

Hawley Independent School District



BUSINESS PROCEDURE MANUAL

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PURCHASING ETHICS

Public purchasing and the expenditure of public funds require that ethical standards be incorporated into every aspect of the District's purchasing functions. Purchasing personnel and school District employees face the difficult task of developing good vendor relations and encouraging vendor competition, while avoiding even the appearance of favoritism or other ethical misconduct.

In addition to the information provided in this section, please read the following Board Policy and Administrative Regulation:

Board policy DH (Legal/Local), Employee Standards of Conduct. This policy resides on the District's website.

The Texas Education Agency's (TEA), Financial Accountability System Resource Guide – General Ethical Standards and other documents, prescribes common standards of ethics governing the conduct of employees involved in the purchasing function. These standards are incorporated in the procedures prescribed below.

Sequential Purchases – District employees shall not make purchases, over a period, of items that in normal purchasing practices would be made in one purchase.

Component Purchases – District employees shall not make purchases of the component parts of an item that in normal purchasing practices would be made in one purchase.

Separate Purchases – District employees shall not make purchases separately in order to circumvent board approval of items that in normal purchasing practices would be made in one purchase.

Conflict of Interest – In accordance with Board Policy DBD (LEGAL), an employee who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall not solicit, accept, or agree to accept any benefit from a person the employee knows is interested in or likely to become interested in any such transactions of the District. Penal Code 36.08(d). A conflict of interest is defined as any circumstance that could cast doubt on an employee's ability to act with total objectivity with regard to the District's interest.

Gifts - District employees shall not solicit, accept, or agree to accept any gifts or benefits from a person conducting or intending to conduct business with the District. Note: The prohibition of accepting gifts does not apply to accepting an unsolicited item with a value of less than \$50, excluding cash or a negotiable instrument (Penal Code 36.10).

Financial Interest - District employees shall not participate directly or indirectly in procurement when the employee or the employee's family member has a financial interest pertaining to the procurement.

Personal Use - District employees shall not make any commitment to acquire goods or services in the name of the District for personal use or ownership.

Equal Consideration - District employees shall grant all competitive suppliers equal consideration in so far as state or federal laws and District policy permit. This is especially important when evaluating bids and proposals.

Under Texas Education Code § 44.032:

(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.

(c) An officer, employee, or agent of a school district commits an offense if the person with criminal negligence violates Section 44.031(a) or (b) other than by conduct described by Subsection (b). An offense under this subsection is a Class B misdemeanor and is an offense involving moral turpitude.

(d) An officer or employee of a school district commits an offense if the officer or employee knowingly violates Section 44.031, other than by conduct described by Subsection (b) or (c). An offense under this subsection is a Class C misdemeanor.

(e) The final conviction of a person other than a trustee of a school district for an offense under Subsection (b) or (c) results in the immediate removal from office or employment of that person. A trustee who is convicted of an offense under this section is considered to have committed official misconduct for purposes of Chapter 87, Local Government Code, and is subject to removal as provided by that chapter and Section 24, Article V, Texas Constitution. For four years after the date of the final conviction, the removed person is ineligible to be a candidate for or to be appointed or elected to a public office in this state, is ineligible to be employed by or act as an agent for the state or a political subdivision of the state, and is ineligible to receive any compensation through a contract with the state or a political subdivision of the state. This subsection does not prohibit the payment of retirement benefits to the removed person or the payment of workers' compensation benefits to the removed person for an injury that occurred before

the commission of the offense for which the person was removed. This subsection does not make a person ineligible for an office for which the federal or state constitution prescribes exclusive eligibility requirements.

(f) A court may enjoin performance of a contract made in violation of this subchapter. A county attorney, a district attorney, a criminal district attorney, a citizen of the county in which the school district is located, or any interested party may bring an action for an injunction. A party who prevails in an action brought under this subsection is entitled to reasonable attorney's fees as approved by the court.

PURCHASING AUTHORITY

Hawley ISD Board Policy Manual lists the following under CH (LEGAL) and CH (LOCAL):

- The Board may adopt rules and procedures for the acquisition of goods and services. Education Code 44.031(d).
- The Board may delegate its authority regarding an action authorized or required to be taken by the District by Education Code Chapter 44, Subchapter B to a designated person, representative, or committee.
- The Board may not delegate the authority to act regarding an action authorized or required to be taken by the Board by Education Code Chapter 44, Subchapter B.
- Authorized District employees in charge of a department or school budget may purchase items included in their approved budget, in accordance with administrative procedures.
- The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedures. The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control; persons making unauthorized purchases shall assume full responsibility for all such debts.
- All purchase commitments shall be made by the Superintendent or designee on a properly drawn and issued purchase order, in accordance with administrative procedures.

PURCHASING LIMITS

Schools and departments are encouraged to use vendors currently under contract with the District for all procurements. If the District does not have a current contract for the commodity or service needed, the following procedures apply.

For purchases of personal property or services totaling less than \$25,000 in the aggregate for the fiscal year, schools and departments will be allowed to purchase using the Best Value criteria for the individual transaction.

The Business Office can provide lists of potential vendors and identify any potential problems or pitfalls that might occur with the procurement.

Failure to follow these guidelines could result in a delay in processing your request.

Purchasing for the current school year will close on April 1st of each year. All requisitions should be submitted before the deadline.

COMPETITIVE PROCUREMENT METHODS Purchases over \$25,000

Under Texas Education Code 44.031 (a);(b), all contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 or more in the aggregate, for each 12-month period shall be made by the method, of the following methods, that provides the best value for the district. Additionally, purchases that cost or aggregates to a cost of \$25,000 or more require Board approval before a transaction may take place.

1. Competitive bidding;
2. Competitive sealed proposals;
3. A request for proposals, for services other than construction services;
4. An interlocal contract;
5. A design-build contract;
6. A contract to construct, rehabilitate, alter, or repair facilities that involves using a construction manager;
7. A job order contract for the minor construction, repair, rehabilitation, or alteration of a facility;
8. The reverse auction procedure as defined by Section 2155.062 (d), Government Code.

9. The formation of a political subdivision corporation under Section 304.001, Local Government Code.

EXCEPTIONS TO COMPETITIVE PROCUREMENT REQUIREMENTS

Professional and Consulting Services

Under Texas Education Code 44.031 (f), this section does not apply to a contract for professional services rendered, including services of an architect, attorney, or fiscal agent. A school district may, at its option, contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section. NOTE: federally funded professional service contracts must be let on a competitive basis.

Competitive bids shall not be solicited for professional services of any licensed or registered:

- certified public accountant
- architect
landscape architect
- land surveyor
- physician
- optometrist
- professional engineer
- state-certified or state-licensed real estate appraiser
- registered nurse.

Contracts for these professional services shall be made on the basis of demonstrated competence and qualifications to perform the services and for a fair and reasonable price. Government Code 2254.002, 2254.003(a).

Cooperative Purchasing Contracts

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

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

Participation is allowed through the execution of an Interlocal Agreement between the Hawley ISD Board of Trustees and the administration of the Cooperative. Currently, Hawley ISD is an active member in a number of Purchasing Cooperatives. For information on these cooperatives, please see the business office.

Sole Source Exception

As allowed under Education Code, 44.031, the District is allowed to purchase items available from a single source without complying with the competitive procurement provisions. Sole source items are defined as follows:

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, water (if available through a single
4. source) or;
5. A captive replacement part or component for equipment.

Vendors claiming sole source status will be asked to provide written and signed documentation stating the reason. Departments or schools may be requested to document the reason why the particular product is required.

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.

Emergency Damage or Destruction

If school equipment, a school facility, or a portion of a school facility or personal property is destroyed or severely damaged or, as a result of an unforeseen catastrophe or emergency, undergoes major operational or structural failure, and the Board determines the delay posed by the methods for procurement listed Education Code Chapter 44.031 would prevent or substantially impair the District's ability to conduct classes or other essential school activities, then other procurement methods may be utilized as needed.

School Bus Purchases

Any contract for the purchase or lease of one or more school buses must be submitted to competitive bidding when the contract is valued at \$20,000 or more.

Leases & Rentals

Any leases or rentals of personal property or services are subject to the procurement procedures outlined in this document. An exception may be made for lease of real property where sole-source limitations might apply due to location or building requirements.

However, it is mandatory that any contracts for such transactions contain the time period for the contract, stating both the beginning and ending date. If the ending date extends past the current fiscal year ending date, a cancellation clause must be contained in the contract allowing cancellation for non-appropriation.

BIDDING PROCESS

If it is determined that the personal property or service needed will require either a Request for Bids or Request for Proposal process on the open market, the Business Office, will prepare the bid documents. The requesting department will be responsible for providing specifications of the products or services needed. Upon conclusion of the bidding process, the Business Office will open, tabulate, and provide the board with written documentation of the results. The Business Office will evaluate and score the results, and provide a written recommendation for Board approval.

Notices of the time and place when the bids or proposals or other responses to a request for qualification may be examined must be published once a week for at least two weeks before the deadline for receipt. This notice must include the notice as to where the bids shall be opened, as well as the date and time due.

Bids or Proposals will be opened in a public meeting by the Business Office. All such openings are open to the general public, or any interested party.

Advertisement

Under Texas Education Code 44.033 (g), notice of the time and place where the bids or proposals, or the responses to a request for qualifications, will be received and opened shall be published in the county in which the district's central administrative office is located, once a week for at least two weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications.

Competitive Bidding Defined

Competitive bidding is a formal process consisting of procedures that may also be referred to as competitive sealed bidding, or more simply as sealed bidding or formal bidding. Competitive bidding is the preferred method of procurement.

The request for bids contains the purchase description or specifications covering the item(s), work and/or services needed, the terms and conditions for the proposed bid contract, the time and place for opening bids and other provisions, as necessary. The advertisement for bids; and description in the request for bids of item(s), work and/or services needed, and specific terms and conditions must be done in a manner that accomplishes the primary purposes of competitive bidding - stimulate competition and obtain the lowest practical price for the work, service and/or item(s) needed.

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, purchasing in large quantities will probably result in lower costs either per unit item or in the aggregate.

Bid Document Elements

The following items are necessary in the preparation of a bid document and in requesting bids. Note: It is important to note that each element must be appropriately structured to suit the items or services bid.

- Newspaper Advertisement
- Notice to Bidders Instructions to Vendors
- General Conditions
- Responsibilities of Owners
- Specifications, including Evaluative Criteria and Relative Weights

- Offer Form
- Felony Conviction Notice
- Conflict of Interest Questionnaire Certification Form

Competitive Proposals Defined

Competitive proposal procedures provide for full competition among proposals. The procedures allow for negotiation with the proposer or proposers to obtain the best services at the best price. During the evaluation process prior to award of a contract, the negotiation process allows modification and alteration of both the content of the proposals and price. (Note: The competitive bidding process requires that bids be evaluated and awards be made solely upon bid specifications, terms and conditions contained in the request for bids document, and according to the bid prices offered by vendors and pertinent factors that may affect contract performance; no substantive changes are permitted to the bid terms, conditions and specifications).

Professional and nonprofessional service contracts involving federal funds are required to be let on a competitive basis, under 34 CFR Section 80.36 (Code of Federal Regulations). Competitive procurement procedures, Section 44.031(a) (2)-(8), TEC, are for certain procurement situations as an alternative to competitive bidding procedures.

Chapter 2254, Government Code, prohibits competitive bidding for certain types of professional services, including engineering, architectural, accounting and certain other services; and requires a two-step procedure, as defined in Chapter 2254, Government Code, for the procurement of architectural and engineering services. Competitive proposal procedures are recommended, where other procurement procedures are not required according to state or federal rules, laws or regulations, to stimulate competitive prices for services.

In connection with certain professional service contracts, specifically architectural or engineering, Chapter 2254, Government Code, requires a two-step negotiation process. The two-step process only allows negotiation of price after an initial selection based upon demonstrated competence and qualifications of the person/firm.

The Request for Proposals and Competitive Sealed Proposals

Competitive Sealed Proposal must be used for award of a construction contract Newspaper Advertisement is identical to competitive bidding Notice to Proposers is

identical to competitive bidding Impartiality and equal access and opportunity is identical to competitive bidding

Below is an example of a RFCSP process. It may also be used for an RFP, with appropriate modifications made to accommodate the less structured requirements of that method.

Competitive Sealed Proposals

The use of a RFCSP shall be determined by a responsible purchasing authority who determines that the use of competitive sealed bidding is either not practicable or not advantageous to the district (for construction services use of this method must be determined by the board of trustees before the advertisement for proposals).

Terms and conditions are identical as those for competitive bidding, except any reference to bids or proposers should be changed or interpreted as offers or offerors. Additionally, anything addressing the finality of the offer needs to be disregarded because proposals are negotiable.

Competitive Sealed Proposals Document Elements

The following items are necessary in the preparation of a proposal document and in requesting proposals. Note: It is important to note that each element must be appropriately structured to suit the items or services bid.

- Newspaper Advertisement
- Notice to Proposers Instructions to Offerors
- General Conditions
- Responsibilities of Owners
- Specifications, including Evaluative Criteria and Relative Weights
- Offer Form
- Felony Conviction
- Notice Conflict of Interest Questionnaire Certification Form
- Vendor Award Criteria

Under Texas Education Code 44.031 (b), except as provided by this subchapter, in determining to whom to award a contract, the district may consider:

1. The purchase price;
2. The reputation of the vendor and of the vendor's goods or services;

3. The quality of the vendor's goods or services;
4. The extent to which the goods or services meet the district's needs;
5. The vendor's past relationship with the district;
6. The impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses;
7. The total long-term cost to the district to acquire the vendor's goods or services; and
8. Any other relevant factor specifically listed in the request for bids or proposals.

Factors that the district may consider under these criteria would include: Vendor response time compatibility of goods/products purchased with those already in use by the district.

Negotiation

Negotiation is the most difficult part of the Request for Competitive Sealed Proposal/Proposal process, and the most difficult to control. From the beginning of the process through contract award, it must be made clear to vendors and using departments/campuses that designated person(s) may do the negotiation for the district.

Negotiation is subject to the same guidelines as any purchasing action: impartiality and equal opportunity to compete.

As in any purchasing action, record keeping is vital, and accurate records of conversations must be kept in order to prove fairness throughout the negotiating process.

Special requirements apply in connection with negotiating a contract for construction services. Effective September 1, 1999, in connection with any contract for construction services for which request for proposals or qualifications are published or distributed on or after that date, it is important to note that offerors must be notified in writing when negotiations are terminated in order to initiate negotiations with the next best ranked offeror.

Proposal Document Elements

This section includes a brief explanation of each element contained in a proposal document. The following items are necessary in the preparation of a request for proposal. Note: It is important to note that each element must be appropriately

structured to suit the proposed items or services and to identify acceptable ways to customize request for proposal documents. Districts are encouraged to obtain example documents from other districts.

Newspaper Advertisement

Notice to Proposers

Introduction Process

Standard Terms and Conditions

Specifications (may include) Scope and Intent

Definitions and Applicable Documents Requirements

Offer Form

Response Sheet

Felony Conviction Notice

Conflict of Interest Questionnaire

Certification Form

Evaluative Criteria for Proposals and Competitive Sealed Proposals (mandatory for construction services):

- Price
- Qualification and reputation of proposer
- Quality of the vendor's proposal
- Technical aspects of goods and services in the vendor's proposal, and
- Other relevant factors specifically listed in the request for proposals

VENDOR RELATIONS

The Business Office is primarily responsible for vendor relations, contact, and communication. However, school campuses, departments, and staff must also communicate with vendors in order to obtain information necessary to properly prepare requisitions. Therefore, every employee involved in procuring goods or services for the District is responsible for fostering good vendor relations.

Approved Vendor List

An “approved vendor” is a vendor that has been awarded a Bid/Proposal through the Hawley ISD competitive procurement process or through an Interlocal Agreement. Approved vendors are preferred because they have competed for business through the competitive procurement process and normally provide greater savings.

New Vendor Request

Often vendors contact schools and departments and offer goods and services. If a school or department is interested in purchasing goods or services from a new vendor, they will have to send a request to the Business Office.

Vendor Performance Evaluation

Evaluation of vendor performance is an important aspect of decentralized purchasing. Problems encountered by a particular school or department can be avoided by other District entities when these occurrences are communicated to the Business Office. Factors to consider when dealing with vendors:

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

Whenever problems are encountered with a vendor, (i.e., a vendor fails to deliver certain items or delivery does not meet specifications) it is important to document the problem, noting the date and an accurate description of the problem. In addition to contacting the Business Office, the vendor should be contacted. Keep a record of all phone calls, including the dates and what was discussed, and send a copy to the Business Office, preferably by email.

If the problem is not resolved, coordinate with Business Office to prepare written correspondence stating the problem, the corrective action required and that the vendor's failure to correct the problem to be sent from the Business Office.

If a significant problem continues, legal counsel will be obtained regarding the removal of the vendor from the vendor list and discontinuing business with the vendor.

Gifts from Vendors

Vendors are prohibited from offering gifts or favors that could influence, or that could be perceived to influence purchases utilizing District funds. Any such offers should be refused by the employee and immediately reported to their principal or department director. The principal or department director should then report such activity directly to the Business Office.

Such gifts could include meals, trips, tickets for entertainment, or electronics. Employees should note that acceptance of such gifts can be a violation of state statutes, and a basis for criminal prosecution.

It is permissible to accept small incidental advertising items with a value of less than \$5 retail. These items must be clearly identified as marketing items, with the company's name or logo clearly displayed. Such items may be accepted by staff or distributed to campus staff, as desired. These items include, but are not restricted to, coffee mugs, calendars, notepads, pens, and pencils. Care should be taken that the display of such items is not done in such a manner that would give the perception of vendor preference.

PURCHASING PROCEDURES

It is the goal of the Hawley ISD Business Office to give the best service possible while remaining in compliance with the law. Some of our objectives include better communication, being fair and consistent with our customers (that's you) and vendors, providing direction when requested and streamlining purchasing procedures within the law. We are committed to continued improvement of our Purchasing Procedures in an effort to make them as user-friendly as possible. We welcome your input and suggestions for improvements on how to better serve you.

Purchase orders are among the most commonly utilized methods for procuring goods and services within Hawley ISD. As its name implies, this document serves as a formal order (contract offer) for goods, materials and/or services from a vendor. A PO, after the final approval process, is a binding commitment for a district to remit payment to the vendor after the district receives the items.

A PO is also an important accounting document. It should contain information on the expenditure to be made and the account code to be charged. Once issued, the PO encumbers funds, which serves as an expenditure control mechanism. Finally, the PO is

utilized in the accounts payable process as it documents that an order has been placed and is acceptable by the user, and the user can make payment to the vendor upon verified receipt. The receiving process from the user is a very important process. With current law, failure for the originator to show that the item(s) is/are received could delay payment.

Until a PO receives final authorization/approval, it is a purchase requisition. Those individuals having proper authority should initiate requisitions (detailed instructions are provided below). Each Principal or Department Head is responsible for approving their organization's purchases. After this approval, the requisition is routed through the Business Office and Superintendent for final approval. Providing a vendor with a requisition number in lieu of a PO number prior to final approval is a violation of these administrative regulations.

The requisition should always include the following;

- A description of the items to be purchased (the description should be complete enough for anyone to understand the item(s) being purchased)
- The quantity needed/requested
- The name of the person making the request so that they can be easily contacted if more information is needed.
- The Bid Number included on the PO
- An approved vendor (from the District's approved vendor list, making sure a bid vendor is used if applicable)
- The appropriate code of the account to be charged
- Pricing / per unit, extended and in total
- Any applicable payment terms
- Discounts if applicable
- Shipping arrangements if applicable
- Any other pertinent factors such as color selection, etc.

Requisitions/POs are reviewed by the Business Office for the following:

- Accuracy of Budget Code
- Availability of funds (automatic with on-line system)
- Bid number if applicable
- Adequate description (anyone would know what is being ordered)
- Proper account coding for this type of purchase
- Proper approved vendor name and address

- Ensure that the appropriate competitive purchasing (i.e. competitive bidding, pricing quotes, etc.) is determined and performed before the requisition is approved for processing
- Feasibility of purchase
- Overall completeness

Once all of the above are in place, the Purchase Requisition is approved and becomes a Purchase Order.

Cancellation of a Purchase Order

In the event it is necessary to cancel a Purchase Order, the campus or department must contact the Business Office. The Business Office will close the purchase order and liquidate the funds encumbered. The Business Office will notify the vendor of the cancellation of the purchase order.

Emergency Purchases

Two types of emergency purchases are made in school districts. One type results from an eminent 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.

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

Text of subsection (h) as amended by Acts 1999, 76th Leg., ch. 922, § 1 (h) If school equipment, a school facility, or a portion of a school facility is destroyed, severely damaged, or experiences a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contract methods required by this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment, school facility, or portion of the school facility may be made by a method other than the methods required by this section.

The second type of emergency purchase provides 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.

DELIVERY AND RECEIPT

Carefully checking deliveries and ensuring that the end user who ordered the goods/services actually obtain them is a critical part of the purchasing process. Hawley ISD utilizes centralized receiving.

Monitoring the delivery and receipt of purchase orders is the end user's responsibility. This ensures that the district actually receives what it purchases.

PAYMENT PROCEDURES

By law, the school district has 30 days after the receipt of a correct invoice or after the receipt of goods to present payment. It is the intent of the school district to pay all invoices as promptly as possible.

District payment procedures shall be as follows:

- Payment shall be made by invoice only
- Invoices must include detail of the work that was performed or items purchased.
- All invoices shall be submitted to the Business Office for payment.
- Vendors shall be paid for goods purchased by the District after the goods have been received, and an original invoice has been received.

Credit Card Purchases

Hawley ISD requires a purchase order issued prior to any purchases being made with a credit card. The card is to be returned to the Business Office immediately by the employee after use. Employees should turn in the receipt/charge slip to the Business Office when returning the card. Under no circumstances is the card to be loaned or used for personal purposes. The card should not be given to any other employee before

turning back into the Business Office, even if that employee has an approved PO. ALL EMPLOYEES should check out the card from the office before each purchase. All receipts should have a copy of the PO attached or have the PO number written at the top of the receipt.

PAYROLL GUIDELINES

Each employee must complete a *New Employee Packet*.

Employees must complete a Direct Deposit Authorization form. This will provide the employee's bank transit number, account number, and account type to the business office. A voided check or deposit slip must be attached to the Direct Deposit Authorization form.

Wage and earning statements/vouchers may be viewed and printed through Employee Access.

Employee must contact the payroll office if a direct deposit transfer was not received.

An employee may be responsible for any stop payment charges.

Time Sheet/Card Procedures

All non-exempt employees should accurately record all time transactions. Employees set up on Timekeeper should clock in and out each day.

Time Sheets should not be submitted or approved unless employee work hours are accurate and ready for payment.

Supervisors must approve all variations from standard work schedule in advance. Hours worked in excess of 40 hours per week require the approval of a supervisor. If an employee is eligible for overtime and works more than 40 hours during the regularly scheduled work week, he/she will receive pay at the rate of time and a half as directed by board policy.

Straight time will be earned for holiday days worked, unless the weekly total of hours worked exceeds 40 hours. Hours will be considered over time if there is no vacation, sick or personal time during that period.

STUDENT ACTIVITY FUNDS

The procedures outlined in this manual are designed to ensure compliance with statutory and policy requirements as established by the Board of Trustees of the Hawley Consolidated Independent School District and as found in TEA's Financial Accountability System Resource Guide (FASRG) Module 5, Section 5.5 Activity Fund Accounting. Through these procedures, it is anticipated that all Student Activity Funds of the district can be managed and accounted for in a responsible, effective manner. Additionally, these procedures are established to protect the district and individuals who handle Student Activity Funds.

PURPOSE OF STUDENT ACTIVITY FUNDS

Student Activity Funds are established at all campuses in the Hawley Independent School District. These funds are designed to account for funds held by a school in a trustee capacity or as an agent for student groups. Activity Funds may be used only to promote the general welfare of the school and the educational development and morale of all students. Activity funds are still subject to all regulations of any other district funds, and requisition and use of activity funds should comply with all district processes.

Student Activity Funds:

- Are comprised of monies raised by, and on behalf of, bona fide student organizations and expended under the provisions of their constitutions and/or charters. Funds raised during classroom time do not qualify.
- Shall be expended in such a way as to benefit those pupils currently in school who have contributed to the accumulation of such money. All funds raised by the students must be spent for a particular purpose.
- Student activity fund financial decisions rest solely with the students, subject to appropriate expenditure regulations.
- Are to be used to finance a program of non-curricular activities supplementing, but not for replacing, the activities provided by the District
- Sponsors/teachers must submit disbursement requests to the campus principal for the organization.
- Expenditures of funds should be approved by the campus principal and the superintendent.
- Funds belonging to outside groups, such as the PTO or FFA booster clubs ARE NOT Activity Funds and ARE NOT to be the accounting responsibility of the school district. Although such groups and their activities are closely related to school functions or events, they should be handled by officers of the outside group itself, not by District Employees.

EXPENDITURES PROHIBITED FROM STUDENT ACTIVITY FUNDS

Expenditures prohibited by local policy, regulation, or state law may not be made from Student Activity Funds. Examples of prohibited expenditures are:

- Loans to employees, parents or students
- Individual's professional dues
- Membership in private clubs
- Alcoholic beverages, controlled substances, firearms
- Purchases from any District employee
- Articles for personal use of District employees
- Charitable contributions
- Spousal travel
- Traffic citations
- Payments to an employee for services within the normal scope of duties

STUDENT ACTIVITY FUND MANUAL GENERAL PROCEDURES FOR PRINCIPALS

The Principal in each school shall be responsible for the proper administration of each campus Student Activity Fund in accordance with any applicable provisions of state or local law and the appropriate accounting practices and procedures.

The school Principal is the custodian of the Student Activity Fund and is responsible for the management of and "accounting" for it. The management of the Student Activity Fund shall be in accordance with sound business practices, including sound accounting procedures and thorough audits.

Principals shall participate in the preparation, modification, and interpretation of policies, regulations, and procedures affecting Student Activity Funds.

The Principal shall not authorize expenditures from individual accounts which would result in a deficit balance in that individual account.

All checks issued on a Student Activity Fund shall be approved by the Principal. Checks should never be written from an activity fund without prior approval through a purchase order. Activity checks are kept in the business office and are signed and given to sponsor after the purchase order has been approved. Activity Fund purchase orders are submitted on paper and signed by the sponsor, student officer, and principal.

The Principal shall approve all fund-raising activities in accordance with existing Board policy. A definite need must be established before approval can be granted. Projects for the raising of Student Activity Fund monies shall, in general, contribute to the educational experience of pupils and shall not conflict but add to the instructional program.

Sponsors may request the balance of their activity account at any time. Please allow 24-48 hours for your request.

REVENUES

All funds collected by school groups or organizations shall be deposited through the business office. NO MONEY IS TO BE LEFT IN THE CLASSROOM. Funds can be locked in the safe nightly if an event is scheduled over the course of multiple days.

A Deposit Form must be prepared and turned in with the deposits from sponsors. This form will indicate the total amount and a breakdown of the monies (currency, checks, nickels, dimes, etc.). Two signatures are required to verify amount. The total amount of the receipts indicated must match the total of the deposit.

The business office monitors cash balances at the bank for compliance with the depository contract as well as inadequate balances in checking accounts, need for transfers from time deposit accounts, etc.

EXPENDITURES

- The business office shall have approved purchase orders before checks are issued.
- The business office determines if funds are available before making any disbursements.
- All bills should be submitted to the business office for payment in a timely manner.
- Expenditures for student travel are subject to HISD travel procedures. Per Diem amounts for meals apply to all activity accounts. Sales tax and tips are prohibited.

TRAVEL PROCEDURES

All Hawley ISD Employee travel must be in compliance with District Policy DEE (Local) and DMD (Local).

Employees will be responsible for providing original receipts for all expenses while conducting school business upon return of all travel. All documentation and school credit card (if applicable) should be returned by the next business day.

Transportation

- A vehicle request should be sent to transportation 10 days prior to departure date. If you have any questions or concerns about vehicle request, contact the transportation office.
- The mode of transportation is the one in the district's best interest. It should be the most cost-effective mode.
- Carpooling should be utilized if multiple employees are traveling to the same location.
- The rate of reimbursement for the employee's personally owned motor vehicle is based on the state-approved rate.
- Contact the business office before making any airline reservations.
- Receipts are required for monies expended for railroad, tolls, air, taxi, parking fees, etc.
- When an employee uses his/her personal vehicle and is reimbursed for mileage, reimbursement is not made for gasoline since it is already included in the mileage rate allotted. Reimbursement for use of a personal vehicle must be approved prior to travel and will only be approved in special circumstances, or if a school vehicle is not available.
- When an employee drives his/her personally owned vehicle, no matter how many passengers, the primary policy of coverage will be his/her own auto policy.
- Rental of Vehicle for Hawley ISD Business - Hawley ISD is exempt from paying state sales tax in Texas when renting a vehicle for business purposes. See the business office for appropriate forms.
- Gasoline expense is reimbursable when using a rental car. A receipt is required for reimbursement.

Meal Allowances

- Reimbursement for meals will not be allowed unless there is an overnight stay.

- Meal rates allowable are found by going to the U.S. General Services Administration's (GSA) website at <https://www.gsa.gov>.
- The district will reimburse an employee actual cost up to the allowable maximum. If the destination is in Texas and is not listed on the GSA site, the posted allowable rates on the Comptroller's website are to be used.
- If a meal is provided at a function being attended, such as lunch or a banquet included in the conference registration, or by the hotel at which the employee is staying, i.e. breakfast, that meal will not be eligible for reimbursement.
- A purchase order should be submitted for meals prior to travel.
- Receipts need to be turned in with the purchase order for reimbursement.

Registration

For conferences or trainings that require a registration fee, a purchase order should be submitted for the registration and a registration form submitted to the business office. If requesting a check for the registration, the check will be mailed with the registration form from the business office.

Lodging

- Lodging rates allowable are found by going to the U.S. General Services Administration's (GSA) website at <http://www.gsa.gov>. The district will reimburse an employee actual cost up to the allowable maximum. If the destination is in Texas and is not listed on the GSA site, the posted allowable rates on the Comptroller's website are to be used.
- Hotel rates vary, and every effort should be made to obtain the most economical and practical accommodations available, considering the purpose of the meeting. Higher hotel rates may be considered at the conference host hotel if there is a safety concern or if it proves to be an economical advantage for the district. Prior approval is required before traveling. This is not to accommodate for late deadlines. Double occupancy is encouraged when possible. Original, itemized receipts are required.
- Amounts in excess of the approved limits are the responsibility of the employee.
- In Texas, a Hotel Tax Exemption Certificate must accompany payment to the hotel to avoid paying state taxes. This certificate may be obtained from the business office prior to traveling.
- When checking into the hotel, provide the clerk with the Hotel Tax Exemption Certificate.

- Upon checkout, review the billing to ensure that state sales tax was not charged.
- Hawley ISD will not provide reimbursement for state sales tax (unless traveling outside of Texas).

Spouse/Children Accompanying Traveler

In cases where the spouse/children, who are not on official school business, accompany the school official or employee, no expenses for the spouse/children may be included.

It is not permissible to charge any expenses for the spouse/children to Hawley ISD and later reimburse the district.

Parking

- Valet parking will be allowed if there are safety concerns or if the size of the vehicle prohibits parking in the garage, otherwise self-parking should be used.
- Parking citations issued to drivers will be the responsibility of the driver.
- Estimate all other applicable expenses including rental, baggage handling etc., that are often associated with conducting official school business. Receipts are required. An employee shall be reimbursed for reasonable, allowable expenses incurred in carrying out district business only with the prior approval of Principal/Director.

STUDENT ACTIVITY FUND MANUAL TRAVEL ADVANCE PAYMENTS

- Advance payment may sometimes be requested for necessary expenses expected to be incurred by student groups engaged in out-of-town travel, as well as local school activities and events. Procedures in these cases are as follows:
- Employees will only be allowed travel advances for travel with student groups. Advances for employee-only travel are prohibited.
- Requests for student travel should be made in compliance with the HISD travel procedures. At the completion of the activity, the sponsor shall send to the business office all invoices, receipts, sales slips, etc., supporting the actual amount of expenses and shall return any unused funds.
- The teacher/club sponsor is responsible for undocumented money and money spent in violation of these procedures and will be held accountable for repayment.

Student Travel

- All Hawley ISD student travel should be in compliance with District Policies.
- Sponsor/coaches should return proper original receipts and credit card (if applicable) to Business Office the next business day after returning from a trip.
- All individuals and groups representing the Hawley ISD in competition requiring an overnight trip must receive advanced approval from the school principal. The principal's office should be provided with a list of all students, teacher/sponsors, parents etc. as well as the itinerary.

Transportation

- Student travel should be in a school owned vehicle for liability purposes.
- Do not transport students in a personal vehicle if at all possible.
- Vehicle requests should be submitted to the transportation department 10 days prior to travel. If you have any questions or concerns about vehicle request, contact the transportation office.
- Contact the business office before making airline reservations.
- Vehicle Rental for Student Travel to Competitions
- For information regarding rentals, contact the business office.
- Contact the business office for bid information for charter bus service for non-school bus travel.
- Hawley ISD is exempt from the Texas state sales tax, sometimes referred to as motor vehicle tax; however, out-of-state tax is not exempt.

Allowance for Student Trips

- Arrangements for student meals are the sole responsibility of the coach or sponsor. Sponsors are encouraged to pre-arrange meals and pay for student meals as a group directly to the vendor using a school check or direct vendor billing. In the event that meals are not pre-arranged and students order individually, secondary students will be given cash at the meal rates below.
- The business office will provide the requested cash. Sponsors should have a roster of students and have them sign that they received their meal allotment. The roster with signatures should be submitted to the business office with the travel receipts by the following business day, upon return to the district. Any

amount of meal money left due to a change in student numbers or schedule, should be returned to the business office.

- Receipts are not required for meals UNLESS paying for a meal as a group, or use of school check or credit card for payment. Receipts, submitted utilizing a credit card or check, should in no way reflect state tax or tips.
- The number of meals to be rendered will depend on the date and times of departure. The allowance for meals is based on the per diem meal rate in effect at the time of the trip. Rates are subject to change, and are based on board approval.
- Sponsors should plan the trip so that meal allotments are adequate to cover the expense of meals. Students should be encouraged to eat each meal and not to save their money for a more expensive meal during the trip. Sponsors are not to encourage students to bring additional money to cover additional meal charges or tips. Any deviation from the meal allotments should have advanced approval from the business office.
- If the hotel that you are staying in provides a breakfast, do not include that meal.

Registration/Dues/Conference Fees

Documentation showing the amount of registration/dues/conference fees should accompany the purchase order. If requesting a check for the registration, the check will be mailed with the registration form from the business office.

Lodging

- Lodging will be paid if the activity involves multiple-day activities or for safety due to time of conclusion or start of competition. Employees should avoid trips of extended length during a single day that may pose a safety concern for bus drivers or students.
- A Hotel Tax Exemption Certificate must accompany payment to the hotel to avoid paying state taxes. This certificate may be obtained from the business office.
- When checking into the hotel, provide the clerk with the Hotel Tax Exemption Certificate.
- Upon checkout, review the billing to ensure that state sales tax was not charged.
- Lodging can be held/reserved with a credit card.
- Minimum Triple occupancy applies to student travel.

Parking

- Valet Parking will be allowed if there are safety concerns or if the size of the vehicle prohibits parking in the garage, otherwise self-parking should be used.
- Parking citations issued to drivers will be the responsibility of the driver.
- School district funds may not be used for entertainment or enrichment activities while on the trip. Activity or non-district funds may be used for such purposes.
- The district will pay for advisor(s) and needed chaperone(s) travel. The number of adults will be based upon the number/sex of students traveling. If boys and girls are traveling, both a male and female chaperone will be present.

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Hawley ISD – Child Nutrition Food Service Department Procurement Procedures Manual

This Procurement Procedures Manual (2 CFR 200.318) has been created to ensure that all purchases made with the Child Nutrition (CN) Federal Funds are in compliance as regulated by all Federal, State, and Local written policy.

Method

Hawley ISD **uses the following resources for all procurement methods:**

Super Circular 2 CFR part 200

Texas Department of Agriculture's (TDA) "Administrative Review Manual," Section 16 and 17(including 17A), and the Education Department Guidelines and Regulations (EDGAR)

The following standards will be applied to all procurement methods. Solicitations will...:

1. Allow for "full and open" competition
2. Be handled with integrity and fairness to all potential bidders
3. Award responsive and responsible contractors
4. Be fully documented to allow for complete transparency and follow the 7-years record retention requirement

Hawley ISD allows the Child Nutrition Department to participate in the following:

1. Agreements that identify participation level
 - a. Inter-governmental agreements (operator-only/ESC)
 - b. Third Party Cooperatives
 - c. Agents
2. Informal Purchases
 - a. Micro-Purchase: any purchase that does not exceed the State threshold of \$10,000.
 - b. Small Purchase Acquisition: any purchase that exceeds \$10,000 but is not greater than the State threshold of \$50,000.
3. Formal Purchases
 - a. Competitive Bid (IFB-Invitation For Bid)
 - b. Competitive Proposal (RFP-Request For Proposal)
 - c. Non-Competitive Proposal. TDA "pre-award approval" required
4. Other Purchases
 - a. Sole Source – as determined through a failed procurement method due to no competition. Requires TDA approval prior to awarding the vendor or purchasing from the vendor.
 - b. Capital Expenditures – any single piece of equipment that exceeds \$5,000 in cost must be approved by TDA prior to purchase.

Phases

HAWLEY ISD will use the following 4 phases of procurement:

1. **Planning.** Below is a list of the first steps that will be taken prior to any purchase.
 - a. What is needed in the way of product/products and/or services?
 - b. When are the products or services needed?
 - c. What is an estimated cost of the products or services needed? Multiple resources will be used to determine an “estimate” of the value or cost. The cost/price analysis will be used to determine the most appropriate procurement method.
 - d. How we will pay for the products and/or services?
2. **Forecasting.** Below is a list of the resources to be used for forecasting our needs.
 - a. We will review our past program to determine if the products or services were used in the previous program year.
 - b. Current program needs will be assessed and product amounts and/or service needs will be determined.
 - c. Upcoming program years will be considered in regard to future needs and possible renewal or extensions of contracts if necessary.
3. **Soliciting.** The following general steps will be taken to start the solicitation process. Each procurement method is more specifically outlined later in this manual.
 - a. Based on the cost/price analysis in our planning phase, the most appropriate procurement method will be used.
 - b. A general specification with details will be written to document the product or service needed.
 - c. Terms and conditions of the contract will be outlined and reviewed to ensure the solicitation clearly describes our needs and deliverables required.
 - d. Each solicitation will include the following information:
 - I. Deadline (date and time) the quotes or responses are to be received.
 - II. The method the quotes or responses are to be submitted and to whom.
 - III. Evaluation criteria, if any is used, clearly outlined to include scoring rubric.
 - IV. Date and time by which the solicitation will be awarded.
 - V. Term and Conditions of the contract and if any renewals or extensions will be allowed.
 - VI. All USDA Federal and State-required certifications and affidavits if applicable to the procurement method used.
 - e. Research will be done to identify potential suppliers.
4. **Awarding.** Based on the procurement method, the following general processes will be used:
 - a. A winner will be selected using the following methods.
 - I. Equitable distribution for all Micro-Purchases.
 - II. Low bid winner for Small Purchases and IFB's.
 - III. A single winner through evaluation criteria for Small Purchases and RFP's.

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- IV. Pre-award approvals must be obtained from TDA for any solicitation that is deemed non-competitive or sole source.
- V. Multiple winners are selected for RFP's when a "line-item" award approach is taken to procure the best price for each product specified in the solicitation.
- 5. **Contract Management.** The following items will be monitored during the life of an awarded contract by a Hawley ISD employee.
 - a. Quantities specified are made available and delivered.
 - b. Delivery times and schedules are being met per contract terms.
 - c. Product deliveries and/or services are occurring at the correct location if multiple locations are part of the awarded contract.
 - d. Products and/or services are meeting the specifications as described in the solicitation.
 - e. Substitutions of products are being handled as outlined in the Terms and Conditions and are adequate to the specified product.
 - f. Vendor response time to product or service issues is appropriate in regard to each situation, if any.

Informal and Formal

Procurement Methods: Informal and Formal (2 CFR 200.320)

Hawley ISD will follow the below steps with each procurement method.

1. Micro-Purchases.

The micro-purchase method is an "Informal Procurement Method" for purchases where the aggregate value in a single transaction is at or below \$10,000. This enables the District to purchase supplies or services without soliciting competitive quotes if the school considers the price reasonable. The District may purchase products and/or services that are similar or dissimilar, purchased as a single or collective unit.

- a. All **unplanned, non-routine** purchases with an aggregate total that does not exceed the threshold of \$10,000 are allowed (2 CFR 200.67) and will include:
 - i. Documentation that explains the reason for the purchase and vendor name.
 - ii. List of items or service purchased.
 - iii. Receipt.
 - iv. All documentation will be kept in a file labeled "Micro-Purchases."
- b. Types of Micro-Purchases allowed:
 - i. Emergency and/or equipment repair parts
 - ii. Small to medium catering events
 - iii. Emergency food shortages
 - iv. Staff training and travel expenses
 - v. Small kitchen equipment purchases
- c. The following employee positions have permission to make a Micro-Purchase:
 - i. Food Service Director; CN Director; Program or Operations Manager

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- ii. Assistant Manager or Director; Purchasing Specialist; Business Office Manager
 - iii. Cafeteria Director or Manager
- d. Eligible vendors.
 - i. Equitable distribution of purchases will be made to all suppliers within an appropriate proximity to the district's school sites
 - ii. All suppliers within the county
 - iii. Only district-approved and qualified suppliers
- e. Payment for Micro-Purchases.
 - i. Credit card to be picked up from the Business Office/CFO
 - ii. Personnel cash, credit card, or debit card to be reimbursed by the Business Office

2. Small Purchases

The small purchase method is an “Informal Procurement Method” for purchases that exceed the micro-purchase threshold but have an aggregate amount no greater than the Simplified Purchase Acquisition threshold of \$50,000. The District must contact a minimum of 3 potential suppliers and attempt to get a minimum of 2 quotes.

- a. Based on the determination through a cost/price analysis that a purchase will exceed the Micro-Purchase threshold (2 CFR 200.67) but will not exceed the State's/District's Simplified Purchase Acquisition (Small Purchase) threshold of \$50,000
- b. Allowable types of Small Purchases:
 - i. Single/one-time purchase with an aggregate amount between \$10,000<\$50,000
 - ii. Multiple purchases of same or similar products and/or services from a prime vendor during the fiscal year with an aggregate amount between \$10,000<\$50,000
- c. Hawley ISD will use the following steps to make a Small Purchase (2 CFR 200.320 [b])
 - i. Identify potential suppliers; who to contact for bids; what is available on the market.
 - ii. Write the product and/or service specification to include details but not restrictive as to exclude competition.
 - iii. Draft the solicitation to include contract terms and conditions, invoice methods, delivery and/or service requirements, duration of contract, and [Return to top](#) criteria if any is being used with the scoring rubric
 - iv. Contact a minimum of 3 vendors (if possible) and provide each one with the same information to include all details of the solicitation. Emailed or faxed documents is the preferred method but verbal delivery of solicitation details is allowed.
 - v. Document vendor responses to include:
 - 1. Vendor name and contact with email address and phone
 - 2. Contact method
 - 3. Price quoted to include the date received
 - 4. Duration of the price quote

- 5. If less than 3 quotes are received, explanation of why this occurred will be included in the documentation
- vi. Award will go to the most responsive and responsible vendor with the lowest price or highest evaluation score if used. A responsive vendor is one whose response conforms to all the material terms and conditions of the solicitation. A responsible vendor is one whose financial, technical, and other resources indicate an ability to perform the services required.
- vii. All documentation will be kept in a file labeled "Small Purchase Acquisitions"
- d. The following employee positions have permission to make a Small Purchase:
 - i. Food Service Director; CN Director; Program or Operations Manager
 - ii. Assistant Manager or Director; Purchasing Specialist; Business Office Manager
 - iii. Cafeteria Director or Manager
- e. Eligible vendors.
 - i. All suppliers that have been identified as potential bidders
 - ii. Only district-approved and qualified suppliers
- f. Payment for Small Purchases.
 - i. Credit card to be picked up from the Business Office/CFO
 - ii. PO to be created prior to the invoice payment. This is handled through the Business Office.

3. Capital Expenditures

Texas Department of Agriculture (TDA) requires a CE to get pre-approval on expenditures for food service equipment or alterations to equipment, only if the total equipment "per unit" cost is greater than \$5,000. The form is located online at TX-UNPS.

- a. Hawley ISD will submit a request for approval prior to purchasing the item via email to TDA including:
 - i. District Name, CE ID, and contact information (phone and email address)
 - ii. Description of the equipment, including the purpose and how it supports the operation or maintenance of the District
 - iii. Provide an estimated cost and whether or not we have sought bid pricing
 - iv. Describe how the old equipment (if any) will be disposed of and acknowledge that any proceeds from the disposal will be used to offset the cost of the replacement
 - v. Acknowledge that any equipment purchased will be used exclusively for the District

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4. Competitive Sealed Bidding (IFB- Invitation for Bid)

The competitive sealed bidding method is a "Formal Procurement Method" that is used when the contract value is at or above the Small Purchase threshold, which is \$50,000 in the state of

Texas. The formal procurement method requires a District to post a public advertisement in a newspaper of general circulation for two consecutive weeks upon release of the solicitation. It is recommended that the District post the advertisement on their website or a trade website as well as email or make phone calls as a means of advertising to potential bidders.

- a. Hawley ISD will ensure the following conditions:
 - i. A complete, adequate, and realistic specification or purchase description will be made available
 - ii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price
 - iii. Evaluation criteria will be included in the solicitation in regard to determining a winner if the same price has been received from 2 or more different vendors
- b. Hawley ISD will adhere to the following requirements:
 - i. The solicitation will be publicly advertised and documented
 - ii. Provide detailed information such as response time, date and time responses are to be received, how responses must be submitted, date and time of public opening, and any other pertinent details
 - iii. Provide product and/or service specifications that allow multiple responses
 - iv. Award the contract to the most responsive and responsible bidder. Factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest.
 - v. Any or all bids may be rejected if there is a sound documented reason
- c. The following employee positions will participate in the IFB Procurement Method:
 - i. Food Service Director; CN Director; Program or Operations Manager
 - 1. Write product or service specifications
 - 2. Write the solicitation document
 - 3. Send the IFB to potential suppliers
 - 4. Participate in the opening of the submitted bid quotes and determine a winner
 - ii. Assistant Manager or Director; Purchasing Specialist; Business Office Manager
 - 1. Write product or service specifications
 - 2. Write the solicitation document
 - 3. Send the IFB to potential suppliers
 - 4. Participate in the opening of the submitted bid quotes and determine a winner
 - iii. Cafeteria Director or Manager
 - 1. Write product or service specifications
 - 2. Write the solicitation document
 - 3. Send the IFB to potential suppliers
 - 4. Participate in the opening of the submitted bid quotes and determine a winner
- d. Eligible vendors.
 - i. All suppliers that have been identified as potential bidders
 - ii. Only district-approved and qualified suppliers
- e. Payment for IFB Purchases.

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- i. PO to be created prior to the invoice payment. This is handled through the Business Office

5. Competitive Proposals (RFP – Request For Proposal)

A request for proposal is a “Formal Procurement Method” used for purchases when an IFB is not appropriate. An RFP describes in a general way what is needed and requests that vendors submit a proposal for servicing the needs of the district. RFP’s can be used for either goods or services and require the prospective vendor to submit a technical proposal that explains how they will meet the objectives of the solicitation document and a cost element that identifies the costs to accomplish their proposal. Price is to remain the major consideration but can be one of many evaluation factors used to determine the most advantageous winner. The RFP also allows for negotiation as a means to obtain the best value or price.

- a. Hawley ISD will ensure the following conditions:
 - i. A complete, adequate, and realistic specification or purchase description will be made available
 - ii. The procurement lends itself to a firm fixed price contract or cost reimbursable price
 - iii. The selection of the successful bidder will be made after an evaluation of criteria with price being the “heaviest weighted factor”
 - iv. Negotiation of price or best value will be handled with complete fairness and integrity
- b. Hawley ISD will adhere to the following requirements and required documents (2 CFR 200.318 - 326):
 - i. The solicitation will be publicly advertised and documented
 - ii. Solicitation document will include a cover sheet with the RFP description, contact information, issue date, closing date and opening date
 - iii. Written instructions and bidder information sheet to be completed by the proposer
 - iv. Clear product and/or service specifications
 - v. Clear description of district demographics and product usage (as relevant)
 - vi. Clearly stated evaluation criteria to include scoring rubric
 - vii. Standard and/or Special Terms and Conditions of the contract
 - viii. Discounts, Rebates, and/or credits provisions where applicable
 - ix. Questionnaires as appropriate
 - x. Reference Sheet
 - xi. Certifications per ARM Section 17 and Appendix II to Part 200 of 2 CFR 200
 - xii. Awarding of the contract:
 - 1. Evaluation will consist of product quality, services, or past performance, but not limited to, along with price as the heaviest weighted factor
 - 2. Cost plus percentage of cost will not be allowed as a basis for award (2 CFR 200.320)

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- xiii. Any or all bids may be rejected if there is a sound documented reason
 - c. The following employee positions will participate in the RFP Procurement Method:
 - i. Food Service Director; CN Director; Program or Operations Manager
 - 1. Write product or service specifications
 - 2. Write the solicitation document
 - 3. Send the IFB to potential suppliers
 - 4. Participate in the opening of the submitted bid quotes and determine a winner
 - ii. Assistant Manager or Director; Purchasing Specialist; Business Office Manager
 - 1. Write product or service specifications
 - 2. Write the solicitation document
 - 3. Send the IFB to potential suppliers
 - 4. Participate in the opening of the submitted bid quotes and determine a winner
 - iii. Cafeteria Director or Manager
 - 1. Write product or service specifications
 - 2. Write the solicitation document
 - 3. Send the IFB to potential suppliers
 - 4. Participate in the opening of the submitted bid quotes and determine a winner
 - d. Eligible vendors.
 - i. All suppliers that have been identified as potential bidders
 - ii. Only district-approved and qualified suppliers
 - e. Payment for RFP Purchases.
 - i. PO to be created prior to the invoice payment. This is handled through the Business Office

6. Non-Competitive Negotiation and Sole Source Procurements.

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These types of procurement methods are used to compensate for the lack of competition. This lack of competition may result from overly restrictive solicitation documents, an inadequate number of suppliers in the area or the procurement environment may have been compromised by inappropriate supplier actions (i.e. market allocation schemes). Non-competitive negotiation occurs after the solicitation (sealed bid, competitive negotiation or small purchase) has been issued, but competition on that solicitation has been deemed inadequate.

- a. Non-competitive negotiations or sole source procurements are restricted to specific situations and may only be used when:
 - i. Inadequate competition in a formal procurement method
 - ii. Public emergency exists

- iii. Goods or services are only available from one manufacturer through only one supplier
- b. Hawley ISD will obtain TDA's approval prior to award and purchase of products or services. All requests for approval must be submitted through the State Agency's online system, TX-UNPS.
- c. The following employee positions will oversee the approval process for a Non-Competitive and/or Sole Source Procurement Method:
 - i. Food Service Director; CN Director; Program or Operations Manager
 - ii. Assistant Manager or Director; Purchasing Specialist; Business Office Manager
 - iii. Cafeteria Director or Manager

Bid/Proposal Questions and Protest Procedures

An interested party may protest any of the following situations:

- **Solicitation or other request for offers for a contract for the procurement of property or services**
- **Cancellation of a solicitation or other request**
- **Award or proposed award of a contract**
- **Termination of a contract, if the protest alleges that the termination was based on improprieties in the administration of the contract.**

Hawley ISD will do the following:

1. Include clear instructions in each solicitation document about questions and protest procedures.
2. Follow all written procedures to resolve protests.
3. Ensure that all protests are resolved.
4. Retain all documentation related to a protest.
5. Notify TDA when a protest is received.

Hawley ISD will address all respondent protests within 24 hours of the bid award. _____ provide evaluation scores and pricing at the request of the respondent. Violations of law should be referred to the local, state or Federal authority. (2 CFR, Section 200.318[k])

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Hawley ISD will allow respondents to request clarification of information prior to the close of the bid/proposal. These requests must be received a minimum of three business days prior to the close of the bid/proposal. Hawley ISD will address the request for additional information as an addendum to all respondents.

Economic Price Adjustments in Vendor Contracts

The economic price adjustments, which allow a District to adjust costs in the contract, must be tied to an appropriate standard or cost index. Relating the price adjustments in a contract to an index allows the District to ensure that increases under the contract are not without basis. For example, if fuel prices are

increasing drastically, an appropriate index such as the Consumer Price Index (CPI) will reflect this change.

This index is preferred because the USDA uses this index for the National School Lunch Program (NSLP) yearly funding increases. The intention is that if the USDA increased funding by a certain percentage the District would be able to allow the increase in food cost to rise at the same percentage. Vendors will be able to bid on multi-year contracts that allow for inflation and the District will be able to maintain a consistent level of service and food cost percentage from year to year.

Applying Geographic Preferences in Procurement

As amended, the National School Lunch Act (NSLA) allows SFA's receiving funds through the CN Programs to apply a geographic preference when procuring unprocessed, locally grown or locally raised agricultural products. This applies to operators of all of the School Lunch Programs.

Hawley ISD will apply geographic preference to the procurement of agricultural products that:

1. Are unprocessed
2. Are locally grown or locally raised
3. Have not been cooked, seasoned, frozen, canned, or combined with any other products

Because the NSLP is Federally Funded, geographic preferences cannot be restrictive to local definitions such as city, county, or state lines. Hawley ISD determines local as "within the United States territory and within the state of Texas" (mileage may vary for items dependent on bidding preference)

Discounts, Rebates, and Credits

Hawley ISD requires that all discounts, rebates, and credits accrue back to the school nutrition account. The contractor will be required to identify the amount of each discount, rebate, or other applicable credit on bills and invoices presented to the Hawley ISD. Contractors will be required to

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identify the method by which they will report discounts, rebates, and credits. All discounts, rebates, and credits will be tracked via monthly invoices or annual velocity reports. Contractors will be required to maintain documentation of costs, discounts, rebates, and credits and make those available to Hawley ISD upon request.

Buy American Provision

Hawley ISD adheres to the Buy American Provision (7 CFR 210.21) when purchasing commercial food products to be served in the district's SNP meals. This provision will be included in all solicitations for food to be used in the school nutrition programs.

Per Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 {Public Law 105-336} added a provision, Section 12(n) to the NSLA (42 USC 1760(n)), requiring School Food Authorities (SFA's) to purchase, to the maximum extent practicable, domestic commodity or product.

Section 12(n) of the NSLA defines “domestic commodity or product” as an agricultural commodity that is produced in the United States and a food product that is processed in the United States using substantial agricultural commodities that are produced in the United States. Substantial” means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically. Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowed under this provision as territories of the United States. The Buy American

provision (7 CFR Part 210.21(d)) is one of the procurement standards SFA’s must comply with when purchasing commercial food products served in the school meals programs.

Hawley ISD will purchase domestic food products per the Buy American Provision unless:

1. The product needed is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality; or
2. Competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product

Hawley ISD will maintain all documentation in regard to any food purchases that are deemed “non-domestic” to include cost comparisons if the product is available as a “domestic” product that is seen as unreasonable in cost; or if not available as a U.S. grown product the documentation will include the “country of origin.”

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Small and Minority Businesses

Women Business Enterprises, and Labor Surplus Area Firms and/or Disabled Veteran Business Enterprise (MWDVBE)

Hawley ISD will encourage open competition amongst small, minority, woman, and disabled veteran’s businesses by:

1. Reducing barriers in Formal and Informal Contract solicitations by:
 - a. Allowing for businesses that may be MWDVBE to compete on an equal footing. This will be accomplished by having a qualification process where MWDVBE bids are given points equal to the requirements that may be restrictive, such as length of service in business, size of distribution facilities, etc.

- b. Allowing for extra points in the evaluation if a bidder/proposer qualifies as an MWDVBE
 - c. Structuring contracts to allow “awards to more than one Proposer in the best interest of the District in order to award a portion of the agreement to MWDVBE vendor that may not be able to perform to an agreement that is too large for current financial/logistical capabilities.
- 2. Structuring Contracts that May allow for Cost Credit to Small, Minority and Women owned businesses:
 - a. Hawley ISD may structure an RFP Formal Procurement agreement to allow for price variation of not more than 5% of total cost above the lowest responsive bidder to award to a small, minority or women owned business. For example, the lowest bidder was \$100 dollars, a certified small, minority or women owned enterprise bid \$105, the contract may be awarded to the small, minority or women owned enterprise if it is in the best interest of the District.
- 3. Providing Positive Outreach
 - a. Hawley ISD will place qualified small, minority and women owned enterprises on solicitation lists; and
 - b. Assure that small, minority and women owned enterprises are solicited whenever they are potential sources

Local Sourced Products: Farm to School Initiative

Hawley ISD is committed to local markets and family farmers in the State of Texas. Our objective is to support the local agricultural economy and reduce the environmental impact of long distance shipping. Hawley ISD defines “Local Sources Products” as products that are grown within the State of Texas, with preference to sources located within 100 miles of the school’s main campus.

When purchasing local sourced products, Hawley ISD will follow the planning phase as stated earlier in this manual and do a cost/price analysis to determine the most appropriate procurement method.

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In order to encourage the bidders to purchase locally sourced produce, Hawley ISD may assign additional point values in the “Award of Contract” section of the solicitation that can demonstrate:

1. The bidder is purchasing produce locally by submitting a list of local farmers, their addresses, the produce that is anticipated to purchase from each farm location, and the anticipated harvest dates of the produce
2. The bidder must also agree to the ability to submit a report during the term of the contract that demonstrates continued purchases from local farms

Use of Excess and Surplus Property

Hawley ISD, to the best of the district’s ability, may utilize excess and surplus property when available. The TDA allows a district to use a significant portion of our entitlement (PAL) allocation from USDA to

purchase DOD fresh fruit and vegetable products. The TDA manages the solicitation and award of the DOD Produce Vendors. Contracting Entities (CE's) in the state of Texas and participating in the DOD Fresh Program can receive weekly deliveries as outlined in the awarded contract.

Cooperative Membership and Procurement

The USDA allows for "Purchasing Goods and Services Using Cooperative Agreements, Agents, and Third-Party Services.

Hawley ISD may participate in a purchasing cooperative when it is determined to be in the best interest of the district. As a governmental agency, Hawley ISD has the option to legally join a "governmental agency or Education Service Center (ESC) agency" purchasing cooperative through an Interlocal or Inter Agency Agreement.

If determined in the best interest to join an ESC Agency cooperative, Hawley ISD will request a copy of the Interlocal or Inter Agency Agreement and complete and submit to the appropriate contact of the co-op. Hawley ISD will do the following once membership in the cooperative has been confirmed:

1. Provide product estimated quantities planned for purchase for each bid selected.
2. Review that all procurement documents and cooperative processes have been conducted in accordance with applicable Federal, State and local regulations.
3. Will confirm that their addition to any contract selected does not create a material change as outlined in the contract per 2 CFE 200.318[e] that states a material change occurs when the change in scope of the contract is significant enough that potential bidders might have bid differently had they been award of the impacts from adding additional agencies.
4. Request access to all documentation related to the contract for compliance with records retention requirement to include but not limited to:
 - a. Solicitation
 - b. Verification of Published Advertisement
 - c. Contract Terms and Conditions
 - d. Evaluation Criteria, if any
 - e. Responses
 - f. Notification of Awarded vendor(s)
 - g. Documentation of any extensions or Amendments
 - h. Recall Procedures

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Unnecessary or Duplication of Goods/Services

Hawley ISD will avoid acquisition of unnecessary or duplicative items/services. Purchases will be justified using the following criteria:

1. Purchaser will determine if there are like items in the District that may not be in use and consider transferring item before determining if purchase is necessary
2. The item is being considered for menus or is needed to serve, prepare, receive, transport or store an item on the menu
3. The item is replacing an obsolete, broken, damaged or outdated piece of equipment

Recalls

Hawley ISD will use the following procedures in regard to products that have been recalled, or are discovered to be defective or faulty:

1. The Food Service Director/Manager/Program Coordinator will register for email notifications of recalled products through USDA Food Safety and Inspection Service (usfsis@public.govdelivery.com) and/or recalls.gov or any other viable resource in regard to food and product safety and recalls
2. Vendors' Recall procedures will be requested with every Small Purchase, IFB and RFP procurement method used
3. Any notices or alerts from awarded vendors or distributors in regard to a recalled product will be handled immediately, following all instructions from the vendor or distributor in regard to the handling of the recalled product
4. Actions may include but not be limited to:
 - a. Disposal of all affected product
 - b. Photos of products affected, documentation of case lot numbers, distributor codes or any other pertinent information as documentation of product origin
 - c. Removal of affected product to a safe area to be picked up by the vendor or distributor
 - d. Credits issued for all affected product that could not be used

Sponsors are encouraged to verify State Agency and USDA requirements to ensure compliance.

Hawley ISD – Child Nutrition Food Service Department

Code of Conduct

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As representatives of the Hawley ISD Child Nutrition Program, all employees are expected to conduct themselves in a professional and ethical manner, maintaining high standards of integrity and the use of good judgment. Employees are expected to be principled in their business interactions and act in good faith with individuals both inside and outside the Hawley ISD.

The following Code of conduct shall govern the performance, behavior and actions of the Hawley ISD Child Nutrition Program, including employees, directors, officials, or agents who are engaged in any aspect of procurement, including – but not limited to – purchasing goods and services; awarding contracts; or the administration and supervision of contracts.

Code of Conduct

- No employee, directors or agent of the Hawley ISD Child Nutrition Program shall participate in the selection, award or administration of a bid or contract supported by federal funds if a conflict

of interest is real or apparent to a reasonable person.

- Conflicts of interest may arise when any employee, directors or agent of the Hawley ISD Child Nutrition Program has a financial, family or any other beneficial interest in the vendor selected or considered for an award.
- No employee, directors or agent of the Hawley ISD Child Nutrition Program shall award contracts to, or show favoritism toward a member of his/her immediate family, spouse's family or to any company, vendor or concern who either employs or has any relationship to a family member; or award a contract or bid which violates the spirit or intent of Federal, State and local procurement laws and policies established to maximize free and open competition among qualified vendors. Those circumstances where interests, financial or otherwise, are not substantial or are within the limits of applicable Federal, State and local laws and the policies and procedures of the Hawley ISD, the Superintendent's Cabinet shall determine whether the conflict is material under the circumstances.
- The Hawley ISD Child Nutrition Program employees, directors, and agents will not solicit gifts, including but not limited to travel packages or other incentives, and/or donations from prospective contactors. However, incentive language may be included as part of the competitive procurement (formal bid and request for proposal) solicitation language to acquire the most favorable terms for the operation and benefit of the non-profit food service account. Such incentives include but are not limited to volume rebates, timely payment discounts, program promotion assistance, upfront savings, etc...

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Conflicts of Interest

Hawley ISD employees must not solicit or accept gratuities, favors, or anything of value to perform improper financial actions, including actions related to procuring contractors or parties to subcontracts. When this occurs, there is a conflict of interest.

A conflict of interest is *any action that allows a person to benefit at the expense of the public interest or the expense of his or her employer*. A conflict of interest may be real or apparent, i.e., a conflict of interest does not have to be acted upon to be considered a conflict of interest.

A real or apparent conflict of interest occurs in situations such as the following:

- Hawley ISD employee has a financial or other interest in a business being considered for a contract.
- Hawley ISD employee receives a tangible personal benefit from a business being considered for a contract.
- Hawley ISD employee has a personal relationship or friendship with a business being considered for a contract.
- Hawley ISD employee is employed by, about to be employed by, or is seeking employment from a business being considered for a contract.

Hawley ISD will consult with their attorney or legal counsel if there is a question about whether a specific situation is a conflict of interest.

Hawley ISD's "nominal value" may be no more than the value of a cup of coffee. Acceptance of such offerings is highly recommended against, but Hawley ISD is aware that sometimes such offerings are unavoidable. It is required that all vendors be informed by the district staff that such offerings are not allowed.

Hawley ISD considers all "tangible benefits," as defined below but not limited to, to be a conflict of interest.

- Offering a special item at a much lower price than the price structure for a current contract.
- Offering an item not presently used by the CE at a special price that is below market value.
- Offering an incentive, such as equipment or other prizes for purchasing items.
- Allowing staff to make purchases from a CE-procured contract.

Incentives, Gratuities, or Kickbacks

In accordance with the State of Texas Department of Agriculture (TDA) "Administrative Review Manual" (ARM) Section 16, Hawley ISD Child Nutrition Program employees; officials; agents acting on the Hawley ISD Child Nutrition Program behalf; any member of the immediate family of the Hawley ISD Child Nutrition Program employee, officer, or agent acting on the Hawley ISD Child Nutrition Program behalf; or business partner of the employee, officer, or agent acting on Hawley ISD Child Nutrition Program behalf cannot accept anything of value from a vendor. Incentive, gratuities, or kickbacks include, but are

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not limited to, personal gifts or gratuities that may be construed to have been given to influence the purchasing process.

Although such practices may be accepted in the private sector, giving and receiving gifts in the public sector may constitute a violation of law. Gift to a Public Servant is a Class A misdemeanor offense if the recipient is a government employee who exercises some influence in the purchasing process of the governmental body.

A Hawley ISD Child Nutrition Program employee or former employee must not knowingly use confidential SNP information for the actual or anticipated personal benefit or benefit for any person or entity.

Hawley ISD will apply disciplinary actions (as listed below) for violations of above stated standards by Hawley ISD Child Nutrition Program employees, officers, or agents acting on the Hawley ISD Child Nutrition Program behalf.

Hawley ISD will apply the following disciplinary actions:

1. 1st Offense: Documented “verbal” reprimand and review Code of Conduct. Two district staff will be present and sign document as witnesses.
2. 2nd Offense: Written reprimand. Two district staff will be present and sign document as witnesses.
3. 3rd Offense: Termination.

Hawley ISD Child Nutrition Program will provide guidance to each employee, officer, or agent acting on the Hawley ISD Child Nutrition Program’s behalf at the time of hire on how to avoid undue influence. Hawley ISD Child Nutrition Program will offer training and provide all employees, officers, and agents acting on behalf of Hawley ISD Child Nutrition Program a copy of Hawley ISD’s Employee Manual that addresses professional and ethical standards.

Hawley ISD Child Nutrition Program requires any employee, officer, or agent acting on behalf of Hawley ISD Child Nutrition Program to disclose in writing any possible situations where there is an appearance of incentives, gratuities, or kickbacks being received.

Benefits Received

Hawley ISD Child Nutrition Program employees; officials; agents acting on the Hawley ISD Child Nutrition Program behalf; any member of the immediate family of the Hawley ISD Child Nutrition Program employee, officer, or agent acting on the Hawley ISD Child Nutrition Program’s behalf; or business partner of the Hawley ISD Child Nutrition Program employee, officer, or agent acting on Hawley ISD Child Nutrition Program’s behalf must not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

When incentives are offered by the contractor and accepted by an individual, the incentive must become the property of Hawley ISD Child Nutrition Program. Under no condition can the incentive become the property of an individual.

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Hawley ISD Child Nutrition Program use the following written procedures on how it will avoid unallowable practices based on benefits received:

1. Employee Handbook
2. Board Policy

Conflicts of Interest, Other Individuals or Entities

Blank ISD defines “other” as the following but not limited to:

- Agent
- Business
- Consultant
- Contractor
- Cooperative
- Distributor
- Food Processor
- Food Service Management Company (FSMC)
- For Profit Organization
- Nonprofit Organization
- Third party
- Vendor

Hawley ISD will communicate its expectations and applicable procedures related to program integrity to individuals and entities acting on Blank ISD’s behalf. Hawley ISD will review all solicitations, agreements, contracts, and other communications prepared on their behalf to ensure compliance with all Federal and State requirements and regulations.

Certification Regarding Lobbying

Lobbying certification requirements are applicable to grants, sub-grants, cooperative agreements, and contracts exceeding \$100,000 in federal funds.

Hawley ISD Child Nutrition Program uses the following procedures

1. **Documentation:** Hawley ISD Child Nutrition Program will take actions to ensure that the proper documentation is prepared, shared as required, and retained.
2. **Use of Funds:** Hawley ISD Child Nutrition Program requires that federal funds must not be paid by or behalf of the Hawley ISD Child Nutrition Program to any person influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

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Debarment and Suspension

Hawley ISD and their subcontractors must not make or permit any award, sub-award, sub-grant, or contract with an individual or entity that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs, per the TDA Administrative Review Manual (ARM), Section 16.20.

- Hawley ISD Food Services Management Department will include the following debarment and suspension certification in every written agreement with subcontractors:
"{name of subcontracting organization } certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in this Agreement by any federal department or agency or by the State of Texas. { name of subcontracting organization } shall immediately provide written notice to Hawley ISD Food Services Management Department if at any time the {name of subcontracting organization} learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances. Hawley ISD may rely upon a certification of a subcontractor that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless it knows that the certification is erroneous.
- Hawley ISD Child Nutrition Program will require the subcontractor to sign and submit the TDA form entitled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion for Covered Contracts (H2048)12" and maintain the signed form with its contract record.
- Hawley ISD Child Nutrition Program will print the page from the System for Award Management (SAM) which indicates the subcontractor is not presently debarred or otherwise excluded from participation in the contract by any federal department or agency or by the State of Texas and will maintain that document on file with the contract documents. The System for Award Management can be accessed at www.sam.gov/portal/SAM/#1

Staff Purchase of Items on Awarded Contracts

Hawley ISD Child Nutrition Program does not allow any employee, officer or agent acting on behalf of Hawley ISD Child Nutrition Program to take advantage of Hawley ISD Child Nutrition Program's procurement by purchasing off an awarded contract.

Per the ARM, Section 16, Confidentiality and Program Integrity, this type of activity as actually accepting the cash difference between the bid or discount price and the amount the individual would have paid for the item in the regular retail market. This is a financial incentive. When an individual pays for the purchase, the payment does not remove the financial incentive. Even if the contractor were to charge retail price, the individual would still be receiving the convenience of a personal delivery and would be accepting a favor from the contractor—therefore, this is an unallowable practice.

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Contracting with Persons and Companies for Assistance in Developing a Solicitation

Per the ARM, Section 16, Confidentiality and Program Integrity, when acquiring goods and services, contracting entities (CEs) may contract with agents or companies that provide technical information in drafting procurement specifications and/or technical requirements. This provision is intended to encourage program administrators to obtain information from as many sources as possible to assist them in drafting procurement documents.

- Potential Offerors or Interested Parties Involved in Developing a Solicitation
Hawley ISD Child Nutrition Program will not accept a contractor or other interested party's offer if the contractor or other interested party assisted with or drafted the procurement specifications and/or technical requirements, procedures, or documents.

Food Taken From Schools

Hawley ISD Child Nutrition Program does not allow any employee, officer, or agent acting on behalf of the Hawley ISD Child Nutrition Program to take food or leftover food (including milk) from the premises for personal use, personal gain, or benefit to another person or entity.

Reporting of Fraud, Bribery, and Gratuity Violations

Hawley ISD will report, in writing to TDA, all violations of federal criminal law – fraud, bribery, or gratuity.

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in CFR 200.338 Remedies for noncompliance, including suspension or debarment. (2 CFR 200.113; 31 U.S.C. 3321).

Hawley ISD defines fraud as:

Whoever embezzles, willfully misapplies, steals or obtains by fraud any funds, assets or property provided under the National School Lunch Program and/or School Breakfast Program [and/or Special Milk Program] whether received directly or indirectly, shall, if such funds, assets or property are of a value of \$100 or more, be fined no more than \$25,000 or imprisoned not more than 5 years or both; or if such funds, assets or property are of a value of less than \$100, be fined not more than \$1,000 or imprisoned not more than 1 year or both. Whoever receives, conceals or retains for personal use or gain, funds, assets or property provided under the National School Lunch Program and/or School Breakfast Program, whether received directly or indirectly, knowing such funds, assets or property have been embezzled, willfully misapplied, stolen or obtained by fraud, shall be subject to the same penalties.

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Certifications per ARM Section 17 and Appendix II to Part 200 of 2 CFR 200

Required for all Formal Solicitations

<u>Intangible Property</u>	<u>2 CFR 200.315</u>	State TDA Requirement
<u>Procurement of Recovered Materials/Solid Waste Disposal</u>	<u>2 CFR § 200.322</u>	State TDA Requirement
<u>Profit as a Separate Element of Price</u>	<u>2 CFR 200.323(b)</u>	State TDA Requirement
<u>Record Retention Requirements</u>	<u>2 CFR § 200.333</u>	State TDA Requirement
<u>Rights to Inventions</u>	<u>37 CFR §401.2 (a)</u>	State TDA Requirement
<u>Anti-trust Certification</u>	<u>Section 2155.005</u>	State TDA Requirement
<u>Certification of Residency</u>	<u>Chapter 2252, Subchapter A</u>	State TDA Requirement
<u>Companies Engaged in Business with Iran, Sudan, or a Foreign Terrorist Organization</u>	<u>Chapter 2252, Subchapter F</u>	State TDA Requirement
<u>Compliance with the Energy Policy and Conservation Act</u>	<u>Pub.L.94-163, 89 Stat.871</u>	State TDA Requirement
<u>Compliance with Texas Family Code</u>	<u>Section 231.006</u>	State TDA Requirement
<u>Food/Product Recall and HACCP Procedures</u>		State TDA Requirement
<u>Form 1295</u>	<u>Section 2252.908</u>	State TDA Requirement
<u>Health & Safety Certificates, Licensing and Regulation</u>	<u>ARM 17.62</u>	State TDA Requirement
<u>No Israel Boycott</u>	<u>Section 2270.002</u>	State TDA Requirement
<u>Prohibited Employment Assistance</u>	<u>20 USC 7926</u>	State TDA Requirement
<u>Non-Collusion Declaration</u>	<u>Section 15.01</u>	State TDA Requirement
<u>Non-Collusion Affidavit</u>	<u>Section 15.01</u>	State TDA Requirement
<u>Signature and Declaration of Compliance</u>	Notary of Public Required	State TDA Requirement
<u>Proposal Form</u>	<u>200.326 Appendix I To Part 200</u>	Federal USDA Requirement
<u>Breach of Contract Terms, Sanctions and Penalties</u>	<u>200.326 Appendix II to Part 200 (A)</u>	Federal USDA Requirement
<u>Termination for Cause or Convenience</u>	<u>200.326 Appendix II to Part 200 (B)</u>	Federal USDA Requirement
<u>Certificate of Insurance</u>	<u>2 CFR 200.447</u>	Federal USDA Requirement
<u>Cooperative Agreements</u>	<u>2 CFR 200.24</u>	Federal USDA Requirement
<u>Byrd Anti-Lobbying</u>	<u>2 CFR 200.450; 200.326 Appendix II Part 200 Sec. "I"</u>	Federal USDA Requirement
<u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion for Covered Contracts</u>	<u>200.326 Appendix II To Part 200 Sec H</u>	Federal USDA Requirement
<u>Clean Air and Water Certificate</u>	<u>200.326 Appendix II Part 200 Sec. "G"</u>	Federal USDA Requirement
<u>Equal Opportunity Employment</u>	<u>200.326 Appendix II Part 200 Sec. "C"</u>	Federal USDA Requirement
<u>Contracting with Small, Minority, Women Business Enterprises, and Labor Surplus Area Firms</u>	<u>2 CFR 200.321</u>	Federal USDA Requirement
<u>Conflict of Interest Questionnaire</u>	<u>24 CFR § 3282.359</u>	Federal USDA Requirement
<u>Disclosure of Lobbying Activities</u>	<u>Appendix B To Part 418 2 CFR</u>	Federal USDA Requirement

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<u>Felony Conviction Notification (Exhibit Only)</u>	<u>21 CFR 1301.90</u>	Federal USDA Requirement
<u>Nutrition Services "Buy American Waiver Exception List</u>	<u>7 CFR 210.21 Sec. D</u>	Federal USDA Requirement
<u>Certificate Regarding Worker's Compensation</u>	<u>48 CFR 970.2803-1</u>	Federal USDA Requirement
<u>Certificate Regarding Drug-Free Workplace</u>	<u>38 CFR § 48.635</u>	Federal USDA Requirement
<u>Certificate Regarding Alcoholic Beverage And Tobacco-Free Campus Policy</u>	<u>21 CFR § 1140.1</u>	Federal USDA Requirement
<u>E-Verify</u>	<u>48 CFR 52.222-54</u>	Federal USDA Requirement
<u>Iran Contracting</u>	<u>48 CFR 25.703-3</u>	Federal USDA Requirement
<u>Civil Rights/Discrimination</u>	<u>FNS Instruction 113-1</u>	Federal USDA Requirement
<u>W9</u>	<u>Most Current Version Required</u>	Federal USDA Requirement

RECORDS MANAGEMENT

Document	Format	Storage	Retention	Disposition	Protection	Location
Receipts	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Disbursements	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Cost/Price Analysis	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Bids	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Advertisements	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office
Quotes	Paper	Filing Cabinet	7 years	Shred	Locked Office	Business Office