

SECTION 2

Purchasing

Preface

Riviera Independent School District's Purchasing Guidelines are intended to be a guide to help you understand purchasing procedures of our District. By providing information concerning the procedures for purchasing and bidding, these guidelines will assist in the understanding of the complex financial requirements of the educational world in which we live.

The main focus of the Business Office is to facilitate the acquisition of goods and services in accordance with state and federal law in order to meet the needs of schools and departments. Our focus is on educating staff members primarily responsible at the campus and department levels for purchasing so that they can make most purchases directly.

We strive to give purchasers the confidence and support they need to be successful. Although oversight of the purchasing process is still centralized, most purchasing decisions are site-based. By placing the majority of the decision-making power in the hands of principals and directors, we encourage the control of expenditures and get the most value for the dollars available.

Suggestions for improvements in these procedures are always welcome.

Please remember: success in school business can only come from unified effort, and our successes help to provide the best for the youth of Riviera ISO - our only purpose for being here.

I. RESPONSIBILITY FOR PURCHASING

A. Purchasing Policy

1. Complete purchasing policy and procedures followed by the District may be found in the Texas Education Agency Financial Accountability System Resource Guide (FASRG) in the Purchasing Module.
2. FASRG can be accessed through the **TEA** website at:
<http://www.tea.state.tx.us/school.finance/audit/resauid8/purchase/index.htm> |

B. Purchasing Authority

1. The following persons are delegated the authority to act as agents for Riviera ISD in carrying out the purchasing activities of the District:
 - a) Business Manager
 - b) Superintendent
2. In addition, each Principal acts as purchasing agent for all expenditures made from his/her campus Activity Fund. (Their signature is required on all PO for activity funds.)

II. LEGAL BASIS FOR COMPETITIVE BIDS AND QUOTES

A. Bids, Proposals and Quotes

1. Purchases less than \$10,000
 - a) The following limits apply to the TOTAL requisition amount, not the cost of the particular item.
 - b) Requisitions cannot be split to avoid obtaining quotes.
 - c) Requisitions totaling \$0 - \$9,999 - any approved vendor.
2. Purchases between \$10,000 and \$25,000
 - a) All school district contracts for the purchase of goods and services valued between \$10,000 and \$25,000 in the aggregate during a 12-month period must be competitively quoted. EC 44.033; 44.031 k
 - 1) A vendor list is established by the District with the names of all vendors interested in doing business with the District. EC 44.033b
 - 2) Categories of personal property (called commodity codes) are established and vendors are listed in these categories. EC 44.033b
 - 3) An advertisement for interested vendors is run annually for two consecutive days in a newspaper for the county in which the school district's central office is located. EC 44.033b

- 4) Purchases above \$10,000 in the aggregate will be made by asking for written quotations from at least three vendors on the vendor list. EC 44.033c
- 5) The District is responsible for keeping a written record of these quotations for audit purposes. EC 44.033c
3. Purchases greater than \$25,000
 - a) All school district contracts for the purchase of goods and services valued at \$25,000 or more in the aggregate during a 12-month period must be competitively bid. EC 44.031
 - 1) Exceptions to 3a:
 - a) Professional Services - architect, physician, certified public accountant, attorney, surveyor, engineer, or state certified real estate appraiser EC 44.031 f
 - b) Sole Source Goods - items covered by a patent, copyright, or monopoly; films, books, manuscripts; utility services; and captive replacement or component parts for equipment repair EC 44.031j
 - c) Emergency repair or replacement of school equipment that has been damaged or destroyed with the approval of the Board of Trustees EC 44.031 h
 - d) School buses with an annual aggregate value greater than \$20,000 EC 44.0311
 1. These contracts must be proceeded by a competitive pricing mechanism. EC 44.0311
 2. Competitive bids
 3. Requests for proposals
 4. Catalog purchase
 5. Texas General Services Administration contracts (state contract) e) Texas Qualified Information Systems Vendor quotations (QISV) i. Vendors must be QISV qualified by the GSC
 - ii. Purchase must be supported by three proposals or quotes or a sole source letter
 - f) An inter-local agreement based on bids or proposals (Cooperatives, such as Region 2 Education Service Center, BuyBoard, State Contract, etc.)
 - g) Reverse Auctions
 1. Notice is required for bids and requests for proposal:
 2. To be published once a week for at least two weeks prior to the deadline for receiving responses.
 3. In a newspaper for the county in which the school district's central office is located. EC 44.031 g

B. Awarding Contracts

1. Costs
 - a) Purchase price
 - b) Long term costs (service, supplies, maintenance, etc.)
2. Product or services
 - a) Quality
 - b) Extent to which the good or service meets District needs
3. Vendor
 - a) Reputation
 - b) Safety record LGC 271.0275
 - c) Past relationship with the District
 - d) Historically Under Utilized Business (HUB) status
 - e) Any other relevant factor EC 44.031 b

C. Enforcement

1. District staff members commit a criminal offense if they make or authorize separate, sequential, or component purchases to avoid using competitive pricing mechanisms when required. EC 44.032b
2. District staff members commit a criminal offense if they fail to use competitive pricing mechanisms when required or award contracts for reasons other than those cited. EC 44.032c
3. Conviction of an offense results in an individual's:
 - a) Immediate removal from office
 - b) Inability to serve in any public office in Texas for four years
 - c) Ineligibility to receive any compensation through state or local government contracts EC 44.032e

D. Bid and Request For Proposal Guidelines

1. Bid and proposal openings shall be conducted in a district office. LGC 271.026a
2. A bidder may withdraw a bid due to a material mistake in the bid. (Common Law)
3. Bids may not be changed for the purpose of correcting errors after they have been opened. LGC 271.026a
4. The Board of Trustees has the right to reject any and all bids. LGC 271 .027a
5. Contract Length
 - a) Contracts obligate current District revenue only for the year in which they are awarded

- b) Multi-year agreements are permissible if they contain:
 - 1) The right of the Board to terminate the contract at the end of each budget
 - 2) An appropriate funding-out clause to allow termination should funds become unavailable to pay for the contract LGC 271.903
- 6. Tie Bids
 - a) If the District receives two or more low bids that are identical, the selection of the winner shall be by the casting of lots.
 - b) If only one of the bidders submitting identical bids is a resident of the District, that vendor will receive the award LGC 271.901
- 7. Non-resident bidders must underbid resident bidders by not less than an amount (percentage) by which a resident vendor would be required to underbid in the nonresident bidder's state (reciprocity) GC 2252.001 ; 2252.002
- 8. Inter-local Agreements between school districts, other local governments, and state agencies for the purchase of goods and services satisfies the requirement that contracts be preceded by a competitive pricing mechanism. GC 791 .025 b, c
- 9. Texas General Services Commission may provide and the district may use state contract prices and vendors to satisfy the requirement that contracts be preceded by a competitive pricing mechanism. LGC 271.082
- 10. Purchasing Cooperatives
 - a) Cooperatives may be established by school districts, regional education service centers, county departments of education, and other local governments to pool goods and services needed in order to obtain optimal pricing.
 - b) The Board of Trustees must approve a contract with the governmental unit operating the cooperative designating a person to act for the district in all matters pertaining to the cooperative.
 - c) The governmental unit operating the cooperative may collect fees from the participating districts or governments to cover the cost of operating the cooperative. LGC 271.102
- 11. Food Service purchases for personal property exceeding \$25,000 must utilize a bid, proposal, state or federal contract, cooperative purchasing agreement, or inter-local purchasing arrangement due to federal school lunch program requirements.
- 12. Coordinate all purchases over \$1 0,000 with Business Manager to assure proper procedures are followed.

III. STANDARDS OF CONDUCT

A. Ethics

- 1. The District subscribes to the "Code of Ethics and Standard Practices for Texas Educators," (Board Policy, DH-Exhibit) which establishes proper conduct for district staff members, Principle I, Professional Ethical Conduct, clearly applies to those individuals engaged in the purchasing process. This principle includes the following standards:

- a) The educator shall not intentionally misrepresent official policies of his school district or educational organization and shall clearly distinguish those views from his personal attitudes and opinions.
 - b) The educator shall honestly account for all funds committed to his charge and shall conduct his financial business with integrity.
 - c) The educator shall not use institutional or professional privileges for personal or partisan advantage.
 - d) The educator shall accept no gratuities, gifts, or favors that impair or appear to impair professional judgment.
 - e) The educator shall not offer any favor, services, or thing of value to obtain special advantage.
 - f) The educator shall not falsify records, or direct, or coerce others to do so.
2. All District staff members are public servants and therefore subject to Title VIII of the Penal Code, regarding offenses against public administration, including bribery and corrupt influence (Chapter 36), perjury and other falsification (Chapter 37), obstructing governmental operation (Chapter 38), and abuse of office (Chapter 39). All District staff members shall perform their duties in conformity with District policy, ethical standards for professional educators, and state and federal law. Penal Code 1.07(41), Title VIII

B. Conflict 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 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. (Board Policy, DBD Local)

IV. CONTRACTS

A. 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 offer (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 department 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, Purchasing should be notified at once.
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 vendor's 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 or selects a proposal. (Note: the vendor may withdraw his offer [bid/proposal] at any time up until the offer is accepted [award made] by the Board.)
3. A contract is created between the District and the vendor after the bid is accepted by the Board and a contract is signed by a District signatory. A Purchase Order for the goods or services may be withheld or amounts substantially reduced by the Purchasing Agent if the needs of the District change and the materials or services are no longer needed even though the Board has accepted the offer.

B. Contract Signatories

1. Contracts exceeding \$25,000 after approval by the Board of Trustees may only be signed by the following:
 - a) The Superintendent of Schools may sign any authorized and lawful contract on behalf of the Board of Trustees.
 - b) The budget authority granted to a Principal or Director in no way authorizes them to execute contracts or make purchases in the name of the District.

C. Lease Rental Contracts

1. Any contracts for rental, lease, lease purchase, or any other provisions that will extend past the fiscal year must:
 - a) have cancellation provisions and must be renewed by the issuance of a new Purchase Order for each fiscal year, (Attorney General of Texas Opinion No. M950 dated September 14, 1971.) and
 - b) be approved by the Superintendent.

D. Consultants Contracts

1. A consultant is an independent contractor, not an employee, which 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.
2. Consultants hired to perform a service will execute a written contract acceptable to the District, prior to the performance of the service.