

Elgin ISD
Internal Control Procedures: Vendor Management

Goal: To ensure a systematic process of adding and renewing vendors in the finance database in TxEIS. The process is designed to meet local, state, and federal guidelines related to vendor relations and procurement by a school district.

Catalog Bids

One method to seek bids and proposals for goods and services is for the District to issue “discount from catalog or price list” bids (also known as “catalog bids”) in order to establish an approved list of vendors from which District employees can purchase from on an as needed basis. Elgin ISD will open these catalog bids to new vendors on an ongoing basis. Catalog bids include the following areas:

- Maintenance & Operations Goods and Services
- Transportation Goods and Services
- Athletics Goods and Services
- General Merchandise
- Instructional Supplies and Services
- Instructional Consultant

Vendor Application

- The District employee will notify the Purchasing Director of a prospective vendor. Vendors may contact the Purchasing Director directly.
- If contacted directly by the vendor, the Purchasing Director will forward a copy of the appropriate catalog bid packet to the vendor for submittal. Otherwise, a District employee may forward the appropriate catalog bid packet to the vendor for submittal.
- The catalog bid packet includes the following:
 - Elgin ISD General Conditions
 - Acknowledgement of General Conditions
 - Representations and Certifications regarding indebtedness, suspension/debarment, felony convictions, criminal history, and conflicts of interest
 - Supplies and Services Submittal Form
 - W-9 Form

Vendor Review and Approval

- Upon receipt of the completed catalog bid packet from the prospective vendor, the Purchasing Director will review the packet to ensure that all required items have been submitted and are properly executed, including the signature of an authorized individual.
- The Purchasing Director will review and verify the following requirements, as appropriate. Possible non-compliance with the requirements shall be forwarded to the CFO for a final determination regarding the vendor eligibility to contract with the District.
 - Felony Conviction/Criminal History Verification:
 - In submitting a catalog bid packet, all vendors shall disclose if the owner or operator has been convicted of a felony.
 - Section 22.0834 of the Texas Education Code requires an independent contractor who provides services to a school district to submit to a criminal history review if the independent contractor will have continuing duties [defined as providing the service on a regular, repeated basis] related to the contracted services and direct student contact [defined as providing substantial opportunity for verbal or physical interaction with students that is not supervised

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by a district employee]. Each independent contractor must certify to the District that the contractor has complied.

- Employer EIN-Matching:
 - The Accounting Specialist will verify the EIN of vendors. If any discrepancies are noted between the EIN and the vendor-completed Form W-9, the matter shall be referred to the CFO, or designee, to make a determination regarding the vendor's eligibility to conduct business with the District.

- Bonding Requirements [Construction Only]:
 - If a construction contract exceeds \$25,000, the Purchasing Director shall verify that the bond [cashier's check or certified check in the amount of not less than 5% of the contract price] with the appropriate amount has been submitted to the District.

- Licensed or Registered Contractors:
 - If the contractor is required to be licensed or registered with the State of Texas (such as plumbers, electricians, HVAC technicians), the Executive Director of Operations shall verify that the contractor's license is "active" and that there are no sanctions against the contractor.
 - The Texas Department of Licensing and Regulation (TDLR) website shall be used to search for licensed contractors and to search for contractor violations.
 - TDLR Licensed Contractor search: <https://www.license.state.tx.us/licensesearch/>

- Debarred Vendor Verification:
 - The Purchasing Director will verify that a vendor to be contracted with federal grant funds is not debarred from doing business with the State of Texas.
 - The Texas Comptroller of Public Accounts maintains a list of vendors debarred from doing business with the State of Texas, effective from the Date of Debarment for the length of time indicated.
 - http://comptroller.texas.gov/procurement/prog/vendor_performance/debarred/
 - The Purchasing Director will verify that all new vendors are not debarred from receiving federal contracts [contracts funded with federal grant funds].
 - The SAM.GOV website shall be used to search for ineligible vendors.
 - The contractor name should be entered in the "search" field. Entities with "Exclusion" listed in purple are currently debarred, while those labeled "Entity" in green do not have exclusions.
 - After the Purchasing Director has verified that a catalog bid packet is complete, a copy of the vendor's W-9 will be forwarded to the Accounting Specialist and the vendor will be added on the vendor database.

Vendor Database Management

- The Accounting Specialist will utilize TxEIS to create a vendor record to include the following as applicable:
 - Vendor legal name and DBA
 - Mailing address

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- Remit address
- Tax Identification Number or Social Security Number
- Company phone numbers: voice and fax
- Company email
- Prior to adding a new vendor, the Accounting Specialist will verify if the vendor does not exist in the Vendor Database in an active or inactive status.
 - If the vendor does exist, and the vendor identification information is the identical, the inactive vendor may be reactivated.
- The Accounting Specialist will make changes to the vendor database upon receipt from a vendor of a change in address, phone number, email, etc.
- The Accounting Specialist will seek approval from the CFO, or designee, prior to adding a new vendor, if the vendor notifies the district of a change of their company name, tax identification number, etc.
- When approving purchase orders, the Purchasing Director will verify that the vendors paid with federal grant funds are not debarred from federal contracts.

Vendor Number Tracking

- The District shall use the auto numbering feature in the finance system. At no time, shall a vendor number be reused as this will create data quality issues for historical finance files.