PURCHASING & SUPPLY MISSION:

We will provide our customers quality goods and services in a courteous, reliable, and timely manner in support of our district’s educational mission.
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Statutes Regulations and Board Policies Applicable To Purchasing

Statutes containing requirements for competitive purchasing/contracting processes for districts are found in the Texas Education Code, Local Government Code, Government Code, Texas Revised Civil Statutes, Texas Attorney General Opinions, federal regulations and other sources.

Board policies applicable to Purchasing are under Policy Section CH, Business and Support Services.

When a conflict arises between federal regulations, state law, and board policy, the strictest rules shall apply.
**Purchasing Authority**

The Board delegates to the Superintendent or designee the authority to make budgeted purchases for goods and services and to determine the method of purchasing, in accordance with Policy CH (Legal). The Purchasing Director has been delegated authority to approve purchases in accordance with the Texas Education Code, Local Government Code, Government Code, Texas Revised Civil Statutes, Texas Attorney General Opinions, federal regulations Board Policy and local procedures.

Purchasing reviews the appropriateness of purchase requests, prepares solicitations, obtains bids and or proposals, evaluates and awards based on applicable laws, Board Policy and procedures.

Therefore, no purchases, contracts or agreements which obligate District funds shall be made without going through the acquisition process as outlined in Board policy and these procedures. Those individuals who obligate the district funds without the proper authority as outlined shall be held accountable, shall assume full responsibility themselves by paying the unauthorized obligation themselves, or other disciplinary action as deemed appropriate. (Ref Board Policy CH (LOCAL))
INTERDEPARTMENTAL COORDINATION

Ensure interoffice coordination/approval actions are completed on all requests, e.g., Technology must approve all technology purchases. Coordinate facility improvements with maintenance, for example ordering a washer/dryer and the electrical phase/voltage required for the units is different from what is available at the proposed location.

TECHNOLOGY

Coordinating all requisitions for hardware and software allows the district to use its resources, personnel, money, equipment, in the most efficient manner so we stay aligned in maximizing our use of available resources. Why buy a printer, or computer that can’t be maintained? Or software that is not compatible with our Operating System or Network or for another software already exists for the same purpose? There is so much to gain by processing requisitions through technology and nothing to lose.
General Ethical Procurement Standards

People involved in the purchasing process are exposed to more than ordinary temptation to abuse the powers of their office. This is because they direct the spending of a large amount of public money. Of course, it is a serious breach of the public trust to subvert the public purchasing process by directing purchases to certain favored vendors, or to tamper with the purchasing process, whether it is done for kickbacks, friendship or any other reason.

State law relating to violation of purchasing requirements impose upon violators certain criminal penalties, which are found in Section 44.032, Texas Education Code, and Chapter 271, Local Government Code, (LGC).

There are certain standards of ethical behavior which govern the conduct of employees involved in the purchasing function. Many of these align directly with the District Educators Code of Conduct, Section 1. Professional Ethical Conduct, Practices, and Performance. The fundamental standards are as follows:

1. It is breach of ethics to attempt to realize personal gain through public employment with a district by any conduct inconsistent with the proper discharge of the employee’s duties.

2. It is breach of ethics for any employee of a district to participate directly or indirectly in procurement when the employee knows that:
   - 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 is involved in the procurement.

3. 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 an 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 District.

4. 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.

5. 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.
WHERE DO WE BEGIN? NEED RECOGNITION

Requisition Process

What is a Purchase Requisition? A requisition is an internal document by which a campus or department of the district requests the purchasing department to initiate a purchase order. It is a request generated electronically or manually for the purchase of supplies, services, or equipment.

Need Recognition - Everything SHOULD start here.

Ensure funds are available

Document and define the need: Without a good description or specification it is not possible to get what you want.

Select the source: Use an existing contract or conduct competition

Establish clear Price and Delivery Terms based on price and other factors, i.e. realistic delivery date, quality.

Process the requisition/Place the Order:

Perform follow up: If it is not received by the requested delivery date.

Receive the goods or services. All goods are received at central receiving except oversized drop ship orders.

Submit invoices to accounts payable/receiving copy of PO to Purchasing
VENDORS AND CONTRACTORS

A. Use vendors with whom we currently have a bid or contract with. Non contracted vendors will not be used unless no other contracted vendor can supply the product or service or the total cost delivered is significantly lower. District and Cooperative contracts have established terms and conditions.

B. The school district has compiled a preferred vendor list. These are in the form of those vendors already on district contracts or on other purchasing cooperative contracts. This list includes the names and contact information of hundreds of vendors and the type of products and services they offer. Sources include:

- District Contracts
- Region 2013 Co-op bids
- State Bids Through the Texas State Comptroller
- TASB BuyBoard
- Department of Information Resources
- Other Co-op Bids as approved

C. Requesting a new vendor. Please contact the purchasing office for guidance. Our district uses an online vendor registration process whereby the vendor inputs all contact information and uploads a current, signed W-9 to complete the process.

D. Note: We continuously ask for and receive feedback from our campuses and department our “customers”. One of the comments and responses are included below.

- **Feedback:** PLEASE make it easier to figure out if a vendor is an approved vendor. How about have only approved vendors in ITCCS. If it is there then it is approved. SO MANY different locations.

- **Response:** A vendor may be “approved” for a single purchase and loaded therefore into iTCCS for payment. “Preferred Vendors” are those that have been awarded a competitive contract by Purchasing for use by all departments and schools. We strongly encourage you to utilize “Preferred Vendors.” These are listed A-Z on our website under SCUCISD Approved Vendor List.
VENDOR COMMUNICATIONS

Establishment of certain school district-wide procedures regarding vendor contact are important to an effective centralized purchasing design. Such policies and procedures may include requiring that appointments with vendors be scheduled through the campus/department requesting a visit or that a representative of the department responsible for purchasing (e.g., purchasing manager or equivalent) attends such meetings with vendors if desired.

Board Policy and Admin regulation GKC addresses visitors in general. Drop in visits by vendors are discouraged. Vendors are to call and make scheduled appointments. No Direct Sales to Teachers/Staff are allowed.
VENDOR PERFORMANCE EVALUATION

We support continuous performance improvement by holding contractors accountable for poor performance and providing incentives for outstanding performance (That is more work). Evaluation of vendors and their performance is important to support an effective purchasing function. Factors to consider for inclusion in the evaluation are:

- Timeliness of deliveries
- Service availability
- Completeness and accuracy of order
- Quality of products or services received

Whenever problems are encountered with a vendor, (i.e., a vendor fails to deliver goods or services as agreed) it is important to document the problem, noting the date and an accurate description of the problem.

The following link is provided for your convenience and is also available on our Purchasing Department Website. Supplier/Contractor Performance Feedback. You may also contact our office directly at (210) 945-6223. We will share your comments with the vendor/contractor with the aim of performance improvement.
APPROVAL OF REQUISITIONS

Requisitions initiated by instructional, maintenance and support personnel should then be reviewed and approved by the appropriate person, either the campus principal, department head or superintendent. The Director of Purchasing or his designee shall conduct a final review and approval before a Purchase Order number is assigned. Requisitions which require expenditures from a Special Revenue Fund should be approved by the appropriate program administrator.

Section 44.052 Texas Education Code states that a superintendent that approves any expenditure of school funds in excess of the amount appropriated for that item(s) in the adopted budget commits a Class C misdemeanor offense. Consequently, close supervision and monitoring of the availability of budget dollars and of the approval process for requisition of competitive procurements is an important element of a district's purchasing process.

The purchase requisition should be in a standard format so that the information can be readily identified and processed.

- Vendor name and address
- Date the goods or services are required
- Contract number
- Description of goods or services
- Quantity needed
- Price (per unit and in total)
- Discounts, if any
- Shipping arrangements
- The code of the account or accounts to be charged
  Other pertinent factors such as delivery destination, performance period, campus, etc.

In our district, the purchase requisition once properly approved, will become a numbered purchase order. Purchasing will ensure that the appropriate competitive purchasing method (i.e., competitive procurement, price quotes, etc.) is determined and has been performed before the requisition is approved for processing.

The preceding and following information is provided to help you. Purchase requests, which are missing information, contain ambiguous descriptions or otherwise not completed correctly may delay purchasing action and may lead to the purchase of the wrong product or service. Correcting discrepancies is time consuming and expensive for District personnel, the vendor, and you the requestor (if you do not receive what you need when you need it).
PROCEDURES FOR THE PROCESSING OF PURCHASE REQUISITION/PURCHASE ORDERS

1. The purchase requisition must be used for all business activities outside the SCUCISD. Ensure the Contract number is entered when applicable.

2. The Internet-based Texas Computer Cooperative Software (iTCCS) is a comprehensive, hosted solution with applications for business, human resources, student services, and PEIMS. All requests for purchases shall be submitted in iTCCS or on Schertz Cibolo Universal City ISD. requisition/purchase order forms approved by the Purchasing Department.

3. The correct budget code must be used on all district requisition/purchase order forms.

4. A brief statement of the purpose of the purchase is to be included in the space provided on the form either in the purchase description or in the requisition comment field. Annotate on Purchase Requisition if it is a Pre-payment. Note: Prepayments are not normally allowed due to generally accepted accounting practices, i.e. paying for something we haven’t yet received. Therefore prepayments may be denied.

5. The “SHIP TO ATTENTION OF” portion of the requisition must contain the ship to address. All Purchase Orders should have items shipped to the District’s Central Receiving Warehouse. This is the default receiving location in iTCCS.

6. Requisitions begin at the requestor level. Proper approval is to be given by the respective department head, director, or principal. (Technology must review all Hardware/Software requisitions) Please obtain necessary approvals before submitting requisitions to purchasing. Any liability incurred prior to approval will be that of the person who initiated the liability.

7. The purchase requisition number is used primarily to identify the status of the purchase request prior to approval. Do not use a purchase requisition number to place any orders with a vendor. That is a violation of Board policy CH (Local). Once approved, a purchase order number will be assigned and at that time only does the requisition become a purchase order. The main identifier of the purchase requisition then becomes the "P. O. number”.

8. When ordering catalog discount supplies, use only the catalogs and corresponding bid/contract numbers for the company from which supplies are being ordered. The purchasing department provides catalogs to each campus/department along with a list of contracted vendors and terms such as discount rates, reference numbers if any, and shipping terms on our website. When preparing purchase requisitions please provide the contract number and reference number if any. After all items have been listed on the requisition, then provide the discount percentage in iTCCS if applicable and the amount of the discount will be automatically calculated. Including the contract discount percentage will ensure the discount is being applied. The total requisition amount should show the total cost of the goods/services.

Example: 

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUB TOTAL</td>
<td>$___________</td>
</tr>
<tr>
<td>LESS DISCOUNT ______%</td>
<td>- $_________</td>
</tr>
<tr>
<td>SHIPPING (if applicable)</td>
<td>$__________</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$____________</td>
</tr>
</tbody>
</table>

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FINAL APPROVAL AND PROCESSING

The purchase order is approved by the Purchasing Director or designee.

Purchasing as a rule will make distribution unless the requestor requests to hand deliver the PO themselves to the vendor/contractor.

The distribution is as follows;

1. Vendor Copy which is sent to the selected vendor
2. Finance Copy which is sent to the district's accounting office
3. Purchasing Copy which is maintained in purchasing
4. Receiving Copy which when completed is used to enter receiving actions into iTCCS so the accounting department can confirm receiving and that payment should be made according the district's accounts payable process
5. Campus/Dept. Copy which is kept by the Requestor for financial management purposes

The purchasing department maintains a record in iTCCS of all purchase orders issued for control purposes. The log includes the date of submission, purchase order number, vendor number and account code. A log of manual Purchases Orders is also maintained.

CHECKING ON YOUR PURCHASE ORDER STATUS

You must have the requisition number in order to obtain information about your order. This is how orders are tracked before they are approved and given a purchase order number. You are responsible for keeping track of your requisition numbers. You may want to establish a Purchase Request Log similar to the one below and write the requisition number down as the requisition program automatically assigns them.

Purchase Request/Order Log

<table>
<thead>
<tr>
<th>Date Request</th>
<th>Purchase Request</th>
<th>Brief Description</th>
<th>Qty</th>
<th>Unit</th>
<th>Vendor</th>
<th>Amount</th>
<th>PO number</th>
<th>Date Rec’d/Closed</th>
</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>
CANCELLATION PROCESS:

The district has established purchase order cancellation procedures. If a requestor needs an order cancelled DO NOT contact the vendor to cancel the order. **Contact purchasing immediately** with the purchase order information and a bona fide reason why you wish to cancel the order. Good purchasing is built on establishing relationships, too many cancellations can sour a business relationship.

Note: Items already shipped may have a restocking fee, which sometimes can be the value of the goods themselves!
BLANKET PURCHASE ORDERS

A blanket purchase order is issued to a pre-approved vendor authorizing purchases from that vendor over a period of time. Blanket purchase orders are valuable because they allow the purchase of items quickly. Both paperwork and related processing costs usually are reduced by blanket purchase orders. However, blanket purchase orders must follow certain criteria:

- Pre-qualification of vendors, that is they are on an existing District/Cooperative contract
- Limitation on the maximum amount for purchases (usually up to $500 per month per vendor),
- A specific time frame for purchases covered by the blanket purchase order (usually one month), and
- Identification of authorized purchasers.

Blanket purchase orders are issued so that supplies, materials, or services are available "as needed" by user departments. They are not a “blank check” to go shopping or to compensate for poor planning. For example, blanket purchase orders may be requested on a regular basis by the Child Nutrition Department for perishable items or by the Maintenance and Transportation Departments for small hardware or repair parts. Blanket purchase orders can also be requested for a predefined contracted service that requires regular monthly or quarterly payments of a specific amount for services rendered. Blanket purchase orders cannot be used for the purchase of Fixed Assets Capitalized or Inventory items. All open blanket purchase orders will be closed at the end of each fiscal year.

This type of purchase order remains in effect for only a specified amount of time and has a specified dollar limit. During this time period, the district may purchase certain specified items (as identified on the purchase order) from the vendor not exceeding the total dollar limit without issuing additional purchasing orders. The user department must issue a new requisition if items are requested beyond the specified time period. The advantage of blanket or open purchase orders is that merchandise is accessible to users with some flexibility and without the additional transaction and time costs of processing multiple individual small dollar value purchase orders. If you believe that a blanket purchase order will best serve the needs of your department please contact your Purchasing Manager before submitting a requisition for a blanket P.O., to discuss if a blanket purchase order is right for you.
EMERGENCY PURCHASES

Two types of emergency purchases are made in districts. One type results from an imminent threat to the health, safety, or welfare of students. Such purchases must comply with state law and may be made only after a formal board action declaring an emergency and authorizing the purchase. An example of an emergency purchase of this type is the authorization to repair a school after a fire or a natural disaster. Our Board of Trustees has proactively delegated to the Superintendent or designee the authority to contract for the replacement, construction, or repair of school equipment or facilities necessary for the health and safety of District students and staff in the event of a catastrophe, emergency, or natural disaster in accordance with the law.

Emergency purchases exceeding the dollar amount triggering competitive procurement requirements shall be made in conformance with subsection Section 44.031 Texas Education Code.

The second type of emergency purchase usually is defined by local policy to provide for the acquisition of goods or services to meet an immediate need such as purchases to repair damage to a facility which may imperil students or the security of the facility. For example, if windows are broken at a school by vandals, an immediate need exists to not only secure the building, but also to protect the contents from damage by the elements. This type of emergency purchase is normally utilized after regular business hours or on weekends and holidays. After purchases of this type are made, a purchase order should be issued after the fact on the next business day. Care should be taken that emergency purchases do not result from improper planning rather than from a true emergency.

It is important that the district attempts to eliminate emergency purchases for non-emergency situations as much as possible and requires that all emergency purchases be fully justified.

PROCEDURE:

If your campus/department encounters a bona fide emergency as described above;

- Immediately contact Purchasing at x 6223 to handle the situation.
**Activity Account Purchases**

With the exception of Office Depot orders, items purchased through an Activity Account should not be sent to our Central Receiving warehouse. Those orders should be shipped directly to your campus.

Activity fund purchases should comply with the district's purchasing procedures and relevant statutes.
Terms and Conditions

Terms and Conditions, unfortunately, are not that well attended to or understood. Many people refer to T's and C's as the "fine print" that no one reads. *(When was the last time we read the terms and conditions for a new phone app?)*

T's and C's are developed to manage risk and provide legal protection in the agreement between the seller and buyer, what constitutes successful delivery performance, how a contract is terminated, warranties and the like. Using our Contract vendors (preferred) ensures we have agreed and established terms and conditions. A sample of typical terms and conditions for a PO is on our website vendor/contractor page at http://www.scuc.txed.net/files/342/E-TERM~1.pdf.

**NOTE:** DISTRICT SOURCES OF SUPPLIES AND SERVICES SHOULD BE USED PRIOR TO INITIATING ANY COMMERCIAL PURCHASING ACTION
CONSULTANT SERVICES

The campus/department identifies the need for consultant services; a requisition will be prepared and forwarded to Purchasing.

The requisition will include the following information:

- A recommended consultant (with address, phone number, and federal tax I.D. or social security number.)
- A synopsis of the services to be performed
- Copies of all proposals and other documentation pertinent to this agreement received from vendors. Please provide all information you have regarding dates, times, or other factors effecting performance.
- A properly funded budget code.

The Purchasing Department will review the requirement following established competition thresholds to determine if the service will require a formal competitive procurement. If required, a formal solicitation must be prepared and advertised, and approved by the Board of Trustees before the contract may be executed and performed.

Any contract exceeding $50,000 requires Board approval (unless one of the limited exception’s under CH (LOCAL). Since the Texas Education Code requires advertising if the district's requirements exceed $50,000.00 in the aggregate in a year, assume that any requirement for a consultant which will exceed $50,000 in a year will require advertisement and Board Approval.

A consultant provides a professional service, for which years of education and training make that person singularly qualified to provide the service. These people may be hired as consultants.

Someone who is providing clerical support, teaching students, or otherwise performing a task using district supplies, and under the supervision of district employees, may not be consultants. They may be employees, and if so may be hired as temporary employees through Human Resources.

Once all requirements are in place, the Purchasing Department will issue a purchase order/contract.

The Purchasing Department will have any resulting contract signed by the consultant. Once the contract has been finally executed by both parties (the consultant and the District), a copy of the final contract and the original requisition will be provided to the campus or department.

All vendors, including consultants need to be cautioned not to perform any work until the contract or purchase order is executed, including signatures of the contract by the consultant, approval by the Board of Trustees or Superintendent (if necessary), and final execution by Purchasing as the district's agent.
OFFICE DEPOT ON-LINE ORDERING PROCEDURES

The following is the procedure for the hybrid on-line ordering from Office Depot Business Services Division. This procedure will only work on the Office Depot Business Services Division web site. No other web site for Office Depot may be used as part of this procedure.

An employee will be issued a user authorization code to access the Office Depot Business Services Division web site at http://bsdnet.officedepot.com. This access will permit developing a requisition, but not actually transmitting it to Office Depot. The requisition will be held pending status until the following steps are accomplished.

1. A purchase order requisition to Office Depot is prepared, with item descriptions in the body of the requisition and the total of the purchase indicated. The requisition must be otherwise complete with a funded budget code. Note: Do not mix inventory items, under a 6399 code, rather add the appropriate second code 66XX, 6396 for any inventory items.

2. All appropriate signatures/approvals are obtained.

3. The requisition is sent to Purchasing.

Purchasing will process the purchase request, and then review and release the electronic requisition to Office Depot Business Services Division to have the order filled. Delivery should be next day or the day after for in stock items.

Please notify Purchasing if a person with on-line access for your campus leaves the campus for another campus or department, or leaves the district. Users are only authorized to order for their original organization. New users may be added by submitting the information requested on the Office Depot Order Sign up Form.

Purchasing will make normal distribution of the purchase order to the official file, the campus/department, accounting, and receiving. The original of the purchase order will not be sent to Office Depot to prevent the possibility of duplication of an order. Office Depot will send an e-mail confirmation to the originator of the requisition once the order is released to Office Depot.
Please submit the following memo to add/delete personnel to the Office Depot On-line Ordering system. Once the information is received, signed by the Principal/Director, we will provide the information to Office Depot Business Services Division.

TO: Purchasing Department

FROM:

DATE:

SUBJECT: OFFICE DEPOT ON-LINE ORDERING SIGN-UP

Please add the following person to the Office Depot On-line Ordering program for this organization:

Name:__________________________________________________
Organization:_____________________________________________
Delivery Address:__________________________________________
Telephone Number:________________________________________
Email Address:____________________________________________

Please delete the following person from the Office Depot On-line Ordering program for this organization:

Name:__________________________________________________
Organization:_____________________________________________
Delivery Address:__________________________________________
Telephone Number:________________________________________
Email Address:____________________________________________
EQUIPMENT REPAIR PROCEDURES

A. Check to see if the equipment is still under warranty

B. If the original estimate is for no charge, the process below is not required. If the vendor, while performing a no charge repair (warranty), identifies additional repairs which will generate a cost, follow the procedure below immediately.

C. Repairs will be effected using a purchase order.

D. If there is a charge for the repair, the following procedures have been established for campuses and departments:

1. Identify the equipment needing repair, and the nature of the problem.
2. Identify a source (vendor) to effect the repair.
3. Get a written estimate. Contract repair services are subject to the same competitive requirements as a purchase requisition (quotes).
4. Initiate a purchase requisition to the vendor. Include in the Description section:
   a. Item description, e.g.: iPad; brand name and model number, serial number and district bar code (property tag) number.
   b. Nature of the problem.
   c. Amount of the ESTIMATE.
5. Attach a copy of the Estimate (or quotes) to the requisition.
6. Submit the purchase requisition.
7. Once the purchase order is approved/issued, the vendor is authorized to effect repairs.
8. Upon completion of the repair:
   a. Receive or pick up the equipment from the vendor.
   b. Verify the repair has been performed satisfactorily.
   c. If acceptable, attach a final copy of the vendor’s repair ticket/invoice to a copy of the purchase order receiving copy, sign the copy indicating services were provided.

Remember, you are entrusting district property to a third party, and you are responsible for it.
URGENT RUSH WALK THROUGH PURCHASE REQUESTS

These should be few and far in-between. This should be an item/service that will be picked up/requested that same day.

Contact the purchasing office with the Req. # This will enable us to review the request in advance.

Call our office before coming by – This is to ensure your PO is ready for Pick up.

If this is a new vendor, contact the purchasing department immediately by phone at X6223

Email to purchasing@scuc.txed.net or fax to x6251.
DISTRICT AND STATE COMPETITION REQUIREMENTS

Directed by State Statutes and Local Policies and Procedures for Non-Federal Funds

< $5,000  Use an approved Contract vendor or obtain three quotes if not available on approved contract

≥ $5,000  Use an approved Contract vendor or obtain three written quotes if not available on approved Contract

≥ $10,000 Use an approved Contract vendor or provide a minimum of three written quotes (These quotes shall be obtained by the Purchasing Office)

≥ $25,000 May use an approved Contract vendor, or may require formal competitive bid process at Purchasing Offices discretion, and may be taken to the Board.

≥ $50,000 Use approved Contract vendor, may require formal bid process, if so it shall be taken to the Board unless ordered against a qualified Purchasing Cooperative Contract. (Competitive Contract method decision at Purchasing Offices discretion)
Purpose and Intent for Competitive Bidding

“The purpose and intent of competitive bidding is to help public schools secure the best work and materials at the lowest practical prices by stimulating competition. If a district advertises purchasing needs relating to large expenditures, then economies of scale - purchasing in large quantities - will probably result in lower costs either per unit item or in the aggregate. Another reason for competitive bidding - it's an open process.”(FASRG 2010)

Sterrett v. Bell, 240 S.W.2d 516, 520 (Tex. Civ. App. - Dallas 1951, no writ hist.).

The purpose and intent of competitive bidding laws were defined in Sterrett v. Bell, as follows:

• "Gives opportunity to bid...on the same undertaking...upon the same thing;"
• "Requires all bidders be placed upon the same plane of equality...each bid; upon the same terms and conditions;"
• "Stimulates competition and prevents favoritism;" and
• "Secures the best work and materials at the lowest practical price."
**Splitting Requirements:**

Making Separate, Sequential, or Component Purchases to avoid statutory purchasing requirements is **not allowed**.

“… (b) An officer, employee, or agent of a school district commits an offense if the person with criminal negligence makes or authorizes separate, sequential, or component purchases to avoid the requirements of Section 44.031(a) or (b). An offense under this subsection is a Class B misdemeanor and is an offense involving moral turpitude. (Texas Education Code §44.032)”
SOLE SOURCE:

Selected purchases may be exempt from competitive procurement if they meet established criteria for a sole source purchase. 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.

If you believe that you need goods or services and they can only be obtained from a sole source please contact the Purchasing office for help. The requestor of a sole source procurement shall complete a sole source justification document available from the Purchasing office off our web site and submit it completed to the Director of Purchasing for review and final approval or disapproval.

It is incumbent upon the district to obtain and retain documentation from the vendor, which clearly delineates the reasons, which qualify the purchase to be made on a sole source basis. (Texas Education Agency).

To be a bona fide exemption to the Texas Education Code District purchasing law requirements, there must be no other like items available for purchase that would serve the same purpose or function, and only one price for the product because of exclusive distribution or marketing rights. The fact that a particular item is covered by a patent or copyright is but one factor in determining if the purchase falls under the sole source exemption to the purchase requirements. (§44.031(j) (1), Texas Education Code.)
COMMON PURCHASE REQUEST PROBLEMS

If the price already includes a discount, e.g. catalog discount of 10%; please indicate this on your request such as discount included in pricing.

If you obtained special pricing, please include the name and number of that individual.

Incorrect account code: This will only delay your request. Any required budget change requests must be processed through accounting before the purchase request will be processed/accepted.

Insufficient description: A complete description is required when typing a purchase request. This provides the approver and the vendor/contractor the information needed to process your request. You are required to put the item number, model number, size, color, and any other important information pertaining to your request. Failing to do so will only delay your order.

The directions on your purchase request must be clear. Example; In the comments field of the purchase requisition type, PLEASE DELIVER TO (put the person’s name and the campus/department).

Do not put a (Y for yes) in the RETURN PO field unless you intend to hand-deliver the purchase order to the vendor yourself. You will receive a copy of the purchase order electronically when it has been processed.

ATTACHMENTS

Requirements should be clearly described on the purchase request description. If there are more than 30 line items then an attachment listing those items with clear purchase descriptions may be used.

Do not include attachments unless necessary, e.g. membership applications, conferences, Hotel confirmations, etc.…

Requests received without the proper attachments may be returned to the requestor and deleted if no attachments are provided. This is a part of the purchase request and is the requestor’s responsibility.
Formal Solicitations require at least eight weeks of preparation and an additional four weeks if Board approval is required. The following steps should be followed when bids are taken:

<table>
<thead>
<tr>
<th>Action</th>
<th>Responsibility</th>
<th>Approval Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bid Procedure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obtain approval to purchase the goods or services.</td>
<td>User Dept. or Campus</td>
<td>Director or Campus Principal</td>
</tr>
<tr>
<td>Verify that the requirement requested is budgeted.</td>
<td>Dept. Director or Campus Principal</td>
<td>None</td>
</tr>
<tr>
<td>Contact the Purchasing Department to establish a schedule for bidding out the requirement.</td>
<td>Dept. Director or Campus Principal</td>
<td>None</td>
</tr>
<tr>
<td>Prepare specifications/Statement of Work (SOW) for the approved requirement and reviews specifications with Purchasing Department.</td>
<td>Dept. Director or Campus Principal</td>
<td>None</td>
</tr>
<tr>
<td><strong>Time frame for bidding</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Week - Coordinate bid with Purchasing Unit, submit bid request form and write specifications/SOW.</td>
<td>Dept. Director or Campus Principal</td>
<td>None</td>
</tr>
<tr>
<td>2nd Week and 3rd Week - Bid ad to run 14 days prior to bid opening.</td>
<td>Purchasing Department</td>
<td>Purchasing</td>
</tr>
<tr>
<td>4th Week - Open bid and complete tabulation sheet.</td>
<td>Purchasing Dept. and Requestor</td>
<td>None</td>
</tr>
<tr>
<td>5th Week - Analyze bid.</td>
<td>Purchasing Dept. and Requestor</td>
<td>None</td>
</tr>
<tr>
<td>6th Week – Requestor presents recommendation to Purchasing.</td>
<td>Dept. Director or Campus Principal</td>
<td>Dept. Director or Campus Principal</td>
</tr>
<tr>
<td>7th Week – Prepare Notice of Award to vendor.</td>
<td>Purchasing Director</td>
<td>Board</td>
</tr>
<tr>
<td>7th Week – Alternate If Board approval is required Prepare Board presentation by Purchasing for Discussion.</td>
<td>Purchasing Department</td>
<td>Board</td>
</tr>
<tr>
<td>8th Week - Purchase orders submitted to vendors.</td>
<td>Unit Director or School Principal</td>
<td>Purchasing Agent</td>
</tr>
<tr>
<td>12th Week Prepare Board presentation for Approval.</td>
<td>Purchasing Department</td>
<td>Board</td>
</tr>
</tbody>
</table>

*Acknowledgement: TSPR Management Review Team.*
## Responsibilities for Competitive Sealed Bids and or Proposals

### Requestor responsibilities in the bid process

<table>
<thead>
<tr>
<th>Requestor will comply with the approved bid schedule.</th>
<th>Requestor prepares specifications for the approved item and reviews bid specifications with director of Purchasing. Email a copy of the bid documentation. Do not change specifications once submitted to vendors. If a change is required, you must notify and coordinate through Purchasing.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requestor prepares a list of three or more local vendors and includes established vendor list in Purchasing. Review the vendor list with Purchasing</td>
<td>Requesting department director or campus administrator will be present in opening bids/proposals, evaluation, and recommendation. Bids are accepted on lowest responsible bid meeting Bid specifications. Proposals are recommended as the Best Value.</td>
</tr>
<tr>
<td>Requesting unit administrator prepares letter of recommendation for the board in the approved format and submits to the Purchasing Department for review.</td>
<td>An item that is recommended as the result of a Sealed Bid, other than low bid, requires a written justification. The justifications and the recommendations are reviewed by the Purchasing Director. If approved the final decision is made to submit the recommended award for board consideration.</td>
</tr>
<tr>
<td>Purchasing Department types completed tabulation of bids to be presented to the Board of Trustees for consideration. In some cases, it may be necessary for the Requesting administrator/director to attend the board meeting to justify the recommendation.</td>
<td><strong>Acknowledgement: TSPR Management Review Team.</strong></td>
</tr>
</tbody>
</table>

Inclusion of Purchasing during the planning phase allows everyone the opportunity to better understand and comply with bid requirements and processes and provides Purchasing the flexibility to schedule its resources where and when needed.
TAXES

Taxable Status of Purchases

“All items purchased by a public school for the school's own use qualify for an exemption from sales tax if the items purchased relate to the educational process. The school, school district or an authorized agent should provide the seller a tax exemption certificate. To be valid, the certificate must state that the merchandise being purchased is for the organization's own use in providing education, is being made in the name of the organization, and that payment shall be made from the organization's own funds. The school district should not reimburse employees for sales tax they paid on purchases made on the behalf of the school district.”

“Purchases for their own use by individuals, even though connected with a school or school organization, are not exempt from the tax. As an example, cheerleaders purchasing their own uniforms, teachers purchasing computer equipment, band members purchasing their own instruments and athletic teams purchasing their own jackets are not tax exempt.”

Texas Education Agency
(For a more comprehensive discussion of taxes, refer to the Application of Texas Sales and Use Taxes in the Tax Concerns and Obligations section of the Financial Accounting and Reporting module of the Financial Accounting System Resource Guide.)
Glossary of Terms

Award
Purchasing's acceptance of a Bid or proposal from a Vendor resulting in a Purchase Order or contract with the vendor.

Back Order
All or part of an order that the Vendor is unable to ship immediately, but will be shipped at a later date.

Bidder
The Vendor/Contractor submitting the reply to an Invitation for Bid (IFB) Request for Proposals (RFP).

Competitive Bidding
The submission of prices by individuals or firms competing for a Contract.

Contract
A legally binding agreement between two or more parties. (Example: Purchase Order) A purchase order is an offer to a company which becomes a "contract". It has terms and conditions like a contract however it is not binding until the seller “accepts” the order. Acceptance would be shipping the product as per the purchase order.

Contract Administration –
The oversight of a contractor’s (supplier’s) performance as per the terms, conditions and specification of a contract. This oversight may include responsibility delegated by the central purchasing authority to using departments.

Cooperative Purchasing –
The combining of requirements of two or more political entities to obtain the advantages of volume purchases, reduction in administrative expenses, or other public benefits.

Debarment –
A shutting out or exclusion (through due process) for cause, as a bidder from a list of qualified prospective bidders.

Discount
A deduction from the normal price of an item(s) given by the Vendor to the District.

Emergency Purchase –
A purchase made without following normal purchasing procedures in order to obtain goods or services to meet an urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk.

Evaluation of Bid/Proposal –
The process of examining a bid/Proposal after opening to determine the bidder's responsibility, responsiveness to requirements, and to ascertain other characteristics of the bid that relate to determination of the successful bidder.

FOB (Free on Board) point defines the situation.
FOB Origin means the buyer needs to arrange transportation and is legally responsible for the goods while they are in transit. FOB Destination refers to the seller arranging transportation and having liability during movement.

**F.O.B. Destination, Freight Prepaid, and Added**
Title of merchandise passes to District at time of delivery; however, transportation and freight charges are prepaid by the Vendor and added to the invoice.

**F.O.B. Factory, Freight Prepaid and Allowed**
A delivery term which places liability with the District once the freight leaves the dock, but the Vendor is going to pay the shipping costs.

**F.O.B. Shipping Point**
Title of the merchandise passes from the Vendor to the District at the moment of delivery to the freight carrier. District is liable for freight charges, and must file all claims for loss or damage.

**Prepayment**
When payment must accompany the Purchase Order (memberships, dues, subscriptions, registrations, etc.)--Proof is required.

**Professional Services**
Infrequent, technical, and/or unique functions performed by independent contractors whose occupation is the rendering of such services. While not limited to licentiates, the services are considered "professional," and the contract may run to partnerships, firms, or corporations as well as individuals. Examples of professional services include medicine and the medical arts, architectural and engineering services, management and systems consultation, research, and the performing arts

**Proforma Invoice**
An invoice written prior to receipt of ordered material, which shows the cost of the item. (Commonly used for prepayments.)

**Purchase Request (PR):**
This is your requisition for a product or service. This form, manual or electronic, once duly executed and approved by the authorized agent becomes a Purchase Order (PO).

**Purchase Order**
A Purchasing document consummating a purchase which acts as a contract when accepted by the Vendor and states the terms and conditions of the desired purchase.

**Quotation**
A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective purchaser, usually for purchases below the amount requiring formal bidding; the stating of the current price of goods/supplies, or the price so stated.

**Request for Proposal (RFP) –**
(1) All documents, whether attached or incorporated by reference, utilized for soliciting (competitive) proposals. The RFP procedure permits negotiation of proposals and prices as distinguished from
competitive bidding and an Invitation for Bids. (2) The solicitation document used in the competitive negotiation process. The procedure allows negotiated changes to be made after proposals are opened and contemplates that the nature of the proposals and/or prices offered will be negotiated prior to award.

**Responsible Bidder or Offeror** –
A person who has the capability in all respects to perform in full the contract requirements, and the integrity and reliability which will assure good faith performance.

**Responsive Bidder/Offeror** –
(1) A person who has submitted a bid/offer which conforms in all material respects to the Solicitation. (2) One whose bid/proposal conforms in all material respects to the terms and conditions, the specifications and other requirements of the Solicitation.

**Sealed Bid**
A Bid that is submitted in a sealed envelope with instructions stated in the IFB. There is a date and time deadline for submission. Envelopes are date and time stamped upon receipt and not opened until the Bid opening date/time.

**Sole Source**
An award for goods or services to the only know capable contractor, occasioned by the unique nature of the requirement, the contractor, or market conditions.

**Solicitation Request** –
(1) Information transmitted by a using agency requesting the central purchasing office to effect a contract for a particular need or group of needs. The request may include, but is not limited to, a performance or technical description of the requested item, delivery schedule, transportation mode, criteria for evaluation, suggested sources of supply, and information related to the making of any written determination required by policy or procedure. (2) That document whereby a Using Agency requests that a contract be entered into for a specified need, and may include, but is not limited to, the technical description of the requested item, delivery, criteria for evaluation, suggested sources.

**Specifications**
A description of what the District seeks to buy, and what the Bidder must be responsive to in order to be considered for award of the contract.

**Vendor**
Supplier, Contractor.
FORMS

Forms are available from the Department Website:
ADDENDUM I
FEDERAL FUNDS PURCHASING

Our aim in Purchasing & Supply is to assist in the understanding of District policies and procedures with regard to Purchasing and this Purchasing procedures manual. Everything to this point has been well established. Federal rules regarding the use of federal funds including procurement have been changing over the past few years. This section addresses what the Federal thresholds are, the methods of procurement and when each method will be used. For all purchases made with federal grant funds, the district shall comply with federal regulations, EDGAR related to the purchasing of goods and services. [2 CFR 200.317-200.326].
WHAT IS EDGAR?

EDGAR is the Education Department General Administrative Regulations (EDGAR) 2 Code of Federal Regulations (CFR) 200. What is covered by EDGAR?

✓ Federal regulations governing all federal grants awarded by the Federal Government on or after December 26, 2014
✓ $1 of federal money triggers EDGAR

Federal or Non-Federal Rules for Purchasing?

✓ School districts must comply with the most restrictive rule, whether EDGAR rules or state procurement rules.
✓ Which rule is most restrictive will depend on purchase or contract amount.

WHAT IS THE PURPOSE OF EDGAR?

From the perspective of procurement the following are aims of the New EDGAR;

✓ Increase Full and Open Competition
✓ Reduce fraud, waste, and abuse
✓ Simplicity and consistency
✓ Increase efficiency
✓ Strengthen oversight
Federal Methods of Procurement

- Micro-purchase
- Small purchase procedures
- Competitive sealed bids
- Competitive proposals
- Noncompetitive proposals

1. Micro-Purchases: Less than $3,500   EDGAR One Quote
2. Small Purchases: $3,500-$49,999   EDGAR Multiple Quotes
3. Purchases $50,000 – $149,999   State Purchasing Laws
4. Purchases at or above $150,000   State + EDGAR

These methods are explained further in the pages that follow
A Micro-Purchase is:

✓ The Acquisition of supplies and services under $3,500 or less.

  o $2,000 for acquisitions for construction subject to the Davis-Bacon Act.

✓ May be awarded without soliciting competitive quotations if the nonfederal entity considers the cost reasonable.

To the extent practicable must distribute micro-purchases equitably among qualified suppliers.
A Small Purchase is:

- Goods or services that costs less than The **Simplified Acquisition Threshold** ($150,000 under 200.88)
  - State or non-Federal entity may set lower threshold
  - TEA - $50,000
- The Non-Federal Entity must obtain price or rate quotes from an adequate number of qualified sources
- Characterized as “Relatively simply and informal”
Competitive Sealed Bids
2 CFR 200.320(c)

These are:

- Bids which are publically solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder with lowest price.

- Appropriate when:
  - A complete, adequate and realistic specification or description of good or service is available;
  - Two or more responsible bidders are willing and able to compete effectively for the business.

- Sealed Bids Must:
  - Be solicited from an adequate number of know suppliers;
  - Provide sufficient response time to submit bids;
  - Include all specifications so bidder can properly respond; and
  - Be publicly advertised and opened at time and place announced in invitation for bids.

- Award is made in writing to the lowest responsive and responsible bidder.

- Any and all bids may be rejected if there is a sound documented reason.
Competitive Proposals
2 CFR 200.320(d)

- Competitive proposals are:
  - Awarding a contract to a responsible vendor whose proposal is most advantageous to the program, considering price and other factors.
  - Generally used when sealed bid is not appropriate
  - Request for proposal (RFP) must be publicized and identify all evaluation factors and their relative importance identified.
  - Proposals must be solicited from an adequate number of sources.
  - Must have method for evaluating proposals and selecting the vendor.
  - Contracts must be awarded to the responsible vendor whose proposal is most advantageous to the program, considering price and other factors.
Noncompetitive Procurement
2 CFR 200.320(f)

- This is also known as “Sole Source”. It is a procurement through solicitation of a proposal from only one source and **may be used ONLY** when one or more of the following circumstances apply:
  - The item is available only from a single source;
  - The public emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to written request from the nonfederal entity; or
  - After soliciting a number of sources, competition is determined inadequate.

- **CAUTION:**
  - Noncompetitive contract raises “red flags”
    - Ensure there is persuasive and adequate documentation to facilitate an audit.
Must perform a cost or price analysis for costs in excess of the simplified acquisition threshold ($150,000)

Cost analysis generally means evaluating the separate cost elements that make up the total price (including profit)

Price analysis generally means evaluating the total price
Multi-Year Contracts

An Excerpt from TEA’s FAQs:

➢ The subrecipient’s local procurement procedures will dictate whether a multi-year contract may be signed or how often a contract can be extended in order to continue to use the same contractor more than one year.

➢ The LA should also consider a multi-year contract initially.

➢ TEA recommends only two-year contracts be executed since most federal awards are 27 months total.
Conflicts of Interest
2 CFR 200.318(c) (1)

- Must maintain written standard of conduct, including conflict of interest policy.
- No employee, officer, or agency may participate in the selection, award or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.
- A conflict of interest arises when any of the following has a financial or other interest in the firm selected for award:
  - Employee, officer or agent,
  - Any member of that person’s immediate family,
  - That person’s partner, or
  - An organization which employs, or is about to employ, any of the above
- Has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

Conflict of Interest 2 CFR 200.112

- The Federal awarding agency must establish conflict of interest policies for Federal awards.
- All non-Federal entities must disclose in writing any potential conflict to federal awarding agency or pass-through in accordance with applicable Federal awarding agency policy.
Gratuities
2 CFR 200.318(c) (1)

❖ Officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontract.

❖ However, the non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.

❖ The standards must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.
Debarment and Suspension
Appendix II (H)

❖ A contract award (2 CFR 180.220) can not be made to parties listed on the government wide exclusions in the System for Award Management (SAM)

➢ 2 CFR Part 180 (OMB Debarment Suspension Rules) and 2 CFR 3485 (USDE Rules)

❖ Suspension and Debarment 2 CFR 180.300

➢ For contracts over $25,000 (2 CFR 180.220) you must verify that the person with whom you intend to do business is not excluded or disqualified.

➢ This MUST be done by either:
  ▪ Checking SAM (sam.gov); or
  ▪ Collecting a certification from that person; or
  ▪ Adding a clause or condition to the covered transaction with that person.
DEFINITIONS

FULL AND OPEN COMPETITION: When used with respect to a contract action, means that all responsible sources are permitted to compete.

LINE ITEM means the basic structural element in a procurement instrument that describes and organizes the required product or service for pricing, delivery, inspection, acceptance, invoicing, and payment. The use of the term “line item” includes “subline item,” as applicable.

MARKET RESEARCH: Means collecting and analyzing information about capabilities within the market to satisfy agency needs.

MICRO-PURCHASE: Means an acquisition of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold.

MICRO-PURCHASE THRESHOLD: Means $3,500, except it means—

(1) For acquisitions of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction), $2,000;
(2) For acquisitions of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards, $2,500; …’

NON-FEDERAL ENTITY: When this definition is used it refers to the “school district”, as a recipient of a federal grant award.

OFFER: Means a response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract. Responses to invitations for bids (sealed bidding) are offers called “bids” or “sealed bids”; responses to requests for proposals (negotiation) are offers called “proposals”; however, responses to requests for quotations (simplified acquisition) are “quotations,” not offers.

OFFEROR: Means offeror or bidder.

PERSONAL SERVICES CONTRACT: Means a contract that, by its express terms or as administered, makes the contractor personnel appear to be, in effect, Government employees.

SCRAP: means personal property that has no value except its basic metallic, mineral, or organic content.

SIMPLIFIED ACQUISITION PROCEDURES: means the methods prescribed in FAR Part 13 for making purchases of supplies or services.

SIMPLIFIED ACQUISITION THRESHOLD: Means $150,000 (41 U.S.C. 134).
SOLE SOURCE ACQUISITION: means a contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting and negotiating with only one source.

SOLICITATION: means any request to submit offers or quotations to the Government. Solicitations under sealed bid procedures are called “invitations for bids.” Solicitations under negotiated procedures are called “requests for proposals.” Solicitations under simplified acquisition procedures may require submission of either a quotation or an offer.

SOLICITATION PROVISION OR PROVISION: means a term or condition used only in solicitations and applying only before contract award.

SYSTEM FOR AWARD MANAGEMENT (SAM): means the primary Government repository for prospective Federal awardee and Federal awardee information and the centralized Government system for certain contracting, grants, and other assistance-related processes. It includes—

(1) Data collected from prospective Federal awardees required for the conduct of business with the Government;
(2) Prospective contractor-submitted annual representations and certifications in accordance with FAR subpart 4.12; and
(3) Identification of those parties excluded from receiving Federal contracts, certain subcontracts, and certain types of Federal financial and non-financial assistance and benefits.