

One of the most important functions for a purchasing department is developing an appropriate expenditure aggregating system.



An aggregate system can be achieved by identifying like product/service purchases and putting those like purchases into "buckets".

A purchasing department will assign identifiers to expenditures or develop a system to track those like item purchases/"buckets" to encompass all past, present, and future anticipated transactions each fiscal year.



These aggregate calculations will help analyze where money has traditionally been spent and likely where it will be needed in the future. This can help when planning out formal procurement processes that should occur regularly.

Aggregate calculations also help in analyzing financial data to keep the district compliant with TEC 44.031. Per this law, a school district must remain at or under \$49,999.00 per year, for each "bucket", before a formal competitive process must begin. Anything over \$49,999.00 must have an accompanying formal process or determined to be non-competitive in nature.

Although State law requires a purchasing department to always seek out competition of vendors whenever possible, those like item purchases/"buckets" exceeding \$49,999.99 annually, that are deemed to be "non-competitive", can be acquired through an informal process of determining best value.



Using guidance provided by TEA's FASRG (Financial Accountability System Resource Guide-Module V), a purchasing department will determine what "buckets" shall be acquired "non-competitively" in compliance with TEC 44.031.

NON-COMPETITIVE V. SOLE SOURCE V. COMPETITIVE



For like item purchases/"buckets" that exceed \$49,999.99 in expenditures for the year, a competitive or non-competitive procurement process must be determined. Those buckets which are under \$49,999.99 and have no possibility of exceeding that amount may follow an informal competitive route.

"Non-Competitive" products/services would include those payments made to other Governmental entities, payments to professional organizations, payments for assemblies or workshops, conference fees, publication subscriptions, field trips, and other like services where competition is not likely.

A school district may choose to not follow the requirements of TEC 44.031 if it is determined by the district an item to be purchased is available from only one source, including: an item for which competition is precluded because of a patent, a film, a utility service, or a captive replacement part for equipment. All sole source vendors are verified to be valid and documented by the purchasing department.

Using guidance provided by TEA's FASRG (Financial Accountability System Resource Guide-Module V), a purchasing department will determine what buckets shall be acquired "competitively" in compliance with TEC 44.031.

When acquiring products which competition exists between vendors, the Purchasing department must follow a legal procurement method to acquire such products.

For those buckets which are under \$49,999.99 but still competitive in nature, a competitive process may be established informally. This would consist of acquiring a number of quotes from multiple vendors to determine best value.

For like item purchases/"buckets" competitive in nature, exceeding \$49,999.99, purchasing must either issue a CSP, RFP, or other form of bid. However, if this process was already completed by another local government entity or purchasing cooperative, it is possible that the Purchasing department may use that ISD's RFP/CSP as a substitute to acquire said product (interlocal).

TEC 44.031 provides the following legal procurement methods: competitive bidding for services, competitive sealed proposals (CSP), a request for proposal (RFP), an interlocal contract (piggyback from another ISD), and methods from Gov. Code Ch. 2269 (Construction).

These products must go through the listed acceptable forms of procurement method carried out by purchasing prior to delivery of product/service.

If none of these are possible, and a competitive formal method is required, the purchasing department will review their bid calendar and determine which new bids to release in the next six, nine, and twelve months. Bids are generated by district needs and availability of desired products.

