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# **BUSINESS FINANCE**

***Contract Management Procedures***



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# GREGORY-PORTLAND ISD

## PROCEDURES: CONTRACT MANAGEMENT

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Goal: To ensure a systematic process to review and approve contracts with vendors to include purchases, services, maintenance agreements, construction, and other contracts as appropriate.

All contracts shall be procured in accordance with federal (EDGAR), state (TEA) and local (Board Policy) regulations and purchasing thresholds.

### **Contract Approval Authority [Board Policy CH Local]:**

The Board delegates to the Superintendent the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services that costs \$50,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place, except as otherwise provided in this policy.

The Superintendent is not required to obtain Board approval for the following types of budgeted purchases, regardless of cost, but shall subsequently report them to the Board:

1. A purchase made pursuant to a Board-approved interlocal contract, in accordance with law;
2. A purchase made through a cooperative purchasing program or state purchasing program that satisfies the District's obligation for competitive purchasing [see CH(LEGAL)];
3. A continuing or periodic purchase under a Board-approved bid or contract; or
4. A purchase for produce or fuel.

### **Contract Review:**

- ❑ The requestor [campus or department] shall forward the Contract document(s) to the Purchasing Coordinator for review.
  - Contracts may be vendor-originated, or
  - Gregory-Portland ISD Originated Legal Contract
- ❑ The Contract Transmittal form shall be completed by the originator and attached to the Contract document(s).
- ❑ The Contract documents shall include the vendor/contractor's contract form or the Gregory-Portland ISD Consultant Contract.
- ❑ If the proposed vendor is new to the district, a completed Gregory-Portland ISD Vendor Application Packet shall be included with the contract documents.
- ❑ The Purchasing Coordinator shall review the Contract and review the Contract Review Checklist.
  - The Texas Comptroller's website will be reviewed to verify that the vendor is not on the HB 89 (Companies that Boycott Israel) or SB 252 (Foreign Terrorist Organizations) List of Companies. If a company is on either of the Comptroller's list, the contract will not be approved and no purchase of goods or services shall be authorized.
  - If the contract will be funded with federal grant funds, the following provisions must be included in the contract [Per TEA's Guidance and Best Practices].
    - The contract is only effective upon receipt by the subgrantee of the NOGA from the

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- awarding agency.
- The contract period is aligned to the grant period of availability as stated on the NOGA from the awarding agency (period of availability).
- All services will be completed during the effective dates of the contract.
- All services will be invoiced monthly after services are received (rather than paid lump sum at the beginning of the period of availability before services are rendered) and paid upon verification of receipt of services.
- The regulations for procurement in 2 CFR §§200.318-323 are followed in issuing the contract.
- All professional services provided under the contract will follow the provisions of 2 CFR 200.459 Professional service costs.
- The contract identifies the funding sources that will be charged for the services provided, including the specific amount and/or percentage of the total contract amount to be charged to each funding source.
- The contract identifies and lists only reasonable, necessary, and allocable services to be provided during the period of availability of the funding sources listed in the contract.
- The administrative costs charged to the grant in the contract must comply with any limitations for administrative costs for funding sources (if applicable).
- The contract specifies that the invoice provided by the contractor will include the list of services provided, dates of services, and location(s) where services were provided during the billing period.
- If the contract will be funded with federal grant funds, the following provisions must be included in the contract [Per EDGAR Appendix II Part 200 Contract Provisions for Non-Federal Entity Contracts Under Federal Awards].
  - Contracts over \$150,000 must address administrative, contractual or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties.
  - Contracts over \$10,000, must address termination for cause and for convenience by the District including the manner by which it will be affected and the basis for settlement.
  - Equal Employment Opportunity clause
  - Davis-Bacon Act clause for construction contracts, including compliance with prevailing wages. [The District must place a copy of the current prevailing wage determination is used by the Department of Labor with each solicitation.]

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- Contract Work Hours and Safety Standards Act clause related to the computation of wages of every mechanic and laborer on the basis of a standard work week of 40 hours.
  - Rights to Inventions Made Under a Contract or Agreement clause if the federal award meets the definition of “funding agreement”
  - Clean Air Act and Federal Water Pollution Contract Act clauses if the contract is in excess of \$150,000
  - Debarment and Suspension clause which prohibits awarding a contract to a contractor who has been debarred, suspended or otherwise excluded from federal awards.
  - Byrd Anti-Lobbying Amendment clause which applies to contractors that apply or bid for an award exceeding \$100,000 who must file the required certification.
  - Procurement of recovered materials (200.322) clause
- ❑ If the Contract is recommended as is, the Contract will follow this contract amount approval threshold:
- \$1- \$4,999- Director of Business Services
  - \$5,000- \$49,999- Assistant Superintendent for Business, Finance & Operations
  - \$50,000 and above- Superintendent or School Board Based on CH (Local) CV (Local).
- Thresholds apply not just to the contract at hand but to the total payments or contracted amounts that are in the aggregate for the vendor in the current fiscal year.
- ❑ If the Contract is not acceptable as is, the Purchasing Coordinator shall contact the contracting party to attempt to resolve the deficiency(ies).
- Contracts will be reviewed with the Assistant Superintendent for Business, Finance & Operations. Legal advice from the district’s legal firm shall be obtained, as necessary, to remedy the contract deficiencies.
- ❑ If the Contract is not acceptable and cannot be corrected to an acceptable form, the Assistant Superintendent for Business, Finance & Operations shall reject the contract and notify the proposed vendor and requesting campus/department.

### **Contract Letter of Intent [Per TEA’s Guidance and Best Practices]:**

- ❑ The Superintendent may execute a Letter of Intent with a third party (contractor) prior to a fiscal year or state/federal grant period only if the following provision is included in the Letter of Intent:
- The final execution of the contract is contingent upon availability of local funds or receipt of a Notice of Grant Award (NOGA) from a state/federal granting agency.

### **Contract Approval:**

- ❑ The Purchasing Coordinator will make arrangements to obtain the original signed contract from the Superintendent or designee (s) for all contracted purchases of goods and/or services.

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Designee(s): Assistant Superintendent for Business, Finance & Operations. A designee may sign on behalf of the Superintendent if:

- The contract purchase of goods or services is below \$50,000
- The Superintendent e-mails the designee to sign on behalf of the District in the event that the Superintendent is not able to.

- ❑ If the contract also requires School Board approval, the Purchasing Coordinator shall assist the requestor in preparing a School Board Action Item for approval at the next regularly scheduled board meeting.
- ❑ The Superintendent's Secretary may obtain all required GPISD signatures at the conclusion of the Board meeting where approval action was taken.
- ❑ The original signed contract will reside in the Superintendent's office filed with the Board meeting that the contract was signed at. Contracts that do not require a School Board signature will be uploaded in to the Skyward system.
- ❑ The Assistant Superintendent for Business, Finance & Operations or the Purchasing Coordinator shall verify that the contract document(s) have been executed and take the following steps:
  - Ensure that both parties (District and Vendor) have executed the contract. Notify the vendor by letter, email and/or phone call, as appropriate, that the contract has been approved, but is pending encumbrance of funds.
  - Notify the Vendor that the services cannot begin until the contractor receives the fully executed contract and Purchase Order.
  - Notify the Vendor that the services cannot begin until the contractor submits any bonds, Certificate of Insurance, Criminal History, etc. documentation, as appropriate.
  - Notify the contract originator (campus or department) of the contract approval and request that the originator submit a requisition to encumber the funds associated with the contract.
  - Upload the contract in to the Skyward system as an attachment with your Purchase Order.
- ❑ Upon receipt of the original, signed contract, the Purchasing Coordinator shall file the original contract and forward it to the appropriate personnel according to the Contract Filing Procedures (below).
- ❑ Upon approval, The Purchasing Clerk shall enter the new vendor in the Skyward database.

### **Purchase Commitment for Contract (Purchase Order):**

- ❑ The requestor shall submit a purchase requisition for the annual cost [fiscal year] of the contract (excludes construction related items which are Purchased Ordered by project and may run beyond the current fiscal year).
- ❑ The requestor shall submit the procurement documentation as attachments with their requisition. such as the method of procurement and all supporting documentation, including the justification for the contractor selection.
- ❑ Upon receipt of the purchase requisition, it shall be reviewed and approved in accordance with the district's Purchasing Procedures.
- ❑ The Requestor shall attach a copy of the approved contract to the purchase requisition and submit

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via Skyward to begin the approval process.

- ❑ Upon approval of the purchase order, the Purchasing Clerk/Purchasing Coordinator shall forward a copy of **both** the approved contract and purchase order to the vendor.

### **Contract Filing Procedures:**

- ❑ Upon receipt of a fully executed Contract and Vendor Application Packet, the Accounting & Purchasing Clerk shall file the contract as noted below:
  - Scan the Contract to a PDF and file as an attachment to the vendor in Skyward, and
  - File the original Contract.
- ❑ Contracts shall be filed by the length of the contract as noted below:
  - One-time or single fiscal year contracts shall be filed by fiscal year
  - Multi-year, term and recurring contracts shall be filed by vendor name
- ❑ An Excel spreadsheet of all multi-year contracts shall be maintained by the Purchasing Department. The spreadsheet shall contain the following information (at a minimum):
  - Vendor name and number
  - Starting and ending date of contract
  - Renewal terms, such as automatic renewals, or renewal by mutual agreement, etc.
  - Non-renewal or cancellation terms (for recurring contracts)

### **Contract Management:**

- ❑ The contract originator shall be directly responsible to ensure that the contracting party performs the services covered by the Contract. The contract originator shall sign the invoice to certify that the work was completed to satisfactory standards.
- ❑ Upon completion of the service(s), the vendor shall attach an approved invoice to the Purchase Order and contact the Accounts Payable Clerk to request that payment be processed to the contracting party.
- ❑ The Accounts Payable Clerk shall make partial or final payments only upon receipt of an invoice signed by the originator. The signature of the originator is verification that the services have been performed and that the payment should be made to the contracting party.
- ❑ Before the final payout of all contracts, the payments-to-date shall be verified to ensure that the contract is paid in full and in compliance with the executed contract.