



**PURCHASING
DEPARTMENT
MANUAL
2017-2018**

PURCHASING MANUAL OUTLINE/INDEX

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PURCHASING MANUAL

1.0 Introduction

1.1 Mission Statement

The Northwest Independent School District Purchasing Department provides support and guidance regarding district policies and procedures for purchasing products, materials, and services at the best value in a manner consistent with local, state, and federal guidelines, Board of Education policies, ethical business practices, and exceptional customer service.

1.2 Organization chart

The Purchasing Department performs many operations in the procurement of goods and services for the district. It is divided into three interrelated sections and functions, the order processing function, the contracting function, and bidding function. Please reference the attached organizational chart.

1.3 Purpose

To distribute and see the execution of the Purchasing policies and procedures to all employees of the Northwest Independent School District, hereafter referred to as the district.

1.4 Scope

The scope of the District in centralizing the purchasing function is to comply with state laws and policies of the Northwest Independent School District Board of Trustees, hereafter, called the Board. State law does not mandate that District purchase at the lowest price available in the marketplace. The law mandates that the District purchase at the lowest price, meeting published specifications, in accordance to the applicable competitive pricing statutes and local Board policies. Therefore, the primary object of the Purchasing Department is to make purchases in compliance with the applicable statutes and policies.

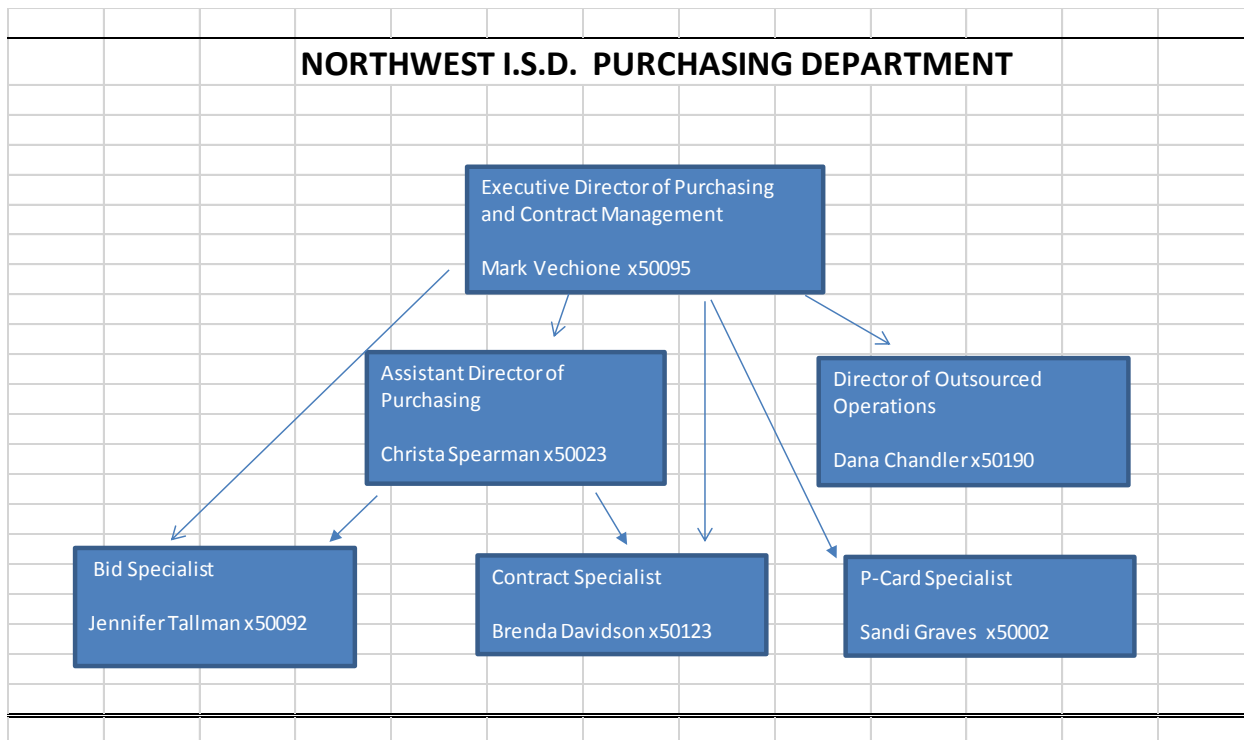
1.5 Former Procedures

This manual rescinds all previous operational policies and procedures, whether written or verbal, concerning the purchasing functions.

1.6 Responsibility

It is the responsibility of the District employees involved in any aspect of the purchasing function to be familiar with these policies and procedures. The employees are to follow them in the execution of day-to-day business, and to report any violations to their immediate supervisor. The primary staff responsibility for compliance with procedures is assigned to the Executive Director of Purchasing.

1.65 Organization Chart



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1.7 Ethics

The following is from District policy DH-Exhibit.

Professional Ethical Conduct, Practices, and Performance.

Standard 1.1 The educator shall not knowingly engage in deceptive practices regarding official policies of the school district or educational institution.

Standard 1.2 The educator shall not knowingly misappropriate, divert, or use monies, personnel, property, or equipment committed to his or her charge for personal gain or advantage

Standard 1.3 The educator shall not submit fraudulent requests for reimbursement, expenses, or pay.

Standard 1.4 The educator shall not use institutional or professional privileges for personal or partisan advantage.

Standard 1.5 The educator shall neither accept nor offer gratuities, gifts or favors that impair professional judgment or to obtain special advantage. This standard shall not restrict the acceptance of gifts or tokens offered and accepted openly from students, parents, or other persons or organizations in recognition of service.

Standard 1.6 The educator shall not falsify records, or direct or coerce others to do so.

Standard 1.7 The educator shall comply with state regulations, written local school board policies, and other applicable state and federal laws.

Standard 1.8 The educator shall apply for, accept, offer, or assign a position or a responsibility on the basis of professional qualifications.

Gifts and gratuities

Employees of the District shall not accept or receive gifts or gratuities from representatives of companies directly from the company. This pertains to supplies, equipment, or construction for the District. The employees may not promise or obligate future awards or compensation based upon gifts, gratuities, rebates or discounts given.

Restrictions on certain purchases

District funds will not be used to purchase personal items. Memberships to organizations and certain subscriptions can be considered personal and may not be allowed. Memberships should be for the position/entity and not the individual.

1.8 Conflicts of Interest

School district employees are limited in the types of employment in which they may be involved outside of normal school activities.

1. An employee shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee's discharge of assigned duties and responsibilities
2. An employee shall not have a personal financial interest, a business interest, or any other obligation that in any way creates a substantial conflict with the proper discharge of assigned duties and responsibilities or that creates a conflict with the best interest of the District.
3. Each employee shall disclose, to the best of his or her knowledge, in writing to the Superintendent, Executive Director of Purchasing, or designee any financial or ownership interest in any business or other purchase arrangement with the district.
4. An employee who believes he or she has or may have a conflict of interest shall disclose the interest to the Superintendent or designee, who shall take whatever action is necessary, if any, to ensure that the District's best interests are protected.

Standards of Conduct

Now especially, in this age of accountability, when activities and conduct of school business officials are subject to greater scrutiny and more severe criticism than before, standards of conduct when conducting business are in order.

1. Conduct business honestly, openly and with integrity
2. Avoid conflicts of interest situations by not conducting business with a company or firm which the official or any member of the officials family has a vested interest.
3. Avoid preferential treatment of one outside interest group, company or individual over another.
4. Avoid using the position for personal gain
5. Never accept or offer illegal payment, for goods/services rendered.
6. Refrain from accepting gifts, free services or anything of value for or because of any act performed or withheld
7. Permit the use of school property only for officially authorized activities

Purchasing Department Internal Code of Ethics

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications
2. Demonstrate loyalty to your employer by diligently following the lawful instructions of your employer, using reasonable care and only authority granted.
3. Refrain from any private business or professional activity that would create a conflict between personal interests and those of your employer
4. Refrain from soliciting or accepting money, loans, credits, discounts, gifts entertainment, favors or services from present or potential suppliers.
5. Handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations.
6. Promote positive supplier relationships through courtesy and impartiality.
7. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
8. Ensure that all segments of society have the opportunity to participate in district contracts.
9. Discourage purchasing involvement in employer-sponsored programs of personal purchases, which are not business related.
10. Enhance the stature of the purchasing profession by improving your technical knowledge and adhering to the highest ethical standards.

1.9 Governance

One of the main guidelines governing the procurement function is from the Texas Education Code, Subchapter B. 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 \$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;
 - (2) competitive sealed proposals;
 - (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.
- (b) Except as provided by this subchapter, in determining to whom to award a contract, the district may consider:
- (1) The purchase price;
 - (2) The reputation of the vendor and of the vendors 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) For a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendors ultimate parent company or majority owner:
 1. Has its principal place of business in this state; or
 2. Employs at least 500 persons in this state; and
 - (9) 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, contact 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 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 response 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.
- (h) If school equipment, a school facility, or portion of a school facility is destroyed, severely damaged, or experiences a major unforeseen operations 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.
- (i) A school district may acquire computers and computer-related equipment, including computer software, through the Department of Information Resources under contracts entered into in accordance with Chapter 2054 or 2157, Government Code. Before issuing an invitation for bids, the department 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 180,000 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 district aggregate purchases under Subsection (a).

1.95 Enforcement of Purchase Procedures/Criminal Penalties

Component purchases – means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.

Separate purchases – means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.

Sequential purchases – means purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase.

An officer, employee or agent of a school district commits an offense if the person with criminal negligence makes or authorizes separate, sequential, or component purchases to avoid the requirements of Section 44.031 (a) or (b). An offense under this subsection is a Class B misdemeanor and is an offense involving moral turpitude.

An officer, employee, or agent of a school district commits an offense if the person with criminal negligence violates Section 44.031 (a) or (b) other than by conduct described by Subsection (b). An offense under this subsection is a Class B misdemeanor and is an offense involving moral turpitude.

An officer or employee of a school district commits an offense if the officer or employee knowingly violates Section 44.031, other than by conduct described by Subsection (b) or (c). An offense under this subsection is a Class C misdemeanor. The final conviction of a person other than a trustee of a school district for an offense under Subsection (b) or (c) results in the immediate removal from office or employment of that person.

The court may enjoin performance of a contract made in violation of Section 44.031 (a) or (b). A county attorney, a district attorney, a criminal district attorney or a citizen of the county in which the school district is located may bring an action for an injunction. A citizen who prevails in any action brought under this subsection is entitled to reasonable attorney's fees as approved by the court." Texas Education Code, Chapter 44 Fiscal Management 44.032 Enforcement of Purchase Procedures: Criminal Penalties; Removal; Ineligibility

1.97 Procedures

Purchases of Personal Property Valued between \$10,000 and \$50,000

- (a) A school district shall purchase personal property if the value of the items is at least \$10,000 but less than \$50,000, in the aggregate, for a 12-month period. In the alternative, the school district may purchase those items in accordance with Sections 44.031 (a) and (b).
- (b) Purchases of produce and fuel shall be made in accordance with the section.

2.0 Bidding

2.1 Electronic Bidding –

According to Texas Education Code 44.0313, a school district may receive bids or proposals under this chapter through electronic transmission if the board of trustees of the school district adopts rules to ensure the identification, security, and confidentiality of electronic bids or proposals and ensure that the electronic bids or proposals remain effectively unopened until the proper time. Notwithstanding any other provision of this chapter, an electronic bid or proposal is not required to be sealed.

2.2 Competitive procurement options

Competitive bidding - is a formal process that may also be referred to as competitive sealed bidding or formal bidding. It is an option available to school districts for the procurement of goods or services. According to the American Bar Association Model Procurement Code, "Competitive bidding is the preferred method of procurement." The request for bids contains the purchase description or specifications covering the item(s), work and/or services needed, the terms and conditions for the proposed bid contract, the time and place for opening bids and other provisions as necessary. The advertisement for bids; and description in the request for bid(s) of item(s), work and/or services needed, and specific terms and conditions must be done in a manner that accomplishes the primary purpose of competitive bidding – stimulate competition and obtain the lowest practical price for the work, service and/or items(s) needed. Competitive bidding is a lengthy process. From the initial step of "determination of need" through the award of contract by the Board, the average time period is approximately ninety (90) to one-hundred twenty (120) calendar days. The competitive bidding process requires that bids be evaluated and awards based solely upon bid specifications, terms and conditions contained in the request for bids documents, and according to the bid prices offered by vendors and pertinent factors that may affect contract performance. SISD does not award solely on the basis of the lowest bid(s), rather on the lowest and best bid(s) as determined to be in the best interests of the District. The Board of Trustees is the contracting authority for the District. The Executive Director of Purchasing makes formal recommendations to the Board for an award of contract.

Request for Bid / Invitation to Bid

The invitation to Bid (ITB) / Request for Bid (RFB) is used when the department knows the type of goods or services required. The quantity is a known fact and will not vary during the fiscal year. Costs are usually readily identified before the process begins and can be guaranteed as stated. This method is becoming less

frequent based on uncertain conditions predominant in our current environment.

Public Notice – Notice of the time by when and place where the bids or proposals or the responses to a request for qualifications, will be received shall be published in the county in which the district’s central administration 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; and if there is not a newspaper in that county the advertisement shall be published in a newspaper in the country nearest the county seat of the county in which the district’s central administration is located. Texas Education Code, Chapter 44. Fiscal Management, Subchapter B. Purchases; Contracts, 44.-41 Purchasing Contracts. Northwest ISD will advertise as a matter of record in the Denton Record Chronicle.

Bid acceptance and Evaluation Process

1. Bids are to be accepted at the advertised date and time
2. The names of the submitting bidders and their respective unit and/or overall prices will be read into the record.
3. Bids will be evaluated on the basis of compliance to the published specifications
4. Bids will be awarded on the basis of lowest or overall lowest prices, meeting specifications, as deemed in the best interest of the District.
5. Correction/withdrawal of bids; cancellation of awards criteria – in case of errors in extensions, unit prices shall govern. In cases of errors on unit prices bidders shall be allowed to withdraw their bids on the respective line items. Bid awards may be rescinded in cases of non-performance or non-compliance to the published specifications, term and/or conditions.

Competitive Sealed Proposals / Requests for Proposals

Conditions for use – The competitive sealed proposals (CSP) or Request for Proposal (RFP) is an alternative to competitive bidding. An important difference between competitive sealed proposals and competitive bidding relates to the finality of initial offers. Under competitive sealed proposals, changes in the nature of a proposal, and in prices, may be negotiated after proposals are opened. In contrast, changes in the price of goods and services are not negotiable in the competitive bidding process. Competitive proposal procedures are recommended where other procurement procedures are not required according to federal rules, laws or regulations, in order to stimulate competitive prices for services. Examples of services, which may be obtained through a CSP, include accounting, architectural and consulting services. (Chapter 2254, Government Code). Request for Proposals may also generate non-sealed

competitive proposal which would allow a school district to open the proposals upon receipt.

Public Notice – same requirements as for the competitive bid process

Receipt / evaluation procedures for proposals

The primary difference from the Competitive Bid process lies within the evaluation process. Competitive Bids are awarded solely upon how the bidder satisfied the written specifications. Full disclosure regarding participating bidders and their respective pricing offers is open to the public upon the opening of the bids. However, within the RFP process only the names of participating respondents can be made available to the public. The pricing information has to remain confidential to the District until an award of contract is made. Failure to do so can result in the returned proposals being rendered “void” with the entire proposal process being required to start over. Requests for Proposals are tabulated, reviewed and evaluated by a team of staff members from the Purchasing Department and the using department requesting the proposal. A point system can be utilized in the scoring process so that all recommendations can be justified for award of contract.

Procedures for negotiating with vendors.

Whereas, negotiations are not allowed with the Competitive bid process, negotiations are an integral part of the RFP/CSP process. All selected respondents are allowed the opportunity to respond to questions and required modifications to the original proposal as deemed necessary by the District. Upon completion of the negotiation process, selected respondents can and may be asked to submit their “Best and Final Offer” (BAFO) for review by the District.

Procedures for award of Contracts

Upon acceptance of the Best and Final Offer, the evaluation team will submit their recommendation for award, in writing through the Purchasing Department to the Board of Trustees.

Interlocal Contracts. The Interlocal Cooperation Act – “The purpose of this chapter is to increase the efficiency and effectiveness of local governments by authorizing them to contract, to the greatest possible extent, with one another and with agencies of the state” Texas Government Code, Chapter 791. Interlocal Cooperation Contracts, Subchapter A. General Provisions. 791.001 Purpose.

Authorization for agreement – “A local government may contract or agree with another local government to perform governmental functions and services in accordance with chapter. Texas Government Code, Chapter 791. Interlocal

Cooperation Contracts, Subchapter B. General Interlocal Contracting Authority
791.011 Contracting Authority; Terms
Local Government defined. – “In this subchapter, “local government” means a county, municipality, special district, school district, junior college district or other legally constituted political subdivision of the state” Texas Local Government Code, Chapter 271. Purchasing and Contracting Authority for Municipalities, Counties, and certain other local

Governments, Subchapter D. State Cooperation in Local Purchasing Programs
271.081 Definition.

Agencies (examples)

1. Texas Procurement and Support Services (TPASS) Term Contract. A contract awarded through the competitive bid process for a specific term, such as twelve calendar months. Term contracts may have renewal option clauses, thereby allowing the district and the vendor to continue the contractual relationship for an extended period. The board of trustees usually determines the length and number of renewal options allowed.
2. TxMAS – Texas Multiple Award Schedule
3. Texas Department of Corrections (TDC)
4. Texas Institute for the Blind and Handicapped (TIBH)
5. The Cooperative Purchasing Network (TCPN)
6. TASB Buyboard
7. Houston Galveston Area Council (HGAC)
8. Texas Department of Information Resource (DIR)

2.3 Bid Process

Request to Process

The Purchasing Department utilizes a Request to Process form to capture the necessary information needed to begin the solicitation process. An administrator or Campus Principal must fill out and submit this request.

This form is to be used for any calendar solicitation and any expenditure in excess of \$50,000 that is not currently under contract award. A copy of this form is available in this manual and also on the Department website. Specifications for proposals along with the process bid/solicitation form are to be turned in to the Purchasing Department for review by the Executive Director of Purchasing. The Executive Director of Purchasing will review the specifications and schedule a bid opening date.

Advertising of Solicitation. – Any commodities over \$50,000 or more will require to be advertised in one local newspaper once a week for two consecutive weeks.

Opening of Sealed Proposals

When using the e-Bid system, the district's electronic web based vendor registration and bidding system, the process is automated.

Paper or manual bids are still accepted and on certain occasions, the e-Bid system may not be used, therefore all proposals must be sealed and plainly marked with the name of the proposer along with the date and time of the opening. Proposals need to be received in the office of the Executive Director of Purchasing, Northwest ISD Administration Building, 2001 Texan Drive, Justin, TX 76247 prior to the opening time. All proposals must be stamped with the date and time of receipt. Sealed submittals will be received by Northwest Independent School District at the time and date which were advertised. At this time the proposer shall be invited to attend the opening and the identity of all respondents will be read aloud. Any proposals which are received after the opening date and time will be stamped accordingly and returned to the vendor without action. Faxed proposals will not be accepted. No proposal can be received or withdrawn after the opening time without the consent of the Executive Director of Purchasing. The Executive Director of Purchasing can and will have final decision on acceptance or declining of proposals which were received after the opening date and time based on the Districts best interest.

2.4 Award Criteria

When evaluating submittals a recommendation committee will be composed and review the proposals on the following factors:

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. The extent to which the goods or services meet the District's needs
4. The vendor's past relationship with the District.
5. The impact on the ability of the District to comply with the laws relating to historically underutilized business.
6. The total long term cost to the District to acquire the goods or services.
7. Any other relevant factor specifically listed in the request for bids or proposals.

The committee may recommend the most responsive vendor(s) with the best proposal. Whenever the lowest price is not recommended, the committee will provide written justification for the recommendation submitted to the Board of Trustees.

In a case of tie the committee may consider the following factors;

1. Location of vendor
2. Number of days for delivery
3. Past performance

All proposals in the amount of \$50,000 or more need to be approved by the Board of Trustees.

All proposals that result in a total award of less than \$50,000 can and will be awarded administratively by the Executive Director of Purchasing.

If proposal recommendations are approved by the Board of Trustees, the Purchasing Department will send a tabulation sheet to every vendor who submitted a proposal. The Tabulation sheet will provide the awarded vendor(s) and their price. * These are done automatically through the e-Bid system.

In the case of a protest or dispute of an action taken by the Department of Purchasing any vendor may write a letter outlining any concerns which may exist to:

Executive Director of Purchasing
2001 Texan Drive
Justin, Texas 76247

2.5 Emergency Purchase

Definition – Purchase or purchases made not in accord to the competitive bidding requirement due to an emergency condition such as a natural or man-made disaster.

Conditions for use – “If a school equipment is destroyed or severely damaged, and the board of trustees determines that the delay posed by the competitive bidding process would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment may be made without competitive bidding as otherwise required by this section” Texas Education Code, Chapter 44, Fiscal Management, Subchapter B. Purchase; Contracts, 44.031(h) Purchasing Contracts.

Documentation required – Verifications of the circumstances for the emergency condition and approval for, or ratification of, by the Board of Trustees of the emergency purchases.

2.6 Vendor Evaluation form

The purchasing department encourages feedback on the performance of the vendors the district contracts with. During the bidding process this documentation is extremely valuable in award recommendations. It ensures that reliable proven vendors will be recommended. A vendor evaluation form is provided in the manual and available on the district web page. This form simplifies the reporting process and allows the department to communicate to the Purchasing Department on both areas for improvement and service related issues. This form can also be used to recognize any outstanding service received from a district vendor.

2.7 Bid calendar

The Purchasing department will maintain an annual bid calendar. This calendar will be indexed by commodity. The Purchasing Department will send a notification to the user department or campus at least 90 days prior to termination or renewal date requesting required information for a new solicitation or acceptance of renewal.

2.8 Published Commodities

Commodity	Description
010	Administrative Services
020	Advertising
030	Agricultural
040	Air Conditioning and Related Items
050	Apparel, General
055	Apparel, Fine Arts
060	Apparel, Work Uniforms
065	Appliances
070	Aquatic Equipment and Supplies
075	Art Equipment and Supplies
080	Athletic Equipment
085	Athletic, Training Supplies
090	Athletic Apparel
095	Audio Visual Equipment and Supplies
100	Automotive Equipment
105	Automotive - Bus Related
110	Automotive Services
115	Automotive Maintenance
120	Awards and Recognition
125	Building Equipment Supplies
130	Buildings and Structures
140	Catering Services
145	Communications
150	Computer Hardware
155	Computer, Network
160	Computer, Peripherals
165	Computer Software
170	Computer Supplies
175	Copy Machines
180	Construction,
185	Construction, Professional Services
190	Contracted Services, Outsourced
195	Educational Services - Consulting
200	Electrical Equipment and supplies
210	Environmental Services, Chemicals, pest and garbage
215	Environmental Services, Asbestos

220	Financial Services
225	Financial Services, Depository
230	Financial Services, Benefits
240	Flooring Material and Supplies
245	Floral Supplies
250	Food Service Equipment
255	Food Items - Bakery
260	Food Items - Dairy
265	Food Items - Ethnic
270	Food Items - Frozen
275	Food Items - Perishables
280	Food Items - Grocery Items
285	Food - Produce
290	Fuel
295	Fundraising
300	Furniture - Cafeteria
305	Furniture - Classroom
310	Furniture - Library
320	Furniture - Office
330	Grounds and Landscaping
335	Hardware and Hand Tools
340	Insurance, Health
350	Insurance, Coverages
360	Instructional Materials
370	Instructional Materials, Bilingual
375	Instructional Materials, Math
380	Instructional Materials, Reading
385	Instructional Materials, Science
390	Instructional Materials, Technical Trades
400	Janitorial Equipment and Supplies
405	Laundry, Dry Cleaning Equipment Supplies and Service
410	Lighting, Supplies and Fixtures
415	Library Books
420	Library Services
425	Library Supplies
430	Mail room equipment and Supplies
440	Maintenance Equipment and Supplies
445	Maintenance Equipment and Supplies , HVAC
450	Maintenance Equipment and Supplies , Building
455	Maintenance Equipment and Supplies , Special Systems
460	Maintenance Equipment and Supplies , Food Service

470	Medical Equipment and Supplies
473	Memberships
475	Musical Instruments
480	Office Equipment
485	Office Supplies, consumables
490	PA Systems and Sound Supplies
500	Painting Equipment and Supplies
510	Paper, Related Products
515	Periodicals
520	Photographic Equipment and Supplies
525	Photographic Services
530	Playground Equipment
540	Plumbing Equipment and Supplies
545	Portable Classrooms and related
550	Printing Equipment and Supplies
555	Printing Services
560	Professional Services - Contracted
565	Rentals
570	Safety Related Equipment and Supplies
580	Special Education, Equipment and Supplies
585	Special Education Instructional Material
590	Staff Development
595	Staffing Services, General
598	Subscriptions
600	Theater Arts Supplies and Equipment
605	Travel Services
610	Utility Services

2.9 Catalog award bids

Because of the wide variety of items, services, supplies, etc. that is utilized by a school district, many solicitations are requested and awarded on a “discount from catalog” basis. When utilizing these solicitations, the requestor needs to make sure they are using a current catalog, and indicating that the discount has/has not been taken on the requisition.

2.10 Vendor Bid List

The Purchasing Department maintains a vendor listing of all vendors who have registered to receive solicitations via email, mail, and fax. ***This is commonly referred to as a Bidders list.***

VENDORS REGISTER USING THE E-BID VENDOR REGISTRATION AT

<https://nisdtx.ionwave.net/>

(Reference Section 12.0 Vendor Registration Flowchart)

Any vendor who has previously responded to solicitation is on this list. If a vendor fails to respond to three straight solicitations, the department reserves the right to delete them from the vendor list.

Please note, that this is a list of vendors to receive bids, **not** a list of awarded vendors.

There is a list of vendors contained in e-Finance. ***This is commonly referred to as the Vendor List.*** This is neither an awarded vendor list nor a bidders list. Anyone who has received a check from NISD is included in the e-Finance list.

The **awarded list of vendors** is available on the district web site, Active Contracts. It is a list of vendors that have been awarded a contract for goods or services, through a district solicitation process. It is a very useful tool. Users can search the “find” feature to locate a vendor and the award information, such a bid number and name.

2.11 Extensions of Awarded Bids

Bids awarded by the Board of Trustees may be extended for additional terms and purchases provided that

1. the Prices do not exceed 10% of bid prices and the terms and conditions of the original bid remain firm
2. The original bid had provisions for additional purchases.

3. All legal requirements are fulfilled.
4. The Purchasing Department prior to the end of the original term of the contract will document acceptance of the extension by both parties.

2.12 Open Records

All information collected, assembled or maintained by governmental bodies pursuant to law or ordinance, or in connection with the transaction of official business is public information and available to the public during normal business hours of any governmental body with certain exceptions.

Three exceptions clearly concern the purchasing operation found in: Texas Education Code, Title 110A, 6252-17a, Section 3

- (1) information which, if released would give advantage to competitors or bidders;
- (2) information pertaining to the location of real or personal property for public purposes prior to public announcement of the project, and information pertaining to appraisals or purchase price of real or personal property for public purposes prior to the formal award of contracts therefore;
- (3) trade secrets and commercial or financial information obtained from a person and privileged or confidential by statute or judicial decision.

The concern is that information is not disclosed at inappropriate times leaving the District unprotected.

The District has specified procedures for open records requests. They are initiated in the Department of Communications, obtained, and released from their office.

2.13 Sales Taxes

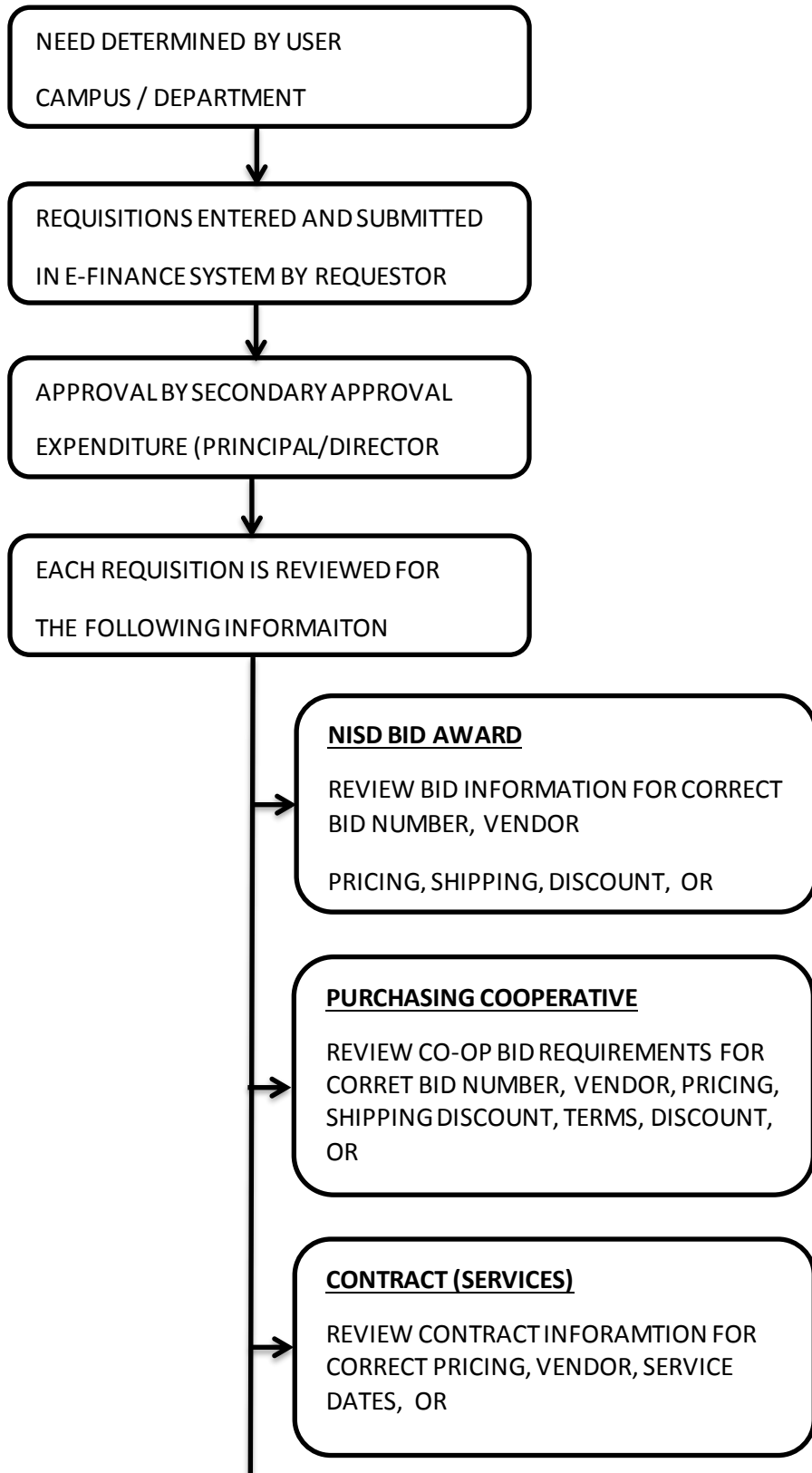
- 1 Northwest Independent School District is exempt from the payment of state sales taxes by the fact it is a political subdivision of the State of Texas.
- 2 District employees may not use the District's tax-exempt status for purchases of personal property. Anyone avoiding the payment of sales tax by using this exemption may be liable for prosecution under Texas Penal Code, Chapter 39, Abuse of Office, Section 39.01. (This also applies to booster clubs, parent teacher organizations and other outside organizations. They must apply and receive their own tax-exempt status)
- 3 All Purchase Orders notify vendors of the District's tax-exempt status. Vendors can request a separate tax exempt form if necessary from the Purchasing Department.
- 4 The Districts Federal Tax I.D. number is 75-6003004.

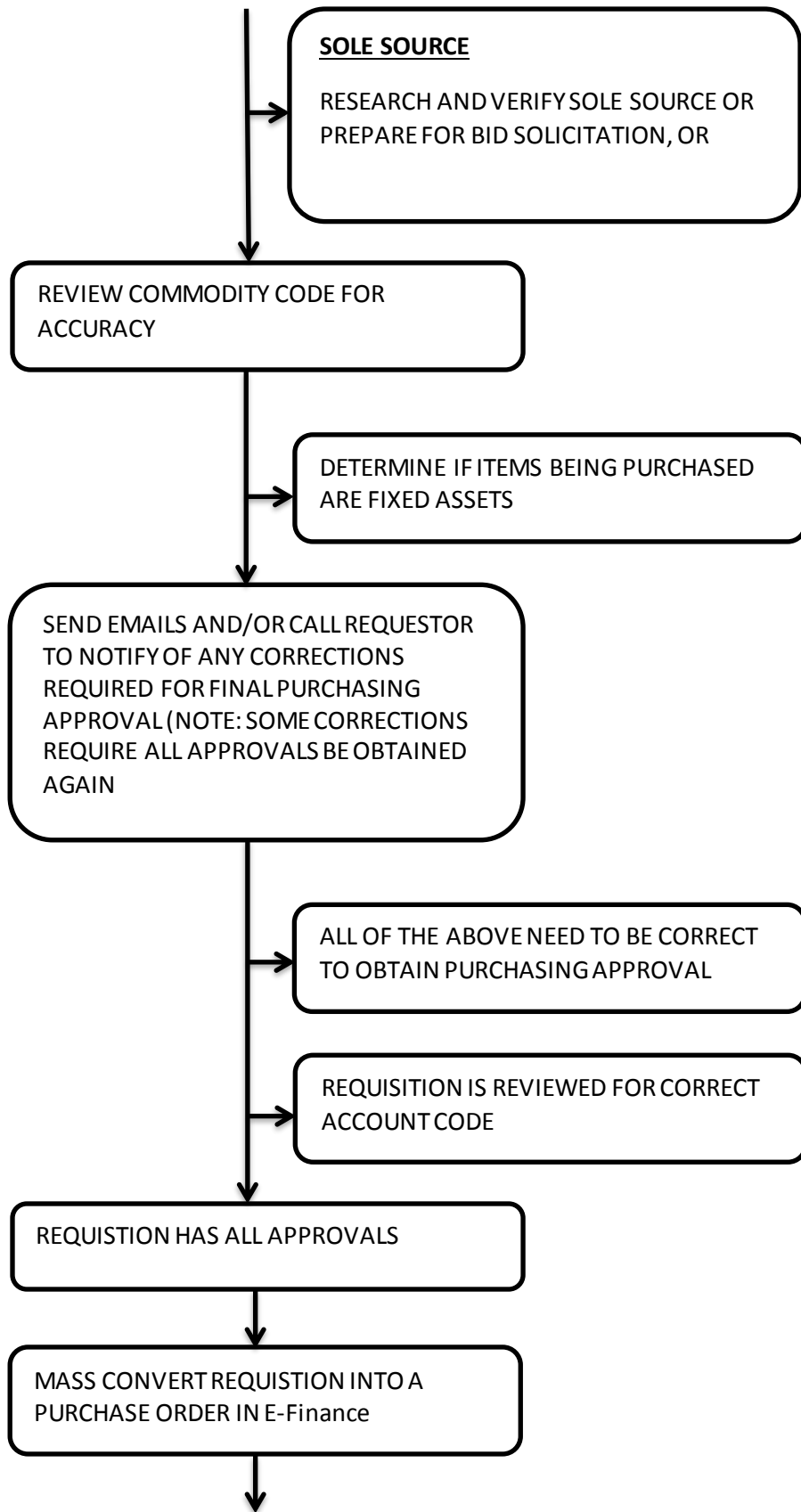
3.0 Requisitioning process

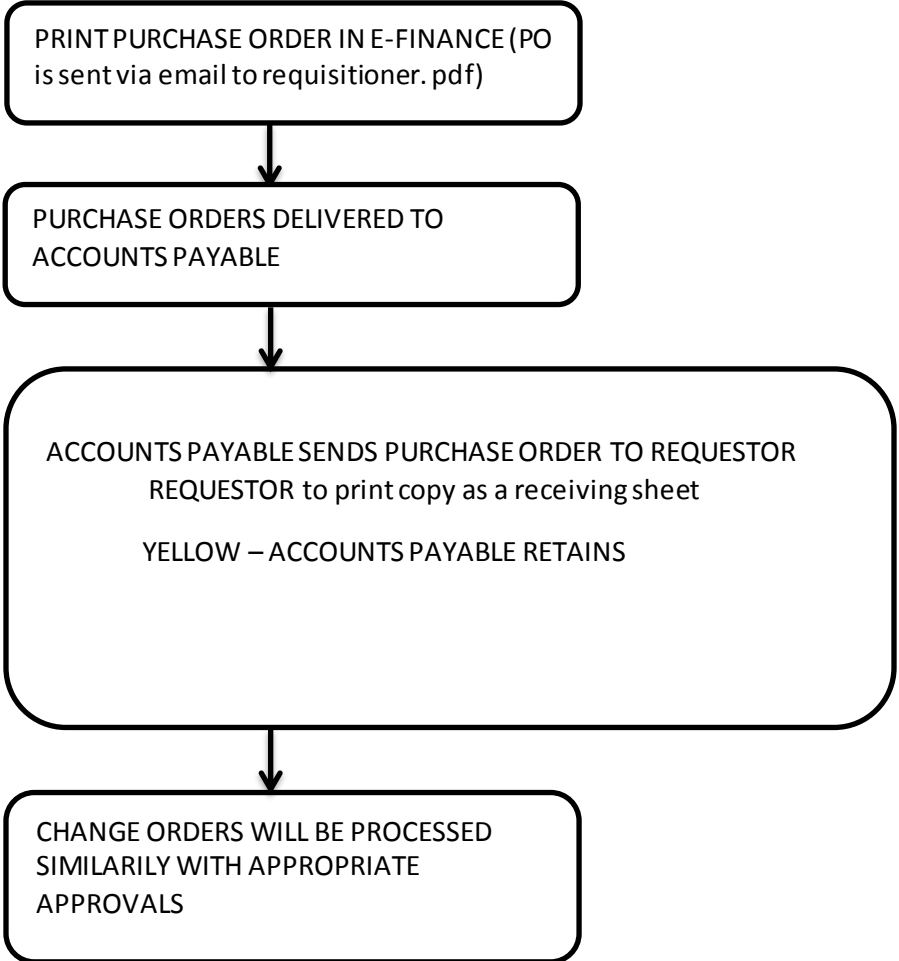
3.1 How do I make a purchase?

Reference the following flow chart for the requisitioning process. This flow chart illustrates the steps involved in making a purchase. It does not, nor cannot address all of the steps, which may be required. Users are encouraged to use the chart, in conjunction with this manual, as tools to help guide them through the purchasing process. If, at any time, during the course of the process, it is felt that additional information, or one-on-one help is needed, users are encouraged to call a member of the Purchasing Department staff.

REQUISITION WORKFLOW







3.2 Requisitioning basics

In order to requisition supplies, services, equipment, or furniture, the following guidelines are to be used.

1. In the Finance system, prepare a requisition utilizing awarded vendors, through a competitive solicitation, state contract, cooperative contract, approved district contract. (In order of preference)
2. Provide a complete description of goods or services including type of item and stock/model number if available
3. Designate the Receiving address
4. Include the appropriate budget code
5. Include any special delivery instructions in the text field
6. Indicate the appropriate bid number, contract number.
7. If using a discount from catalog bid, indicate if the prices include the discount. (Retain Documentation)
8. The requestor is responsible for ensuring proper discount is taken.
9. Indicate if there are any shipping and handling charges associated with the order.
10. The correct approval routing code needs to be used The correct fund, function and object code need to be used.

The Purchasing Department Prime Directives (After the Fact Orders)

1. Approval for purchases must be made prior to purchase.
2. Request for payment without a purchase order approved by the Purchasing Department can and will become the responsibility of the person ordering the merchandise.
3. The Purchasing Department must approve purchases via a requisition and assign purchase order number before purchases are to be made.
4. Employees should not purchase materials with their own money with the intention of being reimbursed. There are no employee reimbursements unless approved by the Executive Director of Purchasing.

3.3 Requisition types

Line Item Requisition –

A line item requisition is issued to a registered vendor to “furnish and deliver” specific items stated on the purchase order. A line item requisition will specify the exact price and quantity and usually for a one time delivery. A complete description including model or item numbers is necessary.

Open Purchase Order Request –

An open requisition is allowable for vendors that are currently an awarded vendor through a district solicitation, cooperative agreement, contract or similar approved agreement.

It is issued to a registered vendor authorizing purchases from that vendor over a period of time, so that supplies, materials or services are available on an “as needed” basis by users. During this period, the District may purchase certain specified items from the vendor not exceeding the total dollar limit.

Information required: The time limit, a not to exceed dollar amount, the person(s) authorized to pick up (if local) products, a description of the type of goods/services, and the appropriate contract/bid number, including the bid item number and bid expiration date.

It may be required for certain vendors to have one purchase order per visit

3.4 Requisitions involving Federal Funds

Requisitions using federal funds must be compliant with the Education Department General Administrative Regulations (EDGAR), Title 34, Code of Federal Regulations (CFR)

EDGAR Compliant Bid Awards are to be used whenever possible. These bid awards are compliant with the price analysis requirement and the awarded vendors have submitted all the necessary certifications.

Most Purchasing Cooperatives are compliant with EDGAR with the exception of the price analysis requirement and therefore quotes may be required.

Purchase requisitions using federal funds, which are not using a EDGAR compliant bid, purchasing requirement will require 3 quotations in order to meet the price analysis requirement. This will be required for every requisition in excess of \$3,500.

EDGAR Certifications (available on the purchasing website) will be required for every vendor utilizing federal funds.

3.5 On-line orders

In an attempt to have fast track delivery of selected items the following vendors are on line. The user would use the web site and select items, when complete; they would checkout at the Vendors website, noting the reference number given. Then the user will enter a one line item requisition to the selected vendor referencing the total dollar amount given and using the reference number given. The Purchasing Department will convert the eFinance requisition order once approved the requestor can release the order in the vendor's website ordering system.

Office Depot

Business Essentials

I Office

School Specialty

Amazon

The above companies can be accessed through the internet directly or their links are available from the Department website.

One of the goals of the Purchasing Department is to review and approve all requisitions within 2-3 days from the campus/department's administrative approval. In order to accomplish this goal, we request that the campus/department respond promptly to all requests for information or corrections required on a requisition (due to availability of product and pricing constraints), we need acknowledgment of the request. If there is no response to a request, The Purchasing Department may be forced to delete the requisition. Please know that we will always do our utmost to assist you.

3.6 Change Orders

A purchase order confirms the existence of a contract between the District and the vendor. Consequently, it cannot be modified or cancelled unilaterally. Any request to modify or cancel an order must be documented and released by the Purchasing Department. This is done in the format of a purchase order change order documenting the details and reason for the change.

A change order form is contained in this manual and available on the district web site. Users may be requested to submit change orders by the Accounts Payable Department. These still will be processed by the Purchasing Department.

3.7 Request to Add a Vendor

Please use the request to add vendor packet (available in this manual as well as the department website).

Please include all necessary information, including email, phone and fax for approval and input into the eFinance system.

A W-9 form, CIQ form is required prior to entry into the system.

Vendors will be added to the system if awarded a bid or contract.

3.8 Sole Source Purchases

Definition – A purchase for a commodity or service to the only known capable supplier, occasioned by the unique nature of the requirement, the supplier, or market conditions.

There must be no other like items available for purchase that would serve the same purpose or function.

From Texas Education Code 44.031

Without complying with Subsection (a), a school district may purchase an item that is available from only one source, including:

- an item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
- a film, manuscript, or book;
- a utility service, including electricity, gas, or water, and
- a captive replacement part or component, for equipment

Examples of sole source

A book, manuscript, or play available only from the publisher
OEM (Original Equipment Manufacturer) repair part
Branded Drugs

Examples of NON Sole source items

Same book from any bookstore/broker
Copier toner, paper
OTC medications, first aid items, brand name products
Certain computer or telecommunications equipment
Any article of clothing, including uniforms, t-shirts, athletic equipment & supplies, and promotional items of any kind
Food
Most repair parts and labor agreements, instruction or teaching supplies
Hardware, hand tools, most maintenance/repair and operations items.

3.9 Spot Purchases

A spot purchase is a category of purchases that must be small in nature, dollar amount, be considered an emergency purpose. These purchases will count toward the \$50,000 threshold per commodity and can only be classified a spot purchase by the Executive Director of Purchasing or Assistant Director.

3.10 Captive Purchases

A captive purchase is defined as a business or organization which provides services, supplies or materials that are only available through that organization.

Examples: City permits, background checks, vehicle registration / permits.

3.11 Payment Authorizations

Payment authorizations are to be used only for the following instances:

Payment of Utilities

Reimbursement of mileage for approved recipients.

Payment for tuition reimbursement for specified grants.

Pre-approved payments (minimal value)

3.12 Technology

If you plan to purchase a computer, or computer hardware please reference the available contract awards for these commodities. Please make sure your selection regarding technology hardware has been approved by the Technology Department.

A pre-approved list of hardware should be available soon on both the Technology and Purchasing web pages.

DIR (Department of Information Resources) is an available resource when the desired item cannot be procured through an NISD bid award.

3.12 Technology – mobile applications

Contact Technology Department for purchasing procedures

4.0 Quotations (items not available on bid or through a cooperative)

4.1 Quotation types

There are basically two types of quotations.

Fixed item/time quotes - These are quotes for a particular item(s) and will expire within a short amount of time. These are good for a single use.

Time/Not to exceed quotes. These are quotes for a variety of items in a single category, prices are obtained for those items or sample of items and an quotation award is based on a period of time (i.e. 6 months) and a cumulative not to exceed dollar amount (i.e. \$10,000).

4.2 Quotation procedures

Purchases between \$10,000 and \$50,000

1. Originator forwards to Purchasing an Inquiry with details
2. Purchasing solicits a minimum of three (3) written quotes (preferably using e-Bid system by Purchasing Buyer).
3. Purchasing will forward the approved results and award information to Originator.

Purchases between \$3,500 and \$10,000 (micro-purchase) EDGAR

1. Originator forwards to Purchasing an Inquiry form (email, requisition, etc.) and quotations the Originator as already received.
2. Purchasing may solicit additional quotes, but a minimum of three (3) quotes is needed.
3. Purchasing reviews the quotes and provides the quotation number to the Originator for input.

Purchases below \$3,500

The Executive Director of Purchasing or Assistant Director reserves the right to request quotations or obtain quotations based on professional judgment.

Quotations (other guidelines)

Not less than 3 days from time of request of quotation to the deadline for receiving.

Quotations should be written. When using verbal quotations, details should be recorded on the requisition.

Closing times for quotations are given some tolerance if unusual or unforeseen conditions warrants a delay, such as additional information or specifications are required.

Quotations will be awarded based on the most responsible vendors submitting the lowest, most responsive quote meeting the needs of the district and user campus or department.

All quotation will be assigned a quote number to be used as reference on the requisition and a log will be maintained by the Purchasing Department.

A summary of quotations along with the quotation is maintained in the Purchasing Department

5 Contracts

5.2 Contracts – Common Law

1. A District Purchase Order is an offer. A contract is created between the District and the vendor only when the vendor accepts the terms of the Purchase order by causing the goods or services requested on the order to be delivered. In other words, the District's (Purchase Order) is a presentation to the vendor of what the District wants from the vendor and under what conditions (terms). Purchase orders provide a uniform way for the District to make offers to vendors with all terms in writing. This is why it is critical to the purchasing process that the school or departments receiving the goods or services immediately compare the delivery of it with the Purchase Order. If the vendor has altered the terms of the Purchase order to the point where the recipient is dissatisfied, then a possible breach of the contract has occurred. In such a situation the Purchasing Department should be contacted as soon as possible.
2. In the case of bids and request for proposals (all types), a different set of circumstances exists. Here, the offer is the vendor's bid or proposal. This is the vendors offer to the District of what the vendor will sell the District and under what terms. The acceptance of an offer occurs when the Board of Trustees awards a bid selects a proposal

5.3 Contract Signatories

Contracts exceeding \$50,000 per year will be taken to the board of trustees for approval under the consent agenda

District Policy allows for contracts to only be signed by the Superintendent, the Chief Financial Officer or the Executive Director of Purchasing.

5.4 Request to Process Contract Form

A request to process contract form needs to be completed and faxed to the purchasing department to begin the contracting process.

The key information required on the form is:

Budgetary approval,
Budget information (account code)
A complete description of services being provided
Desired results if possible
Vendor/consultant information (including name, phone, email, etc.)
Term of agreement, dates
Agreed Dollar amount (does it include expenses?)
Name of requestor (for questions)

The consultant can provide his/her contract for consideration. It may be used in conjunction with the standard district contract.

5.5 Consultant Contracts

A consultant is an independent contractor, not an employee that offers services to the public. A consultant usually maintains an office and usually provides the equipment and materials necessary for completing or performing a service. A consultant is paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in areas beyond the expertise of the employing entity's employees.

Consultants hired to perform a service will execute a written contract acceptable to the District, prior to the performance of the service. The district in most cases will utilize its own contract. The Purchasing Department will assign a contract number and notify the user/requestor so that a purchase requisition (referencing the contract number can be issued) The Purchasing department will maintain a log of all contract numbers.

5.6 Determination of Independent Contractor Status.

Risk of Profit or Loss – Independent contractors realize a profit or sustain a loss based on their success in performing the work or service.

Continuing Relationship – The relationship between an independent contractor and employer ends when the job is done.

Compliance with instructions - Independent contractors cannot be told when, where, or how to do the job.

Training – Independent contractors do not go through any type of instructional training period with a more experienced employee to learn how to do the job. Independent contractors specialize in the field in which they have been employed and do not require training.

Control over the hiring, supervising, and paying of assistants – Independent contractors maintain control of their assistants. The employer contacts the independent contractor if there is a problem, and the employer pays the independent contractor for the work done. The independent contractor then pays the assistants directly.

Set hours of work – An independent contractor sets working hours.

A full-time work requirement – An independent contractor has the availability to work for more than one client, and for more than one firm.

Availability – An independent contractor makes services available to the public on a regular and consistent basis.

Works off premises. – An independent contractor works off premises unless the nature of the services requires attendance on district facilities

Required work sequence- an independent contractor does not need to be told the sequence of work needed.

Requirement of reports – The independent contractor is not required to submit oral or written reports.

Payment by the hour, week or month – An independent contractor is paid in a lump sum fee basis when the job is done. An invoice must be generated to substantiate the payment.

Payment of business or travel expense – An independent contractor is responsible for his/her own travel expense. If paid, the employer must include the expense amount on the independent contractors 1099.

Furnishing of tools and materials – An independent contractor has the necessary tools and materials to do the job.

Employer's discharge rights – an independent contractor cannot be terminated as long as he/she is fulfilling the contract.

Workers termination rights – An independent contractor may be held financially responsible for any loss the employer may suffer due to an incomplete inaccurate or unsatisfactorily completed contract.

5.7 Lease Rental Contracts

Any contract for rental must contain a cancellation provision and must be renewed by the issuance of a new Purchase Order for each fiscal year. Each contract must be approved by the Executive Director of Purchasing

Any contract for lease must contain non appropriations clause and must be renewed by the issuance of a new Purchase Order for each fiscal year. The lease must be approved by the Executive Director of Purchasing

5.8 Service contracts

All services that are to be contracted for a specified period of time should be submitted to the Purchasing Department to generate a contract protecting the interests of the district. A contract number will be assigned, and given to the user/requestor to reference on the Purchase requisition. The Purchasing department will maintain a log of all contract numbers. The user/requestor should detail as much information regarding the contract and its services on the requisition regardless of a contract being generated.

5.9 Contracts List

A list of current, effective contracts by number, title, and requesting school/department is maintained in the e-bid system by the Purchasing Department.

5.10 Background Checks

In accordance with SB9 requirements, if a contract request will have the contractor having unsupervised direct contact with students, the Human Resources Department will conduct background/fingerprinting.

5.11 Insurance Certificate Requirements

The Purchasing department coordinates with the Risk Management Department for the verification of insurance, determining if coverage meets district requirements. In almost all circumstances if a vendor/contractor is performing services on school property insurance certificates will be required and documented with agreement.

6 Cooperative purchasing

The District has cooperative agreements/ resolutions with the following agencies to be used when district bids and contracts do not meet the need. The web sites are listed and also have links on the Purchasing Department web page.

6.2 Texas Procurement and Support Services (TPASS)

The Texas Procurement and Supports Services (TPASS, sometimes referred to as “State contracts”), was formerly known as The Texas Building and Procurement Commission (TBPC), or as the General Services Commission (GSC). They are also responsible for the TXMAS (Texas Multiple Award Schedule).

www.window.state.tx.us/procurement/

6.3 The Cooperative Purchasing Network (TCPN)

The Cooperative Purchasing Network (TCPN) formerly known as the Texas Cooperative Purchasing Network is part of ESC Region 4 and is a valuable resource for a multitude of commodities the district may obtain.

www.tcpn.org

6.4 Buyboard (TASB)

The BuyBoard is sponsored by the Texas Association of School Boards and is a cooperative agreement available to the school district. It has a variety of contracts from School buses to Athletic Equipment.

www.buyboard.com

6.5 Houston-Galveston Area Council (HGAC)

The Houston-Galveston Area Council (H-GAC) is a cooperative the district belongs to that is more specialized for construction related equipment. It is a valuable resource for vehicles, etc.

www.h-gac.com

6.6 Department of Information Resources (DIR)

The Department of Information Resources is part of the TPASS and excellent source for computer software, and computer related equipment supplies.

www.dir.state.tx.us

6.7 U.S. Communities

The US Communities purchasing cooperative is a national cooperative for a variety of goods and services.

www.uscommunities.org

6.8 TIPS

TIPS (The Interlocal Purchasing System) is a purchasing cooperative out of Education Service Center, Region 8.

www.tips-usa.com

6.9 Goodbuy

The Purchasing Program of the Education Service Center, Region 2 is a purchasing cooperative available.

www.purchase.esc2.net

6.10 PACE

The Purchasing Association of Cooperative Entities is a purchasing cooperative available out of Education Service Center, Region 20.

www.programs.esc20.net

6.11 NCPA

The National Cooperative Purchasing Alliance is a leading national government purchasing cooperative available.

www.ncpa.us

6.12 Choice Partners

Choice Partners purchasing cooperative is a part of Harris County Department of Education and has a variety of contracts available.

www.choicpartners.org

6.13 Region 1 ESC

Education Service Center Region 1 has a purchasing cooperative available to use.

www.esc1.net/page/9197

6.14 Denton County

Denton County has a purchasing cooperative available to use.

www.dentoncounty.com/purchasing.aspx

6.15 Tarrant County

Tarrant County has a purchasing cooperative with available contracts to use.

www.tarrantcounty.com/epurchasing/lib/epurchasing/coop_purchasing

6.16 EPCNT

EPCNT (Educational Purchasing Cooperative of North Texas) is a purchasing alliance consisting of over school districts in Education Service Center Region 10 & 11) Members elect to make their bid awards available to other school districts provided the vendors accept during the bid process.

www.epcnt.com

6.17 1GPA

1GPA is a non-profit national governmental purchasing cooperative with national vendor.

<https://1gpa.org>

6.18 National Joint Powers Alliance

National Joint Powers Alliance is a member-driven service cooperative that allows members to establish an alliance in contract purchasing solutions

www.njpacoop.org

6.19 Texas Industries for the Blind and Handicapped (TIBH)

Texas Industries for the Bind and Handicapped (TIBH) is the central non-profit agency that links community rehabilitation centers and the Texas Council on Purchasing from People with Disabilities

www.tibh.org

6.20 Purchasing Cooperative of America (PCA)

The Purchasing Cooperative pf America is a purchasing cooperative available out of Education Service Center, Region 3.

www.pcamerica.org

6.21 Central Texas Purchasing Alliance (CTPA)

Central Texas Purchasing Alliance is similar to EPCNT. CTPA is is a purchasing alliance consisting of school districts in Central Texas. It is available to Texas School Districts. Members elect to make their bid awards available to other school districts provided the vendors accept during the bid process.

www.txctpa.org

6.22 National IPA

National IPA is a cooperative purchasing organization for public school districts and governmental agencies. Controlling partner of TCPN.

www.nationalipa.org

7.0 Areas of Concern

7.1 Program Incentives and Awards

Program incentive and awards are an important part of conducting district activities. However, schools should examine closely the type of incentives or awards given to students for program participation in order to ensure the award or incentive does not appear to be a gift.

Gifts, or items that appear to be gifts are prohibited by the state constitution.

Reasonable awards and incentives for participation include such items as certificates, plaques, ribbons, small trophies, or inexpensive instructionally related items such as pens/pencils to be used in the classroom

7.2 Amazon Purchases

Amazon is currently available through the U.S. Communities Purchasing Cooperative.

Amazon classifies its products as:

- Directly shipped and sold from Amazon,
- Sold by a third party and fulfilled/shipped by Amazon,
- Ships and sold by Third Party.

Products that are shipped and sold from Amazon can be ordered and procured as normal.

Products that are from a third party will require prior approval from the Executive Director of Purchasing or the Assistant Director of Purchasing

And/or

Two (2) other quotations attached to the requisition. These quotations should be preferably from NISD awarded vendors.

Further instructions on how to obtain a new Amazon account can be found on the Purchasing Department website.

7.3 Disposal of Property

Per NISD CI (Local) – All equipment and furniture declared surplus by the Board shall be disposed of in accordance with any applicable state law or federal TEA regulation regarding disposition of surplus equipment and furniture.

In the absence of any applicable state law or federal TEA regulation regarding disposition of surplus equipment and furniture, the procedure will be:

Surplus equipment and furniture with an individual unit value of \$200 or more, as determined by the administration, shall be sold by advertised bids following regulations set forth by the administration.

Surplus equipment and furniture with an individual unit value of less than \$200 shall be disposed of following regulations set forth by the administration.

The Board of Trustees must first declare the equipment, furniture as surplus prior to disposal. Once approved, the department utilizes Rene Bates Online Auctioneers.

7.4 Travel Program

The purchasing department manages the District Travel Program. More information can be found in Northwest ISD Travel Program on the Purchasing Department website.

8.0 Fixed Assets

8.1 Definitions

Capital Asset Policy

The Northwest Independent School District defines a capital asset as an item, tangible in nature, with a true value of \$5,000 or greater, and having a useful life in excess of one year. Capital assets are acquired by purchase, construction or donation.

Key Coveted Assets or “Theft-prone” items

These are items to be controlled regardless of unit cost due to the high risk of theft.

Under \$5,000 Inventory Items

This category includes furniture, fixtures and equipment with a per unit cost less than \$5,000. These items will not be inventoried or maintained in a database **unless** they are listed below as “theft prone” items or inventory items that are already being maintained by other departments. The district’s insurance policy covers these items by using a percentage or model for each campus.

Purchase of Capitalized Fixed Assets

Fixed asset purchases cannot be encumbered and rolled over to the following fiscal year. Fixed asset purchase orders will be written and paid for in the same fiscal year. These items must be received and paid for within the same fiscal year as requisition for purchase is made.

8.2 Recording Fixed Assets

Acquisition of Fixed Assets

Fixed assets are purchased using a district purchase order. Specific object codes (type of expenditure) within the account code have been designated to identify a fixed asset. Only these codes should be used to procure these type items. The purchasing system in eFinancePLUS creates a Purchasing/Fixed Assets Interface Table containing purchase order line item records that meet the following criteria:

- The distribution account for the item is within the capital account range of objects established in the fixed assets profile.
- The cost of the item meets the minimum unit cost as determined in the fixed assets profile.
- The asset flag on the purchase order line item is ‘Y’.
- The purchase order is posted to fund accounting.

Options on the Interface Purchasing/Fixed Assets menu allow the fixed assets system to be updated with items purchased and marked as assets in the purchasing system. You

can view records in the interface table, print a list of the records, and delete interface table records.

8.3 Depreciation

Depreciation is the process of allocating the cost of tangible property over a period of time, rather than deducting the cost as an expense in the year of acquisition. To calculate depreciation you must have the following information:

- DATE ASSET WAS PLACED IN SERVICE (DATE ACQUIRED)
- COST OF ASSET OR ACQUISITION VALUE
- SALVAGE VALUE OF ASSET
- ESTIMATED USEFUL LIFE OF ASSET
- DEPRECIATION METHOD
-

The district uses the SL (straight-line) method for depreciating assets. The depreciation amount is determined by dividing depreciable item cost by the estimated life of the item. The same amount of depreciation is deducted each year. After all fixed asset items have been entered into the eFinancePLUS system a depreciation report is processed and this amount is posted at the end of the fiscal year.

8.4 Capital Assets

Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery, equipment and vehicles.

- Land

Land is capitalized but not depreciated. It is recorded at historical cost and remains at that cost until disposal. If there is a gain or loss on the sale of land, it is reported as a special item in the statement of activities.

- Land Improvements

Land improvements include items such as excavation, non-infrastructure utility installation, driveways, sidewalks, parking lots, flagpoles, retaining walls and fencing.

- Buildings

Buildings are capitalized and depreciated. Buildings are recorded at the acquisition cost or construction cost. These costs include professional fees and permits.

- Building Improvements

Building improvements that extend the useful life of the original building are capitalized.

- Construction in Progress (CIP)

Construction in progress is capitalized but not depreciated.

- Vehicles and Mobile Equipment

Vehicles and mobile equipment are identified, inventoried, and, if applicable, depreciated.

8.5 Key Coveted Assets Inventory

The following is a list of the departments responsible for keeping a current inventory and providing a copy at the end of the year to the Fixed Asset Inventory Clerk:

- Library
- Instructional Technology
- Fine Arts
- Technology

These departments have inventory items that are considered key coveted assets or “theft prone” items. These inventory items are not placed in the eFinancePLUS system. The inventories are filed in the fixed asset fiscal year inventory files.

In order to help control the inventory, there are required checkout, transfer and disposal procedures that are explained below.

Library

Library Equipment (includes, but not limited to):

Television sets, VCR’s, digital cameras, video cameras, overhead projectors, video projectors, video editing equipment, scanners, CD/cassette players, CD burners and slide projectors.

Each librarian may have very slight or minute differences in the way they catalog equipment; however, the principles and software are the same for all campuses.

Checkout Procedure

New equipment is cataloged by serial number and logged into the library software. Some of the equipment may be checked out from the Curriculum Department’s inventory. All librarians at the district use the same software and all items in the inventory are bar-coded. Only teachers and staff have access to check out the equipment under the librarian’s supervision by using their name to log into the software. Before the end of the school year, the librarian prints the inventory sheet from the database and verifies that each item has been returned. These items are stored in a secure area over the summer break.

Transfer/Disposal

Refer to General Guidelines for handling the transfer, disposal and theft/vandalism of inventory items.

Instructional Technology

The Instructional Technology Department carries an inventory of the following items:

Digital Cameras Lego NXT Kits

Video Cameras Lego We-Do Kits

iPods iTouches

GPS Flip video cameras

These are items purchased by the Instructional Technology Department and are checked out to teachers on a temporary basis.

The items are recorded in a database and assigned an ID number.

Check-Out Procedure

The Equipment Check Out Form located in Eduphoria Help Desk must be submitted to check out an item from the Instructional Technology Department. An entry is made in the inventory database noting who checked out the item, campus location, date checked out, and the anticipated return date. Quantities and duration for checkout are restricted.

Transfer/Disposal

Refer to General Guidelines for handling the transfer, disposal and theft/vandalism of inventory items.

Fine Arts

Equipment:

This includes all instruments but does not include uniforms.

Checkout Procedure

A database has been setup that all campus Fine Arts directors have access to. Each campus has a separate inventory list and the director for each campus is responsible for following the proper procedures for their campus. A relationship is set up in the database that ties a student's name to the instrument that they have checked out. This relationship generates a form that must be signed by the parents and returned with the appropriate fee prior to taking possession of the instrument. The form assigns liability for the instrument and its proper care to the signer. It also includes a replacement value.

Disposal Procedure

Instruments that are no longer usable are traded to an approved vendor for a credit that can be used on the next district purchase. A notation is made in the database that the instrument has been traded. This database is maintained and updated by Fine Arts.

Transfer Procedure

The director can inquire as to instrument availability from other campuses if additional instruments are needed at their campus. The instrument is transferred to the requesting campus and the item is moved from one database to another with a notation made of the transfer.

Technology

The Technology Department performs a campus inventory of all computer equipment once a year before the end of school. The inventory contains the name of the campus, room

number, and serial number. This information is maintained in a database by the Technology Department.

Check-Out Procedure

Technology does not normally check out computers to individuals due to the fact that there is usually not a request for this. If a request is made then a checkout form that contains the computers serial number is listed on the form. The transaction is then logged into their inventory database for tracking.

Disposal Procedure

Also, systems that are no longer utilized by district may be donated to a non-profit organization, the Technology Department is responsible for readying the equipment for pickup.

The systems are retired from technologies inventory database by changing the location to campus number 099, those are removed from the larger inventory database and reside in a different query. After being retired from the database, the equipment is stored in the warehouse and the like parts are sorted onto pallets. Each pallet is counted, shrink-wrapped, (PCs, monitors, printers, towers, boxes of keyboards, mice, etc.) and labeled with a packing slip. The information is faxed to the non-profit organization and a truck is sent to pick up the pallets.

Transfer Procedure

If a computer is moved physically from one campus to another the Technology Department updates their inventory database to indicate the new location. The campus number and room numbers are changed in the database to reflect the transfer.

8 Glossary

Annual Aggregate This pertains to the total amount of purchases made by a school district within a single category of items during a twelve-month period. The state does not prescribe on what date the period starts and stops.

As Is An expression signifying that goods offered for sale are without warranty or guarantee. The purchaser has no recourse with the vendor for the quality or condition of the goods.

Authorized Deviation Permission given to a supplier authorizing production or delivery of items within stated limits other than those specified originally.

Backorder The undelivered part of a previous order, which the vendor re-enters for shipment at a later date.

Bid A response to a specified request for goods or services. Usually requested for contracts exceeding an annual aggregate of \$50,000.

Bid Bond Bid bond guarantees an owner of property that a party bidding for a contract will, if his bid is accepted, enter into a contract and furnish performance and payment bonds for the carrying out of the work, or pay the owner the difference between the amount of his bid and that of the bid finally accepted.

Caveat Emptor "Let the buyer beware": The sale is at the buyer's risk.

Caveat Vendor "Let the seller beware": In some cases, the vendor is liable to the buyer if the goods delivered differ in kind, quality, use and purpose from those specified in the contract of sale.

Certified Check A check endorsed by a bank that guarantees its payment.

Change Order A purchaser's document used to modify a purchase order.

Competitive Pricing Mechanism A term used to collectively describe the various methods the state has provided to meet bidding requirements for purchases above \$50,000. These include bids, requests for proposal, Cooperative contracts, Texas Procurement and Support Services contracts, Federal GSC contracts (TXMAS), and inter-local government contracts.

Delivery Schedule The agreed time or rate of future deliveries of purchased goods or services.

Discount An amount deducted from the selling price by the vendor. It is generally applied when a purchaser meets a stipulation that reduces the cost of the goods.

EDGAR – Education Department General Administrative Regulations. Code of Federal regulations governing the purchasing requirements when utilizing federal funds

Expediting "Follow-Up" Tracing the status of an order to ensure efficient movement of goods to the School or Department in accordance with the terms of the Purchase Order.

Express Warranty Vendor's representations concerning the nature and use of goods, which he intends the buyer to rely on.

Inventory A stock of goods or an itemized list of a stock of goods on hand at a particular time. When ascertained by a physical count of the items it is a "physical inventory"; when determined from records maintained for routine business activities, it is a "book inventory."

Invitation to Bid A request made by a purchaser to prospective suppliers for their competitive price quotations on goods or services.

Invoice The vendor's itemized list of goods or services shipped which specifies price and terms of sale.

Knocked Down (k.d.) a term to indicate that the article described is delivered unassembled. When an article is shipped "k.d.", it must be reduced in size by one third or as specified in the carrier's tariff to be eligible for the applicable freight rate.

Lump Sum The price agreed upon between vendor and purchaser for a single job or a single purchase of merchandise in bulk.

Manufacturer One who produces or assembles items from raw materials or components.

Negligence Under a legal duty the doing or omission of some act which a reasonable, prudent person would not have done or omitted under the circumstances.

Open Account Purchase A purchase made by a buyer who has established credit with the seller. The transaction is charged to the purchaser's account, payment for which is to be made at some future date agreed upon by buyer and seller.

Original Equipment Manufacturer Seller's classification of a buyer whose purchases are incorporated into a product he manufactures, usually without changing the item he acquires.

Payment Bond Payment Bond, often referred to as a Labor and Materials bond, guarantees that bills for labor and material used in the work project will be paid. This coverage is usually included automatically in the Performance Bond so no additional charge is necessary.

Performance Bond Performance Bond guarantees the owner that work will be completed according to the contract specifications. This is considered the key bond in a work project because the owner not only wants the work completed- usually within a specified time- but also completed according to the owner's specifications.

Purchase To acquire goods or services for a price.

Purchase Order A purchaser's formal written offer to a vendor containing all terms and conditions of a proposed transaction.

Purchase Requisition A formal request made to the Purchasing Department to procure goods or services from vendors.

Quotation A statement of price, terms of sale, and description of goods or services offered by a vendor to a prospective purchaser. When given in response to an inquiry, it is generally considered a sales proposal that states the current price of a commodity. For the District, it is primarily used for purchases between \$2,000 and \$25,000.

Rebate A form of discount in that the vendor returns, (or rebates) to a purchaser in consideration of the purchase of a specified quantity or value of goods usually within a stated interval.

Receiving Copy This is a receiving department document used to inform others of the receipt of purchased goods. Copies are usually distributed to the accounting department.

Request for Proposal (RFP) This is an alternate to the competitive bid process. The proposals are advertised and received in the same way as bids. Once opened, the District can select the best proposal and negotiate specific terms with the vendor to further lower the price or improve the contract.

Sample A small portion of goods taken as a specimen of quality.

Sealed Competitive Proposal A term coined by the state to identify proposals dealing with construction. The term sealed is used to indicate that the proposals are not to be made available for public review. In reality this proposal is no different than the standard RFP.

Separate, Sequential, and Component Purchases Dividing a purchase into several parts or buying parts of a system on separate orders avoid having to use competitive pricing mechanisms to purchase goods and services.

Specification A comprehensive and accurate statement of the technical requirements descriptive of a good or service, and of the procedure to be followed to ascertain if the requirements are met. A federal specification is a specification established in accordance with procedures prescribed by the Federal Specification Board and approved for use by all government agencies.

Stock The supply of goods maintained in a store's system to satisfy anticipated demand.

Terms of Payment The method of payment agreed upon in a sales contract. The three basic terms are cash, open account, and secured account.

Tracer A request made to a carrier to trace a shipment for expediting purposes or to establish date of delivery.

Vendor A seller of goods or services.

Warranty An undertaking, either express or implied, that certain fact regarding the subject matter of a contract is as it is declared or promised to be. Not to be confused with "guarantee," which entails contractual responsibility for the substandard performance of another party?

Wholesaler A purchaser who buys goods for resale to a retailer or industrial user.

9 FAQ

FAQ'S – Frequently Asked Questions

- 1. Is it possible that payment can be made before I receive the merchandise?**
Yes, but prior approval from the Deputy Supt. of Business & Operations or Executive Director of Purchasing is required and a purchase requisition and purchase order must be issued. The requisition must have the words “Prepayment required” with an explanation in the text field.
- 2. Can I purchase the items I need and then be reimbursed?**
No. Unless prior approval from the Deputy Supt. of Business & Operations or Executive Director of Purchasing is obtained, the individual can be personally responsible for paying the vendor.
- 3. May I ask a vendor to hold an item for me in anticipation of a forthcoming purchase order?**
No, District policy states that only the purchase order has the authority to obligate District funds. Individuals will be required to pay for any item(s) placed on hold.
- 4. Is it possible to purchase an item without a purchase order?**
Any individual who obligates District funds not in accordance to the approved purchasing procedures can be solely responsible to pay the vendor.
- 5. May I accept merchandise on a consignment basis?**
No. The District will not assume the responsibility of the goods being damaged, stolen, or broken. The individual that authorizes the equipment to be on campus will be responsible for the payment of the equipment if anything should happen.
- 6. May I preview films, books or other curriculum and then decide to purchase the item?**
No. All preview films; books and curriculum require a purchase requisition and purchase order. If it is decided that the item is not required the user is to submit a change order canceling the purchase order and return the item to the vendor.
- 7. May I adjust the quantities on a purchase order?**
No. Any adjustment(s) will be treated as a purchase without a purchase order. A change order must be submitted and approved.
- 8. May I adjust the description on a purchase order?**
No. Any adjustment(s) will be treated as a purchase without a purchase order. A change order must be submitted and approved.
- 9. How do I cancel a purchase order?**
Users are to submit a change order canceling the requisition and purchase order.
- 10. Can I purchase personal property for awards and recognition?**
No, personal property purchased can be considered a gift and not allowable according to the state constitution.
- 11. What can be purchased as an award or recognition for a student?**
Reasonable items such as certificates, plaques, ribbons, small trophies or inexpensive instructionally related items such as pens/pencils to be used in the classroom.
- 12. What can be purchased as an award for an employee?**
Reasonable items such as certificates, plaques, ribbons, small trophies, lapel pins can be purchased, but should be done with discretion

- 13. What do I do for contract renewals?**
Whenever renewing an existing contract, please complete the Contract Agreement Processing Form, which is available on the purchasing website. Please indicate “renewal” on the form and include any changes to the existing contract and forward to the Purchasing Department. Once approved, you will be notified of the contract number to use on a requisition.
- 14. When do I need a contract?**
Anytime a service is being provided, equipment is being rented or leased.
- 15. Where do I find the Bid number or bid name?**
Go to the purchasing department web site and click on a link titled “NISD AWARDED VENDORS”. Here you can search by bid/contract number, bid/contract title, supplier, or commodity.
- 16. How do I get a copy of bid award?**
Go the purchasing department web site and click on the “NISD BID AWARD SUMMARIES” (tab sheets) and it will provide a list of bid awards that are available for download in PDF format. If it is not listed, please contact the Purchasing Department for a hard copy or email.
- 17. How long does it take to process a requisition?**
Normally the purchasing department tries to process requisitions in an expeditious manner. There are circumstances that can increase or decrease our efficiency. However the district tries to process in 2-3 days from date of final prior approval (director or campus).
- 18. How do I know the status of a requisition?**
In eFinance, query the requisition, if the status field has an O that means it is OPEN that no one has approved it: P means that it has been partially approved, A means that it has been fully approved and there should be a corresponding Purchase Order after conversion.
- 19. Am I obligated to use a bid vendor if other vendors may be less expensive?**
A bid vendor has a binding contract with the district and is entitled to some rights with this contract, such as “right of first refusal”. If prices obtained from non-bid vendors are significantly lower, there are options under the contract and bids special terms and conditions that allow the district to routinely gauge the market price, if the market price is significantly lower; the vendor has the option of lowering his agreed upon price or refusing and possibly losing the bid award. There are always circumstances that must be investigated.

13.0 Forms

The following forms can be downloaded on the Purchasing website.

New Vendor Packet (New Vendor Form, W-9 Form, Background Consent)

Conflict of Interest Questionnaire

Vendor Performance Report

Purchase Order Change Form

Contract/Agreement Processing Request

Sole Source Affidavit

14.0 District Policies

CH - Legal

CH - Local

CH – Regulation

CHE – Legal

CHG – Legal

CHH – Legal