

DISD Purchasing Manual



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SECTION 1

DISD PURCHASING DEPARTMENT MISSION STATEMENT, GOALS, AND VISION

Mission Statement

To support Denton ISD's staff and students by providing exceptional customer service and by procuring materials and services of high quality and best value to support academic success. All in accordance with state and federal guidelines, District policies and sound ethical business practices.

Goals

- To provide customer satisfaction through effective and cooperative relationships with our internal and external customers.
- To maximize savings and revenue generation potential.
- Provide education and training related to the policies, procedures, processes, and regulations related to the acquisition of goods and services.
- Promote a positive, efficient, and effective work environment.
- Implement, promote, and maintain sound business practices and auditable procedures.

Vision

- To provide full and open competition with the highest ethical standards while meeting the needs of the District and Community.

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SECTION 2

STATUTES, REGULATIONS, AND BOARD POLICY APPLICABLE TO PURCHASING

1. The Texas Education Code, Purchasing Contracts (Primarily sections 44.031 through 44.047). An electronic version of the Texas State Education Code can be obtained at the following website address: <http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.44.htm#44.031>
2. The Texas Education Agency (TEA) Financial Accountability System Resource Guide Purchasing Module. The TEA Resource Guide can be accessed at the following website address: https://tea.texas.gov/Finance_and_Grants/Financial_Accountability/Financial_Accountability_System_Resource_Guide/
3. Denton Independent School District's Board Policy (Sections CH...). The DISD Board Policy can be accessed at the following website address: <https://pol.tasb.org/Policy/Search/383?filter=CH%20local>
4. For all purchases with Federal Grant Funds, the district shall comply with the Federal Regulations, EDGAR, related to the purchasing of goods and services. [[2 CFR 200.317-200.327](#)]
5. HB1295 - <https://www.ethics.state.tx.us/File/>
6. Divestment Statutes - <https://comptroller.texas.gov/purchasing/publications/divestment.php>
7. All relevant statutes, regulations, board policies, and procedures shall be made available to all purchasing stakeholders, as appropriate in a paper or electronic format.

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SECTION 3 COMMODITY CODES

1. The [Texas Education Code, Purchasing Contracts sections 44.031](#) - Except as provided by this subchapter, all school district contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method, of the following methods, that provides the best value for the district.

2. For all purchases with Federal Grant Funds, the district shall comply with the Federal Regulations, EDGAR, related to the purchasing of goods and services. [[2 CFR 200.317-200.326](#)] - The non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases, of like-type commodities, totaling less than \$3,500, across all federal grant funds, in the aggregate across the fiscal year may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

Denton ISD has chosen to define “like-types” based upon the District accepted [Commodity Codes Listing](#) located on the Purchasing Department [Resources webpage](#).

Each requisition line item will be assigned the appropriate Commodity Code for the good or service being purchase.

The Purchasing Department will utilize the Commodity Code aggregate data from eFinancePLUS to monitor and ensure appropriate competitive procurement methods are developed and maintained.

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SECTION 4 PURCHASING AUTHORITY

Under the Texas Education Code § 44.0312 (a), the board of trustees of the District may, as appropriate, delegate its authority under this subchapter regarding an action authorized or required by this subchapter to be taken by a school District to a designated person, representative, or committee.

1. The following persons have been delegated authority to act as agents for DISD in carrying out the purchasing activities of the District:

- a. Superintendent or designee
- b. Deputy Superintendent
- c. Executive Director of Financial Operations
- d. Director of Purchasing
- e. Purchasing Department Purchasing Buyers/Specialists

2. Budget Managers have the authority to initiate and approve purchase requisitions within their authorized budget.

3. Every employee involved in procuring goods or services for the District is responsible for working to attain the District's procurement goals and objectives (See Section 1).

4. Principals/Directors share purchasing authority with the purchasing department concerning purchases made from District Funds.

Under Board policy CH (Local) the procurement function is assigned to the Superintendent or designee and Purchasing Department.

The purchasing department shall supervise the purchase of all materials, supplies, equipment, and services for the District.

The purchasing department shall develop appropriate procedures to assure:

- Purchases are made in accordance with appropriate statutes, regulations, and Board policy.
- The existence of a list of approved vendors who have a record of good products, services, and prices.

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- Effective advertising for the procurement of products and services.
- The existence of current specification files and expertise in developing meaningful product and service specifications.

Under Board policy CH (Local) 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.**

SECTION 5 PURCHASING ETHICS

Public purchasing and the expenditure of public funds require that ethical standards be incorporated into every aspect of the District's purchasing function. Purchasing personnel and school District employees face the difficult task of developing good vendor relations and encouraging vendor competition while avoiding even the appearance of favoritism or other ethical misconduct. In an effort to get the job done successfully and on time, one may be tempted to circumvent policies, procedures, and laws, or make their own liberal "legal" interpretations of existing policies. Such activity, although well intentioned, will cause ethical problems.

In addition to the information provided in this section, please read the following Board Policy and Administrative Regulation:

- Board policy DH ([Legal/Local](#)), Employee Standards of Conduct. This policy resides on the District's web site.
- Board policy DH ([Exhibit](#)), Employee Standards of Conduct. This policy resides on the District's web site.

The Texas Education Agency (TEA), [Financial Accountability System Resource Guide – General Ethical Standards and other documents](#), prescribes common standards of ethics governing the conduct of employees involved in the purchasing function, which are incorporated in the procedures prescribed below.

Sequential Purchases – District employees shall not make purchases, over a period, of items that in normal purchasing practices would be made in one purchase.

Component Purchases – District employees shall not make purchases of the component parts of an item that in normal purchasing practices would be made in one purchase.

Separate Purchases – District employees shall not make purchases separately in order to circumvent board approval of items that in normal purchasing practices would be made in one purchase.

Conflict of Interest – [Local Government Code Chapter 176](#) provides information regarding conflict of interest statements to be filed by vendors and certain school district employees. [HB 1491](#) passed by the 80th Legislature made modifications to the requirements for conflict-of-interest statements. Refer to the [Texas Ethics Commission website](#) for additional information and sample forms.

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Gifts - A district employee who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall not solicit, accept, or agree to accept any benefit from a person the public servant knows is interested in or likely to become interested in any such transactions of the District. *Penal Code 1.07(41)(A), (E), 36.08(d)*

This includes, Trips, Meals, Tickets to Professional Sporting Events, Tickets to Concerts, Clothing, Transportation, Cash or Negotiable Instrument or any other goods or services valued at \$50 or greater.

Financial Interest - District employees shall not participate directly or indirectly in procurement when the employee or the employee's family member has a financial interest pertaining to the procurement.

Personal Use - District employees shall not make any commitment to acquire goods or services in the name of the District for personal use or ownership.

Equal Consideration - District employees shall grant all competitive suppliers' equal consideration insofar as state or federal laws and District policy permit. This is especially important when evaluating bids and proposals.

Relatives - No District employee with purchasing authority may authorize the purchase of anything from any person or from any firm that is controlled, owned, or operated by that employee or from a relative within the second degree by blood or marriage of the employee.

Texas Education Code 44.032

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

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

(d) An officer or employee of a school district commits an offense if the officer or employee knowingly violates Section 44.031, other than by conduct described by Subsection (b) or (c). An offense under this subsection is a Class C misdemeanor.

(e) The final conviction of a person other than a trustee of a school district for an offense under Subsection (b) or (c) results in the immediate removal from office or employment of that person. A trustee who is convicted of an offense under this section is considered to have committed official misconduct for purposes of Chapter 87, Local Government Code, and is subject to removal as provided by that chapter and Section 24, Article V, Texas Constitution. For four years after the date of the final conviction, the removed person is ineligible to be a candidate for

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or to be appointed or elected to a public office in this state, is ineligible to be employed by or act as an agent for the state or a political subdivision of the state and is ineligible to receive any compensation through a contract with the state or a political subdivision of the state. This subsection does not prohibit the payment of retirement benefits to the removed person or the payment of workers' compensation benefits to the removed person for an injury that occurred before the commission of the offense for which the person was removed. This subsection does not make a person ineligible for an office for which the federal or state constitution prescribes exclusive eligibility requirements.

(f) A court may enjoin performance of a contract made in violation of this subchapter. A county attorney, a district attorney, a criminal district attorney, a citizen of the county in which the school district is located, or any interested party may bring an action for an injunction. A party who prevails in an action brought under this subsection is entitled to reasonable attorney's fees as approved by the court.

Employees involved in the purchasing process are exposed to more than ordinary temptations because they are involved with the expenditure of large amounts of public money. Strict adherence to the above standards is critical to the protection of the employee's and the District's reputation. Any violations to these standards shall be reported immediately to the District's Purchasing Department.

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SECTION 6 CONTROL ENVIRONMENT

Texas Education Agency guidance states that “A district needs a strong control environment in which to perform the purchasing function.” Three activities govern a strong and successful control environment:

1. A comprehensive purchasing manual.
2. Monitoring purchasing activities by all employees involved with the procurement of goods and services.
3. Training personnel on purchasing procedures.

The purchasing *manual* is a primary tool for establishing a strong control environment and must be adhered to by employees of the District. The purchasing manual provides written procedures designed to detect and prevent the circumvention of statutes, regulations, and board policy applicable to purchasing.

If a situation occurs which is not addressed in the purchasing manual, it should be brought to the attention of the purchasing department to determine the proper course of action. If it is likely that this situation will reoccur, the proper procedures will be included in a revision to the purchasing manual.

In addition to the purchasing manual, the following activities enhance the control environment and require monitoring by those involved in procuring goods and services:

- ***Approval of purchase requisitions at the campus and departmental levels.*** The campus principal or department head should review for need and approve purchase requisitions before they are submitted to the centralized purchasing department for processing. If a purchase is grant funded, approval by the appropriate compliance officer is required. **Refer to the DISD State and Federal Guidelines Manual.**
- ***Approval of purchase orders.*** The purchasing buyer and or other designated personnel will review requisitions for compliance before approving purchase orders for issuance to vendors.
- ***Supervision of purchasing process.*** Vigilance in the supervision of the entire purchasing function on a daily basis is essential.
- ***Segregation of duties among Purchasing, Accounts Payable and Finance personnel.*** The Purchasing Director, Accounts Payable Coordinator and Finance Director, along with the Executive Director of Financial Operations and Deputy Superintendent, and ultimately the

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Superintendent are responsible to ensure that duties among purchasing, accounts payable, and finance personnel are properly segregated (to the degree possible) to provide a checks-and-balances environment.

- ***Maintenance of purchasing files and records.*** The purchasing staff should be trained and supervised so that purchasing files and records are complete and maintained in an orderly fashion for the period required by law.
- ***Control over incoming merchandise.*** Receiving personnel (either centralized or decentralized) should be trained and monitored to ensure that the proper procedures are followed with incoming merchandise (i.e., the counting and inspection of merchandise received, and the completion of receiving reports).
- ***Verification of invoices with purchase orders and receiving information.*** Although receiving personnel are responsible for the initial verification, accounts payable personnel verify that the invoice, the purchase order, and the receiving information match before presenting the invoice for approval for payment.
- ***Verification of delivery.*** All campuses and/or departments are responsible for ensuring that the deliveries are in agreement with its original purchase order.
- ***Internal review of the purchasing processes.*** An internal review of the purchasing activities should be performed periodically. This review is usually conducted by the District to ensure that purchasing policies and procedures are being followed by district personnel.
- ***Training of district personnel.*** Formal training is conducted annually at the beginning of the school year. However, training and communication should be ongoing throughout the school year through revisions to the purchasing manual, emails to a purchasing news group and monthly training opportunities.

Risk Management

There are numerous risks factors associated with the procurement of goods and services. A few examples would include:

- Violating statues and regulations governing appropriate procurement methods.
- Failing to comply with Board policies.
- Initiating purchases without Board approval or an approved purchase order.
- Abusing purchasing authority and committing fraud.
- All purchases with federal grant funds shall also adhere to the EDGAR Procurement Standards.

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Responsibilities

In order to maintain a strong control environment for the procurement function, the following responsibilities and actions shall be taken in order to minimize risk.

Executive Director of Financial Operations

- Shall establish and maintain a reliable and financially accountable control environment for procuring goods and services.

Purchasing Director

- Shall assign responsibilities and establish procedures within the Purchasing Department for monitoring procurements in order to comply with the statutory requirements and Board policies.
- Shall continually monitor the District's procurement activities, assess risks, and improve the procurement control activities.
- Shall be the only authorized personnel to make purchase commitments and issue purchase orders. Because schools and departments must contact vendors to obtain information to prepare purchase requisitions, it must be communicated and explained to the vendor that the request for information does not represent a commitment to purchase.

Buyers / Purchasing Specialists

- Shall review all requisition/check requisition requests for appropriate budget/account code(s), competitive procurement sourcing, pricing & description accuracy to supporting back-up documentation, and commodity code prior to approval.
- Because schools and departments must contact vendors to obtain information to prepare purchase requisitions, it must be communicated and explained to the vendor that the request for information does not represent a commitment to purchase.

Assigned Budget Managers

- Shall plan purchases for each budget year in order to maximize opportunities to use competitive procurement options.
- Shall coordinate purchases with the Purchasing Department for competitive procurement if no approved vendor exists for the particular purchase.
- Shall process all requests for procurements that costs or aggregate to a cost of \$50,000 or more through the Purchasing Department for Board approval.

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- Shall only initiate and approve purchase requisitions that are within their approved budget and ensure proper account coding.

All employees

- Shall strictly adhere to the Board policy and this manual to control procurement activities.

SECTION 7 COMPETITIVE PROCUREMENT

Centralized Purchasing Function

From a supply and demand perspective, the purchasing department seeks to complete the competitive procurement process prior to the District's need.

DISD utilizes centralized purchasing. Centralized purchasing is the act of combining related items or commodities of various schools and departments to coordinate purchases and obtain better prices. Centralized purchasing enables a district to coordinate purchases when two or more campuses or departments have common requirements for supplies, equipment, and or services. The centralized purchasing function is used to coordinate purchases of two or more campuses or departments as follows:

- Combining on purchase order forms the individual purchase requirements of two or more teachers, departments, or campuses; and
- Arranging for favorable purchase terms. For example, discount from retail or catalog prices for items to be purchased "as needed" by individual employees.
- Providing the proper purchasing mechanism to ensure district compliance with state laws and local policies.

Decentralized Decision Making

DISD also utilizes decentralized decision making to schools and departments. From a purchasing perspective this means the schools and departments (the end-users) determine *what* they need and *when* they need it. These subject matter experts determine how to best meet the needs of our students. However, the final commitment of District funds can only occur by the Purchasing Department.

Purchases over \$150,000 (Board Approval Required)

Any single, budgeted purchase of goods or services that costs \$150,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place, except as otherwise provided in Board policy. The Superintendent is not required to obtain Board approval for the following types of budgeted purchases costing less than \$150,000 but shall subsequently report them to the Board:

1. A purchase made pursuant to a Board-approved inter local contract, in accordance with law;
2. A purchase made through a cooperative purchasing program or state purchasing program that satisfies the District's obligation for competitive purchasing [see CH(LEGAL)];

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3. A continuing or periodic purchase under a Board-approved bid or contract throughout the duration of the renewal periods;
4. A purchase for produce or fuel.

Purchases over \$50,000

Except as provided by this subchapter, all school district contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method, of the following methods, that provides the best value for the district.

- (1) Competitive bidding;
- (2) Competitive sealed proposals;
- (3) A request for proposals, for services other than construction services;
- (4) An inter local contract;
- (5) A design/build contract;
- (6) A contract to construct, rehabilitate, alter, or repair facilities that involves using a construction manager;
- (7) A job order contract for the minor construction, repair, rehabilitation, or alteration of a facility;
- (8) The reverse auction procedure as defined by Section 2155.062(d), Government Code; or
- (9) The formation of a political subdivision corporation under Section 304.001, Local Government Code.

Exceptions to Competitive Bidding - Texas Education Code 44.031 (a) and (b)

1. Professional and Consulting Services

Under Texas Education Code 44.031 (f), this section (**Competitive Bidding**) **does not apply to a contract for professional services rendered, including services of an architect, attorney, or fiscal agent.** A school district may, at its option, contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section. ***NOTE: federally funded professional service contracts must be let on a competitive basis.***

Competitive bids shall not be solicited for professional services of any licensed or registered:

- certified public accountant,
- architect,
- landscape architect,
- land surveyor,
- physician,
- optometrist,
- professional engineer,
- state-certified or state-licensed real estate appraiser,

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- registered nurse,
- interior designer,
- *attorney*
- *fiscal agent*
- *financial consultant*
- *technology consultant*

Contracts for these professional services shall be made on the basis of demonstrated competence and qualifications to perform the services and for a fair and reasonable price. *Government Code 2254.002, 2254.003(a)*.

2. Emergency Purchases

Under Texas Education Code 44.031 text of subsec. (h) as amended by Acts 1999, 76th Leg., ch. 922, if school equipment, a school facility, or a portion of a school facility is destroyed, severely damaged, or experiences a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contract methods required by this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment, school facility, or portion of the school facility may be made by a method other than the methods required by this section.

Under Texas Education Code 44.031 text of subsec. (h) as amended by Acts 1999, 76th Leg., ch. 1225, If school equipment or a part of a school facility or personal property is destroyed or severely damaged or, as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the board of trustees determines that the delay posed by the methods provided for in this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment or the part of the school facility may be made by methods other than those required by this section.

3. Sole Source Purchases

Under Texas Education Code 44.031 (j), without complying with Subsection (a), a school district may purchase an item that is available from **only one source** (commonly called sole source or single source). Included in the definition of sole source items are the following:

1. An item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly.
2. A film, manuscript, or book.
3. A utility service, including electricity, gas, or water, and
4. A captive replacement part or component for equipment.

Note: Sole source does not apply to mainframe data-processing equipment and peripheral attachments with a single item purchase price in excess of \$15,000.

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The district has a sole source affidavit to document purchases made under the sole source purchase exception. Additionally, sole source purchases that exceed \$150,000 require Board approval prior to the transaction taking place.

Advertisement

Under Texas Education Code 44.033 (b), notice of the time by when and place where the bids or proposals, or the responses to a request for qualifications, will be received and opened shall be published in the county in which the district's central administrative office is located, once a week for at least two weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications. The two-week advertisement requirement is a minimum requirement, additional time may be necessary based on the complexity of the bid/proposal. In addition to the newspaper, DISD utilizes the World Wide Web to advertise all bid/proposal opportunities and to increase its competitive environment. Our website address is <https://www.dentonisd.org/Page/1140>

Competitive Procurement

Competitive bidding is a formal process consisting of procedures that may also be referred to as competitive sealed bidding, or more simply as bids.

The request for bids contains the purchase description or specifications covering the item(s), the terms and conditions for the bid contract, the time and place for opening bids, and other provisions, as necessary. The advertisement for bids, description in the request for bids of item(s), and specific terms and conditions must be done in a manner that accomplishes the primary purposes of competitive bidding - stimulate competition and obtain the best value for the goods/item(s) needed.

Purpose and Intent for Competitive Bidding

The purpose and intent of competitive bidding is to help public schools secure the best materials at the best value by stimulating competition. If a district advertises purchasing needs relating to large expenditures, purchasing in large quantities will normally result in greater cost savings (in the aggregate) or lower costs per unit/item.

The following procurement methods and procedures shall be utilized for all purchases with federal grant funds:

Micro-purchase procurement (less than \$3,500 in the aggregate across the fiscal year) – EDGAR Regulations

The non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases, of like-type commodities, totaling less than \$10,000, across all federal grant funds, in the aggregate across the fiscal year may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

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Denton ISD has chosen to define “like-types” based upon the District accepted [Commodity Codes Listing](#) located on the Purchasing Department website.

Small purchase procurement (up to \$150,000 in the aggregate across the fiscal year) – EDGAR Regulations

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

Non-competitive procurement (sole source, etc.) – EDGAR Regulations

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:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
4. After solicitation of a number of sources, competition is determined inadequate.

[78 FR 78608, Dec. 26’2012, as amended at 79 FR 75885, Dec. 19,2014]

Tie Bids

If the District receives two or more bids from responsible bidders that are identical, in nature and amount, as the lowest and best bids, it shall select only one bidder from the identical item(s).

If only one of the bidders submitting identical bids is a resident of the District, that bidder shall be selected. If two or more such bidders are residents of the District, one shall be selected by the casting of lots. In all other cases, one of the identical bids shall be selected by the casting of lots.

The Board shall prescribe the manner of casting of lots and shall be present when the lots are cast. All qualified bidders or their representatives may be present at the casting of lots.

Competitive Sealed Proposals (CSP)

The use of Request for Competitive Sealed Proposals is normally used when competitive bidding is either not practicable or not advantageous to the district. Basically, competitive sealed proposals allow for negotiations in addition to the basic bidding process. Terms and conditions are identical as those for competitive bidding except any reference to bids should be changed or interpreted as offers or offerors. Additionally, anything addressing the finality of the offer needs to be disregarded because proposals are negotiable.

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Request for Proposals (RFP)

Proposal procedures provide for full competition among proposals. The procedures allow for negotiation with the proposer or proposers to obtain the best services at the best value. During the evaluation process prior to award of a contract, the negotiation process allows modification and alteration of both the content of the proposals and price. The following note further explains the primary difference between bids and proposals. *(Note: The competitive bidding process requires that bids be evaluated, and awards be made solely upon bid specifications, terms and conditions contained in the request for bids document, and according to the bid prices offered by vendors and pertinent factors that may affect contract performance; no substantive changes are permitted to the bid terms, conditions and specifications).*

Professional and nonprofessional service contracts involving federal funds are required to be bid on a competitive basis, under 34 CFR Section 80.36 (Code of Federal Regulations). Competitive procurement procedures, Section 44.031(a) (2)-(8), TEC, are for certain procurement situations as an alternative to competitive bidding procedures. Chapter 2254, Government Code, prohibits competitive bidding for certain types of professional services, including engineering, architectural, accounting and certain other services; and requires a two-step procedure, as defined in Chapter 2254, Government Code, for the procurement of architectural and engineering services. Competitive proposal procedures are recommended, where other procurement procedures are not required according to state or federal rules, laws or regulations, to stimulate competitive prices for services.

In connection with certain professional service contracts, specifically architectural or engineering, Chapter 2254, Government Code, requires a two-step negotiation process. The two-step process only allows negotiation of price after an initial selection based upon demonstrated competence and qualifications of the person/firm.

Below is an example of a RFCSP process. It may also be used for a RFP, with appropriate modifications made to accommodate the less structured requirements of that method.

Components of the Request for Proposals

Notice	Identical to Competitive Bidding.
Statement of Work	This includes a description of the service (and associated goods if any) to be performed.
Proposal Clauses	Can be identical to the competitive bids but may be subject to negotiations.

Negotiation

Negotiation is the most difficult part of the Request for Proposal process, and the most difficult to control. From the beginning of the process through contract award, it must be made clear to

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vendors and using departments/campuses that designated person(s) may do the negotiation for the district.

Negotiation is subject to the same guidelines as any purchasing action: impartiality and equal opportunity to compete.

Evaluation/Contract Award Criteria

Under Texas Education Code 44.031 (b), except as provided by this subchapter, in determining to whom to award a contract, the district shall consider:

- (1) the purchase price;
- (2) the reputation of the vendor and of the vendor's goods or services;
- (3) the quality of the vendor's goods or services;
- (4) the extent to which the goods or services meet the district's needs;
- (5) the vendor's past relationship with the district;
- (6) the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses;
- (7) the total long-term cost to the district to acquire the vendor's goods or services;
- (8) for a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner:
 - (A) Has its principal place of business in this state; or
 - (B) Employs at least 500 persons in this state; and
- (9) any other relevant factor specifically listed in the request for bids or proposals.

The criteria above shall also be used to select vendor(s) for the procurement of goods and services paid with federal grant funds.

Out-of-State Bidders

The Board shall not award a contract for general construction, improvements, services, or public works projects or for purchase of supplies, materials, or equipment to a bidder whose principle place of business is not in the state, unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the

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state in which the nonresident's principal place of business is located. *Gov't Code 2252.001, 2252.002*

This requirement shall not apply to a contract involving federal funds. The District shall rely on information published by the comptroller in evaluating the bids of a nonresident bidder. *Gov't Code 2252.003, 2252.004*

Cooperative/Interlocal Agreement Purchases

A centralized purchasing function can also be performed on a regional level through a cooperative/interlocal agreement among districts or the regional education service center. Cost savings through a regional centralized purchasing function are achieved through both discounted prices and administrative cost savings to individual districts. If the district participates in a cooperative purchasing program, it satisfies any law requiring it to seek competitive bids. *Local Government code 791.001, 791.011, 791.025 (b)-(f); Atty Gen. Op. JC-37 (1999)*

The most common cooperative/interlocal agreements utilized by our district are as follows. Additionally, each of these cooperatives maintains websites to awarded contracts and vendors that we can purchase from. A full listing of cooperatives/interlocal agreements utilized by our district can be found on page 27-28.

Texas Association of School Boards (TASB BuyBoard)

The Texas Local Government Purchasing Cooperative was created to increase the purchasing power of government entities throughout Texas and to simplify their purchasing by using a customized electronic purchasing system, called the BuyBoard. Each product and service on the BuyBoard has been competitively bid and awarded based on Texas Statutes, thereby satisfying the requirements under Texas Education Code 44.031 (a); (b). The website is www.buyboard.com

Texas Procurement and Support Services (TPASS)

Texas Procurement and Support Services (TPASS) awards and manages hundreds of statewide contracts on behalf of more than 200 state agencies and 1,800 cooperative purchasing members. With a massive marketplace and billions of dollars in purchasing power, Texas offers abundant opportunities for vendors of a wide variety of goods and services, including minority- and women-owned businesses. The website is www.window.state.tx.us/procurement.

1. **TXMAS** – Texas multiple award schedule (TXMAS) contracts that have been developed from contracts that have been competitively awarded by the federal government or any other governmental entity of any state. As the responsible federal entity, the General Services Administration's (GSA) Federal Supply Service Awards and Federal Supply Schedule contracts by competitive procurement procedures for more than 50 schedules that cover multiple commodities and services. The prices reflected on GSA schedule contracts are the most favored customer (MFC) prices and the maximum price allowable.

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TXMAS contracts take advantage of the MFC pricing and under certain circumstances, an agency or local government entity, may negotiate a lower price for the goods or services offered on a schedule contract. A “best value” purchase can be made by following the TXMAS purchasing procedures.

2. **DIR** – Department of Information Resources. The 79th Texas Legislature signaled a clear mandate for the state to restructure the roles and responsibilities for its investment in information and communications technology. DIR responded to this mandate in its [2005 State Strategic Plan for Information Resources Management](#). In that document, DIR established five statewide goals:

- Reduce Government Costs
- Drive Effective Technology Contracting
- Leverage Shared Technology Operations
- Promote Innovative Use of Technology that Adds Value
- Protect Technology and Information Assets

DIR continues to ensure the effective and efficient use of public funds by promoting opportunity and economic prosperity for the state’s citizens through the successful application of statewide services and technologies that are beneficial, secure, accessible, and utilize a statewide shared infrastructure.

Educational Purchasing Cooperative of North Texas (EPCNT)

With a vision of cooperating together to improve their procurement power on like products and services, the Educational Purchasing Cooperative of North Texas (EPCNT) became a reality in 2002 through the coordinated efforts of North Texas public school districts. EPCNT is comprised of public-school districts located in the Region X and XI Education Service Center areas. The website is <http://www.epcnt.com>

Cooperatives Currently Utilized by DISD

- 1GPA
- Allied States Purchasing Cooperative (ESC Region 19)
- Central Texas Purchasing Alliance
- Child Nutrition Multi Regional Purchasing Cooperative (ESC Region 10)
- Choice Partners (Harris County Department of Education)
- City of Denton
- Denton County Purchasing Cooperative
- EPCNT (Educational Purchasing Cooperative of North Texas)

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- EPIC6 (Educational Purchasing Interlocal Cooperative [ESC Region 6])
- Equalis Group (ESC Region 10)
- ESC Region 4
- Goodbuy Purchasing Cooperative (ESC Region 2)
- HGAC (Houston-Galveston Area Council)
- NCPA (National Cooperative Purchasing Alliance [ESC Region 14])
- OMNIA Partners/U.S. Communities/National IPA/TCPN
- PACE (ESC Region 20)
- Project Lead the Way
- Prospering Pals [Child Nutrition]
- PCA (Purchasing Cooperative of America: ESC Region 3)
- Sourcewell/ NJPA (National Joint Powers Alliance)
- TASB BuyBoard
- TASB Energy Cooperative
- TCCA (Tarrant County Purchasing Cooperative)
- Texas DIR (Department of Information Resources)
- TexBuy
- TIPS (ESC Region 8)
- TPASS (State of Texas Comptroller)
- West Texas Public Schools Purchasing Cooperative [Insurance]

Purchasing Methods Regarding Facilities Construction

Regarding construction of school facilities, see Board Policy [CV](#), [CVB](#) for competitive sealed proposals; [CVC](#) for design/build contracts; [CVD](#) for construction manager-agent, [CVE](#) for contracts using a construction manager-at-risk; and [CVF](#) for job order contracts for minor repairs/alterations.

Model for the Competitive Procurement Process

The competitive procurement process is lengthy and adequate time must be allowed to complete the tasks identified below. For this reason, the purchasing department seeks to complete the competitive procurement process prior to a District need arising.

MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES		
Task	Description	Who's Responsible
Evaluate Purchasing Needs & Confirm Availability of Approved Budgeted Funds.	Establish the minimum acceptable requirements that the product/service must meet and ensure that funds are available to procure such products/services needed.	User department/campus

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MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES		
Task	Description	Who's Responsible
Prepare Bid/Proposal Specifications	<p>Prepare detailed written specifications to define the product/service the district is seeking/soliciting. Specifications must contain adequate technical descriptions to clearly identify the type of material, equipment, or services 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 required. The specifications must also include.</p> <ul style="list-style-type: none"> • Detailed description of the item/service that specifies the minimum acceptable requirements the user department/campus will accept. Industry standards should be utilized whenever possible. • Evaluation/award criteria in addition to the required criteria mentioned above. • Quantity required. • Required delivery date and/or period of performance for the contract. • Any relevant prints, diagrams, and/or samples of the item requested. • Suggested source(s) of supply. Vendor name, address, phone number, email, etc. <p>Specifications must be provided to the Purchasing Department Buyer electronically (via email preferred) in Microsoft Word format.</p>	User department/campus

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MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES		
Task	Description	Who's Responsible
Review Bid/Proposal Specifications	Review the item/service specifications to determine if competitive bids/proposals can be obtained and to ensure that Board policies and state laws are followed.	Purchasing Department
Advertise	Ensure bid/proposals are published once per week for at least two weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications. Additionally, bids/proposals are published on the DISD Purchasing Website @ https://www.dentonisd.org/Page/1140 .	Purchasing Department
Pre-Bid/Proposal Conference	Optional procedure as needed. This conference is used to allow vendors to meet with District personnel to clarify specification requirements or to conduct site visits. <ul style="list-style-type: none"> • Document all attendees • Collection of all questions and answers and posting as an addendum is recommended. 	User department/campus and Purchasing Department
Open Bid/Proposal	Bids/proposals will be opened at the date, time, and place specified in the request for bids or proposal.	Purchasing Department
Evaluate Bid/Proposal	Review bids/proposal responses and evaluate responses using established Vendor Award Criteria.	User department/campus and Purchasing Department
Prepare Written Recommendation	Prepare a written recommendation containing the following information and forward to the Purchasing Department. <ol style="list-style-type: none"> 1. Description of supply, product, or service 2. Evaluation results (list criteria used to evaluate) 	User department/campus

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MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES		
Task	Description	Who's Responsible
	<p>3. Name of recommended vendor</p> <p>4. Justification for recommendation:</p> <p>a. If the best value bid is not recommended, list the reason(s) for rejection</p> <p>b. Explain how best value was determined (price, quality, delivery, etc.?)</p> <p>5. Signature of appropriate approval authority for award recommendation. If the purchase exceeds \$50,000 the appropriate signature is required.</p> <p>If all bids/proposals are rejected and a re-bid process will take place, the letter must contain:</p> <p>1. Description of supply, product or service.</p> <p>2. Justification for recommendation to reject all bids, listing reasons for rejection of every bid.</p> <p>3. Request to re-bid.</p> <p>4. Estimated cost/ expenditures.</p> <p>5. Fund code, fund name, and budget manager.</p> <p>6. Signature of appropriate approval authority for award recommendation and board letter.</p>	

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MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES		
Task	Description	Who's Responsible
Obtain Board of Trustees Approval	Board approval is required before the successful bidder/proposer is notified of the award. (Note: Board meetings are normally held on the fourth Tuesday of each month).	Purchasing Department
Award Bid/Proposal	Notify successful bidder(s)/proposer(s) via award letters or properly executed purchase order.	Purchasing Department
Monitor Performance	Monitor the vendor's performance and ensure they comply with all specifications regarding the product to be delivered or service to be performed, including the condition of product upon delivery, and whether the service was performed, or product was delivered within the stated delivery/performance period. Document performance in receiving records.	User department/campus

SECTION 8 VENDOR RELATIONS

In centralized purchasing, the purchasing department is primarily responsible for vendor relations, contact, and communication. However, school campuses, departments, and staff must also communicate with vendors in order to obtain information necessary to properly prepare requisitions. Therefore, every employee involved in procuring goods or services for the District is responsible for fostering good vendor relations. It must be understood that contact and communication with vendors by school campuses, departments, and staff are not to represent a commitment to purchase; only authorized personnel as stated in Section 3 are authorized to make purchase commitments.

Approved Vendor List

An “**approved vendor**” is a vendor that has been awarded a Bid/Proposal through the DISD competitive procurement process or through an Interlocal Agreement. These vendors may be viewed on the [Purchasing Website under the approved vendor list](#). **Approved vendors are utilized because they have competed for business through the competitive procurement process and provide greater savings.**

Lists of “approved vendors” by bid/proposal number and commodity can be obtained at the [Districts Purchasing Website](#) under [Approved Vendors & Related Links](#). This information is updated regularly, so printed documents become outdated frequently. **If unclear from whom to purchase a good or service, please contact the Purchasing Department prior to contacting a vendor.**

Approved Vendor List (Email Notification System)

Vendors can register to receive bid/proposal information through the purchasing department’s Email Notification System. The purpose of the email notification system is to notify vendors of advertised bids and proposals. When business opportunities (bids and proposals) are posted to the District’s website at: <https://dentonisd.ionwave.net/Login.aspx> (DISD e-Bid) and the District’s Public Purchase Website, vendors are notified via email based on the commodities that their particular business serves. It must be understood that simply because a vendor has registered in the email notification system, does not mean that the vendor is an approved vendor. It simply means that the vendor is on the district’s mailing list to be notified of future business opportunities.

New Vendors

New vendors can start doing business with the district through the competitive procurement process which begins with the requesting school/department submitting a New Vendor Request within Laserfiche. Vendors often contact schools and departments and offer goods and services.

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If a school or department is contacted by a vendor, it is prudent to ask the vendor for their DISD Bid Number. If they have a DISD Bid number, the vendor should be on the approved vendor list. If the vendor does not have a DISD Bid Number and the school or department needs the vendor's goods or services, a New Vendor Addition Request through Laserfiche shall be completed first.

The competitive procurement process is the long-term method of doing business with the District because the vendor can become an "approved vendor".

Vendor Performance/Evaluation

Evaluation of vendor performance is an important aspect of centralized purchasing. Problems encountered by a school or department can be avoided by other District entities when these occurrences are communicated to the Purchasing Department. Factors to consider when dealing with vendors:

• Timeliness of deliveries	• Quality of products or services received
• Service performance	• Damaged goods
• Completeness and accuracy of the order	• Unserviceable merchandise

Whenever problems are encountered with a vendor, (i.e., a vendor fails to deliver certain items or delivery does not meet specifications) **it is important to document the problem**, noting the date and an accurate description of the problem. The simplest way to document a problem is to email the Purchasing Department with the specifics. In addition to contacting the Purchasing Department, the vendor should be contacted. Keep a record of all phone calls, including the dates and what was discussed and send a copy to the Purchasing Department preferably by email.

If the problem is not resolved, coordinate with Purchasing to prepare written correspondence stating the problem, the corrective action required and the vendor's failure to correct the problem to be sent from the Purchasing Department.

If a significant problem continues, DISD will remove of the vendor from the vendor list and discontinue doing business with the vendor.

Visits from Vendors

Under no circumstances shall such persons be permitted to interrupt classes or conduct personal business with employees.

Local managers of school facilities shall be responsible for compliance with this procedure within the confines of their facilities.

Vendors desiring to visit schools for educational purposes must:

1. File identification information with the Purchasing Department.

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2. Provide the Purchasing Department with a completed IRS Form W-9 and a Texas Ethics Commission Conflict of Interest Questionnaire (CIQ) form. These forms can be obtained from the IRS website at www.irs.gov and the Texas Ethics Commission website www.ethics.state.tx.us/forms/conflict/.
3. Obtain authorization from either Elementary or Secondary School Leadership.

SECTION 9 REQUISITION AND PURCHASE ORDER PROCESSING OVERVIEW

The requisition and purchase order process can be viewed as having four distinct steps:

1. The requisition process
2. The purchase order process
3. Delivery and Receipt of goods or services
4. Invoice and Payment

The requisition and purchase order process begins when a need is determined by an end user and is not completed until payment is made for the goods and/or services. In this section the first two steps of the process will be discussed at length; delivery and receipt will be discussed in Section 9. Invoice and payment procedures are contained in the Financial Operations Procedures & Guidelines Manual.

Requisition Process

A requisition is an internal document by which a campus or department of the district requests the purchasing department to initiate a purchase order. It is a request generated electronically (through the use of the automated system – eFinancePLUS) for the purchase of supplies, services, equipment, etc. **A requisition is an un-approved purchase order.** No purchasing commitment shall be made without an approved purchase order.

NOTE: All end users must keep in mind the following purchasing prime directives:

- **Purchase commitments shall be made by an approved purchase order.**
- **Persons making unauthorized purchases shall assume full responsibility for all such debts.**
- **All requisitions from grant funds (state/federal) shall comply with the TEA Guidelines for Related Costs and the DISD State & Federal Guidelines Manual.**

Requisitions are initiated by those having proper authority, as defined in Section 3. After a requisition is input in eFinancePLUS it must then be approved by the appropriate budget manager, which is normally a principal or a department head. Requisitions which require expenditures from a Special Revenue Fund must be approved by the program administrator/compliance officer (i.e., Federal Programs, etc.).

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Requisition Format

In order to avoid requisitions from being rejected by either someone in the approval chain or the purchasing department, requisitions should include all information necessary to clearly define the needs of the user department or campus. The minimum information required on a requisition is as follows:

- DIVISION – “Appropriate Division for campus or department”
- Vendor name and address (should be from the district's approved vendor list).
- Ship To destination
- Secretary/Bookkeeper name on the Buyer field
- Required delivery date if any
- [Commodity Code](#)
- Quantity needed
- Unit Price per line item
- Complete and accurate description per line item
- The correct Account Code per line item
- Discounts, if any
- Transportation costs (shipping/freight costs, if any)
- Bid/Proposal number, if known (i.e. Bid/RFP 13-001) – entered in the Notepad on line #1
- Quote Number – entered in the Notepad on line #2
- The requisition story – who, what, why, when, where – entered in the Notepad on line #3
- Any special instructions (such as *****Purchase Order needed by certain date*****) - entered in the Notepad above the Bid Proposal number, starting, and ending with three asterisks

Requisitions may have several approvers prior to them being available to the Purchasing Department. The Purchasing Department Senior Buyer reviews requisitions for the following information prior to approval of a purchase order.

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- Compliance with competitive procurement requirements
- Proper account coding
- Adequate descriptions per line item
- Proper commodity code(s)

Requisition Status

The following requisition statuses are utilized by eFinancePLUS:

- Status O = Open (requisition has been entered by Budget Manager)
- Status C = Needs Correction (requisition has errors that need to be corrected)
- Status P = Partially Approved (requisition has not met all approvals)
- Status A = Approved (requisition has met all approvals)
- Status M – Converted (requisition has been converted to a PO and has been printed)

Specific Types of Requisitions

Requisitions for the following categories of items shall include specific information to clearly describe the required materials or services.

Open Purchase Orders

General Supplies

- An open purchase order is used for **recurring** purchases to a specific vendor for a specified amount, not to exceed, and time:
 - Send all receipts to the appropriate accounts payable specialist as purchases are made.
 - The district limits the use of open purchase orders to the following areas:
 - Copier Leases & Click Charges
 - Vocational Classes
 - Yearbook Staff
 - Special Education
 - Maintenance Contracts & Purchases
 - Contracted Services
 - Transportation Fuel & Parts
 - Fine Arts Performances

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Open Purchase Orders for Copiers

At this time, the district has standardized on Canon Financial Services for all campus/department copiers. The district may not default on any copier lease/rental. The non-appropriation clause would only apply should the district decide to specifically deny budgets for copiers. A reduction in the Per Pupil Allocation will not qualify as non-appropriation. Being familiar with your contract will help you know whether you are responsible for paying city, county, and school district ad valorem taxes on the copier.

- **Separate Purchase Orders** – Each copier must be entered on a separate purchase order.
- **Vendor Number** – Verify the vendor number regarding the vendor’s name and remittance address. Some vendors have multiple addresses for various types of payments.
- **Description** – Include the copier serial number and model number.
- **Quantity** – Enter the number of payments to be made during the current fiscal year.
- **Unit Price** – Enter the base monthly rental fee.
- **Overages** – If you anticipate overage charges, enter an estimated amount as item two.
- **Maintenance Contract** – In some instances, a separate purchase order is needed for the maintenance contract.

Bulk Purchase Orders

Hobby Lobby/Kroger

- A bulk purchase order is used for “**one-stop shopping**” for supplies not to exceed a certain amount of money. This purchase order **cannot** be used for multiple trips. Ex: (in the line item description field type: “Supplies for SALSA not to exceed \$200”)
- List in body of requisition who (by name, not title) will be picking up items, no more than two (2) names.
- Give a concise sample description of items to be purchased and for what purpose (e.g., paper goods, plates, cups, and napkins for professional development conference).

Emergency Purchase Orders

An emergency is an unforeseen or unexpected circumstance demanding immediate attention. **Lack of planning does not create an emergency.** Emergency purchase orders must be pre-approved by the Purchasing Director.

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Food Guidelines – In-District Food

There are various types of meetings held throughout the district at varying times, places and with various participants. Below is a guide to be used as direction regarding the meals or refreshments that may be provided by the district and the funds that may be used to provide for the meals and/or refreshments. Purchasing guidelines should be followed with regard to vendor selection. A link to the Approved Vendor List may be found on the Purchasing Department's Approved Vendor's List web page.

Allowable Expenditures

Refreshments and snacks may be offered for meetings such as training. One meal or one snack (**not both**) may be provided for meetings. However, the cost of these staff refreshments, snacks, and meals, should be reasonable in amount. A reasonable amount for these items would be no more than the travel meal allowance of \$14.00 for lunch and \$23.00 for dinner. Snacks should be no more than \$2.00 per participant and may not be purchased when a meal is provided. Only vendors listed on the Approved Vendor's List may be utilized. Orders must be placed based on a reasonable estimated number of participants. Delivery charges and gratuities (not to exceed 20% of the order) may be paid; however, grant guidelines prohibit payment of gratuities therefore, not allowed when using grant funds. Food allowances should include cost of associated paper goods, plastic ware, delivery charges, etc.

Campus

Food provided for staff at the campus level should be coded to the Campus Activity Fund (Fund 461) using a "TL" sub-object code. The direct source of this funding is the vending machine commissions in the teacher lounge. Limited use of campus commissions, fund raisers and other campus wide earnings, generated by the students or parents, may be used for staff refreshments, snacks, and meals. If these funds are to be used for this purpose, a budget amendment will be required to move funds into the "TL" sub-object host account (\$20 per full-time staff member per year).

Department/Building

Food provided for staff at the departmental/building level should be coded to the Department Fund (Fund 888) using a "TL" sub-object code. The direct source of this funding is the Coke and vending machine commissions in the various buildings or by direct payment from the staff. Limited use of fund raisers generated by Denton ISD staff can be transferred into the "TL" sub-object host account.

District-Wide Committees/Trainings

Food provided for staff members serving on a district-wide committee, such as selection committees and Educational Improvement Council (EIC) should follow these guidelines; however, these activities may be funded from the appropriate departmental budget in the General Fund. Orders must be placed based on a reasonable estimated number of participants.

Volunteer/Non-District Staff

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Food provided for volunteers of the District, such as Adopt-A-School Luncheons, Community Services events (i.e., Grand Parent's Day) and Bond Progress Meetings should follow these guidelines; however, these activities may be funded from the appropriate departmental budget in the General Fund. Orders must be placed based on a reasonable estimated number of participants.

District Key Officials

District key officials may utilize a District credit card for meals and gratuities (not to exceed 20% of the order) while in performance of their official District duties.

Defined key officials include:

- Superintendent
- Members of the Board of Trustees

Requisition entry shall include the following items:

- Requisition line item shall indicate number of attendees in the Quantity field and the single meal cost in Unit Price field.
- Notepad shall contain meeting/training location, date, start & end times, and number of attendees (number of district & number of non-districts staff).

Check Requests

A Check Request requisition is a requisition that will be immediately processed into a check. Check Requests require that the end-user immediately create a receiving record before the purchase order has been processed. This enables the Accounts Payables department to process the check before the purchase order has been processed. Without the receiving record, a Check Request check cannot be processed.

Internet Purchasing

Currently, purchasing from an online vendor is not an option.

Purchasing on Approval

Any product that is purchased on approval must have an approved, signed, purchase order. After the funds for a possible purchase have been encumbered, and a purchase order issued, you may order the product for review.

1. Return the Product – If you decide that you do not wish to keep the product, write “liquidate” on the pink receiving copy of the purchase order and return it to the appropriate accounts’ payable specialist.
2. Purchase the Product – If you decide to keep the product, treat the purchase as you would any other. Sign and date the pink receiving copy of the purchase order and send it to the appropriate accounts’ payable specialist.

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Technology Purchases

For the purpose of purchasing through the Technology Division, technology is defined as computers, printers, peripherals, software, and accessories. Software includes apps/extensions for Windows, MAC & Chromebooks, web sites, and downloaded applications, which can be free or paid. To ensure the integrity of the District's network, all technology purchases, regardless of funding, must conform to District standards, and must be approved by the Technology Division. Any outside organization (PTA/Booster Club, etc.) wishing to provide technology to a campus/department, should donate the funds to the District for the purchase. The funds will be placed in the campus activity account and follow the same procedures for purchase as a normal request. Due to the ever-changing situations in the technology industry, lead times from date of purchase cannot be guaranteed. Please contact your Campus Support Tech for order updates.

Technology Purchases – Hardware

When ordering hardware/equipment, the following procedures must be followed before a purchase order will be approved:

- The requestor should contact their Campus Support Technician explaining what they need and how it will be utilized.
- After the Campus Support Technician verifies the requested equipment will work with existing technology at the campus or building, they will contact the Senior Asset Specialist for an official quote.
- An official quote will be prepared providing the information required for entering a purchase order. Should you decide to edit your request, quantity, version, etc., a new spreadsheet must be obtained, unless otherwise noted. Should you decide to cancel the order, notify the Campus Support Technician.
- You can find a list of standard approved hardware [here](#).

Technology Purchases - Software

All software purchases must be pre-approved by submitting a [Laserfiche request](#). Doing so ensures that the software purchased is consistent with the vision of the Denton ISD Digital Learning Department and has been evaluated to verify compatibility with the District's network infrastructure & cybersecurity initiatives.

- It is very important that all software be tested before being loaded, to ensure compliance with the procedures outlined below, software may not be purchased with petty cash. Also, software that is donated must comply with District standards by using the procedures below. You may not load personal software on any computer without approval from the Chief Technology Officer.
- Software that is sent with other materials, such as books, games, etc., may not be loaded until it goes through the approval process.

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- Software Site licenses should be coded to 6329. New Software and software subscriptions should be coded to 6397.

Ordering Approved Software

The appropriate campus representative can request a spreadsheet with ordering information from. Their Campus Support Technician. Enter your purchase order exactly as indicated on the spreadsheet. If the District already owns the license of the software requested, you will be notified, and the software will be loaded for you.

When purchasing technology, enter the information from the spreadsheet in the notepad of the requisition. These purchases will ship to "911 - DENTON ISD-TECHNOLOGY CENTER" not your campus. The Technology Division will send the PO to the vendor.

Ordering Unapproved Software

Please refer to the software approval process outlined at <https://www.dentonisd.org/Page/101374>. The software will be tested for network infrastructure & cybersecurity compatibility and evaluated for instructional value and curriculum alignment. If the software is disapproved, you will be notified. If the software passes the testing and evaluation, an order spreadsheet will be generated and sent to you by email. Enter your purchase order exactly as indicated on the spreadsheet. All software orders must use the "911 - DENTON ISD-TECHNOLOGY CENTER" "Ship To" address. When the software arrives, it will be loaded on the computer(s) for you.

Purchasing with Petty Cash

Campuses and departments may maintain a Petty Cash fund. In an effort to maintain compliance with bid laws, petty cash disbursements should be used only for small incidental and unanticipated expenditures through approved vendors on the Approved Vendors List and not as a method to bypass the district's Accounts Payable and Purchasing systems.

Purchases at Conferences with Petty Cash

Employees may use petty cash, up to a maximum of \$50 per conference, to purchase materials from a vendor. These purchases must have the prior approval of the Principal or Department Head and otherwise adhere to the petty cash guidelines. Principals and librarians are allowed to spend up to \$250.00 at conferences; however, reimbursement for these expenditures should be included on their Travel Expense Statement.

Purchasing Cutoffs Dates

Please refer to the [Important Dates document](#) for year specific dates.

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Purchasing Tips

Amazon

Amazon is not approved for use with EDGAR compliant grant funded purchases. The following items are restricted from purchase, regardless of funding source, from Amazon.

- Gift cards
- Food items
- Furniture
- Listed technology items
- Clothing items
- Musical instruments
- Personalized items

There may be occasional exceptions to the policy. Please direct any exception requests, along with justification, to your assigned Senior Buyer. Upon review by the Senior Buyer exception requests will be reviewed by the Director of Purchasing for a final determination of approval or denial.

Enterprise

The district is responsible for Enterprise's Texas Property and License Reimbursement fee. Per the state comptroller's website, this fee is a surcharge that is passed on to the customer as reimbursement for license and title fees and will vary by city. The district's tax-exempt status does not apply to this fee.

Furniture Standard

The District has standardized office/administrative furniture. Furniture will be purchased from an approved vendor who sells Hon furniture. Furniture selections must come from the 10700 Series furniture line. Furniture quotes should include both delivery and installation.

Kroger

Kroger billing department charges a \$5.00 fee for each invoice copy requested. Anyone involved in purchasing from Kroger, needs to keep up with the receipt and invoice (yellow copy of store charge).

Magazine Subscriptions

When using a purchase order to order a magazine subscription, use a separate purchase order for each subscription. All vendors handle subscriptions differently, and this will prohibit a purchase order from being held up for payment because of a subscription.

Suspended Vendors

Some vendors have been suspended/inactivated from the Approved Vendor List. Contact the purchasing department with any questions.

Apparel Guidelines

If the campus or department is going to retain ownership of the shirt at the end of the school year, the shirt may be purchased with any appropriate Fund (181, 191, 197, 198, 461 etc.).

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A campus or department collecting money for apparel as part of an apparel fundraiser or sale of an apparel item must complete the [Fundraiser/Trip/Sale of an Item Google Form](#) and receive approval from the Business Office prior to entering the requisition to an approved vendor in eFinancePLUS, and/or any pre-sale of the apparel items.

If the student is going to keep the apparel at the end of the school year, they must pay for the apparel. The only exception to this guideline pertains to 890 Funds as discussed below in paragraph #6.

Money collected for apparel items must be deposited into the revenue budget of an activity fund (Fund 461 or 890) and the purchase of apparel must come from the expenditure budget of the same activity fund (Fund 461 or 890). The money deposited can either be from a class or club fee, an apparel fundraiser, or sale of an apparel item.

Money received for apparel as part of a class or club fee must be deposited as a taxable item. The requisition notepad must state that the apparel is part of an approved class or club fee.

A Student Activity Group (Fund 890) can purchase apparel for the group members without collecting money from each group member, and the student may keep the apparel item at the end of the school year. This purchase is subject to sales tax. If the Student Activity Group (Fund 890) intends to purchase shirts for the group members, then the requisition must state this in the notepad, and meeting minutes where the purchase was approved must be attached to the requisition as backup. The General Accountant is to be notified of the purchase so that the sales tax can be recorded.

A Student Activity Group (Fund 890) can sell apparel as a fundraiser or a sale of an item. If the club is selling apparel, then they would have to complete the [Fundraiser/Trip/Sale of an Item Google form](#). The apparel purchase will need to be supported by the signed meeting minutes from the Student Activity Group (Fund 890) meeting where the purchase was discussed and voted on by the group members.

A campus or department that wishes to purchase apparel for any reason may not commit the District to a financial obligation or receive any merchandise from a vendor without a Denton ISD Purchase Order in place.

If a group would like to solicit financial support for apparel, the solicitation needs to state that the apparel must be purchased by the donor and given to the intended recipient. The solicitation of financial support for apparel must be allowable by the UIL guidelines and not place the District in jeopardy of breaking any UIL rules. Donated funds are not allowed to be used to purchase apparel, since this is considered as a gift of public funds.

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Vendor Travel

Reimbursement of vendor travel expenses should follow the same guidelines as the reimbursement of a Denton ISD employee's travel. Original receipts must also be submitted with the invoice for services.

- An option for travel reimbursement would be to include the charges in the contract price.

Use of Public Funds – Unallowable Expenditures

Pursuant to Article III, Section 52 of the Texas Constitution: School districts, as political subdivisions of the State of Texas, are not allowed to grant public money, or things of value or in aid of, to any individual.

These types of products cannot be purchased with operating funds:

- Gifts (i.e., flowers, and other like items)
- Cards, including birthday, etc.
- Gift certificates or gift cards
- Bonuses
- Parties

All food type products must follow meal guidelines (see Purchasing Section 1.4.2.1 – Food Guidelines – Allowable Expenditures)

Should there be a question about an item, contact the Purchasing Department.

Intra-District Billing

Departments or Student Groups that provide a service to others in the district will need to be compensated through intra-district billing. Any department/student group that provides a service to another department/campus/student group will need to be set up as a vendor. However, checks will not be mailed, but deposited in the General account with credit applied to the appropriate group.

Generally, the department, campus or student group requesting the service is required to enter a purchase order or check request. The provider of service will issue an invoice to the campus, department or student group and send it to the Business Office. Once the Business Office receives a signed pink copy of the purchase order or the check request with the invoice, Accounts Payable will issue a check to the group and deposit it into the appropriate fund.

Snacks from Child Nutrition

Child Nutrition is offering a limited number of items that are appropriate for Snacks, Principal's awards, etc. Unit prices may vary from time to time based on vendor costs.

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Budget (Account) Codes

It is the end user's responsibility to ensure that each line item of a requisition is properly coded with the correct budget (account) codes for the description of the item being purchased. A requisition that contains the incorrect budget account code will be rejected by the purchasing Buyer and not processed until the end user corrects the budget code.

Shipping Destination

When a requisition is created, the “**ship to**” and “**attention**” fields are required to identify the delivery address and receiver's name.

The district uses both **centralized** and **decentralized** receiving (refer to Section 9).

Prior to creating a requisition, schools/departments requiring centralized delivery to the DISD Warehouse should contact the Distribution Center, at (940-369-0252), to make arrangements for centralized receiving and distribution.

Requisitions by Departments for School Campuses

Departments that process requisitions to be delivered to school campuses must communicate the requisition and purchase order information to the school prior to delivery of goods. Email or fax the following information to the appropriate school:

- The department that processed the requisition
- The school that will receive delivery
- The vendor's name
- The Purchase Order Number
- Estimated delivery date
- Instructions for receiving the goods for payment purposes

Warehouse Requisitions

The district keeps inventories of select materials in a central warehouse. A warehouse requisition may be used to obtain supplies or materials.

Purchase Orders

After the requisition is reviewed and approved by the Purchasing Department, the requisition is then converted to a purchase order. Purchase orders are among the most

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commonly utilized methods for procuring goods and services. As its name indicates, this document serves as a formal order for goods, materials and/or services from a vendor. A purchase order, once approved, is a binding commitment for the District to remit payment to the vendor after the item(s) and/or service(s) are received. Once items are shipped and/or services performed, the vendor must submit a properly executed invoice to the Accounts Payable Department to receive payment.

A purchase order is an important accounting document as it contains information on the expenditure to be made and the budget (account) code to be charged. Once issued, the purchase order encumbers funds and serves as an expenditure control mechanism. The purchase order is also used in the accounts payable process as it documents that an order has been issued, received, and accepted by the user and payment may be made to the vendor.

Purchase Order Status

The following purchase order statuses are utilized by our eFinancePLUS Financial System:

- Status O = Open (Requisition has been entered by Budget Manager)
- Status P = Partially Approved (requisition has not met all approvals)
- Status A = Approved (requisition has met all approvals)
- Status M – Converted (requisition has been converted to a PO and has been printed)

Purchase Order Process

The purchase order is the written evidence of orders placed as a result of properly initiated and approved purchase requisitions. A purchase order is of a standard format to facilitate processing and contains the items indicated on the requisition.

As mentioned earlier, purchase orders start with a requisition which is prepared electronically. Requisitions originate with the end user and describe the item(s) to be purchased, the quantity, pricing, the account to be charged, a vendor, etc.

Purchase Order Procedures

Purchases shall be made by means of purchase orders that are properly drawn, duly authorized, and adequately funded. Only the purchasing department shall release a purchase order to a vendor. **If vendors are contacted by the end user in the initial phase of a requisition, they should be advised by the end user that delivery of goods or services should not be initiated**

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until the vendor has received an approved purchase order from the purchasing department.

Purchase orders are issued on a daily basis by the purchasing department based on information submitted on requisitions. If a purchase order is needed immediately, contact the Purchasing Department.

Purchase orders cannot be modified by the vendor or by schools or departments after it has been processed by the purchasing department. If it becomes necessary to change the purchase order, the school or department must first advise the purchasing department.

Once a purchase order is issued, the same purchase order number cannot be used for reorders. When merchandise has been returned or is damaged and a reorder of replacement merchandise is desired, a new purchase requisition must be submitted.

Purchase Order Closure

In the event it is necessary to cancel a Purchase Order, the school or department must advise the Purchasing Department and Accounts Payable Department. The Accounts Payable Department will close the purchase order and liquidate the funds encumbered. The school or department placing the order must also notify the vendor of the cancellation of the purchase order and include written verification of vendor acceptance of this cancellation with the purchase order pink copy sent into the Accounts Payable Department.

End User's Responsibilities

- Shall ensure that the purchasing process (through the use of an approved purchase order) always precedes the payment process (invoice).
- Shall only initiate and approve requisitions within approved budget authority and ensure proper account coding per line item.
- Shall check with the Warehouse to find out if the item is in stock before making a purchase. If the item is not in stock, the end user shall select an approved vendor who will provide the goods and services.
- Shall use approved vendors to procure goods and services. Note: The requirement to use approved vendors applies to all purchases with purchase orders.
- If necessary, confirm with the purchasing department (Purchasing Director or Buyer) that an approved vendor is available for the goods or services needed.
- If a vendor must be contacted to obtain information to prepare a requisition, shall explain to the vendor that the request for information does not represent a commitment to purchase.

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- Shall provide for initiating, authorizing, and adequately funding the procurement through a properly approved purchase order.
- Shall monitor the requisition status.
- ***Shall not release the requisition number or use a draft copy of the requisition to make purchases from a vendor.***
- Shall monitor the vendor's performance to ensure proper delivery of the goods or services ordered. If the goods or services are not delivered as ordered, the end user shall act necessary to protect the District's interest, up to and including sending a written Stop Payment Order to the Accounts Payables department. Problems with vendor's unsatisfactory performance shall be directed to the Purchasing Department for appropriate action, which may include closing the purchase order (See Section 9, resolving discrepancies).
- Shall not make any commitments to acquire goods or services in the name of the District for personal use or ownership.
- Shall not make or authorize separate, sequential, or component purchases in order to avoid requirements under the Texas Education Code, Section 44.031, or Board approval.
- Shall coordinate purchases valued at \$50,000 or more with the Purchasing Department in order to select the method of procurement that will provide the best value to the District.
- Shall process all requests for procurement that cost \$50,000 or more through the Purchasing Department for Board approval.
- Shall follow the policies and procedures contained in Board Policy CH (LEGAL) for emergency purchases.
- Shall be responsible for complying with statutory requirements, Board policies, and the Purchasing Manual procedures when purchasing goods or services for the District.
- Shall not make changes to purchase orders after it has been sent to the vendor without prior approval from the Purchasing Department.
- Shall ensure that items ordered match the purchase order.
- Shall record the receipt of goods or services.

Purchasing Department Responsibilities

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- Shall not initiate requisitions except for items or services for use by the Purchasing Department.
- Shall not purchase anything from any person or from any firm that is controlled, owned, or operated by that employee or from a relative within the second degree by blood or marriage of the employee.
- Shall supervise the purchase of all materials, supplies, equipment, and services for the District. [See Board Policy CH (LOCAL)] according to the guidelines established on the Education Code 44.031.
- Shall not approve a requisition after the event has taken place (i.e. **After-the-fact**) except in special circumstances/instances.
- Shall review/process requisitions in a timely manner for completeness and ensure that purchases are compliant.
- Shall verify compliance with statues, regulations, and Board policy applicable to purchasing.
- Shall verify correctness of budget account coding according to the DISD Expenditure Account Codes Chart.
- Shall have discretion to direct purchases through interlocal agreements or cooperatives to save time and money.
- Shall work with the end users to resolve delays in requisition processing in a timely manner.
- Shall send the vendors approved purchase orders and verify its receipt.
- Shall be the only personnel authorized to contact vendors to make purchase commitments and issue purchase orders.

Requisition/Purchase Order Approval Process

- Budget Manager Creates Requisition – Campus/Department Improvement Plan Included
- Grants Accountant – Approves for Federal Grants (Makes sure Budget available and correct)
- Purchasing Specialist/Buyer – Shall review all requisition/check requisition requests for appropriate budget/account code(s), competitive procurement sourcing, pricing & description accuracy to supporting back-up documentation, and commodity code prior to approval.

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- Director of Purchasing – Shall review all requisition/check requisition requests at or exceeding \$5,000.00 for appropriate budget/account code(s), competitive procurement sourcing, pricing & description accuracy to supporting back-up documentation, and commodity code prior to
- Purchasing Specialist – Processes Purchase Order prints and sends to the Approved Vendor for order processing.

SECTION 10 DELIVERY AND RECEIPT

Delivery and receipt of goods/services is the goal of the requisition and purchase order process discussed in Section 8. Carefully checking deliveries and ensuring that the end user(s) who ordered the goods/services obtained them is a critical part of the purchasing process. DISD utilized both centralized and decentralized receiving to ensure end users receive goods/services.

Centralized Receiving and Decentralized Receiving

Purchases may be received by centralized receiving departments (DISD Distribution Center) or by campuses or departments in a decentralized receiving. Centralized receiving provides more control. Having only one centralized receiving point ensures that merchandise received agrees with merchandise ordered. However, it is normally timelier and sometimes in the best interest of

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the end user or the district to have the vendor deliver goods directly to a campus or department; this requires decentralized receiving, also known as “drop shipping.”

If decentralized receiving is used, the school/department should assign the receiving responsibility to an individual trained in receiving procedures. Procedures regarding the receipt of goods should be in place at each school/department; this includes specific procedures for receiving goods during summer and winter breaks.

Monitoring the delivery and receipt of purchase orders is the end user’s responsibility. This ensures that the district actually receives what it purchases.

Receiving Records

It is imperative that after physical delivery of goods and services, that an electronic receiving record be recorded in eFinancePLUS. This receiving record communicates to Accounts Payables how much to pay and that those goods and services have been received in a satisfactory manner. Without timely receiving, the payment process is curtailed and jeopardizes future business relations with our vendors.

Physical Receiving Procedures

1. Locate the “**packing slip**.” The packing slip contains the information of the items shipped from the vendor. The packing slip should list the following information:
 - Date of shipment from the vendor
 - DISD Purchase Order Number
 - Quantities and descriptions of items shipped

If the individual performing the receiving cannot locate the packing slip, he/she must **immediately** contact the vendor and request a copy.

2. Compare the packing slip with the requisition/purchase order and verify that the shipment is intended for your school/department. If it is, continue the receiving procedures. If you are certain that the shipment is not intended for your school/department, refuse the shipment or aid in determining the proper destination. Please contact the Purchasing Department for assistance if needed.
3. Ensure that the items on the packing slip match the items on the requisition/purchase order; accept the items that were ordered and contact the vendor for instructions for handling the incorrect items.
4. Compare the number of containers delivered to the number on the carrier’s packing slip. Record any discrepancy on the carrier’s shipping documents.
5. Examine the outside of the containers for damage:

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- **Minor Visible Damage** - Record any damage to the shipping containers on the carrier's shipping document and ensure that it is signed by the delivery person before the shipment is accepted. Recording minor damages to containers provides added documentation in the event that there is concealed damage.
- **Severe Visible Damage** - The process for severely damaged containers differs depending on whether the order was shipped F.O.B. Origin or F.O.B. Destination. F.O.B stands for "**Free-On-Board**" and is a transportation term that indicates that the price for goods includes delivery at the vendor's expense to a specified point (normally your destination i.e., school, department, or the DISD warehouse). The FOB term is used with an identified physical location to determine:
 6. the responsibility and basis for **payment of freight charges**, and
 7. the point at which **title (or ownership)** for the goods transfers from vendor to the District.

F.O.B. Destination

- The vendor retains title and control of goods until they are delivered, and the contract of carriage has been completed.
- The vendor selects the carrier and is responsible for the risk during transportation.
- The vendor is responsible for filing claims for loss or damage.
- For **F.O.B. Destination**, if the shipping containers are damaged enough that it is probable that the contents are also damaged, you may:
 1. Reject the entire shipment.
 2. Accept the entire shipment.
 3. Accept part of the shipment and reject the damaged part of the shipment.
- If all or part of the shipment is accepted, contact the vendor to obtain replacement instructions for the damaged items. If the vendor abandons the merchandise (fails or refuses to pick it up), contact the Purchasing Department to aid in resolving the problem. If the entire shipment is refused, record the reason for refusal on the carrier's shipping documents and notify the vendor that the shipment was refused and needs to be reshipped due to severe damage.

FOB Origin

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- The end user/receiver assumes title and control of the goods the moment the carrier signs and picks up the goods from the vendor's location.
- The end user/receiver assumes risk during transportation.
- The end user/receiver is responsible for filing claims for loss or damage.
- For **F.O.B. Origin**, if the shipping containers are damaged enough that it is probable that the contents are also damaged, accept the shipment and then record the damage on the carrier's freight bill. Contact the Purchasing Department to aid in resolving the problem.

The district discourages the use of F.O.B. Origin as a shipping method.

1. If possible, open the container(s) and compare the contents with the packing slip. If the contents do not match the packing slip, contact the vendor to attempt to resolve the discrepancy. If absolutely necessary, refuse the shipment.
2. Finally, an authorized person should accept delivery by signing and dating the packing slip.
3. If an invoice is included in the container, forward it to the Accounts Payable department immediately.

Inspection Procedures

Inspect the shipment for concealed damage. Concealed damage is damage that was not evident at the time of delivery. If damages are discovered after unpacking the shipment, notify both the carrier and the vendor in writing by email or facsimile.

After the shipment is unpacked, check the following against the Purchase Order:

- Compare the quantity received with the quantity ordered.
- Check for:
 - **Over-shipments:** An over-shipment is a shipment that contains more of an item than you ordered. Contact the vendor to resolve the issue.
 - **Under-shipments:** Only pay for the actual items received.

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- Compare the brand name and model number received with the brand name and model number on the Purchase Order.
- Compare the shipment with the physical descriptions on the Purchase Order.
- Compare the packaging, labeling, marking, etc. with those on the Purchase Order.
- Make certain that “used” items are reflected as such on the Purchase Order.
- Retain copies of all shipping documentation until all discrepancies are resolved.

Resolving Discrepancies

If the school or department determines there is damaged merchandise or a discrepancy exists, they should notify the vendor immediately and attempt to resolve the discrepancy. All correspondence between the school/department and vendor must be noted on the packing slip, if possible. If the discrepancy is discovered during or after inspection or unpacking, the vendor should be contacted in a timely manner. **It is the end user’s responsibility to contact the vendor and attempt to resolve deficiencies.**

Notify the vendor of all discrepancies in writing and follow-up all telephone notifications in writing. Written notification must include instructions on what action the vendor should take and the deadline for that action. Give the vendor the opportunity to make the shipment good.

Be sure to keep detailed records (dates, times, names, and phone numbers) and **contact the Purchasing Department for assistance if satisfactory results are not obtained in a timely manner.** Send copies of all documentation by email to the Purchasing Department for record keeping, follow-up, and vendor performance evaluation.

After the physical receiving function has been performed (shipment and packing slip are correct), electronic receiving must be performed in the eFinancePLUS system as approval of payment after the invoice is received by Accounts Payable.

SECTION 11

BOARD OF EDUCATION APPROVAL

In accordance with Board Policy CH (Local), any purchase order or contract that exceeds \$150,000 shall require Board approval before a transaction may take place.

Categories for Board Approval

- Competitive Procurements (i.e., Bid or Proposal)
- Sole Source Procurements (Also called Single Source)
- Interlocal Agreement Purchases
- Emergency Procurements

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Procedures for Board Approval Requests

Please contact the Director of Purchasing immediately upon identifying a single purchase order or contract that equals or exceeds \$150,000. Cut-off dates are very important when submitting items to the Board for approval. Board meetings normally occur on the fourth Tuesday of each month.

SECTION 12 REFERENCES

GLOSSARY OF TERMS

Acknowledgement: A form used by a vendor to advise a purchaser that an order has been received, and usually implying acceptance.

Act of God: A contingency or occurrence that cannot be avoided by human power; a cause of damage which is irresistible (e.g., hurricane, flood, lightening) and not attributable to negligence.

Advertising: A form of public notice of an intended purchase. See "Legal Notice."

Agency: (1) An administrative division of a government. (2) A relationship between two parties by which one, the agent, is authorized to perform or transact certain business for the other, the principal: also, the office of the agent.

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All-or-None Bid: A bid submitted for a number of different items, services, etc., in which the bidder states he will not accept a partial award but will accept only an award for all the items, services, etc., included in the Invitation for Bids. Such bids are acceptable only if provided for in the Invitation, or if the bidder quoted an individual price for each of the items, services, etc., as listed and they are the low bidder on each item.

Alternate Bid: A bid submitted in knowing variance from the specifications, terms, conditions, or provisions of the solicitation. Such a bid is acceptable only when the variance is deemed to be immaterial.

Approved Vendor: Is a vendor that has been awarded a Bid or Proposal through the DISD competitive procurement process. A vendor approved through an Inter local Agreement.

Assigned Budget Managers: Is a manager who is assigned ownership of a Board approved budget and who is authorized to procure goods or services in accordance with the approved budget. An ownership code is assigned as the last three digits of the account code.

Award: The acceptance of a bid or proposal.

Back Order: Is the portion of an order, which a vendor does not deliver at the scheduled time and has re-entered for shipment at a later date.

Best Interests of the District: The rationale granting the District discretion in taking action most advantageous to the district when it is impossible to delineate adequately a specific response by law or regulation.

Bid: The executed document submitted by a Bidder in response to an Invitation for Bids, or a multi-step bidding procedure.

Bid Bond: An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event that a specific bidder, if the bid is accepted, fails to accept the bid award as bid.

Bid Deposit: Is a sum of money or check deposited with and as instructed by the prospective purchaser to guarantee the bidder (depositor) will, if selected, accept the bid award in accordance with the bid. If the bidder does not accept the bid award, he forfeits the amount of the deposit.

Bid Opening: The formal process through which bids are opened and the contents revealed for the first time to the district, other bidders and usually, to the public.

Bid Sample: A sample required of a bidder for examination, comparison, testing, and evaluation by the prospective purchaser.

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Bid Security: A guarantee, in the form of a bond or deposit, that the bidder, if awarded a bid, will accept the bid award as bid, otherwise the bidder (in the case of a deposit) or his/her guarantor (in the case of a bond) will be liable for the amount of the bond or deposit.

Bidder: Any person submitting a competitive bid in response to a solicitation.

Bidders List: A mailing list maintained by the purchasing department setting out the names and addresses of suppliers of various goods and services from whom bids, proposals, and quotations can be solicited (also called the vendor mailing list).

Bill: A list of charges or costs presented by a vendor to a purchaser, usually enumerating the items furnished, their unit and total costs, and a statement of the terms of sale: an invoice.

Blanket Purchase Order: A blanket purchase order is issued to an approved vendor authorizing purchases from that vendor over a period of time. Is an arrangement under which a purchaser contracts with an approved vendor to provide the purchaser's requirements for an item or a service, on an as required and often over-the-counter basis? Properly prepared, such an arrangement sets a limit on the period of time it is valid and the maximum amount of money which may be spent at one time or within a specified period.

Bona Fide: In good faith.

Brand Name: A name which serves to identify a product of a particular manufacturer or a trade name.

Brand Name or Equal Specification: A specification that cites brand names, model numbers, or other identifications as representing quality and performance called for and inviting bids on comparable items or products of any manufacturer.

Bulk Purchasing: Purchasing in large quantities to seek a lower price per unit. Bulk Purchasing is also known as volume purchasing.

Budgeted Purchases: Purchases that assigned budget managers are authorized to make within approved budget limits.

Calendar Day: Every day shown on the calendar, Saturdays, Sundays, and holidays included.

Cash Discount: A discount from the purchase price allowed by the seller to the purchaser when payment is made within a designated period.

Cash on Delivery (COD): Payment due and payable upon delivery of goods.

Catalog: A listing of item identifications arranged systematically.

Centralized Purchasing: Is a system of purchasing in which authority, responsibility, and control of activities is concentrated in one administrative unit.

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Change Order: A written order directing the contractor to make changes which the Changes clause of the contract authorizes the District to order without consent of the contractor.

Code of Ethics: Written guidelines within which judgments and considerations of professional ethics and behavior should be made for all public officials and employees of a district.

Collusion: A secret agreement or cooperation between two or more persons to accomplish a fraudulent, deceitful, or unlawful purpose.

Combination Specifications: Contain elements of both design and performance specifications. Some features of each are included to allow a vendor to use ingenuity to meet the performance needs of the government and also to require certain necessary design characteristics. This is probably the most common type of specification.

Commodity: An article of trade, a movable article of value, something that is bought or sold; any movable or tangible thing that is produced or used as the subject of barter or sale.

Commodity Code: A code utilized to define like-type items for the purpose of aggregating expenditure thresholds.

Competition: The process by which two or more vendors vie to secure the business of a purchaser by offering the most favorable terms as to price, quality, delivery and/or service.

Competitive Bidding: The submissions of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services.

Competitive Negotiation: A method for contracting for goods and services, whereby proposals are solicited from qualified suppliers, following submission of which changes in proposals and prices are allowed, and the offer deemed by the awarding authority to be most advantageous in terms of criteria as designated in the Request for Proposals is accepted; a negotiated procurement.

Competitive Sealed Proposals: A term used for competitive negotiation as a source selection.

Component Purchases: Purchases of the component parts of an item that in normal purchasing practices would be made in one purchase.

Confirming Order: Is a de facto purchase order issued to a vendor listing goods or services procured verbally and/or outside established purchasing procedures. Since a confirming order precludes competition it may be illegal under certain laws/ordinances.

Conflict of Interest: A situation where the personal interests of a contractor, public official or employee are, or appear to be, at odds with the best interests of the district.

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Contingency: A possible future event or condition arising from presently known or unknown causes, the outcome of which is indeterminate at the present time.

Cooperative Purchasing: (1) The combining of requirements of two or more political entities to obtain the advantages of volume purchases, reduction in administrative expenses, or other public benefits. (2) Procurement conducted by, or on behalf of, more than one Public Procurement Unit, or by a Public Procurement Unit with an External Procurement Activity.

Delivery Schedule: The required or agreed time, or rate, of delivery of goods or services.

Delivery Terms: Conditions in a contract relating to freight charges, place of delivery, time of delivery, or method of transportation.

Descriptive Literature: Information, such as illustrations, charts, drawings, and technical data which show the characteristics or construction of a particular product or explains its operations, furnished by a bidder as part of the bid to describe the items he offers. The term refers only to information required to evaluate a product and need not include other information such as that relates to the qualifications of a bidder or operating or maintaining equipment.

Design-Build: The district and the design/build contractor enter into a specific contract wherein the contractor undertakes the responsibility to provide for the design and construction of the project in conformance with basic requirements which have been set forth by the district. The contract may be lump sum, cost plus a fee or guaranteed maximum, lease or lease-purchase. The contract is generally entered into after project definition but before substantial design work has been done.

Design Specifications: A type or manner of writing a purchase description characterized by detail as to how the product is to be manufactured or work is to be performed; generic specification. Appropriate for a unique product or custom work.

Designee: A duly authorized representative of a person holding a superior position.

Discount: An allowance or deduction from a normal or list price extended by a seller to a buyer to make the net price more competitive.

eFinancePLUS Vendor: A “eFinancePLUS vendor” is a vendor that is established in the eFinancePLUS Financial Management System.

Emergency Purchases: Two types of emergency purchases are made in districts. One type results from an eminent threat to the health, safety, or welfare of students. Such purchases must comply with state law and may be made only after a formal board action declaring an emergency and authorizing the purchase. The second type of emergency purchase usually is defined by local policy to provide for the acquisition of goods or services to meet an immediate need such as purchases to repair damage to a facility which may imperil students or the security of the facility.

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End User: Staff member from a school or department who initiates the request for purchase (requisition).

Equipment: Personal property of a durable nature which retains its identity throughout its useful life.

Evaluation Committee: A committee which advises and assists the purchasing office in evaluation and award, usually employed in high tech and purchase of services transactions.

Evaluation of Bid: The process of examining a bid after opening to determine the bidder's responsibility, responsiveness to requirements, and to ascertain other characteristics of the bid that relate to determination of the successful bidder.

Fiscal Year: A period of 12 consecutive months selected as a basis for annual financial reporting, planning, or budgeting.

F.O.B.: "Free on Board" specifies when the title for shipped merchandise transfers to the district. F.O.B. is often followed by the text that specifies which party is responsible for freight charges and damages or losses while in transit.

F.O.B. Destination: Under these terms, the risk of loss of goods does not pass to the district until the goods are delivered and the district has accepted the shipment. If the shipment is refused or never reaches its destination, the vendor is responsible for re-shipping new goods at their expense. It is recommended that all orders be placed as F.O.B. Destination.

F.O.B. Origin: Under these terms, the risk of loss passes to the district when the carrier picks up the shipment from the vendor. The district is responsible for the merchandise at that point. If the merchandise is damaged or lost in shipment, the district owes the vendor full payment regardless. If there are damages or shortages, the district is responsible for filing any needed freight claims to attempt to recover the damages. If goods must be replaced, a new order must be placed with the vendor. The district **does not recommend** using F.O.B. Origin.

Identical Bid: A bid that is the same in all respects with another bid.

Ineligible Bidder: A supplier or prospective supplier who, by reason of financial instability, unsatisfactory reputation, poor history of performance, or other deficiency, does not meet the qualifications for placement on the vendor mailing list (bidder's list) or for award; also non-responsible bidder.

Inspection: Critical examination and/or testing of items to determine whether they have been received in the proper quantity and condition and conform to the applicable specifications.

Invitation for Bids (IFB): (1) The solicitation document used for competitive sealed bidding, the customary method used by state and local governments for the purchase of equipment,

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materials, supplies, and construction. (2) All documents, whether attached or incorporated by reference, utilized for soliciting bids.

Late Bid Proposal: A bid or proposal received at the place specified in the solicitation after the time designated for all bids or proposals to be received.

Legal Notice: Notice of a proposed purchase as required by law. Depending upon the legal requirement, notice may be satisfied by posting an announcement of the purchase in a public place, notification of the appropriate bidders from the vendor mailing list (bidder's list), formal advertisement in a newspaper or newspapers, or a combination of these methods.

Lease-Purchase Agreement: A lease contract containing a purchase option in which the lessee's periodic payments or parts thereof may be applied to serve both as the rental obligation and as installments for acquiring ownership of the property upon lessee exercising the purchase option; a conditional sales contract.

Life-Cycle Costing: A procurement technique which takes into account demonstrable and documented operating, maintenance, the cost of money, and other costs of ownership and usage, and resale or residual value in addition to acquisition price in making an award on low total cost.

Lowest (Responsive and) Responsible Bidder: Originally, the bidder submitting the lowest initial price and capable of performing the proposed services or provide the proposed goods. Under modern purchasing concepts, often construed as generally the same as the "lowest responsive and responsible bidder," or the bidder who submits the "lowest and best bid," or the "most advantageous bid, price, and other factors considered." For clarity and accuracy, the recommended provision for determining award is the "responsive and responsible bidder whose bid is most economical for the purpose intended, according to criteria set forth in the solicitation."

Multiple Awards: The award of bids/proposals to two or more bidders for the same or essentially similar items. Appropriate only in situations where a single award would be impossible or impractical and awards are limited to the least number of suppliers necessary for a workable contract.

Multi-Step Competitive Bidding: A competitive process calling for separate submissions of a technical proposal (which may be negotiated) as the first step or steps of the process followed by a call for non-negotiable competitive price bid as the final step.

Non-responsive Bid: A bid that does not conform to the essential requirements of the invitation for Bids; nonconforming bid; unresponsive bid.

Option to Renew: A bid/proposal clause that allows a party to elect to re-institute the bid/proposal for an additional term.

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Performance Bond: A contract of guaranty executed subsequent to award by a successful bidder to protect the district from loss due to vendor's inability to complete the bid/proposal as agreed.

Performance Record: Record to indicate a supplier's ability to keep delivery promises and reliability, together with consistency of quality and performance of the products and services furnished.

Performance Specifications: Where the goods and/or services are described in terms of required performance. They may include such details as required power, strength of material, test methods and standards of acceptability and recommended practices.

Pre-Bid/Proposal Conference: A meeting scheduled in a solicitation for the purpose of providing clarification as needed. Substantive questions raised at a pre-bid conference are answered in writing and may modify the solicitation.

Procurement: The procedures for obtaining goods or services, including all activities from the planning steps and preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. The acts of preparing specifications, evaluating bids or proposals, making awards, and administering contracts are involved; in some contexts, property management is implied.

Professional Services: Often technical, and/or unique functions performed by independent contractors whose occupation is the rendering of such services. While not limited to licentiates, the services are considered "professional," and the contract may run to partnerships, firms, or corporations as well as individuals. Examples of professional services include medicine and the medical arts, architectural and engineering services, management and systems consultation, research, and the performing arts.

Proposal: The executed document submitted by an offeror in response to a Request for Proposal (and the basis for subsequent negotiation).

Proposal Evaluation Criteria: Factors, usually weighted, relating to management capability, technical capability, and manner of meeting performance requirements, price and other importance considerations used to evaluate which proposer in a competitive negotiation has made the most advantageous offer.

Purchase Order: This document serves as a formal order for goods, materials and/or services from a vendor. A purchase order, once approved, is a binding commitment for a district to remit payment to the vendor after the item(s) and an invoice are received by the district. Acceptance of a purchase order by the vendor constitutes a contract.

Quotation: A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective purchaser, usually for purchases below the amount requiring formal bidding; the stating of the current price of a commodity, or the price so stated.

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Request for Information (RFI): The document used in informal, uncompetitive solicitation of information, data, comments, or reactions from possible suppliers preceding the issuance of a Request for Proposals or a multi-step bidding procedure.

Request for Proposal (RFP): (1) All documents, whether attached or incorporated by reference, utilized for soliciting (competitive) proposals. The RFP procedure permits negotiation of proposals and prices as distinguished from competitive bidding and an Invitation for Bids. (2) The solicitation document used in the competitive negotiation process. The procedure allows changes to be made after proposals are opened and contemplates that the nature of the proposals and/or prices offered will be negotiated prior to award.

Requisition: A requisition is an internal document by which a campus or department of the district requests the purchasing department to initiate a purchase order. It is a request generated electronically (through use of the automated system eFinancePLUS) for the purchase of supplies, services, equipment, etc. A requisition is an un-approved purchase order. No purchasing commitment shall be made without an approved purchase order.

Responsible Bidder: A person who has the capability in all respects to perform in full the bid requirements, and the integrity and reliability which will assure good faith performance.

Responsive Bidder: (1) A person who has submitted a bid which conforms in all material respects to the Invitation for Bids. (2) One whose bid conforms in all material respects to the terms and conditions, the specifications, and other requirements of the Invitation for Bids.

Sealed Bid: A bid which has been submitted in a sealed envelope to prevent its contents being revealed or known before the deadline for the submission of all bids: usually required by law or rule on major procurements, to enhance fair competition.

Separate Purchases: Purchases, made separately, of items that in normal purchasing practices would be made in one purchase.

Sequential Purchases: Purchases, over a period, of items that in normal purchasing practices would be made in one purchase.

Sole Source Procurement: A purchase or award for a commodity or service to the only legally capable supplier, occasioned by the unique nature of the requirement, the supplier, or market conditions.

Special Revenue Fund: Proceeds of specific program grants that are legally restricted to expenditures for specified purposes.

Specification: A description of what the purchaser seeks to buy, and consequently, what bidder must be responsive to in order to be considered for award of a contract. A specification may be a description of the physical or functional characteristics, or the nature of, a supply of service. It

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may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

Standardization (of Specifications): The process of examining characteristics and need for items of similar end usage and developing a single specification that will satisfy the need for most or all purchases for that purpose.

Supplies: Customarily, items that are consumed or expended in the course of being used, as distinguished from equipment and materials; but in some purchasing terminology, all items except construction and services.

Tabulation of Bids: A recording of bidders and abstract of their bids listing items offered, prices, deliveries, etc., in response to a specific solicitation, made for purposes of comparison and recordkeeping; an abstract.

Terms and Conditions: A general reference applied to the provisions under which bids must be submitted and which are applicable to most purchase orders.

Testing: Is the determination of the physical, chemical, or performance characteristics of the items. Testing may be conducted in connection with developing specifications and standards, making comparative evaluations of products offered on bids, and ascertaining compliance with specifications before or after a bid/proposal award.

Title: The means whereby a person's ownership of property is established.

Uniform Commercial Code: Uniform statute law adopted by states for consistency and modernity in law governing commercial transactions.

Warranty: A representation of utility, condition, and durability made by a bidder for a product offered.

Warehouse Requisition: A warehouse requisition may be used to obtain supplies or materials (a catalog describing items in the warehouse is available by contacting the Warehouse Distribution Center). A warehouse requisition is completed at the department or campus level and submitted to the Purchasing Department. Purchasing Department personnel then review the requisition for accuracy, completeness, and availability of funds. After processing the requisition, the supplies and materials are removed from the warehouse stock and delivered to the appropriate party.