



2020-2021

PURCHASING DEPARTMENT MANUAL

Service Center

1451 N Watters Road

Allen, Texas 75013

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## *Section 1: Mission*

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The mission of the Allen ISD Purchasing Department is to:

- Ensure compliance with District, State, and Federal laws that apply to District purchasing
- Provide all vendors equal access to the competitive process for the acquisition of goods and services by the District
- Provide an ongoing supply of quality goods and services to all District campuses and departments
- Protect the interests of the Allen ISD taxpayers without regard to any undue influence or political pressures

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## *Section 2: Overview*

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The Purchasing Department, along with the Finance Department, share in the responsibility of expending District funds in such a manner that will meet all requirements of State, Federal, and District procurement regulations and safeguard the public trust.

Effective purchasing is a cooperative effort between the Purchasing Department and the schools and other departments within the District. The purpose of this manual is to provide guidelines for the Purchasing Department staff and others involved in the procurement process throughout the District. These guidelines are subject to change, as needed.

Situations will undoubtedly arise which are not fully covered by these guidelines. The Purchasing Department staff is available to discuss and/or assist in any special situation and will facilitate a solution in the best interest of the students and staff of Allen ISD.

The Purchasing Department is also responsible for the following functions:

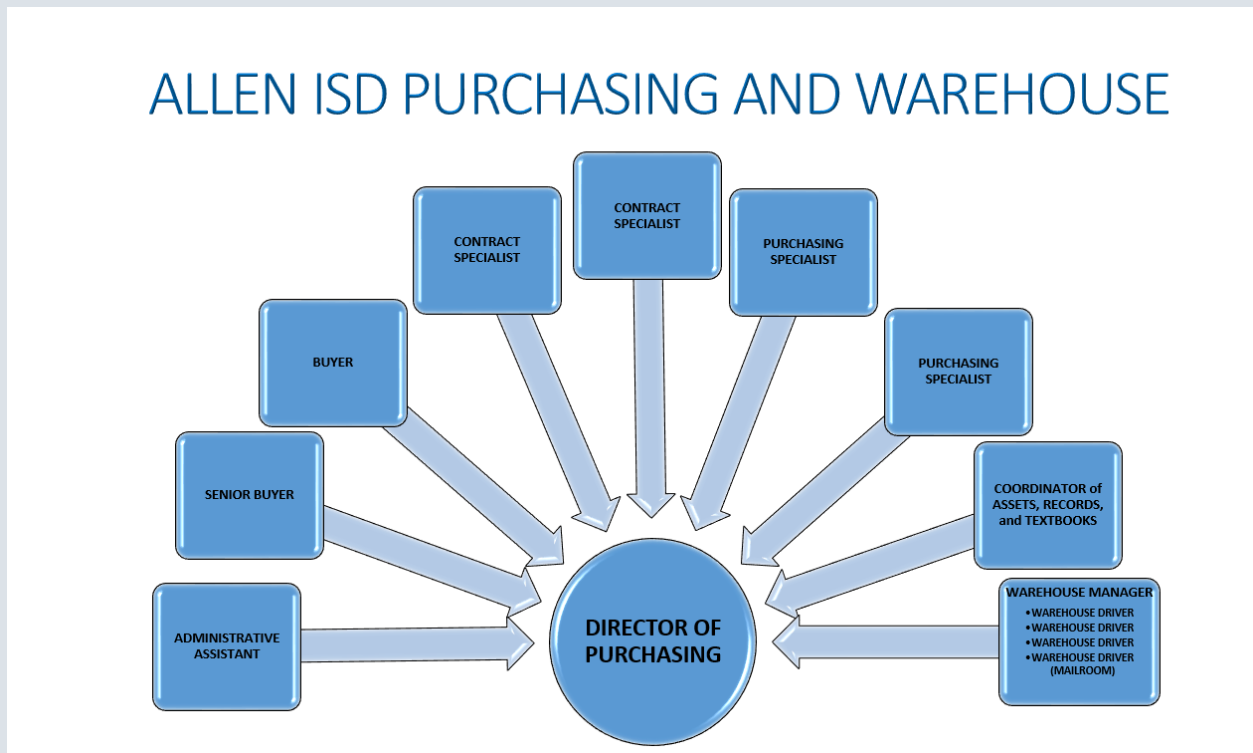
- Interlocal and Cooperative Purchasing Agreements
- Inventory and Warehouse Management
- Auction of Surplus and Salvaged Property
- Fixed Assets, Records, and Textbooks

For questions related to procurement, contact the Purchasing Department at 972-727-7114 or via email at [cen.purchasing.generalmailbox@allenisd.org](mailto:cen.purchasing.generalmailbox@allenisd.org).

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### Section 3: Purchasing Department Organizational Chart

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### Section 4: Purchasing Ethics

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It is the intent of Allen ISD that the following ethical principles govern the conduct of every employee involved, directly or indirectly, in the District's procurement process. Taking ownership and being responsible for our actions is essential to preserve the public trust and protect the public interest. Guiding principles are as follows:

- Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications
- Demonstrate loyalty to the District by diligently following the lawful instructions, procedures and policies using reasonable care while exercising only the authority, which has been delegated to you
- Avoid any private business or professional activity that would create a conflict between personal interest and the interests of the District. If conflicts of interest exist, the employee shall notify the Purchasing Director and remove him or herself from the District procurement process
- Give prompt and courteous attention to all District staff and legitimate business representatives
- Work to identify and implement strategies and techniques that will preserve the integrity of the department while enhancing the level of service provided by the department
- Remain open, fair, impartial, and non-discriminatory in all processes
- Handle confidential or proprietary information with proper care and attention

- Promote positive vendor relationships through courtesy and impartiality
- Refrain from soliciting or accepting money, loans, credits, discounts, gifts, entertainment, favors or services from present or potential vendors
- Know and obey the laws governing the purchasing function and remain alert to the legal consequences of all purchasing decisions
- Continually develop professional skills through education, experience, mentorship, and partnerships

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### *Section 5: Purchasing Authority and Authorized Purchases*

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The Allen ISD Board Policy Manual lists the following under CH(LEGAL) and CH(LOCAL):

- The Board may adopt rules and procedures for the acquisition of goods and services. Education Code 44.031(d)
- The Board may delegate its authority regarding an action authorized or required to be taken by the District by Education Code Chapter 44, Subchapter B to a designated person, representative, or committee
- The Board may not delegate the authority to act regarding an action authorized or required to be taken by the Board by Education Code Chapter 44, Subchapter B
- The Board delegates to the Superintendent the authority to make budgeted purchases for goods or services in accordance with CH(LEGAL). However, any single, budgeted purchase of goods or services that costs \$75,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place
- Unless state law or Board policy specifically requires the Board to make or approve a purchase, authorized District employees in charge of a campus or department may purchase items included in the approved budget
- Goods or services shall not be purchased from a District employee or a former employee who has been separated from the District for less than 12 months prior to the date of the purchase agreement without prior written approval from the Superintendent
- 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 the adopted budget, state law, Board policy, and the District's purchasing 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 such debts

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### *Section 6: Contracted Vendor List*

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The [Contracted Vendor List](#) (CVL) is made up of vendors that have been awarded through a contract issued by Allen ISD or through an Interlocal or Cooperative agreement. Using vendors listed on the CVL is the best way to help the District remain compliant with purchasing laws. In addition, it is the easiest way to purchase goods and services because pricing has already been negotiated on the District's behalf.

A brief overview of the information presented in the Contracted Vendor List is below.

Search for Contracted Vendors – While in the CVL you can select the CTRL and F keys on your keyboard to initiate the search field. This field provides an opportunity for you to search the CVL by entering any sequence of letters or words. The search is conducted throughout the entire CVL and returns all matches.

Expiration – This field will show you if the contract is active and when it will expire. Only contracts that are active will be listed in the CVL.

EDGAR – This field will show if Federal funds can be spent using this vendor.

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### *Section 7: How Vendors Get Added to the Contracted Vendor List (CVL)*

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Allen ISD regularly issues bids/proposals for goods and services, and we encourage vendors to watch the [Current Bid Opportunities](#) page for upcoming opportunities. Vendors interested in receiving notices for future opportunities, can obtain more information by registering in [IonWave](#).

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### *Section 8: Purchasing Cooperatives*

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Allen ISD utilizes Cooperative contracts per Board Policy CH(LEGAL), TEA, Government Code Section 791, Local Government Code 271.081-271.083. Allen ISD participates in these contracts for the purchase of goods and services by agreement with another local government or with the State or state agencies that satisfy the requirement of competitive bids per the Local Government Code.

The following is a list of Cooperatives that Allen ISD is a current member of:

- 1GPA
- Allied States Cooperative (Region 19)
- Central Texas Purchasing Alliance (CTPA)
- Choice Partners
- Collin County Governmental Purchasers Forum
- E&I Cooperative Services
- Educational Purchasing Cooperative of North Texas (EPCNT)
- Equalis Group
- Epic 6 (Region 6)
- Harris County Department of Education Cooperative
- Houston-Galveston Area Council (HGAC)
- National Cooperative Purchasing Alliance (NCPA)
- Omnia Partners
- PACE Purchasing Cooperative (Region 20)
- Regional Education Service Center 10
- Sourcewell
- Tarrant County Purchasing Cooperative
- TASB – BuyBoard

- Texas Comptroller of Public Accounts (Texas SmartBuy)
- Texas Department of Information Resources (DIR)
- Texas Procurement & Support Service (TPASS)
- TIPS

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### *Section 9: Annual Aggregate*

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Allen ISD recommends that schools and departments utilize a contracted vendor when creating a requisition. The Contracted Vendor List containing all currently awarded vendors is available online to assist. Allen ISD has over 100 categories in effect, grouped by commodity, that cover many routine needs for the District.

These categories are grouped so that contracts for the purchases of these items can be awarded in a competitive process to ensure that the schools and departments are receiving best value for their budget expenditures and comply with all statutes, policies, and procedures.

Periodic vendor reports are generated showing total expenditures over a specified period. This provides an additional resource in looking for trends that would cause the need to develop a competitively procured contract.

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### *Section 10: Purchasing Guidelines*

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All purchases, leases, maintenance agreements, and contracts must comply with the general requirements set by the Board in CH(LOCAL) "Purchasing and Acquisition".

Schools and departments are encouraged to use vendors currently under contract with the District for all procurements. If the District does not have a current contract for the specific commodity, service, or vendor needed and a valid contract through an authorized Purchasing Cooperative is not utilized, the following procedures apply.

For purchases of goods or services totaling less than \$50,000 in the aggregate for the fiscal year, schools and departments will be allowed to purchase using the best value criteria for the individual transaction, with the following guidelines:

#### Purchases less than \$49,999 (Micro Purchase)

- For purchases of goods and services totaling less than \$49,999 and EDGAR defined grant fund purchases, end users shall seek a source with fair and reasonable pricing
- Vendors should be rotated to ensure competition (recommended for all purchases, required for Federal purchases)
- Quotes are not required, but are encouraged. In obtaining quotes, each vendor must be provided with the same information including product description and required delivery date. Purchasing should be contacted if additional sources for a particular product or service are needed

- In accordance with state statutes, under no circumstances is the user department authorized to place an order without Purchasing approval or unless a purchase order has been issued

Purchases \$50,000+

Texas Education Code, Section 44.031 sets the requirements for formal solicitations. By law, purchases of more than \$50,000 (with the exception of Professional Services) require a competitive sealed process be utilized which includes public notice, public opening of the bids and Board of Trustees award based on best value determination. Produce and vehicle fuel expenditures are exempt from the competitive procurement requirements.

Purchases \$250,000+ (involving Federal Funds)

In addition to following the competitive procurement requirements as outlined above, an independent estimate must be performed prior to receiving bids/proposals and a cost/price analysis conducted after bids/proposals are received but prior to an award.

<b>WHEN TO USE A PARTICULAR PROCUREMENT METHOD</b>		
<b>The following applies to all when a contracted vendor is not secured</b>		
<b>DOLLAR AMOUNT:</b>	<b>RULE:</b>	<b>REQUIREMENT:</b>
Up to \$49,999 Micro Purchase	<b>Federal</b>  2 CFR 200.320(a)	<ul style="list-style-type: none"> <li>• No quotes required</li> <li>• Reasonable price</li> <li>• Distribute equitably among qualified vendors</li> </ul>
\$50,000 or more in the aggregate	<b>State</b>  TEC 44.031(a)	<u>7 options</u> <ul style="list-style-type: none"> <li>• Competitive Bidding</li> <li>• Competitive Sealed Proposals</li> <li>• Request for Proposals</li> <li>• Interlocal/Cooperative Contract</li> <li>• Construction under Chapter 2269</li> <li>• Reverse Auction</li> <li>• Political Subdivision for electric service</li> </ul>
\$250,000+ Simplified Acquisition	<b>Federal</b>  2 CFR 200.323	Applies to Federal Funds  <u>2 options</u> <ul style="list-style-type: none"> <li>• Sealed Bids</li> <li>• Competitive Proposals</li> </ul> Must also perform independent estimate prior to receiving bids or proposals and a cost/price analysis after bids/proposals are received but prior to an award

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**Section 11: Professional Services**

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Under Texas Education Code 44.031 (f), this section does not apply to a contract for professional services rendered, including services of an architect, attorney, certified public accountant, engineer, 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. Federally funded professional service contracts must be made 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, including a surgeon
- optometrist
- professional engineer
- state-certified or state-licensed real estate appraiser, or
- registered nurse

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).

In connection with certain professional service contracts, specifically architectural or engineering, Government Code 2254 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.

Unless specifically exempted by the Superintendent, all professional services anticipated to cost less than \$50,000 are procured using an informal RFQ process. Departments forward a recommendation e-mail to the Purchasing Director when professional services are required. The e-mail identifies the following:

- scope of work
- qualification and experience requirements
- project description and deliverables
- time frames
- budgeted amount and budget line items
- suggested professional and rationale for determining qualification based selection

Unless specifically exempted by the Superintendent, all professional services anticipated to cost more than \$50,000 are procured using the formal RFQ process. The RFQ must specify the evaluation factors to be used to determine minimum qualifications and demonstrated experience.

Professional and nonprofessional service contracts involving Federal funds are required to be made on a competitive basis, under 2 CFR 200.

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### *Section 12: Emergency Procurements*

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Under Texas Education Code 44.031(h), "If school equipment, school facility, or a part of a school facility or personal property is destroyed or severely damaged or, as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the Board 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."

Notwithstanding any other provision of the Education Code, in the event of a catastrophe, emergency, or natural disaster affecting the District, the Board may delegate to the Superintendent or designated person the authority to contract for the replacement, construction, or repair of school equipment or facilities under Education Code Chapter 44, Subchapter B if emergency replacement, construction, or repair is necessary for the health and safety of District students and staff.

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### *Section 13: Sole Source Purchases*

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In accordance with TEC 44.031 (j), compliance with the competitive procurement methods listed in TEC 44.031 (a) is not required for purchases that are available from only one source, if such purchases meet one of the following established criteria:

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

The Sole Source exception shall not apply to mainframe data processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000.

Vendors claiming Sole Source status will be asked to provide written and signed documentation stating the reason. The vendor must cite that it not only owns the rights to the product but that there is only one distribution source for the product. If the product is available from multiple suppliers, or if a similar/like product that will accomplish the same outcome is available, the purchase does not qualify as Sole Source.

Sole Source purchases made with Federal funds require written documentation of approval through the Texas Education Agency [Request for Noncompetitive Procurement Approval](#) form.

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### *Section 14: Non-competitive Purchases*

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Specific purchases may not allow for competition due to the nature of the service, based on how it is made available or who will be providing the service, and if no true competition exists. These qualifying purchases may be approved by the Purchasing Department and be designated as a non-competitive procurement. However, if the Purchasing Department determines that competition can be found, the procurement must follow the standard purchasing guidelines for competitive purchases.

This designation does not conflict with the requirements set forth in Section 44.031(j) of the Texas Education Code for items that qualify to be purchased from a single source (Sole Source).

Purchase of certain services made under this process include, but are not limited to, the following:

- Expertise or service that is available only through a governmental entity, whether local, State, or Federal, to comply with legal requirements
- Membership into a professional organization
- Fees associated with UIL or other school related competitions

- Registration fees related to a conference, assembly, seminar, workshop, or training session related to school business or job skills in a specific discipline or area of expertise
- Subscription fees to particular publications needed in the performance of duties or educational requirements
- Field trips to specific locations or events
- Rental property or facility for school business
- Student Activity Fund purchases (Fund 865)
- Sunshine Fund purchases (Fund 885)
- Software and online subscriptions: Purchase of a given software application and/or online software subscription not exceeding \$50,000 in the aggregate for a given fiscal year do not require multiple price quotes. However, the expenditure amount of the same software by multiple locations must be aggregated as if they were one and the same contract, and if the aggregate amount between all locations exceeds \$50,000 in one fiscal year, then the software must be procured through a formal competitive procurement process or purchased through an Interlocal/Cooperative agreement
- Exceptions authorized by the Purchasing Director: Specific circumstances leading to waiving standard purchasing procedures may involve situations including, but not limited to, time sensitive procurements where standard procurement procedures would cause a disadvantage to the District, lack of known qualified vendors, etc. These exceptions will be reviewed and considered on a case-by-case basis

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### *Section 15: Purchases over \$50,000*

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Under Texas Education Code 44.031, all school District contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate, shall be made by one of the following methods that provides the best value for the District.

1. Competitive bidding for services other than construction services
2. Competitive sealed proposals for services other than construction services
3. A request for proposals for services other than construction services
4. An Interlocal contract
5. A method provided by Chapter 2269, Government Code, for construction services
6. The reverse auction procedure as defined by Section 2155.062 (d), Government Code
7. The formation of a political subdivision corporation under Section 304.001, Local Government Code

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### *Section 16: Competitive Procurement*

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Competitive procurement is a formal process that requires bid evaluations and awards be made solely upon bid specifications, terms and conditions contained in the request for bid documents, 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.

The purpose and intent of competitive procurement is to stimulate competition in an effort to help public schools obtain the best value for the work and materials needed.

To eliminate unfair advantage, vendors that develop or draft specifications, requirements, scope of work, and invitations for bids are excluded from competing in such procurement.

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### *Section 17: Advertisement*

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Under Texas Education Code 44.031 (g), notice of the time 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. Notification shall be published once a week for at least two consecutive weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications.

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### *Section 18: Proposal Evaluation and Award Criteria*

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The Purchasing Department supervises the evaluation process performed by the user department or committee to ensure that the evaluation is conducted fairly and consistently and that the integrity of the process is maintained. The Purchasing Department, with assistance from the evaluation committee and the user department, recommends the lowest responsible proposal or best value proposal to the Board of Trustees for award. Proposals are evaluated on the following criteria:

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

Note: This criteria is not applied when using Federal funds.
9. Any other relevant factor specifically listed in the request for bids or proposals. Factors that the District may consider under this criterion would include:
  - a. Vendor response time
  - b. Compatibility of goods/products purchased with those already in use by the District

Price is typically the highest percentage in evaluations. Experience is based on a survey of references submitted by proposers. Quality, needs, and long term cost are evaluated by the evaluation committee. The Purchasing Department staff will evaluate price, past relationship, HUB, and geographic location.

Before the evaluation of confidential proposals, all evaluation committee members must electronically sign the Confidentiality Statement which certifies their commitment to comply with the District's ethics policy, found in CAA(LOCAL), regarding the confidentiality of proprietary

information. The evaluation committee members are expected to adhere to the requirements listed in the confidentiality statement during the course of the evaluation process and until an award is approved by the Board. If proprietary information of any vendor is compromised during the procurement process, all proposals may be rejected.

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### *Section 19: Procurement Methods*

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Texas Education Code Section 44.031 sets the requirements for the formal solicitations outlined below.

#### **Competitive Sealed Bids (CSB)**

Competitive Bidding is a formal process defined by Texas Education Code 44.0351 as authorized by Section 44.031(a)(1), and may also be referred to as competitive sealed bidding, sealed bidding or formal bidding.

It is an option available to school Districts for the procurement of goods and services. The purpose of competitive bidding is to stimulate competition and obtain the lowest practical price for the work, service, and/or item(s) needed. The competitive bidding process requires that bids be evaluated and awards made based solely upon the bid specifications, terms and conditions contained in the request for bid documents, best value as applicable, and according to the bid prices offered by vendors and pertinent factors that may affect contract performance. Competitive bids cannot be negotiated.

State law requires that the purchase, lease or lease-purchase of a school bus must be competitively bid when the contract is valued at \$20,000 or more. In addition, Federal funded Child Nutrition Program purchases of at least \$50,000 must be competitively procured. Under Federal guidelines, this means purchases must be made through a competitive bid or a Request for Proposal (RFP) process.

The advertisement for bids, description in the request for bid of item(s), work and/or services and specific terms and conditions must be done in a manner that stimulates competition and obtains the lowest practical price. A request for bids contains the following elements: purchase description or specifications covering the item(s) to be obtained, work and/or services needed, terms and conditions for the proposed bid contract, and the time and place for opening bids.

#### **Competitive Sealed Proposals/Request for Proposals (CSP/RFP)**

The competitive sealed proposal process is an alternative to competitive bidding. Competitive sealed proposal procedures provide for full competition among proposals. The procedures allow for negotiations to obtain the best goods or services at the best price. During the evaluation process prior to award of a contract, the negotiation process allows modification and alteration of the scope of the specifications, which could have a direct effect of the proposed price, which then can be negotiated.

CSPs and RFPs have greater flexibility and should be used only when it is not practical to solicit sealed bids and where price is not the deciding factor. Best practice states that CSPs and RFPs should not be considered public information until an award has been made.

Statute clearly states that a competitive sealed proposal and a request for proposal are two purchasing methods available to a District (TEC 44.031(a)), but only the CSP method is defined in statute.

CSP requirements, found in TEC 44.0352, identifies the following specific requirements:

- The CSP shall contain information that vendors need to respond to the request
- The CSP shall state the selection criteria that will be used in selecting the successful offeror
- The District shall receive, publically open, and read aloud the names of the offerors, and if any are required to be stated, all prices stated in each proposal
- Not later than the 45<sup>th</sup> day after the date which the proposals are opened, the District shall evaluate and rank each proposal submitted in relation to the published selection criteria
- The District shall select the offeror that offers the best value for the District based on the published selection criteria and on its ranking evaluation
- The District shall first attempt to negotiate a contract with the selected offeror. The District may discuss with the selected offeror options for a scope or time modification and any price change associated with the modification. If the District is unable to negotiate a satisfactory contract with the selected offeror, the District shall, formally and in writing, end negotiations with that offeror and proceed to the next offeror in the order of the selection ranking until a contract is reached or all proposals are rejected
- In determining the best value for the District, the District is not restricted to considering price alone but may consider any other factors stated in the selection criteria

An RFP:

- Is not required by law to be sealed, e.g. a District may begin negotiating with a proposer upon receipt of the proposal, rather than waiting until the opening time specified in a CSP solicitation, and
- May be used where a District's requirements are less narrowly defined

With the exception of Federally funded acquisitions, if two responsible bidders submit bids that are identical in nature and amount, and one of the bidders is a resident of the District, that bidder shall be selected. If neither of the bidders is a resident of the District, the Board of Trustees decides between the two by casting of lots.

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### *Section 20: Reverse Auction*

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In purchasing goods and services, the Purchasing Director may use reverse auction procedures under Government Code, Chapter 2155.062. Reverse auction means:

- a real-time bidding process usually lasting less than one hour and taking place at a previously scheduled time and Internet location, in which multiple vendors, anonymous to each other, submit bids to provide the designated goods or services; or
- a real-time bidding process usually lasting less than two weeks and taking place during a previously scheduled period and at a previously scheduled Internet location, in which multiple vendors, anonymous to each other, submit bids to provide the designated goods or services

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### *Section 21: Purchasing Cards*

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Allen ISD uses Purchasing cards (P-cards), through JP Morgan Chase, to complement the existing procurement processes. Use of the P-card requires the highest degree of accountability and care and is not intended to avoid or bypass appropriate purchasing or payment procedures.

P-cards are centrally distributed through the District's Program Administrator. When a new card is issued, the Program Administrator will release the P-card after the cardholder has completed the required training and signed the cardholder agreement. Additional end user agreement terms are available in the AISD Document Library.

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### *Section 22: Contract Management*

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Contract management involves all aspects of contracts from the review and approval process, the receiving of goods or services, vendor evaluation, vendor payment and contract close out.

If a change in plans or specifications is necessary after the performance of a contract is begun or if it is necessary to change the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the District may approve necessary change orders. The total contract price may not be increased because of the changes unless additional money for increased costs is approved for that purpose from available money. The District may grant general authority to an administrative official to approve the change orders.

A contract with an original contract price of \$1 million or more may not be increased under this section by more than 25 percent. If a change order for a contract with an original contract price of less than \$1 million increases the contract amount to \$1 million or more, the total of the subsequent change orders may not increase the revised contract amount by more than 25 percent of the original contract price.

The Purchasing Department monitors the expiration dates of all contracts. User departments will be notified by email at least four months prior to contract expiration to determine whether the goods or services need to be continued, and the contract needs to be re-bid, renewed or extended, if renewals or extensions are available. The user department will update the specifications or requirements with any additions, deletions or corrections, if applicable.

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### *Section 23: Contracting Basics*

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A contract is an agreement between two parties for goods or services for consideration. A contract can be as simple as a purchase order or may be a complicated multi- page document that requires extensive legal review.

If you are asked to review a contract, there are basic items to review:

- Legal Venue – The legal venue should always be in Collin County, Texas in order to place the District in the most advantageous position
- Governing Law – Texas should always be cited as the governing law for any contract that the District enters into

- Dispute Resolution – Any dispute resolution provisions should avoid requirements for arbitration. Requirements for mediation before litigation are generally more advantageous for the District
- Termination – Any long term contract should include a provision for cancellation based on a certain number of days of written notice. This will allow the District to be flexible in curriculum programming as well as other changing situations
- Fund Out Clause – It is recommended that contracts contain a clause that allows the District the opportunity to cancel the contract with no penalty in the event that budgetary allocations are not appropriated by the Allen ISD Board of Trustees or otherwise not made available to the District
- Deliveries – All shipments must be sent prepaid by seller, F.O.B. destination only

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### *Section 24: Contract Agreements*

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The Chief Financial Officer (CFO), the Director of Purchasing and applicable department administrators must review all contract agreements, including lease and maintenance agreements, before signing.

Only the Superintendent and CFO have signature authority to execute contracts of any nature; i.e. agreements, statement of work, etc. Therefore, principals and department administrators are not authorized to sign on behalf of the District.

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### *Section 25: Blanket or Open Purchase Orders*

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Blanket or Open purchase orders can be a useful tool when procuring products or services throughout the school year. A Blanket Purchase Order is generally issued to vendors when the end user knows exactly what will be purchased and/or how much will be spent with a specific vendor. This method is most common among retail vendors.

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### *Section 26: Purchase Order Procedure Deviations*

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If there are indications that a requisition is for a purchase that has already been made, Purchasing will code the requisition as an Unauthorized Purchase and submit a quarterly report to the Executive Director of Finance for review. Disciplinary action may be taken against the employee(s) involved where actions were not justifiable.

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### *Section 27: Receiving Orders*

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End users are responsible for prompt receiving, in Skyward, of materials, shipping charges, and services rendered. The end user should contact the Purchasing Department for assistance with duplicate shipments, damaged merchandise, or items received in error.

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### *Section 28: Technology Purchases*

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The Technology Department reviews and approves all purchase requests made by campuses and departments for software, hardware, and other data processing equipment. This procedure is to ensure compatibility and standardization of the District's systems. The end user must obtain Technology Department approval through the Help Desk located in the AISD Portal.

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### *Section 29: Purchasing Do's and Don'ts*

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Coordination among many District campuses and departments is necessary for the process to work smoothly. To avoid delays and comply with District policy, procedures, and state law, user departments should remember the following:

- Do ensure that purchasing policies and procedures are understood before ordering
- Do adhere to the District Purchasing Code of Ethics and avoid activities and behaviors that are unethical or create a conflict of interest or the perception of a conflict of interest.
- Do ensure funding is available before submitting a requisition
- Do plan purchases to minimize the use of emergency and expedited purchases and to allow sufficient time to process purchase requests
- Do not commit the purchase of any goods or services without an authorized purchase order
- Do not purchase any goods or services for your own personal benefit
- Do not release funds until goods or services are physically received
- Do not authorize product demonstrations, trials, etc. without knowledge and coordination by the Purchasing Department
- Do not obligate the District for the purchase of goods that are delivered for use on a trial basis
- Do not use purchasing strategies to avoid the requirements of District Policy, Procedures, or which may violate the law. Strategies that are prohibited by law include:
  - Purchasing a series of component parts that would normally be purchased as a whole (component purchases)
  - Purchasing items in a series of separate purchases that normally would be purchased as a single purchase (separate purchases); and
  - Purchasing items over a period of time, that normally would be done as one purchase (sequential purchases)

A District employee who intentionally or knowingly makes or authorizes component, separate, or sequential purchases to avoid the competitive bidding requirements of Texas Education Code, Section 44.031, is committing a Class B misdemeanor according to Texas Education Code, Section 44.032.

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### *Section 30: Distribution Center*

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The Distribution Center is responsible for receiving and distributing warehouse materials, textbooks, and mail. The center is also the source for archive record transfer and storage, auctions, and District material and equipment moves.

The Distribution Center stocks inventory items to be used by all District campuses and departments. These inventory items have already been purchased by the District based upon anticipated needs. End users may obtain materials directly from this stock through the supply requisition process. The Distribution Center Manager conducts random inventory audits throughout the year and an annual end-of-year audit to make necessary adjustments.

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### *Section 31: Disposal of Surplus Items*

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All departments shall review their assets periodically and determine which items are no longer needed. A list of surplus, obsolete or unused supplies, materials or equipment, including description, make, model, and serial numbers should be forwarded to the Purchasing Department and Distribution Center Manager. The Purchasing Department may transfer these items from one campus or department to another, should the need arise.

The Purchasing Director and Distribution Center Manager may sell, via online auction or sealed bid, any surplus, obsolete or unused supplies, materials or equipment. Monies received from sale of surplus items will be returned to the appropriate Allen ISD account.

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### *Section 32: Assets Management*

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Allen ISD Policy CFB(LEGAL) requires the District maintain an accurate inventory of its assets in an effort to safeguard and receive the maximum benefit from those assets; to comply with state and Federal government requirements regarding use and disposition; and to properly account for its assets for financial reporting purposes.

Assets include property and equipment owned by Allen ISD that has an acquisition value of \$500 or more and a useful life of longer than one year. Items deemed as “attractive items”, but may be valued under \$500, are also considered assets. Attractive items are those which are more susceptible to theft and are usually of an electronic or high-tech nature.

Accountability and meeting governmental guidelines is key to a successful asset tracking system. Therefore, a variety of data relating to the school District’s assets must be collected to maintain control and accountability of each item. As such, all assets are to be entered into the asset management database and tracked throughout their life cycle.

The District will complete an annual wall-to-wall audit at each facility. Discrepancies in the audit process will be reported to the campus/department administrator and the Coordinator of Assets, Records, and Textbooks to be investigated so proper adjustment is made in the asset inventory.

All transfers, disposals, and retirements must be approved by the site administrator and Coordinator of Assets, Records, and Textbooks to ensure accurate tracking and guard against improper disposal of equipment that could be used in other areas of the District. Upon approval for disposition, the asset may be sold at auction or completely disposed of, whichever is determined to be in the best interest of the District. Assets disposed of or sold at auction will be recorded and removed from the asset inventory. Disposal of grant-funded “capital assets” (cost greater than \$5,000) require additional approval from the Accounting Department.

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### *Section 33: Records Management*

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All documents, papers, letters, books, maps, photographs, sound or video recordings, microfilm, magnetic tape, electronic media, or other recording media, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the Allen ISD or any of its officers or employees pursuant to law or in the transaction of public business are considered to be the records of the Allen ISD and shall be created, maintained and disposed of in accordance with the provisions of the District’s plan.

The AISD Distribution Center shall serve as the District’s records retention center. Records may also be stored with a record retention vendor as appropriate. Records for the current fiscal year as well as the preceding two fiscal years should be kept at the local campus/department as long as storage space is available. Prior fiscal year’s records should be sent to the Distribution Center for storage until they reach their destruction date unless extenuating circumstances warrant keeping the records at the campus or department. Before records are sent to the warehouse for storage they should be separated and boxed by destruction date.

All campus and department records should be processed annually for continued storage at the local campus/department or for transfer to the Distribution Center. Only records which have an applied retention schedule should be sent for storage. All other documents should be removed and stored locally or purged. Care should be taken to eliminate retention of duplicate and triplicate copies of items. All Special Education student record storage is facilitated by the Special Education Department.

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### *Section 34: Textbook Management*

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The Coordinator of Assets, Records, and Textbooks will work collaboratively with the Learner Services Department to facilitate the ordering, receiving, and tracking of District textbooks. In addition, the Coordinator will work with the Distribution Center Manager for prompt delivery of textbooks to District campuses.

The Coordinator will conduct an annual physical inventory of all current adoption textbooks and learning systems, retrieve out-of-adoption textbooks from the campuses and recycle accordingly, and maintain the computerized textbook inventory system for the District.