District Purchasing

Operations and Procedures Manual

FEDERAL GRANTS COMPLIANCE NOTICE

All purchases shall be in accordance with the District's School Board Policies (CH Legal and Local) and the District's Purchasing Procedures Manual. The district purchasing procedures shall comply with all federal, state, and local procurement requirements, including the new Education General Administration Regulations (EDGAR).

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OVERVIEW

The Purchasing Department of the Grand Prairie Independent School District is part of the Business Operations Department and is responsible for the organization and administration of the purchasing/procurement functions for the district following the authority delegated by the Superintendent and Board of Trustees.

The primary function of the District's Purchasing Department is to meet the product and service needs of the district by:

- Obtaining the best product at the lowest cost to the taxpayer while following all federal, state, and local laws as well as District policies and guidelines.
- Achieving a dependable and prompt delivery for the requesting school or department.
- Promoting competition among bidders.
- Ensuring an equal opportunity for all vendors to secure District business.
- Educating and informing all vendors about District rules, regulations, and methodology that are the basis for bid awards.

As a support organization of the district charged with the acquisition of goods and services requested by instructional and administrative departments, the Purchasing Department will function in a manner consistent with applicable laws, School Board policies, the Uniform Commercial Code and other sound business practices.

The Purchasing Department shares with the Business Office and other fiscal offices the responsibility of expending District funds I such a manner that will meet all requirements of the State, Federal, and District procurement regulations and safeguard the public trust.

Effective purchasing is a cooperative venture between the Purchasing Department and the schools and other departments within the district. The purpose of this manual is to provide guidelines and procedures for the Purchasing Department staff and others involved in the procurement process throughout the district.

Situations will undoubtedly arise that are outside of these procedures. The Purchasing Department staff are available to discuss and/or aid in any special situations or needs and will facilitate a solution in the best interest of the students and staff of Grand Prairie ISD. The purchasing procedures contained in this purchasing manual are intended to follow all applicable laws, policies, and procedures. In case of conflict, the appropriate law or policy shall prevail.

GENERAL STANDARDS AND ETHICS

Ethics relating to conflicts of interest, monetary interests in firms conducting business with the district, kickbacks, gratuities, and improper use of a position or confidential information are clearly communicated throughout the district.

Additionally, District personnel should be aware that under the Education Code, Chapter 44.031, as well as other state and federal statutes regarding the expenditure of public funds, there are penalties for violations of purchasing processes which can include criminal prosecution and loss of employment opportunities.

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

- It is a breach of ethics to attempt to realize personal gain through employment with a public school district by any conduct inconsistent with the proper discharge of the employee's duties.
- It is a breach of ethics to attempt to influence any public employee of a district to breach the standards of ethical conduct set forth in this code.
- It is a breach of ethics for any employee of a district to take part directly or indirectly in a procurement when the employee knows:
    - The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement.
    - A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
    - Any other person, business, or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment participates in the procurement.
- Gratuities: It is a breach of ethics to offer, give or agree to give any employee or former employee of a school district, or for any employee or former employee of a school district to solicit, demand, accept, or agree to accept from another person, a gratuity or fan offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before this government. Acceptance of gratuities may be construed as a criminal offense.

- In addition, Texas law makes a gift (an item valued at $50 or more, ash of any amount, or a negotiable instrument of any value) to a public employee a Class A misdemeanor if the employee is someone who exercises some influence in the purchasing process of the governmental body. (Texas Penal Code, 36.09 [d] and [h]). District policy on Conflict of Interest and the reporting requirements can be found under District Board Policy-DBD. https://pol.tasb.org/PolicyOnline/PolicyDetails?key=365&code=DBD#legalTabContent
- Kickbacks: It is a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract of a school district, or any person associated therewith, as an inducement for the award of a subcontract or order.
- Contract Clause: The prohibition against gratuities and kickbacks prescribed above should be conspicuously set forth in every contract and solicitation, therefore.
- It is a breach of ethics for any employee or former employee of a school district knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

Local Government Code, Chapter 176 provides information regarding conflict-of-interest statements to be filed by vendors and certain school district employees. Refer to the Texas Ethics Commission website for additional information and sample forms.

PURCHASING PROCESS

Texas Education Code, Chapter 44 defines the methods of procurement that school district uses based on the level of expenditure during a twelve-month period. The Purchasing Department looks at All expenditures in total, which means all district locations are one unit.

There are various categories of purchases including personal property, services, maintenance, construction, and real property.

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

Services can include both professional and non-professional services. Texas Education Code defines Professional services as those for which special qualifications or licensing is required.

Maintenance is the act of keeping an existing building, facility, or equipment in proper working order.

Construction can mean both new facilities and buildings or it can apply to renovations of existing facilities. If the services applied to an existing facility are not LIKE FOR LIKE, then the project is construction under the public works statutes.

Real property procurements are the purchase of land and/or buildings by the district. These procurements are extremely specialized and require legal assistance.

To determine the level of expenditure, the Purchasing Department has developed a grouping of commodity categories (please reference pages 28-29 of this manual) for federal and non-federal purchases. The Purchasing Department groups all commodities so contracts for the purchases of these items can be awarded in a competitively awarded process to ensure schools and departments are receiving Best Value for their budget expenditures and are following all statutes, polices, and procedures.

The Purchasing Department watches all District transactions and groups procurement as needed and required under these guidelines.

Schools and departments are encouraged to make purchases from established contracts to prevent such delays.

The staff using the contracts must monitor Vendor performance. If vendor performance becomes an issue during the contract term, Grand Prairie ISD has the right to terminate the contract with said vendor prior to the original expiration term noted in the original contract. Vendors who are not performing in accordance with the terms and conditions of the contract should be given written notification. If vendor performance does not improve within 30 days of receipt of notice, Grand Prairie ISD has the right to terminate the contract.

PURCHASING LIMITS

Schools and departments are encouraged to use vendors currently under contract with the district for all procurements, or a competitively bid contract through one of the Purchasing Cooperatives in which the district participates. Purchases through awarded contracts must follow the terms of the awarded contract. If the contract calls for competitive quotes from awarded contract vendors, then competitive quotes will be required for any expenditure under that contract.

For purchases of personal property or services, schools and departments will be allowed to purchase using the Best Value criteria for the individual transaction, with the following guidelines:

- All purchases require a written quote from a vendor, except for the district used E-Commerce vendors.
- The "attempt" to obtain written quotes MUST be documented by supplying copies of all emails sent to vendors. The quote request should state both the date and time for the quotes to be returned. Multiple vendors MUST be allowed to submit a quote for the property or services requested. When using federal funds, three quotes are required when the purchase exceeds $49,999 within the commodity codes referenced on page 19 for local fund purchases and page 43 for federal fund purchases.

For any purchases of commodities or services over $50,000 in total for the fiscal year, the Purchasing Department should be contacted so that a formal competitive procedure can be followed in the procurement process. The Purchasing Department will assist the campus or department in following the statute requirements for competitive procurements and in preparing the contract recommendations for Board consideration if the total contract award exceeds $250,000.

EXCEPTIONS TO PURCHASING LIMITS

The following exceptions to the purchase limits referenced above apply:

- **Purchases Funded with Federal Grant Awards**: Purchases for goods and/or services to be funded with federal grant awards require compliance with the administrative requirements imposed by the respective federal awarding agency. For example, the US Department of Education (USDE) or the US Department of Agriculture (USDA).
- **Software and Online Subscription Purchases**: Purchase or renewal of a given software application and/or online software subscription (herein referred to as "software") does not require multiple price quotes. However, if the expenditure is being paid with federal funds the purchase must follow section "1" above.
- **Purchases Funded by Student Activity Funds**: Purchases for goods or services funded by Student Activity Funds (budget fund code 865) are not considered District funds, and are exempt from all public procurement requirements, both federal and state procurement rules and regulations. However, purchases for goods or services with funds derived from student activities (i.e., fundraisers) deposited into a District-controlled activity account (e.g., budget code 461) or General Operating Fund account (e.g., fund account 199) must follow all applicable procurement requirements.
- **Exceptions Authorized by Director of Purchasing**: In some instances, depending on the circumstances, the Director of Purchasing shall have the right to waive the standard purchasing procedures referenced in this procedure's manual, under the condition that any applicable Federal, State, or Local rules and regulations are still followed in their entirety. Circumstances leading to waiving such standard purchasing procedures may involve situations including, but not limited to, time sensitive procurements where standard procurement procedures would cause a disadvantage to the district, lack of known qualified vendors, etc.
- **Registrations to Events and Conferences**: Registrations to events and conferences offered by industry related organizations (e.g., TASBO, TASB, etc.) for professional development or to keep up with industry or job-related information are exempt from the purchase limit requirements, unless federal grant awards are used to fund the expenditure in which case the applicable federal grant requirements must be complied with in their entirety.
- **Purchases for Student or Staff Related Activities at Public Organizations**: Purchases for district-organized activities at unique public organizations (e.g., Dallas/Fort Worth Zoo, etc.) are exempt from the purchase limits requirements, unless federal grant awards are used to fund the expenditure, in which case the applicable federal grant requirements must be followed in their entirety.

PURCHASING CONTRACTS

As directed in School Code, Section 44.031, Subchapter A, except for produce or fuel, all District contracts valued at $50,000 or more in the aggregate for the 12-month period must be procured by use of one of the following methods:

- Competitive Bidding, for personal property or for services other than construction services
- Competitive Sealed Proposals
- A Request for Proposal for Services other than Construction Services
    - District employees may become approved vendors by completing the District's RFP corresponding to the type of service they are providing.
    - Services cannot be provided by a district employee during working hours. All services must be provided outside of their workday.
- An Interlocal Contract
- A method provided by Chapter 2269, Government Code for Construction
- The Reverse Auction Procedure Defined in Government Code, Section 2155.062
- The Formation of a Political Subdivision Corporation under Local Government Code, Section 304.001.

This applies to all personal property, services, and construction contracts, except for those categories listed in the following section.

GRAND PRAIRIE ISD CONTRACTS

Vendor contracts with Grand Prairie ISD can consist of a signed approved district purchase order and a district approved quote from the vendor. Any goods or services, except for those entered by the Superintendent or their designee, without a district approved purchase order does not constitute a valid contract with the district.

DEPOSITS/PRE-PAYMENTS

Grand Prairie ISD does not pay deposits or pre-payments for materials/services not received by or provided to the district.

If deposits/pre-payments are requested by the vendor, prior approval must be obtained from the finance department.

Deposits/pre-payments are ***not*** allowed when using federal funds.

COOPERATIVE/INTERGOVERNMENT PURCHASING CONTRACTS

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

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

Participation is allowed through the execution of an Interlocal Agreement between the Grand Prairie ISD Board of Trustees and the administration of the Cooperative. Currently, Grand Prairie ISD is an active member of several Purchasing Cooperatives. These include, but are not limited to: TASB, BuyBoard, HDE Choice Partners, E&I Cooperative Services, EPCNT, Equalis, 1GPA, HGAC, National IPA, PACE, Regional ESC's, Sourcewell (NJPA), TCPN, TXMAS, TIPS, US Communities, DIR, OMNIA, ASC, NPA, CTPA, etc.

However, before grant funds or federal funds can be used for procurement through one of the Cooperative's contracts, the Purchasing Department must have a statement from the Cooperative's administration that the Cooperative is in total compliance with EDGAR requirements. Additionally, the vendor must submit the background certification form required by the district if the vendor has continuing duties in relation to the contract and direct contact with students.

The district may use the Cooperative's Job Order Contracts (JOC) for the purpose of routine maintenance, repair, alteration, and small construction on existing facilities, in accordance with Chapter 2269, Texas Government Code. If such contracts are used, the district must obtain any required bonds-both performance and payment. The district must also certify that the project meets the requirements for any design or engineering services required.

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

For additional information regarding available commodities or services, please contact the Purchasing Department.

COMPETITIVE PROCUREMENT PROCESS

If it is determined that the personal property or service needed will require either a Request for bid or Request for Competitive Sealed Proposal process on the open market, the Purchasing Department will prepare the bid documents. The requesting department will be responsible for providing specifications of the products or services needed. Upon conclusion of the bidding process, the Purchasing Department will open, tabulate, and provide the school or department with written documentation of the results. The school or department will be asked to evaluate and score the results.

Notices of the time and place when the bids or proposals or other responses to a request for qualification may be examined must be published once a week for at least two weeks before the deadline for receipt. This notice must include where the bids will be opened as well as the date and time due. Such notice must be published in the county where the district's administrative office is located.

Bids or Proposals will be opened (if applicable) in a public meeting by the Purchasing Department. All such openings are open to the public or any interested parties.

If the contract value exceeds $50,000 annually, the Purchasing Department will review and prepare an Agenda Item for Board approval and submit it for consideration.

Once a contract award is determined either through administrative action or Board action, the Purchasing Department will notify the school or department as well as all vendors involved in the process.

SPECIFICATIONS

The district's end user or department is responsible for the development of specifications for the items or services needed. Specifications cannot be used that prevent competition in the marketplace on comparable items or services. The use of any brand name or manufacturer's reference should be descriptive not restrictive and should merely indicate the type and quality of the items wanted.

Detailed specifications are desired, but, at the least, all specifications should include the minimum acceptable requirements or features. Alternate bids may be considered for award if in the best interest of the district. The Purchasing Department staff are available to assist in this area as needed.

COMPETITIVE PROCURMENT EXCEPTIONS

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

Cooperative Purchase Programs: All items and services available through a Board approved purchasing cooperative have satisfied all procurement regulations for the formal competitive procurement process. However, unless the specific item or service is identified specifically in the awarded contract, the department or school is encouraged to obtain multiple quotes from awarded cooperative vendors. Additionally, if the item or service is identified as having been competitively awarded, the unit of measurement is typically "one." For purchases of any quantity or level of service over the base unit every effort to negotiate a volume price should be made.

Professional Services: Departments requesting services under this category shall be required to provide proper justification as to why the proposed service qualifies as a professional service.

- An additional exception applies to professional services as defined under the Government Code, Section 44.032(F). These services include, but are not limited to, professionals such as attorneys, architects, fiscal agents, or licensed medical professionals.
- Contracts for professional services are not procured through competitive bids. Such services are chosen through a process of selection involving the review of professional qualifications.
- Professional services are defined under Attorney General Opinion DM-347 is a person whose profession requires years of education and service for one to attain competence and calls for a high order of intelligence, skill, and learning.

VENDOR PROCESSES

Contract/Agreement Procedures

All contracts, agreements, quotes, or any other documents with terms and conditions or "fine print" and require a signature must go through the contract review and approval form process. Even if there is no financial cost required by the agreement, all agreements require review before executing. Only the District's authorized signers (Superintendent, Deputy Superintendent of Business, or designee) can execute an agreement document for the district.

The Business Operations Contract Review & Approval form can be found in Laserfiche. If you do not have access to Laserfiche or are unable to find the document, please email the purchasing department.

The completed form and the agreement must be submitted through Laserfiche for approval. Please allow at least 30 days for review to occur.

Vendor Background Check Procedures

All vendors approved to provide a training or event on a campus or for a department must have a background check conducted prior to coming to the premises. **It is the responsibility of the campus or department that has contracted with the vendor to contact Human Capital and request a background check be performed on the vendor.**

Vendor Registration/Approval

Grand Prairie ISD requires all vendors in which product/services are purchased to be placed under one of the 28 codes listed within this manual.

If a campus/department has a non-approved vendor they want to use, the following will be required:

- The vendor must be contacted to find out if they will fill out an RFP with our district. If the vendor agrees to fill out an RFP, the campus/department must enter a New Vendor Request Form in Laserfiche.
- Once the purchasing coordinator receives the form, the vendor will be sent information on how to complete the RFP in our electronic bidding software "Euna Procurement powered by Ion Wave."
- Once the vendor submits their RFP and it is accepted by the purchasing department, they will be set up as a vendor in Skyward. If the dollar amount to be spent exceeds $50,000/year, the vendor will be placed on the next available board meeting agenda before a purchase order can be issued. If the spending amount does not exceed $50,000/year, the campus/department can enter a requisition immediately after the vendor is set up and active.
- If a non-approved vendor does not agree to fill out a district RFP AND the vendor will accept a credit card at the point-of-sale, a purchase order can be issued to Bank of America to obtain a district credit card. There is a $5,000 per vendor limit to use a credit card in this manner.

Vendor Purchase Order Requirements

Obtain a purchase order FIRST before delivering any products or performing any services.

Grand Prairie ISD's Purchasing Policy requires that all orders for goods and/or services have a purchase order before shipment of the product and/or services. If invoices are received without a valid PO number, then internally it may be considered an illegal purchase, and the district is not obligated to pay.

A packing slip is required with each shipment of products, supplies, and equipment. Supplier packing slips and invoices must reference the purchase order number or indicate the purchase was made with a credit card. Please note that 99% of purchases are made with a purchase order.

Invoices that are received without Purchase Order information or with the word "VERBAL" may NOT be paid by Grand Prairie ISD. Also, requisition numbers are not a valid authorization to purchase or order goods and/or services. The process of obtaining a purchase order is as follows:

1. Grand Prairie ISD employees who are authorized to order goods and/or services must first obtain a quote from approved/awarded vendors.
2. Grand Prairie ISD employee enters a requisition based on the quote.
3. Grand Prairie ISD Purchasing Department issues a purchase order based on the quote and requisition.
4. Purchase Order is sent to vendor.
    a. Grand Prairie ISD does not pay deposits or pre-payments for materials/services not received by or provided to the district. Prior approval for deposits/pre-payments must be obtained from the finance department.
    b. Deposits or pre-payments are ***not*** allowed when using federal funds.
5. The Vendor delivers products or performs services – limited to scope and quantities on the purchase order. Prior approval required for changes to scope and quantities. Do not deliver or perform above the purchase order scope unless you receive prior approval for the change.
6. The Vendor submits the invoice, with the purchase order number printed on the invoice. Invoices must not exceed the amount of the purchase order unless a change has been approved prior.
7. The district pays the invoice (normal NET 30) if it conforms with the purchase order and any changes that were approved and issued.

All orders must be delivered to the appropriate Grand Prairie ISD location on the purchase order and not to any other personnel or department.

Please direct questions regarding this policy to the Purchasing Department at 972-237-5515.

Vendor Appeal Process

The district alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements made with federal funds. 2 CFR § 200.318(k).

Any bidder objecting to the recommendation for award or the award of contract may appeal the action to the Purchasing Department by formally notifying the Director of Purchasing by email at purchasing@gpisd.org no later than seven (7) calendar days after the basis for appeal is known. The bidder shall have an opportunity to meet and/or talk with the Director of Purchasing to present the issues. A formal written response to the appeal shall be issued by email no later than seven (7) calendar days after a decision is made.

Appeal at Purchasing Director Level
For an appeal of recommendation of award of contract, the Director of Purchasing shall review the decision of the selection committee. The Director of Purchasing may approve, modify, or disapprove the decision of the selection committee. In disapproving of the decision, the appeal will be remanded to the selection committee for resolution. In all other cases, the decision of the Director of Purchasing is the final action by Grand Prairie ISD. The decision shall include a statement of the decision, with supporting material. Bidders receiving a decision on an appeal of recommendation of award shall forfeit the right to continue the appeal process of the award of contract.

Appeal After Board Approval
In the event a bidder determines cause to appeal an award of contract, which has been approved by the Board of Education of Grand Prairie ISD, said action must be filed in writing to the "End-User" Department's Executive Director. This action shall occur no later than seven days from the date of award of contract. The Department's Executive Director reserves the right to meet with the protesting Bidder as a part of the appeal investigation. The Executive Director will issue a formal written decision within ten (10) calendar days

Furtherance of Appeal
If a Bidder wishes to pursue the appeal of an award of contract further, administrative procedures have been established for such action. These procedures will be outlined at the time the appeal is made.

Appeal of Suspension or Termination

Protest
Any Awarded bidder objecting to their Suspension or Termination may protest the action to the "End User" Department by formally notifying the Director of Purchasing [or designee] in writing within fourteen (14) calendar days from the date of the notification. The Awarded Bidder shall have an opportunity to meet with the Director of Purchasing or designee, to present his issues.

Use of Administrative Process
If the Award Bidder is unsatisfied with the outcome of this meeting, then the Awarded Bidder may utilize the administrative process to further the appeal.

Continuation of Work Under Appeal
Grand Prairie ISD reserves the right to proceed with the work under the contract during the appeal process if Grand Prairie ISD determines that this is in the best interest of Grand Prairie ISD, in the opinion of Grand Prairie ISD.

Appeal of Termination: Non-Appropriation or Loss of Appropriated Funds
NONE

Cost of Appeal
Any costs incurred in the appeal process will be the responsibility of the bidder(s) in all instances.

CONFLICT OF INTEREST

Local Government Code Chapter 176 provides information regarding conflict-of-interest statements to be filed by vendors and certain school district employees.

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

For expenditures from federal funds, District employees should be aware that the rules regarding conflict of interest are more stringent than the State requirements. For federal fund expenditures the rule states "neither an employee administering, directing, or authorizing the expenditure of federal funds, nor members of the employee's immediate family, can have a financial interest in a vendor or his/her company involved in the procurement transaction involving these funds."

District policy on Conflict of Interest and the reporting requirements can be found under District Board Policy-DBD.

The district will impose appropriate sanctions or disciplinary actions, including, but not limited to, termination and/or prosecution, for any employee or officer who violates any of these requirements related to standard of conduct and conflict of interest. 2 CF § 200.318(c)(1).

See Board Policy CBB Legal

DISTRICT COMMODITY CONTRACTS LISTING

Maintenance/Facilities/Transportation/Food Service Equipment, Supplies and/or Installation includes but is not limited to the following: HVAC, Electrical, Plumbing, General Maintenance, Custodial, Equipment Rental, Alarm (All), Transportation, Food Service, Warehouse, and any other applicable categories not mentioned above.

Fundraiser Services

Athletic, Physical Education and Organized Club Materials, Supplies, Equipment, Clothing includes but is not limited to the following: Soccer, Football, Baseball, Softball, Track, Wrestling, Basketball, Volleyball, Tennis, Cross Country, Swim, Diving, Water Polo, Golf, Lacrosse, Cheerleading, Physical Education, Organized Club (i.e., Ballet Folklorico, Mariachi, DECA, BPA, SkillsUSA, Dance, etc.), Stadium and any other applicable categories not mentioned above.

Administrative, Co-Curricular, and Instructional Contracted Services

Printing Services, Awards/Recognition Items, and Promotional/Spirit Items include but is not limited to the following: Printing**,** Awards, Recognition**,** Promotional, Spirit and any other applicable categories not mentioned above.

School District Materials/Supplies and/or Services includes but is not limited to the following: K-12 Classroom, Library**,** Administrative/Office**,** Campus (Non-Classroom)**,** Textbooks**,** Beyond the Bell**,** Dubiski Career HS Print Shop**,** Education Center Departments**,** Counseling, Parent Involvement and any other applicable categories not mentioned above.

Technology Equipment, Materials, and/or Supplies includes but is not limited to the following: Hardware**,** Software**,** Cabling**,** Peripherals, and any other applicable categories not mentioned above.

Credit Card Services includes but is not limited to the following: Travel Expenses**,** Retail/On-Line Expenses and any other applicable categories not mentioned above.

FEDERAL FUND PROCESSES

Full and Open Competition

All procurement transactions paid with federal funds are conducted in a manner that provides *full and open competition* consistent with 2 CFR § 200.319 and 200.320. In an environment of full and open competition, no proposer or bidder has a competitive advantage over another. All potential proposers and bidders must be provided with the same information and have the same opportunity to submit a bid or proposal. Providing a competitive advantage to one or more potential proposers or bidders over another can open the potential for disputes and lawsuits that can be costly and can significantly delay the completion of projects.

To ensure objective contractor performance and eliminate unfair competitive advantage, contactors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals (RFPs) are excluded from competing on those procurements. The district does not engage in the following situations that may restrict *full and open competition*, including but not limited to:

- placing unreasonable requirements on firms for them to qualify to do business.
- prequalified lists must not preclude potential bidders from qualifying (200.319(e)).
- requiring unnecessary experience and excessive bonding.
- noncompetitive pricing practices between firms or between affiliated companies.
- noncompetitive contracts to consultants that are on retainer contracts.
- organizational conflicts of interest.
- specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement.
- any arbitrary action in the procurement process. 2 CFR § 200.319(a).

The district also complies with the following requirements in 2 CFR 200 to endure full and open competition when purchasing with federal funds:

Geographical Preferences Prohibited

The district conducts federal procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. 2 CFR § 200.319(c). Accordingly, when purchasing with federal funds, the district does not give preference to a contractor/vendor which is in Texas or the local or surrounding community simply due to the location. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided an appropriate number of qualified firms, given the nature and size of the project, are left to compete for the contract.

Domestic Preferences for Procurement

The district should, to the greatest extent practicable and consistent with law, provides a preference for the purchase, or acquisition, of goods and products produced in the United States. The district includes this preference in all contracts and purchase orders for work or products using federal funds. 2 CFR § 200.322.

Prohibition of Certain Telecommunications Companies

The district will not procure, enter a contract to procure, or extend or renew a contract to procure covered telecommunications and video surveillance equipment or services described in Public Law 115-232, section 889. Covered telecommunications and video surveillance equipment or services are those produced by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company, or any subsidiary or affiliate of such entities. 2 CFR § 200.216. To meet this requirement, the district's Purchasing Department will check www.sam.gov to ensure the vendor is not excluded for this reason. See OMB 2 CFR Frequently Asked Questions, Q-47 https://www.cfo.gov/assets/files/2CFR-FrequentlyAskedQuestions_2021050321.pdf

Never Contract with the Enemy

The district complies with the regulations implementing Never Contract with the Enemy in 2 CFR part 183 prohibiting contracts, grants and cooperative agreements that exceed $50,000, are performed outside the U.S. and its territories, and are in support of a contingency operations in which members of the Armed Forces are actively engaged in hostilities. 2 CFR § 200.215.

Contracting with Small, Minority, Women's, or Veteran-Owned Businesses

When possible, the district should consider small businesses, minority businesses, women's businesses, veteran-owned businesses, and labor surplus area firms. Consideration means:

- including these businesses on solicitation lists
- soliciting whenever deemed eligible as potential sources
- dividing separate procurements and establishing delivery schedules to permit maximum participation
- use organizations like the Small Business Administration and the Minority Business Development Agency of the Department of Commerce
- requiring contractors under a federal award to apply these conditions to subcontracts

Prequalified Lists

The district ensures that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. 2 CFR § 200.319(e). The district accomplishes this by conducting internet searches, including using vendor searches available through the Texas Comptroller of Public Accounts, and by using other less technologically advanced tools to locate and identify potential contractors. Grand Prairie ISD consults Buy Board, OMNIA, Choice Partners, TIPS/TAPS,

EPCNT, and others to determine an adequate number of qualified vendors. Also, the district will not preclude potential bidders from qualifying during the solicitation period. The Purchasing Department is responsible for reviewing pre-qualified lists and determining if they include an adequate number of qualified sources.

Solicitation Language

All solicitations will incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description will not, in competitive procurements, contain features which unduly restrict competition. The description will include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, will set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications will be avoided if possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description of features may be used to provide procurement requirements. The specific features of the named brand will be clearly stated and will identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. 2 CFR § 200.319(d)(1)-(2).

Federal Procurement System Standards

In addition to avoiding conflicts of interest and ensuring full and open competition as described above, the district's written procurement procedures for purchases made with federal funds reflect applicable state and local laws and regulations and conform to the following federal standards for procuring goods and services with federal funds. 2 CFR § 200.318.

Avoiding Acquisition of Unnecessary or Duplicative Items

The district avoids the acquisition of unnecessary or duplicative items. Additionally, the district considers consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, the district makes an analysis of leasing and purchasing property or equipment to determine the most economical approach. 2 CFR § 200.318(d).

These considerations are given as part of the process to determine the allowability of each purchase made with federal funds.

Use of Federal Excess and Surplus Property

The district considers the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. 2 CFR § 200.318(f).

Procurement of Recovered Materials

In addition to use of federal excess and surplus property, the district complies with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. 2 CFR § 200.323. The requirements of section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The requirements apply to state and local governments, including school districts, and include the purchase of everyday items such as paper products, non-paper office products, office furniture, floor mats, and awards and plaques, as well as many other items, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000. Requirements also include:

- procuring solid waste management services in a manner that maximizes energy and resource recovery and
- establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Pursuant to section 6002, the decision not to procure recovered materials must be based on a determination that such procurement items:

- are not reasonably available within a reasonable period of time;
- fail to meet the performance standards set forth in the applicable specifications or fail to meet the reasonable performance standards of the district; or
- are only available at an unreasonable price. Any determination under subparagraph (B) shall be made based on the guidelines of the Bureau of Standards in any case in which the material is covered by the guidelines.

Awarding Contracts to Responsible Contractors

The district must award contracts only to responsible contractors that possess the ability to perform successfully under the terms and conditions of a proposed contract.

The district considers:

- Contractor integrity
- Public policy compliance
- Proper classification of employees (see FLSA)
- Pat performance record
- Financial and technical resources

The district may develop written procedures for procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job-training for employees making work or products providing services on a contract, and other worker protections. Any scoring mechanism must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award.

The district will check references where possible and engage in practical activities such as checking with the local Better Business Bureau and the Texas Attorney General's office to ensure there are no outstanding complaints against the contractor.

The district will award a contract to a contractor who has the appropriate experience, expertise, qualifications, and any required certifications necessary to perform the work. Contractors should also have the financial resources to sustain the project while the initial work is being completed and during each service period until he or she submits invoices for payment to the district as work is completed (for example, at the end of each month). Grand Prairie ISD does not pay deposits or pre-pay for materials/services that have not been received/provided. Prior approval for deposit/pre-payment requests must be obtained from the finance department. Prior Contractors should have the proper equipment or the capability to subcontract for the proper equipment necessary to complete the contracted work. For example, if the contractor is to develop curriculum guidelines on a computer, the contractor should already have his or her own computer with the appropriate software.

Debarment and Suspension of Vendors

The debarment and suspension procedures are intended to prevent waste, fraud and abuse in Federal procurement and non-procurement actions. Debarment or suspension of an organization or individual excludes that company or individual from doing business with the Federal Government.

The district will not subcontract with or award subgrants to any person or company who is debarred or suspended from receiving federal funds. The district is required to ensure all contracts over $25,000 are not made to suspended or debarred vendors. 2 CFR § 200.214; 2 CFR Part 180; 2 CFR Part 3485.

The Purchasing Department verifies the vendors' debarment and suspension status by logging into the Sam.gov website. The search MUST be conducted BEFORE awarding the work. The vendor's status is documented and attached to all relevant purchase orders/bid documents.

Best Value - State Rules for Selecting Vendors

In addition to federal standards for making awards only to responsible contractors, TEC § 44.031 establishes nine criteria that school districts must use in determining contract awards to vendors, whether using state, local, or federal funds. All nine criteria must be considered *unless federal law prohibits it or is more restrictive as noted below*.

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

Best Value criteria to be considered shall include:

- The purchase price.
- The reputation of the vendor and of the vendor's goods or services.

- The quality of the vendor's goods and services.
- The extent to which the goods or services meet the district's 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.
- For a contract for goods and/or services, other than goods and/or services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the vendor or the vendor's ultimate parent company or majority owner:
    - Has its principal place of business in this state; or
    - Employes at least 500 people in this state. (**Note**: Federal requirements prohibit geographic preference when purchasing with federal funds. Therefore, *this requirement cannot be used to select a contractor when the purchase is made with federal funds.)*
- Any other relevant factor specifically listed in the request for bids or proposals. Factors that a school district may consider under these criteria include time and compatibility of goods/products purchased with those already in use in the district.

Schools or departments will be asked to provide an evaluation of all criteria included in the bid documents. All such evaluations will be kept in the Purchasing Department files and may be presented to the Board with the contract award recommendation.

Contract Provisions

In all federally-funded contracts, the district includes the applicable provisions described in Appendix II to 2 CFR Part 200 – Contract Provisions for non-Federal Entity Contracts under Federal Awards. 2 CFR § 200.327. Provisions include the following:

- All contracts paid from state or federal grants administered by TEA must retain copyright for the Texas Education Agency (TEA) and for the federal government (if a federally funded contract) unless otherwise negotiated in writing with TEA. Pursuant to the provisions in 2 CFR § 200.315, title to intangible property vests in the district if such property is used for authorized purposes. However, TEA and the federal awarding agency reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes, and to authorize others to do so.
- All contracts greater than $250,000 must address administrative, contractual, or legal remedies.
- All contracts greater than $10,000 must address termination for cause and for convenience.
- All construction contracts must include the Equal Employment Opportunity clause.
- All prime construction contracts, more than $2,000 must include a provision for compliance with the Davis-Bacon Act and its implementing regulations.

- All contracts, more than $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with the Contract Work Hours and Safety Standards Act and its implementing regulations.
- All contracts that meet the definition of "funding agreement" and where the district wishes to enter into a contract with a small business firm or nonprofit organization must include a provision for compliance with the Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements.
- All contracts and subgrants greater than $150,000 must contain a provision for compliance with the Clean Air Act and the Federal Water Pollution Control Act and their implementing regulations.
- All contracts must include compliance with the Energy Policy and Conservation Act pertaining to mandatory standards and policies relating to energy efficiency contained in the state energy conservation plan.
- A contract or subcontract must not be made to any party that is debarred or suspended from receiving federal funds.
- Lobbying Certification and Disclosure of Lobbying (Byrd Anti-Lobbying Amendment) – All contractors that apply or bid for an award of $100,000 or more must file the required Lobbying Certification that it has not and will not use any federal funds to lobby.
  If *non*-federal funds are used to lobby, the contractor must complete the Disclosure of Lobbying and forward the disclosure to the next tier, who must forward it through each tier to the federal awarding agency.
- All contracts greater than $10,000 must include compliance with section 6002 of the Solid Waste Disposal Act and its implementing regulations. 2 CFR § 200.322

The district also adheres to the best practices recommended by TEA as it pertains to professional services contracts paid from federal grants. See *III. Procurement System, G. Contract Administration*.

Maintenance of Procurement Records

Per *Module 5* of FASRG,

> "accurate record-keeping and documentation should be a fundamental element of the procurement process. Precise and systematic record-keeping and records management withstands the constant scrutiny of various interest groups including vendors, the general public, and outside agencies as well as internal groups which are the users or customers of the purchasing system. This records management function should support the school district's overall information management plan described in the Data Collection and Reporting module and generally provide for:
>
> - Both the *flow and retention of forms* including requisitions, purchase orders, petty cash and cash reimbursement receipts.
> - *Full documentation of all competitive procurements* with comprehensive competitive procurement files containing specifications, competitive procurement advertisement,

pre-competitive procurement conference minutes (as appropriate), competitive procurements submitted, competitive procurement tabulation, board minutes indicating competitive procurement awards (or a similar award notice) and related records.

- *Full documentation of procurement procedures* utilized to obtain goods and services through competitive sealed proposals, design/build contracts and other procurement options.
- *Documentation of price quotations* obtained when purchasing with federal funds.

The records management function may rely on electronic formats including automated systems, diskettes, CD-ROM, imaging and microfiche. Alternatively, it may use hard copy or a combination of methods."

Therefore, the District will select the methods best suited to its needs.

In addition, in accordance with federal standards, the district maintains records sufficient to detail the history of all federal procurements, including but not necessarily limited to, the following:

- the method of procurement and the rationale for choosing that method (i.e., the reason the district chose procurement by micro-purchase, small purchase procedures, sealed bid, competitive proposals, or noncompetitive proposals)
- the type of contractual agreement or instrument used and rationale for using that type
- the process used to either select the contractor or to reject the contractor (what was the process and what were the factors considered in selecting or rejecting the contractor; this must be in writing)
- the basis used for determining the price of the contract (including a cost or price analysis), and
- verification that the contractor is not suspended or debarred. 2 CFR § 200.318(i)

Time-and-Materials Contracts

Time-and-materials contracts are a hybrid of fixed-price and cost-reimbursement contracts. They present the highest risk to the government and the lowest risk to the contractor. Therefore, they are the least desirable for the federal or state government and are rarely awarded. 2 CFR § 200.318(j) Time-and-materials type contract means a contract whose cost to the district is the sum of the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. In other words, the contractor is saying it will work until the task is completed, but it has no idea how long it will take, nor how much money it will cost. This obviously can be very cost prohibitive and can encourage fraudulent behavior by some unscrupulous contractors. Therefore, federal regulations permit the use of a time-and-materials contract only after a determination is made that no other contract is suitable and only if the contract includes a ceiling price that the contractor exceeds at its own risk.

Further, the district must assert a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

The district may use a time-and-materials type contract paid with federal funds in accordance with the above and only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk.

Pre-Procurement Documents

In accordance with 2 C.F.R. § 200.325, the district will make available upon request from [pass-through entity or federal awarding agency] all procurement documents for pre-procurement review, such as requests for proposals or invitations for bids, or independent cost estimates. District must submit the technical specifications of proposed procurements when requested by the Federal agency or pass-through entity.

Settlements of Issues Arising Out of Procurements

The district alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements made with federal funds. 2 CFR § 200.318(k). These issues include, but are not limited to, source evaluation (i.e., analyzing information *sources* to assess their credibility), protests, disputes, and claims. These standards do not relieve the district of any contractual responsibilities under its contracts. Violations of law will be reported to the local, state, or federal authority having proper jurisdiction. The Director of Purchasing is the primary office responsible for handling and coordinating the settlement of any contractual and administrative issues arising out of procurements.

DAVIS-BACON ACT

The following five key labor standard objectives must be accomplished by the district to administer and enforce Davis-Bacon requirements and protect workers' rights.

1.1 Objectives for Davis-Bacon Labor Standards Compliance

- Apply Davis-Bacon requirements properly.
- Support Grand Recipient compliance with labor standards through education and technical assistance.
- Monitor Grand Recipient performance.
- Investigate probable violations and complaints of underpayment; and
- Pursue debarment and other available sanctions against repeat labor standards violators.

Step 1. Project Designation

The district designated officer (DDO) will designate an employee or consulting firm to ensure the proper administration and enforcement of the federal labor standards on contracts covered by Davis-Bacon requirements. Tasks include:

- Providing labor standards preconstruction advice and support to the Grant Recipient and other project principals (for example the owner, sponsor, architect), including ensuring that no prime or sub-contract is awarded to a contractor that is ineligible (i.e., debarred) for federally assisted work.
- Providing the proper Davis-Bacon wage decision and ensuring that the wage decision and contract clauses are incorporated into the contract for construction and any subcontracts.
- Monitoring labor standards compliance by conducting interviews with construction workers at the job stie, reviewing payroll reports, and ensuring that the applicable Davis-Bacon wage decision and the Department of Labor's Notice to All Employees are posted at the job site; and
- Overseeing any enforcement actions that may be required.

Step 2. Obtain an Applicable Wage Decision for the Project

Wage decisions:

- Are established by the U.S. Department of Labor (DOL).
- List construction work classifications (such as carpenter, electrician, plumber, laborer, etc.) and the minimum wage rates, and fringe benefits where prevailing, that people performing work I those classifications must be paid.
- Are categorized into four groups – heavy, highway, building, and residential construction.
- Apply to specific geographic areas, usually a county or group of counties; and
- Are modified from time to time to keep them current.

The DDO must obtain the applicable wage decision from the Department of Labor's website at https://beta.sam.gov for all construction contracts where Davis-Bacon and Related Acts (DBRA) that are greater than $2,000. Review the various wage decisions for each county and choose the one that is appropriate for the work to be done.

Step 3. Include the Wage Decision in the Bid Documents

If the construction work is procured through competitive bidding (either sealed bids or small purchase procurement), the wage decision (and any modifications) must be included in the bid package.

Step 4. Award the Construction Contract

Each contract subject to Davis-Bacon labor standards requirements must include contract provisions containing labor standards clauses and a Davis-Bacon wage decision. These are the labor standards clauses to include:

- Describe the responsibilities of the construction contractor concerning Davis-Bacon wages.
- Obligate the construction contractor to comply with the labor requirements.

- Provide for remedies in the event of violations, including withholding payments due to the construction contractor to ensure the payment of wages or liquidated damages; and
- Enable the district designee to enforce the Federal labor standards applicable to the project.

Step 5. Contractor Posts Wage Decision at the Job Site

The prime contractor must post a copy of the wage decision and a copy of the DOL Davis-Bacon poster entitle Employee Rights under the Davis-Bacon Act (WH-1321)) at the job site in a place that is easily accessible to all of the construction workers employed at the project. If the contractor requests additional classification(s) as described above, the contractor must also post the notice of the request and the associated wage decision on the job site. The DDO will collaborate with the prime contractor to demonstrate compliance.

Step 6. Review Project Payrolls During Construction

The DDO or other designated inspector must conduct an on-site visit to the project site and interview some of the workers concerning their employment on the project. In addition, the DDO must periodically review payrolls and related submissions to ensure that the labor standards requirements have been met. The DDO will notify the district or contractor if these reviews find any discrepancies or errors and will provide instructions about what steps must be taken to correct any problems.

- **On-site Interviews** – The DDO must conduct employee interviews to verify that contractors are complying with labor standards requirements. Every employer (contractor, subcontractor, etc.) must make their employees available for interviews at the job site with the DDO.
    - Employee interviews should be representative of all classifications of employees on the project.
    - The number and quality of interviews documented should reflect that the district designated officer is diligently ensuring that workers are paid at least minimum prevailing wage rates.
    - For every prime contractor and every subcontractor, a minimum of one employee in each classification must be interviewed, with at least 25% of the total number of employees interviewed.
    - The interviews are confidential, and the employee will be asked about the kind of work they perform and their rate of pay.
    - Every effort will be made to ensure that these interviews cause as little disruption as possible to the on-going work.
    - Interview information must be recorded on the HUD Form 11 available at https://www.portal.hud.gov/hudportal/documents/huddoc?id=11.pdf.
    - If employees are not available for interviews during the DDO's on-site visit, the DDO must document the date of the on-site visit, the reason

employees were not available, and the attempt to obtain the required information through other means, such as mailed questionnaires.
  - Failure to conduct employee interviews will result in a finding of non-compliance, and potentially disallowed costs. Contractors that refuse to make employees available may be reported to the DOL, and the DDO that does not ensure interviews are conducted may receive an administrative penalty. Communication between the DDO and the prime contractor is critical to ensure that all required interviews are completed, especially when crews are only onsite for a brief period.

Step 7. Review Project Payrolls During Construction

The DDO must periodically review payrolls and related submissions to ensure that the labor standards requirements have been met. The district designee will notify the district or contractor if these reviews find any discrepancies or errors and will provide instructions about what steps must be taken to correct any problems.

- **Project Payroll Reviews** – A weekly certified payroll report for all prime and subcontractors must be completed and kept in the local contract files beginning with the first week in which construction begins on the project and for every week after until the work is complete, unless construction is suspended with documentation. The district will monitor the payroll record review based on the procedures referenced in 29 CFR 3.4 – https://www.ecfr.gov/current/title-29/subtitle-A/part-3/section-3.4 .

  The DDO must review the payroll submissions to ensure that:

  - Workers are properly listed on the payrolls for the days, work classification, and rate of pay (compare to interview forms).
  - The payrolls are complete and signed.
  - The employees are paid no less than the wage rate for the work classification shown.
  - Apprentice and trainee certifications are submitted (where needed)

  Reviewing certification procedures will align with 29 CFR 5.5 – https://www.ecfr.gov/current/title-29/subtitle-A/part -5/subpart-A/section-5.5

1.2 Restitution for Underpayment of Wages

Where underpayments of wages have occurred, the employer must pay wage restitution to the affected employees. Wage restitution must be paid promptly in full amounts due, less any permissible and authorized deductions.

Notification to the Prime Contractor

The DDO must notify the prime contractor in writing of any underpayments found during payroll or other reviews.

- The notice must describe the underpayments and provide instructions for computing and documenting the restitution to be paid.
- The prime contractor is allowed 30 days to correct the underpayments.
- The prime contractor is responsible to the DDO for ensuring that restitution is paid. If the employer is a subcontractor, the subcontractor will usually make the computations and restitution payments and furnish the required documentation through the prime contractor.

Computing Wage Restitution

Wage restitution is simply the difference between the wage rate paid to each affected employee and the wage rate required on the wage decision for all hours worked where underpayments occurred. The difference in the wage rates is called the adjustment rate. The adjustment rate times the number of hours involved equals the gross amount of restitution due.

Overtime and Underpayment

Overtime hours are defined as hours worked on the work site more than 40 hours in any work week. Overtime hours must be paid at no less than one and one-half times the regular rate of basis pay plus the straight-time rate of any required fringe benefits. If employees did not receive at least time and one-half for any overtime hours worked on the project, the following will occur:

- If the project is greater than $100,000 and is therefore subject to Contract Work Hours and Safety Standards Act (CWHSSA) overtime requirements, the employer will be asked to pay wage restitution for all overtime hours worked on the project.
- The employer will also be liable to the Department of Labor (DOL) for liquidated damages (overtime violation dollar penalty) computed at the current monetary penalty established by DOL for each calendar day on which an overtime violation occurred. DOL publishes adjustments to penalties not later than January 15 of every year in accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. A table of DOL's current monetary penalties may be found at https://www.dol.gov/whd/resources/cmp.htm
- Once liquidated damages are computed, the DDO must notify the prime contractor in writing of the fine and wage restitution owed.
- The employer may request a reduction or waiver of liquidated damages under one or both of the following reasons:
    - The computation of liquidated damages is incorrect; and/or
    - The violation(s) occurred inadvertently notwithstanding the exercise of due care on the part of the employer. The employer's request must be made in writing within 60 days after the date of the notice and must explain the reason(s) why a reduction or waiver is warranted.
- **If liquidated damages are equal to or less than $100,000, the employer is encouraged to seek a reduction or waiver of liquidated damages.**

Employers are not required to submit copies or checks (certified or otherwise) to the DDO as proof of corrected underpayments. The employer reports and certifies restitution payments on a correction payroll, which is kept in local files.

Corrected payrolls

The employer will be required to report the restitution paid on a corrected certified payroll. The corrected payroll will reflect the period for which restitution is due. EXAMPLES:

- Payrolls #1 through #6; or a beginning date and ending date.
- The corrected payroll will list each employee to whom restitution is due and their work classification.
- The total number of work hours involved (daily hours are usually not applicable for restitution).
- The adjustment wage rate (the difference between the required wage rate and the wage rate paid).
- The gross amount of restitution due.
- Deductions and the net amount to be paid.

A verified signed Payroll (Form A708) must be sent to the DDO.

Review of Corrected Payroll

The DDO will review the corrected payroll to ensure that full restitution was paid. The prime contractor must be notified in writing of any discrepancies and will be required to make additional payments, if needed, and documented on a supplemental correction payroll within 30 days.

Inability to Locate Worker

Sometimes wage restitution cannot be paid to an affected employee because, for example, the employee has moved and cannot be located. In these cases, at the end of the project the prime contractor will be required to place in a deposit or escrow account an amount equal to the total amount of restitution that could not be paid because the employee(s) could not be located. The prime contract will continue to attempt to locate workers entitled to restitution for three years after the completion of the project. After three years, any amount remaining in the account for workers' restitution will be credited and/or forwarded by the prime contractor to the district.

NOTE: The prime contractor is responsible and will be held liable for any wage restitution that is due to any worker employed in the construction of the project, including workers employed by subcontractors.

METHODS OF PROCURING WITH FEDERAL FUNDS

2 CFR § 200.320 provides for five methods that must be used when making purchases with federal funds. In some cases, the ***federal*** methods are more restrictive than ***state*** requirements; in other cases, the ***state*** requirements are more restrictive than the ***federal*** methods. Additionally, if ***local*** requirements are more restrictive than either state or federal, then local requirements must be followed. In all cases, the more restrictive requirements or methods must be followed when making purchases with federal funds.

The type of purchase method and procedures required depends on the cost (and type, in some cases) of the item(s) or services being purchased.

- Micro-purchase
- Small purchase procedures
- Sealed bids
- Competitive proposals
- Noncompetitive proposals (sole source)

Micro-Purchases (Purchases Up to $15,000)

Federal methods provide for procurement by *micro-purchase*. *Micro-purchase* is defined in 2 CFR § 200.320(a)(1) as a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed $15,000.

However, the district has self-certified, and our micro-purchase limit is up to $49,999. Under 2 CFR § 200.320(a)(1)(iv), the district may increase its micro-purchase threshold up to $50,000 through yearly self-certification. Texas self-certification threshold is set at $49,999. Self-certification from the district includes justification and identification of the increased threshold and supporting documentation. Grand Prairie ISD has followed this process and has self-certified the district micro-purchase threshold to $49,999.

The micro-purchase method is used to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost.

In accordance with federal requirements, micro-purchases may be awarded without soliciting competitive quotations *if the district considers the price to be reasonable* based on research, experience, purchase history or other information and documents if files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-federal entity. Also, when using federal funds, to the extent practicable, the district must distribute micro-purchases equitably among qualified suppliers. **If this method is used**, the district shall maintain evidence of this reasonableness in the records of all micro-purchases.

Reasonableness will be obtained based on the following: the organization will compare previous purchases, have personal knowledge of the item being purchased, and/or compare equivalent items being purchased.

Small Purchase Procedures (Purchases between $15,001 and $49,999 in the Aggregate)

The *federal* threshold for *simplified acquisitions* is $350,000. 2 CFR § 200.320(a)(2). However, with some exceptions noted in TEC § 44.031, the *state* threshold for all school district contracts that do not require competitive bidding is less than $50,000 in the aggregate. Therefore, the more restrictive *state* threshold of less than$50,000 must be followed.

Small purchase procedures (as defined in 2CFR § 200.320[b]) may be used in those simple and informal procurement methods for securing nonprofessional services, supplies, or other property that do not cost more than $50,000.

EDGAR procedures must be followed when a purchase qualifies under this section.

Competitive Procurement (Purchases $50,000 or More in the Aggregate)

According to Texas Education Code § 44.031(a), one of the following competitive methods must be used for purchases of ***$50,000 or more*** in the aggregate over a 12-month period (fiscal year):

- Competitive bidding for services other than construction services
- Competitive sealed proposals for services other than construction services
- Request for proposals, for services other than construction services (RFP)
- Interlocal contracts
- Design-build contracts
- Contract to construct, rehabilitate, alter, or repair facilities that involve using a construction manager
- A job order contract for the minor construction, repair, rehabilitation, or alteration of a facility
- Reverse auction procedure as defined by Section 2155.062(d), Government Code; or
- The formation of a political subdivision corporation under Section 304.001, Local Government Code.

In addition, one of the three following methods must be used, depending on the circumstance described below, when purchasing with federal funds: sealed bids (formal advertising); competitive proposals; or noncompetitive proposals (sole source).

Sealed Bids (Formal Advertising)

Bids are publicly solicited, and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction if the following conditions apply:

- A complete, adequate, and realistic specification or purchase description is available,
- Two or more responsible bidders are willing and able to compete effectively for the business; and

- The procurement lends itself to a firm fixed-price contract and the selection of the successful bidder can be made principally based on price.

If sealed bids are used, the following requirements apply:

- Bids must be solicited from an adequate number of known suppliers, providing them with sufficient response time prior to the date set for opening the bids. The invitation for bids must be publicly advertised.
- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services for the bidder to properly respond.
- All bids will be opened at the time and place prescribed in the invitation for bids. The bids must be opened publicly.
- A firm fixed-price contract award must be made in writing to the lowest responsive and responsible bidder.
- Where specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason.

Competitive Proposals

A competitive proposal is normally used with more than one source submitting an offer, and either a fixed price or a cost-reimbursement type contract is awarded. (A cost-reimbursement contract reimburses the contractor for actual costs incurred to carry out the contract.) Competitive proposals are used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
- Proposals must be solicited from an adequate number of qualified sources.
- The district must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

Professional and Consulting Services

Several exceptions to following one of these competitive procurement methods are identified in TEC § 44.031. This section does not apply to a contract for *professional services* rendered, including services of an architect, attorney, certified public accountant, or engineer (which must be selected in accordance with *Chapter 2254 of the Government Code*.) A school district may, at its option, contract for professional services rendered by a *financial consultant* or a *technology*

consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section.

The federal cost principles (specifically in 2 CFR § 200.459) broadly define *professional and consultant services* as those services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the District.

Professional services are further defined in the Budgeting Costs Guidance Handbook as "Professional, consulting, and contracted services are those services delivered by an independent contractor (individual entity or firm) who is not on your organization's payroll and who offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in areas that supplement the expertise of your organization." Finally, professional services as described in Attorney General Opinion DM-418, are further defined in the Budgeting Costs Guidance Handbook.

Certain *professional services*, specifically those covered under Chapter 2254, Subchapter A of the Texas Government Code, (i.e., architects, CPAs, registered engineers, optometrists, physicians, surgeons, land surveyors, landscape architects, registered nurses and state certified or state licensed real estate appraisers) are not selected based on competitive bidding. Rather, they must be selected based on demonstrated competence and qualifications obtained through a *Request for Qualifications* or similar document. After the District makes its selection based on demonstrated competence and qualifications, a fair and reasonable price for the services is then negotiated and agreed upon.

Consulting services: According to TEA Budgeting Cost Guidance, consulting services

> *"Consulting services (6291) refers to the practice of helping districts to improve performance through analysis of existing problems and development of future plans. Consulting may involve the identification and integration of best practices, analytical techniques, change management and coaching skills, technology implementations, strategy development, or operational improvement.*
>
> *Consultants often rely on their outsider's perspective to provide unbiased recommendations. They generally bring formal frameworks or methodologies to identify problems or suggest more effective or efficient ways of performing tasks. Consulting services cover all functional areas such as instruction, curriculum, and administration. Consultants must be selected based upon demonstrated competence, qualifications, experience, and reasonableness of proposed fees. Consultant fees, travel costs, and costs for materials provided by the consultant are to be budgeted in 6200 and must be reasonable and necessary. Consulting services does not include a routine service/activity that is necessary to the functioning of a school district's programs, such as hiring additional people on contract to supplement present staff. It does not apply to services provided to conduct organized activities such as training, professional development, or other similar educational activities. It also does not include contracted services provided by an ESC.*

The district shall use a consultant only if the services of the consultant are necessary to accomplish the objectives of the particular program/project, the fees are reasonable in cost, and the District cannot meet the needs by using an employee. 34 CFR 75.515. For example, an employee may have the knowledge, skills, and capability to provide the consulting services, but the employee may not have the time in an already-busy schedule to provide the consulting services in the time required."

Under IRS rules, a person cannot work part of the time as an employee, and part of the time as a contractor/consultant. If an employee provides additional services above and beyond his or regular contracted hours and regular job responsibilities, the employee is paid *extra-duty pay* in accordance with the district's employee compensation policy, and not a fee based on a contract.

Allowable Professional Service Costs

Professional and consultant services are allowable to be purchased with federal funds when reasonable and when the district considers the following factors:

- the nature and scope of the service rendered in relation to the service required;
- the necessity of contracting for the service, considering the district's capability in the particular area;
- The past pattern of such costs, particularly in the years prior to federal awards;
- The impact of federal awards on the district's business (i.e., what new problems have arisen);
- Whether the proportion of federal work to the district's total business is such as to influence the district in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under federal awards;
- Whether the service can be performed more economically by direct employment rather than contracting;
- The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities; and
- The adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

Noncompetitive Proposals (Sole Sourcing)

Procurement by non-competitive proposal is procurement through solicitation of a proposal from only one source and may be used when using federal funds only when one or more of the following circumstances apply:

- The item is available only from a sole source and an equivalent cannot be substituted. This must be documented.
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.

- TEA (or other federal awarding agency) expressly authorizes noncompetitive proposals in response to a written request from the district.
- After solicitation of several sources, competition is determined inadequate.

Additionally, state requirements related to sole source purchasing are, in some ways, more restrictive. In addition to the federal requirements above, sole source purchases must meet established criteria:

- Identification and confirmation that competition in providing the item or product to be purchased is precluded by the existence of a patent, copyright, secret process, or monopoly,
- A film, manuscript, or book,
- A utility service, including electricity, gas, or water; and
- A captive replacement part or component for equipment.

According to state requirements, sole source does not apply to mainframe data-processing equipment and peripheral attachments with a single item purchase price more than $15,000.

In all cases, the district will obtain and keep documentation from the vendor which clearly delineates the reasons which qualify the purchase to be made on a sole source basis.

Cost/Price Analysis for Federal Procurements in Excess of $350,000

In accordance with the requirements in 2 CFR § 200.324(a), the district will make independent estimates of the goods or services being procured ***before*** receiving bids or proposals to get an estimate of how much the goods and/or services are valued in the current market.

To accomplish this, ***after*** bids and proposals are received, but *before awarding a contract*, the district conducts either a *price analysis* or a *cost analysis*, depending on the type of contract, in connection with every procurement with federal funds more than $350,000. The method and degree of analysis is dependent on the facts surrounding the procurement situation; however, the district will come to an independent estimate prior to receiving bids, or proposals. 2 CFR § 200.324(a). The *cost analysis or price analysis, as appropriate for the situation*, will be documented in the procurement files.

Accordingly, the district performs a cost or price analysis in connection with every federal procurement action of more than $350,000, including contract modifications, as follows:

> **Cost Analysis → Non-competitive Contracts**: A *cost* analysis involves a review of proposed costs by expense category, and the federal cost principles apply, which includes an analysis of whether the costs are allowable, allocable, reasonable, and necessary to carry out the contracted services. In general,
>
> - A *cost* analysis must be used for all *non-competitive contracts*, including sole source contracts.
> - The federal cost principles apply.
> - All *non-competitive* contracts must also be awarded and paid on a *cost-reimbursement basis*, and not on a fixed-price basis.

- In a cost-reimbursement contract, the contractor is reimbursed for reasonable actual costs incurred to carry out the contract.
- Profit must be negotiated as a separate element of the price in all cases where there is no competition.

When performing a cost analysis, the Federal Funds Department/Director of Purchasing negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. 2 CFR § 200.3234b).

Price Analysis → Competitive Contracts: A *price* analysis determines if the lump sum price is fair and reasonable based on current market value for comparable products or services. In general,

- A price analysis can only be used with *competitive* contracts and is usually used with fixed-price contracts. It cannot be used with non-competitive contracts.
- Compliance with the federal cost principles is not required for fixed-price contracts, but total costs must be reasonable in comparison to current market value for comparable products or services.
- A competitive contract may be awarded on a fixed-price basis or on a cost-reimbursement basis. If awarded on a cost-reimbursement basis, the federal cost principles apply and costs are approved by expense category, and not a lump sum.

Cost or prices based on estimated costs for contracts are allowable only to the extent that costs incurred, or cost estimates included in negotiated prices would be allowable costs under the federal cost principles.

CREDIT CARD PURCHASES USING FEDERAL FUNDS

Campuses and departments will follow the same process to make purchases using a credit card as they do with any purchase when using Federal funds. They must:

- Attempt to obtain three quotes from vendors providing like or equivalent products and/or services.
- When entering the requisition to the credit card vendor, the following documents must be attached:
    - A copy of the email sent to request the quote
    - A copy of each email sent to request the quote
    - A copy of each email response from the vendors
    - A copy of each vendor's quote
    - A price comparison worksheet
    - An electronically signed obligation form for the individual making the purchase
        - The requisition must have a line item for each item being purchased. No "as needed" requisitions can be entered when using federal funds.
    - Once the requisition becomes a purchase order the following process must be followed:
        - Only those items listed on the purchase order may be purchased
            - No substitutions are allowed when using federal funds
        - Only the quantities list on the purchase order may be purchased
        - Only purchase items that reflect the pricing on the purchase order
    - An itemized receipt must be returned with the credit card after the purchase has been made.
    - The purchaser is responsible for making sure the receipt is itemized, and no taxes are on the receipt. If taxes are listed, the purchaser is responsible for having the taxes removed and a new itemized receipt issued.

TRAVEL USING FEDERAL FUNDS

There are EDGAR guidelines relating to travel using Federal funds. These guidelines state that funds cannot be encumbered or expensed until after the travel has taken place. For the district to be compliant with EDGAR guidelines, the following steps must be followed when entering a requisition for travel:

- Requisitions for travel must be entered using your 199 or activity fund accounts. Once the event/conference takes place, the account code can be changed to the Federal funds account (account code change can only occur if the purchase order has not yet been paid): For example:
    - If you enter a requisition for airline tickets, you will use your 199 or activity fund account, once the traveler leaves for the trip, the account code can be changed to the Federal account and the vendor paid for the airline ticket.
    - The same process will follow for the rental car, hotel, etc.
- The exception is the funds for meals. Because the meal per diem is deposited in the traveler's personal bank account prior to them leaving, a journal entry for this expense can be entered to place to funds back to your federal fund account. The traveler MUST keep their receipts and return the receipts to the campus/department secretary/finance clerk.
- It is the responsibility of the campus/department secretary/finance clerk to keep track of these requisitions and communicate with finance when the change needs to be made and the account code to use for the journal entry. The amount that can be moved back to your 199 or activity funds is only the amount of the actual expense.

COMMODITY CODES - FEDERAL FUND PURCHASES

Following is a list of commodity codes used when purchases are made with federal funds. This list in not all inclusive and may be updated throughout the year, when necessary.

2XX-001-01	ACE Program – Contracted Services
2XX-001-02	ACE Program – Materials
2XX-001-03	ACE Program – Technology Materials

2XX-002-01	Effective Schools Framework Grant – Dickinson – Curriculum Development & Instructional Staff Development
2XX-002-02	Effective Schools Framework Grant – Dickinson – Instructional/General Supplies
2XX-002-03	Effective Schools Framework Grant – Dickinson – Instructional Technology Materials

2XX-003-01	Garcia School Action Grant – Instructional/Miscellaneous Contracted Services
2XX-003-02	Garcia School Action Grant – Instructional Software/Equipment
2XX-003-03	Garcia School Action Grant – Instructional Materials
2XX-003-04	Garcia School Action Grant – Classroom Furniture
2XX-003-05	Garcia School Action Grant – Student Incentives

2XX-004-01	IDEA B – Administrative/Instructional Contracted Services
2XX-004-02	IDEA B – Counseling Software Subscriptions
2XX-004-03	IDEA B – Instructional Equipment/Furniture Over $5K
2XX-004-04	IDEA B – Instructional Materials
2XX-004-05	IDEA B – Instructional Reading Materials
2XX-004-06	IDEA B – Instructional Software Subscriptions
2XX-004-07	IDEA B – Instructional Technology Materials
2XX-004-08	IDEA B – Music Therapy Services
2XX-004-09	IDEA B – Psychological Services
2XX-004-10	IDEA B – Special Education Assessment Materials
2XX-004-11	IDEA B – Speech-Language Pathology Services
2XX-004-12	IDEA B – Testing Materials

2XX-006-01	Instructional Leadership Grant – Miscellaneous Contracted Services
2XX-006-02	Instructional Leadership Grant – Instructional General Supplies

2XX-007-01	McKinney Vento – Student Materials
2XX-007-02	McKinney Vento – Trauma-Informed Professional Learning Resources

2XX-008-01	Principal Residency Grant – Curriculum Development & Instructional Staff Development & Staff Tuition & Fees

2XX-009-01	Stronger Connections – Instructional/Miscellaneous Contracted Services
2XX-009-02	Stronger Connections – Instructional Leadership/Dues

2XX-009-03	Stronger Connections – Red Ribbon Week Items
2XX-009-04	Stronger Connections – Social Work Services/General Supplies
2XX-009-05	Stronger Connections – Social Work Services/Miscellaneous Operating Expenses
2XX-009-06	Stronger Connections – Software Subscriptions
2XX-009-07	Stronger Connections – Student Materials
2XX-009-08	Stronger Connections – Drug Prevention Materials
2XX-009-09	Stronger Connections – Professional Development
2XX-009-10	Stronger Connections – Social Work Reading Materials
2XX-009-11	Stronger Connections – Social Work Certifications
2XX-009-12	Stronger Connections – Social Work Virtual Care Platform
2XX-009-13	Stronger Connections – Student Workshop Speakers
2XX-009-14	Stronger Connections – Social Work Technology Materials
2XX-009-15	Stronger Connections – Student Incentives

2XX-010-01	TIA – Annual Support Services

2XX-011-01	Title I – Administrative/Instructional Contracted Services
2XX-011-02	Title I – Counseling Software Subscriptions
2XX-011-03	Title I – Instructional Equipment/Furniture Over $5K
2XX-011-04	Title I – Instructional Materials
2XX-011-05	Title I – Instructional Reading Materials
2XX-011-06	Title I – Instructional Software Subscriptions
2XX-011-07	Title I – Instructional Technology Materials
2XX-011-08	Title I – Professional Development (On-Site)
2XX-011-09	Title I – Testing Materials
2XX-011-10	Title I – Parent/Family Engagement Materials
2XX-011-11	Title I – Parent/Family Engagement Reading Materials
2XX-011-12	Title I – Parent/Family Engagement Technology Materials
2XX-011-13	Title I – Parent/Family Engagement Contracted Services
2XX-011-14	Title I – Homeless Student Materials
2XX-011-15	Title I – LASO Cycle 3 Instructional Leadership Software Subscriptions and Training/Coaching Services
2XX-011-16	Title I – Parent/Family Engagement Take Home Student Achievement Resources
2XX-011-17	Title I – Parent Involvement Workshop Materials
2XX-011-18	Title I – Parent/Family Engagement Department Materials
2XX-011-19	Title I – Homeless Student Department Materials
2XX-011-20	Title I – Homeless Student Hygiene Items

2XX-012-01	Title II – Curriculum Development & Instructional Staff Development
2XX-012-02	Title II – Curriculum Development & Instructional Staff Development Supplies

2XX-013-01	Title III – Curriculum Development & Instructional Staff Development - Services
2XX-013-02	Title III – Contracted Services
2XX-013-03	Title III – Instructional Textbooks

2XX-014-01	Title III-IM – Instruction Miscellaneous Operating Expenses

2XX-015-01	Title IV – Instructional Leadership
2XX-015-02	Title IV – Guidance & Counseling Technology Supplies
2XX-015-03	Title IV – Instruction/Miscellaneous Operating Expenses
2XX-015-04	Title IV – Student Evaluation Services Subscription
2XX-015-05	Title IV – Summer Student Curriculum/Materials
2XX-015-06	Title IV – Summer Student Experiences

2XX-016-01	TCLASS ESSER 3 – Tutoring Services

2XX-017-01	Carl Perkins – Industry Based Certifications

2XX-018-01	Empowering ECSE Educators Cycle 2 – Staff Higher Education Tuition

3XX-001-01	SSVI – Visually Impaired Student Materials

The three-quote requirement is not required when using federal funds until the aggregate for each commodity code reaches $49,999 within the budget year. After the commodity code reaches $49,999, EDGAR compliance procedures must be followed.

Items purchased from the Technology Standards List using federal funds do not require the three-quote requirement because the technology department has already completed the three-quote process prior to adding the items to the standards lists.

Purchasing “How-To” and Other General Information

REQUISITION PROCEDURES

A requisition is an internal document by which a campus or department requests a purchase order. As the requisition information is entered and approved, the system will immediately post an encumbrance entry for each account code used on the requisition. The encumbrance entry reduces the available budget in those accounts.

Budget Codes

When determining the budget code to use for your purchase, you must use your budgets in the following order:

1. Title Funds must be used **first**. If the materials/services you are purchasing do not qualify for Title Funds, then you use
2. Grant/Donation Funds **second**. If the materials/services you are purchasing do not qualify for Grant/Donation Funds, then you use
3. SCE Funds (199 General) **third**. If the materials/services you are purchasing do not qualify for SCE Funds, then you use
4. General Funds **fourth**.

If you submit a requisition using your general funds and it qualifies for Title Funds, your requisition will be denied, and you will be asked to obtain the three quotes and follow the EDGAR process if the commodity code has reached the $49,999 aggregate or if the purchase is over $49,999.

Requisitions are reviewed daily, in the order they are received, and processed as a district approved purchase order.

Line-item requisitions will require itemized vendor quotes to be attached before they are processed. **An "as-needed" requisition CANNOT BE ENTERED to bypass the multiple quote requirement**. A department/campus budget leader may implement a lower dollar amount quoting threshold.

Split Coding

You can split code requisitions. If you have requests to enter a requisition from different staff members which will require a different budget code, you can enter the requisition and add the different budget codes. Do not enter a separate requisition to the same vendor because you need to use different budget codes.

Exceptions to split coding:

- Please issue separate requisitions for your activity fund/sunshine purchases (under your SBA group #) These items must NOT be combined with your regular campus/department orders because of the extra level of approval that is required when using these funds.
- Please keep all grant funded requisitions separate from your 199 and activity/student/sunshine accounts. We have to account for all grant funded requisitions with a project number, so I am unable to have other funds attached to the requisition.

Amazon, Office Depot, and Staple Orders

Amazon orders have a forty (40 line-item limit. Office Depot Orders have a thirty (30) line-item limit. If you enter a requisition with more than forty (40) lines for Amazon or thirty (30) for Office Depot, it will be denied.

There is a $35.00 minimum order requirement for Amazon/Office Depot and Staple orders. Requisitions entered to one of these vendors that are under $35.00 will be denied. You can combine orders and use multiple budget codes on your requisitions.

There are no longer Amazon, Office Depot, and Staple order deadlines. It is the responsibility of the requisitioner to look at the district calendar and know when the district is closed and if there is enough time for their order to be received before the district closes for any holidays.

Gift Cards and Gifts

Gift cards are not permissible with ANY district or activity fund account. A gift card could be considered taxable compensation based on current IRS regulation and reporting rules.

Gifts to employees not associated with an employment obligation or expectation are not permissible in most circumstances.

Gifts to students when associated with an educational purpose or need are permissible under the spending provisions of HB (House Bill) 3646. Student recognition items and school supplies for economically disadvantaged/at-risk students are acceptable purchases.

Meals

Meals provided to staff for end-of-year holiday celebrations, etc., we suggest you use your Sunshine funds.

Local funds may only be used to purchase light refreshments for staff meetings and/or events where small groups are gathering. An agenda is required to be attached to all requisitions when local funds are used.

Local funds may be used only to purchase boxed lunch items for staff development, **mandatory** district meeting, staff working lunch, or mandatory testing day(s) to conduct the meeting more efficiently. An agenda is required to be attached to all requisitions when local funds are used.

If you want to provide your staff with something other than a boxed lunch for staff development, mandatory district meeting, staff working lunch, or mandatory testing day(s), you are required to use your activity funds for the purchase. An agenda does not have to be provided when using your activity fund.

Shirts

Departments and campuses are NOT allowed to use local funds to purchase staff shirts. The exception to the above statement will be those departments and campuses requiring staff to wear uniforms (5 days a week), ex: transportation, child nutrition, maintenance & operations, Beyond the Bell, and security. Campuses are required to purchase all staff shirts from their activity funds.

PURCHASE ORDER PROCEDURES

Each person who enters a requisition is responsible for checking their purchase order queue for their approved purchase order. Only after the requisitions have been batched by the purchasing department will the purchase order be created.

A valid purchase order will look like the form below:

- The purchase order number will always be ten (10) digits long.
- The purchase order will always have a signature at the bottom (currently that signature is Sherry Ellis).

If you do not see that the above two (2) items are complete, then the document you printed is NOT a valid purchase order.

PAGE 1 OF 1

PO DATE
06/07/2022

PRINTED 08/29/2022

GRAND PRAIRIE Independent School District

Grand Prairie ISD
2602 S. Beltline Road
Grand Prairie TX 75052

Phone: 972-237-5516
Fax: 972-237-5533

PURCHASE ORDER NUMBER
7312200027

VENDOR KEY : TASBO 000
SHIP DATE : 06/07/2022
FISCAL YEAR : 2021-2022
ENTERED BY : ALEXABRO000
ORIGINAL REQ # : 0000252454

VENDOR:
TASBO
5920 W WILLIAM CANNON DR-BLDG 1 STE 200
AUSTIN, TX 78749

PHONE: (800) 338-6531 FAX: (512) 462-1782
register@tasbo.org

SHIP TO:
Grand Prairie ISD
2602 S BELT LINE RD
GRAND PRAIRIE, TX 75052

ATTN: BROOKE ALEXANDER

QUANTITY	UNIT	DESCRIPTION OF ITEMS OR MATERIALS	UNIT PRICE	AMOUNT
1	TOTAL	CATALOG/ITEM NUMBER: BROOKE ALEXANDER TASBO Annual Membership Dues - 56629 ACCOUNT SUMMARY (FOR INTERNAL USE) ACCOUNT NUMBER — ACCOUNT AMOUNT 199 E 41 6495 00 731 0 99 731 — 135.00 ***NO SUBSTITUTIONS, ADDITIONS OR PRICE CHANGES can be made to any Purchase Order Without Prior Approval from the Purchasing Department***	135.00000	135.00
			PAGE TOTAL	135.00
			TOTAL	135.00

F.O.B DESTINATION, SHIP PREPAID, NO C.O.D.
Show purchase order number on all invoices, packages, bills of lading, packing lists and correspondence.

PURCHASE APPROVED BY:

EMAIL ALL INVOICES TO:
ACCOUNTS.PAYABLE@GPISD.ORG

Questions Concerning Payments/Accounts:
CALL – (972) 237-5501

NET 30

A purchase order, once approved, is a binding commitment for the district to remit payment to a vendor after the item(s) and/or services are received. **NO PURCHASING COMMITMENT SHALL BE MADE TO ANY VENDOR WITHOUT AN APPROVED PURCHASE ORDER.**

Per CH(Local), all purchase commitments shall be made by the Superintendent or designee in accordance with administrative procedures, including the district's purchasing procedures. The district will not be held responsible for items/services ordered without an approved purchase order. **Invoices received without a referenced district purchase order could be the responsibility of the person or person(s) who placed the order.**

PURCHASING VIOLATIONS

Failure of an employee to follow the above procedures constitutes a purchasing violation. Campus/Departments submitting a purchase requisition to the purchasing department for a good or service already ordered or received (after the fact) by the requesting campus/department will be subject to the following administrative actions:

- **First and Second Violation** – If the purchase violation is the employee/user's first or second violation notice in a fiscal year, the Director of Purchasing will issue a letter to the employee/user responsible for making the commitment and the employee's immediate supervisor/principal/director. The letter will inform the employee/user and supervisor/principal/director of the district's guidelines, the proper purchasing procedures and any administrative actions that will be taken if additional violations. Additionally, a letter will be mailed to the vendor to inform them of the district's purchasing guidelines which require a purchase order prior to filling an order for delivery good and/or services.

- **Third and Subsequent Violations** – If an employee/user has more than one or two purchase violations within a fiscal year, the Director of Purchasing will issue a letter to the employee/user responsible for making the commitment and the individual's supervisor/principal/director. The letter will inform the employee/user and the employee's direct supervisor of the district's guidelines and the proper purchasing procedures. The letter will also require the person responsible for the purchase to submit a memorandum to the Deputy Superintendent of Business Operations explaining why the proper purchasing procedures were not followed and what actions will be taken in the future to avoid additional violations.
    - Based upon the justification provided, the district may take any action(s) considered appropriate for the infraction. Actions may include, but are not limited to, the following:
    - Accepting the explanation, approving the purchase, and paying the invoice,
    - Issuing a warning letter,
    - Issuing a letter of reprimand, or
    - Requiring the employee to pay for the goods and/or services.

To ensure non-compliance does not occur, each department/campus budget manager will be responsible for ensuring all requisitions have all proper documentation, budget coding, etc. This responsibility must occur every time a requisition is in the approval queue to process.

PURCHASE ORDER INFORMATION

Master

Vendor:	ALLEN GIOVANNI 6010 SAINTSBURY DRIVE APT 124 THE COLONY, TX 75056	Ship To:	GRAND PRAIRIE FINE ARTS ACADEMY 102 GOPHER BLVD. GRAND PRAIRIE, TX 75050
		Attention:	BEATRIZ BECERRA
Group:	(001) GP Fine Arts Academy	Due Date:	04/24/2018
Entered Date:	04/24/2018	Ship Date:	04/24/2018
Fiscal Year:	2017 - 2018	Ship Via:	
Batch Number:	03	Ecommerce PO/Req:	NO
Accounting:	Account allocation by total PO/Requisition amount.	Vendor PO/Req Discount %:	
Origin:	Budgetary	Ordered:	NO
Project/Grant:		Printed:	NO
Contract:		Emailed:	NO
Last Updated:	05/03/2018		
Invoice To:			
Notes:	YES	# of Line Items:	1
Attachments:	YES	# of Accounts:	1
Credit Card Trans:	NO	Liquidation:	Closed
Blanket PO:	NO	Approve/Deny Date:	05/03/2018

Once your purchase order has been created, you will need to look at the purchase order and see if it has been emailed to the vendor. This is done by:

1. Clicking on the “Purchasing” menu button, then
2. Selecting “Purchasing Activity or View MY Purchase Orders” under the Purchasing – PU Menu
   Once you have located the purchase order in question, please make sure the status indicates “Open.” DO NOT PRINT THE PURCHASE ORDER UNTIL THE STATUS SHOWS OPEN.
3. Click on the arrow located to the left of the purchase order number (this will “open” the purchase order”).
   a. If the purchase order has been emailed to the vendor, the “Emailed” slot will state “YES and then the date emailed.”
   b. If the slot says “NO” then IT IS YOUR RESPONSIBILITY TO SEND THE PURCHASE ORDER PLUS ANY ATTACHMENTS TO THE VENDOR.

PLEASE NOTE: If you see that the purchase order has been emailed to the vendor and you do not receive the merchandise within one (1) week, please contact the vendor to ensure that they did receive the purchase order. Sometimes the emails will go to the vendor’s “spam” folder.

No substitutions of products are allowed once a purchase order has been generated. If the vendor cannot provide what is on the purchase order, the item must be cancelled, and a new requisition entered for the new product.

RECEIVING ON PURCHASE ORDERS

Once you receive confirmation your purchase order has been created AND the purchase order is one of the following, you will need to immediately electronically receive the entire amount listed on your purchase order:

- "As-needed" purchase order (for materials ONLY)
- A "#" symbol appears at the front of your description items
- A "@" symbol appears at the front of your description items

This is done by following these steps:

1. Click on the "Purchasing" menu button
2. Click on the "Receiving – RC" button located under the "Purchase Order Receiving-PR" menu
3. Click the "Add" button located on the right-hand side of the screen
4. In the "Enter PO Number" field, you will need to input your purchase order number and then hit the "Enter" key on your keyboard. **DO NOT CLICK THE SEARCH BY PO BUTTON**.
5. Enter either the quantity or dollar amount listed on each line item in the "Qty. Received" box. PLEASE NOT: ALL PURHCASE ORDERS MUST BE ELECTRONICALLY RECEIVED IN ORDER FOR ACCOUNTS PAYBLE TO MAKE A PAYMENT.

For all "#" (needs a check symbol) purchase orders, please send a copy of the purchase order attachment (with the purchase order number AND "Pay and Close" referenced on the attachment) to Account Payable. This needs to be done via email to accounts.payable@gpisd.org.

For all "@" (invoice attached symbol) purchase orders, please send a copy of the invoice, agreement, etc. (with the purchase order number AND "Pay and Close" referenced on the document) to Accounts Payable. This needs to be done via email to accounts.payable@gpisd.org.

DO NOT electronically receive **ANY** line item or service-related purchase order until you have physically received the item, verified the item is not damaged and/or confirm that the work has been satisfactorily completed.

If you have received a damaged item(s), do not electronically receive it. Accounts Payable will let you know when they receive the credit to offset the invoice they have received. Once they have contacted you confirming they have a credit, you will then electronically receive on the item(s).

ELECTRONIC RECEIVING NEEDS TO BE DONE EACH TIME YOU RECEIVE A PACKAGE AND CHECK ITS CONTENTS. DO NOT WAIT TO RECEIVE ON AN ITEM BECAUSE THIS HOLDS UP TIMELY PAYMENT OF THE INVOICES.

CLOSING PURCHASE ORDERS

Closing of purchase orders occurs in the Accounts Payable department after invoice(s) are paid.

If a purchase order needs to be closed for any other reason other than a payment occurring, a "Close Purchase Order Report" must be filled out and sent to the Purchasing Department. The closed purchase order report (along with other useful forms) can be found on the Purchasing webpage: https://www.gpisd.org/Page/37153.

PLEASE NOTE: Sometimes Accounts Payable will not close a purchase order even though payment is occurring. In this instance, please include these purchase orders numbers on the "close purchase order report" that is sent to the Purchasing Department.

The "Close Purchase Order Report" should be emailed to the Purchasing Department ONLY after each week's check run has been completed. Every Friday or Monday is the best time for the "Close Purchase Order Report" to be sent, that way verification of each purchase order on the list can occur BEFORE it is emailed to the Purchasing Department.

Verification of each purchase order needs to be done PRIOR to placing the purchase order on the "Close Purchase Order Report." Verification is done by following these steps:

1. Go to the "Purchasing" menu and click on "Purchasing Activity – VA."
2. Once you find the purchase order in question, click on the arrow located to the left of the purchase order.
3. Scroll down the screen until you see the "Invoices" box.

If you see that all invoices have been paid, then you can place the purchase order on the "Close Purchase Order Report."

An example of a purchase order that **cannot** be closed is below:

Invoices

Invoice Date	Fiscal Year	Invoice Number	Net Amount	Vendor Name	Status	Check Number	Check Date	Check Amount	Statement Date
06/14/2018	2017-2018	3970997	77.30	HOME DEPOT CREDIT SERVICES	Batch			0.00	
06/05/2018	2017-2018	2970341	89.96	HOME DEPOT CREDIT SERVICES	History	312695	06/13/2018	276.57	
06/05/2018	2017-2018	2970343	12.58	HOME DEPOT CREDIT SERVICES	History	312695	06/13/2018	276.57	
06/01/2018	2017-2018	6970109	659.50	HOME DEPOT CREDIT SERVICES	History	312506	06/06/2018	1,739.63	
05/31/2018	2017-2018	7970058	7.58	HOME DEPOT CREDIT SERVICES	History	312506	06/06/2018	1,739.63	
05/31/2018	2017-2018	7970060	39.27	HOME DEPOT CREDIT SERVICES	History	312506	06/06/2018	1,739.63	

As you can see above, Invoice #3970997 for $77.30 is in "Batch" status. This means that accounts payable is issuing a check to the vendor for this invoice. THIS PURCHASE ORDER CANNOT BE CLOSED UNTIL AFTER THE CHECK RUN HAS OCCURRED.

The history status of a payment and the history status of a purchase order are two different things. The check may show history, but the purchase order still shows to be in "open" status. ALL purchase orders in "Open" status will need to be put in "History" status or else they will pull forward in the new fiscal year and encumber your new funds.