

# HALLSVILLE ISD

## PROCEDURES: CONTRACT MANAGEMENT

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.

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

- The Superintendent has been designated by the Board of Trustees to approve and execute all contracts for the purchase of goods or services for all single purchases that are less than \$50,000.
- The Board of Trustees retains the authority to approve all contracts for the purchase of goods or services for any single purchase that exceeds \$50,000.

### **Contract Review:**

- The requestor [campus or department] shall forward the Contract document(s) to the Chief Financial Officer (CFO) for review.
  - Contracts may be vendor-originated, or
  - Hallsville ISD's Professional Services (Consultant) 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 Hallsville ISD Consultant Contract.
- If the proposed vendor is new to the district, a completed Hallsville ISD Vendor Application Packet shall be included with the contract documents.
- The CFO shall review the Contract and the Contract Transmittal Form.
  - 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 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.
  - Contract over \$10,000, must address termination for cause and for convenience by the District including the manner by which it will be effected 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.]
  - 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 be forwarded to the Superintendent and/or School Board for final review and approval (signature).

- If the Contract is not acceptable as is, the CFO shall contact the contracting party to attempt to resolve the deficiency(ies).
  - 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 CFO shall reject the contract and the proposed vendor will be notified. The rejected contract shall be forwarded to the Assistant Business Manager/Purchasing.
- The Assistant Business Manager/Purchasing shall file the rejected contract.

**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 Superintendent shall return the original, signed Contract to the CFO or Assistant Business Manager/Purchasing.
- If the contract also requires School Board approval, the CFO shall prepare the School Board Action Item for approval at the next regularly scheduled board meeting.
- The Board Secretary shall return the original, signed Contract to the CFO.
- The CFO and/or Assistant Business Manager/Purchasing shall verify that the contract document(s) have been executed and take the following steps:
  - Ensure that both parties (District and Contractor) have executed the contract. Notify the contractor by letter, email and/or phone call, as appropriate, that the contract has been approved, but is pending encumbrance of funds.
  - Notify the contractor that the services cannot begin until the contractor receives the fully executed contract and Purchase Order.

- Notify the contactor 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.
- Forward the original contract to the Assistant Business Manager/Purchasing for filing purposes.
- Upon receipt of the original, signed contract, the Assistant Business Manager/Purchasing shall file the original contract according to the Contract Filing Procedures (below).
- The Assistant Business Manager/Purchasing shall enter the new vendor in the District database and file the Contract copy pending receipt of a requisition from the originator.

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

- The requestor shall submit a purchase requisition for the annual cost [fiscal year] of the contract.
- Upon receipt of the purchase requisition, the Assistant Business Manager/Purchasing shall review and approve the requisition in accordance with the district's Purchasing Procedures.
- The CFO shall review and approve the purchase requisition in accordance with the district's Purchasing Procedures.
- Upon approval of the purchase order, the originator 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 Assistant Business Manager/Purchasing shall file the contract as noted below:
  - Scan the Contract to a PDF and file in a Contracts folder, and
  - File the original Contract in the business office file room.
  - The Assistant Business Manager/Purchasing shall attach a copy of the approved contract to the vendor in Skyward.

- Contracts shall be filed by the vendor name. Expired contracts will be filed in a separate area.
- An Excel spreadsheet of all multi-year contracts shall be maintained. 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 forward an invoice to the Accounts Payable Specialist to request that payment be made to the contracting party.
- The Accounts Payable Specialist shall make partial or final payments only upon receipt of an invoice approved 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.