## Section A – Purchasing Guidelines

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PURCHASING GUIDELINES

Centralized Purchasing Authority:

Policy CH(LOCAL) states the Superintendent or other person as designated shall:

- have the authority to make budgeted purchases for goods or services
- authority to determine the method of purchasing in accordance with CH(LEGAL)
- prepare bid specifications
- prepare the request for proposals and/or specifications for items to be purchased
- make all purchase commitments on a properly drawn and issued purchase order, in accordance with administrative procedures.

The Director of Purchasing shall serve as the designee for Centralized Purchasing and Acquisition in accordance with Policy (CH) Local.

Policy CH(Local) - PURCHASING AND ACQUISITION

PURCHASING AUTHORITY

The Board delegates to the Superintendent or designee the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services that costs $50,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place.

PURCHASING METHOD

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

COMPETITIVE BIDDING

If competitive bidding is chosen as the purchasing method, the Superintendent or designee shall prepare bid specifications. All bids shall be submitted in accordance with administrative regulations. All bidders shall be invited to attend the bid opening. Any bid may be withdrawn prior to the scheduled time for opening. Bids received after the specified time shall not be considered.

The District may reject any and all bids.

COMPETITIVE SEALED PROPOSALS

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 Proposals may be withdrawn prior to the scheduled time of opening.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

**ELECTRONIC BIDS OR PROPOSALS**

The District shall accept bids or proposals through electronic transmission in accordance with administrative regulations. Such regulations shall safeguard the integrity of the competitive procurement process; 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.

**RESPONSIBILITY FOR DEBTS**

The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedures. The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.

**PURCHASE COMMITMENTS**

All purchase commitments shall be made by the Superintendent or designee on a properly drawn and issued purchase order, in accordance with administrative procedures.

**PERSONAL PURCHASES**

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

**PURCHASING APPROVAL**

A purchase for goods or services **cannot** be made using District funds without prior approval from Purchasing Services in the form of an approved Purchase Order form with an approval signature from Purchasing Services. The Assistant Superintendent for Business Operations or Director of Purchasing must approve any exceptions to this practice prior to committing any District funds.

Prior to the approval from Purchasing Services, District staff **must** adhere to the following guidelines:

- Purchase requisitions should not be prepared and entered on-line unless the purchase is necessary to the instructional program or the operation of the District.
- The approval of an on-line requisition by the approving authority verifies the concurrence to the necessity and propriety of the purchase.
- The user department/campus is responsible for checking the accuracy and completeness of the information on the purchase requisition entered in the on-line purchasing system and ensuring that the request is in compliance with established purchasing policies and procedures.
- Each on-line requisition must be approved on-line by the person who has final approval.
authority for the funds associated with the purchase.

This authority cannot be delegated. Should an emergency arise, refer to the Purchase Order Department Approval Procedures section in the Automated Purchase Order System Manual.

Purchasing Services will review the purchase requisition and provide final approval after verifying compliance with the District’s purchasing guidelines. Purchasing violations will be reported to supervisors and to the Internal Auditor’s office.

CONTRACTS AND AGREEMENTS

Only the Board President or Superintendent may sign contracts or agreements requiring payment from any McAllen Independent School District funds. Contracts are required for purchases $25,000 and over.

The following exceptions apply to signing contracts:
- Student Activity Funds – Principals may sign contracts for Student Activity Fund purchases.
- Form 1 – All Professional and Contracted services (62xx) using federal funds (2xx-4xx) for any amount require a contract (25k+) or Form 1 (under 25k)
  - The Grant Manager may sign Form 1 (purchases under 25k).

All other contracts or agreements shall not bind the District financially and will be the personal responsibility of the individual signing the contracts/agreements.

PERSONAL RESPONSIBILITY

A District employee who purchases or orders any goods or services in the name of the District or who obligates the credit of the District without following the purchasing policies and procedures may be held personally responsible for payments to the vendors or return of the items.

INVOICE DATES

All invoices should reflect purchase order dates that are on or after Purchasing Services’ final approval print date.

An instance where an invoice has been received but a purchase order has not been previously processed, would be for the processing of a payment authorization. In this case, invoice dates will be earlier than that of Purchasing Services’ final approval print date. Campuses and departments can only use a payment authorization if the Director of Purchasing Services or the Assistant Superintendent for Business Operations has granted them authority.

CORRECTIVE ACTION FORMS

In the event that a purchase was not previously approved by Purchasing Services, a “Corrective Action Form” will need to be submitted to indicate the reason for non-compliance, as well as corrective action plan.

EMERGENCY PURCHASES
If school equipment, a school facility, or a part of a school facility or personal property is destroyed or severely damaged or, as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the Board determines that the delay posed by the methods provided for in Education Code 44.031 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 the part of the school facility may be made by methods other than those required by Education Code 44.031. *Education Code 44.031(h)*
ETHICS

STANDARDS OF CONDUCT

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.

Board Policies Regarding Employees Standards of Conduct


NIGP Code of Ethics

McAllen Independent School District is a member of The Institute for Public Procurement ("NIGP"), and as such, has adopted the NIGP Code of Ethics to govern the conduct of every staff member in procurement or materials management:

- Seeks or accepts a position as head (or employee) only when fully in accord with the professional principles applicable thereto and when confident of possessing the
qualifications to serve under those principles to the advantage of the employing organization.

- Believes in the dignity and worth of the service rendered by the organization, and the societal responsibilities assumed as a trusted public servant.
- Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.
- Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- Believes that members of the Institute and its staff should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.
- Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.
- Resists encroachment on control of personnel in order to preserve integrity as a professional manager.
- Handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics.
- Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.
- Subscribes to and supports the professional aims and objectives of NIGP - The Institute for Public Procurement (www.nigp.org).
COMPETITIVE PURCHASING REQUIREMENTS

Budgets for the year are completed by mid-April each year and users have a firm grasp on projected expenditures. If any of these budgeted expenditures exceed $50,000 in the aggregate in a twelve-month period for like items or categories, Purchasing Services must be contacted in order to acquire the goods or services in a timely and cost effective manner utilizing the appropriate procurement method.

Purchases of Goods or Services Valued at $50,000 or More

*Texas Education Code Chapter 44.031(a)*

Purchase of goods or services valued at $50,000 or more in the aggregate for a 12-month period shall be made by one of the following methods that provides the best value for the District:

**Competitive Bidding Methods**
- Competitive Sealed Bids
- Competitive Sealed Proposal
- Request for Proposals, for services other than construction services

**Other Methods**
- Interlocal Agreements:
  - BuyBoard (Texas Local Government Statewide Purchasing Cooperative)
  - DIR (Dept. of Information Resources)
  - HGAC (Houston-Galveston Area Council)
  - Region One ESC
  - Comptroller of Public Accounts (State Cooperative Purchasing Program)
  - Texas Facilities Commission (State Purchasing Program for construction and building related functions)
  - TCI (Texas Correctional Industries)
  - TCPN (The Cooperative Purchasing Network)
  - TIBH (Texas Institute for the Blind and Handicapped)
  - TIPS (Texas Interlocal Purchasing System)
  - PACE (The Purchasing Association of Cooperative Entities)
  - HCDE (Harris County Department of Education)
  - TPASS (TxMAS, Statewide Travel Management Program, TxSmartBuy)
- Reverse Auction
- Professional Services as provided by *Texas Government Code, Chapter 2254*
- Sole Source

**Construction Procurement Methods**
- Design/Build Contract for Facilities
- Construction Manager-Agent
- Construction Manager-At-Risk
- Construction Services through Competitive Sealed Proposals
- Construction Services through Competitive Bidding
- Job Order Contracts for Facilities Repair

COMPETITIVE QUOTATIONS
Best Practices Procedure for Quotes
A district may obtain price quotes for items costing less than $50,000 in the aggregate in order to stimulate competition and attempt to receive the most favorable pricing. McAllen ISD staff shall follow the Purchasing Thresholds below.

Quotes:
- Purchases – Use primary vendor (only that quote required). If the primary vendor cannot be used, justification must be provided.
- When not using the Primary Vendor, the following guidelines will apply for purchases:
  - under $3,500 – one quote required;
    “Sequential”, “Separate” and “Component” Purchases shall not be conducted (see [http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.44.htm](http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.44.htm))
  - $3,500 - $9,999.99 – two (2) quotes required
  - $10,000 - $49,999.99 – three (3) quotes required (through awarded vendors)
- Federal Funds purchases refer to page A-15 "Micro Purchases".
- Interlocal Cooperative Agreement (“Co-Op”) Purchases:
  - Under $10,000: 1 quote
  - $10,000 + : 2 quotes (to ensure we are fiscally responsible)

Exceptions to above requirements must be approved by the Director of Purchasing.

Competitive Procurement:
- Purchases in excess of $50,000 in District Annual Aggregate – Competitive Bids and Board Approval, in accordance with CH (Local)
BOARD POLICIES FOR PURCHASING

The McAllen ISD Board Policies that affect purchasing may be viewed on the TASB web page at http://www.tasb.org/policy.

The following Board Policies apply to purchasing:

- CH (Legal) Purchasing and Acquisition
- CH (Local) Purchasing and Acquisition
- CHE (Local) Purchasing and Acquisition: Vendor Relations
- CHF (Legal) Purchasing and Acquisition: Payment Procedures
- CHG (Legal) Purchasing and Acquisition: Real Property and Improvements
- CI (Legal) School Property Disposal
- COA (Legal) Food Services Management/Purchasing
- CV (Legal) Facilities Construction
- CV (Local) Facilities Construction
- CV (Exhibit) Facilities Construction
- CVA (Legal) Facilities Construction: Competitive Bidding
- CVA (Local) Facilities Construction: Competitive Bidding
- CVB (Legal) Facilities Construction: Competitive Sealed Proposals
- CVB (Local) Facilities Construction: Competitive Sealed Proposals
- CVC (Legal) Facilities Construction: Design-Build Contracts
- CVD (Legal) Facilities Construction: Construction Manager-Agent
- CVE (Legal) Facilities Construction: Construction Manager-At-Risk
- CVF (Legal) Facilities Construction: Job Order Contracts
FEDERAL PROCUREMENT STANDARDS

The New EDGAR Regulations

The new EDGAR, including 2 CFR 200, applies to all grants that were issued by the US Department of Education (USDE) on or after December 26, 2014. The new EDGAR regulations now allow grantees the option of a two-year grace period to implement policies and procedures that conform to the procurement standards in 2 CFR 200.317–200.326. Grantees must document whether they are in compliance with the old or new standard, and must meet the documented standard.

All grants issued by USDE before December 26, 2014, are governed by the OMB circulars that were in effect when the grant was initially awarded. This includes grants initially awarded before December 26, 2014, that continue for one or more subsequent years (multi-year grants). TEA asks grantees to note in particular that these multi-year grants will be audited in accordance with OMB Circular A-133.


Beginning with the 2015–2016 school year, all TEA-administered grant awards include a supplement to the Notice of Grant Award (NOGA supplement) specifying which federal regulations apply to the grant. In regards to the procurement guidelines, since McAllen ISD has elected to take the grace period, the procurement shall be in accordance with OMB Circular A-133.

Where to Find Federal Procurement Standards

When procuring property and services under a Federal award, the District will follow 2CFR §§200.318 General procurement standards through 200.326 Contract provisions.

To view the Code of Federal Regulations, visit www.ecfr.gov and select Title 2 – Grants and Agreements.

Click on Chapter II Part 200-299 and select Procurement Standards
§200.318 General procurement standards.

The District uses its own procurement procedures which reflect applicable State, local, laws and regulations, as documented by this manual. The procurements shall conform to applicable Federal law and the standards identified in 2 CFR 200.

The District maintains oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

District maintains written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. Please refer to Board Policy CAA(Local) Financial Ethics.


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. If a conflict of interest exists, a Vendor Relation Disclosure Form must be completed.

The officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

Board Policy DCD, DCE, and DF series provides disciplinary action for fraud by employees.

District staff must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

To foster greater economy and efficiency and in accordance with efforts to promote cost-effective use of shared services across the staff is encouraged to utilize state and local interlocal agreements where appropriate for procurement or use of common or shared goods and services. The District participates in various purchasing cooperatives for the purchase of goods and services. Please refer to Section D – Interlocal Agreements of the Purchasing Procedures Manual.
for additional information.

Staff is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. Please contact the Warehouse/Fixed Assets Coordinator for a list of the available surplus property.

The District is encouraged to use value-engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

The District must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also §200.212 Suspension and debarment.

SUSPENSION AND DEBARMENT

The District must not award a contract equal to or greater than $25,000 to a vendor on the excluded parties list. This also applies to subcontractors equal to or greater than $25,000. Please have the vendor complete the “Contractor Certification Form” (http://www.mcallenisd.org/wp-content/uploads/2014/10/Contractor-Certification-Form-R8-16-17.pdf) for the transaction.

The District must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

The District may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.

The District must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the District of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the District unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

§200.319 Competition.

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
• Noncompetitive pricing practices between firms or between affiliated companies;
• Noncompetitive contracts to consultants that are on retainer contracts;
• Organizational conflicts of interest;
• Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
• Any arbitrary action in the procurement process.

The District must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.

Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

The District must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
• Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features, which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
• Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

The District must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the District must not preclude potential bidders from qualifying during the solicitation period.
§200.320  Methods of procurement to be followed.
The District must use one of the following methods of procurement.

**Procurement by micro-purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the District must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the District considers the price to be reasonable.

**Procurement by small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than $150,000. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

**Procurement by sealed bids (formal advertising).** Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming
to all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions below apply.

In order for sealed bidding to be feasible, the following conditions should be present:

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the business; and
- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;
- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- Any or all bids may be rejected if there is a sound documented reason.

Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- Proposals must be solicited from an adequate number of qualified sources;
- The District must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors’ qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
• The item is available only from a single source;
• The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
• The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District; or
• After solicitation of a number of sources, competition is determined inadequate.

§200.321 Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms.
The District must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include:
• Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
• Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
• Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
• Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
• Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
• Requiring the prime contractor, if subcontracts are allowed to take the affirmative steps listed in paragraphs (1) through (5) of this section.

The District and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

§200.323 Contract cost and price.
The District must perform a cost or price analysis in connection with every procurement action in excess of $150,000 including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the District must make independent estimates before receiving bids or proposals. The District must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the District under Subpart E—Cost Principles. The District may reference its own cost principles that comply with the Federal cost principles.

The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

§200.324 Federal awarding agency or pass-through entity review.
The District must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the District desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

The District must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

- The District's procurement procedures or operation fails to comply with the procurement standards in this part;
- The procurement is expected to exceed $150,000 and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
- The procurement, which is expected to exceed $150,000, specifies a “brand name” product;
- The proposed contract is more than the $150,000 and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
- A proposed contract modification changes the scope of a contract or increases the contract amount by more than $150,000.

The District is exempt from the pre-procurement review if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the procurement standards in 2 CFR 200.

The District may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis; The District may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the District that it is complying with these standards. The District must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

§200.325 Bonding requirements.
For construction or facility improvement contracts or subcontracts exceeding $150,000, the
Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the District provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

- **Bid Guarantee:** A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

- **Performance Bond:** A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.

- **Payment Bond:** A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

§200.326 Contract provisions.
The District's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for District Contracts Under Federal Awards.

§200.333 Retention Requirements for Records
Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a sub recipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.

d) When records are transferred to or maintained by the Federal-awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.

e) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity’s fiscal year in which the
program income is earned.

f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

i. **If submitted for negotiation.** If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

ii. **If not submitted for negotiation.** If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.
CREDIT CARD PURCHASING PROCEDURES

Certain added responsibilities come with the use of credit cards. It is incumbent on the cardholder to insure that the district's purchasing policies are being followed and that purchases are made within established purchasing procedure. Before credit cards can be issued or checked out, designated staff must have attended periodic training on acceptable use.

Credit cards are not intended for personal use. Personal purchasing will be considered misappropriation of district funds, a criminal offense, and will be reported to the proper authorities.

ALL credit card purchases require an itemized receipt with every purchase. A credit card user should ensure that they do not obtain a summary credit card sales slip, which only shows a total amount. Receipts must be submitted to the Accounting Department timely and be an allowable expense under local, state, federal or grant expenditure guidelines.

The district has a limited number of each type of card for use by all district staff. When a card is checked out, the user will be asked for a return date and the card MUST be returned by the close of business on that date.

McAllen I.S.D is a tax-exempt entity and does not pay sales tax. The cardholder should present a sales tax exemption certificate when making a purchase. Once sales tax has been charged, there is no recourse except to return to the vendor and ask that the sale be adjusted. Please be vigilant to make sure sales tax is not charged.

The cardholder is responsible for the security of the card. Guard the purchasing card account number carefully.

The credit card must be returned to the Purchasing Department upon termination from employment with McAllen I.S.D.

If a credit card is lost or stolen, immediately contact the Purchasing Department. Prompt action can reduce the district's liability for fraudulent activity.

A purchase order is required as authorization for a user to charge valid items on the credit card.

Use of any McAllen ISD credit card is a privilege offered to employees by the district, provided that all applicable credit card use guidelines are followed. Failure to follow these guidelines will result in revocation of these privileges.

The following are examples that will cause charging privileges to be revoked from an employee:

- Failure to consistently turn in receipts to the Accounting Department on a timely basis. All credit card receipts should be forwarded to the business office within two days of the purchase.
- Failure to turn in itemized charge receipts to the Accounting Department.
- Use of the credit card to make unauthorized purchases that are not for an educational, district purpose or used for an illegal purchase.
- The loss of a district credit card while in the employee's care.
The District has the following credit cards available for the purchase of goods:

- HEB (assigned to a campus/department)
- Sam’s Club (assigned to individual cardholders)
HEB CREDIT CARD PURCHASING PROCEDURES

- HEB credit cards are issued to campuses/departments that show a need and request a card for their campus or department. Only authorized central office and campus staff may use a HEB credit card. To request a credit card for a campus/department, contact the Purchasing Department.

- If a campus/department loses their HEB credit card, contact the Purchasing Department so that a replacement card can be ordered and the old card cancelled. There is a replacement fee of $7.00 for a lost HEB card.

- McAllen ISD campuses/departments wishing to make a purchase at HEB must first obtain a Purchase Order from the Purchasing Department.

- Purchasing will review your requisition for approval and send the purchase order to your campus/department.

- The HEB Sales and Use Tax Certificate of Exemption form must be completed and submitted to the cashier at time of checkout, in order to eliminate sales tax. This form is located at the HEB courtesy counter. If taxes are added to the receipt, Accounting will reduce the taxes at the time of payment.

- Select the items you wish to purchase and present them to a cashier. The cashier will then issue an itemized cash register receipt.

- Itemized receipts are required in order to process payment. H.E.B. provides thermal paper receipts and the ink fades with time. Therefore, a copy of the itemized cash register receipt is required to be submitted with the purchase order.
SAM’S CLUB CREDIT CARD PURCHASING PROCEDURES

Sam’s Club credit cards can only be issued to an individual cardholder and not the campus or department. Only authorized central office and campus professional may use a Sam’s Club credit. Each campus/department will designate a professional employee as the cardholder.

All purchases will be made online for Sam’s by the designee. McAllen ISD campuses/departments wishing to make a purchase must first obtain a Purchase Order from the Purchasing Department.

The designee will be able to appoint a person to pick up the purchase(s).

You can obtain detailed pricing information by logging onto www.samsclub.com and selecting a McAllen Sam’s Club as preferred store.

Purchase Orders may only be used for one time purchase only. Blanket Purchase Orders will not be issued.

After the purchase, submit the original receipt (which was emailed to the cardholder) to the Accounting Department for payment and keep a copy for your records. A copy should also be provided to the campus/department bookkeeper or secretary who will follow online receiving procedures to process for payment.

The Sam’s Club credit card should not be used to purchase from Wal-Mart or the Sam’s Club gasoline pumps, nor for personal use.
GIFT CARD PROCEDURES

The purchase of gift cards is unallowable for local, state, federal, grant, and principal activity funds. Gift cards may only be purchased with student activity funds. Refer to the Student Activity Manual for procedures.  http://www.mcallenisd.org/business-department/activity-funds/.
REQUISITION PROCESSING

No purchases of merchandise, repairs or services shall be made except through the “Requisition” procedure. No vendors shall be paid for materials furnished to a school or department unless this procedure is used.

HARDCOPY REQUISITION

1. Individuals who do not have access to the on-line requisition system must initiate their request using a hardcopy purchase requisition form. For example, teachers and hourly workers would initiate a purchase request on the requisition form. A copy of this form is included in Section B - Automated Purchase Order System Manual – Part I. This form can also be obtained through the Print Shop.

2. Individuals who have access to the on-line requisition system for data entry purposes may initiate their request using a hardcopy purchase requisition form to facilitate the data entry process. For example, secretaries and bookkeepers who input requisitions may initiate their request using this form.

3. Hardcopy purchase requisitions may be routed to the appropriate approvers for signature. Hardcopy signatures cannot replace the on-line Departmental Approval without the approval of Purchasing Services.

COMPLETION OF HARDCOPY PURCHASE REQUISITION

1. Obtain a blank purchase requisition form from the school’s bookkeeper or secretary.

2. Obtain product and pricing information from an approved vendor.

3. Circle the type of purchase requisition you are completing. Refer to the Types of On-Line Requisitions in the Automated Purchase Order System Manual to complete this section.

4. Complete the vendor information: All of the information is required. Your order will not be processed without it.
   - Vendor’s name - the full name is required, do not use abbreviations
   - Vendor’s address
   - Vendor’s phone number
   - The vendor number will be completed by the bookkeeper

5. Complete the item detail for each item ordered.
   - Enter the quantity you are ordering.
   - Enter the unit of measure that the merchandise is sold. For example: box, each, pkg, etc. Refer to the Standard Abbreviations for Item Measurement for additional abbreviations.
   - Enter the unit price. For example: $5.25.
   - Enter the total cost for that item by extending the prices: 10 boxes @ $5.25 = $52.50.
   - The account number will be completed by the bookkeeper.
   - Enter the description of the item. The description must be more than a catalog number.
For example, “yellow folders without fasteners, part #123-456”. The description must be detailed enough to be understood by the Bookkeeper, Approving Official, Purchasing Clerks, Vendor, Warehouse Delivery Clerks and Auditors. **Requisitions with inadequate descriptions will be rejected.**

6. Upon completion of the hardcopy purchase requisition:
   - Obtain Principal’s approval, if necessary.
   - Return the approved requisition to the bookkeeper for data entry.

**The purchase requisition is not a purchase order.** Do not contact the vendor to place your order based on the requisition number. If you do place your order based on the purchase requisition, **you** will be held personally responsible for payment of merchandise, **not** the District. (Board Policy CHA Local)

**REQUISITION ON-LINE ENTRY**

1. The requisition should be entered on-line by the bookkeeper or secretary. Once the requisition has been completed, it should be approved by the user and it is then routed to the next approver’s workflow.

2. All requisitions shall contain complete information, such as quantity, unit of issue, unit cost, discount percentage and a clear description of the items to be purchased.

3. Once a requisition is entered on-line, the accounts associated with the purchase will be immediately encumbered for the total amount shown on the requisition until the merchandise is received and final prices determined or the requisition is deleted.

**After Entering the Requisition On-line:**
   - Place the requisition number assigned by the computer on the hardcopy requisition.
   - Sign and date the hardcopy requisition.
   - File the hardcopy requisition in sequential order.

**FINAL DEPARTMENTAL APPROVAL**

1. Only staff with Departmental Approval authority will approve on-line. **This task and responsibility may not be delegated.** Violations will be reported to supervisors and to the Internal Auditor’s office.

2. After a requisition has been entered and approved on-line, the individual with the final approval authority for the purchase must approve the requisition on-line. A copy of the current Role Account Approvals may be obtained by contacting Purchasing Services.

   **Note:** After the Final Departmental Approver has approved the requisition on-line and the accounts are not lacking funds, Purchasing Services still has to review the requisition for compliance with District purchasing policies and procedures.

3. Final Departmental Approvers must approve requisitions on-line if a purchase falls under their authority. This is required even if the Final Approver has already signed a hardcopy purchase requisition.
PURCHASING SERVICES APPROVAL

1. After the Final Departmental Approver has approved the on-line requisition, Purchasing Services will review the requisition. The Purchasing Clerks review the requisition for account codes and purchasing requirements. The requisition is then forwarded to the Purchasing/Contract Specialist for final purchasing review.

2. If a requisition cannot be approved in its present form, Purchasing Services will reject the requisition which will cause it to be routed back to the user to make the necessary changes. Once the changes have been made, the user must again approve the requisition which will cause it to again be routed to the next approver. The Departmental Approving Official must once again approve the requisition. The purpose for the re-approval is to prevent any unauthorized changes to the requisition.

3. Purchase orders will not be generated unless all pertinent information is correct and complete. Once the requisition has been reviewed by Purchasing Services and determined that it is in compliance with purchasing requirements, the requisition is approved. Upon approval, the requisition is printed and it then becomes a purchase order.

4. Purchasing Services will print and forward the purchase order to the vendor via mail or fax. The vendor copy is sent to the user. At the discretion of Purchasing Services, purchase orders may be faxed to certain vendors to expedite orders. If a printed purchase order must be faxed to a vendor, please list the phone, fax and contact person on the PR Note Section of your requisition. If an attachment must be mailed with the purchase order, please make a note of it in your PR Note Section and attach documentation to the requisition online.

A requisition does not become a purchase order until Purchasing Services executes final approval in the form of a signed purchase order. All purchase orders must be approved before merchandise is ordered.

REASONS PURCHASING SERVICES WILL REJECT A REQUISITION

A requisition may be rejected by Purchasing Services for several reasons. The reason for a rejection may be viewed in the requisition’s workflow. IFAS also generates an e-mail to the user that in addition to displaying the requisition’s information, will also state the reason for rejection.

Any requisition that contains an account number that does not meet TEA Financial Accountability System Resource guidelines will be rejected. The table below lists the most common reasons requisitions are rejected and the action that should be followed.

<table>
<thead>
<tr>
<th>REASON</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>PURCH FROM APPROVED VENDOR</td>
<td>The vendor selected is not an approved vendor. A list of newly approved vendors is distributed after each Board Meeting for specific bids, RFP’s, etc. or can be viewed on-line at <a href="http://www.mcallenisd.org/purchasing/notice-">http://www.mcallenisd.org/purchasing/notice-</a></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>award/</th>
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</thead>
<tbody>
<tr>
<td>GIVE DETAILED DESCR.</td>
<td>The description provided is incomplete. Describe the purchase further.</td>
</tr>
<tr>
<td>EXPENSE OBJECT CODE S/B &lt;Object&gt;</td>
<td>The expense object code entered is incorrect. Change the account number to correspond with the expense object code given.</td>
</tr>
</tbody>
</table>

**PROCESSING REquisitions PRIOR TO HOLIDAYS AND VAcATIONS**

All requisitions that require processing prior to scheduled holidays, vacations, and/or early dismissals must be entered, have Departmental Approval and have sufficient funds in the accounts in the on-line requisition system two (2) days before the closing of administrative offices.

Please be mindful of these dates when planning purchases and payments.

**PROCESSING REquisitions PRIOR TO ACCOUNTING DEADLINES**

All requisitions that require processing for payment, prior to Accounting deadlines must be entered, released, have Departmental Approval and have sufficient funds in the accounts in the on-line requisition system two (2) days before the deadlines. Refer to the Accounting Procedures Manual for these dates.
RECEIPT AND PAYMENT FOR MERCHANDISE

Upon receipt of materials or supplies, the user must look for the packing list and make sure that the items received match the packing list in quantity and description. The packing list is usually in a plastic document holder affixed to the outside of the package/container. All items that do not match the packing list and are damaged and/or missing should be separated and the discrepancies reconciled with the vendor. Sometimes the vendor will include an invoice instead of a packing list. In this case, the invoice should be used to verify the contents of the package/container.

The packing list, invoice and contents must also be compared to the purchase order to verify that the items received are the items that were ordered and to verify that the prices on the invoice match the prices on the purchase order. To return merchandise, please see chapter titled, “RETURN OF MERCHANDISE”.

To arrange for payment of the order the user must log on to IFAS and receive online through the POUPRC command. User must then print a PO Inquiry Report after items have been received online and forward to the Accounting Department along with the packing slip, delivery ticket, invoice and freight bill that may accompany the delivery. **State law requires the District to pay with 30 days of receipt of goods or services. Partial payments may be made as necessary.**
REQUESTS FOR CAPITAL OUTLAY

Requests for capital outlay items (items with a per unit cost of $5,000 or more) should be planned during the budget process each spring semester. Upon approval of the budget and the expenditure, all information for these purchases should be delivered to Purchasing Services for processing as early in the fiscal year as possible. These purchases should be completed in accordance with the instructions issued by Business Services each year. For exceptions to this timeline, contact Purchasing.
RETURN OF MERCHANDISE

When goods need to be returned to a company, certain steps must be followed to be able to receive credit for goods returned.

1. Ask that the company issue a Return Authorization "call tag" number for the package that was previously delivered by carrier. This number will identify the package that the carrier will pick up.

2. Any returned goods must be properly packaged in compliance with shipping regulations freight companies.

3. Follow-up in writing with a copy of the letter sent to Director of Accounting.

4. The company will follow-up with a credit memo or acknowledgment of merchandise received and the transaction is completed at this point.

For more information on packaging and shipping, call the Warehouse Department, at 956-971-4468.
VENDOR RELATIONS: SALES CALLS AND DEMONSTRATIONS

Sales representatives are not to call on individual schools without approval from the Superintendent’s Office or his designee. Such approval will be given only after the appropriate division director has examined the material, equipment, or publication and has approved it for use in the District schools. See Board Policy CHE (Local).

PROCEDURE

Salesmen shall be referred to the Assistant Superintendent for District Operations. It follows that permission to call on individual schools will be given only rarely when, in the judgment of the Assistant Superintendent for District Operations, the best interest of the schools will be served. In such cases, the Assistant Superintendent for District Operations will provide a letter for the salesman to call the schools.
DONATIONS

As per Board Policy CDC (Local) The Board welcomes donations from parents, booster clubs, PTOs, PTAs, patrons, and other private entities. All gifts shall be given to the District and, at the discretion of the Superintendent, may be used for a specific campus or program. Once accepted, gifts become the sole property of the District for its use and disposition. A donation cannot be designated for an individual’s salary or compensation.

Any individual or group, including PTO’s, PTA’s or booster clubs, wishing to give the District money, materials, services, or equipment shall submit a donation request form for consideration by the District. [See CDC (EXHIBIT)]

The Board or administrators may elect not to accept gifts if any of the following apply:

1. The gift would begin a program for which the District would be unwilling to assume financial responsibility when the gift or grant funds are exhausted.
2. The gift may result in ancillary costs for the District.
3. The gift may require the District to employ additional personnel.
4. The gift would place restrictions on other District programs.
5. The specific materials or equipment are not of acceptable quality or are not compatible with existing District equipment or facilities.
6. A gift shall not be accepted if any of the following apply:
7. The gift would be inappropriate or harmful to students.
8. The gift would be in conflict with any provision of state law, federal law, or District policy.
9. The gift does not serve the best interests of the District as determined by the Board or designee.

The Board delegates to the campus principals the authority to accept gifts of $5,000 or less that meet the acceptance criteria. Only the Board may accept gifts of $5,001 or more.

Regardless of cost, donations of the following items shall be reviewed by the facilities management and business services departments:

1. Computer and technology equipment,
2. Contracted services,
3. Food preparation equipment,
4. Equipment that requires additional electrical capacity or location, and
5. Items that involve the removal or addition of permanent fixtures to buildings or grounds.
DEADLINES FOR PRINTING PURCHASE ORDERS

Purchases made from July 1st through June 30th of the current fiscal year must be received, invoiced and paid by June 30th of the same fiscal year. In order to comply with this regulation, the following deadline has been established:

- The last day for printing ALL Capital Outlay AND Supply and Material purchase orders will be the last Friday of March.
- The deadline for all Grants, regardless of grant term dates, and for all Activity Funds will be first Friday of May.

Departments and schools are encouraged to evaluate their budget reports and process orders for planned expenses prior to this deadline. If your funding deadline is earlier than June 30th, please plan accordingly. All purchases requiring bids or quotes must be initiated with Purchasing Services to ensure they meet this deadline. A Bid/Quote Request Form must be filled out and returned to Purchasing Service to initiate the process. The processing of purchase orders will resume on July 1st of the following fiscal year, using the new budget.

This deadline does not apply to purchases involving Curriculum and Instruction Summer Programs. If purchases are for Curriculum and Instruction Summer Programs, please indicate this information on your requisition to avoid it from being rejected. Service-oriented departments such as MISD Police Department, Plant Operations, Food Services, Transportation and Audio Visual Services may continue to purchase materials and equipment necessary to carry out their service functions to the District. This does not include general supplies, such as, office supplies, paper products, printer cartridges, office furniture, office equipment, etc. Any deviations from this, needs to be approved by the Assistant Superintendent for Business Operations. Payment authorizations for services are also exempt from these deadlines. Schools/Departments with budgets with expenditure deadlines earlier than June 30th must plan accordingly and evaluate their budgets much earlier than March.
YEAR-END PURCHASE ORDER PAYMENT PROCEDURES

In order to assure year-end purchase orders are processed properly, the following procedures must be followed:

1. Purchase orders with goods received prior to June 30th of the current fiscal year must be processed and paid through the budget for the fiscal year in which they were bought and received.
2. If the budget is overdrawn, contact Accounting Services for directives in processing payment.
3. If an invoice and goods were received prior to June 30th and a purchase order was not generated, contact Accounting Services for directives in processing payment.
4. Purchase orders with goods received after June 30th will be carried forward and paid through the new fiscal year budget.
5. Purchase orders that must be cancelled should be submitted to Accounting by June 30th.

To view a report identifying outstanding purchase orders, follow the instructions in the Open Purchase Order Report of the Accounting Procedures manual. If you have any questions regarding this matter, contact the Accounting Office.
TYPES OF REQUISITIONS

STANDARD PURCHASE REQUISITION

Purchases of personal property, repairs and services for items not available in the Central Warehouse require this type of a purchase requisition. Bids, catalog bids and quotations, as well as, interlocal agreements are used to provide sources for these purchases.

PAYMENT AUTHORIZATION

Process a payment authorization for merchandise and services where an invoice has been received but a purchase order has not been previously processed. Campuses and departments can only use a payment authorization if the Purchasing/Contract Specialist, Director of Purchasing Services, or the Assistant Superintendent for Business Operations has granted them authority. The Internal Auditor may be contacted for final approval in some cases.

For example, payment authorizations are used for the following:
- Utilities
- Phones
- Vehicle repairs (not parts)
- General repairs (not parts)
- Maintenance Service Contracts

Payment Authorizations may not be used for General Supplies, Fixed Assets or Professional Services unless the services are authorized by the Director of Purchasing Services and the services comply with the District’s purchasing requirements. A Standard Purchase Requisition must be used for these items.

Unauthorized purchases will require staff members to complete Corrective Action Form. A copy of the Corrective Action must accompany your requisition. The form is published on our website at http://www.mcallenisd.org/wp-content/uploads/2014/10/Corrective-Action-Form.pdf

REIMBURSEMENTS – Mileage, Meals, Gas, Parking Fees, Purchase of Goods/Services

Reimbursements for the purchase of goods/services including travel (i.e., mileage, meals, gas, parking fees, etc.) are not allowed without prior approval from the Director of Purchasing Services. End users need to request a Blanket Purchase Order (BPO) and make good estimates as to expenditures prior to event taking place or goods/services being purchased. Modifications to the BPO are to be made through a Change Request Form. Price modification are allowed for up to 25% over the original amount of the purchase order. If at the end of the school year in May, the reimbursement total has not reached $50, at that point a PO can be processed to close out the pending balance to the staff member. Please refer to the Accounting Services Manual – Travel Section to calculate your estimates.

BLANKET PURCHASE ORDER (“BPO”)

These purchases should be limited in use. Care should be exercised by staff when making these purchases since no method is available to show that the user is getting the best value for the dollar. Campuses and departments should work with the Purchasing/Contract Specialist to
establish BPOs with vendors. If several items are to be purchased in a specific period of time not to exceed one month with a specified vendor, a BPO can be established. A BPO is used when the costs involved are not known until the actual purchase is made. An example of a vendor where one would use a blanket purchase order would be a grocery vendor used to purchase food items. However, you should be knowledgeable of the items and quantities to be purchased for a given period of time.

A BPO encumbers the estimated total purchases with the vendor. As individual purchases are released, the purchase amount is charged against the encumbered amount. Individual purchases are not processed as separate purchase orders. When a purchase is needed, the employee must provide the vendor with the BPO number that is obtained from their respective departments.

When an invoice is received from the vendor, the campus or department must approve the invoice and forward it to Accounting Services along with a copy of a PO Inquiry report. A requisition should not be entered in the on-line purchase requisition system for individual releases against a blanket purchase order.

BPO’s should be limited to those repair parts or supplies approved by Purchasing Services.

When entering a requisition for a Blanket Purchase Order, follow the guidelines listed below:

1. Select or enter “07” for PO Type to indicate Blanket PO.
2. Enter an item on the requisition for each type of commodity, such as food items, paper goods or film. Include the following information:
   - **Qty:** Dollar Amount (Key in estimated dollar amount)
   - **Unit:** Month
   - **Unit Cost:** 1.00
   - **Description:** Be specific in your item description. For instance, if opening a Blanket PO for food, note on your description “Food and refreshments for the month of April for on-going staff meetings”. Purchase orders must be closed out every month.
   - Maximum amount allowed for a blanket is typically $500, but exceptions can be made given circumstances. Contact the Director of Purchasing if you need a larger amount approved.
3. Purchasing will review the requisition for approval and then send the **Vendor and Receiving Copy** to the originating campus/department.

**CHANGE REQUESTS TO PURCHASE ORDER**

You are required to complete a Change Request Form when requesting a change to a purchase order. Price modifications are allowed for up to 25% over the original amount of the purchase order. Please follow the process below to expedite your request. **Modifications that exceed 25% require approval from the Director of Purchasing Services.** The form is published on our website at [http://www.mcallenisd.org/wp-content/uploads/2014/10/CHANGE-REQUEST-FORM.pdf](http://www.mcallenisd.org/wp-content/uploads/2014/10/CHANGE-REQUEST-FORM.pdf)

When requesting a change to a purchase order, follow the guidelines listed below:
- The requisition entry clerk completes Change Request Form, obtains approval from Administrator/Principal responsible for the account number workflow and forwards to their assigned PO clerk via email.
- PO clerk reviews and approve.
- Change Order Form will be forwarded to originator if approval is granted. Originator is to upload Change Order Form to purchase order on Sungard.
- PO clerk will make approved change(s).
SOLE SOURCE PURCHASES

Competitive procurement is the preferred method of obtaining goods and services. If competition is too restricted, or not utilized, the facts and justification supporting this must be documented in detail. Advance approval by Purchasing Services is required. Justification must be based upon unique technical or performance characteristics. Personal preferences for certain brands or products do not adequately justify limiting competition.

The following are reasons why a purchase might be possible or practical from only one vendor:

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; or
4. A captive replacement part or component for equipment

Other Exempt Purchases

Another reason for purchases to be exempt from competitive bids may be the result of statutes or policies that require or allow certain types of purchases to be made from a particular source.

1. Non-profit corporations using handicapped workers produce the item. State or local governments often use products made by blind or otherwise handicapped workers.
2. Prison workers produce the item. The state benefits from the sale of these items.
3. Interlocal Governmental Agreements. These legislatively approved agreements allow governmental agencies to cooperatively purchase goods in volume, thus obtaining better prices.

There are a number of good reasons why the District may occasionally use sole source purchases. And it is proper to have the flexibility to make these purchases. But, sole source purchases must be strictly controlled, since they are directly contrary to the competitive process.

Under most conditions, a sole source purchase should be the subject of a certain amount of negotiation. The lack of other competition may otherwise result in a severe case of "sellers’ market". The purchaser should prepare a detailed list of requirements relating to delivery, quality, performance and other conditions, and be prepared to withhold the purchase in order to ensure compliance. Of course, this may not be possible, but the buyer should do everything in their power to strengthen their bargaining position.

Procedure for Sole Source Purchases

Purchasing Services must approve all sole source purchases before any action is taken to procure the items. The approval should be done before a purchase requisition is entered into the online purchase order system.
Sole source purchases are handled the same as other purchases, with these exceptions:

1. The user campus/department must advise Purchasing Services that only one practical source of supply exists for the items being requested. This should be accomplished by attaching a **Sole Source letter** from the vendor to the requisition prior to approval by the user.

2. The user campus/department must document how the price(s) was determined to be reasonable.

3. If Purchasing Services determines that the sole source letter received is in compliance, the requisition will be approved. If the expenditure is $50,000 or more, the campus/department must obtain approval from the Board of Trustees before proceeding with the purchase. The user campus/department must prepare the Board agenda report along with all backup documentation.

4. After the requisition is approved on-line by the Campus/Department Approving Official and by Purchasing Services, the purchase order is printed.
CONSULTANT SERVICES PROCEDURES

The following guidelines must be adhered to for the procurement of consultant services (Professional services with licensing is not required by State. Object code: 6291)

If the anticipated District aggregate expenditures for the consultant services are less than $25,000 in a 12-month period (Purchase Order is considered the contract) the following steps will need to be followed:

1. Initiating department obtains proposal from consultant for an all-inclusive fee, to include all travel expenses. If Consultant must itemize travel, Consultant will be bound by the rates approved and posted by the office of the Texas Comptroller of Public Accounts. These rates can be found at: https://fmx.cpa.state.tx.us/fm/travel/index.php.
2. Initiating department will enter requisition and process through workflow obtaining approval from the person overseeing the funding source. The requisition must include pertinent information such as date of services, fees for services, location where services will be provided, services to be provided, etc.
3. Purchasing Services will review and process into a Purchase Order.
4. Purchase Order will be sent to initiating department.
5. Initiating department will schedule services with consultant.

FEDERAL FUNDS - When purchasing consultant services with Federal Funds for total expenditures not to exceed $25,000, Form 1 “Contract for Federally Funded Consultant Services” is required. A copy of Form 1-Contract for Federally Funded Consultant Services must accompany your requisition. The form is published on our website at http://www.mcallenisd.org/wp-content/uploads/2014/10/FORM-1-Contract-For-Federally-Funded.pdf.

If the District aggregate expenditures for the consultant Services are $25,000 or more in a 12-month period, a formal contract is required prior to the approval of the purchase order and rendering of the services.

If the District aggregate expenditures for the consultant Services are $50,000 or more in a 12-month period, a formal contract and Board Approval is required prior to the approval of the purchase order and rendering of the services. If you anticipate that the expenditures will be $50,000 or more, please contact Purchasing Services to initiate the formal contract process and Board Approval process.

Federally funded professional service contracts must be let on a competitive basis (2 CFR 200). If a formal contract, competitive solicitation and/or Board Approval is/are required, please notify Purchasing Services with sufficient time to not cause any delays or problems with the services.
REQUISITIONS FOR PRINTING JOBS

Requisitions for the vendors listed below will require the approval of the Print Shop Manager, as part of the approval workflow before final approval by Purchasing Services. The vendors are but not limited to:

- Copy Zone LTD
- Curtis 1000 Inc.
- Fed Ex
- Kinkos
- PDQ Printing Center Inc.
- RGV Reprographics Inc.
- Copy It, Inc.

Please consult the Print Shop procedures online under District Operations for instructions and guidelines on requesting print and copy jobs.