Purchasing

A. Purpose

The procedure provides an explanation of the Purchasing Guidelines for the Region One Education Service Center.

B. Persons Affected

This procedure applies to all ESC staff of the Region One Education Service Center.

C. Policy

CE (LEGAL) Annual Operating Budget
CE (LOCAL) Annual Operating Budget
CH (LEGAL) Purchasing Acquisition
CH (LOCAL) Purchasing and Acquisition
CHA (LEGAL) Purchasing and Acquisition - Indebtedness
CHA (LOCAL) Purchasing and Acquisition - Indebtedness
CHC (LEGAL) Purchasing and Acquisition - Payment Procedures
CHE (LEGAL) Purchasing and Acquisition - Capital Acquisition
CHE (LOCAL) Purchasing and Acquisition - Capital Acquisition
CHF (LEGAL) Purchasing and Acquisition - Independent Contractors
CHF (LOCAL) Purchasing and Acquisition - Independent Contractors

D. Definitions

Not Applicable

E. Responsibilities

The Executive Director, or designee, shall have the authority to make budgeted purchases unless Board policy requires the Board to make or approve a purchase.

The Purchasing Department is responsible for the organization and administration of the purchasing/procurement functions for the ESC in accordance with the authority delegated by the Executive Director and the Board of Trustees ensuring that the procurement process is in accordance with Federal, State, and Local District guidelines.

F. Procedures

Purchasing Guidelines

Approval of Formal Procurement Solicitation Announcement/Awards

Formal procurement solicitations are due at the place, date and time specified. Formal procurement solicitations are approved by the Deputy Director for Business and Operations and the Executive Director, or designee. Vendor questions related to a bid solicitation are answered and posted in the eProcurement system. Authority is assigned to the Purchasing team for the formal procurement solicitation opening (submission due date/ time), each response is evaluated, and tabulations are made by the Purchasing Department and/or evaluation committee. Recommendations are sent to the Executive Director for approval, and to the Board of Directors for consideration and approval, if applicable.

Vendor Set-up

The following are needed to set-up a vendor in the finance system, Ascender:

- Completed Vendor Set-up/Vendor Update Request Form
- IRS W-9 Form (most recently revised version)
- Required Vendor Information Form (HUB and Required Certifications)
- CIQ Form
- ACH Form, preferred
- Independent Contractor versus Employee Checklist, if applicable
- Region One ESC Sole Source Affidavit Form, or other non-competitive procurement approval, if applicable
    - Request for items to be purchased under the "sole source" or non-competitive procurement category shall be forwarded to the Purchasing Department to determine if the vendor is a sole source vendor. No outside sole source letter or form will be accepted. The Region One ESC Sole Source Affidavit Form or other non-competitive procurement approval shall be attached to the purchase requisition, including TEA and/or granting agency approval, if applicable.
- Address verification thru the United States Postal Service (USPS)
- Internal Revenue Service verification – (verify SSN or EIN)
- Once verified and cleared, vendor is entered into the finance system and a vendor number is issued
- Approved vendor – vendors awarded through a purchasing cooperative or awarded through an internal bid solicitation process

NOTE: A vendor listed in the Region One ESC finance system Ascender <u>does not</u> indicate *that they are currently an approved vendor or that they are a sole source vendor. It indicates that they have been a vendor previously used by Region One ESC. Verify with the Purchasing Department before entering a purchase requisition.*

Purchase Orders

Budgets are the legal authority for making expenditures. The encumbrance accounting method, which is required by the Texas Education Agency (TEA) Financial Accountability System Resource Guide (FASRG), provides for recording commitments in the budgetary control accounts. All purchased goods and services will be documented through the use of a purchase order, excluding internal charges for goods and/or services. Departments will requests a purchase orders for all goods and/or services. Any exception must be approved by the Finance Administrator and documented on the Non-Compliant Purchase Form.

The department will initiate the purchase order process by entering a purchase requisition utilizing the finance system Ascender.

In the finance system Ascender purchase requisition line item 1 Notes section, you must enter information to clearly and fully explain the following information regarding the requested purchase:

- ***CREDIT CARD PAYMENT*** on first line only for ~~PNC~~ Credit Card purchases
- Who (who the purchase is for, example: internal staff, district staff, students, parents, etc)
- What (what the purchase is for)
- When (when the purchase is to be used)
- Where (where the purchase will be used)
- Why (why the purchase is necessary)

The following finance system Ascender data fields must be complete, if applicable

- Reference Nbr:
  - Quote number, *if applicable*
  - Confirmation number for Hotel, Airline, Car Rental, *if applicable*
- Bid Nbr:
  - Purchasing cooperative name and Bid/RFP/contract number

Each line item in the purchase requisition must:

- Include the applicable commodity code (do not select a commodity code that ends in 00 or - -).
- The description must clearly reflect what is being purchased as per quote.
- Identify the correct account code(s).
- Be itemized with correct quantities, unit of issue (unit of measure), unit price, total price, and total amount that matches quote.

Supporting documentation must be uploaded and attached to the purchase requisition in PDF format only. Examples include, but not limited to purchasing cooperative or bid solicitation award information, quote(s), signed contract, vitae/resume, agenda, registration form, Fixed Assets Acquisition Form, Non-Competitive Procurement Approval, and the completed Purchase Order Compliance Form (POCF) for Federal grants, refer to the Purchase Requisition Requirements and Checklist.

Purchase requisitions will follow the electronic approval path. Purchase orders are issued after the Purchasing Department approves the requisition.

All purchase orders exceeding $10,000 will be reviewed and approved/denied by the Deputy Director for Business and Operations, or designee.

The Purchasing Department will electronically print and make available copies of all purchase orders to the respective Departments.

Once a purchase order is approved and printed by the Purchasing Department and received by a vendor, it is a legal and binding contract. *No payments or reimbursements will be made for purchases made without the use of a purchase order and the purchaser will be held responsible for the unauthorized expense.*

Purchasing Thresholds and Requirements

PROCUREMENT THRESHOLDS AND REQUIREMENTS

Purchase Method and Purchase Amount	Required Documentation	Required Forms	Formal Procurement Process** (BID/RFP)	Board Approval	Advertising
Informal Procurement Methods:					
Micro-Purchase $0.01 to $10,000[1]	1 Documented Price Quote Must distribute equitably among qualified suppliers[2]	**POCF (Federal)**	Not Required Required for category aggregate at $100K[3]	Not Required	Not Required
Simplified Acquisition $10,000.01 to $99,999.99[1]	3 Documented Price Quotes				
Formal Procurement Method: $100,000.00 and over State Procurement Requirements (Texas Education Code 44.031)	Formal Procurement Process	**POCF (Federal)**	Required	Action Item May Be Required	Required for 2 consecutive weeks
Formal Procurement Method: at or above $250,000.00 Federal Procurement Standards (2 CFR 200.318-200.327)	Formal Procurement Process	**POCF** *and* **Cost/Price Analysis (Federal)**	Required	Action Item May Be Required	Required for 2 consecutive weeks
Purchasing Cooperative with Interlocal Agreement	3 Documented Price Quotes *if not line item bid*	**POCF (Federal)**	Required of the Purchasing Cooperative	Required of the Purchasing Cooperative	Required of the Purchasing Cooperative
Noncompetitive Procurement, including Sole Source	1 Price Quote	**Sole Source Affidavit Grant Approval POCF (Federal)**	Not Required	Not Required	Not Required

AN APPROVED PURCHASE ORDER MUST BE IN PLACE BEFORE PLACING AN ORDER FOR ANY GOODS AND/OR SERVICES
******STAFF MEMBER WILL BE FINANCIALLY LIABLE FOR ANY PURCHASE NOT IN ACCORDANCE WITH THE ADOPTED BUDGET, STATE LAW, ESC POLICIES, AND ESC PURCHASING PROCEDURES******
IMPORTANT: if there is a conflict, the most restrictive applicable local, state or federal rule or regulation applies
Purchase Order Compliance Form (POCF) documents the cost is reasonable, allowable, necessary and allocable when using Federal funds

[1] It is always in the entity's best interest to obtain competition for all purchases no matter the dollar amount, see *TEA Financial Accountability System Resource Guide Module 5: Purchasing* .

[2] See *2 CFR 200.320(a)(1)* .

[3] The term "aggregate" is the total dollar sum of demand for "like" goods and services that in normal purchasing practices would be made in one purchase during the fiscal year over a 12-month period for all programs and departments, see defined *Commodity/NIGP Codes* , *TEC, §44.031(a)* , and *TEA Financial Accountability System Resource Guide Module 5: Purchasing* .

Technology purchases to include, but not limited to, any electronic device (e.g., computers, laptops, tablets, copiers, phones, etc.) and supplies (e.g., hard drives, external storage devices, etc.), excluding ink/toner cartridges, will require a quote provided by the Network, Data Center and Help Desk Department. Quotes for electronic devices will be provided for a standardized version of the device requested and requests for non-standard devices will be considered on a case-by-case basis. All request for quotes should have detailed information on the products and/or services needed (i.e., technical specifications, quantity, etc.) and funding source local/federal/state. Please note that requests lacking the necessary information will result in clarification efforts that may delay the time to process.

Cooperative Purchasing Strategy

Staff are encouraged to utilize Region One Education Service Center and/or Region One ESC Purchasing Cooperative offerings first, unless able to find better value through another purchasing cooperative Region One ESC is a member of.

Staff are directed to locate potential purchasing cooperative vendors utilizing the Region One ESC Master Awarded Vendor Listing on the MyRegionOne site.

Staff are encouraged to always obtain price quotes/comparisons for best value, however, a minimum of 3 price quotes are required for Purchasing Cooperative vendors if the purchase is $10,000 or greater and the purchasing cooperative contract was not awarded as a "line item bid".

Tax Exemption Certificate

The Region One Education Service Center is exempt from Texas Sales and Use Taxes. The Region One ESC employee physically purchasing the applicable goods and/or services is required to complete, sign and date, the Texas Sales and Use Tax Exemption Certification Form and present it at the time of purchase and ensure the applicable Texas Sales and Use Tax is not charged. The ESC will not reimburse State tax that is charged to the employee.

Verification of Purchased Product

The originator of the purchase requisition/purchase order, or appropriate designee, verifies the items received to ensure suitability, capability of performing intended function, and correctness against the purchase order. The originator of the purchase requisition/purchase order, or appropriate designee, if applicable, inspects and tests the goods, products, and/or equipment for damage or malfunction. Problems are reported by the Department to the Vendor for replacement or refund. Upon verification and three-way match approval of payment to the Vendor is initiated. Three-way match is the verification that POs, invoices, and receiving reports all match before payment is processed.

Responsibility for Debts

The Region One ESC Board of Directors shall only assume responsibility for debts incurred in the name of the ESC so long as those debts are for purchases made in accordance with the adopted budget, state law, ESC policies, and the ESC's purchasing procedures. The ESC shall not be responsible for debts incurred by persons or organizations not directly under ESC control consistent with this procedure. All authorized purchases must be made with an approved purchase order, any exception must have prior authorization from the Finance Administrator. Any persons making unauthorized purchases shall assume full responsibility for all such debts.

Purchase Commitments

All purchase commitments shall be made by the Region One ESC Executive Director or designee in accordance with administrative procedures, including the ESC's purchasing procedures.

Personal Purchases

Region One ESC employees shall not be permitted to make purchases for personal use through the ESC's Business Office.