



Sherman ISD Purchasing Manual

This document is intended to outline the general provisions of purchasing within SISD.

Statement of Nondiscrimination

In its efforts to promote nondiscrimination, Sherman ISD does not discriminate on the basis of race, religion, color, nation origin, gender, sex, or disability in providing education services, activities, and programs, including vocational programs, in accordance with Title VI of the Civil Rights Act of 1964, as amended' Title IX of the Educational Amendments of 1972; and section 504 of the Rehabilitation Act of 1973, as amended.

Notificación de No Discriminación Continua

En un esfuerzo para promover que no haya discriminación, Sherman ISD no discrimina en base de raza, religión, color, origen nacional, género, impedimento en servicios proporcionados como servicios de enseñanza, actividades y programas, incluyendo programas vocacionales, de acuerdo con el Título VI de la Ley de los Derechos Civiles de 1964, según enmienda; Título IX de las Enmiendas en la Educación de 1972; y la Sección 504 de la Ley de Rehabilitación de 1973, según enmienda.

Sherman Independent School District
Purchasing Manual

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The Purchasing Manual Rationale

As indicated in the:
TEXAS EDUCATION AGENCY
FINANCIAL ACCOUNTABILITY SYSTEM
RESOURCE GUIDE

“Every school district, large and small, should have a written manual describing its purchasing policies and procedures. It should be designed to assist campus level and department level personnel in the purchasing of supplies and services. Rules and guidelines for those purchases consistent with relevant statutes, regulations and board policies are a vital part of the manual.

Overall, a good purchasing manual establishes rules for making school district purchases. It provides guidance to school district employees at the campus and departmental levels in requisitioning purchases and often is used to acquaint vendors and suppliers with the school district’s policies and procedures. Internally, the manual helps in training school district personnel in purchasing procedures. Finally, it promotes *consistency* in purchasing applications throughout the school district. Such a manual can either stand alone or be made a part of a financial and accounting manual.”

The procedures described here enable our office to perform this task efficiently by assigning specific tasks to each member of the team. The procedures that are followed by the Purchasing Office are based in either state law, in local board policy or as a best business practice for the acquisition of goods and services. This manual is intended to assist staff members to become more knowledgeable of these laws, policies and procedures set forth by the purchasing office and administration.

These procedures are written in a manner that promotes fiscal responsibility to the taxpayers of the Sherman Independent School District with the best interest of the district in mind. As time goes on, processes and procedures may change. As such it is the responsibility of district personnel to review procedures and processes to ensure practice is compliant with board policy.

State Law and Texas Attorney General Opinions Establish the minimum requirements for a school districts, and a districts governing board has the broad discretion to establish stricter local policies. This manual does not consist of all applicable rules, policies and procedures the district must follow for every circumstance but rather attempts to define the parameters for everyday purchasing operations through best practices.

THE FIRST RULE OF PURCHASING FOR ALL SHERMAN ISD STAFF:

NEVER PLACE AN ORDER FOR ANYTHING WITHOUT RECEIVING A PROPERLY DRAWN, AUTHORIZED AND APPROVED PURCHASE ORDER ISSUED FROM THE BUSINESS OFFICE FIRST.

Ordering **without** a Purchase Order **is a violation** of district purchasing procedure. Violating this procedure may result in severe, sometimes criminal consequences. With a properly drawn and approved Purchase Order this can be avoided. A purchasing request is not a purchase order until it is approved through the business office and a Purchase Order number is created.

BOARD POLICY STATES: Persons making unauthorized purchases shall assume full responsibility for all such debts.

SISD EMPLOYEE HANDBOOK STATES: All requests for purchases must be submitted via TEAMS to the Purchasing department. No purchases, charges, or commitments to buy goods or services for the district can be made without a PO number. The district **will not** reimburse employees or assume responsibility for purchases made without authorization. Employees are not permitted to purchase supplies or equipment for personal use through the district's business office.

THE PURCHASING GOAL AND PLEDGE:

The collective efforts of the Sherman Independent School District, its educators, administrators and support staff, retain, as its primary goal, to provide the highest quality of education available within the approved budget. Realizing that the dollars expended represent the minimum investment in the District's end product, the education of our children, we pledge, as your Purchasing Department, to utilize the best methods and most efficient practices in procuring the supplies necessary to support the educators and staff of this District in providing the highest quality of education to our children.

It is the goal of the Sherman Independent School District's Purchasing Department to procure the goods and services necessary to enhance the educational process in accordance with all policies and procedures established by the Sherman Independent School District, the Texas State Department of Education, and the State of Texas. It is the responsibility of the Purchasing Department to establish and administer district-wide processes and contracts for goods and services; review purchase requests for compliance with state and federal laws, board policy, and administrative regulations; issue purchase orders for supplies, equipment and services requested by campuses and departments; act as a supplier liaison; and provide guidance and training related to purchasing issues.

All district personnel with purchasing authority, for all but construction purchasing, should be familiar with the legal requirements for purchasing prescribed in the [Texas Education Code Chapter 44.031](#) and District Board Policy (CH Local). All SISD purchases and acquisitions must meet these legal requirements.

Construction procurement is now controlled by the [Texas Government Code Chapter 2269](#) and [District Board Policy](#).

OUR GOAL IS TO ASSIST YOU IN ACQUIRING WHAT YOU NEED AND WHEN YOU NEED IT. This goal will be performed in a manner that is efficient and sensitive to the needs of your staff and students however, all legal and district policies must be adhered to at all times. The purchasing office strives to be knowledgeable in the needs of the district and provide for those needs. Campuses, departments and staff are independently responsible for communicating these needs to purchasing in a manner that is conducive to the processes established, best practices in time management and fairness to the taxpayers and vendors of SISD.

If at any time there are concerns or questions; Please reach out to the purchasing office immediately.

(903) 891-6400
Ext: 2012/2094

Business & Finance Department

- **Welcome to the Sherman Independent School District Finance Office**

The Sherman Independent School District's Business Office is responsible for financial accounting for all school district funds, maintenance of federal programs and grants, accounts payable, accounts receivable, payroll, and the investment of all district funds. The Business Office is also responsible for the acquisition of Goods and Services, Construction, and Professional Services for the District's schools and departments consistent with state and federal law, school board policies, and sound business practices.

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General Overview

This manual should serve as a guideline to answer the questions of who, what, when, why, and how SISD procures goods and services. Details outlining the policies and procedures of purchasing are well documented within this manual. It is the responsibility of SISD staff to read and adhere to all procedures. Updates to the manual will be done on the SISD purchasing website. Contact the Purchasing Department for clarification regarding specific procedures or unique purchases that may fall outside of the guidelines of this manual.

The Role of the Purchasing Office

The role of purchasing is to help oversee the procurement process and, to a certain extent, the expenditure of its end users (campuses and departments). This requires the daily management of bid processes, reviewing purchases as they are made for compliance, studying trends on where funds are being spent to determine where more cost-effective contracts can save money and training individuals who have the authority to spend budgeted funds to do it correctly and effectively. Purchasing can also act as a vendor liaison when an end user has an issue with a vendor's performance, lack of delivery, etc. To remove purchasing from the process might create inappropriate, ineffective and potentially costly illegal purchases.

The Purchasing Process

1. A product or service is identified by the district as a need
2. District wide spending is evaluated
3. A competitive procurement process is performed by the purchasing office
4. A requisition is created by the campus in need of products and services with an approved vendor
5. The order is reviewed by purchasing for approval, once approved, the requisition is turned into a purchase order (PO) and sent to the campus/dept. secretary
6. The purchase order is sent to the vendor by the campus/dept. secretary
7. The order is received by the warehouse staff and verified to be correct
8. Packing slips are signed and sent by the warehouse department to accounts payable. The warehouse department loads the packing slip into the district's financial software within the PO.
9. Payment is sent to the vendor for products and services received

The district shall not pay vendors for products and services not already received by the district and without a properly drawn purchase order.

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Purchasing Overview

The Purchase Order is used to purchase supplies, equipment or services from an external vendor. All purchase orders must be originated prior to obligating the District for an expense. The District's Financial Software (TEAMS) requisition module allows users to enter purchase requests electronically, verify account balances, select pre-approved vendors, etc. at the point of data entry. If adequate funds do not exist in the appropriate account, the originator must submit a budget change request. SISD utilizes the purchase order document as **the official contract for purchasing**. It is a requisition when submitted by the originator. Once approved by the required levels of authority, it is electronically forwarded to the Purchasing Department where it's reviewed and approved by staff. Once approved and released by the purchasing staff, a batch process is run throughout the day to create requisitions into purchase orders where a purchase order number is assigned. **No employee shall order or receive goods without an approved purchase order.** A system requisition cannot be used to place an order. It is the responsibility of the originator to submit the purchase order to the vendor. Failure to originate a purchase order is against District purchasing guidelines and the staff member can be held personally liable for the purchase.

Purchasing Laws

The District's objective is to purchase the best value of products, materials, and services at the lowest practical prices within relevant statutes, policies, and procedures. School district staff is not authorized to override the procedures found in this section which have been written to comply with the State laws and regulations, as well as preserve a level of internal accounting control necessary to demonstrate accountability, ethical conduct, and responsible behavior. Texas Education Code, Chapter 44, Subchapter B, Section 44.031 (a) requires that all District contracts for the purchase of goods and services, 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 that provides the best value for the District. This means that any good/service that the District will purchase during a fiscal year totaling \$50,000 or more must be bid or purchased through a cooperative purchasing group. The legally approved methods for purchasing are as follows:

1. Competitive bidding: for services other than construction
2. Competitive sealed proposals: for services other than construction services
3. Request for proposals (for services other than construction services);
4. Inter-local contracts
5. A method provided by Chapter 2269, Govt. Code, for construction services
6. Reverse auction procedure as defined by Section 2155.062(d), Govt. Code
7. The formation of a political subdivision corporation under Section 304.001 Local Govt. Code

The appropriate procedures and bidding requirements vary depending on the total aggregate amount that the ENTIRE DISTRICT will spend on a particular item or commodity within any 12 month period. The monetary threshold used to set the procedures to be used is based on a 12 month period. This period does not necessarily correspond to the district's fiscal year. The SISD Purchasing Department is responsible for monitoring the compliance of purchases to the bid laws and the district's purchasing procedures.

Types of Purchases

Purchasing Basics

Always have a purchase order completed before placing an order. Our district does not allow confirming (non-compliant or confirming) purchase orders because this practice will bypass any accounting controls in place. The purchase order process ensures that properly approved funds are available, that all appropriate staff has approved the purchase and that is legal in all respects. Exceptions may be granted only in a true emergency when a student or staff health and safety must be addressed to prevent harm.

Non-Compliant Purchases

Ordering without a Purchase Order is a violation of district policy (CH Local). Violating policy may result in severe, sometimes, criminal consequences. With a properly drawn Purchase Order this can be avoided. When a campus or department places an order prior to the issuance of a purchase order, it is called a “Non-Compliant” purchase and is considered a purchase procedure violation. All “Non-Compliant” purchase regardless of the dollar amount, present problems. In many cases, these transactions create unnecessary administrative effort, bypass State of Texas Encumbrance requirements and violate procurement rules and procedures. These types of purchases are also referred to as confirming and after-the-fact purchase orders.

A “Non-Compliant” purchase is any one of the following:

- Purchase order that is issued after an item has been received/picked up
- Purchase order that is issued after a service began or has been completed
- Preview item that is delivered without a purchase order and is then purchased
- Calling in the order to the vendor prior to receiving a copy of the purchase order
- Sending a purchase requisition to the vendor in advance of the purchase order

Traditional Purchase Orders

This type of purchase requisition in TEAMS can be called a “regular requisition” which gives staff members a method to purchase goods and services. A traditional requisition is a one-time purchasing document that specifies the goods or services ordered with the quantity, pricing and budget code. Funds are encumbered to the specified budget accounts when the requisition is submitted. The purchase requisition is routed through the various levels of authorities for approval before being presented to the Purchasing Department. The Purchasing Department verifies for compliance with bid laws and once approved the requisition is ready to be created into a Purchase Order. If a vendor does not accept purchase orders, typically they cannot be used by the district.

Food Purchases

When ordering catered food, a completed quote sheet should include all applicable costs for food and service. A TEAMS' requisition should list all the items on the quote sheet and the sheet should be attached to the requisition.

Some instances may allow for increases on existing purchase orders, however increases will not be approved until all invoices reflecting the expenditure of the current balance are uploaded into TEAMS for review. In any case all receipts and invoices should be uploaded into TEAMS for all items purchased with the PO.

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Warehouse Orders

SISD maintains a warehouse that keeps commonly used items in stock. The warehouse provides users access to goods without having to place orders to an outside vendor. Warehouse orders are routed through the same levels of authorities as other purchase requisition. Purchasing will assist campuses in the use of the district's financial software to identify and request products located within the warehouse.

Employee Reimbursements

Employees are reimbursed in TEAMS through the Employee Reimbursement module. Allowable employee reimbursements include certification fees, refunds, registration fees, tuition, travel (In- State and Out-of-State) and Principal – Direct Reimbursement. Employee reimbursements are not managed through the purchasing office. Employees should reference the Business Office for questions regarding reimbursements.

Check Requests

This type of payment request is used to pay vendors for entry fees, admission to camps for students, registration fees, prepayment for hotel cost, parent refunds, membership dues and various other payments to miscellaneous operating costs. Check requests are not managed through the purchasing office. Employees should reference the Business Office for questions regarding check requests.

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Explanation of Purchasing

The Why of Purchasing

Purchasing in the public sector environment presents numerous challenges including but not limited to:

1. The requirement to comply with numerous statutes, policies, legal interpretations, and procedures. The complexity of these requirements demands not only knowledge of purchasing laws and standards but compliance in implementing a purchasing system that also meets user needs.
2. School districts are complex organization with diverse functions. Although instruction is the heart of the organization, numerous other services, ranging from custodial services to foods service to tax collection support the overall education mission. These district organizational units need a procurement process that is responsive to their needs.
3. The strong competition among vendors for school district business may create pressure on school district personnel for product selection, bid or proposal awards, and dispute resolution. SISD seeks to foster both good vendor relations and strong competition but balance them with objective purchasing decisions.
4. School District purchasing is scrutinized by diverse groups including those from the public, the media, state and federal agencies, and auditors. Strict adherence to established guidelines and consistency in record keeping, documentation, and execution of procedures assists SISD in withstanding this scrutiny.
5. The “gray” areas relating to purchasing methods and procedures create complex and diverse needs and as well as challenges for districts to determine the appropriate purchasing methods. Ever-changing legislative, executive, and judicial decisions at both the state and federal level further complicate the procurement process.
6. The complexity of these requirements demands knowledge of purchasing laws and also compliance in implementing a purchasing system that meets user needs.
7. Legal and Policy Requirements for Texas School Districts (SISD) – What must be followed? Statues containing requirements for the procurement process for school districts may be found in, but not limited to, the following:
 - Education Code
 - Local Government Code
 - Government Code
 - Texas Attorney General Opinions
 - Local Board Policy
 - Business and Commerce Code
 - Agriculture Code
 - Health and Safety Code
 - Occupations Code
 - Code of Federal Regulation

Purchasing Hints and Reminders

All purchases must be made through an approved vendor when using local budgets, federal funds, and 461 funds.

What are the different types of funds?

Typically, departments and campuses will utilize four main types of funds. 199 General Funds, 461 Campus Activity Funds, 865 Student Activity Fund, and 200-385 Federal Funds. Many more funds exist yet these funds are typically used for much of the purchases done in a school district. Each type of fund has its own set of rules, laws, policies and procedures. These procedures are in place to ensure funds are spent in a manner consistent with state and federal laws, the universal design and the vision, mission and goal of the district.

199 General Fund

This fund usually includes transactions as a result of revenues from local maintenance taxes or state and county tax revenues. These funds are traditionally spent as educationally relevant expenditures for the general operation of the school (or district), contain a public purpose in the realm of education, or directly and indirect benefit students such as field trips or classroom and office supplies.

461 Campus Activity Fund

Campus Activity funds are funds generated locally at the school or donated to the school and includes school office and departmental accounts. Campus activity funds are considered by TEA to be district general funds. The expenditure of these funds must comply with state and board policy and with district regulations. Activity fund purchases should comply with the district's purchasing procedures and relevant statutes. Purchases which exceed \$50,000 must comply with the Texas Education Code, Section 44.031. [CFD\(LOCAL\)](#) states "The Superintendent shall establish regulations governing the expenditure of District and campus activity funds generated from vending machines, rentals, gate receipts, concessions, and other local sources of revenue over which the District has direct control. Funds generated from such sources shall be expended for the benefit of the District or its students and shall be related to the District's educational purpose." These funds are used to benefit the campus as a whole; decision to spend money from these accounts rests with the campus principal. These funds include school office and departmental accounts that are typically generated through grants, donations, or fundraising. Not generated through taxation. These funds fall under purchasing guidelines because they are considered to be revenue.

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865 Student Activity

Student activity funds are funds generated by specific student groups, not by the district or campus. The students make decisions about the expenditures of student activity funds. These funds are used if the decision to spend money from these accounts rests with the students (elected club or class officers). [CFD \(LOCAL\)](#) states “Funds collected by student groups shall be used only for purposes authorized by the organization or upon approval of the sponsor. The principal or designee shall approve all disbursements and shall be authorized to sign contracts for performers and related activities paid from student activity funds. Contracts shall not exceed one year in length. All funds raised by student organizations must be expended for the benefit of the students.” 865 funds are held in a custodial capacity by the District. The District does not own these funds; it only acts as the fiscal agent. These funds are exempt from purchasing guidelines but should be spent in an appropriate fashion.

Federal Funds

Federal Funds must be expended in accordance to the fund program guidelines. Reference should be made to the [State and Federal Grants Manual](#). SISD requires all purchases must include three quotes for federally funded purchases.

What is an Approved Vendor?

An approved vendor is a vendor who:

- Has been awarded by SISD through its own bidding process
- Has been reviewed and approved by purchasing for use through a purchasing cooperative or Interlocal agreement
- Accepts purchase orders
- Has completed and submitted all forms or documents required by the district for approval and the purpose of doing business with the district. These documents may include but are not limited to:
 - W-9
 - Conflict of Interest Form
 - Felony Conviction Form
 - EDGAR Forms
 - Suspension or Debarment Certificate

Approved vendors can be found through the [Purchasing Website](#). [Special instructions](#) for vendors are listed on the Purchasing website. Campuses must obtain a quote from a vendor or get pricing information off of the district purchasing website prior to putting a purchase requests into the districts accounting system (TEAMS).

Campus Requests for Vendors

The purchasing office has the ability to utilize a mass multitude of vendors. As such each vendor is not automatically input into the accounting system within the district. Each campus and department should review the purchasing website to see if the vendor has been approved and for other relevant information regarding use of a vendor. If the vendor is not on the website, the financial software should be reviewed for the vendor. If the vendor exists in the financial software but is not on the website, please reach out to the purchasing office for further information.

If the vendor does not exist, check with the purchasing office for further instruction. The purchasing office will pursue ways to add the vendor through cooperatives or other school districts approved vendor listings.

The purchasing office must review and approve the use of every vendor, ensure proper documentation has been received, and assign an appropriate purchasing commodity to each vendor. The finance department secretary is the only authorized individual to approve vendor creations on a daily basis. The finance department secretary shall not have the ability to approve purchase orders. Other members of administration may have the rights in case of the secretary's absence however purchase order approvers should not have the ability to create vendors. This allows for a separation of duties and checks and balances and reduces the opportunity for internal fraud.

Unapproved Vendors

An unapproved vendor is one that has not been actively reviewed and approved by the purchasing office for compliance with appropriate fund expenditures. Unapproved vendors include but are not limited to "865 only" vendors who are used with 199 or 461 funds or vendors who were previously on contract who are not any longer. Campuses wishing to make a purchase from an unapproved vendor should request the help of the SISD purchasing staff prior to issuing a purchase request. No staff member may purchase from a vendor not *currently* approved by purchasing without written permission and the aid of the purchasing staff. This rule is in place to protect staff from making an illegal purchase and suffering possible criminal charges. Vendor's contracts and approval status' will change with time and purchasing should be contacted if current contract information is not available for campus use.

Special Instructions on Purchase Orders

The purchasing department is responsible for maintaining vendors associated with specific areas of purchasing or within the district. As such, each vendor has an associated profile on the district website and within the financial software. Within the profiles on the purchasing website, special instructions are listed that must be included in the "special instructions field" when creating a purchase request within the financial software. These instructions include necessary information for the vendor to process their purchase order. If these instructions are missing, your purchase order request may be voided. Campuses may add additional information to the special instructions such as campus points of contacts, phone numbers, email addresses or other necessary information for the products desired.

W-9

A W-9 is a tax filing with the IRS indicating the legal taxable entity existence. As a district, we are required to report to the IRS all payments made to vendors. A W-9 is required anytime a new vendor is requested, or information has changed on an existing vendor. All sections (Exception being Line 2 only if different from line 1) of a W-9 along with signature and date must be completed in order to process any additions and/or changes. This form may not be completed or modified by district employees and should be provided and signed by a representative of the company requesting to become a vendor with SISD.

Remits

Remit or Remittance is a payment that gets sent to a vendor for services or products. Remit address can be where a payment is sent other than what is noted on W-9. A Remit address can come from either the Campus or Accounts Payable once they have received and invoice. At times a W-9 may be required to finish this process. Accounts payable and/or the campus secretary will send invoices via email to the purchasing office with the vendor number written on the invoice and remit address highlighted. In the email a small description of what needs to be completed with any other information noted. A company may have multiple remit addresses so it is critical for the campus to indicate the appropriate vendor and remit address when creating a PO, sending the PO and releasing payments

Quotes

Quotes provide the district documentation prior to the issuance of a purchase order to validate that the contract being utilized is legal and valid, that purchase price and discounts are being applied and the products being ordered are available through the indicated contract. The purchasing department will review quotes to ensure best practices are performed throughout the district prior to approval.

Three quotes are recommended by the purchasing office for large sum purchases. SISD requires all Federally Funded purchases to include three quotes. This applies to vendors who are also off contract or bid. Quotes may also be requested for purchases with vendors who are on bid or contract whom were awarded with a generalized catalog discount. Items that were specifically listed within a bid and awarded for such products may not require quotes. Quotes ensure that the district is using funds in a competitive nature when using local funds (199 and 461).

Quotes should be attached to the purchase request in the financial software system for approval documentation.

Notice: If using a cooperative (BuyBoard, TCPN, EPCNT, etc.) cooperative name and contract number **MUST** be on the quote. You will need to advise the vendor of this information. The required contract information can be found on the cooperative's website. A requisition may be denied if this information is not provided. Purchasing should be contacted regarding contract questions.

For companies that do not offer a discount, an **online shopping cart** may be utilized so long as a standard shipping calculation can be provided or calculated. If a vendor supplies an online module for pricing, a shopping list may be generated in the online module, printed out and be used as backup documentation to be attached to a purchase requisition.

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Email Quotes

Email Quotes may be utilized so long as a full description, quantity, shipping, discount, contract number and total amount is provided within the email.

Tax

Sherman ISD is tax exempt on the basis of its status as a governmental entity – school district. Tax-Exempt forms are to be used by staff only to purchase for the SISD and are not for personal use. [Tax-exempt](#) forms are available on the business office website.

Purchasing Deadlines

Each fiscal year, the District will establish deadlines indicating the last date to enter purchase orders/requisitions, check requests, employee reimbursements and warehouse orders to be included in the current fiscal year's budget. The districts fiscal year begins on July 1st and ends June 30th each year. These deadlines are put in place to ensure the purchased items are received in nominal time for the business office to process back end paperwork prior to state mandated financial reporting.

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Delegation of School District Signature Authority

The Superintendent of Schools has authorized a Delegation of School District Signature Authority to be effective as of September 1, 2018. The following individual(s) have been granted authority to sign contracts and agreements on behalf of the district and commit the district to a financial obligation:

COMMITTED AMOUNT	TITLE/POSITION	FUNDING SOURCE
Less than \$3,000	May be signed by Principal, Director, or Assistant Superintendent over the program directly requesting the goods and/or services	Local (only)
\$3,000 to \$49,999	May be signed by Assistant Superintendent over the program directly requesting the goods and/or services	Local and Federal
\$50,000 or more	REQUIRES BOARD APPROVAL May be signed by Assistant Superintendent over the program directly requesting the goods and/or services	Local and Federal

The following requirements and considerations exist when reviewing and signing contracts or agreements that commit the district to a financial obligation for goods and/or services:

- Board approval is required when the contract or agreement is in the amount of \$50,000 or more.
- Individuals granted signature authority are independently responsible for complying with all district administrative procedures, including the district’s purchasing procedures.
- Individuals authorized to financially obligate the district are responsible for determining the appropriate funding source in accordance with the adopted budget, complying with State and Federal laws and Board policy.
- SISD vendor application process must be completed prior to signing contract.
- No purchase may be initiated prior to obtaining an approved purchase order.
- Persons making unauthorized purchases shall assume full responsibility for all such purchases and may be subject to disciplinary action.
- A district official must have been delegated authority to enter the district into legally binding agreements in order to “certify and submit” grants or requests for reimbursements from TEA, USDE, or other grant funding agencies.
- Individuals executing a contract are responsible for facilitating renewals and terminations in a timely manner.
- All contracts or agreements that financially commit the district must be reviewed and approved by the Assistant Superintendent for Finance and Operations.
- A copy of the final fully executed contract must be kept on file by the appropriate Principal, Director or Assistant Superintendent, with an original submitted to the Assistant Superintendent for Finance and Operations.
- The Sherman ISD Business Office will maintain a filing system and database of fully executed contracts or agreements that commit the district to a financial obligation.

If at any time, an individual has a question or concern regarding the terms and conditions of a contract, the Assistant Superintendent for Finance and Operations should be consulted.

Purchasing Law and Ethics

The district is bound by state law and local policies in the ability to agree to specific terms and conditions. Individuals who commit to contracts are implying their own understanding to the terms and conditions by signing any contract or commitment.

Frequent Terms and Contract Conditions issues:

- The Venue - the venue of any contract should be Grayson County, Texas.
- Terms - Contracts for products or services should not extend beyond 12 months (outside of contracts done by competitive procurement within the purchasing office).
- Indemnity - The district cannot indemnify companies or individuals as determined by the Attorney General. Any indemnity clause must include the language “to the extent allowable by law”
- Gift of public funds - Districts cannot provide payment for goods or services without such goods or services being provided to the district.

District contracts, except for contracts for the purpose 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 that provides best value for the District. Methods are outlined on “Purchasing Ethics and the Law” of this manual.

All district purchases are subject to open records and/or audits. As such, inquiries into the purpose for the purchase of any good or service may be requested of campuses and administrators from purchasing or the public and must be produced in a timely manner.

Invoice/Payment Terms

By law, the school district has 30 days after receipt of the invoice to present payment. It is the intent of the school district to pay all invoices as promptly as possible; however by acceptance of a SISD purchase order you have agreed to the 30 day payment policy. All invoices are submitted to the SISD-Accounts Payable Department. SISD pays net 30 or at point of sale and complies with the State of Texas payment law, Texas Government Code, Chapter 2251. See statute for specifics or consult your legal counsel. These are minimum terms required of the SISD by law and the parties may negotiate custom payment terms as desired provided they do not exceed the statutory requirements.

Ethics: DBD Local Board Policy

The competitive nature of the public purchasing arena and the expenditure of significant amounts of public funds require that ethical standards be incorporated into the foundation of all purchasing functions. Purchasing personnel and other school district staff face the difficult task of developing good vendor relations and encouraging vendor competition while avoiding even the appearance of favoritism or other ethical misconduct. Know the purchasing laws – the penalties for breaking them are severe and criminal penalties may apply. Employees are responsible for ensuring they are in compliance with [Local Board Policy: DBD LOCAL](#).

Gifts to Employees

An employee shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee's discharge of assigned duties and responsibilities. A district employee should not seek any kind of personal gain through their role as a member of the purchasing process including a request to purchase to or from campus secretaries.

Gifts may not be accepted by district employees as consideration for a decision, recommendation, votes, or other exercise of discretion - this is bribery, and is a second degree felony. Be sure to check state and district policy when you are in doubt.

Ethics relating to conflicts of interest, financial interests in firms conducting business with the school district, kickbacks, gratuities, and improper use of a position or confidential information are areas to be aware of potential problems if not handled according to the law.

Awards and Recognitions

The general rule is that giving away an item purchased with district funds is not allowable as it is considered a "gift of public funds". However, the district does allow one-time nominal awards or recognitions when it meets the following criteria:

- the award must be nominal, not extravagant (examples of allowable awards include certificates, plaques, or trophies)
- the award must be reasonable
- the award should not exceed a value of \$50.00
- the award must not be of a nature to become the subject of a news headline or report
- the award must serve a legitimate educational purpose, such as increasing morale or productivity

Due to IRS rules, gift cards (or cash gifts) are not allowed for employees from district funds. Gift cards, or cash gifts for students, are also not allowed from district funds.

[The Texas Ethics Commission website](#) offers insight and guidance on ethical behavior.

Personal Purchases

District employees shall not be permitted to make purchases for personal use through the District's Business office.

Ethical Behavior

Purchasing and campus personnel must maintain a level playing field for all participants in the RFP process. A district employee should not seek any kind of personal gain through their role as a member of the purchasing process. The Purchasing Office follows the [TASBO Code of Ethics](#) as described on their website.

Requisition and Purchase Order Processing

Requisitions go through an approval process. When a campus determines a need for a product or service, a requisition is created. The first person to review the requisition is typically the campus supervisor or principal. The second person is the purchasing supervisor. Depending on the budget and amount of purchase, there could be more approvals needed prior to purchasing approval of the requisition.

Any single purchase of more than \$50,000, must first be approved by the SISD Board of Trustees. It is the responsibility of the end user to manage and prepare for Board Approval. Typically the purchasing office is notified at least 30 days in advance of board approval to ensure compliance with Laws, policies and procedures. Purchasing does not determine campus and departmental need for services and materials in general and qualified end users should be prepared to address board questions if need be regarding the purchase of products and services.

Purchase Order Approval

Each requisition is approved by the school principal or department head before being analyzed by the purchasing supervisor (at times the requisition may go to other levels before going to purchasing supervisor. Ex: Sp. Ed. director, Technology director). The final approval is made by the Director of Finance.

The Finance secretary shall maintain folders, records, and vendor profiles in the district's financial software, on the departmental website, in paper files and electronic files to ensure up to date and accurate information is present. This also allows for any information to be verified and vendor approvals to occur by other purchasing approvers in case of an absence. This maintenance of vendors and contracts are done as part of their daily duties. Should information be missing or inaccurate a request may be sent to the business office for corrected and updated information as necessary.

Technology Products and Software

Products which are technology related are subject to the Technology Director's approval prior to purchasing approval. These products include but are not limited to hardware, software, digital content, web based solutions, audio visual products, printers and computers. A request should be placed with technology for approval consideration prior to the creation of a requisition. To get tech approvals please visit the Technology helpdesk.

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Representations or Certifications

The Superintendent's designee shall represent or certify by award of a vendor to the Superintendent and/or the Board when recommending a bid or proposal be accepted, or that a purchase be authorized:

- That the procedures required by this policy and Education Code Chapter 44, as amended have been complied with
- That the proposed purchases are not "component purchases," "separate purchases," or "sequential purchases," as prohibited by Education Code 44.032, and
- That where applicable, the procurement procedures required by federal law were followed and applied.

Emergency Purchases

While you may hear the claim that a campus must make an "emergency purchase"; be advised that only the Board of Trustees is authorized to declare emergency purchases in which the normal bidding requirements are suspended. These purchases usually pertain to unforeseen structural damage or equipment failure that adversely affects normal school operations. [Education Code §44.031 \(h\)](#).

Cooperative & Interlocal Purchases

Purchases from another entity's contract are allowed under State law if an Interlocal agreement has been executed between the two entities. SISD has executed Interlocal agreements with Region 10 ESC, the TASB BuyBoard, National IPA/Texas Cooperative Purchasing Network (TCPN) and several others. A list of approved cooperatives by SISD purchasing is listed on the departmental website. The purchasing supervisor is responsible to validate content and accuracy of commodities with each cooperative contract prior to executing all purchases made under either cooperative or Interlocal agreements. [Education Code §44.031 \(a\); \(4\) Government Code §791.001](#)

Responsibilities for Cooperatives and Contracts

Prior to the approval of a purchase with a cooperative or Interlocal agency, purchasing supervisor should verify:

- The district has executed a “master Interlocal agreement” approved by the SISD board of trustees in compliance with [Government Code 791.011 \(d\) \(1\)](#)
 - The agreement is filed in the contracts folder within the purchasing office
 - The agreement is uploaded into the vendor profile in TEAMS
- The cooperative allows and authorizes the district to utilize its contracts
- The specific commodity and vendor for which the product or service is being purchased is available through the contract from the cooperative.
- Review and understand the terms and conditions of the cooperative contract.
- Make sure the contract from the cooperative is not expired.
- Ensure that the product is not available from another cooperative, interlocal agreement or district contract at a better value.

The purchasing staff should also be familiar with:

- [District Policy CH \(Local\) Purchasing and Acquisitions](#)
- Other District purchasing policies are found in the District Policy Manual.

Purchasing Authority

Pursuant to Chapter 44, Subchapter B, Texas Education Code (the “Act”), the Board delegates to the Superintendent or his designee the authority to acquire goods and services for the District to the extent authorized by the Act, subject to the provisions of and in accordance with the provisions of this policy. The Superintendent may designate one or more persons to carry out the responsibilities that are delegated herein to the Superintendent. As a general practice at SISD, the superintendent has designated this authority to the purchasing office.

Regardless of value, the Board delegates to the Superintendent or designee the approval of purchases of instructional materials for classroom use if such purchases were made through the Texas Education Agency’s Educational Materials (EMAT) system, subject to compliance with Education Code Chapter 31 and other Board policies.

When federal funds will be spent for the purchase of goods or services, the District’s administration shall follow the regulations, statutes, standards, and rules applicable to those federal funding sources, as well as state law to the extent applicable, in procurement of the goods or services.

Exceptions and Limitations

The authority delegated by this policy does not and shall not include the authority to contract for professional services enumerated in the Texas Professional Procurement Act ([Subchapter A, Chapter 2254 Texas Government Code](#)) except for professional nursing, medicine, and optometry, which is delegated to the Superintendent or designee, subject to compliance with the Act. A financial adviser in connection with the issuance of District debt instruments, attorneys at law including bond counsel for the District, educational services authorized by Section 11.157 Texas Education Code, the services of professional educators, and construction services CV(LOCAL) are not included in this delegation.

All District contracts and purchase orders for goods and services shall be limited by and shall be in accordance with [Subchapter I, Chapter 271, of the Texas Local Government Code](#).

Final acceptance of bids, offers, proposals, awards, and contracts may be authorized or approved by the Sherman ISD School Board of Trustees, the superintendent or his designee for cumulative purchases that exceed \$50,000 in the aggregate for a 12-month period.

The Board and the Superintendent or designee(s) shall adhere to applicable law and shall follow rules and procedures for the acquisition of goods and services.

Board Approval

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

Purchasing Report

Once each year, at a time designated by the Associate Superintendent for Business Services, the Purchasing Report will include annual purchases approved by the Board of Trustees through the budget process for major purchases, such as utilities, contracted transportation services, Student Resource Officers, and similar purchases for which regular payments that may exceed the \$50,000 amount required for prior Board approval, but are excluded from the Purchasing Report. The purpose of this one time report is to provide the Board of Trustees an awareness of these purchases and the opportunity to see these expenses and approve of these projected expenditures for the fiscal year in which these purchases are to be transacted.

Purchases Valued at or Above \$50,000

Except for construction and professional services, the Superintendent or designee shall select the method of procurement from the methods authorized [by Texas Education Code 44.031\(a\)](#) that will provide the best value to the District.

The method selected and evaluation criteria to be applied may be calculated to enhance and foster competition among prospective vendors, bidders, and offerors.

The method selected shall be included in notices, invitations, and instructions to bidders or offerors.

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The Purchasing Method

The Board delegates to the Superintendent or designee the authority to determine the method of purchasing in accordance with [CH \(LEGAL\)](#). Methods may include but are not limited to competitive bidding, competitive sealed proposals, requests for proposals, electronic bids or proposals, review by committee, cooperative purchases, and Interlocal agreements and quotes. The consideration for best value to the district shall apply to all purchases.

Competitive Bidding

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

Competitive Sealed Proposals

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

Competitive sealed proposals shall be prepared with specifications in accordance with [Texas Education Code 44.0352\(b\)](#). All proposals shall be submitted in sealed envelopes, plainly marked with the name of the proposer and the time of opening. Proposals received after the specified time shall not be considered.

Proposals shall be opened at the time specified in a public proposal opening. Proposals may be withdrawn prior to the scheduled time for opening. Information from competing proposals should not be disclosed to offerors other than the names of the offerors and if any are required to be stated, all prices stated in each proposal. The District may reject any and all proposals to the extent permitted by law.

Electronic Bids or Proposals

Bids or proposals that the District has chosen to accept through electronic transmission shall be administered in accordance with Board-adopted rules. Such rules shall safeguard the integrity of the competitive procurement process; ensure the identification, security, and confidentiality of electronic bids or proposals; and ensure that the electronic bids or proposals remain effectively unopened until the proper time. At this time, SISD does not conduct electronic bids or proposals.

Cooperative & Interlocal Purchases

Purchases from another entity's contract are allowed under State law if an Interlocal agreement has been executed between the two entities. SISD has executed Interlocal agreements with Region 10 ESC, the TASB BuyBoard, Texas Cooperative Purchasing Network (TCPN) and several others. A list of cooperatives utilized by SISD purchasing is listed on the departmental website. The purchasing supervisor is responsible for reviewing and ensuring compliance for purchases made under both cooperative and Interlocal agreements and such purchases provide best value and practice to the district. [Education Code 44.031 \(a\); \(4\) Government Code 791.001.](#)

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 the adopted budget, state law, Board policy, and the District's purchasing procedures. [See CE] The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.

Purchase Commitments

All purchase commitments shall be made by the Superintendent or designee in accordance with administrative procedures, including the District's purchasing procedures.

Sole Source

To be a bona fide exemption to Texas Education Code 44.031(a) as a sole-source purchase, there must be no other like items available for purchase that would serve the same purpose or function and there must be only one source for the product because of exclusive distribution or marketing rights. The fact that a particular item is covered by a patent or copyright is but one factor in determining if the purchase falls under the sole-source exemption to the purchasing requirements.

State purchasing law allows for the purchase of products that are available from only one source. However, before a purchase is executed under this provision, the Purchasing Department requires an Affidavit of Sole Source Compliance by Vendor from the company attesting to the fact that they are the sole source of their product. Copies of all current sole source documentation are assigned to vendor in the TEAMS software. Campuses requesting a Sole Source purchase should consult with the Purchasing Department for guidance prior to generating a purchase requisition.

For new software, hardware or technology purchase requests not already established, campuses/departments must submit a technology helpdesk request for Technology to review and approve the purchase. Once the software/hardware is approved, contact the Purchasing Department for further guidance, such as identifying or establishing a legal purchasing authority to make the purchase, or initiating a formal procurement process to make the purchase.

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The Practice of Competitive Procurement

The purchasing office will operate with the intention of providing products to the district at the best value to the district. Best value is generally termed to acquire products in a manner that best meets the need of the district in a manner that proves timely, in quality, and does not excessively mandate unreasonable manpower at the best cost to the district. The district is the sole objector to this determination.

Full and Open Competition

The SISD Purchasing office will develop bids, specifications, scopes of work or scopes of services which will foster *Full and Open Competition*. *Full and Open Competition* means that any vendor qualified to and desirous of participating in any procurement process, regardless of which procurement method is utilized, will have access to all procurement documents, be included in any question and answer period and process, have access to any addendum or additional information that effects the ability to respond to and comply with all requirements of any procurement process, and that all prospective vendors will be treated equally. Additionally, specifications and scopes of work or scopes of services will not be developed in such a manner as to restrict competition.

The Evaluation Criteria for competitive processes

- The criteria required by Texas Education Code 44.031(b), as amended, shall be used in evaluating bids and proposals and in awarding contracts and shall be specifically set forth in the bidding documents or request for proposals as evaluation criteria. The purchasing office shall consider:
 - the purchase price
 - the reputation of the vendor and of the vendor's goods or services
 - the quality of the vendor's goods or services
 - the extent to which the goods or services meet the districts needs
 - the vendor's past relationship with the district
 - the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses
 - the total long-term cost to the district to acquire the vendor's goods or services

The Sherman ISD purchasing office will award a competitive procurement process based on the evaluation criteria established in the publications of such procurement documents.

Notice Publications

Notice of when and where bids or proposals or the responses to a request for qualifications will be received and opened shall be published in a newspaper of general circulation in Grayson County (typically with The Herald Democrat) once a week for at least two weeks prior to the deadline for receiving bids, proposals, or responses to a request for qualifications.

Ad Verification

The Herald Democrat provides a signed copy of legal notice which certifies the dates that an opportunity has been advertised. These verifications are sent to the Finance Secretary who has the responsibility of placing them in the appropriate bid folders. The purchasing supervisor should make certain that an advertising legal notice has been placed in their bid folder before filing the folder in the bid storage cabinets.

Bid Document Distribution

Bid documents are forwarded to the Finance Secretary who will post them to the Purchasing webpage. All required forms and documents will be included as part of this posting. Additional information may be posted as an addendum in response to vendor received questions or if pertinent information is deemed necessary by the purchasing office.

Vendors may download bidding documents from the district's website. Any questions about bids, RFP, RFQ, etc. posted on the districts website should be directed to the purchasing office.

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Purchasing Processes

Receiving Proposals

Vendors choosing to respond to proposals should submit any offering in an envelope clearly labeled with their company name and the proposal for which they are responding to unless otherwise instructed in the proposal document.

The secretary or purchasing staff will record the time and date that a proposal envelope is received in the office. The purchasing office may not accept proposals that are received after the published due date and time in accordance to state law. The proposals will arrive by mail, a delivery service, or they may be delivered in person by a vendor or vendor's representative.

Responses to Requests for Quotes, if allowed, are able to be submitted to the district via fax, email or other methods prescribed in the procurement document for which the Board of Trustees have adopted rules. No Electronic bid process may be utilized unless rules for use of an electronic bid process or system have been adopted by the SISD Board of Trustees. If rules have been adopted and approved by the Board, those rules will be stated on the districts purchasing website.

Award Letter

Letters of award are sent to all vendors that have been awarded contracts by the Board of Trustees, authority delegated to the superintendent or their designees any special documents that the District requires in order to make the contract move forward should be addressed in the letter of award.

For example the awarded vendor may be required to submit a payment or performance bond, or a W9 tax identification form, before a purchase order can be issued to them.

Webpage Information

The purchasing supervisor is responsible for forwarding current information regarding bids to the finance office secretary. Any and all information which will assist originators in preparing their purchase orders should be included and placed on the districts website. The email to which orders will be sent is critical as is any shipping information. Faxes are also able to be used when email is not available. The information posted for each vendor is indexed in an alphabetical listing.

Conflict of Interest Forms

Conflict of Interest forms may be submitted as part of a vendor's proposal. If a vendor does provide a copy; these documents should be forwarded to the finance secretary for posting to the purchasing webpage.

Copies of Bid Folders

Documents regarding legally mandated competitive processes shall be maintained by the finance secretary in accordance to public information and the districts Records Retention schedules. Electronic and/or paper files should be created with the appropriate bid name and bid number and relevant information to the process, vendors, board decisions and summaries.

Executive Summaries

Executive summaries shall be created for awarded vendors of bids. Summaries shall be reported to the board in accordance to SISD board policy or as required by the delegation of authority to the superintendent or his designee. The purchasing staff is responsible for completing and submitting accurate executive summaries annually within the bid files and for board approval. The purchasing staff shall annually review bid files, commodities, spending and vendor profiles to ensure district board policy and district procedures are followed.

Historically Underutilized Businesses

HUB / D / M / WBE Participation:

The purchasing office does encourage the participation by historically underutilized businesses (HUB) and disadvantaged/minority/women business enterprises (D/M/WBE) for purchases and provide them opportunities:

1. To have access to procedures for quotations and open purchase orders; competitive bidding; competitive sealed proposals; and all other procurement methods, including the Interlocal contracting method and cooperative purchasing; and
2. To compete for contracts for provision of professional services, purchases of equipment and supplies, and provision of other goods and services required by the District.

The term D/M/WBE shall mean a business in which at least 51 percent of the ownership and management is by minority group members or women owned, or in the case of a publicly owned business, at least 51 percent of the stock is owned and managed by minority group members or women, or as otherwise defined by federal law. Minority groups shall include African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, and Asian-Indian Americans, or as otherwise defined by federal law. The District shall accept HUB certification from the comptroller of public accounts and D/M/WBE from any established certification organization.

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Conflict of Interest Disclosures

The 84th Texas Legislature passed House Bill 23 (effective September 1, 2015) which modified the law related to conflict of interest disclosure requirements for local government officers and vendors. The following general information is provided for informational purposes only and should not be considered as legal advice to any individuals or entities. For additional information, please refer to Texas Local Government Code Chapter 176, as amended by House Bill 23.

In August, 2015, the Texas Ethics Commission adopted revised Forms CIS and CIQ pursuant to House Bill 23. Please note that the Texas Ethics Commission does NOT have jurisdiction to interpret or enforce Chapter 176 of the Texas Local Government Code. Also, please note that these forms are NOT filed with the Texas Ethics Commission. The forms MUST be filed with the SISD records administrator in accordance with the timelines in Chapter 176

1. **Vendors:** The law requires vendors to file conflicts of interest questionnaires (Form CIQ) disclosing certain business and/or family relationships they may have with local government officers (or their family members). The law mandates that vendors disclose certain gifts and income given to a local government officer (or their family members); including, but not limited to, lodging, transportation or entertainment accepted as a guest. The law mandates that vendors also disclose certain income received from or at the direction of a local government officer (but not received from SISD).
2. **Local Government Officers:** The law requires local government officers to file conflicts disclosure statements (Form CIS) disclosing certain business and/or family relationships they (or their family members) may have with vendors if the vendor enters into a contract with SISD or SISD is considering entering into a contract with the vendor. The law also mandates that local government officers disclose certain gifts and income received by the local government officer (or their family members) from vendors; including, but not limited to, lodging, transportation or entertainment accepted as a guest. Local government officers include (1) members of the SISD Board of Trustees; (2) SISD Superintendent of Schools; and (3) an agent (including an employee) of SISD who exercises discretion in the planning, recommending, selecting, or contracting of a vendor.

Vendor's Disclosures

Vendors are required to file a Conflict of Interest Questionnaire (Form CIQ) with the District if an employment or business relationship or family relationship exists between the vendor and a local government officer ("LGO") of the District or a family member of the LGO. **THERE ARE POTENTIAL CRIMINAL PENALTIES FOR FAILURE TO COMPLY WITH TEXAS LOCAL GOVT. CODE CHAPTER 176.** Certain terms used herein are defined in Chapter 176. Vendors are encouraged to review and become familiar with all disclosure requirements of Chapter 176 and Form CIQ. The information contained herein is for information purposes only and shall not be construed as legal advice. "Vendor" means a person who enters or seeks to enter into a contract with a local governmental entity. The term includes an agent (including an employee) of a vendor. A vendor is required to file a completed Form CIQ if the vendor has a business relationship with

SISD (the “District”) and: (1) has an employment or other business relationship with a Local Government Officer (“LGO”) of the District, or a family member of the LGO; (2) has given a LGO of the District, or a family member of the LGO, one or more gifts that have the aggregate value of more than \$100 in the 12-month period specified in Loc. Govt. Code Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or (3) has a family relationship with a LGO of the District.

Form CIQ must be filed with the appropriate District records administrator: (1) Not later than the seventh business day after the latter of: (a) the date that the vendor begins discussions or negotiations to enter into a contract with the District; or submits to the District an application, response to a request for proposals or bids, correspondence, or other writing related to a potential contract with the District; or (2) the date the vendor becomes aware: (a) of an employment or other business relationship with a LGO, or a family member of the LGO; (b) that the vendor has given one or more gifts described above; or (c) of a family relationship with a LGO. The vendor also shall file an updated completed questionnaire (Form CIQ) not later than the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in the questionnaire in complete or inaccurate

Open Records Requests

The purchasing office may receive either written or verbal requests for information under the Texas Public Information Act (formerly known as the Open Records Act). The purchasing office may or may not be able to immediately respond to the public information request. The District’s Communications Department manages official requests on behalf of the district.

Note: Requestors may state that they are making an information request under the Freedom of Information Act. This is a federal law which only applies to federal agencies. Requestors are frequently confused about this point. [Government Code 552](#) dictates the State of Texas obligation. District procedures must be followed consistent with these requests.

Price Escalations and the Doctrine of Unconstitutional Gifts

Contracts which have been awarded for fixed prices must be held firm for the contract period. During times of price volatility, most commonly for either fuel or electricity, vendors may request to adjust their prices due to unforeseen cost increases that they have incurred. This is not allowed unless the terms of a contract specifically allow for price increases at any time during the contract term. The District would be making a gift of public funds if it allows a price increase in excess of the price for which the contract was awarded. A gift of public funds to either individuals or companies is prohibited by the doctrine of unconstitutional gifts as stated in the Texas Constitution. This section of the Texas Constitution is exhibited on the following page.

Enforcement of Purchase Procedures: Criminal Penalties; Removal; Ineligibility.

Texas Education Code - Subchapter B. - Sec. 44.032.

- a. In this section:
 1. Component purchases means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.
 2. Separate purchases means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.
 3. Sequential purchases means purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase.
- 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). Any 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 21, Article T, Texas Constitution. For four years after the date of the final conviction, the removed person is ineligible to be a candidate for 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. This subsection does not prohibit the payment of retirement benefits to the removed person or the payment of retirement benefits to the removed person or payment of worker's 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 Section 44.031 (a) or (b). A county attorney, a district attorney, a criminal district attorney, or a citizen of the county in which the school district is located may bring action for an injunction. A citizen who prevails in an action brought under this subsection is entitled to reasonable attorney's fees as approved by the court.

Doctrine of Unconstitutional Gifts

The Texas Constitution

Article 3 - LEGISLATIVE DEPARTMENT

Section 52 - COUNTIES, CITIES OR OTHER POLITICAL CORPORATIONS OR SUBDIVISIONS; LENDING CREDIT; GRANTS; BONDS

(a) Except as otherwise provided by this section, the Legislature shall have no power to authorize any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or thing of value in aid of, or to any individual, association or corporation whatsoever, or to become a stockholder in such corporation, association or company. However, this section does not prohibit the use of public funds or credit for the payment of premiums on no assessable property and casualty, life, health, or accident insurance policies and annuity contracts issued by a mutual insurance company authorized to do business in this State.

(b) Under Legislative provision, any county, political subdivision of a county, number of adjoining counties, political subdivision of the State, or defined district now or hereafter to be described and defined within the State of Texas, and which may or may not include, towns, villages or municipal corporations, upon a vote of two-thirds majority of the voting qualified voters of such district or territory to be affected thereby, may issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of such district or territory, except that the total bonded indebtedness of any city or town shall never exceed the limits imposed by other provisions of this Constitution, and levy and collect taxes to pay the interest thereon and provide a sinking fund for the redemption thereof, as the Legislature may authorize, and in such manner as it may authorize the same, for the following purposes to wit: (1) The improvement of rivers, creeks, and streams to prevent overflows, and to permit of navigation thereof, or irrigation thereof, or in aid of such purposes. (2) The construction and maintenance of pools, lakes, reservoirs, dams, canals and waterways for the purposes of irrigation, drainage or navigation, or in aid thereof. (3) The construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof. (c) Notwithstanding the provisions of Subsection (b) of this Section, bonds may be issued by any county in an amount not to exceed one-fourth of the assessed valuation of the real property in the county, for the construction, maintenance, and operation of macadamized, graveled, or paved roads and turnpikes, or in aid thereof, upon a vote of a majority of the voting qualified voters of the county, and without the necessity of further or amendatory legislation. The county may levy and collect taxes to pay the interest on the bonds as it becomes due and to provide a sinking fund for redemption of the bonds. (d) Any defined district created under this section that is authorized to issue bonds or otherwise lend its credit for the purposes stated in Subdivisions (1) and (2) of Subsection (b) of this section may engage in fire-fighting activities and may issue bonds or otherwise lend its credit for fire-fighting purposes as provided by law and this constitution. (e) A county, city, town, or other political corporation or subdivision of the state may invest its funds as authorized by law.