMATION.....	42-45

SECTION ONE
INTRODUCTION

PURCHASING DEPARTMENT STAFF

Lori Tudor
Director of Purchasing

817-744-1132
Fax: 817-745-1706
lori.tudor@kellerisd.net

Cindy Willis
Senior Buyer

817-744-1133
Fax 817-745-1706
cindy.willis@kellerisd.net

Jeannie Fancher
Purchasing Specialist
Travel
817-744-1131
Fax 817-745-1706
sarah.rapp@kellerisd.net

Michelle Hill
Buyer
Technology
817-744-1134
Fax 817-745-1706
michelle.hill@kellerisd.net

Teresa Hilario
Purchasing Specialist
Purchase Order Processor
817-744-1137
Fax 817-745-1706
teresa.hilario@kellerisd.net

Skip Gerrard
Buyer
817-744-1135
Fax 817-745-1706
skip.gerrard@kellerisd.net

Jeannie Fancher
Purchasing Specialist
817-744-1136
Fax 817-745-1706
jeannie.fancher@kellerisd.net

DEPARTMENT (PO) FAX NUMBER: 817-745-1706

Website: www.kellerisd.net *District *Doing Business With Keller ISD

MISSION STATEMENT

The objective of the purchasing department is to support the district by establishing policies and procedures for purchasing products, materials and services at the best value in a manner consistent with local, state and federal ordinances, regulations, Board of Education policies and sound ethical business practices.

**EFFECTIVE DISTRICT PURCHASING IS A COOPERATIVE VENTURE
BETWEEN THE
PURCHASING DEPARTMENT, DISTRICT STAFF,
AND APPROVED VENDORS**

To All Employees:

The purpose of the Purchasing Policy and Procedure Manual is to be a reference tool outlining the Purchasing Laws, Policies, Practices and Procedures of the District to be used in conjunction with the Pentamation Finance software package.

Please note the following procedures:

- **All District purchases shall be made through a district approved vendor.**
- **All purchase commitments shall be made on a properly drawn and issued purchase order.**
- **All purchase orders shall be faxed from the Purchasing Department.**
- **The District shall not be responsible for payment of invoices that DO NOT have a corresponding properly drawn purchase order and/or does NOT meet District purchasing procedure.**
- **Employees who make purchases without a properly drawn purchase order could be personally responsible for payment of invoice(s).**
- **All District purchase orders shall have a contract reference number (bid or proposal number or purchasing co-op reference) noted on the purchase order.**
- **All invoices shall be mailed to the Keller ISD Accounts Payable Department,
350 Keller Parkway, Keller, TX 76248**

We realize that there will be some products and services that can only be processed by using the Check Request method of payment.

By implementing these procedures, the District will be in compliance with the Texas Purchasing Laws and Local District Policies.

Our goal is to process all Purchase Orders within a two day period; after all correct and complete information is received. The Purchasing Department will not be responsible for the timeliness of an order being placed if incomplete information relating to the purchase order is not received or noted on the purchase order.

If you have any questions, please contact myself or any of the purchasing staff.

**Sincerely,
Lori Tudor
Director of Purchasing
Lori.tudor@kellerisd.net**

PURCHASING DEPARTMENT RESPONSIBILITIES:

Who to contact???

Lori Tudor

Purchasing policies/procedures
Monthly board agenda items
Oversee Bids/Proposals/Quotes
Oversee FFE orders for new construction

Jeannie Fancher

Secretarial Duties
Maintain Department Appointments and Calendar
Update Purchasing Website
Board Agenda Items

Skip Gerrard

Maintenance quotes
Bids/Proposals/Quotes
Vendor Research
Vendor Addition Requests
Athletic Equipment Quotes
Purchase order approval

Sarah Rapp

Travel Coordination
Reconciliation of Chase MasterCard
Purchase Order approval
Maintain District Procurement Cards
Change Orders

Cindy Willis

Assist with capital request process
Purchase order approval
FFE for new construction projects
Assist with purchasing calendar
Obtain price quotes/co-op purchases
Co-op purchases/compliance
Update purchasing website
Contract service processes
Bids/Proposals/Quotes
Purchase order approval

Teresa Hilario

Fax all district purchase orders
Acquire attachments for POs
Distribute originator's copy of PO
Purchase order approval
Change Orders

Michelle Hill

Technology Quotes
Bids/Proposals/Quotes
Vendor Research
Vendor Addition Requests

THE PURCHASING MANUAL

This purchasing manual will:

- Provide guidance to school district employees at the campus and department levels in requisitioning materials, equipment and services
- Inform district staff of the appropriate purchasing laws for district purchases
- Acquaint vendors with the school district's purchasing policies and procedures
- Promote consistency in purchasing applications throughout the school district

All district personnel with purchasing authority should be familiar with the legal requirements for purchasing prescribed in Education Code Chapter 44.031 and Board of Education Policy CH's. (**See the purchasing law section of this manual**) **All Keller ISD purchases and acquisitions must meet these legal requirements.** In order to assure legal compliance with purchasing law, the district has elected under Texas Government Code 2155, Subchapter I to participate in cooperative purchasing programs.

COMMUNICATION

The information in this purchasing manual should be shared with all KISD personnel who are responsible for any procurement procedure for the district.

This manual will be posted on the purchasing webpage: **www.kellerisd.net**

Notify all staff members with procurement authority of the location of the purchasing manual. Or, please make copies of this manual as needed for staff members.

Contact the purchasing department with any procurement questions.

SECTION TWO

PURCHASING DEPARTMENT
AREAS OF RESPONSIBILITY

PURCHASING DEPARTMENT RESPONSIBILITIES

- **Bids and Proposals** – The purchasing department coordinates the complete process for district bids and proposals with the exception of construction projects. This process includes scheduling the timeline, assisting in preparation of the bid/proposal documents and bid/proposal specifications, maintaining a vendor bid list, distributing the bid/proposal documents to interested vendors, assisting in the analysis of the vendor bid/proposal documents received and preparing the award recommendation to be submitted for school board approval. Once the bid/proposal has been awarded, notification is sent to the awarded vendor(s) and district purchase orders are processed to place the order(s) with the board awarded vendor. All bid and proposal documents are kept for a minimum of five years by the purchasing department.

- **Coordination of New Facility FFE Purchases** – The procurement of FFE - furniture, fixtures, equipment and supplies for newly constructed facilities through out the district are processed through the purchasing department. The purchasing staff will coordinate with the new principals, curriculum department and/or department heads in developing a standardized master list of furniture, equipment and supplies needed for opening a new campus or district facility. The standardized lists are used when purchasing additional supplies for any added grade levels and/or special need areas above the normal number on existing campuses.

- **District Cooperative Purchasing** – The district is a member of numerous purchasing cooperatives, which are listed in this manual along with their respective websites.

Purchase Orders may be processed from any of the approved vendors listed on a purchasing cooperative that the district is a member without going through additional vendor approval.

The purchasing cooperative name and contract number, (if applicable), MUST be referenced on the purchase order.

One of the benefits for a cooperative purchase is the cost savings of products and services due to the greater volume of purchases of the combined members' purchasing power. Another benefit is the savings on administrative cost. The individual district cooperative member does not have to go through the bidding process as an individual because the purchasing cooperative performs the bidding function for the members as a whole. This will assist the individual district/district staff in reducing redundant costs associated with individual district bids. Finally, the member districts have the available resource to purchase a greater variety of products and services and hopefully at a lower price.

There are **many approved vendors available** for your procurement needs through the purchasing cooperatives.

Contact the purchasing department if there is a need for assistance with this option for district purchasing.

- **Online Website Purchasing** – The purchasing department will establish online accounts with an approved vendor. Each campus and support department may be set up to have the capability to purchase online through an approved vendor’s website using an approved district purchase order. Purchasing department staff is available to assist all district personnel with their online website purchases. Example: School Specialty, Staples, Corporate Express, Office Depot purchase orders
- **Purchase Orders** – A daily purchasing function is the approval, printing, and placing of district orders by method of faxing the official approved, signed purchase order.

The **cancellation of a purchase order** and **addressing any PO changes**, such as a price correction or adding a shipping charge, on a specific purchase order is handled through the purchasing or finance department. Bidding contracts are verified with the vendor when a change is made to a purchasing order.

- **Purchasing Procedures** – All purchasing procedures are written and submitted for approval to the administration. Once approved, the purchasing procedure is communicated to district staff by way of a procedure manual and in-service training sessions. If and when the state passes a new law that may affect current district policy, a new procedure is written, approved and then communicated to district staff.
Contact the purchasing department with any questions regarding purchasing policy and procedure.

- **Vendor Approval** – Before a vendor is able to do business with the school district, the vendor must go through the bidding/proposal process and the school board must approve the vendor. The purchasing department processes all vendor applications/proposals/bids and prepares the vendor approval recommendation that goes before the school board monthly at the regular board meeting. Once approved by the school board, the vendor records are updated and posted on the district’s website. District staff can verify a vendor’s availability (status) at any time by checking the district website, listed on the purchasing department’s webpage. The staff may process a purchase order once the vendor approval process is complete.

The exception to this process is when a vendor has been previously approved by a purchasing cooperative where the district is also a member.

All vendor records are maintained in the purchasing department.

Sole source vendor documents, available on the district website, are also verified and maintained in the purchasing department.

SECTION THREE

**PURCHASING ETHICS
AND PURCHASING LAW**

PURCHASING ETHICS

The competitive nature of the public purchasing arena and the expenditure of significant amounts of public funds require that ethical standards be incorporated into the foundation of all purchasing functions. Purchasing personnel and other school district staff face the difficult task of developing good vendor relations and encouraging vendor competition while avoiding even the appearance of favoritism or other ethical misconduct.

Know the purchasing laws-the penalties for breaking them are severe. Accepting gifts from vendors is allowed if the gift provides no real benefit and is generally valued at less than \$50 (providing it is not cash or a negotiable item). Gifts may not be accepted as consideration for a decision, recommendation, votes, or other exercise of discretion-this is bribery, and is a second degree felony. Be sure to check state and district policy when you are in doubt.

Ethics relating to conflicts of interest, financial interests in firms conducting business with the school district, kickbacks, gratuities and improper use of a position or confidential information are areas to be aware of potential problems if not handled according to the law.

STATE PURCHASING LAW

EDUCATION CODE

§ 44.031. Purchasing Contracts

(a) Except as provided by this subchapter, all school district contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$25,000 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;
- (2) competitive sealed proposals;
- (3) a request for proposals, for services other than construction services;
- (4) an interlocal contract;
- (5) a design/build contract;
- (6) a contract to construct, rehabilitates, alter, or repair facilities that involves using a construction manager;
- (7) a job order contract for the minor construction, repair, rehabilitation, or alteration of a facility;
or
- (8) the reverse auction procedure as defined by Section 2155.062(d), Government Code.

(b) Except as provided by this subchapter, in determining to whom to award a contract, the district will consider:

- (1) the purchase price;
- (2) the reputation of the vendor and of the vendor's goods or 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 and rules relating to historically underutilized businesses;
- (7) the total long-term cost to the district to acquire the vendor's goods or services; and
- (8) any other relevant factor specifically listed in the request for bids or proposals.

(c) The state auditor may audit purchases of goods or services by the district.

(d) The board of trustees of the district may adopt rules and procedures for the acquisition of goods or services.

(e) To the extent of any conflict, this subchapter prevails over any other law relating to the purchasing of goods and services except a law relating to contracting with historically underutilized businesses.

(f) This section does not apply to a contract for professional services rendered, including services of an architect, attorney, 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 Section 2254.003, Government Code, in lieu of the methods provided by this section.

(g) Notice of the time by when and place where the bids or proposals, or the responses to a request for qualifications, will be received and opened shall be published in the county in which the district's central administrative office is located, once a week for at least two weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications. If there is not a newspaper in that county, the advertising shall be published in a newspaper in the county nearest the county seat of the county in which the district's central administrative office is located. In a two-step procurement process, the time and place where the second-step bids, proposals, or responses will be received are not required to be published separately.

Text of subsec. (h) as amended by Acts 1999, 76th Leg., ch. 922, § 1

(h) If school equipment, a school facility, or a portion of a school facility is destroyed, severely damaged, or experiences a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contract methods required by this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment, school facility, or portion of the school facility may be made by a method other than the methods required by this section.

Text of subsec. (h) as amended by Acts 1999, 76th Leg., ch. 1225, § 1

(h) If school equipment or a part of a school facility or personal property is destroyed or severely damaged or, as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the board of trustees determines that the delay posed by the methods provided for in this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment or the part of the school facility may be made by methods other than those required by this section.

(i) A school district may acquire computers and computer-related equipment, including computer software, through the Texas Building & Procurement Commission (formerly General Services Commission [GSC]) under contracts entered into in accordance with Chapter 2157, Government Code. Before issuing an invitation for bids, the commission shall consult with the agency concerning the computer and computer-related equipment needs of school districts. To the extent possible the resulting contract shall provide for such needs.

(j) Without complying with Subsection (a), 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) a film, manuscript, or book;
- (3) a utility service, including electricity, gas, or water; and
- (4) a captive replacement part or component for equipment.

(k) The exceptions provided by Subsection (j) do not apply to mainframe data-processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000.

(l) Each contract proposed to be made by a school district for 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.

(m) If a purchase is made at the campus level in a school district with an average daily attendance of 190,000 or more as determined under Section 42.005 that has formally adopted a site-based decision-making plan under Subchapter F, Chapter 11, that delegates purchasing decisions to the campus level, this section applies only to the campus and does not require the district to aggregate and jointly award purchasing contracts. A district that adopts site-based purchasing under this subsection shall adopt a policy to ensure that campus purchases achieve the best value to the district and are not intended or used to avoid the requirement that a district aggregate purchases under Subsection (a).

Added by Acts 1995, 74th Leg., ch. 260, § 1, eff. May 30, 1995.

Amended by Acts 1997, 75th Leg., ch. 1179, § 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 881, § 1, eff. June 18, 1999; Acts 1999, 76th Leg., ch. 922, § 1, eff. June 18, 1999; Acts 1999, 76th Leg., ch. 1225, § 1, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 436, § 7, eff. May 28, 2001; Acts 2001, 77th Leg., ch. 1409, § 9, eff. Sept. 1, 2001.

CH (Local) Policy

PURCHASING
AUTHORITY

The Board delegates to the Superintendent or designee the authority to make budgeted purchases from District funds for goods or services. However, any single, budgeted purchase of goods or services that costs \$25,000 or more shall require Board approval before a transaction may take place.

The Superintendent is not required to obtain Board approval for the following types of budgeted purchases, regardless of cost, but shall subsequently report them to the Board:

1. A purchase made pursuant to a Board-approved interlocal contract, in accordance with Government Code Chapter 791;
2. A purchase made through a cooperative purchasing program, in accordance with Local Government Code 271.102;
3. A purchase made through a state purchasing program that satisfies the District's obligation for competitive purchasing;
4. A continuing or periodic purchase under a Board-approved bid or contract; or
5. A purchase for produce or fuel.

The Superintendent or designee shall be responsible for signing contracts for externally provided professional services as deemed necessary and within the scope of the approved appropriate budget.

Unless state law or Board policy specifically requires the Board to make or approve a purchase, authorized District employees in charge of a department or school budget may purchase items included in their approved budget, in accordance with administrative regulations.

PURCHASING
METHOD

The Board delegates to the Superintendent or designee the authority to determine the method of purchasing in accordance with CH (LEGAL).

COMPETITIVE
BIDDING

If competitive bidding is chosen as the purchasing method, the Superintendent or designee shall prepare bid specifications. All bids shall be submitted in sealed envelopes, plainly marked with the name of the bidder and the time of opening. Bids shall be opened at the time specified, and all bidders shall be invited to attend the bid opening. Bids may be withdrawn prior to the scheduled time for opening. Bids received after the specified time shall not be considered.

The District may reject any and all bids.

COMPETITIVE
SEALED
PROPOSALS

If competitive sealed proposals are chosen as the purchasing method, the Superintendent or designee shall prepare the request for proposals and/or specifications for items to be purchased. All proposals shall be submitted in sealed envelopes, plainly marked with the name of the proposer and the time of opening. Proposals received after the specified time shall not be considered. Proposals shall be opened at the time specified, and all proposers shall be invited to attend the proposal opening. Proposals may be withdrawn prior to the scheduled time of opening. Changes in the content of a proposal, and in prices, may be negotiated after proposals are opened.

The District may reject any and all proposals.

RESPONSIBILITY
FOR DEBTS

The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedures. The Board shall not be responsible for debts

2010-2011

incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.

PURCHASE COMMITMENTS All purchase commitments shall be made by the Superintendent or designee on a properly drawn and issued purchase order.

PERSONAL PURCHASES District employees shall not be permitted to purchase supplies or equipment for personal use through the District's business office.

BID / PROPOSAL / QUOTE PROCEDURES

GENERAL OVERVIEW

When purchases are made on behalf of the District totaling more than \$25,000 during a 12-month period per competitive procurement **category**, a competitive bid, competitive sealed proposal (CSP), or request for proposal (RFP) is initiated through the purchasing department.

If the total amount purchased **per category** during a 12-month period is between \$10,000 and \$25,000, formal written price quotes are required from three district approved or to be approved vendors.

Published legal notices are required for both of the above procurement processes.

NOTE: If a vendor has been approved through a purchasing cooperative, a formal district bidding/proposal process does not need to take place.

REQUIREMENTS FOR PURCHASES GREATER THAN \$25,000

> \$25,000 Formal Request for Bid
 CSP (Competitive Sealed Proposal) or
 RFP (Request for Proposal) process.

A legal notice must be published in the local paper once a week for two consecutive weeks.

These purchases must have board approval prior to purchase.

THE BIDDING PROCESS

The timeline for the proposal/bid/quote process is critical. The necessity to plan ahead for equipment and supply requirements cannot be emphasized enough. It takes a minimum of two months to complete one proposal/bid from start to finish.

The components of the proposal or bid process:

- Department procurement request
- Set timeline and Board approval date
- Write specifications for items/services requested
- Prepare vendor list to receive bid/proposal/quote packets
- Prepare proposal packets to include: cover sheet, authorization agreement, felony conviction notification, non-collusive bidding certificate, debarment notice, conflict of interest questionnaire, standard terms and conditions, specific terms and conditions, specifications of items and/or services, price sheets
- Run Legal Notice – two consecutive weeks
- Hold a pre-bid conference if necessary
- Send out any necessary addendum
- Closing date of proposal/bid 20

- Analyze price offers and negotiate price if necessary
- Prepare recommendation/agenda form for Board approval
- Once Board approved, send award letter notification to vendors
- Contact district department of bid/proposal award
- Process purchase orders to awarded vendor(s)
- Update/maintain vendor/bid files

AWARD OF PROPOSAL / BID / QUOTE

Once the School Board has awarded a proposal/bid and the vendor(s) has been notified, purchases can be made by issuing a district purchase order with a reference to the award/contract number of the RFP/BID/PROPOSAL on the purchase order.

Refer to the district website, on the purchasing office webpage for a listing of approved vendors.

COMPETITIVE PROCUREMENT CATEGORIES

Recommended procurement categories to be bid per TEA:

- Athletics: athletic/trainer supplies, various sports supplies, uniforms, equipment and non-consumables
- Custodial: chemicals/janitorial supplies/paper products/can liners, contracted services, equipment and non-consumables.
- Food Service: bread, dry goods, canned and frozen foods, fresh meat and poultry, milk, non-food supplies, equipment and non-consumables.
- Instructional/General – Capital Equipment: art equipment and supplies; audio visual equipment and supplies; band instruments; computers/hardware and software; copy machines; instructional equipment, supplies and furniture; library supplies and furniture; office supplies, equipment and furniture; playground equipment; science equipment; telephone equipment; dictionaries; duplicating paper; industrial gases; instructional teaching aids/supplies; library books, periodicals, filmstrips, videos, cassettes; maps and globes; nursing supplies; office supplies and equipment; physical education supplies; science supplies and equipment
- Maintenance: electrical supplies and parts; ground maintenance supplies; Freon; HVAC supplies and parts; lumber and related building materials; paint; plumbing supplies and parts; roofing supplies; equipment and non-consumables
- Transportation: automotive parts and supplies; lubricants and oils; buses; capital equipment; storage tanks; vehicles, trucks and vans
- Bank Depository
- Nonprofessional Services: photocopy services, personal computer services and other equipment services contracts
- Real Property: land and buildings
- Insurance

NOTE: Due to the large amounts of purchasing taking place district wide in these categories, the majority of items being purchased will be part of a proposal, bid, quote or purchasing cooperative.

NEW VENDORS

A new vendor wishing to participate in any district bid/proposal/quote should go to the following district address:

<http://www.kellerisd.net/district/business/Pages/Purchasing.aspx>

Contact the purchasing department with any questions regarding bids/proposal/quote requirements.

SECTION FOUR
VENDORS

VENDOR REQUIREMENTS

VENDOR GENERAL INFORMATION

All vendors must have a district approved vendor number. An approved vendor number is required prior to a purchase order or a PO/Encumbrance/Commitment being processed.

A vendor must be BOARD approved prior to any financial transaction taking place.

A vendor wishing to do business with the district must be board awarded or be awarded through a category specific bid/proposal. Another option is to be an approved vendor through a purchasing cooperative.

PREFERRED APPROVED VENDORS LIST

The district's **master preferred approved vendor list** is on the purchasing department website: <http://www.kellerisd.net/district/business/Pages/Purchasing.aspx>. It is in alpha order with district approved vendor number; the contact number: RFP, CSP or bid number referenced or cooperative contract number; any discount offered; and special requirements or notes for processing a purchase order to that specific vendor. This list has the capability of being sorted by category.

NOTE: The list of vendors on the Pentamation System is a financial database of all expenditures made to vendors for the last seven years. This is not to be used as the current approved vendor list.

VENDOR APPROVAL PROCESS – How to get a vendor approved?

If there is a new vendor NOT currently on the district approved vendor list but would like to do business with the district, have the vendor go to the purchasing website located at:

www.kellerisd.net

*District

*Business Operations

*Purchasing

Once the vendor registers and the Purchasing Office approves the vendor's application, the vendor will receive notification they have the opportunity to respond to any bids and proposals and become a district approved vendor. This is applicable when the vendor has not been approved on a category specific bid/proposal or purchasing cooperative.

Once the vendor has submitted the RFP online and has received approval by the School Board, they will be listed on the website under the category of Keller ISD Approved Vendors.

If there are questions or assistance needed with this process, contact the purchasing department

Timeline for Vendor Approval:

The vendor approval process could take anywhere from 2 to 6 weeks depending on when the vendor responds and completes the process and the timing of board agenda deadlines.

If the vendor is for an employee (reimbursement/campus location), or individual (such as contracted service), conference, etc.: contact the purchasing department with appropriate information consisting of name, address, phone, fax and email address. The purchasing department verifies the information and will assign a new vendor number. This type of vendor does not go before the Board for approval.

SOLE SOURCE VENDOR - Sole Source Vendor DEFINED as:

“Identification and confirmation that competition in providing the item or product to be purchased is precluded by the existence of a patent, copyright, secret process or monopoly.”

The district must obtain and retain original notarized documentation from the vendor, which clearly states the reasons that qualify the purchase to be made on a sole source basis. This documentation is permanently kept in the purchasing department. All required sole source forms are located on the purchasing webpage.

UNAPPROVED VENDORS

HOW CAN A PURCHASE BE MADE IF THE VENDOR IS NOT CURRENTLY ON THE DISTRICT APPROVED MASTER LIST???

If a staff member requests to purchase from an unapproved vendor - **NOT CURRENTLY** on the district's approved vendor list, several questions are asked and should be discussed.

Are the items available from an existing approved vendor or will a new bid/proposal need to be processed and board awarded for the purchase?

What is the estimated cost of this purchase?

Does it qualify for the bid, proposal or the quote process?

Can this item be purchased from a purchasing cooperative?

Can this item be purchased using another district's current contract through an inter-local agreement with the school district?

The purchasing department must consider all information known about the purchase request prior to approving the purchase method and/or approving a new vendor. This information is gathered to protect the district against any possible unlawful purchase.

Contact the purchasing department to assist in making the correct choice of purchasing method.

The ethical business practice is to investigate the best purchasing method prior to making a purchase or district financial transaction.

VENDOR PERFORMANCE

If your department/campus experiences any problems, such as those listed below with a vendor, **notify the purchasing department in writing**. Your input helps us to eliminate vendors and products that do not meet Keller ISD service standards.

Late delivery

Poor service

Poor quality of goods/service

Vendor not honoring proposal contract terms

Overages/shortages in amount ordered

Missing items

Problem salespeople

Unsafe products or service

This is a letter you can give to any vendor doing or wanting to do business with Keller ISD.

LETTER TO VENDOR:

This is a reminder to please follow these procedures when doing business with Keller ISD.

1. All purchase commitments shall be made on a properly drawn and issued purchase order. You must receive a signed hard copy of the purchase order before a valid contract for payment exists between your company and Keller ISD.
2. The District shall not be responsible for payment of invoices that DO NOT have a corresponding properly drawn purchase order.
3. The District shall not be responsible for payment of invoices that do not have the purchase order number listed on the invoice. Invoices will be returned to the vendor.
4. Employees of the District who make purchases without a properly drawn purchase order shall be personally responsible for payment of invoice(s).
5. All invoices shall be mailed to Keller ISD, Accounts Payable Dept., 350 Keller Parkway, Keller, Texas 76248
6. The following documents must be on file in the Purchasing Department prior to a vendor being able to do business with Keller ISD:
 - Documents relating to a specific bid/proposal
 - Proof of a current contract with a purchasing cooperative
 - Board awarded category specific bid documentation
 - W-9 Form

SECTION FIVE

**CO-OPERATIVE PURCHASING/
VENDORS**

COOPERATIVE PURCHASING

COOPERATIVE PURCHASING

The District is a member of numerous purchasing cooperatives. What this means is the district does not have to process its own formal bid/proposal to purchase products from the list of **numerous approved cooperative vendors**. The purchasing cooperatives have done this as a service for the district. All vendors with current contracts with the purchasing cooperative are approved vendors. The district may purchase directly from these vendors.

When processing a purchase order from a purchasing cooperative approved vendor, the name of the purchasing cooperative and the contract number MUST be referenced on the PO.

Search the Co-op website for needed information/approved vendor for your purchase. The vendor contract number will be listed; discounts offered, contact information, etc. on the cooperative's website.

Some Cooperative vendor pricing is negotiable. Call the vendor with a request for additional discounted prices for items of substantial quantities.

LIST OF CO-OPS:

The following is a list of purchasing cooperatives of which the district is a member and can purchase from any of the awarded vendors listed in these purchasing cooperatives:

- 1) Texas Local Government Purchasing Cooperative (TASB BuyBoard) -
<http://www.buyboard.com/>
- 2) Department of Information Resources – (DIR) – <http://www.dir.state.tx.us>
- 3) Educational Purchasing Cooperative of North Texas – (EPCNT)
<http://www.lisd.net/purchasing/EPCNHomepage1.htm>
- 4) Tarrant County Purchasing Co-op – www.tarrantcounty.com/epurchasing/site/default.asp
- 5) Texas Co-operative Purchasing Network (TCPN-) - <http://www.tcpn.org/>
- 6) Texas Procurement and Support Service(TPASS) – www.window.state.tx.us/procurement/
- 7) Texas Interlocal Purchasing System (TIPS) - <http://www.tips-texas.com/>
- 8) H-GAC Cooperative – <http://www.HGACBuy.com>
- 9) US Communities - <http://www.uscommunities.org/>
- 10) Tejas - Machel Andrew – 512-217-0133 machel.andrew@sodexo.com

SECTION SIX
PURCHASE ORDERS

PURCHASE ORDER – GENERAL INFORMATION

All items to be purchased shall be procured through the use of an **approved, signed district purchase order**. The purchase order shall be processed through the district financial software system.

From the Auditors:

“The purpose of having a purchase order system is to obtain proper approvals before commitments are made, allow for encumbrance accounting and provide budgetary control. Allowing purchases to be made before getting proper approval circumvents the purchasing system and reduces its effectiveness.”

From the Purchasing Department:

“District purchase orders are to go through the district approval process prior to an order being placed or any financial transaction. Purchase orders are reviewed, approved and faxed from the purchasing department on a daily basis. There should not be a delay in placing your orders if the purchase order meets all district purchasing requirements.”

PURCHASE REQUISITION

In order to procure goods or services, a requisition must be entered into the Pentamation Finance/Request System. Once all required levels of approvals have been met, the purchasing specialist will give final approval and convert the requisition into a purchase order. **Note that the requisition number will always be different from the purchase order number.**

APPROVAL LEVELS

The Purchasing Specialist **cannot** approve and/or convert a requisition into a purchase order until the PO has met all levels of security and been approved by the staff member associated with the specific level of budgetary security. This must happen in a chronological order in relation to how the budget code has been established within the finance system.

Requisitions that are approved and meet appropriate vendor criteria (bid/rfp/csp/coop) are converted into purchase orders daily. If there is an emergency or need for a purchase order approval immediately, e-mail or call the purchasing department for assistance.

If the requisition is to an unapproved vendor, **it will be denied (no purchase order will be issued)**. A vendor number in Pentamation does not always mean they are an approved vendor. Please check the Master Vendor List prior to making a purchase.

BINDING COMMITMENT

A purchase order, once approved, is a binding commitment or contract (reference policy Purchasing and Acquisition CH Local) for the district to remit payment to the vendor after the receipt of the item(s) and the district receives an invoice. A purchase order is also an important accounting document. It contains information for the expenditure to be made and the proper budgetary account code to be charged. Once issued, the purchase order encumbers funds, which serves as an expenditure control mechanism. Finally, the purchase order is utilized in the accounts payable process as it documents that an order has been received and accepted by the KISD staff, and payment can be made to the vendor.

The purchase order serves as a formal order for goods, materials and/or services from a vendor.

No staff member should “call in” an order without a signed, approved district PO.

PURCHASE ORDER FORM

District budgetary purchase orders are reviewed daily. All orders are placed within two days of final approval of the purchase order if all district procurement requirements are met.

Distribution of purchase order copies:

<u>COLOR</u>	<u>COPY</u>	<u>LOCATION SENT</u>
#1 White	Vendor	Faxed to vendor
#2 Gold	Audit	Accounts Payable
#3 Pink	Receiving	Campus/Department
#3 Green	Campus/Department	Campus/Department

REQUIRED COMPONENTS OF A PURCHASE ORDER:

If one or more of these components is incomplete or missing, the purchase order will either be delayed from processing and/or cancelled completely.

- **Date Required/Delivery Date**
- **Approved vendor (Available listing on intranet teacher page/homeroom page-approved vendor list). Contract number will automatically print on the PO.**
- **Requestor name (person inputting PO or the person the product is being ordered for)**
- **Ship to organization number – ex: 001 for Keller HS**
- **Budget account code**
- **Description Field - Detailed information of the product/service to be ordered**
Input detailed/itemized information for **EACH** item to be purchased. If a stock number is available, put in the description field first. Descriptions of goods or services must be detailed and complete. Just an invoice/stock/part number will **not** be approved. The more information the better. There will be five lines available for each item's description. Attachments can be added to the requisition.
- **Quantity to be ordered**
- **Unit of Measure (listing available in the purchasing manual). Ex: EA for each, CS for case.**
- **Unit Price enter dollar amount, tab enter cents. Do not use decimal.**
- **Discount (if applicable)- percentage**
- **Freight charges (if applicable). Add a line with shipping and handling charges on the requisition. If the amount is unknown, use an average charge of 10% of the order.**
- **Budget code and account number**
- **TEXT (added to the requisition)**
The notes will print before the line items of the PO. This field of the requisition is to relate information to the purchasing department and/or vendor. Note any special delivery instructions and any other applicable information to assure a complete order arrives in a timely manner.
 1. **Standard Procedure:** - When the field is left blank (no notations), standard procedure is to FAX the purchase order. **NOTE:** The PO is faxed to the fax number in the Pentamation system.
 2. **Prepay** – When a check is required to accompany the purchase order for the placement of a special order, all documentation/attachments for this order must be attached to the requisition.
 3. **FAX and #** - The Purchasing Department will place the order by faxing the approved and signed purchase order – unless otherwise noted not to fax in the comments field of the requisition.
 4. **REQUIRED CONTRACT/REFERENCE NUMBER** – This number will automatically print on the purchase order.

ATTACHMENTS

Any attachments applying to the purchase order need to be entered into the system and attached to the requisition.

Library Book Orders: A copy of the list of books ordered on all library book orders are to be sent to the purchasing department to keep with the audit copy of the purchase order.

SECTION SEVEN

**PROCUREMENT CARDS
AND GIFT CARDS**

PROCUREMENT CARD PROCEDURES

The District is **NOT** allowing purchases to be made by credit card.

District purchases should be made by an approved district method of procurement.

SECTION EIGHT
NEW CAMPUS GUIDELINES

**GUIDELINES AND GENERAL INFORMATION FOR OPENING A NEW
CAMPUS**

CONTACT INFORMATION

**CONSTRUCTION DEPARTMENT
BARBARA MCDONALD OR JODY GATEWOOD
817-744-1201**

**PURCHASING DEPARTMENT
LORI TUDOR OR CINDY WILLIS
817-744-1132 OR 817-744-1133**

GUIDELINES FOR OPENING A NEW CAMPUS

CONSTRUCTION FUNDS

CONSTRUCTION BUDGET TIMELINE –

The general timeline for the spending of construction funds of a “NEW” campus covers a one to two year period. The items to be purchased are to be a “one time” purchase of furniture, equipment and supplies for the start up of the campus.

The exception to the two year rule would be when a high school does not open with all four grade levels the first year.

SECTION TEN

CONTRACTED SERVICE GUIDELINES

CONTRACTED SERVICE

CONTRACTED SERVICE WITH A COMPANY

When contracting services with a company, a regular purchase order or an open purchase order (if multiple payments are to be done) must be processed in the financial accounting system to legally encumber the funds that will be expended. These vendors must meet the district requirements of being a district approved vendor. An approved Request for Proposal (RFP), a Contract/Agreement, Conflict of Interest (CIQ) form and a W-9 form must be on file in the purchasing department for the purchase of the services.

A copy of the signed Contract/Agreement must be attached to the purchase order being processed.

CONTRACTED SERVICE PROVIDED BY AN INDIVIDUAL:

When contracting services with an individual, the individual must adhere to procedures set forth by the district.

If an individual is doing a long term contract service for the district, a blanket PO can be processed to encumber the funds for multiple payments.

Documents and procedures required for individual contract service vendor approval:

- Signed contract/agreement
- W-9

SECTION TWELVE

FREQUENTLY ASKED QUESTIONS “FAQ” AND MISCELLANEOUS INFORMATION

PURCHASING FAQ's and MISCELLANEOUS INFORMATION

1) PURCHASE ORDER REVISION/CHANGES/PO CHANGE ORDERS

There should be **no change** on a purchase order without authorization and approval from the Purchasing Agent. Notify the Purchasing Department in writing or by e-mail of the necessary revision to initiate a change order against an existing purchase order. The purchasing department will verify the change with the vendor and/or requestor. Upon the receipt of approval from the Purchasing Specialist the change will be processed.

2) PURCHASE ORDER CANCELLATION

A purchase order is a contract. It must be agreed upon by both parties to break this contract. If the terms and conditions of the contract have not been met, one party may discontinue the contract (cancel the PO).

Send requests for cancellation of a purchase order to the Purchasing Specialist in writing or by e-mail. After the purchase has been cancelled the encumbered funds are returned to the budget account.

It is the originator's responsibility to contact the vendor and notify them of the cancellation if the PO has been previously sent/faxed to place the order.

3) FURNITURE PURCHASES

Any furniture purchases made need to include an inside delivery, assembly and trash removal charge. When requesting these quoted prices, the above mentioned conditions MUST be included in the cost of the item/s.

The Maintenance Department and Custodial Departments may NOT be available to assemble furniture.

4) FLAGS, PENCIL SHARPENERS, TRASH CANS, FLOOR MATS, WHITE MARKER BOARDS:

Each campus is responsible for the ordering of replacements of flags, pencil sharpeners, trash cans, and floor mats. This should be charged to your regular supply budget or activity fund.

5) SHOULD A PURCHASE ORDER BE PROCESSED FOR TRAVEL EXPENSES?

A purchase order is not required.

6) CAN I PURCHASE FROM VENDORS AT A CONFERENCE?

An option available to purchase from a convention vendor: Prior to attending a conference, process an open PO not to exceed a certain dollar amount for the “conference sale” items.

7) WHEN HAVING A FUNDRAISER ON A CAMPUS, DOES THE VENDOR HAVE TO BE AN APPROVED VENDOR?

Yes, the vendor must be on the district approved vendor list.

The exception to this rule is when the fund raiser is handled by the campus PTA and no funds are deposited in any district bank account.

8) HOW ARE PURCHASES MADE AT KROGER SUPERMARKETS?

When purchasing at Kroger you will need to have your district ID badge and your campus assigned Kroger card.

When you return to your campus make sure that you attach the store receipt to the pink receiving copy of the purchase order and forward to the accounts payable department.

9) HOW ARE PURCHASES MADE AT SAM’S?

When purchasing at Sam’s you will need to have your district ID badge and your campus assigned Sam’s card.

When you return to your campus make sure that you attach the store receipt to the pink receiving copy of the purchase order and forward to the accounts payable department.

The transaction limit per purchase is \$500.00 with out prior permission from the Director of Purchasing

10) HOW ARE PURCHASES MADE AT LOWE’S OR HOME DEPOT?

When purchasing at Lowe’s or Home Depot, you will need your district ID badge. Bring the white copy of your purchase order to the store. Teachers will check out through the regular cashier, maintenance will check out through the contractors check out.

When you return to your campus make sure that you attach the store receipt to the pink receiving copy of the purchase order and forward to the accounts payable department.

11) HOW ARE PURCHASES MADE AT WAL-MART?

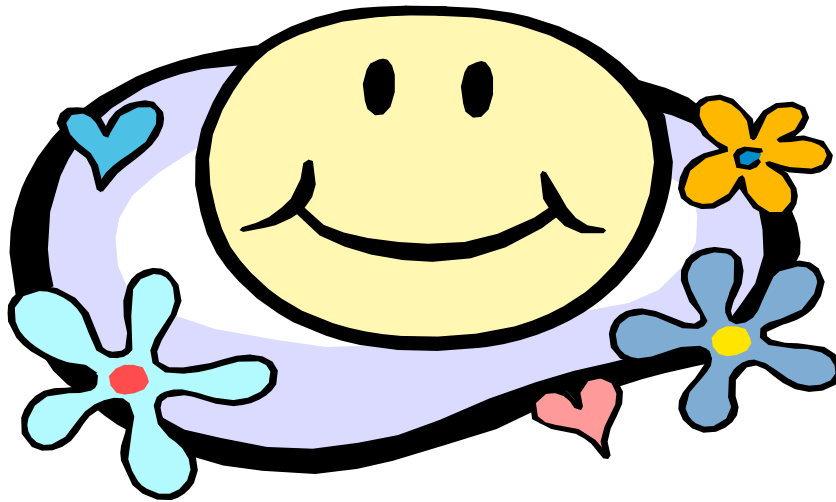
When purchasing at Wal-Mart you will need to enter a purchase order and reserve a card from the purchasing specialist.

When you return the card to the specialist you will turn in the original receipt along with a signed copy of the purchase order, which in turn will be forwarded to the accounts payable department.

The transaction limit per purchase is \$250.00 with out prior permission from the Director of Purchasing

DISTRICT PURCHASING POLICY

All district purchases must be processed on an approved district purchase order, to encumber budgetary funds, using a district approved vendor through an approved purchasing method.



BE RESPONSIBLE BUYERS

KEEP SMILING

HAVE PATIENCE

AND

HAVE A GREAT YEAR!!!!