

**Goals of MVISD Purchasing Procedures:**

1. Obtaining the best product at the lowest cost to the taxpayer while complying with all federal, state and local laws as well as District policies and guidelines.
2. Achieving a reliable and timely delivery for the requesting school or department.
3. Promoting competition among bidders.
4. Insuring an equal opportunity for all vendors to secure District business.
5. Educating and informing all vendors about District rules, regulations, and methodology that form the basis for bid awards.
6. Follow all the guidelines in applicable laws, school board policies, and the Uniform Commercial Code and sound business practices.
7. Develop a process that ensures the campuses and departments get what they need to accomplish their goals.
8. Ethics relating to conflicts of interest, financial interests in firms conducting business with the district, kickbacks, gratuities and improper use of a position or confidential information are clearly communicated throughout the District.
9. Like all service functions, the Business Office exists to provide quality service for the District's schools and departments. The process cannot be both effective and self-serving; the two are incompatible.

**Ethics of Purchasing**

There are certain common standards of ethics that govern the conduct of employees involved in the purchasing function. The fundamental standards for the Mt. Vernon ISD purchasing processes are as follows:

1. It is a breach of ethics to attempt to realize personal gain through employment with a public school district by any conduct inconsistent with the proper discharge of the employee's duties.
2. It is a breach of ethics to attempt to influence any public employee of a district to breach the standards of ethical conduct set forth in this code.
3. It is a breach of ethics for any employee of a district to participate directly or indirectly in a procurement when the employee knows:
  - a. The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement.
  - b. A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
  - c. Any other person, business, or organization with whom the employee or any member of the employee's immediate family is negotiating or

has an arrangement concerning prospective employment is involved in the procurement.

- d. That a gift or favor that might influence, or be construed to influence, the purchase of goods and services is possible in the transaction.

### **School District Personal Property Purchases Up to \$50,000 in the Aggregate**

Personal property is defined as including, but not limited to, any item or thing that can be moved from one location to another or is consumable and does not include real property such as land, buildings, and repair or renovations to buildings.

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 commodity or service needed, the following procedures apply.

Schools and departments will be allowed to purchase using the Best Value criteria for the individual transaction, with the following guidelines:

- Purchases up to \$500 may be made in the most expeditious manner possible in order to meet the needs of the schools and departments. Although encouraged to utilize vendors within the system, new vendors may be entered as needed.
- For purchases \$501 to \$3,000, schools and departments must include a written quotation with the requisition. All should seek assistance from the Business Office to obtain lists of interested vendors.
- Purchases \$3,001 to \$49,999, three written quotes are required. The requisition will not be processed until written documentation of the quotes is provided. The Business Office maintains lists of vendors who have expressed interest in doing business with the District. All are recommended to seek assistance from the Business Office in obtaining information on potential vendors. Purchases above \$25,000 require Board approval.
- For any purchases over \$50,000, the Business Office should be contacted so that a formal competitive procedure can be followed in the procurement process. The Business Office will assist the campus or department in following the statute requirements for competitive procurements and in preparing the contract recommendations for Board consideration. The Business Office maintains lists of potential vendors for this purpose. The Business Office can assist the campus or department by identifying any potential problems or pitfalls that might occur with the procurement.
- Failure to follow these guidelines could result in a delay in processing your request. For assistance in this process, or obtaining quotes, please contact the Business Office.

### **Exceptions to Competitive Procurement Requirements**

***Produce and Fuel***

There is an exception for produce and fuel that allows the District to use any method listed above or those in School Code, 44.034 for these purchases.

***Cooperative Purchase Programs***

All items and services available through a Board approved cooperative have satisfied all procurement regulations for competitive procurement. These items or services do not require further bidding before being procured.

***Professional Services***

An additional exception applies to professional services as defined under Government Code, Section 2254.003. These services include, but are not limited to, professionals such as attorneys, architects, fiscal agents, or licensed medical professionals. Contracts for professional services are not procured through competitive bids. Rather such services are chosen through a process of selection involving the review of professional qualifications.

***Sole Source Exception***

As allowed under School Code, 44.031, the District is allowed to purchase items available from a single source without complying with the competitive procurement provisions.

Sole source items are defined as follows:

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, water (if available through a single source) or;
4. A captive replacement part of component for equipment.

Vendors claiming sole source status will be asked to provide written and signed documentation stating the reason. Departments or schools may be requested to document the reason why the particular product is required.

***Bidding Process***

If it is determined that the personal property or service needed will require either a Request for Bids or Request for Proposal process on the open market, the Business Office will prepare the bid documents. The requesting department will be responsible for providing specifications of the products or services needed. Upon conclusion of the bidding process, the Business Office will open, tabulate, and

provide the school or department with written documentation of the results. The school or department will be asked to evaluate and score the results, and provide a written recommendation for award.

The Business Office will review and prepare an Agenda Item for Board approval and submit it for consideration. If approved and awarded by the Board, the Business Office will notify the using school or department as well as all vendors involved in the process.

Notices of the time and place when the bids or proposals or other responses to a request for qualification may be examined must be published once a week for at least two weeks before the deadline for receipt. This notice must include the notice as to where the bids shall be opened as well as the date and time due. Such notice must be published in the county where the District's administrative office is located. Bids or Proposals will be opened in a public meeting by the Business Office. All such openings are open to the general public or any interested party.

Mt. Vernon ISD staff may only use funds appropriated by the Board in the approved budgets. Therefore the staff does not have the authority to commit funds in future budgets. While contracts may be issued for any time period as agreed to by the District and the vendor, if the contract extends beyond the end of the current fiscal year, it must contain a cancellation clause as defined by Local Government Code, Chapter 271.903. This clause permits the district to cancel, without penalty, any contract for which the Board does not allocate funding in the sequential year's budget.

If a competitive procurement process is utilized such as a Request for Bid (RFB) or Request for Proposal (RFP) the contract time period must be clearly defined.

### **Best Value**

In evaluating procurement decisions the District will always apply best business practices. In doing so, the District will always consider the Best Value criteria as listed below. When seeking a competitively procured contract, the District will state the Best Value criteria listed below as well as any additional criteria to be considered within the bid or proposal document.

Best Value criteria to be considered shall include:

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 and 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

7. Historically underutilized businesses;
8. The total long-term cost to the District to acquire the vendor's goods or services,
9. Any other relevant factor specifically listed in the request for bids or proposals.

Schools or departments will be asked to provide evaluation on all criteria included in the bid documents. All such evaluations will be maintained in the Business Office files and may be presented to the Board with the contract award recommendation.

### **Cooperative Purchasing Contracts**

To conserve and coordinate the use of public funds, a school district may enter into agreements for the cooperative purchase of goods and services between itself and other local governments or agencies (interlocal agreement).

Such contracts, if competitively bid by the cooperative administration, satisfy the requirement for competitive procurements listed under Education Code, Chapter 44.031.

Participation is allowed through the execution of an Interlocal Agreement between the Mt. Vernon ISD Board of Trustees and the administration of the Cooperative. Currently, Mt. Vernon ISD is an active member in a number of Purchasing Cooperatives. These include, but are not limited to:

1. Region VIII The Interlocal Purchasing System (TIPS)
2. The Cooperative Purchasing Network (TCPN)
3. The Texas Association of School Boards Buyboard Cooperative (BUYBOARD)
4. The Harris County Department of Education (HCDE)

Purchases under these contracts can expedite the procurement process for District departments and schools.

### **Independent Contractors**

From time to time, District departments or schools will contract with individuals or companies for certain services or programs. The term "independent contractor" is used in these instances to denote Non-District personnel performing such services or programs on District property or on behalf of the District. Depending on the value of the services or program to be provided the award of such contract may be subject to competitive procurement procedures. As soon as the requirement for the desired services or program is identified, the school or department should contact the Business Office to determine the proper procurement procedure.

All independent contractors will be required to sign an Independent Contractor's Contract and either provide proof of insurance at the levels recommended by the District or a Bodily Injury and Property Damage Waiver. Additionally Independent

Contractors are required by statute to provide a Criminal History Certification by Independent Contractor/Subcontractor affidavit certifying that the statute requirements have been met and will be monitored by the Contractor.

In an emergency, these requirements may be waived so that an available independent contractor may provide services to the District, under a supervised setting, in order to restore safety or security or stop the loss of resources.

### **Impermissible Practices**

School Code 44.031 prohibits the separate sequential or component purchases to avoid the purchasing limit requirements as set forth in this document. Violations of this or other provisions of the procurement statutes can result in criminal charges, removal from office, and/or termination of employment.

### **Personal Purchases**

District employees shall not be permitted to purchase supplies or equipment for personal use with District funds. All items purchased are the property of Mt. Vernon ISD. Personalized items and items not used in the performance of Mt. Vernon ISD duties or responsibilities cannot be purchased with District funds.

### **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.

The Texas Conflict of Interest statutes apply to the District's officers and elected officials. There are specific rules regarding what constitutes a conflict of interest in regards to a business transaction or real property transaction. For more information, please review the information provided on the Texas Ethics Commission website, [www.ethics.state.tx.us](http://www.ethics.state.tx.us).

For expenditures from federal funds, District employees should be aware that the rules regarding conflict of interest are more stringent than the State requirements.

For federal fund expenditures the rules state that neither an employee administering, directing or authorizing the expenditure of federal funds, nor members of the employee's immediate family, can have a financial interest in a vendor involved in the procurement transaction involving these funds.

### **Tax Exempt Status**

The District is a political subdivision of the State of Texas and as such is exempt from state sales tax under Chapter 20, Title 122A, Revised Statutes of Texas.

Items or services purchased for which tax exemption status is claimed must be used within the performance of the District's business. Within District business, organizations may have only two (2) tax exempt fundraisers. After that, sales tax must be paid to vendors.

It is a criminal offense to utilize this tax exempt status for any other purpose.

### **Vendor Acquisition**

Vendor Application Forms may be found on our website under Forms. The Business Office will accept this form from prospective bidders year-round and add the vendor to the procurement categories identified on the form.

### **Solicitation of Bids or Proposals**

When the District identifies a commodity or service that meets the bid requirements, a Request for Proposal (RFP) document will be mailed or emailed to all vendors on the District's bidder list for that specific commodity.

The bid document serves as a notification or announcement of a competitive opportunity. The RFP will reference the name, date, and time for the sealed bid/proposal opening. The RFP can also be accessed via the Business Office website..

All RFP's issued will be sent out in sufficient time to permit full and free competition. Specifications, restrictions, and conditions that have the effect of limiting bidding will be avoided.

Bid or Proposal documents contain:

- The item or service to be purchased with specifications
- The quantity to be purchased
- Any installation maintenance, or repair services to be provided with the item/commodity
- Date, time, and place of bid opening
- Identification of contract type as non-exclusive or exclusive
- The right of the Board of Trustees to reject any and/or all bids and to accept the bid(s) which appears to be in the best interest of the District
- Any other terms and conditions as stated in the bid or proposal

### **Advertising of Bids**

As required by state law, Mt. Vernon ISD publishes notification of when and where bids will be opened in a county or local newspaper once a week for at least two weeks prior to the time set for receiving bids, proposals, or responses. The Business Office posts the RFP on the District's website as well. Any addenda to the current RFPs or bid requests will be posted on the website as well.

The advertisement includes the following information:

- Type of commodity, equipment, or service requested
- Contact phone number and address for information on bid notice
- Date, time, and place of opening

### **Submission of Bids/Proposals**

Bids and proposals should be submitted in accordance with the RFP. All bids and proposals must be submitted to the Business Office at 501 Hwy. 37 South, Mt. Vernon, Texas 75457. Electronic or faxed bids will be accepted as well.

Please carefully read the "Notice to Bidders" page as it will identify the following information:

- Date, time, and place the bids are due
- Forms within the FRP that must be completed and returned
- Supplemental information that is required,

All bids and proposals not clearly labeled will be returned to the vendor.

### **Bid/Proposal Opening Procedures**

All bid/proposal openings are open to the public at the date and time specified in each document. The opening will be conducted by the Business Manager or designated Business Office employee. Bidders and other interested persons are invited to be present at the openings. Any bid/proposal may be withdrawn prior to the scheduled time for opening. A bid/proposal that has been opened may not be changed for the purpose of correcting an error in the bid/proposal prices. Bids/proposals received after the specified date and time will not be considered and will be returned to the vendor unopened.

#### *Local Government Code 271.026*

The Board shall have the right to reject any and/or all bids.

#### *Local Government Code 271.027(a)*

Sealed bids/proposals will be tabulated for comparison purposes. The public may record any information read aloud at the public opening. After bids/proposals are read and tabulated, the bids/proposals will then progress to an evaluation stage until an award is made by the Board of Trustees.

In awarding a contract, the District may consider:

1. Purchase price;
2. The reputation of the vendor and of the vendor's goods and 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 relating to historically underutilized businesses;
7. The total long-term cost to the district to acquire the goods and services; or
8. Any other relevant factor specifically listed in the request for bids or proposals.

*Education Code 44.031(b)*

### **Processing Vendor Payments**

Payment for purchased goods or services is initiated only after goods have been received or service is rendered.

For vendors that qualify for a 1099-MISC form according to the Internal Revenue Service regulations, a current W-9 Form must be on file. The Business Office will not remit payment for purchased goods or services until this form is on file.

Invoices should be submitted to the Business Office, Attention Accounts Payable, where they are matched with a copy of the purchase order: therefore, it is essential for the purchase order number to appear on the invoice for verification of delivery and approval for payment. Invoices are checked to ensure that all unit costs and delivery charges are per the bid response. Any deviations from pricing, discounts, and freight charges disclosed in the bid/RFP could result in payment delay or termination of the contract. After this has been done, a check is issued to the vendor.

### **Vendor Relations**

Mt. Vernon ISD does not discriminate on the basis of sex, race, disability, color or national origin in its business practices.

Vendors and their representatives are strictly prohibited from contacting, either in person or by telephone, instructional or support personnel during instructional periods, without the prior approval of the principal or department director.

All vendors calling on school buildings are required to follow the proper check-in procedures for each location. This includes the presentation of a picture identification card. Vendors cleared for entry into the school will receive a visitor's badge that must be worn while on the premises.

Vendors may make appointments with the Business Office to discuss opportunities with Mt. Vernon ISD.

Vendors are prohibited from offering gifts or favors that could influence, or that could be perceived to influence, purchases utilizing District funds. Any such offers should be refused by the employee and immediately reported to their principal or department director. The principal or department director should then report such activity directly to the Business Office.

Such gifts could include meals, trips, tickets for entertainment, or electronics. Employees should note that acceptance of such gifts can be a violation of state statutes, and a basis for criminal prosecution.

It is permissible to accept small incidental advertising items with a value of less than \$10 retail. These items must be clearly identified as marketing items with the company's name or logo clearly displayed. Such items may be accepted by staff or distributed to campus staff, as desired. These items include, but are not restricted to, coffee mugs, calendars, notepads, pens, and pencils. Care should be taken that the display of such items is not done in such a manner that would give the perception of vendor preference.