

## **INTRODUCTION**

The Procurement Services Department is responsible for facilitating the processes governed by state and federal law to ensure best practices and a level playing field as well as fair and equitable treatment for all suppliers. Through this synergistic effort, both the Supplier and HISD will benefit from working as business partners to strengthen the social and economic foundation of the district and the community at large.

The Office of Procurement Services is located in the Hattie Mae White Educational Support Center, 4400 West 18th Street, Level 2NE. You may contact us between the hours of 8 a.m. to 5 p.m., CST, Monday through Friday at 713-556-6515 or at [http:// www.houstonisd.org/site/default.aspx?PageID=1](http://www.houstonisd.org/site/default.aspx?PageID=1)

General information about HISD, the Procurement Services Department,, bids/proposals, staff directory and other useful information can be found by visiting [www.houstonisd.org](http://www.houstonisd.org). Select "Departments," then "Procurement Services".

## **GENERAL PURCHASING INFORMATION**

Procurement Services has the authority to commit district funds for the acquisition of goods and services. Procurement Services is responsible for facilitating the processes governed by state and federal law to ensure best practices, and an equally competitive environment for the purchase of all goods and services. The district purchases a wide variety of goods and services including but not limited to:

- (1) Consultants/Professional Services,
- (2) Construction/Repairs of Facilities
- (3) All other goods and services.

Procurement Services primarily handles the acquisition of goods & services. This brochure is intended to provide assistance with acquisitions made by the Procurement Services Department, in which a purchase order will ensure the timely payment of goods/services rendered.

The standard methods utilized for the acquisition of goods and services from Suppliers are the HISD Purchase Order and the HISD Purchasing Card (PROCARD).

## **GOODS & SERVICES REQUIRING A PURCHASE ORDER**

The district is required to competitively bid any/all expenditures greater than \$50,000.00 in the aggregate per product category; meaning just about every purchase made by the district.

The Purchase Order is an official document that may serve as the contract between HISD and the Supplier for the procurement of goods and services.

A Purchase Order is also a binding commitment for HISD to remit payment to the Supplier after the item(s) and an invoice are received by the district according to the terms and conditions as stated on the purchase order.

Suppliers may not change or modify what is stated specifically on the purchase order. If a change is necessary, it will only be made by a formal change order issued by Procurement Services. Any changes made that do not adhere to the terms outlined in the purchase order will not be honored.

Each purchase order with the Supplier will be confirmed by a member of the Procurement Services Department prior to issuance. This is necessary to ensure the accuracy of pricing, availability and the required due date, and also to ensure that prompt payment follows an accurate invoice. The unit of measure, the unit price, the description and the total cost must all be verified, and must match before an invoice can be paid; therefore, it is extremely important that this dialog takes place prior to the issuance of the purchase order and invoicing process.

The delivery date specified on the purchase order is in fact the date the goods or services are due at the district. This is not a ship date or a start date, but rather a completion date and Suppliers will be graded by their ability to deliver goods or services timely. This grading may adversely affect future district business with the Supplier.

If third party freight is ever required and it is the district's responsibility to pay, it should be prepaid by the Supplier and added to the invoice, as a separate freight line item listed on the purchase order. Third party freight invoices will not be paid by the district.

Contracts are issued for a specific requirement (goods or services) for a specific period of time. Contracts do not automatically renew. If there is a "compelling" reason for the district to renew a contract, it must be done formally. Likewise, if there is a compelling reason for the district to solicit new competitive proposals, it must do so.

### **Supplier Relationship Management (SRM):**

HISD uses SAP-SRM as its e-Procurement system for the purchase of goods and services. As an extension of SRM, HISD will implement "Punch-out" capability for awarded suppliers to host HISD catalogs. This will enable the end users at HISD to purchase goods electronically directly from a contracted supplier's website, thereby facilitating the shopping cart experience similar to Amazon.com. In addition, awarded Suppliers are encouraged to have a website with online shopping capability and with the capability to host HISD specific catalogs. The specifications for which will be provided within all RFP's. All orders are then sent to the awarded Suppliers immediately and electronically, thus significantly reducing the order processing lead-time.

Questions suppliers need to ask themselves?

- Do you have e-commerce capability?
- Do you have punch-out catalogs in place today?
- Can you comply with SAP OCI 4.0 (Open Catalog Interface) for a punch-out catalog with HISD?
- Who is the point of contact in your company regarding IT issues?

For suppliers, this should reduce the time it takes to receive a purchase order and to ensure that only suppliers with a contract are being used. In order for this to be a smooth transition we are asking every supplier to contact Mrs. Weaver to discuss how we can convert your contract into an on-line “catalog” in order to make it a collaborative effort.

In the very near future this will be the way that HISD will purchase goods and services for the entire district.

Contact information: Operations & Strategic IT Support Team @ [SRM\\_MDM@houstonisd.org](mailto:SRM_MDM@houstonisd.org) or 713-556-6515.

## **HISD PROCARD**

The PROCARD is a purchasing card issued to HISD employees to purchase business related goods/ services valued less than or equal to \$750. The PROCARD is accepted by any merchant/supplier who accepts MasterCard and these purchases are usually tax exempt.

## **BIDS AND PROPOSALS**

All expenditures (district-wide) must be competitively bid by the Procurement Services Department, only.

Competitive bids are generally solicited either by means of a Request For Proposal (RFP), or a competitive sealed bid (or proposal). While RFP’s may result in additional negotiations before a contract award takes place, all bids/proposals should always be prepared with utmost care, providing the bidder’s best offer. Contracts awarded as a result of an erroneous offer may result in serious financial loss or other hardship for the bidder.

Before preparing an offer, Suppliers are encouraged to pay particularly close attention to the district’s requirements and the intent to which a contract is awarded. Study the specifications to be sure that all requirements are met. These are the only goods/services that may be contracted for.

Current bid/proposal solicitations are announced in one or more local newspapers of mass-distribution for two consecutive weeks. They are also posted on the district’s Procurement Web site and are physically posted on the district bulletin board in the Hattie Mae White Educational Support Center.

Specific attention should be given to the instructions to offerors and to the conditions of purchase, delivery due date, payment terms and conditions.

When determining the amount of the offer, the Supplier should be especially careful to include all costs of material, labor, overhead, packaging, and delivery.

If a firm wants to change or withdraw a bid, it may send a letter to this effect to the Project Manager in Procurement Services. However, the notification must reach the Procurement Services office prior to the time set for the bid opening.

When preparing a proposal in response to an RFP, the same care should be taken as with a sealed bid/ proposal; however, because the RFP procedure is more flexible than the sealed bid procedure, there is greater opportunity to seek clarity of specifications, conditions of purchase, or delivery and payment.

If negotiations are necessary, the process will begin with the proposal submitted by the Supplier as a starting point and the results are contingent upon obtaining final Board of Education approval.

If the contracting officer decides to negotiate on a firm's proposal, a complete cost analysis may be required including all cost drivers.

Therefore, the firm should be prepared to support the quotation with documented facts and figures.

Usually, all contracts that require Board of Education approval (\$50,000. or greater) will result in a Master Agreement (contract), against which, one or more purchase orders may reference.

When necessary a "Letter of Intent" will be sent to the Supplier(s) stating the intent of the district to seek Board of Education approval to execute a contract/agreement and a general outline of the proposed agreement.

It is important to note that the contract or Master Agreement contains all contractual terms and conditions governing the business relationship and any purchase orders written as a result of the contract or Master Agreement do not supersede the terms and conditions contained within the contract or Master Agreement.

If at any time a Supplier wishes to meet with a Procurement Services staff person, an appointment is strongly encouraged. Suppliers are encouraged to refrain from meeting with other district personnel during the competitive bid process to ensure a level playing field. Any discussions during that time should be done in writing and all responses will be provided in writing, and responses will be sent to all competing Suppliers to ensure accuracy and consistency.

**All** literature including pamphlets, catalogs, brochures etc. must be approved by the Project Manager prior to distribution to any school and or department or facility.

## **PAYMENT PROCESS**

HISD is an educational institution, a political subdivision of the state of Texas and as such, is tax exempt.

All invoices must only be sent to the HISD Accounts Payable Department at the address below:

Houston ISD

Attn. Accounts Payable Department

4400 West 18th Street

(3NE-North East)

Houston, TX 77092-8501

Only original invoices that refer to a specific purchase order and line item, that precisely match the purchase order in detail will be accepted.

The district's standard payment terms are Net 30 days, from the receipt of the invoice, in the Accounts Payable Department. If additional discounts are offered for early payment, please include those discounts in the offering.

Invoices will only be paid after the goods or services are received, therefore, prepayments in any form are not acceptable.

All invoices must be presented within thirty (30) days of the goods or services rendered by the Supplier. Invoices received after that time may be subject to discounts for late submittal.

### **Code of Silence:**

The Board of Education adopted a strict Code of Silence policy throughout the entire proposal process. The Code of Silence prohibits any communications between all prospective Suppliers, their parent companies and any subsidiaries from communicating with any District employees, Administration or Board members other than the Procurement department. The only exception to this policy is for incumbent Supplier(s) to conduct their day-to-day business operations as long as no communications take place about or in reference to the pending proposal project. Failure to comply with the Districts Code of Silence may result in an employee's termination and a potential Suppliers barring from doing business with the District.

## **Supplier Registration:**

***When a potential Supplier registers with the District, they obtain a REGISTRATION number. This does not mean they can begin selling to the District. It means they can respond to an RFP which is necessary before a contract can be awarded. A Supplier must be awarded a contract as the result of an RFP before they can begin selling to the District.***

The Supplier Registration process is now located on the District's portal. Each Supplier has a unique sign-in and password. It's important for all potential Suppliers to monitor the accuracy of their registration details as well as the Products and Services they offer. That information is used to solicit future proposals when the District is in need of purchasing those particular goods and services. However, please note – just by “registering” does not qualify a potential Supplier to sell goods and services to the District. They still need to be awarded a contract as a result of a competitive proposal process.