

**Section A – Purchasing Guidelines**

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## PURCHASING GUIDELINES

### PURCHASING APPROVAL

A purchase for goods or services **cannot** be made using District funds without prior approval from Purchasing Services in the form of an approved Purchase Order form with an approval signature from Purchasing Services. The Chief Financial Officer or Designee must approve any exceptions to this practice prior to committing any District funds.

Prior to the approval from Purchasing Services, District staff **must** adhere to the following guidelines:

- Purchase requisitions should not be prepared and entered on-line unless the purchase is necessary to the instructional program or the operation of the District.
- The release of an on-line requisition by the approving authority verifies the concurrence to the necessity and propriety of the purchase.
- The user department/campus is responsible for checking the accuracy and completeness of the information on the purchase requisition entered in the on-line purchasing system and ensuring that the request is in conformance with established purchasing policies and procedures.
- Each on-line requisition must be approved on-line by the person who has final approval authority for the funds associated with the purchase. **This authority cannot be delegated.** Persons with final approval authority are listed in the *MISD P.O. Approval Paths* report. A copy of the current *MISD P.O. Approval Paths* report can be obtained from Purchasing Services. Should an emergency arise, refer to the **Purchase Order Department Approval Procedures** section in the *Automated Purchase Order System Manual*.
- Guidelines for use of activity funds for purchases of goods and services are available from the Internal Auditor's Office.

Purchasing Services will review the purchase requisition and provide final approval after verifying compliance with the District's purchasing guidelines. Purchasing violations will be reported to supervisors and to the Internal Auditor's office.

## CONTRACTS AND AGREEMENTS

Only the Board President, Superintendent, or Designee may sign contracts or agreements requiring payment from any McAllen Independent School District funds. All other contracts or agreements shall not bind the District financially and will be the **personal responsibility** of the individual signing the contracts/agreements.

## PERSONAL RESPONSIBILITY

A District employee who purchases or orders any goods or services in the name of the District or who obligates the credit of the District without following the purchasing policies and procedures shall be held **personally responsible for payments** to the vendors or return of the items.

## INVOICE DATES

All invoices should reflect purchase order dates that are **on or after** Purchasing Services' final approval print date.

An instance where an invoice has been received but a purchase order has not been previously processed, would be for the processing of a payment authorization. In this case, invoice dates will be earlier than that of Purchasing Services' final approval print date. **Campuses and departments can only use a payment authorization if the Purchasing/Contract Specialist, Director of Purchasing Services, or the Chief Financial Officer has granted them authority.**

## EMERGENCY PURCHASES

Emergency purchases, where school equipment is destroyed or severely damaged, may be authorized by the Superintendent and subsequently reported to the Board of Trustees.

## COMPETITIVE PURCHASING REQUIREMENTS

Purchase Levels	Requirements	Required Approvals
Purchases under \$10,000	Single quotation from any approved vendor on District's Master Vendor List. Other sources may be used with Purchasing Services approval. (District-wide aggregate may require other documentation or competitive pricing.)	<ul style="list-style-type: none"> <li>• User Department/ Campus approvals and</li> <li>• Director of Purchasing Services or Purchasing/Contract Specialist</li> </ul>
\$10,000 - \$24,999	Competitive Quotations from at least 3 vendors must be requested (Written documentation is required.)	<ul style="list-style-type: none"> <li>• User Department/ Campus approvals and</li> <li>• Director of Purchasing Services</li> </ul>
\$25,000 or more	Competitive Bid Competitive Sealed Proposal Request for Proposal for services other than construction services CISV Catalogue purchase as provided by Subchapter B, Chapter 2157, Government Code Interlocal Agreements BuyBoard (Texas Local Government Statewide Purchasing Cooperative) DIR (Dept. of Information Resources) HGAC (Houston-Galveston Area Council of Governments) Region One ESC TBPC (Texas Building and Procurement Commission) TCI (Texas Correctional Industries) TCPN (The Cooperative Purchasing Network) TIBH (Texas Institute for the Blind and Handicapped) TIPS (Texas Interlocal Purchasing System) Design/Build Contract for Facilities Construction Manager-Agent Construction Manager-At-Risk Construction Services through Competitive Sealed Proposals Construction Services through Competitive Bidding Job Order Contracts for Facilities Repair Reverse Auction Professional Services (Gov. Code 2254) Sole Source	<ul style="list-style-type: none"> <li>• User Department/Campus approvals and</li> <li>• Director of Purchasing Services and</li> <li>• Applicable Assistant Superintendent</li> <li>• Superintendent and</li> <li>• Board of Trustees (where statutorily required)</li> </ul>

**NOTE:** Exceptions to the above may **only** be made by the Superintendent or Chief Financial Officer. Bids/Quotations **are required** for District aggregates in excess of \$10,000 over a 12-month period if one of the above competitive purchasing methods is not used. Contact Purchasing Services for details on these purchase options.

Budgets for the year are completed by the end of July each year and users have a firm grasp on projected expenditures. If any of these budgeted expenditures exceed \$10,000 in the aggregate in a twelve-month period for like items or categories, Purchasing Services must be contacted in order to acquire the goods or services in a timely and cost effective manner utilizing the appropriate procurement method.

### **Purchases of Goods Valued Under \$10,000 and Services Valued Under \$25,000** **Texas Education Code Chapter 44.033**

The informal quote process may be utilized for the purchase of goods with a value under \$10,000 or services with a value under \$25,000. Staff may use this process to compare pricing and ensure that the best value is obtained. Keep in mind Purchasing Services monitors purchases and may require users to obtain quotes for certain purchases.

It is recommended that written quotes from at least three vendors be obtained. Contact Purchasing Services for specific requirements. For documentation purposes, telephone quotes can be confirmed in writing by e-mail, fax or U.S. Postal Services mail. These purchases shall be made from the lowest responsible bidder.

To request that Purchasing Services obtain informal quotes, staff may submit a **Bid/Quote Request Form**. Purchasing Services will process an informal quote for the requested goods or services and provide the requesting campus/department with the recommended award and ordering information.

Campus and departmental staff may also utilize the **McAllen ISD Quotation Form** in obtaining informal quotes. If utilized, the completed form must be submitted to Purchasing Services prior to obtaining an approved purchase order.

### **Purchases of Goods Valued Between \$10,000 and \$25,000** **Texas Education Code Chapter 44.033**

The formal quote process must be utilized for the purchase of goods with a value of at least \$10,000 but less than \$25,000, in the aggregate, for a 12-month period. Written quotes from at least three vendors must be obtained. In lieu of this requirement, written justification with documented evidence to support reasons for not obtaining three quotes must be submitted to Purchasing Services. Telephone quotes must be confirmed in writing by e-mail, fax or U.S. Postal Services mail. These purchases shall be made from the lowest responsible bidder.

To request that Purchasing Services obtain formal quotes, staff may submit a **Bid/Quote Request Form**. Purchasing Services will process a formal quote for the

requested items and provide the requesting campus/department with the recommended award and ordering information.

Campus and departmental staff may also utilize the **McAllen ISD Quotation Form** in obtaining three or more quotes. The completed form must be submitted to Purchasing Services prior to obtaining an approved purchase order.

**Purchases of Goods or Services Valued at \$25,000 or More**  
**Texas Education Code Chapter 44.031(a)**

Purchase of goods or services valued at \$25,000 or more in the aggregate for a 12-month period shall be made by one of the following methods, that provides the best value for the District:

***Competitive Bidding Methods***

Competitive Sealed Bids

Competitive Sealed Proposal

Request for Proposals, for services other than construction services

***Other Methods***

Catalogue purchase as provided by **Subchapter B, Chapter 2157, Texas Government Code** CISV (Catalog Information Systems Vendors)

Interlocal Agreements

BuyBoard (Texas Local Government Statewide Purchasing Cooperative)

DIR (Dept. of Information Resources)

HGAC (Houston-Galveston Area Council)

Region One ESC

TBPC (Texas Building Procurement Commission)

TCI (Texas Correctional Industries)

TCPN (The Cooperative Purchasing Network)

TIBH (Texas Institute for the Blind and Handicapped)

TIPS (Texas Interlocal Purchasing System)

Reverse Auction

Professional Services as provided by **Texas Government Code, Chapter 2254**

Sole Source

***Construction Procurement Methods***

Design/Build Contract for Facilities

Construction Manager-Agent

Construction Manager-At-Risk

Construction Services through Competitive Sealed Proposals

Construction Services through Competitive Bidding

Job Order Contracts for Facilities Repair

**Note: The Board of Trustees must approve any single contract or purchase valued at \$25,000 or more.**

## BOARD POLICIES FOR PURCHASING

The McAllen ISD Board Policies that affect purchasing may be viewed on the TASB web page at <http://www.tasb.org/policy/pol/private/108906/>

The following Board Policies apply to purchasing:

- CH (Legal) Purchasing and Acquisition
- CH (Local) Purchasing and Acquisition
- CHE (Local) Purchasing and Acquisition: Vendor Relations
- CHF (Legal) Purchasing and Acquisition: Payment Procedures
- CHG (Legal) Purchasing and Acquisition: Real Property and Improvements
- CI (Legal) School Property Disposal
- CV (Legal) Facilities Construction
- CV (Local) Facilities Construction
- CV (Exhibit) Facilities Construction
- CVA (Legal) Facilities Construction: Competitive Bidding
- CVA (Local) Facilities Construction: Competitive Bidding
- CVB (Legal) Facilities Construction: Competitive Sealed Proposals
- CVB (Local) Facilities Construction: Competitive Sealed Proposals
- CVC (Legal) Facilities Construction: Design-Build Contracts
- CVD (Legal) Facilities Construction: Construction Manager-Agent
- CVE (Legal) Facilities Construction: Construction Manager-At-Risk
- CVF (Legal) Facilities Construction: Job Order Contracts

## REQUISITION PROCESSING

**No purchases of merchandise, repairs or services shall be made except through the “Requisition” procedure. No vendors shall be paid for materials furnished to a school or department unless this procedure is used.**

### HARDCOPY REQUISITION

1. Individuals who do not have access to the on-line requisition system must initiate their request using a **hardcopy purchase requisition form**. For example, teachers and hourly workers would initiate a purchase request on the requisition form. A copy of this form is included in *Section B - Automated Purchase Order System Manual – Part I*. This form can also be obtained through the Print Shop.
2. Individuals who have access to the on-line requisition system for data entry purposes may initiate their request using a hardcopy purchase requisition form to facilitate the data entry process. For example, secretaries and bookkeepers who input requisitions may initiate their request using this form.
3. Hardcopy purchase requisitions may be routed to the appropriate approvers for signature. Hardcopy signatures **cannot** replace the on-line Departmental Approval without the approval of Purchasing Services.

### COMPLETION OF HARDCOPY PURCHASE REQUISITION

1. Obtain a blank purchase requisition form from the school’s bookkeeper or secretary.
2. Obtain product and pricing information from an approved vendor.
3. Circle the type of purchase requisition you are completing. Refer to the **Types of On-Line Requisitions** in the *Automated Purchase Order System Manual* to complete this section.
4. Complete the vendor information: All of the information is **required**. Your order will not be processed without it.
  - Vendor’s name - the full name is required, do not use abbreviations
  - Vendor’s address
  - Vendor’s phone number
  - The vendor number will be completed by the bookkeeper

5. Complete the item detail for each item ordered.
  - Enter the quantity you are ordering.
  - Enter the unit of measure that the merchandise is sold. For example: box, each, pkg, etc. Refer to the **Standard Abbreviations for Item Measurement** for additional abbreviations.
  - Enter the unit price. For example: \$5.25.
  - Enter the total cost for that item by extending the prices: 10 boxes @ \$5.25 = \$52.50.
  - The account number will be completed by the bookkeeper.
  - Enter the description of the item. The description must be more than a catalog number. For example, “yellow folders without fasteners, part # 123-456”. The description must be detailed enough to be understood by the Bookkeeper, Approving Official, Purchasing Clerks, Vendor, Warehouse Delivery Clerks and Auditors. **Requisitions with inadequate descriptions will be rejected.**
  
6. Upon completion of the hardcopy purchase requisition:
  - Obtain Principal’s approval, if necessary.
  - Return the approved requisition to the bookkeeper for data entry.

**The purchase requisition is not a purchase order.** Do not contact the vendor to place your order based on the requisition number. If you do place your order based on the purchase requisition, **you** will be held personally responsible for payment of merchandise, **not** the District. (Board Policy CHA Local)

### **REQUISITION ON-LINE ENTRY**

1. The requisition should be entered on-line by the bookkeeper or secretary. Once the requisition has been completed, it should be released for Departmental Approval.
2. All requisitions shall contain complete information, such as quantity, unit of issue, unit cost, discount percentage and a clear description of the items to be purchased.
3. Once a requisition is entered on-line, the accounts associated with the purchase will be immediately encumbered for the total amount shown on the requisition until the merchandise is received and final prices determined or the requisition is deleted.

#### ***After Entering the Requisition On-line:***

- Place the requisition number assigned by the computer on the hardcopy requisition.
- Sign and date the hardcopy requisition.
- File the hardcopy requisition in sequential order.

## FINAL DEPARTMENTAL APPROVAL

1. Only staff with Departmental Approval authority will approve on-line. **This task and responsibility may not be delegated.** Violations will be reported to supervisors and to the Internal Auditor's office.
2. After a requisition has been entered and released on-line, the individual with the final approval authority for the purchase must approve the requisition on-line. A copy of the current approval paths may be obtained by contacting Purchasing Services.

**Note:** After the Final Departmental Approver has approved the requisition on-line and the accounts are not lacking funds, Purchasing Services still has to review the requisition for compliance with District purchasing policies and procedures.

3. Final Departmental Approvers must approve requisitions on-line if a purchase falls under their authority. This is required even if the Final Approver has already signed a hardcopy purchase requisition.

## PURCHASING SERVICES APPROVAL

1. After the Final Departmental Approver has approved the on-line requisition, Purchasing Services will review the requisition. The Purchasing Clerks review the requisition for account codes and purchasing requirements. The requisition is then forwarded to the Purchasing/Contract Specialist for final purchasing review.
2. If a requisition is unapproved, Purchasing Services will return the requisition to the user for the necessary changes. Once the changes have been made, the user must release the requisition for Departmental Re-Approval. The Departmental Approving Official must once again approve the requisition. The purpose for the re-approval is to prevent any unauthorized changes to the requisition.
3. Purchase orders **will not** be generated unless all pertinent information is correct and complete. Once the requisition has been reviewed by Purchasing Services and determined that it is in compliance with purchasing requirements, the requisition is approved. Upon approval, the requisition is printed and it then becomes a purchase order.
4. Purchasing Services will print and forward the purchase order to the vendor via mail or fax. The *vendor copy* may be sent to the user if requested. Purchasing Clerks will mail all standard purchase orders directly to the vendors, unless otherwise specified. At the discretion of Purchasing Services, purchase orders

may be faxed to certain vendors to expedite orders. If a printed purchase order must be faxed to a vendor, please list the phone, fax and contact person on the last line of the description. If an attachment must be mailed with the purchase order, please make a note of it on the last line of the description and send the attachment to Purchasing Services. Purchase orders for local vendors may be picked up by the user at Purchasing Services. Make a note on the description area to "Return Vendor Copy To User." *Vendor copies* of payment authorizations and blanket purchase orders will continue to be mailed to the user.

5. A *receiving copy* will be forwarded by Purchasing Services to the Central Receiving Warehouse or user department. Refer to the **Procedures for Receiving Capitalized and High Pilferage Items** for more information on central receiving procedures. If the purchase falls under any of the guidelines stated on these procedures, the "Ship To" address code must be 00 – McAllen ISD Central Receiving.

A requisition does not become a purchase order *until* Purchasing Services produces final approval in the form of a signed purchase order. **All purchase orders must be approved before merchandise is ordered.**

### REASONS PURCHASING SERVICES WILL UNAPPROVE A REQUISITION

A requisition may be rejected (unapproved) by Purchasing Services for several reasons. The reason for a rejection may be viewed by inspecting the "Approval Section" of the requisition or by requesting a **Requisition Pending Report**.

Any requisition that contains an account number that does not meet TEA Financial Accountability System Resource guidelines **will be unapproved**. The table below lists the most common reasons requisitions are unapproved and the action that should be followed.

REASON	ACTION
PURCH FROM APPROVED VENDOR	The vendor selected is not an approved vendor. A list of newly approved vendors is distributed after each Board Meeting for specific bids, RFP's, etc. or can be viewed on-line at <a href="http://mcallenisd.com/purchasing/District_Information/Awarded_Vendors/Awarded_Vendors.htm">http://mcallenisd.com/purchasing/District_Information/Awarded_Vendors/Awarded_Vendors.htm</a>
GIVE DETAILED DESCR.	The description provided is incomplete. Describe the purchase further.
EXPENSE OBJECT CODE S/B <Objct>	The expense object code entered is incorrect. Change the account number to correspond with the expense object code given.

### **PROCESSING REQUISITIONS PRIOR TO HOLIDAYS AND VACATIONS**

All requisitions that require processing prior to scheduled holidays, vacations, and/or early dismissals must be entered, released, with Departmental Approval and sufficient funds in the accounts in the on-line requisition system two (2) days before the closing of administrative offices.

Please be mindful of these dates when planning purchases and payments.

### **PROCESSING REQUISITIONS PRIOR TO ACCOUNTING DEADLINES**

All requisitions that require processing for payment, prior to Accounting deadlines must be entered, released, with Departmental Approval and sufficient funds in the accounts in the on-line requisition system two (2) days before the deadlines. Refer to the current **Check Writing Schedule** in Section A of the Accounting Procedures Manual for these dates.

## PAYMENT FOR CENTRALLY RECEIVED MERCHANDISE

1. The *receiving copy* mailed to the Central Warehouse from Purchasing Services shall be kept in an “Active Purchase Order” file so that it may be checked against the delivery ticket when the materials are delivered to the warehouse.
2. Upon receipt of materials or supplies, the *receiving copy* is to be completed immediately and forwarded to the Accounting Department, together with the packing slip, delivery ticket, invoice, and freight bill that may accompany the delivery. The Central Warehouse is responsible for expediting the return of *receiving copy* to the Accounting Department so that the vendor may be paid in a timely manner. **State law requires the District to pay within 30 days of receipt of goods or services.** Partial payments may be made as necessary.

**NOTE:** The quantity received must be completed by warehouse staff prior to forwarding to the Accounting Department. The requester will have five (5) working days to verify proper receipt of goods before the Warehouse staff submits the *receiving copy* to the Accounting Department for approval to pay. A signed *receiving copy* is the authority for the Accounting Department to pay the vendor for delivery of goods and services.

3. Keep the Warehouse notified of purchase orders outstanding for specific or unusual circumstances. If the vendor ships the merchandise directly to the user department, notify the warehouse immediately.

## REQUESTS FOR CAPITAL OUTLAY

Requests for capital outlay items (items with a single unit cost of \$5,000 or more) should be planned during the budget process each spring semester. Upon approval of the budget and the expenditure, all information for these purchases should be delivered to Purchasing Services for processing as early in the fiscal year as possible. These purchases should be completed in accordance with the instructions issued out by the Business Services office each year. For exceptions to this timeline, contact Purchasing Services at 632-3241.

## RETURN OF MERCHANDISE

When goods need to be returned to a company, certain steps must be followed to be able to receive credit for goods returned.

1. Ask that the company issue a Return Authorization "call tag" number for the package that was previously delivered by carrier. This number will identify the package that the carrier will pick up.
2. Any returned goods must be properly packaged in compliance with shipping regulations for certain freight companies.
3. Follow-up in writing with a copy of the letter sent to Director of Accounting.
4. The company will follow-up with a credit memo or acknowledgment of merchandise received and the transaction is completed at this point.

For more information on packaging and shipping, call the Warehouse Department, at 632-3215.

## VENDOR RELATIONS: SALES CALLS AND DEMONSTRATIONS

Salesmen are not to call on individual schools without approval from the Superintendent's Office or his designee. Such approval will be given only after the appropriate division director has examined the material, equipment, or publication and has approved it for use in the District schools. **See Board Policy CHE (Local).**

### PROCEDURE

Salesmen shall be referred to the appropriate division director. Since most purchases are made centrally, it is assumed that this step will satisfy the vast majority of calls. It follows that permission to call on individual schools will be given only rarely when, in the judgment of the division director, the best interest of the schools will be served. In such cases, the director will indicate in writing to the Superintendent's Office his or her approval of the specific material or equipment offered. The Superintendent's Office or designee will provide a letter for the salesman to call the schools.

## DONATIONS

Board Policy GKB (Local)-Endorsements allows for the donation of equipment in exchange for consideration of advertising rights. The policy states as follows:

**ENDORSEMENTS** Advertising that promotes products, brand names, or trademarks may be displayed on school property and at school events under endorsement agreements negotiated by the Superintendent or a designee specifically appointed by the Superintendent, provided any and all such endorsement agreements are approved by the Board. Any such endorsement agreements must contain adequate consideration to the District for such advertising, as determined and approved by the Board.

To implement this policy, the Chief Financial Officer will be the Superintendent's designee. If you have a company wishing to make a donation such as a marquee or scoreboard, you need to contact the Chief Financial Officer for direction. After the Chief Financial Officer negotiates the endorsement agreement, the Superintendent will present this agreement to the Board of Trustees for approval. After Board approval and the contract is signed, the project may proceed. If necessary, the Chief Financial Officer may direct you to work with another department for proper installation of the marquee and/or scoreboard.

If you require additional information, please contact Purchasing Services at 632-3241.

## DEADLINES FOR PRINTING PURCHASE ORDERS

Purchases made from September 1<sup>st</sup> through August 31<sup>st</sup> of the current fiscal year must be received, invoiced and paid by August 31<sup>st</sup> of the same fiscal year. In order to comply with this regulation, the following deadline has been established:

- The last day for printing ALL Capital Outlay AND Supply and Material purchase orders will be announced each year by the Business Services office. However, this date shall not be later than mid April.

Departments and schools are encouraged to evaluate their budget reports and process orders for planned expenses prior to this deadline. All purchases requiring bids or quotes must be initiated with Purchasing Services to ensure they meet this deadline. A **Bid/Quote Request Form** must be filled out and returned to Purchasing Service to initiate the process. The processing of purchase orders will resume on September 1<sup>st</sup> of the following fiscal year, using the new budget.

This deadline does not apply to purchases involving federal funds, grant funds received after the deadlines, Curriculum and Instruction Summer Programs and Curriculum Development. Service-oriented departments such as Plant Operations, Food Services, Transportation and Audio Visual Services may continue to purchase materials and equipment necessary to carry out their service functions to the District. This does not include general supplies, such as, office supplies, paper products, printer cartridges, office furniture, office equipment, etc. Any deviations from the above need to be approved by the Chief Financial Officer. Payment authorizations for services are also exempt from these deadlines. Schools/Departments with budgets with expenditure deadlines earlier than August 31<sup>st</sup> must plan accordingly.

## YEAR-END PURCHASE ORDER PAYMENT PROCEDURES

In order to assure year-end purchase orders are processed properly, the following procedures must be followed:

1. Purchase orders with goods received prior to August 31<sup>st</sup> of the current fiscal year must be processed and paid through the budget for the fiscal year in which they were bought and received.
2. If the budget is overdrawn, contact Accounting for directives in processing payment.
3. If an invoice and goods were received prior to August 31<sup>st</sup> and a purchase order was not generated, contact Accounting for directives in processing payment.
4. Purchase orders with goods received after August 31<sup>st</sup> will be carried forward and paid through the new fiscal year budget.
5. Purchase orders that must be cancelled should be submitted to Accounting by August 31<sup>st</sup>.

To view a report identifying outstanding purchase orders, follow the instructions in the **Open Purchase Order Report** section of the Accounting Procedures Section of the manual. If you have any questions regarding this matter, contact the Accounting Office.

## TYPES OF REQUISITIONS

### STANDARD PURCHASE REQUISITION

Purchases of personal property, repairs and services for items not available in the Central Warehouse require this type of a purchase requisition. Bids, catalog bids and quotations, as well as, interlocal agreements are used to provide sources for these purchases.

### PAYMENT AUTHORIZATION

Process a payment authorization for merchandise and services where an invoice has been received but a purchase order has not been previously processed. Campuses and departments can only use a payment authorization if the Purchasing/Contract Specialist, Director of Purchasing Services, or the Chief Financial Officer has granted them authority. The Internal Auditor may be contacted for final approval in some cases.

For example, payment authorizations are used for the following:

- Utilities
- Phones
- Vehicle repairs (not parts)
- General repairs (not parts)
- Maintenance Service Contracts
- Meals and Officials for the Athletic Department

**Payment Authorizations may not be used for General Supplies, Fixed Assets or Professional Services unless the services are authorized by the Superintendent's office and the services comply with the District's purchasing requirements. A *Standard Purchase Requisition* must be used for these items.**

### BLANKET PURCHASE ORDER (BPO)

These purchases should be limited in use. Care should be exercised by staff when making these purchases since no method is available to show that the user is getting the best value for the dollar. Campuses and departments should work with the Purchasing/Contract Specialist to establish BPOs with vendors. If several items are to be purchased in a specific period of time not to one month with a specified vendor, a BPO can be established. A BPO is used when the costs involved are not known until the actual purchase is made. An example of a vendor where one would use a blanket purchase order would be a grocery vendor used to purchase food items. However, you should be knowledgeable of the items and quantities to be purchased for a given period of time.

A BPO encumbers the estimated total purchases with the vendor. As individual purchases are released, the purchase amount is charged against the encumbered amount. Individual purchases are not processed as separate purchase orders. When a purchase is needed, the employee must provide the vendor with the BPO number that is obtained from their respective departments.

When an invoice is received from the vendor, the campus or department must approve the invoice and forward it to Accounting Department along with the receiving copy. **A requisition should not be entered in the on-line purchase requisition system for individual releases against a blanket purchase order.**

BPO's should be limited to those repair parts or supplies approved by Purchasing Services.

When entering a requisition for a Blanket Purchase Order, follow the guidelines listed below:

1. Enter "7" in the PO Type field to indicate Blanket PO.
2. Enter an item on the requisition for each type of commodity, such as food items, paper goods or film. Include the following information:
  - **Qty:** 1
  - **Unit:** EACH
  - **Unit Cost:** (Key in the estimated amount)
  - **Description:**  
Be sure to specify type of meeting (Ex: Parents Conference, Staff Development) and include the dates that the purchase order will be valid in the description field. For example, September 14, 2004 thru October 13, 2004. Purchase orders must be closed out every month. Refer to the sample purchase order that follows.
3. Purchasing will review the requisition for approval and then send the *Vendor* and *Receiving Copy* to the originating campus/department.



2000 North 23<sup>rd</sup> Street  
McAllen, TX 78501-6126

### Sample Blanket Purchase Order

PURCHASE ORDER NO.

000000

#### Blanket Purchase Order

VENDOR

ABC GROCERY  
123 MAIN ST  
McALLEN, TX 78501

Vendor Number: 100517

SHIP

ATTN: (REQUESTOR)  
McALLEN ISD CENTRAL RECEIVING  
3100 COLBATH  
McALLEN, TX 78503

Check Number:

ORDER DATE	SUBMITTED BY	CAMPUS/DEPARTMENT	REQ. NO.
09/08/2004	SUBMITTOR	999 [DEPARTMENT/CAMPUS NAME] For Questions Call: (956) 632-9999	099999

ITEM NO.	QUAN.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL AMOUNT
1	1	EA	MISCELLANEOUS PASTRIES FOR STAFF DEVELOPMENT MEETINGS FROM 09/14/04 – 10/13/04	40.00	40.00
2	1	EA	PAPER PLATES, CUPS, NAPKINS, ETC.	10.00	10.00
3	1	EA	PHOTOGRAPHIC FILM	15.00	15.00
4	1	EA	FILM PROCESSING	15.00	15.00

SAMPLE

**09/09/2004**

**80.00**

ACCOUNT NUMBER	ENCUMB.	ACCOUNT NUMBER	ENCUMB.
199-41-6499-00-999-599-999	40.00		
199-41-6399-00-999-599-999	40.00		
Total:			80.00

Approval of Partial Shipment  
 Approval of Full Shipment  
 Approval of Prices  
 Approval of Mathematical accuracy, discounts, etc.  
 Approval of Account Distribution  
 Final approval of Payment

\_\_\_\_\_  
Full Name

\_\_\_\_\_  
Delivery Date of Goods

RECEIVING COPY

## SOLE SOURCE PURCHASES

Competitive procurement is the preferred method of obtaining goods and services. If competition is too restricted, or not utilized, the facts and justification supporting this must be documented in detail. Advance approval by Purchasing Services is required. Justification must be based upon unique technical or performance characteristics. Personal preferences for certain brands or products do not adequately justify limiting competition.

The following are reasons why a purchase might be possible or practical from only one vendor:

1. An item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
2. A film, manuscript, or book;
3. A utility service, including electricity, gas, or water; or
4. A captive replacement part or component for equipment

### ***Other Exempt Purchases***

Another reason for purchases to be exempt from competitive bids may be the result of statutes or policies that require or allow certain types of purchases to be made from a particular source.

1. **Non-profit corporations using handicapped workers produce the item.** State or local governments often use products made by blind or otherwise handicapped workers.
2. **Prison workers produce the item.** The state benefits from the sale of these items.
3. **Interlocal Governmental Agreements.** These legislatively approved agreements allow governmental agencies to cooperatively purchase goods in volume, thus obtaining better prices.

There are a number of good reasons why the District may occasionally use sole source purchases. And it is proper to have the flexibility to make these purchases. But, sole source purchases must be strictly controlled, since they are directly contrary to the competitive process.

Under most conditions, a sole source purchase should be the subject of a certain amount of negotiation. The lack of other competition may otherwise result in a severe case of "sellers market". The purchaser should prepare a detailed list of requirements relating to delivery, quality, performance and other conditions, and be prepared to withhold the purchase in order to ensure compliance. Of course, this may not be possible, but the buyer should do everything in their power to strengthen their bargaining position.

### ***Procedure for Sole Source Purchases***

Purchasing Services must approve all sole source purchases before any action is taken to procure the items. The approval should be done before a purchase requisition is entered into the online purchase order system.

Sole source purchases are handled the same as other purchases, with these exceptions:

1. The user campus/department must advise Purchasing Services that only one practical source of supply exists for the items being requested. This should be accomplished by filling out a **Sole Source Request Form**.
2. The sections that must be completed on the Sole Source Request Form, before submitting to Purchasing Services, are the following:
  - a.) Vendor Information
  - b.) Product/Service Being Requested
  - c.) Reason for Request
  - d.) Reason Product/Service may be a Sole Source
  - e.) Explanation
  - f.) Vendor Contact with Summary of Responses
  - g.) Requisitioner's Signature
  - h.) Current Date
  - i.) Campus/Department Name
  - j.) Campus/Department Phone Number
3. The user campus/department must then submit the Sole Source Request Form to Purchasing Services for review. If complete, Purchasing will be in contact with the vendor to obtain a valid sole source letter.
4. If Purchasing Services determines that the sole source letter received is in compliance, the campus/department will be advised of the approval to proceed with the purchase. If the expenditure is \$25,000 or more, the campus/department must obtain approval from the Board of Trustees before proceeding with the purchase. The user campus/department must prepare the Board agenda report along with all backup documentation.

5. After Board approval or Purchasing Services approval, the requisition is then entered online in accordance with the District's purchasing process.
6. After the requisition is approved on-line by the Campus/Department Approving Official and by Purchasing Services, the purchase order is printed.

# SOLE SOURCE REQUEST FORM

If you believe there is justification to request, in lieu of competitive bidding, a sole or preferred supplier of a product or service, you must complete this form, and send it to Purchasing Services at 2000 N. 23 St. Annex 6, McAllen, TX 78501 or fax to (956) 632-8848.

**1. VENDOR INFORMATION**

COMPANY NAME: \_\_\_\_\_

CONTACT PERSON/TITLE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_ FAX NUMBER: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

WEBSITE ADDRESS: \_\_\_\_\_

**2. PRODUCT/SERVICE BEING REQUESTED (Or provide a requisition # where information is already supplied):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**3. REASON FOR REQUEST (Check one):**

\_\_\_\_\_**SOLE PRODUCT/SOURCE:** Only known product of its kind and/or only known supplier of the product.      \_\_\_\_\_**PREFERRED PRODUCT/SOURCE:** Preferred product and/or supplier due to the overriding circumstances cited below in Section 5.

**4. REASON PRODUCT/SERVICE MAY BE A SOLE SOURCE (Check all that apply):**

\_\_\_\_\_**Unique product/service (explain in Section 5)**      \_\_\_\_\_**Only authorized distributor or service provider**  
\_\_\_\_\_**Repairs, replacement parts, or technical service available only from manufacturer or authorized distributor**      \_\_\_\_\_**Product/service standardization**  
\_\_\_\_\_**Other (explain in Section 5)**

**5. EXPLANATION – Explain why this product/service cannot be acquired from another source or is a preferred product/source:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**6. The following vendors have been contacted for quotes along with a summary of their responses:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Requisitioner's Signature \_\_\_\_\_

Date \_\_\_\_\_

Campus/Department \_\_\_\_\_

Phone \_\_\_\_\_

Purchasing Services Signature \_\_\_\_\_

Date \_\_\_\_\_

**Sole Source Request No.** \_\_\_\_\_