



# **Purchasing Manual**

## **2024-2025**

**Purchasing Policy, Procedures, and Guidelines for  
Boerne Independent School District**

**Purchasing Department  
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## **I. RESPONSIBILITY FOR PURCHASING**

The primary focus of the Purchasing Department is to facilitate the acquisition of goods and services in order to meet the needs of campuses and departments, providing best value for the District, while following federal, state, and local requirements. Efforts are made to educate staff members primarily responsible for purchasing so they can make most purchases directly from vendors. This purchasing manual is to be used in conjunction with the BISD Financial and Administrative Procedures Manual, Purchasing Card and Procedures Manual, Child Nutrition Procurement Manual, and the Inventory Management Procedures Manual.

## **II. LEGAL REQUIREMENTS**

### **A. Contracts**

1. All District contracts shall be competitively procured for real property (goods) and/or services valued at \$50,000 or more in the aggregate during a 12-month period. TEC 44.033
2. Exceptions
  - a. Professional Services - architect, physician, certified public accountant, attorney, surveyor, engineer, or state certified real estate appraiser. TEC 44.031f
  - 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. TEC 44.031j. Or the item is available only from a single source, and/or after solicitation of several sources, competition is determined inadequate. 2 CFR Part 200.320
  - c. Repair or replacement of school equipment that has been damaged or destroyed with the approval of the Board of Trustees. TEC 44.031h. Or a public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation. 2 CFR Part 200.320
  - d. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity. 2 CFR Part 200.320
  - e. Renewals of software licenses or support and maintenance shall be evidenced by either renewal terms in the original agreement, or by issuance of a bid tabulation or sole source justification.
  - f. Both the bid tabulation and sole source justification documents shall remain valid per the terms of the contract. Renewal documents must be submitted to justify any future renewals.

## **B. Contracting Dollar Ranges**

1. Contracts for all goods and services with an annual aggregate value above \$50,000.
  - a. Exceptions:
    1. Mainframes and peripheral attachments with a single purchase value above \$15,000, TEC 44.031k
    2. School buses with contract value above \$20,000 TEC 44.031 l
  - b. These contracts must be preceded by one of the following competitive pricing mechanisms:
    1. Competitive bids for services other than construction services
    2. Competitive sealed proposals for services other than construction services
    3. Requests for proposals for services other than construction services
    4. Interlocal contracts
    5. A method provided by Chapter 2269, Government Code, for construction services
    6. Reverse auction procedure. TEC 44.031
    7. The formation of a political subdivision corporation under Section 304.001, Local Government Code. The Board of Trustees must pass a resolution to accept the by-laws of the corporation.
  - c. Notice is required for bids and requests for proposal:
    1. To be published once a week for at least two weeks prior to the deadline for receiving responses.
    2. In a newspaper for the county in which the school district's central office is located. TEC 44.031g
  - d. If, at the point of receiving the Solicitation Request Form from the internal customer, it is determined the total amount of the contract will be over \$250,000 and will have the potential to utilize federal funds for payment, an independent price estimate must be established prior to the solicitation. Once bid responses are received, a subsequent price analysis should be done to verify reasonableness of the vendor's pricing. If the purchase is a sole source, a cost analysis must be performed to verify all components of the purchase, including vendor profit, are reasonable. 2 CFR 200.323

## **C. Factors That Impact the Decision to Award 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. The principal place of business, except for telecommunications or information services
  
4. Any other relevant factor TEC 44.031b
  
5. **Supplier Diversity** – In accordance with 2 CFR 200.321, the Purchasing Department will use its best efforts to encourage Historically Underutilized Businesses (HUBs) to participate in current and future formal solicitations of all goods and services.
  - a. **Definitions.**
    1. "*Small Business*" is defined as a business entity which is independently owned and operated, and which is not dominant in its field of operation. The business employs less than 50 employees and/or less than \$3 million in annual business volume from this local operation.
  
    2. "*Minority Business*" is a business entity which is at least 51% owned by one or more minority individual(s) or, in the case of any publicly owned business, at least 51% of the stock is owned by one or more of the minority individual(s) and whose management and daily business operations are controlled by one or more of the minority individual(s) who own it. Minority individuals means residents of the United States who are members of one of the following groups:
      - a. African Americans;
      - b. Hispanics;
      - c. American Indians;
      - d. Asian Americans;
      - e. Alaska Natives;
      - f. Pacific Islanders; and
      - g. Other individuals found to be economically and socially disadvantaged by the Small Business Administration under section 8(a) of the Small Business Act.
  
    3. "*Woman Business Enterprise*" means a business entity which follows the same guidelines as a Minority Business Enterprise, but which is owned by a woman.

#### **D. Legal Implications**

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. TEC 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. TEC 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, and
  - c. Ineligibility to receive any compensation through state or local government contracts. TEC 44.032e
  - d. This is a Class B misdemeanor involving moral turpitude. TEC 44.037b

#### **E. Goods and Services Regulations**

1. A bidder may withdraw a bid due to a material mistake in the bid. LGC 271.026b
2. Bids may not be changed for the purpose of correcting errors after they have been opened. LGC 271.026a
3. 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, or
    2. An appropriate funding-out clause to allow termination should funds become unavailable to pay for the contract. LGC 271.903
4. Payment
  - a. Payment for goods and services received and invoiced is due thirty days after the completion of the contract or receipt of the invoice.
5. Tie Bid
  - 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, or
  - 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
6. 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 non-resident bidder's state (reciprocity). GC 2252.001; 2252.002
7. Single proprietorships and partnerships where an owner or operator of the

business has been convicted of a felony cannot contract with a school district.  
TEC 22.083b

8. School district purchasing procedures and specifications must not discriminate against products made from recycled materials. H&SC 361.426
9. 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
10. The comptroller of the State of Texas 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
11. 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 needs in order to obtain optimal pricing.
  - b. The Board of Trustees must approve a contract with the governmental unit operating the cooperative designating 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
  - d. When utilizing a cooperative for federally funded purchases, the District must receive annual written acknowledgement from the cooperative that they are following the EDGAR requirements when sourcing and awarding to vendors. TEA requirement for 2 CFR Part 200.318
12. Child Nutrition purchases for personal property exceeding \$50,000 must utilize a bid, proposal, state or federal contract, cooperative purchasing agreement, or inter-local purchasing arrangement due to federal school lunch program requirements. (Federal law sets \$250,000 as the minimum but requires meeting state statutes.)
13. The Board of Trustees may not purchase milk or milk products imported from outside the United States. H&SC 435.021
14. The Board of Trustees may not purchase beef and beef products imported from outside the United States. AC 150.012

## **F. Construction**

1. The school district must employ an architect to prepare plans and specifications for:
  - a. New construction where costs exceed \$100,000.



- b. Building renovations where costs exceed \$50,000. Occupations Code, Title 6, Chapter 1051
  2. The school district must employ a registered engineer:
    - a. To prepare structural, electrical, and mechanical engineering plans for construction projects with an estimated cost exceeding \$8,000.
    - b. To supervise construction not involving structural, electrical, and mechanical engineering when the estimated cost exceeds \$20,000. Occupations Code 1001.053.
  3. Procedure for acquiring professional services:
    - a. Select the most highly qualified provider on the basis of competence and qualifications.
    - b. Attempt to negotiate a contract with the best provider at a fair and reasonable price.
    - c. If a contract cannot be negotiated, consider the next best provider, and attempt to negotiate a contract. GC 2254.004
  4. Payment and Performance Bonds
    - a. For construction projects in excess of \$100,000, the District shall require a performance bond in the amount of the contract. GC 2253.021 b
    - b. For construction contracts in excess of \$25,000, the District may require a payment bond in the amount of the contract solely to protect vendors and subcontractors supplying labor or materials. GC 2253.021 c
    - c. If the District does not obtain bond coverage it has the same liability as a surety. GC 2253.027
    - d. Neither a payment nor performance bond is required for design services in design-build contracts. GC 2269.311 a
  5. School districts must pay the prevailing wage to all workers on public works contracts
    - a. The Board of Trustees is responsible for establishing wage rates by:
      1. Conducting a survey of local wage rates or
      2. Using data from the federal Department of Labor.
    - b. Contractors and subcontractors must also pay this rate.
    - c. Complaints from laborers shall be received by the Board and acted on within 30 days.
    - d. If violations have occurred, the Board may assess the contractor penalties to reimburse affected workers. GC 2258.001, 022, .022, .023, .051, .052d, .056
  6. The District must include a requirement for all contractors to provide all workers providing services to construction project appropriate workers' compensation coverage. 28 TAC 110.110 (a) (7)(8), (c)

## **G. Construction Bids & Requests for Proposals**

1. The Board of Trustees considering a construction contract, must first determine which competitive procurement method will be used in awarding the project. GC 2269
2. In publishing the requests for bids or proposals, the District will note in the request document the criteria and weights that will be used to evaluate the offers received. GC 2269.056 (b)
3. The evaluation for the selection for a construction services contract must be documented and made public by the seventh day after the contract is awarded. GC 2269.056(c), .105
4. **Competitive Bids for Contractors**
  - a. The District may use competitive bids to select a contractor for construction and renovation projects.
  - b. Procedures for bidding shall meet the requirements previously presented. GC 2269
5. **Competitive Sealed Proposals for Contractors**
  - a. The District may use a request for proposals to select a contractor for construction and renovation projects.
  - b. Proposals for construction services are characterized as sealed proposals and may not be reviewed by other parties in the proposal process. GC 2269
  - c. The District may discuss each vendor's proposal with that vendor to clarify the original proposal.
  - d. **Procedures:**
    1. Architect or engineer prepares construction documents.
    2. The District will contract independently for engineering, inspection, testing, and verification services.
    3. The District will prepare the request for competitive sealed proposal that includes construction documents, selection criteria with weights, estimated budget, project scope, and schedules.
    4. Advertising of proposals shall meet requirements previously noted.
    5. Proposals shall be opened and read aloud providing the names of the offerors and any monetary proposals made by the offerors.
    6. Proposals must be evaluated and ranked within 45 days of opening.
    7. Negotiations begin with the vendor making the best offer and if not successful, be ended in writing before proceeding to the next vendor.
    8. Selection of a contractor shall be based on the best value for the District. GC 2269.055
6. **Proposals for a Construction Manager-Agent**
  - a. The District may contract a consultant or construction manager/agent to oversee construction and renovation projects.

- b. Procedures:
  - 1. Architect or engineer prepares construction documents.
  - 2. The District selects the most highly qualified manager/agent on the basis of competence and qualifications.
  - 3. Attempt to negotiate a contract with the best manager/agent at a fair and reasonable price.
  - 4. If a contract cannot be negotiated, move to the next best manager/agent and attempt to negotiate a contract.
  - 5. Once the agent is selected, the District shall then procure a general contractor, trade contractors, and sub- contractors through the use of bids or requests for proposal.
  - 6. The District or manager/agent will procure all independent engineering, inspection, testing, and verification services. GC 2269
  
- 7. Proposals for a Construction Manager-At-Risk
  - a. The District may contract a manager-at-risk to oversee construction and renovation projects.
  - b. Proposals for a manager-at-risk contract are characterized as sealed proposals and may not be reviewed by other parties in the proposal process. TEC 44.038
  - c. Procedures:
    - 1. Architect or engineer prepares construction documents.
    - 2. The District will contract independently for engineering, inspection, testing, and verification services.
    - 3. The District will prepare a request for proposal that includes general information on the project site, project scope, budget, special systems and selection criteria with weights.
    - 4. The request for proposal may request the manager's proposed fee and other costs in a one-step process or separately if a two-step qualification process is used.
    - 5. All proposals must be opened with the names of offerors read aloud and the proposed fees and prices read at the appropriate step. The proposals are then evaluated and ranked within 45 days of opening.
    - 6. Attempt to negotiate a contract with the best manager at a fair and reasonable price.
    - 7. If a contract cannot be negotiated, the District must end negotiations in writing and then consider the next best manager and attempt to negotiate a contract.
    - 8. The selected manager shall then procure trade contractors and sub-contractors through the use of bids or requests for proposal.
    - 9. The selected manager may submit his own bid or proposal for portions of the project.
    - 10. The manager and a District representative will open all trade contractor and sub-contractor bids or proposals in a manner that does not disclose the contents of the bid or proposal during the selection process.
    - 11. All bids and proposals shall be made public within seven days after the

- final selection is made.
12. If the manager recommends a bid or proposal and the District requires the use of another trade or sub- contractor, the District must compensate the manager for any additional cost incurred by the manager as a result of the District's action. GC 2269
8. Proposals for Design Build Contracts
    - a. The District may use a design-build contract to select a contractor for both design and construction services for the construction, rehabilitation, alteration, or repair of a facility. GC 2269.301
    - b. Proposals for a design-build contract are characterized as sealed proposals and may not be reviewed by other parties in the proposal process.
    - c. Procedures:
      1. Architect or engineer prepares construction documents.
      2. The District will contract independently for engineering, inspection, testing, and verification services.
      3. The District will prepare an RFP that includes general information on the project site, project scope, budget, special systems, selection criteria and the weighted value for each criterion.
      4. Advertising and opening of proposals shall meet requirements previously noted.
      5. Evaluation of proposals shall be in two steps:
        - a. Rate the companies proposing based on experience and qualifications where cost-related or price-related evaluation factors are not permitted. A maximum of five respondents shall submit proposals that contain additional information and, if desired, to interview for final selection.
        - b. Finalists shall be required to provide additional information based on predetermined selection criteria and the results of any interviews.
      6. Select a firm and have project specifications developed.
      7. The design-build firm will supply the District with a set of signed and sealed construction plans at the end of construction. GC 2269.310
9. Job Order Contracts
    - a. The District may award job order contracts for maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is of a recurring nature, but the delivery times, type, and quantities of work required are indefinite. GC 2269.401
      1. Proposals for a job order contract are characterized as sealed proposals
      2. Advertising and opening of proposals shall meet requirements previously noted.
      3. Proposals must be evaluated and ranked within 45 days of opening. GC 2269.405
    - b. The District selects the manager that offers the best value to the District based on selection criteria in the request for proposal.

- c. Advertising and opening of proposals shall meet requirements previously noted.
- d. The District may award job order contracts to one or more vendors. Job order contracts may not exceed two years. The contract may also be renewed for not more than three additional years.
- e. The job order for a specific project must be signed by a District representative and the contractor.
- f. Indicated costs may be a fixed price, a negotiated lump sum, or unit based on estimated quantities. GC2269.410

**H. Lease Purchase of Real Property**

- 1. The Board of Trustees may approve a contract for the lease purchase of buildings and other renovations provided:
  - a. The public is given 60 days printed notice.
  - b. If five percent of the registered voters approve a petition for a referendum on the proposed contract the matter must then be approved by a majority of District voters at a referendum.
  - c. The contract is submitted to the Attorney General for approval.  
LGC 271.004

**I. Construction Notes**

- 1. Americans With Disabilities Act standards will be applied to all new construction and renovations. 28 CFR 35.151; 34 CFR 104.23 (Federal)
- 2. Playground equipment and surfacing purchased after September 1, 2009, must comply with the provisions in the *Handbook for Public Playground Safety*. H&SC 756.061

**J. Law Code Abbreviations**

TEC – Texas Education Code  
GC - Government Code  
LGC - Local Government Code  
H&SC - Health and Safety Code  
AC - Agriculture Code  
TAC – Texas Administrative Code  
PC - Penal Code

**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 knowingly misappropriate, divert, or use monies, personnel, property, or equipment committed to his or her charge for personal gain or advantage.
  - b. The educator shall not submit fraudulent requests for reimbursement, expenses, or pay.
  - c. The educator shall neither accept nor offer gratuities, gifts, or favors that impair professional judgment or to obtain special advantage.
2. Purchasing staff shall also comply with the Code of Ethics of Texas Association of School Business Officials (TASBO) as stated on their web link: <https://www.tasbo.org/uploads/files/general/Code-of-Ethics-2019.pdf>
  3. 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.

**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. No staff member shall accept employment or engage in any business or professional activity that the staff member might reasonably expect would require or induce the disclosure of confidential information acquired by reason of official position.
2. No staff member shall have any personal financial or other business interest or obligation that in any way creates a substantial conflict with the proper discharge of duties while employed by the District. Such substantial conflicts include, but are not limited to, taking time away from the position with the District for the business interest or obligation, or use of the position with the District and/or facilities of the District to advance the cause of the business interest or obligation. An employee with a potential conflict of interest shall file an affidavit with the Superintendent detailing the potential conflict. (Board Policy, DBD Local)
3. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. OMB 2

CFR 200.318(c)(1)

**C. Gifts**

1. An employee shall not accept any gift, favor, service, or other benefit from any source that might be presumed to be seeking a business relationship with the District or that transacts business on an intermittent, regular, or continuing basis with the District. This prohibition shall not extend to an occasional business lunch, dinner, reception, or charitable event for which the host is a sponsor, or acceptance of an item of minimal value (i.e., \$50 or less) offered to attendees, generally at a conference, workshop, or reception. Board Policy DBD (Local), CA, CB (Local)
2. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. OMB 2 CFR 200.318(c)(1)

**D. Disciplinary Action**

Disciplinary action applied as a result of violation of this Section are defined in District Policy.

**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 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.) The Purchase Order then becomes a payment instrument instead of a contract, since the contract already exists between the parties.

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 Director if the needs of the District change and the materials or services are no longer needed even though the Board has accepted the offer.
4. All documents submitted from vendors containing terms & conditions or is an agreement requiring a signature, must be uploaded in Eduphoria for review by the Director of Purchasing and the Chief Financial Officer and then will be signed by the Superintendent.
5. Contracts may be signed only by the following:
  - A. The Board President may sign any authorized contract on behalf of the Board.
  - B. The Superintendent or designee may sign any authorized contract on behalf of the Board.
  - C. The Superintendent's designee may sign any authorized contract in the absence of the Superintendent.
  - D. All contracts for the purchase of goods and services above \$50,000 shall require Board notification.
  - E. The Superintendent or designee is authorized to sign all contracts for the purchase of goods or services below \$50,000.
  - F. All construction contracts and change orders above \$50,000 shall require Board Approval.
  - G. Principals and other administrators shall have authority over budget expenditures but may not execute contracts related to those expenditures. (Board Policy, CHLocal)

## **B. Lease Rental Contracts**

Any contracts for rental, lease, lease purchase, or any other provisions that will extend past the fiscal year will have cancellation provisions regarding appropriation of funds and must be renewed by the issuance of a new Purchase Order for each fiscal year. (Attorney General of Texas Opinion No. M-950 dated September 14, 1971.)

## **C. Service Contracts (Consultants/Clinicians)**

1. Services contracts are issued for any service being provided to the district where the vendor will be on district property for more than one day, will not be escorted by a staff member at all times, and will have the opportunity to be in direct contact with students. The Services Contract Packet contains three sections requiring information from both parties involved in the engagement.



- a. Section A contains the internal routing document and conflict of interest documents.
  - b. Section B is the actual services contract between the parties.
  - c. Section C is the vendor information packet and contains information regarding new vendor set up, conflict of interest, and background check requirements.
2. The District may use other types of contract documents, originating with either the vendor or the District. (e.g.- Memorandum of Understanding (MOU), off-site services, staff professional services, etc.)

## V. PURCHASE ORDERS

### A. **Purchase Requisitions**

1. The purpose of the Purchase Requisition is to give staff members a method to request goods or services.
2. Purchase requests are created electronically in Skyward and approved by the Principal or Director who has evaluated the need for the goods or services. If, in the opinion of the Principal or Director, the items or work are not needed or if budgeted funds are insufficient to cover the request, the Purchase request is to be returned to the originator with the reason why the request is denied.
3. If the request is approved, the purchase requisition must meet the following criteria:
  - a. The budget coding is verified as to correctness and available funds.
  - b. All items or services are priced by receiving a quote from the vendor and attaching the quote to the purchase requisition. Quotes should list the contract number if utilizing a cooperative or District Contract.
  - c. All purchase requisitions utilizing a co-operative contract or District contract must have the contract number referenced in the “comments” field on the requisition.
  - d. A Commodity Code must be entered for each type of product/service requested.
  - e. All items or services are identified by a quantity.
  - f. An awarded vendor is identified on the Purchase Order.
  - g. A ship- to address (Warehouse) is noted.
  - h. A shipping method of handling the purchase order has been selected.
  - i. All items are fully described with brand and model numbers, if available.
  - j. Shipping costs are added to all orders.
  - k. A required by date is provided.
  - l. Travel POs must include the location of the event.
4. Requests for goods or services totaling \$10,000 to \$50,000 require quotations from at least three vendors or a sole source justification (goods only) before they will be processed. In either case the quotes and bid tabulation form or the

Sole Source Justification form and Sole Source vendor affidavit must be attached to the purchase requisition. Requests for standard goods and services for which the District has contracted such goods or services require the use of a District awarded vendor. Sole source (noncompetitive) purchases utilizing federal funds are only allowed when one of the following circumstances applies:

- a. The item is available only from a single source;
  - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - c. The Federal awarding agency or pass-through entity (TEA) expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
  - d. After solicitation from a number of sources, competition is determined inadequate. 2 CFR 200.320(f)
5. Requests for goods or services totaling over \$50,000 in the aggregate for twelve months from the date of first purchase must be supported by a competitive pricing mechanism (RFP, Cooperative, or Shared Contract) before purchases can be made.
  6. Orders must not be deliberately split to avoid the necessity for quotes or competitive bids.
  7. Purchases of computers and other technology items must be discussed with Technology for approval.
  8. **Approval Authority** - All Purchase Requisitions must be approved by the designated Principal or Director before being sent to Purchasing. 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. (Policy CH Local)

**B. Purchase Order Process**

No purchases are authorized without issuance of a Purchase Order, and payment will not be made for requests for purchases not authorized by a Purchase Order. Anyone creating or authorizing such a commitment prior to securing a Purchase Order may be held personally liable for payment of such agreement and/or may be liable to prosecution under the Texas Penal Code Chapter 39 Abuse of Office, Section 39.01.

Approval of Requisitions is not a rushed process. All Requisitions/Purchase Orders have varying levels of approval depending on budget account code and Purchase Order dollar amount. All requisitions are entered by a budget manager and sent to the Campus Principal/Department Director for first level approval. Requisitions under \$5000 then flow to the Director of Purchasing for approval. Requisitions over \$5000 flow to the Director of Business Services and Director of

Purchasing. Requisitions over \$10,000 flow to the Chief Operations Officer after the Director of Purchasing has approved the requisition. Requisitions over \$20,000 flow to the Superintendent after the Chief Operations Officer has given approval. Requisitions using CTE or Fine Arts funds may flow to the Director of CTE or Fine Arts for approval.

1. Regular Purchase Orders are issued by the Purchasing Department based on information submitted on the Purchase Requisition. The Purchase Order is generated electronically in Skyward with budgeted funds being encumbered at the same time.
2. A Purchase Order is not a contract, but an offer to purchase goods or services. The Purchase Order becomes a contract once the vendor takes action to fulfill the Purchase Order.
3. **No goods or services are to be ordered or repairs made without a Purchase Order (P.O.) number having been issued prior to placing the order with the vendor.** The individual placing an order without a P.O. number may be responsible for payment of the invoice.
4. Purchase Orders are not to be modified with the vendor or by campuses or departments directly. If it becomes necessary to change the terms of a Purchase Order, the campus or department must first advise the Purchasing Department. Once agreement to any price increases or modification of terms is reached, the Purchasing Department has the responsibility to adjust the encumbrance on the Purchase Order and notify all involved parties of the changes.
5. Once a Purchase Order is issued, the same P. O. number cannot be used for reorders. Where merchandise has been returned or damaged and a reorder of replacement merchandise is desired, a new Purchase Requisition must be submitted.
6. In the event it is necessary to cancel a Purchase Order, the secretary/bookkeeper must notify the Purchasing Department in writing as to why they are canceling the order. The Purchasing Department will close the purchase order and liquidate the encumbrance. The department/campus placing the order should notify the vendor.

C. [Blanket or Open Purchase Orders](#)

1. Blanket Purchase Orders or Open Purchase Orders are established with vendors to streamline the purchasing process for recurring small dollar items. Requisitions issued against the Blanket or Open Purchase Orders must comply with the Procurement requirements outlined in the Boerne ISD Purchasing Guidelines. Blanket Purchase Orders or Open Purchase Orders shall list in the Purchase Order detail the period of time the Purchase Order should be Open,

and general description of items being purchased. The majority of Blanket or Open Purchase Orders should be open no longer than one fiscal quarter. There are rare circumstances where a Blanket Purchase Order may be open for a semester or the entire fiscal year.

2. Blanket Purchase Orders should be kept to a minimal dollar amount. (Under \$500 for non-curriculum related items, and under \$1000 for curriculum based purchases.
3. If you receive an original invoice, it should be forwarded to Accounts Payable with the Purchase Order number written in the appropriate field or at the top of the invoice.
4. The campus/department budget manager must continually monitor their Open Purchase Orders to ensure the PO does not become fully liquidated and/or sufficient funds are available in the account referenced on the Open PO.

**D. Purchase Order Required Fields**

1. All Purchase Orders should contain the following information:
  - a. Name of Awarded Vendor;
  - b. Detailed description of what items/services are being purchased, if the vendor is Citibank, include who is using the card, what items are being purchased, and list the location(s) the credit card may be used, travel POs must include the location of the event;
  - c. The estimated amount of the purchase;
  - d. The commodity code the purchase is associated with. Shipping has a commodity code as well.
  - e. Quantity needed;
  - f. Unit cost;
  - g. The appropriate budget account code(s);
  - h. All relevant attachments: quotes, mileage reports w/maps, supporting documents, etc.

**E. Awarded Vendors**

1. There are many factors in determining awarded vendors and when vendors can be awarded due to purchasing law.

Ways vendors can become an awarded vendor:

  - a. Vendor can respond to an RFP/RFQ for their commodity area.
  - b. Be a member of a purchasing cooperative we are members of. Ex (Buyboard, Allied States, TIPS, etc.) The Master Cooperative List can be found on the Purchasing Page of the District Website.
  - c. Have an existing contract with another school district. The school district must be willing to share the contract for this to be effective.

The only way a vendor can be added without complying with the guidelines listed, is if the district spends less than \$50,000 in aggregate in a fiscal year in the commodity area the vendor is providing goods or services.

**F. PTO Purchases**

1. Purchase Orders must be issued for purchases funded by the PTO. This will enable the school and PTO to obtain more advantageous terms from the vendor and/or is required by other policies for the item or service being purchased.
2. The following procedure is to be used for this type of purchase:
  - a. Create a Purchase Requisition coded to the appropriate campus budget. A Purchase Order will be issued to the vendor with the same budget account codes noted.
  - b. All conditions for submitting a valid Purchase Requisition applies as usual, i.e., purchases over \$10,000 must be supported by quotes, bid tabulation, contract, etc.
3. Forward the PTO bank check payable to BISD with the P.O. number and the budget code being reimbursed on the bank check in the full amount of the purchase to the Business Office. The Business Office will credit the referenced school budget and deposit the bank check to the BISD bank account.

**G. Material Preview/On Approval Purchase Order**

1. Materials to be previewed must be ordered on a Purchase Order in the usual manner. All usual conditions for issuing a Purchase Order shall apply.
2. All Purchase Requisitions for materials to be previewed must be so identified on the requisition as a part of the description text.
3. The following procedure is to be used for receipt, acceptance or return of previewed materials:
  - a. Review of the materials must be made **within fourteen calendar days** after receipt of merchandise. A decision, whether to keep or return the materials, must be made in a timely manner because State law requires that vendors be paid within thirty days.
  - b. Return of any rejected preview materials is the responsibility of the department/school for which the Purchase Order was issued. The return must be made promptly and must include information to the vendor indicating the Purchase Order number, any reference numbers the vendor has assigned to the order, the name and location of who is returning the material.
  - c. Note on the Receiving Screen of the Purchase Order which, if any, items were rejected, and record in the remarks screen any information pertaining to the return of the items.
  - d. If the School or Department has indicated acceptance of all items on the Purchase Order Receiving Screen, Accounts Payable will process the

order for payment in the usual manner. If any items are noted as being returns, the Purchase Order is not paid until all returned items are credited back to the District on a credit memo and all accepted items are properly invoiced.

NOTE: The original encumbrance on the Purchase Order cannot be reduced until acknowledgment by the vendor with credit documentation is received in the Purchasing Department.

## **VI. INTERNAL PROCEDURES**

### **A. Bid Specifications for Goods & Services**

1. Preparation of specifications shall be the responsibility of the requesting campus or department. The responsibility of the Purchasing Department is to review the specifications to ascertain whether competitive bids/proposals can be obtained, assure that Board policies, state, and federal laws are followed regarding the purchase and to facilitate the acquisition.
2. Specifications must contain adequate technical descriptions to clearly identify for prospective bidders the type of material, equipment, or services required. In addition to the detailed specifications, brand names, model numbers, and like descriptions may be referred to as product meeting specifications to inform prospective bidders of the type of quality required. Descriptions must include quantitative data such as size, weight, or volume and qualitative data such as commercial grade, texture, finish, strength, chemical analysis, or composition where possible.
3. All bids will carry descriptive specifications when possible.
4. All specifications listed in a solicitation shall be directly associated with a measurable item on a score card, which shall comply, at a minimum, with the evaluation criteria stated in TEC 44.031.

### **B. Vendor Bid List**

1. The Purchasing Department maintains a bid notification list. Notifications are based on categories derived from goods or services for which the District has taken bids or intends to take bids. A vendor may be placed on the bid notification list by accessing the District's web site and completing the bid notification request on the Purchasing web page.
2. Vendors are emailed when a bid is posted and open.
3. A vendor may be removed from the bid list by failing to update email addresses, withdrawing a bid, failing to honor a bid, failing to honor contracts or warranties, or making false or misleading statements (written or oral)

during any business negotiation with the District. Once removed, a vendor will not be reinstated on the bid list until they can demonstrate that any past problems have been corrected and their organization can meet all bidding requirements.

**C. Expediting Orders**

1. When a Purchase Order remains open and unpaid for at least thirty days after the required delivery date specified, the campus or department involved is expected to take action with the vendor to obtain delivery. The Purchasing Department can sometimes assist in dealing with vendors where there are delivery problems, particularly involving merchandise purchased on bids. However, the Purchasing Department usually does not have first-hand knowledge of whether the merchandise ordered has been received and/or billed. Every effort needs to be made on the part of the campuses and departments to do their part in promptly closing out Purchase Orders once merchandise is received or it is determined that the Purchase Order should be canceled.
2. To assist Accounts Payable in the prompt close-out of completed orders and to resolve problems with outstanding Purchase Orders over ninety days old, the Accounts Payable Department will investigate:
  - a. Any invoice received which does not reflect a Purchase Order number, or which reflect an incorrect one, or for which there is no matching Purchase Order in the outstanding file or invoiced items do not match the Purchase Order.
  - b. Purchase Orders and all related backup paperwork after Accounts Payable has sent two requests for invoice without response.
  - c. Purchase Orders with problems which require communication with vendors to resolve.

**D. Receiving**

1. Generally, orders from most vendors are shipped F.O.B. destination, i.e., the title is transferred to the buyer when the delivery company delivers the goods to our docks. However, it is still the campuses or department's responsibility to file a claim when damage is discovered. This saves time and establishes better communication between the holder of the goods and the vendor.

**CHECK SHIPMENTS WHEN THEY ARRIVE!**

2. Freight damage should be handled in the following manner:
  - a. Freight damage is to be noted on the driver's receipt before he leaves.
  - b. A department or cannot reject a shipment unless it is "worthless" (cannot be repaired). Have the driver call their dispatcher and confirm the damage in writing and determine that acceptance will damage your building (ex. leaking paint).
  - c. If the driver refuses inspection of any carton, be sure to note any sign of external damage on the delivery receipt.

- d. **DO NOT** speculate as to cause of damage. Report only visible damage.
  - e. If concealed damage is discovered, the school or department has seven (7) days from the day of delivery to call the carrier and report the damage; otherwise, the Principal or Department Head may become responsible without recourse.
  - f. Confirm your call to the carrier in writing, getting contact name, number, and email for follow-up.
  - g. **Keep the damaged goods and all packing materials in a safe place** until the carrier makes an inspection (mark the P.O.# on carton).
  - h. Request a copy of all inspection reports.
  - i. If the carrier does not inspect within thirty days, make your own detailed inspection report with pictures.
  - j. Once inspection has been made, the carrier will usually propose a settlement. If this is unacceptable or you do not hear from the carrier, contact the Purchasing Department for further assistance.
  - k. If a partial delivery is damaged, the vendor should be contacted to determine if they will require a full return of the shipment or a partial return. Regardless, only the items that will be kept should be received.
3. Staff members must not accept deliveries without inspection. **Writing "subject to inspection" on the receipt will not protect the school or department.** The carrier's inspection must be made at the delivery site.
  4. **Manufacturer defects** in merchandise should be reported in writing to the Purchasing Department by the Principal or Department Head as soon as possible after receiving. This merchandise is not to be used until the Principal or Department Head has been notified by the Purchasing Department as to its disposition.
  5. If a partial shipment of merchandise is received and accepted, notify the Accounts Payable Department in the following manner:
    - a. Indicate which items were received and the date received.
    - b. The Purchase Order will remain open until all merchandise has been received.
    - c. Any receiving copies are to remain in the receiver's files unless a manual order was created (i.e. library books, large orders). A copy of a receiving goes to Accounts Payable.
  6. Once the Purchase Order has been paid in full, no changes may be made, i.e. receipt of further goods or cancellation of purchase order.

#### **E. Equipment Warranty, Maintenance, and Repair**

For repair of equipment which has been received and paid, a school or department has one of the following options:

1. If the equipment is under warranty, contact the vendor from whom it was



purchased. If the product was purchased through a District bid, contact the Purchasing Department. (Warranties start the day the equipment is received even if school is not in session and the item is not put in use right away, unless stated otherwise in the contract.)

2. If the equipment is no longer under warranty, contact the Maintenance Department for repair assistance.
3. For those items covered by outside maintenance contracts such as copiers, contact the appropriate service company holding a maintenance agreement with the District.
4. For all computer equipment and printers, complete a Technology Department work order.

#### **F. Trade-In of Equipment**

1. Before executing purchases for vehicles, computer equipment, business machines, audio-visual equipment, and other similar types of items, the Purchasing Department, in coordination with the applicable department, will determine the following:
  - a. Do suppliers of the equipment to be purchased offer trade-in allowances?
  - b. Is there surplus equipment in the District available to be traded in for the replacement equipment?
2. In all cases where it is possible to trade in equipment in order to reduce the initial purchase price, the Purchasing Department will seek the trade-in allowance.

#### **G. Fund Raising**

1. Each campus is allowed to host fund raisers, per Administrative Regulations. The campus Principal shall have the authority to determine what fundraiser program(s) to host.

#### **H. 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:

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.

## **I. Sales Taxes**

1. Boerne Independent School District is exempt from the payment of state sales taxes as it is a political subdivision of the State of Texas. The District's Sales and Use Tax Permit number is 1-74-6000372-0. **This is not a "tax exempt" number as none exist in Texas.** (RCS Chapter 20, Title 122A, 20.04) Tax Code 151.309
2. Staff members 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 for personal purchases may be liable and subject to prosecution under Texas Penal Code, Chapter 39, Abuse of Office, Section 39.01. Tax Code 151.707
3. All Purchase Orders notify vendors of the District's tax-exempt status. When placing a confirming Purchase Order with a vendor, the campus or department should indicate to the vendor that the District holds this exempt status and should not charge tax.

## **J. Quotations**

1. The term "quotation" is used to identify the task of securing pricing information from a vendor for goods or services.
  - a. Written quotations are required for all purchases. Written quotations can be in the form of formal quote, documents from the vendor or website, or email correspondence. If the quote is being received in relation to an existing contract or cooperative agreement, the reference contract number or cooperative agreement number must be indicated on the quote document.
2. A minimum one quote is required for purchases under \$10,000. A minimum of three quotations is required for purchases of \$10,000 or more. Attach all quotations to the Purchase Requisition. Purchases between \$10,000 and \$50,000 must be tabulated on the District's Informal Bid Tab form and all documents electronically attached to the Purchase Requisition.

## **K. Awarded Vendors**

To save time in selecting vendors and obtaining requisition approval, campuses and departments are encouraged to use awarded District vendors from the District's Skyward database or Master Cooperative List.

## **L. Micro Purchases**

As found in the TEA Procurement Guidance Handbook:

*According to EDGAR 200.320(a), procurement by micro-purchase “is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed” the grantee’s micro-purchase threshold. Micro-purchases may be made without soliciting bids.*

*EDGAR 200.320(a) recommends that grantees “distribute micro-purchases equitably among qualified suppliers.”*

*2 CFR §200.320 officially sets the micro-purchase threshold at \$10,000 in the aggregate across all federal grant programs for the fiscal year. It also allows the LEA to self-certify a higher micro purchase threshold of up to \$50,000 if the LEA meets either of the following criteria:*

- *Is a low-risk auditee for their most recent federal audit*
- *Conducts an annual internal risk assessment to identify, mitigate, and manage financial risk*

*Due to state Financial Accountability System Resource Guide (FASRG) rules, the LEA may only self-certify a threshold up to \$49,999. The LEA must determine the local threshold based on internal controls, risk, and documented procedures.*

In an effort to streamline the purchasing process, while ensuring Best value to the District, Boerne ISD has elected to self-certify the Districts micro purchase threshold at \$49,999 as defined in 2 CFR 200.320(a)(1)(ii). Self-certification is based on the following justification, as recognized and authorized by 2 CFR 200.320(a)(1)(iv)(c): Texas law generally permits public school districts to make non-competitive purchases for goods or services valued less than \$50,000 in the aggregate, as set forth in Texas Education Code 44.031(a).

## **M. Annual Aggregate Category Dates**

1. The District establishes the twelve-month period to comply with annual aggregate value of “like-items” to run in conjunction the District established fiscal year starting July 1 and ending June 30. The District has elected to utilize a Commodity Coding System similar to the State of Texas Procurement Commodity Codes, plus locally defined codes. Commodity Codes will be reviewed at least quarterly to identify Commodity areas exceeding \$50,000.
2. For like-item categories that exceed \$50,000 during this date range, and in accordance with policy, a competitive pricing mechanism will be employed to select a awarded vendors to supply the goods or services requested.
3. For purchases using federal funds, and in accordance with 2CFR 200.320(1)(iv)(C), the District has increased its threshold for Rev. 02/07/2022 35 micro-purchases of like-type items to \$49,999 per superintendent annual self-certification. However, purchase orders between \$10,000 and \$50,000 are

to remain in compliance with Section VI.J.2. above.

**N. Rebates**

Rebates provided for any purchase using a PO, P-Card, or any other payment method, paid with federal funds must be allocated back to the fund account from which the original payment was taken. OMB 2 CFR 200.

**O. Auction of Surplus Inventory**

Policy CI (Local) states that “the Superintendent is authorized to declare District materials, equipment, personal property such as vehicles, and supplies to be unnecessary and shall dispose of unnecessary materials, equipment, personal property such as vehicles, and supplies for fair market value. If the unnecessary property has no value, the Superintendent may dispose of such property according to administrative discretion.” It is the practice of BISD to conduct online auctions. A listing of items to be auctioned are published in the Boerne Star

Instructional Materials shall be disposed of in accordance with law. [See CMD (Legal)]

Property obtained with federal funds or as federal surplus shall be managed in accordance with Federal Law.

**VII. SPECIAL PROCEDURES**

**A. Purchase of Computer Hardware/Software**

1. If you plan to purchase a computer or computer hardware, contact the Technology Department and use the District’s contracted vendors.
2. Before any computer software may be ordered, the approval form must be completed and signed by the appropriate administrators/directors/T&L and Technology. Electronically attach the completed form with signatures to the original purchase requisition.

**VIII. GLOSSARY**

**Annual Aggregate** - This pertains to the total amount of purchases made by a school district within a single category of like-items during a twelve-month period. The State does not prescribe on what date the period starts and stops. Boerne has identified the twelve-month period to coincide with the fiscal year, July1 through June 30.

**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.

**Awarded Vendor**- Is a vendor recognized by Boerne ISD that we can do business with. Awarded vendors will be listed in Skyward or on the Master Coop List. Contact the purchasing department if you are unsure if a vendor is awarded with BISD.

**Backorder** - The undelivered part of an existing order which the vendor schedules for shipment at a later date.

**Bid** - A bid is response to a specified request for goods and/or services. A formal bid is 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 their 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.

**Bid Tabulation (Bid Tab)** – A general term used to describe a collection of criteria comparing vendor proposals. More specifically, the evaluation criteria, including pricing, are used to determine an awardee.

**Caveat Venditor** - "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 which guarantees its payment.

**Change Order** - A purchaser's document used to modify or add to 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 but are not limited to, bids, requests for proposal, Texas GSC contracts, Federal GSC contracts, and inter-local government contracts.

**Cooperative** – A purchasing consortium which sources products and services through State-accepted processes in order to expedite the procurement process for the District.

**CTPA** – The Central Texas Purchasing Alliance – an alliance of Texas school districts with the purpose of mentoring, sharing contracts, providing developed specifications and boilerplates, and establishing standards for cooperative venues.

**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.

**Evaluation Summary** – A final document consolidating the evaluation criteria used to determine the awardee of a solicitation. The document typically contains some version the criteria stated in TEC 44.031 and related scores based on the weights associated with each criteria.

**Expediting** - "Follow-up". Tracing the status of an order to ensure, with all due haste, the efficient movement of goods to the School or Department outside normal delivery schedules.

**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 terms of sale, and payment requirements.

**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 - (OEM)** Seller's classification of a buyer whose purchases are incorporated into a product he manufactures, usually without changing the item which he acquires.

**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** - 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.

**Price Tabulation (Price Tab)** – A consolidated list of pricing proposed by vendors in a solicitation. Except for a Request for Bid (RFB), or Competitive Sealed Bid (CSB), the Price Tab will not be the only determining factor in the evaluation of proposals.

Typically, the values taken from the Price Tab will be used to determine the scores for pricing added to the Evaluation Summary to determine a solicitation awardee.

**Proprietary** - An article made and marketed by a patentee.

**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 Orders are contracts once the vendor takes action to fulfill the offer stated on the Purchase Order.

**Purchase Requisition** - A formal request made to Procurement Services 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. Also, the stating of the current price of a commodity. For the District it is primarily used when making purchases between \$5,000 and \$50,000.

**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** - A receiving department document used to inform other in the company 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 request for proposals are advertised and proposals are 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. The State requires RFP's be sealed until all are received and opened at a specified "opening time".

**Reverse Auction Procedure** - A bidding process using an internet site where vendors can offer one or more bids for goods or services. Vendor does not know the identities of the other vendors. Bidding is in real time, and completion is intended to drive offers down until a specified bid closing time. The lowest bid is awarded the contract

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

**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. This practice is in conflict with State purchasing

requirements.

**Specification** - A comprehensive and accurate statement of the technical requirements descriptive of a good or a 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 stores system to satisfy anticipated demand.

**TCPN** - The Cooperative Purchasing Network formally Texas Cooperative Purchasing Network.

**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 or nonperformance of another party or their product?

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



