




# FEDERAL wants to know Why justification.

## PURCHASING SYSTEMS AND CONTROLS



**Harris County**  
Department of  
**Education**

ISM-RGV – South Padre Island  
September 2021 –

Jesus J. Amezcua, Ph.D., CPA, RTSBA CPFIM

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ADULT EDUCATION

CASE FOR KIDS

HEAD START

SPECIAL SCHOOLS



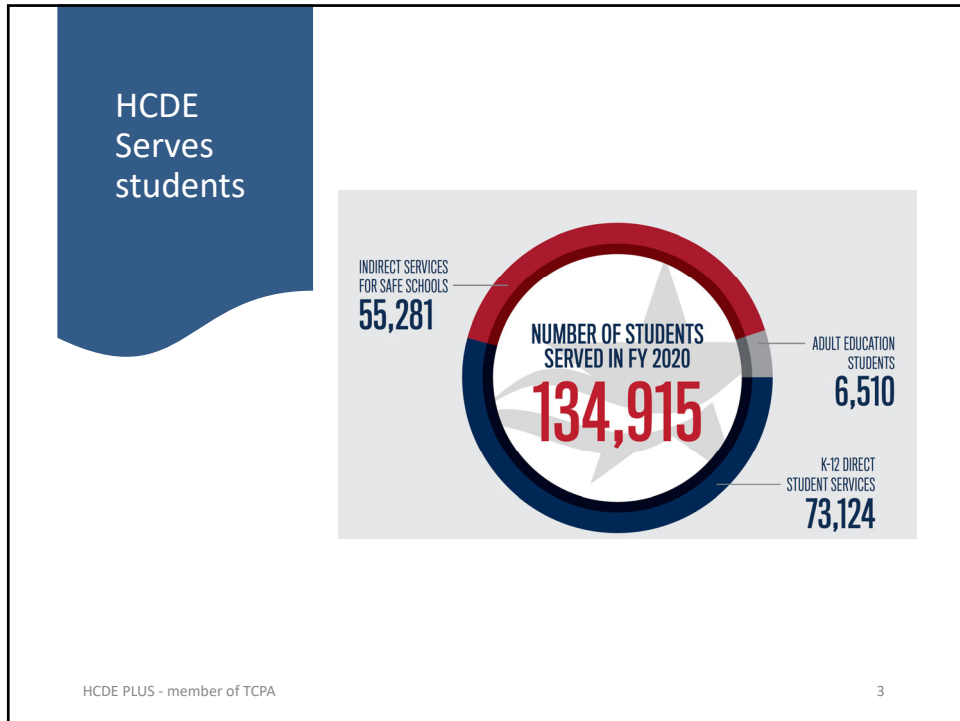




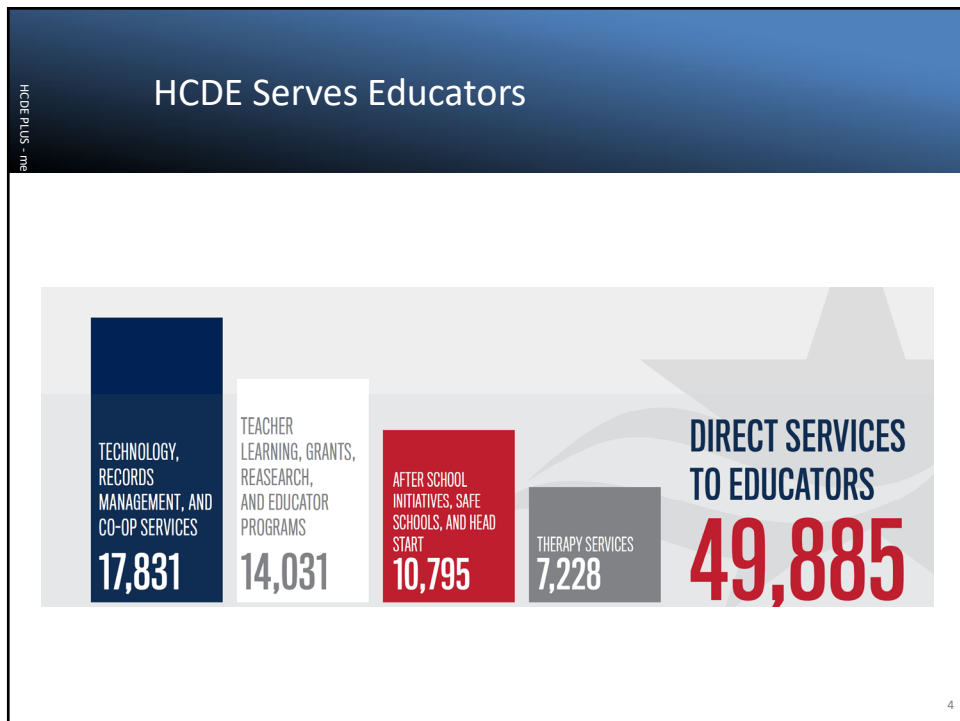




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## As of information.....

Information provided to you is as of  
**June 23, 2021**

Information source is from **cfr 200** as posted on the federal website and the state of Texas **cost guidance handbook and cfr FAQ.**

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## Your Presenter

- Dr. Jesus Amezcua has 31 years of experience working with governmental entities with a concentration in education and local governments. He is the Assistant Superintendent for Business Services at Harris County Department of Education in Houston, Texas with over 860 employees. HCDE supports school districts in Harris County and the State of Texas through programs such as special school services, therapy services, afterschool programs, head start programs, adult education programs and cooperative purchasing programs.
- He has three master degrees, a CPA license, a doctor of philosophy in education administration from Texas A&M University and is a Registered School Business Official. He is a member of the GFOA & ASBO Best Practices Committee. He also a member of the Texas Society of CPA's Professional Standards Committee.
- Jesus has served as an adjunct professor for 27 years at the University level and volunteers as Super Mentor for Head Start children every month. He is also involved with Robotics Competitions and Youth Leadership Programs in conjunction with Texas A&M International University for the past 18 years.

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## Poll Question

How much do you receive in federal dollars?

A. \$1
B. \$100,000
C. \$499,999
D. \$500,000
E. Over \$500,000

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## Links that will be used today

Choice Partners Cooperative

<https://hcdeebid.ionwave.net/Login.aspx>

Vendor Packet

[http://www.hcde-texas.org/media/4862/2017vendor\\_packet.pdf](http://www.hcde-texas.org/media/4862/2017vendor_packet.pdf)

Financial Operating Guidelines

<http://www.hcde-texas.org/who-we-are/divisions-and-leadership/business-services/contracts-and-procurement/>

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## What do the feds require under 2 CFR 200?

Yes, If you receive federal funds, you must adhere to federal guidelines. Your cognizant agency will determine the sections of **2 CFR 200** that are applicable and the threshold applicable for procurement.

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## When looking at 2 CFR part 200, UGG **or** (EDGAR for ISDs), cities, counties, colleges and other entities

Look	Look at your Grant NOGA and specific Grant Award
Look	Look at the 2 cfr part 200 federal regulations
Look	Look at FAQ from Grantee Federal
Look	Look at implications on state law (Legal)
Look	Look at implications of your local law ( Local)

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Sample  
TEA NOGA

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Sample  
Supplement  
to NOGA

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Sample Supplement to NOGA

Texas Education Agency Standard Application System (SAS)

**Schedule #2—Required Attachments and Provisions and Assurances**

County-district number or vendor ID: 101-000 Amendment # (for amendments only):

**Part 1: Required Attachments**

The following table lists the fiscal-related and program-related documents that are required to be submitted with the application (attached to the back of each copy, as an appendix).

#	Applicant Type	Name of Required Fiscal-Related Attachment
	Nonprofit organizations, excluding ISDs and open-enrollment charter schools	Proof of nonprofit status (see <u>General and Fiscal Guidelines</u> , Required Fiscal-Related Attachments, for details)
#	Name of Required Program-Related Attachment	Description of Required Program-Related Attachment
No program-related attachments are required for this grant.		

**Part 2: Acceptance and Compliance**

By marking an X in each of the boxes below, the authorized official who signs Schedule #1—General Information certifies his or her acceptance of and compliance with all of the following guidelines, provisions, and assurances. Note that provisions and assurances specific to this program are listed separately, in Part 3 of this schedule, and require a separate certification.

X	Acceptance and Compliance
<input checked="" type="checkbox"/>	I certify my acceptance of and compliance with the <u>General and Fiscal Guidelines</u> .
<input checked="" type="checkbox"/>	I certify my acceptance of and compliance with the <u>program guidelines for this grant</u> .
<input checked="" type="checkbox"/>	I certify my acceptance of and compliance with all <u>General Provisions and Assurances</u> requirements.
<input checked="" type="checkbox"/>	I certify that I am not debarred or suspended. I also certify my acceptance of and compliance with all <u>Debarment and Suspension Certification</u> requirements.
<input checked="" type="checkbox"/>	I certify that this organization does not spend federal appropriated funds for lobbying activities and certify my acceptance of and compliance with all <u>Lobbying Certification</u> requirements.
<input checked="" type="checkbox"/>	I certify my acceptance of and compliance with <u>No Child Left Behind Act of 2001 Provisions and Assurances</u> requirements.

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## Financial Management Overview

### Uniform Grant Guidance (2 CFR Part 200)

- HCDE follows the uniform grant guidance (**UGG**) as approved by the federal government on December 2014.
- Any updates from the Office of Management and Budget will be incorporated into our Financial Operating Guide (**FOG**) and grant manual as applicable from the respective granting federal agency.
- **The latest has come on 2021 with some changes.**

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## The 2 CFR Part 200 Experience

Title 2 / Subtitle A / Chapter II / Part 200		View Full Text	Previous / Next /
ECFR CONTENT			
Timeline	▼ Title 2 Grants and Agreements	Part / Section	
Go to Date	▼ Subtitle A Office of Management and Budget Guidance for Grants and Agreements	1 – 299	
Search	▼ Chapter II Office of Management and Budget Guidance	200 – 299	
Subscribe	▼ Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards	200.0 – 200.521	
Share	▼ Subpart A Acronyms and Definitions	200.0 – 200.1	
	▼ Acronyms	200.0 – 200.1	
	§ 200.0 Acronyms.		
	§ 200.1 Definitions.		
Published Edition	► Subpart B General Provisions	200.100 – 200.113	
Print	► Subpart C Pre-Federal Award Requirements and Contents of Federal Awards	200.200 – 200.216	
	► Subpart D Post Federal Award Requirements	200.300 – 200.346	
	► Subpart F Audit Requirements	200.500 – 200.521	

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## So, the new effective date

In summary and as discussed further in the sections below, OMB is revising 2 CFR parts 25, 170, and 200. Additionally, OMB is adding part 183 to 2 CFR to implement Never Contract with the Enemy.

These revisions to the guidance are effective November 12, 2020, except for the amendments to §§ 200.216 and 200.340, which are effective on August 13, 2020.

In 2013, OMB partnered with the

Council on Financial Assistance Reform (COFAR) to revise and streamline guidance to develop the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for

Federal Awards (Uniform Guidance)

located in title 2 of the Code of Federal Regulations (2 CFR part 200) (79 FR 78589; December 26, 2013). The intent of this effort was to simultaneously

reduce administrative burden and the risk of waste, fraud, and abuse while delivering better performance on behalf of the American people. Implementation of the Uniform Guidance became effective on December 26, 2014 (79 FR

75867, December 19, 2014) and must be

reviewed **every five years** in accordance

with 2 CFR 200.109.

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## Changes to § 200.0 Acronyms. & Definitions

Amend § 200.0 by removing the acronym CFDA, revising the acronym MTDC, adding in alphabetical order the acronym NFE, and revising the acronym SAM to read as follows:

**§ 200.0 Acronyms.**  
\* \* \* \* \*

**MTDC** Modified Total Direct Cost - For small award under \$25,000

**NFE Non-Federal Entity**  
\* \* \* \* \*

**SAM** System for Award Management

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## Let's define justification and rationale for the purchase?

Federal - most responsible proposer

State – Best value for the ISD

Are these two the same?

Can these two be the same?

Should these two be the same?

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## When we do procurement, what do the feds want?

- They want to know that we have done our due diligence and perform procedures to comply and gotten the best price? **How do we do that?**
  - Have a thorough understanding of what we are buying – is it a product, good service or a combination- what are the performance obligations
  - Who are the potential suppliers and providers? How do we find them?
  - Collaborate and do some research and ask what if?
  - Get the best price – that is reasonable and that will fit not only us but the provider
  - Figure out what is the method that you will use to buy it
  - Always document every step of the way!

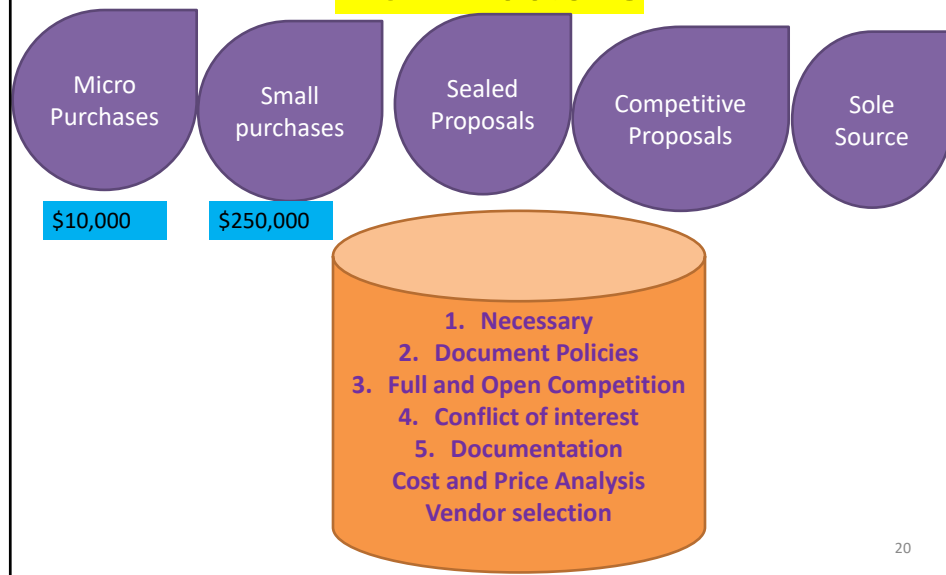
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## General Procurement Standards


**2 CFR 200.318**




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# What is a procurement policy?



CH LEGAL



CH LOCAL

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# What is your procurement plan?



WHAT IS REQUIRED? WHAT IS GOING TO HAPPEN? WHO WILL BE INVOLVED? HOW WILL I DO IT?



DEFINE THE STEPS- CHECKLIST!



WATCH THE CODE OF CONDUCT AT ALL TIMES



LOOK FOR POTENTIAL CONFLICT OF INTEREST

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## What are the guiding principles of a good procurement process?

- Full and Open Competition – How will you achieve that? The minimum or how will you determine this?
- Planning and monitoring
- Fairness and equal playing field
- Integrity and Ethics
- Responsible Vendor – Responsible Proposal – What does that mean?
- Transparency at all levels
- Document at all levels

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## What restricts competition?

- Unreasonable proposal requirements
- Unnecessary experience or bonding
- Non competitive pricing strategies and practices
- Noncompetitive contracts
- Conflict of Interests – organization – department- perception
- Requiring a specific brand or process
- Any matter that will reduce competition

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## What to document?

- EVERYTHING!
- WHY? Because
- Samples – invoices, proposals, emails, correspondence, meetings, attendance, checks, quotes, bid docs, etc. –
- We use a folder calls ProDepot FILES
- KEEP for at LEAST 3 years – could be more?
- Depends on grants – HGAC – 7 yrs.
- Erate 10 yrs.

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## Bottom Line

1. If in doubt? Procure, Procure, Procure (RFP, Bid, etc.)
2. Promote competition – Chambers and HUBs
3. Use a Cooperative -Interlocal agreement
4. Use \$3,500 or \$10,000 depending on your risk and preform a risk assessment on your internal controls
5. Read and write good contracts with CFR 200 provisions
6. Monitor the action and the contract – OK TO PAY what does it mean?
7. Check for board/Council action – What do they want? Local use of vendors? Awareness
8. Have grant program staff review purchases and train grant managers several times a year
9. Avoid sole source- if possible and get the right information and comparison – do your due diligence
10. Adhere to your local policies- I would procure under CFR 200 in case you go over \$250,000 – do you want two standards and how is this going to impact – does this confuse departments?
11. Surprises – avoid them – Let me tell you a story of that? Construction Addendums- Manager's awareness of what is going to the board
12. Investigate and conduct due diligence on vendors – [www.SAM.gov](http://www.SAM.gov)
13. Investigate background checks due to change in policy – how would you do it?
14. No matter what... check for compliance – this will preclude you to get an award and most important to get confidence in your department
15. Guard against splitting purchase orders- how do you check? Training – CH Local reports -
16. Do the Before and the After Form for items over \$250,000 – how would you buy for your own?
17. Contract changes in new fed and state – see next list!
18. Document, Document and Document

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## The next slide is the most important slide of the presentation

- Summarizes the procurement process
- Identifies regulations under 2 CFR part 200
- Links from beginning to end
- Identifies the forms to be used
- Available at the end of the session in power point for your use.  
(Slide # 23)

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## Take the Good Buyer Quiz?

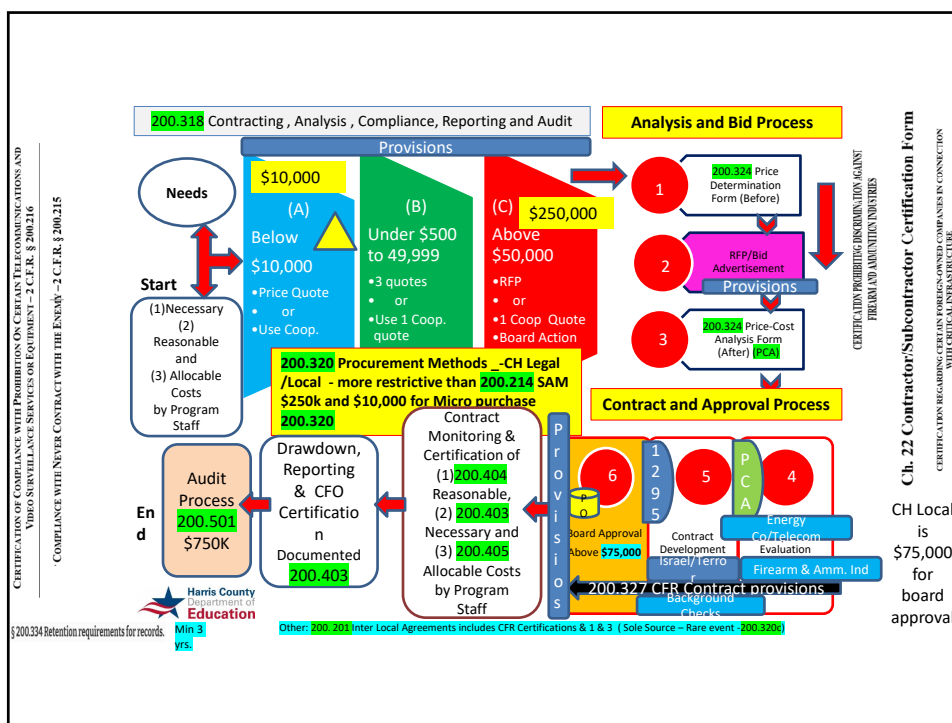
The Good Buyer Quiz					
1	Is procurement Important?			TRUE	FALSE
2	The definition of Procurement is to sell and buy goods and service at the best price and letting the providers know.			TRUE	FALSE
3	All procurement regs are applicable to all programs?			TRUE	FALSE
4	The procurement method used to determined by whether the purchase exceeds the Simplified acquisition method.			TRUE	FALSE
5	An important element of good procurement is that good procurement is competitive procurement			TRUE	FALSE
6	The amount of the small purchase threshold is \$10,000 per product.			TRUE	FALSE
7	Competition is posting the requirements on a private server and sending texts to the providers.			TRUE	FALSE
8	Good Documentation includes personal texts.			TRUE	FALSE
9	Conflict of Interest just means that you can abstain from notification of the buyers.			TRUE	FALSE
10	Reasonable costs means that you can purchase good at any price.			TRUE	FALSE



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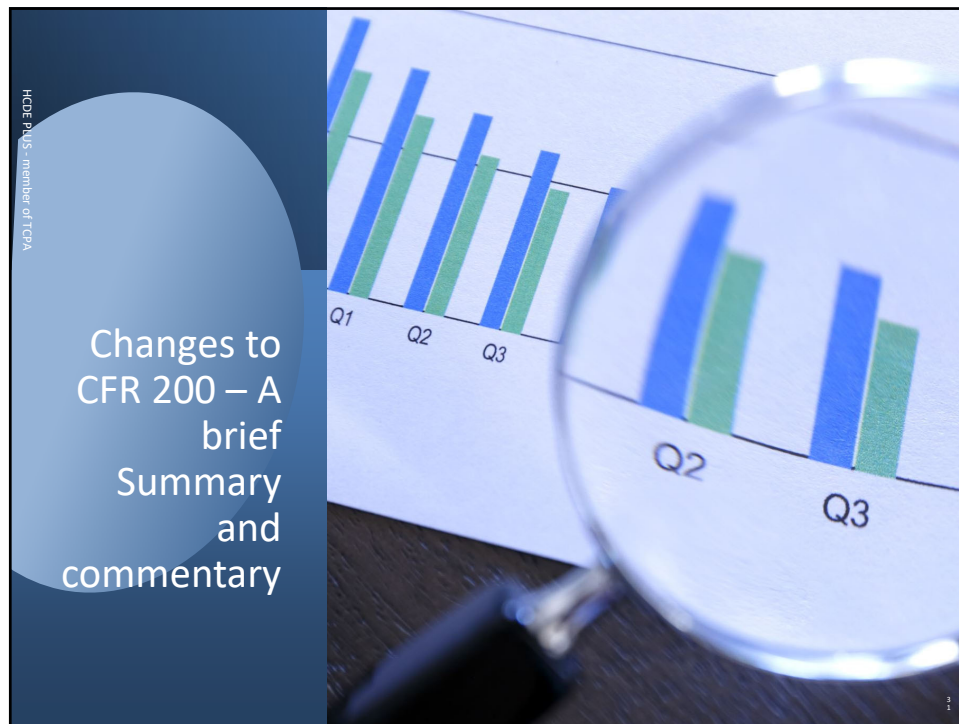
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## Changes to Micro-purchase or Simplified Acquisition Threshold

- The best way to deal with these changes and contractions is to use the **least restrictive method**:
- A. Thus, Use annual RFP contracts – such as organizations estimated their annual cost and get prices that are fixed for the year. Infinite Quantity. **OR**
- B. Use a Coop that is cfr 200 compliant – Edgar – UGG -

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## § 200 **214** Suspension and debarment.

Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

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## New SAM. GOV

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## § 200.215 Never contract with the enemy

Federal awarding agencies and recipients are subject to the regulations implementing Never Contract with the Enemy **in 2 CFR part 183**. The regulations in 2 CFR part 183 affect covered contracts, grants and cooperative agreements that are expected to exceed \$50,000 within the period of performance, are performed outside the United States and its territories, and are in support of a contingency operation in which members of the **Armed Forces** are actively engaged in hostilities.

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## § 200.216 Prohibition on certain telecommunications and video surveillance services or equipment.

(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to: (1) Procure or obtain; (2) Extend or renew a contract to procure or obtain; or (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115–232, section 889, covered telecommunications equipment is telecommunications equipment produced by **Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities)**. (i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by **Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities)**. (ii) Telecommunications or video surveillance services provided by such entities or using such equipment. (iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(b) In implementing the prohibition under Public Law 115–232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained. (c) See Public Law 115–232, section 889 for additional information. (d) See also § 200.471.

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## 200.303 Internal controls

The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the **“Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)**.
- (b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards. (c) Evaluate and monitor the non-Federal entity’s compliance with statutes, regulations and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings. (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.

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## What are some internal controls?

### TOP TEN IN PURCHASING

10. Job Descriptions – Updated and signed –
9. Workflow Paths – Approvals
8. Advertising – 2 weeks and adequate time to respond
7. Debarment and due diligence
6. No gifts and lunches
5. Timelines and receipt of Bids And Proposals
4. CIQ and CIS
3. Cost Analysis forms
2. Contract terms and conditions
1. Perception is reality

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## § 200.310 Insurance coverage.

The non-Federal entity must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the non-Federal entity. Property need not be insured unless required by the terms and conditions.

### What are some suggested limits?

General Liability    \$,\$\$\$,  
 Vehicle Insurance    \$,\$\$\$

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## § 200.314 Supplies.

See also § 200.453.

(a) Title to supplies will vest in the non-Federal entity upon acquisition. If there is a residual inventory of unused supplies **exceeding \$5,000** in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use

on other activities or sell them, but must, in either case, **compensate the Federal Government for its share**. The amount of compensation must be computed in the same manner as for equipment. See § 200.313 (e)(2) for the calculation methodology.

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## § 200.317 Procurements by states.

When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non- Federal funds. The State will comply with §§ 200.321, 200.322, and 200.323 and ensure that every purchase order or other contract includes any clauses required by § 200.327. All other non- Federal entities, including subrecipients of a State, must follow the procurement standards in §§ 200.318 through 200.327.

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## § 200.318 General procurement standards.

- (a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327.
- (b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- (c) (1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. **No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.** The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

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## § 200.318 General procurement standards. Continued

- (2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the non-Federal entity must also maintain **written standards of conduct covering organizational conflicts of interest**. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be **unable to be impartial in conducting a procurement** action involving a related organization. (d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. (e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or interentity agreements where appropriate for procurement or use of common or shared goods and services. Competition requirements will be met with applied to documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements. (f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. (g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost. (h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also § 200.214.

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## § 200.318 General procurement standards. Continued

i) The non-Federal entity must maintain records sufficient to detail **the history of procurement**. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. (j)(1) **The non-Federal entity may use a time-and-materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.** Time and- materials type contract means a contract whose cost to a non-Federal entity is the sum of: (i) The actual cost of materials; and (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. (2) Since this formula generates an open-ended contract price, a time-and materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls. (k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

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## 200.320 Procurement Standards

### Major Changes

The following revisions were made to **2 CFR 200.320**:

- ☐ The procurement types were grouped into three categories: (1) Informal (micro-purchase, small purchase); (2) formal (sealed bids, proposals) and (3) Non-Competitive (sole source)
- ☐ The micro-purchase threshold was raised from \$3,500 to \$10,000
- ☐ All non-Federal entities are now authorized to request a micropurchase threshold higher than \$10,000 based on certain conditions that include a requirement to maintain records **for threshold up to \$50,000 and a formal approval process by the Federal government for threshold above \$50,000**; and
- ☐ The simplified acquisition threshold was raised from \$150,000 to **\$250,000**

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## 200.320 Methods of procurement to be followed.

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The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

- (a) **Informal procurement methods.** When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

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## 200.320 Methods of procurement to be followed. Continued

HIDE PLUS - more

(1) **Micro-purchases**—(i) *Distribution.* The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of *micropurchase* in § 200.1). To the maximum extent practicable, the non-Federal entity should distribute micropurchases **equitably among qualified suppliers**.

- (ii) *Micro-purchase awards.* Micropurchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity. (iii) *Micro-purchase thresholds.* **The non-Federal entity is responsible for determining and documenting and based on internal controls, an evaluation of risk, and its documented procurement procedures.** The micropurchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations. Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.

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## 200.320 Methods of procurement to be followed. Continued

(iv) *Non-Federal entity increase to the micro-purchase threshold up to \$50,000.* Non-Federal entities may establish a threshold higher than the micropurchase threshold identified in the FAR in accordance with the requirements of this section. **The non-Federal entity may self-certify a threshold up to \$50,000** on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. **The self certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:**

**(A)** A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit; **(B)** An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or, **(C)** For public institutions, a higher threshold consistent with State law. (v) *Non-Federal entity increase to the micro-purchase threshold over \$50,000.*

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## COSO Internal Control Framework

Guidance on controls from  
COSO as part of a federal  
audit 2 CFR Subpart F  
200.514

Test-> Compare data -  
> reconcile -> check

Procedures->  
Meetings -> email  
,etc

Access-> Authority->  
Segregation of Duties

Process-> Likelihood ->  
Impact

Objectives: Tone



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## Eight Risk Factors that need to be Evaluated if doing a self certification

- 1. Quality of Internal Controls
- 2. Change in Personnel
- 3. Nature of Financial Transactions
- 4. Complexity of Operations
- 5. Competence of Management
- 6. Change in Computer Systems
- 7. Regulatory Requirements
- 8. Time Since Last Review

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## 200.320 Methods of procurement to be followed. Continued

Micro-purchase thresholds higher than \$50,000 must be approved by the **cognizant agency for indirect costs**. The non-federal entity must submit a request with the requirements included in paragraph (a)(1)(iv) of this section. The increased threshold is valid until there is a change in status in which the justification was approved.

**(2) Small purchases**—(i) *Small purchase procedures*. The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.

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## 200.320 Methods of procurement to be followed. Continued

### (ii) *Simplified acquisition thresholds.*

The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or **not prohibited under State, local, or tribal laws or regulations.**

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## 200.320 Methods of procurement to be followed. Continued

### (b) *Formal procurement methods.*

When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. **Formal procurement methods require following documented procedures.** Formal procurement methods also require public advertising unless a noncompetitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:

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## 200.320 Methods of procurement to be followed. Continued

(1) **Sealed bids.** A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions. (i) In order for sealed bidding to be feasible, the following conditions **should be present:** (A) A complete, adequate, and realistic specification or purchase description is available; (B) **Two or more responsible bidders** are willing and able to compete effectively for the business; and (C) 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.

(ii) If sealed bids are used, the following requirements apply: (A) Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised; (B) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond; (C) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

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## 200.320 Methods of procurement to be followed. Continued

D) A firm fixed price contract award will be made in writing to **the lowest responsive and responsible bidder.** Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and (E) Any or all bids may be rejected if there is a sound documented reason.

(2) **Proposals.** A procurement method in which either a fixed price or cost reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements: (i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical;

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## 200.320 Methods of procurement to be followed. Continued

(ii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections; (iii) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered; and (iv) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms that are a potential source to perform the proposed effort.

(c) *Noncompetitive procurement.* There are specific circumstances in which noncompetitive procurement can be used.

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## 200.320 Methods of procurement to be followed. Continued

Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

- (1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micropurchase threshold (see paragraph (a)(1) of this section);
- (2) The item is available only from a single source;
- (3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- (4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or (5) After solicitation of a number of sources, competition is determined inadequate

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### § 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

- (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. (b) Affirmative steps must include: (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises; (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.

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### § 200.322 Domestic preferences for procurements.

- (a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.
- (b) For purposes of this section: (1) "Produced in the United States" means, for iron and steel products, that initial melting stage through the application of coatings, occurred in the United States. (2) "Manufactured products" means items and construction materials composed in whole or in part of nonferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

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## § 200.323 Procurement of recovered materials.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

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## § 200.324 Contract cost and price.

- (a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals. (b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed.

To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

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## § 200.324 Contract cost and price.

- (c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under subpart E of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.
- (d) The **cost plus a percentage of cost** and **percentage of construction cost** methods of contracting **must not be used.**

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## § 200.325 Federal awarding agency or pass-through entity review.

- (a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, **technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition.** This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
- (b) The non-Federal entity must make **available upon request**, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, **when:**

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## § 200.325 Federal awarding agency or pass-through entity review.

- (1) The non-Federal entity's procurement procedures or operation **fails to comply with the procurement standards in this part;**
- (2) The **procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;**
- (3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;
- (4) The proposed contract is more than the Simplified Acquisition Threshold and **is to be awarded to other than the apparent low bidder under a sealed bid procurement;** or
- (5) A proposed contract **modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.**

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## § 200.325 Federal awarding agency or pass-through entity review.

- (c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this **section if the Federal awarding agency or passthrough entity** determines that its procurement systems comply with the standards of this part.
- (1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews **must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;**
- (2) The non-Federal entity **may self certify its procurement system**. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

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## § 200.326 Bonding requirements.

- For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or passthrough entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:
- (a) A bid guarantee from each bidder equivalent to five percent of the bid price. **The “bid guarantee”** must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. (b) **A performance bond** on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s requirements under such contract. (c) A payment bond on the part of the contractor for 100 percent of the contract price. **A “payment bond”** is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

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## § 200.339 Remedies for noncompliance

If a non-Federal entity fails to comply with the U.S. Constitution, Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or passthrough entity **may impose additional conditions, as described in § 200.208 (Specific conditions)**. If the Federal awarding agency or passthrough entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or passthrough entity may take one or more of the following actions, as appropriate in the circumstances:





- (a) **Temporarily withhold cash payments** pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or passthrough entity. (b) **Disallow** (that is, deny both use of funds and any applicable matching credit for) all or part of the activity or action not in compliance. (c) **Wholly or partly suspend or terminate the Federal award**. (d) **Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations** (or in the case of a passthrough entity, recommend such a proceeding be initiated by a Federal awarding agency). (e) **Withhold further Federal awards for the project or program**. (f) **Take other remedies that may be legally available**.

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## So after for 2021, we need to look at the changes to the UGG

What do I do? AND Who do I call?

<https://www.youtube.com/watch?v=cU4qbnNmxWA>

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## What steps do I need to take?

1. Assess if you need to change **policy**
2. Assess if you need to adjust **forms**
3. Assess if you need to upgrade the **contracts and vendor packets**
4. Assess if you need adjust **template and contracts**
5. Assess if you need provide **training**
6. Assess if you need change **job duties**
7. Assess if you need to update your **governing body and boss**
8. Assess if you need to adjust your **website**
9. Assess if you need to get **new compliance letter** from your cooperatives
10. Assess if you need to engage in **vendor training** and new federal awareness

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# What steps do I need to take?

## Part II

Now, you need to be ready to implement 2 CFR part 200.

Expectations are that:

- Federal Funds spent adhere to federal law requirements in accordance with 2 CFR Part 200. No exceptions unless COFAR has an exception.
- This means that effective August, 2020, all expenditures that are within the limits adhere to the contract provisions and the due diligence is conducted with respect to federal threshold limits and required price determination and cost analysis. –

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So let's review the impact to policies and procedures and then we will get to how do it!

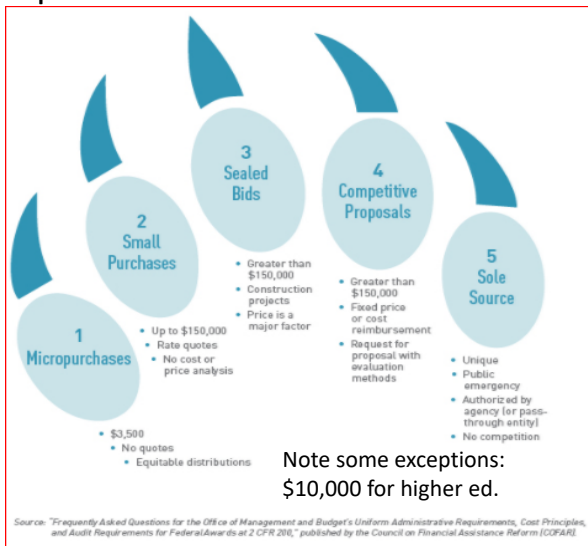
Uniform Grant Guidance impact on written policies and procedures

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A number of items from **Subpart A- Definitions** are required to be reviewed:

- Micro Purchase ~~<\$10,000~~ **\$50,000**
- Simplified acquisition Threshold **<\$250,000**
- Sealed bids **>\$250,000** construction
- Competitive Proposals **>\$250,000**



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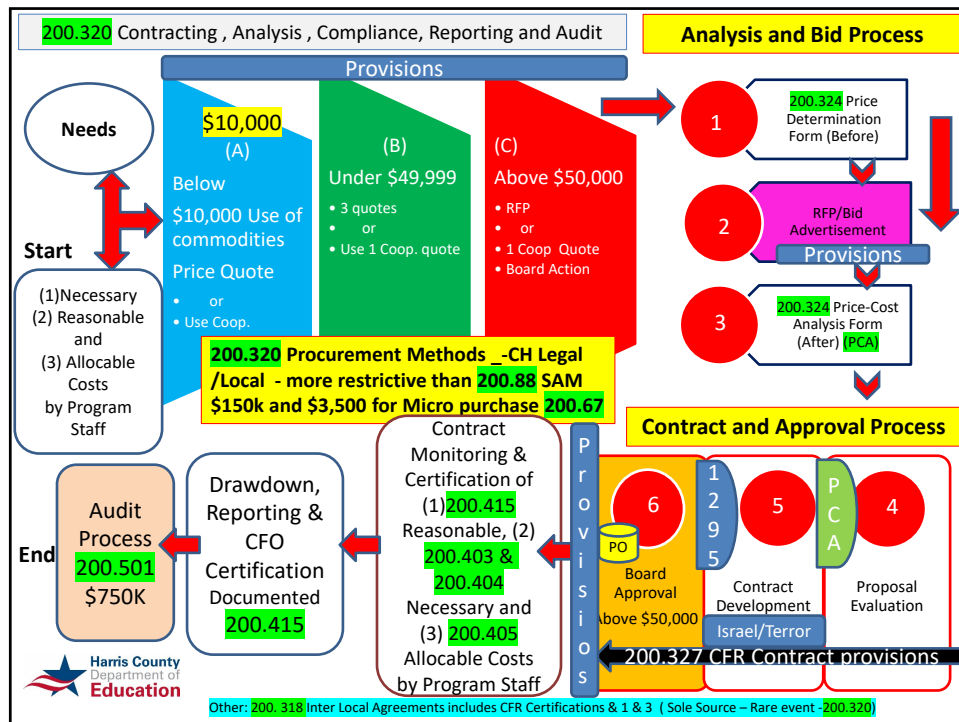
The next slide is the most important slide of the presentation

- Summarizes the procurement process
- Identifies regulations under 2 CFR part 200
- Links from beginning to end
- Identifies the forms to be used
- Available at the end of the session in power point for your use.  
(Slide # 58)

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## Bottom Line

- Procure, Procure, Procure (RFP, Bid, etc.)
- Promote competition – Chambers and HUBs
- Use a Cooperative -Interlocal agreement
- Use \$10,000 or \$50,000 depending on your risk
- Read and write good contracts with CFR 200 provisions
- Check for board/Council action
- Have grant program staff review purchases
- Avoid sole source
- Adhere to your local policies- I would procure under CFR 200 in case you go over \$250,000
- Surprises – avoid them
- Investigate and conduct due diligence on vendors – www.SAM.gov
- No matter what... check for compliance
- Guard against splitting purchase orders
- Do the Before and the After Form for items over \$250,000 -
- Document, Document and Document

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## Changes to Micro-purchase or Simplified Acquisition Threshold

The best way to deal with these changes and contractions is to use the **least restrictive method:**

- A. Thus, Use annual RFP contracts – such as organizations estimated their annual cost and get prices that are fixed for the year. Infinite Quantity. **OR**
- B. Use a Coop that is cfr 200 compliant – Edgar – UGG -

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## TEA-Implementation of CFR 200 - OMB M 18-18

August 28, 2018

TO THE ADMINISTRATOR ADDRESSED:

SUBJECT: Implementing Statutory Changes to Micro-Purchase and the Simplified Acquisition Thresholds under the Education Department General Administrative Regulations (EDGAR)

Recent federal statutory changes have resulted in increases to the thresholds for micro-purchases and small purchases under the procurement rules in EDGAR. The increased thresholds are effective as of July 1, 2018, for all federal grant recipients. (Refer to [OMB Memorandum M-18-18](#)). TEA will implement these changes in the terms and conditions of all federal grant awards. Local educational agencies (LEAs) that receive federal grants should update their local policies and procedures to reflect these changes.

### Micro-Purchases

A micro-purchase is a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of an LEA's small purchase procedures. The LEA can use micro-purchases to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold was previously \$3,500 but has now been increased to \$10,000, effective July 1, 2018.

Please note that the threshold of \$10,000 must be considered in the aggregate over the entire period of applicable federal grants. Therefore, the cost of items purchased using the micro-purchase method is cumulative across the grant year and cannot exceed a total of \$10,000.

### Small Purchases

Procurement by small purchase procedures uses a relatively simple and informal method of procuring services, supplies, or other property that do not cost more than the simplified acquisition threshold. The small purchase procedures require price or rate quotations from an adequate number of qualified sources. Although EDGAR does not define how many price quotations are considered an adequate number, TEA recommends at least three price quotations.

As of July 1, 2018, the simplified acquisition threshold was increased from \$50,000 to \$250,000. The \$250,000 threshold should be considered as an aggregate amount within the grant period of the applicable grant. However, Texas Education Code (TEC) 44.031 requires competitive procurement methods be used for purchases valued at \$50,000 or more. If an item costs less than \$50,000, state rules allow an LEA to utilize price quotations to stimulate competition and to attempt to receive the most favorable pricing. Therefore, since TEC 44.031 is more restrictive than the EDGAR procurement rules, the simplified acquisition threshold under EDGAR does not apply to purchases made with federal funds costing \$50,000 or more.

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## New TEA Guidance on Micro- Purchase Flexibility Under EDGAR 11 29 2019

In an [August 28, 2018](#), To the Administrator Addressed letter, TEA's Department of Contracts, Grants and Financial Administration announced the decision by the Office of Management and Budget (OMB) to increase the micro-purchase threshold from \$3,500 to \$10,000, effective July 1, 2018.

This letter provides new TEA guidance and flexibility regarding micro-purchases.

### New Micro-Purchase Flexibility

As required under EDGAR, the micro-purchase threshold of \$10,000 is an aggregate amount. The LEA may expend no more than \$10,000 on micro-purchases throughout the fiscal year. The threshold amount applies to the sum of all the federal grants received by the LEA.

**To increase LEAs' micro-purchase flexibility, TEA is providing the following guidance:**

The \$10,000 "aggregate amount" threshold applies to purchases of "like-types" of items.

In its local policies and procedures, the LEA must define what **like-types of items** may be micro-purchased.

The \$10,000 threshold applies to each **like-type** that the LEA defines.

**Once the LEA reaches the \$10,000 threshold, it must follow small purchase procedures and collect at least two price quotes for additional purchases of items for that like-type.**

A like-type may correlate to a subcategory of a commodity code (not to the commodity code itself). Like-type may not be defined as a single purchase order or a single vendor.

For each like-type that the LEA defines in its local policies and procedures, it may expend up to the \$10,000 threshold across **all its federal grant funds for the entire fiscal year.**

TEA does not **limit the number of like-types** that the LEA may define, nor does TEA limit the cost of the items categorized as like-types. LEAs must be aware, however, that their like-type definitions **are subject to monitoring and audit.**

LEAs must be **prepared to submit their like-type definitions to TEA monitors and auditors.**

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## DOJ Update due to OMB M 18-18

Dear DOJ Award Recipients: The Department of Justice (DOJ) has made the following revisions to the DOJ Grants Financial Guide. Changes implemented below are effective November 23, 2018.

Chapter 3.2: Period of Availability of Funds; OIP Specific Tip, page 33. Revised language regarding period of availability of funds as it relates to VOCA funding:

Some grants administered by the Office for Victims of Crime (OVC) are available for the federal fiscal year of the award plus the following three fiscal years. The Victims of Crime Act (VOCA) of 1984 states that VOCA funds are available during the federal fiscal year in which the award is actually made, plus the following three fiscal years. At the end of this period, VOCA funds will be deobligated. OIP has no discretion to permit extensions beyond the statutory period. (E.g., VOCA funds awarded in FY 2018, are available until the end of FY 2021).

Chapter 3.5: Adjustments to Awards; Grant Adjustment Notice, Budget Modifications, pages 48 & 49. Increased the budget modification threshold from **\$150,000 to \$250,000**. On page 51, removed references to "\$150,000" and replaced them with "simplified acquisition threshold."

Chapter 3.8: Procurement under Awards of Federal Assistance; Procurement Standards – General Guidance: DOJ, consistent with directives to Federal agencies included in Office of Management and Budget Memorandum M-18-18, entitled, "Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance," increased the simplified acquisition threshold from \$150,000 to \$250,000 and the micro-purchase threshold from **\$3,500 to \$10,000**, for federal grants administrative purposes.

Financial Management Tip, page 64. Added language specifying micro-purchase threshold and simplified acquisition threshold:

As specified in this section (3.8) and as applied elsewhere throughout the Guide, the "simplified acquisition threshold" is \$250,000 and the "micro-purchase threshold" is \$10,000, for federal grants administrative purposes. See the provision under the heading, "DOJ Implementing Provision Regarding Financial Assistance Acquisition Threshold Changes in OMB M-18-18," below.

Noncompetitive Practices, page 66. Revised language regarding threshold for prior approval of non-competitive approach to sole source procurements:


All sole source procurements in excess of the simplified acquisition threshold must receive prior approval from the grant-making component before entering into the contract. Noncompetitive Practices, page 66. Added note regarding procurement threshold changes:

### DOJ Implementing Provision Regarding Financial Assistance Acquisition Threshold Changes in OMB M-18-18

Notwithstanding any grant award term or condition specifying a different threshold (specifically including the award condition entitled, "Specific post-award approval required to use a noncompetitive approach in any procurement contract that would exceed \$150,000"), and consistent with the provisions of an Office of Management and Budget memorandum, [OMB M-18-18](#), dated June 20, 2018, and entitled, "Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance," DOJ will allow recipients (and any subrecipients) to use a simplified acquisition threshold of \$250,000 and a micro-purchase threshold of \$10,000, for federal grants administrative purposes.

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# So, If you choose to CFR

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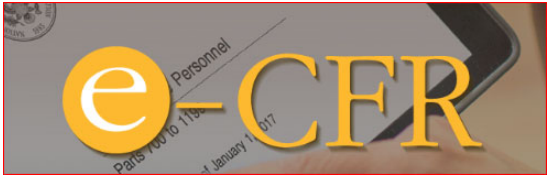
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## 2 CFR 200 Website

<https://www.ecfr.gov/cgi-bin/text-idx?SID=b583fd31ffeccc0f3aab576ca6a88301&mc=true&node=pt2.1.200&rgn=div5>

If you have time and what to have a good night sleep, start reading and you will get sleepy in 5 minutes.... I can prove it!



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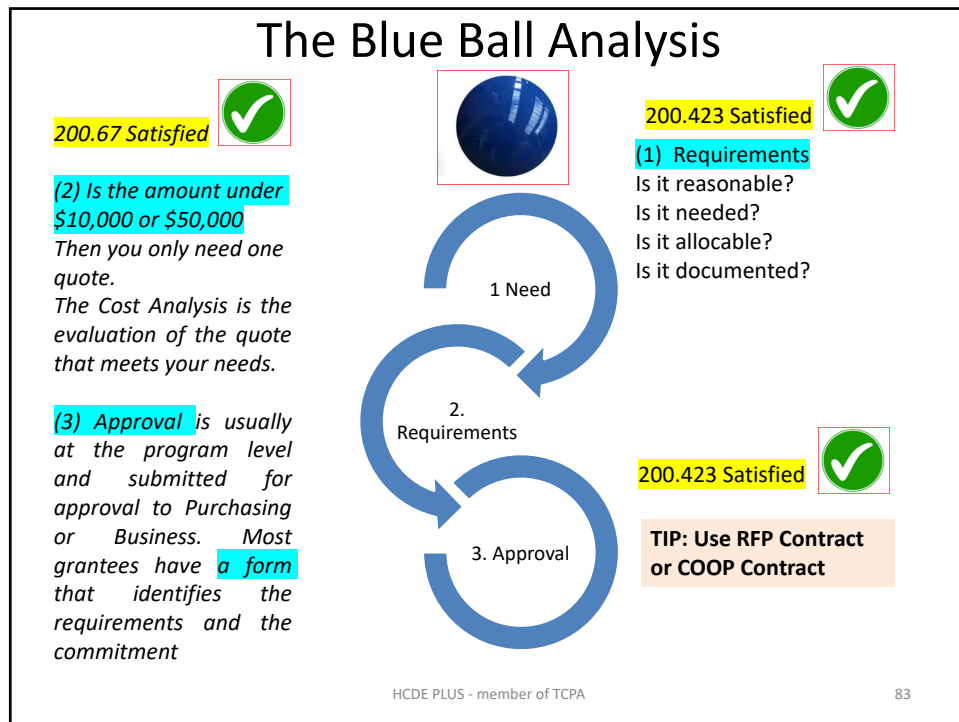
The next few slides depict the types of purchases that you might encounter!

There are 3 beach balls in the room: I am going to concentrate on the RED Ball first and select micro purchases first and see how you handle them in your location.

So, start with 1 to 7 parts of the process:

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## 200.1 Micropurchase Definition

**TIP: Use RFP Contract or COOP Contract**

**Micro-purchase** means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its **lowest-dollar small purchase transactions** and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is **\$10,000 or-\$50,000** except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for

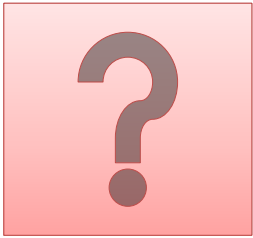
**NOTE: HCDE uses a more restrictive threshold under admin procedure set at (\$10,000 and track commodities) – Depends on your authority?**

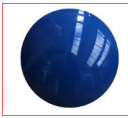
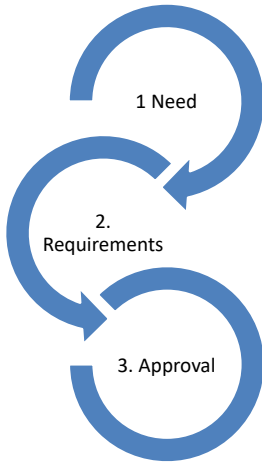
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## The Blue Ball Analysis

What if I continue to buy items like this all year and I reach the local or state policy threshold?




*So, At the point of going over the threshold, you must meet state or local requirements.*

*This happens many times with folks handling federal funds. There is a BUT..*

*So why can I just buy another \$10,000 or \$50,000? and It is cumulative across all federal funds.*

*What is your local policy?*

*What is your state policy?*




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## The Verde Ball Analysis


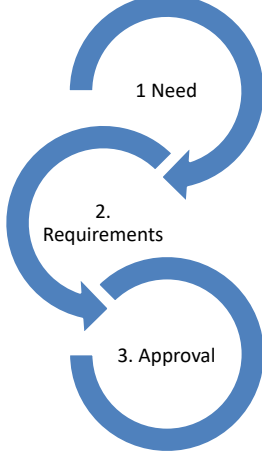
**200.1 Satisfied** 


*(2) Is the amount Above \$10,000?, but less than \$50,000*

*Then you only need three quotes.*

*The Cost Analysis is the evaluation of the quotes that meets your needs.*

*(3) Approval is usually at the program level and submitted for approval to Purchasing or Business. Most grantees have a form that identifies the requirements and the commitment*





**200.423 Satisfied** 

**(1) Requirements**

Is it reasonable?  
Is it needed?  
Is it allocable?  
Is it documented?

**TIP: Use RFP Contract or COOP Contract**

**200.1 Satisfied** 

**(4) Now you need to do an evaluation of the quotes and the tabulation is your cost analysis.**

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## Sample

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## Sample

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## § 200.1 Simplified acquisition threshold.

*Simplified acquisition threshold* means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this part, the simplified acquisition threshold is **\$250,000**, but this threshold is periodically adjusted for inflation. (Also see definition of §200.67 Micro-purchase.)

**NOTE: HCDE uses a more restrictive threshold under policies CH Legal and CH Local set at (\$50,000)**

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## Clarification on 200.1 Definitions for Simplified acquisition program

**NEW Federal Requirement is \$250,000 for the cost of a program.**

State requirement is \$50,000.

Grantees CAN be more restrictive.


Your choice on this organizational policy. **HCDE has only one procurement standard.**

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We have  
procedures  
for 3  
quotes



**HCDE**  
HARRIS COUNTY DEPARTMENT OF EDUCATION

**REQUEST FOR WRITTEN QUOTES FOR SERVICES:**

**NAME OF DIVISION:** \_\_\_\_\_

- 1. SERVICE TO BE RENDERED**  
Name the service (i.e. Teach Like a Champion (TLAC) - Blended Course)
- 2. SUMMARY**  
Describe in detail the services (i.e. This is a semester-long blended course (online and face-to-face) for ECPA teacher interns. The number of students may range from 20 to 40.
- 3. SCOPE OF WORK**
  - Describe the work (i.e. Provide online instruction in Moodle LMS including grading assignments, feedback to students, updating content (as needed) and other tasks associated with teaching a course, and conduct four (4) four-hour face-to-face seminars aligned with the online portion of the course
- 4. VENDOR QUALIFICATIONS**  
The service provider should provide the following items as part of their proposal for consideration:
  - Resume that demonstrates prior experience aligned with the Scope of Work
  - Price Quote
- 5. EVALUATION FACTORS**

Evaluation Factors	Weighted Value
1. Price	Points: 30
2. Reputation of Vendor and of Vendor's goods and/or services	Points: 20
3. Quality of Vendor's goods and/or services (evidenced by Vendor Background Specifications)	Points: 15
4. Extent to which the goods and/or services meet HCDE's needs (Vendor Activities Framework)	Points: 5
5. Vendor's past relationship with HCDE	Points: 5
6. Impact on the ability of HCDE to comply with laws and rules relating to HUBs	Points: 0
7. Total long-term cost to HCDE to acquire Vendor's goods and/or services	Points: 5

REQUEST FOR WRITTEN QUOTES
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Recommendation  
Procedures for 3  
quotes

8. For a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the Vendor or the Vendor's ultimate parent company or majority owner:  
(A) has its principal place of business in this state; or  
(B) employs at least 500 persons in this state  

Points: 0

100 Points

**6. CONTRACT SERVICES RESPONSE TIMELINE**  
Each vendor must submit a copy of their proposal either via email \_\_\_\_\_ by \_\_\_\_\_ (date) at \_\_\_\_\_ (Time) CST

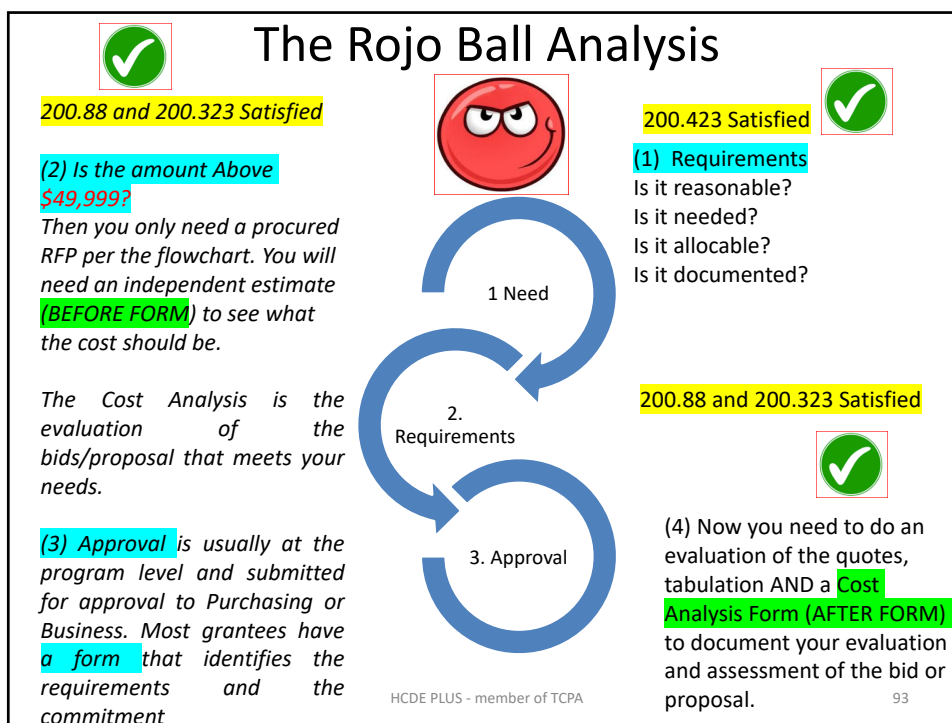
\*\*\*\*\*  
**Please complete below and attach Resume and EICC if applicable**

**VENDOR NAME:**

**PRICE QUOTE:**

**NOTE:**  
The vendor packet is required to be on file with the department prior to the award of any proposal to include the vendor certification forms as required for federal funds (EDGAR).

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## Other procurement requirements under 2 cfr.200 includes the following

- 200.28 Cost objective
- 200.61 Internal controls
- 200.74 Pass through entities
- 200.112 Conflict of Interest
- **200.214** Suspension and Debarment
- 200.317 Procurement by states
- 200.318 General Procurement standards
- 200.319 Competition
- **200.320** Methods of procurement
- **200.324** Cost and Price Analysis
- **200.327** Contract provisions
- **200.328** Financial Reporting
- **200.329** Monitoring and reporting
- **200.330** Reporting on real property
- **200.331** Subrecipient and contractor determinations
- **200.334** Retention of records
- **200.336** Methods of collection, transmission and storage of information
- **200.337** Access to records
- **200.338** Restrictions on public access to records
- **200.415** Certification
- **200.420** Allowability

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## §200.1 Definitions-> Cost objective.

*Cost objective* means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc.

A cost objective may be a major function of the non-Federal entity, a particular service or project, a Federal award, or an indirect (Facilities & Administrative (F&A)) cost activity, as described in Subpart E—Cost Principles of this Part. See also §§200.44 Final cost objective and 200.60 Intermediate cost objective.

**Having cost objectives in mind are important because costs must be allocated to cost objectives.**

**HCDE has developed allocation plans when charging to multiple cost objectives. See Adult Ed Plan.**

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## §200.1 Definitions -> Internal controls.

*Internal controls* means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (a) Effectiveness and efficiency of operations;
- (b) Reliability of reporting for internal and external use; and
- (c) Compliance with applicable laws and regulations.

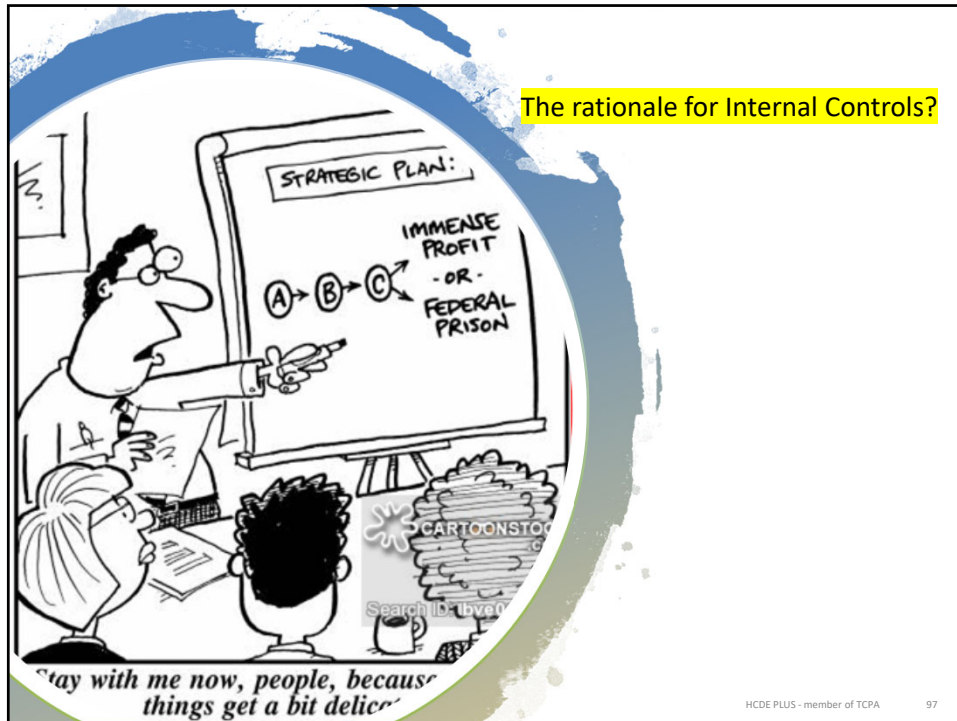
- **HCDE has implemented a risk assessment and fraud assessment process to evaluate the effectiveness of internal controls.**
- **This is conducted every six months and reviewed by executive team administration.**
- **(State Audit)**

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## §200.1

### Definitions

### Pass-through entity.

*Pass-through entity* means a non-Federal entity that provides a sub-award to a sub-recipient to carry out part of a Federal program.

**Most ISDs will not have pass through entities. Instead they could be sub recipients.**

**EDGAR applies if you are awarded a sub recipient award – i.e. 21<sup>st</sup> century grant – head start, adult ed, etc. – CASE After School Program**

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## Subpart B- General Provisions

### §200.112 Conflict of interest.

The Federal awarding agency must establish **conflict of interest policies** for Federal awards. The non-Federal entity must **disclose in writing** any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

**HCDE has drafted a sample CH Local amendment, adjusted internal conflict of interest forms and procedure, evaluations forms, rfp templates and contract templates. (Survey- for RFPs)**

See also 200.318 procurement standards slides 50 to 55

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## Subpart C-Pre-Federal Award requirements §200.214 Suspension and debarment.

Non-federal entities and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations **restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or** otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

[79 FR 75883, Dec. 19, 2014]

Principals and Vendor

**HCDE has a** [NEW link](#)  
**procedures for  
verifying debarment  
of all payments  
during the  
purchasing and  
contracting cycle.**  
**(Know anyone)**

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A Sample manual has been developed for implementation.

**NEW  
Debarment  
Check  
Process**

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## Subpart D-Post Federal Award Requirements

### **§200.317** Procurements by states.

When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with §200.323 Procurement of recovered *materials* and ensure that every purchase order or other contract includes **any clauses required by section §200.327 Contract provisions**. All other non-Federal entities, including sub-recipients of a state, will follow §§200.318 General procurement standards through 200.327 Contract provisions.

HCDE has procedures in place to adhere to procurement laws as required by the State of Texas. This is documented through CH Legal and Texas Guide (FASRG)

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## **§200.318** General procurement standards.

(a) The non-Federal entity must **use its own** documented procurement procedures which reflect **applicable State, local**, and tribal laws and regulations, provided that the procurements **conform to applicable Federal law** and the standards identified in this part.

(b) Non-Federal entities must maintain **oversight** to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

HCDE has procedures in place to meet requirements through CH Local Policy and Financial Operating Procedures which are updated annually.

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## §200.318 General procurement standards. CIQ

- c)(1) The non-Federal entity must maintain **written standards of conduct** covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. **No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.** The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of **nominal value**. The standards of conduct must provide for **disciplinary actions** to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.
- (2) If the non-Federal entity has a **parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe**, the non-Federal entity **must also maintain written standards of conduct** covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

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## §200.318 General procurement standards.

**§200.318**  
**General**  
**procurement**  
**standards.**

HCDE has implemented procedures to notify staff that Conflict of Interest rules apply IF they select, recommend, evaluate or award a contract.

CH Local Policy includes discipline action for non-compliance.

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## §200.318 General procurement standards.

- (d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. **Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase.** Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- (e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, **the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. (INTERLOCAL AGREEMENTS)**
- (f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- (g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

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## §200.318 General procurement standards.

HCDE is a local government which operates cooperative programs and shared service arrangements for the purpose of providing services and cost savings to school districts.

HCDE is able to contract with school districts through the authority under TEC 44.031(a)(4) / Ch. 791 of the Tex. Gov't Code.

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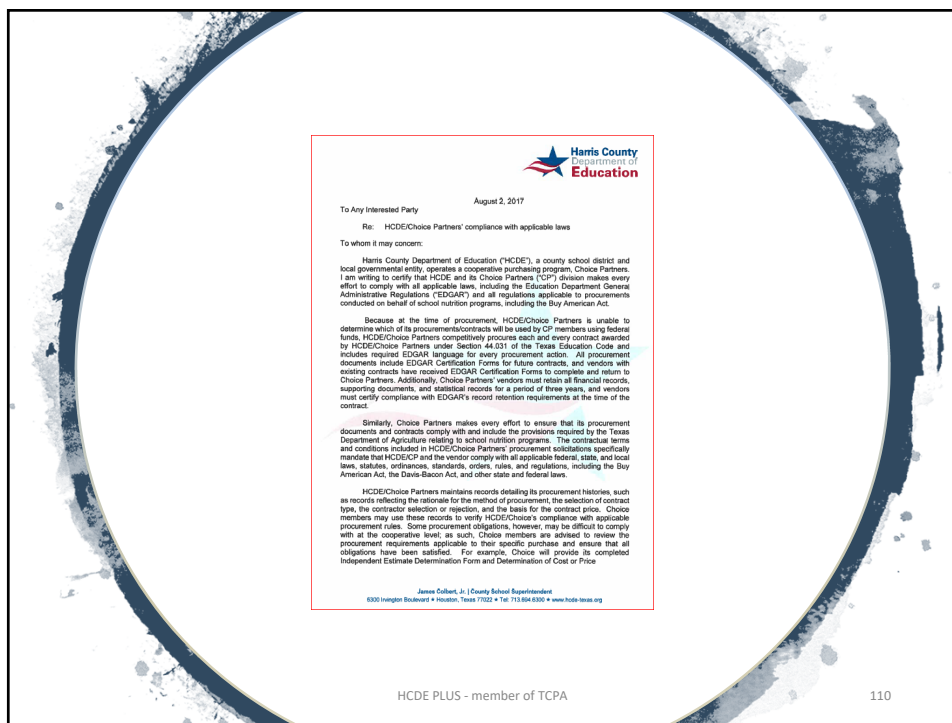
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## \$200.318 General procurement standards.

- (h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor **integrity, compliance with public policy, record of past performance, and financial and technical resources**. See also §200.214 Suspension and debarment.
- (i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: **rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price**.

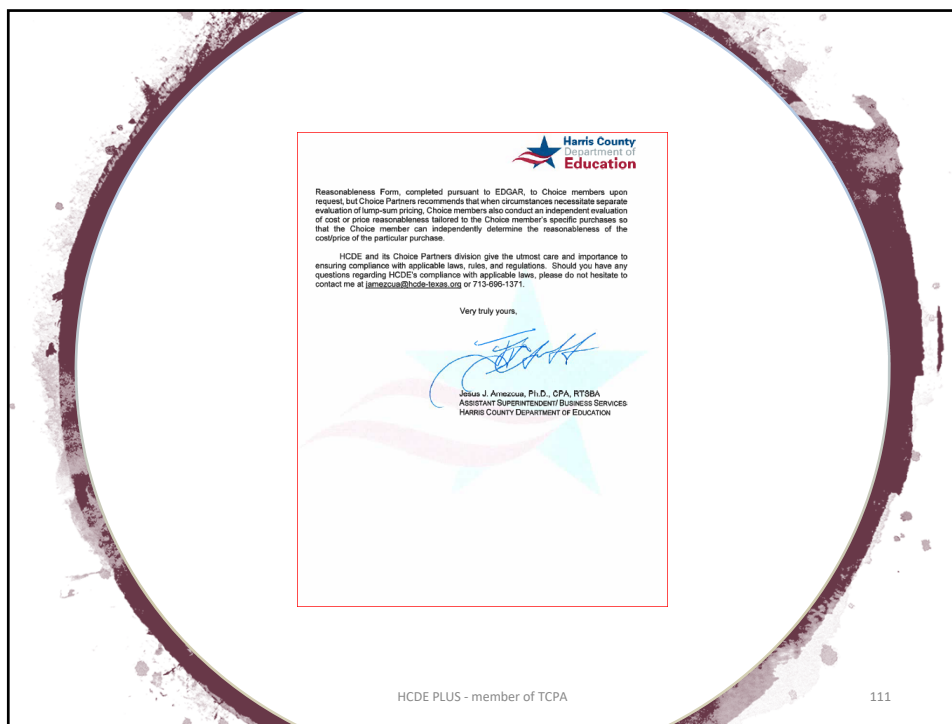
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## Hot topics –Procurement

Working with cooperatives

- Letter of assurance that internal controls have been in place to comply with CFR 200
- CFR (EDGAR) Certifications forms
- Catalogue Purchases – Evaluate based on a basket and then make a decision and complete the analysis and estimates form
- Renewals – Prepare Before and After form – rather than rebid.
- Debarment and principals check [www.saw.gov](http://www.saw.gov)
- State New requirements for HB89 and SB252 for new prohibitions under Government Code
- Certification employment assistance to anyone who has engaged in sexual misconduct with a minor

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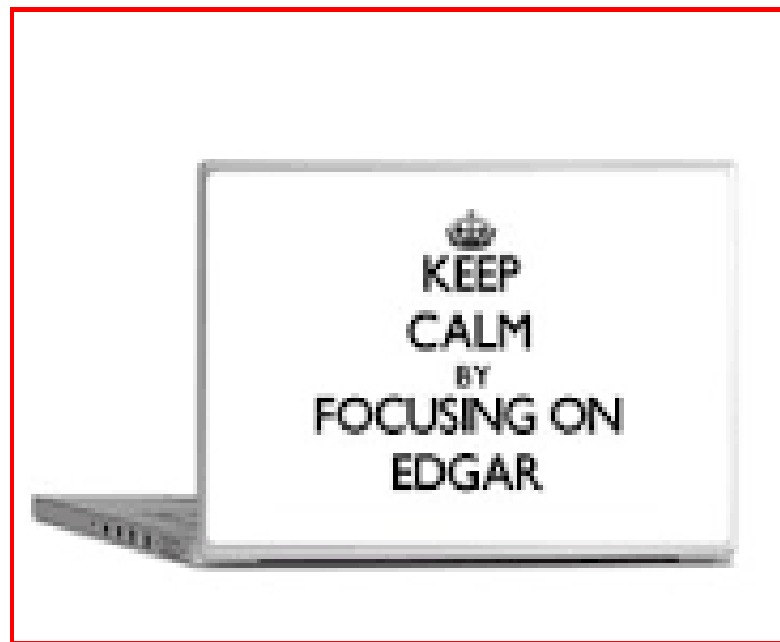


## §200 318 General procurement standards.

HCDE uses policies **CH legal and CH Local** which identify the factors in determining the best value and the method of procurement and contract. HCDE also has operating guidelines covering the procurement process.

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## §200.318 General procurement standards.

- (j)(1) The non-Federal entity may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. **Time and materials** type contract means a contract whose cost to a non-Federal entity is the sum of:
  - (i) The actual cost of materials; and
  - (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
- (2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a **ceiling price that the contractor exceeds at its own risk**. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

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## §200.318 General procurement standards.

- (k) **The non-Federal entity alone must be responsible**, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, **source evaluation, protests, disputes, and claims**. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.
- [78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE has financial operating procedures which address evaluations, protests, disputes and claims.**

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## §200.319 Competition.

(a) All procurement transactions must be conducted in a manner providing **full and open competition** consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (2) Requiring unnecessary experience and excessive bonding;
- (3) Noncompetitive pricing practices between firms or between affiliated companies;
- (4) Noncompetitive contracts to consultants that are on retainer contracts;
- (5) Organizational conflicts of interest;
- (6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- (7) Any arbitrary action in the procurement process.

**HCDE uses policies CH legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. HCDE also has operating guidelines covering the procurement process. In addition, HCDE contracts with Chamber of Commerce to promote vendor access and awareness.**

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## §200.319 Competition.

(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.

**HCDE uses policies CH legal and CH Local which identify the factors in determining the best value and the method of procurement and contract. While policy CH Legal has a local preference meaning the state of Texas, it does not apply to federal purchases in accordance with Government Code 2251.001-004.**

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## \$200.319 Competition.

- (c) The non-Federal entity **must have written procedures** for procurement transactions. These procedures must ensure that all solicitations:
- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
- (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- (d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.
- [78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**HCDE develops all requests for proposals internally and does not allow a consultant or external entity to participate in the development of request for proposals.**

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## Rules?



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## §200.320 Methods of procurement to be followed.

- The non-Federal entity **must use one** of the following methods of procurement.
- (a) **Procurement by micro-purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (\$200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.
- (b) **Procurement by small purchase procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

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## §200.320 Methods of procurement to be followed.

- (c) **Procurement by sealed bids** (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.
- (1) In order for sealed bidding to be feasible, the **following conditions** should be present:
  - (i) A complete, adequate, and realistic specification or purchase description is available;
  - (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
  - (iii) 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.
- (2) If sealed bids are used, the **following requirements** apply:
  - (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;
  - (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
  - (iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
  - (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
  - (v) Any or all bids may be rejected if there is a sound documented reason.

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## §200.320 Methods of procurement to be followed.

- (d) **Procurement by competitive proposals.** The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
  - (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
  - (2) Proposals must be solicited from an adequate number of qualified sources;
  - (3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
  - (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

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## §200.320 Methods of procurement to be followed.

- 5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of **architectural/engineering (A/E) professional** services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
- (e) [Reserved]
- (f) **Procurement by noncompetitive proposals.** Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
  - (1) The item is available only from a single source;
  - (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
  - (4) After solicitation of a number of sources, competition is determined inadequate.
- [78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

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## \$200.324 Contract cost and price.

- (a) The non-Federal entity **must perform a cost or price analysis** in connection with every procurement action in excess of the Simplified Acquisition Threshold (**\$250,000**) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but **as a starting point**, the non-Federal entity must make **independent estimates before receiving bids or proposals**.
- (b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- (c) **Costs or prices** based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.
- (d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

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## \$200.324 Contract cost and price.

HCDE has developed a cost and price analysis form to document the review of the following:

**Prior to procurement** (1 of 9 methods under policy CH legal - TEC 44.031)

Document independent estimates

**After procurement**


Document cost and price reasonableness

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EDGAR forms  
available  
electronically  
[http://appddi  
ctionstudio.co  
m/HCDE/](http://appddi<br/>ctionstudio.co<br/>m/HCDE/)



**Harris County  
Department of  
Education**

**Edgar Procurement Forms to comply with  
Independent Estimates and Cost Analysis under CFR  
200.323**

has developed a system of controls to comply with federal guidelines under CFR 200.323 to inclu  
endent estimate process and the cost analysis process.

preparer (division) must start with the Independent Estimate Form and have it approved through 4 levels:  
(1) division director, the (2) Purchasing coordinator, the (2) Purchasing Director and the (3) Assistant S  
ess.

the final approval has been made, the Purchasing Office will advertise and proceed with the procurement  
ds and or proposals are received, the Cost Analysis form can be initiated, and it will be approved through th  
evels of approvals. At the end, the preparer will be able to download a complete file of all forms, approv  
ments for the files.

Step 1: Complete the Independent Estimate Determination

Independent Estimate Determination

Step 2: After the Independent Estimate Determination is reviews by auditors, you are to complete the  
Determination of Cost or Price Analysis (Reasonableness)

Determination of Cost or Price Analysis (Reasonableness)

Click here to Track your Form

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Poll  
Question

- Do I have to use a specific cost analysis format?
  - A. Yes
  - B. May be
  - C. No
  - D. Depends
  - E. As long as the elements are documented


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Complete before soliciting or  
advertising for Proposals / Quotes



### HARRIS COUNTY DEPARTMENT OF EDUCATION INDEPENDENT ESTIMATE DETERMINATION

**Purpose:** Federal regulations require documentation of cost analysis or price analysis for every procurement action at or above \$150,000. As part of the analysis, the regulations require documentation of an independent estimate reached before receiving bids or proposals (see 2 C.F.R. § 200.323) or before receiving quotes or proposals from other governmental entities through an interlocal contract or a purchasing cooperative (see 2 C.F.R. § 200.318 (e)). The Independent Estimate Determination is a form used to document HCDE's estimated range of fair and reasonable costs for the goods and/or services to be acquired and to document the analysis **PRIOR** to seeking bids, proposals, or quotes. The form is kept as part of the procurement file along with the cost or price analysis, which is conducted after receiving proposals but before awarding a contract, to demonstrate that the procurement process was conducted in an open and fair manner and that HCDE received the most advantageous price.

**Instructions:**

1. Complete one (1) Independent Estimate Determination form **PRIOR** to either (1) advertising and receiving bids or proposals or (2) seeking quotes or proposals from other governmental entities through an interlocal contract or a purchasing cooperative, and complete all sections.
2. Provide a detailed discussion of your independent estimate and attach the required supporting information.
3. Sign in blue ink and date the form.
4. Maintain a copy in the procurement/contract file along with the cost or price analysis (as completed before contract award), subject to retention schedules.

**Prepared by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Email:** \_\_\_\_\_ **Phone Number:** \_\_\_\_\_

**Division:** \_\_\_\_\_

**Subject:** Independent Estimate Determination

### PART I SCOPE AND/OR SPECIFICATIONS

Please attach documentation reflecting the Scope or Proposal/Work and/or Specifications.  
The attached Scope of Proposal/Work and/or Specifications contains the following (check all that apply):

For Goods/Equipment	For Services
<input type="checkbox"/> Estimated quantity of items and/or goods required	<input type="checkbox"/> List of services/responsibilities to be performed
<input type="checkbox"/> Detailed description of each item required	<input type="checkbox"/> Detailed list of deliverables/tasks required
<input type="checkbox"/> Specifications and/or drawings for materials required	<input type="checkbox"/> Anticipated contract term and start date
<input type="checkbox"/> Date items and/or goods are required	<input type="checkbox"/> Location of project
<input type="checkbox"/> Delivery address and point of contact	<input type="checkbox"/> Specifications, drawings, and/or pictures of job site or projected results

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### PART II INDEPENDENT ESTIMATE GUIDE

Below is a guide for the completion of the Independent Estimate Determination. Please attach the documents requested under "items to include with independent estimate" to this Determination.

Estimate Type	Items to Include with Independent Estimate	Where to Find Supporting Information
<b>Goods/Equipment</b>	<ol style="list-style-type: none"> <li>1. Product needed</li> <li>2. Estimated quantity</li> <li>3. Unit price</li> <li>4. Markups – overheads – profit</li> <li>5. Desired delivery schedule</li> <li>6. Warranty</li> </ol>	<ol style="list-style-type: none"> <li>1. Vendor survey/market survey</li> <li>2. Current or past contracts for the same or similar product</li> <li>3. Historical price and costs data</li> </ol>
<b>Services</b> (other than professional services, as defined by Tex. Educ. Code § 44.031(f) and/or Tex. Gov't Code Ch. 2254)	<ol style="list-style-type: none"> <li>1. Tasks you want done</li> <li>2. Types of people needed</li> <li>3. Positions required</li> <li>4. Estimated hours by position</li> <li>5. Salary/billing rates applied</li> <li>6. Prevailing wage rate category applied (if applicable)</li> <li>7. Profit/applied fee</li> <li>8. Direct expenses</li> <li>9. Completion schedule</li> </ol>	<ol style="list-style-type: none"> <li>1. Current or past contracts for similar services</li> <li>2. Other departments doing similar work</li> <li>3. Historical price and cost data</li> </ol>

### PART III INDEPENDENT ESTIMATE

Please complete the following form.

**This Independent Estimate is for:** ☐ Goods/Equipment ☐ Services

**Discussion of independent estimate before receiving bids or proposals including HCDE's estimated reasonable price range for the goods and/or services (attach additional explanation if necessary):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**Goods/Equipment**  
**Source Used to Develop Independent Estimate of Goods/Equipment (check all that apply and attach supporting documentation):**

☐ Vendor survey/market survey  
☐ Current or past contracts for the same or similar product  
☐ Historical price and costs data  
☐ Other (please specify source and attach supporting documentation): \_\_\_\_\_

**Services**  
**Source Used to Develop Independent Estimate of Services (check all that apply and attach supporting documentation):**

☐ Current or past contracts for similar services  
☐ Other departments doing similar work  
☐ Historical price and costs data  
☐ Other (please specify source and attach supporting documentation): \_\_\_\_\_

**PART IV  
ATTACHMENT CHECKLIST**

*The following required documentation is included as attachments to this Independent Estimate Determination (please check boxes to certify compliance with required documentation):*

☐ **Scope of Proposal/Work and/or Specifications (as required by Part I).**

☐ **For goods/equipment, documentation reflecting the following (as required by Part II):**

- ☐ Product needed
- ☐ Estimated quantity
- ☐ Markups-overhead-profits
- ☐ Unit price
- ☐ Desired delivery schedule
- ☐ Warranty

☐ **For services, documentation reflecting the following (as required by Part II):**

- ☐ Tasks you want done
- ☐ Types of people needed
- ☐ Positions required
- ☐ Estimated hours by position
- ☐ Salary/billing rates applied
- ☐ Prevailing wage rate category applied
- ☐ Profit/applied fee
- ☐ Direct expenses
- ☐ Completion schedule

☐ **Documentation reflecting the source used to develop the independent estimate (as required by Part III).**

☐ **If applicable, additional supporting documentation (e.g., explanation of the process and/or sources used or explanation of the estimate reached). Please provide a brief explanation of the additional documents:**

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**PART V  
CERTIFICATIONS**

*I certify that I developed this independent estimate prior to receiving bids or proposals as required by 2 C.F.R. § 200.323. I further certify that, to the best of my knowledge and belief, the information provided above and attached hereto is true and correct and that the independent estimate reflects a necessary, fair, and reasonable range of costs or prices for the future procurement.*

Full Name of Individual Preparing Form \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**APPROVED:**

Level One: Full Name of Program Manager (Grant) \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

\*Level Two: Full Name of Director of Purchasing \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

\*Level Three: Full Name of Assistant Superintendent for Program (grant) \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

\*Level Four: Full Name of Assistant Superintendent for Business \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

\* Items above \$50,000

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## DETERMINATION OF COST OR PRICE ANALYSIS (REASONABLENESS)

**Purpose:** Federal regulations require documentation of cost analysis or price analysis for every procurement action at or above \$150,000 (see 2 C.F.R. § 200.323). The Determination of Cost or Price Reasonableness form is used to document the analysis showing that the offered price is fair and reasonable. The form is kept as part of the procurement file to demonstrate that the procurement process was conducted in an open and fair manner and that HCDE received the most advantageous price. **This form is required by the Grant Director who is responsible for grant oversight and implementation of internal controls to meet the grant requirements.**

**Instructions:**

1. Complete a separate Determination of Cost or Price Reasonableness form for each vendor being recommended for contract award. Complete all sections.
2. Provide a detailed discussion of your price analysis or cost analysis. A Determination of Cost or Price Reasonableness form that lacks sufficient detail cannot be approved.
3. Sign in blue ink and date the form.
4. Maintain a copy on the grant file subject to retention schedules
5. Submit completed form to the Purchasing Director prior to contract award.

*An improperly completed and/or unsigned form will be returned to the Grant Director.*

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Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
(Grant Director)

Email: \_\_\_\_\_ Phone Number: \_\_\_\_\_

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services valued at \$50,000 or above in accordance with TEC 44.031(a) )

☐ F. Request for Quotations or Requests for Proposals (where the solicitation is publically posted) where only one (1) quote/proposal is received.

☐ G. Professional services (as defined under TEC 44.031(f) and/or Ch. 2254 of the Tex. Gov't Code).

☐ H. Price adjustment to Purchase Order No. \_\_\_\_\_ or Contract No. \_\_\_\_\_ and already procured under item A – G).

☐ I. Extension of an existing contract past its initial term. Contract extension is allowed under procurement method or contract. Extension must adhere to CH Local requirements for board approval and rationale is beneficial to HCDE.

\_\_\_\_\_

\_\_\_\_\_

☐ J. Other condition (specify):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

II. Cost or price offered or fee negotiated is considered fair and reasonable for the following reason(s), and if applicable, is supported by attached documentation and/or a detailed discussion of the cost or price analysis (select at least one applicable situation):

☐ Comparison of previous HCDE purchase order and contract prices with current proposed price, for the same or similar items. Both the validity of the comparison and the reasonableness of the previous price(s) have been established. Attach the referenced HCDE purchase orders/contracts, amounts, issuance dates, and how they are similar to the current purchase.

☐ Comparison with Vendor's published price lists, market prices, pricing indexes, and discount or rebate arrangements. Attach published price list or other published pricing information used (a vendor's quotation or correspondence does not qualify as a published price list).

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**CERTIFICATION:**  
*I certify that the information provided above is true and correct to the best of my knowledge and belief. I further certify that I have determined that the costs or prices proposed are necessary, fair, and reasonable.*

**APPROVED:**

Level One: Full Name of Program Manager (Grant)

Signature \_\_\_\_\_ Date \_\_\_\_\_

\*Level Two: Full Name of Director of Purchasing

Signature \_\_\_\_\_ Date \_\_\_\_\_

\*Level Three: Full Name of Assistant Superintendent for Program (grant)

Signature \_\_\_\_\_ Date \_\_\_\_\_

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## §200.327 Contract provisions.

The non-Federal entity's contracts **must contain** the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

HCDE developed an attachment for the RFP and the contract templates.

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# \$200.334 Records Retention.

- Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of **three years** from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities.
- The only exceptions are the following:
  - (a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
  - (b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
  - (c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.
  - (d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.
  - (e) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
  - (f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).
  - (1) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
  - (2) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

## Category 4: Fiscal Records Section 4.4 – Ledgers

Item No.	Record Series Title	Vital	Archival	Total Retention	Remarks
4.4.001	General and Subsidiary Ledgers	X		FE+3	
4.4.002	Accounts Receivable Ledgers	X		FE+3	
4.4.003	Accounts Payable Ledgers	X		FE+3	
4.4.004	Employee Savings Bond Ledgers	X		FE+3	

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Item No.	Record Series Title	Vital	Archival	Total Retention	Remarks
5.3.007	<b>Bid Documentation</b> Includes bid requisition/authorizations, invitations to bid or propose, bid specifications, successful and unsuccessful bids, and bid tabulation/evaluations.  a) Associated with a contract executed, renewed, or amended on or after September 1, 2015.  b) Associated with a contract executed, renewed, or amended on or before August 31, 2015.  c) Unsuccessful bids that do not meet agency submission requirements and are not included in bid evaluation process (e.g. withdrawn, missed submission deadline, incomplete submission, etc.).			AC+7  FE+3  AC+2	AC=Expiration or termination of the instrument according to its terms or decision not to proceed with the bid.  (i)  AC=Date of notification of denial or date of withdrawal, as applicable.  <a href="https://www.tsl.texas.gov/sjrm/recordspubs/rrs4.html">https://www.tsl.texas.gov/sjrm/recordspubs/rrs4.html</a>

**Retention Codes (field 7)**  
 AC – See event trigger for specific records series definition  
 AV – Administratively valuable  
 CE – Calendar year end  
 Rev. 2016-09

FE – Fiscal year end  
 LA – Life of Asset  
 PM – Permanent  
 US – Until Superseded

**Archival Codes (field 8)**  
 A/U – HCDE PLUS - member of TCPA  
 R/D – Review by State/University Archivist

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## Subpart E-Cost Principles §200.403 Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:


- (a) **Be necessary and reasonable** for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) **Be consistent with policies and procedures that apply uniformly** to both federally-financed and other activities of the non-Federal entity.
- (d) **Be accorded consistent treatment.** A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- (e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
- (f) **Not be included as a cost or used to meet cost sharing** or matching requirements of any other federally-financed program in either the current or a prior period. See also §200.306 Cost sharing or matching paragraph (b).
- (g) **Be adequately documented.** See also §§200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

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## Be necessary and reasonable



- Be necessary and reasonable** for the performance of the Federal award and be allocable thereto under these principles.
- What do we mean by necessary?**
- What do we mean by reasonable?**

**We need to know the DO NOTs**

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## Disclaimers under EDGAR 34.75.620

- The contents of this (insert type of publication; e.g., book, report, film) were developed under a grant from the U.S. Department of Education. However, those contents do not necessarily represent the policy of the U.S. Department of Education, and you should not assume endorsement by the federal government.

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## Perception is Reality!

- Subgrantees should consider how the meeting or conference will be perceived by the public; for example, will the meeting or conference be perceived as a good use of taxpayer dollars?
- <http://abc13.com/archive/7084313/>
- Caribbean Cruise to Cozumel Mexico



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## Unallowable Expenses

If federal grant funds are used on unallowable expenses, USDE may seek to recover any federal grant funds identified, in an audit or through program monitoring, as having been used for unallowable costs, including unallowable conference expenses.

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## **§200.403 Factors affecting allowability of costs.**

- (a) Be necessary and reasonable – Documented by Grant Director with assistance from Purchasing Dept.
- (b) Conform to any limitations – Check by Grant Director with assistance from Business Office
- (c) Be consistent with policies and procedures that apply uniformly – Check by Grant Director with assistance from Business Office
- (d) Be accorded consistent treatment. – Check by Grant Director with assistance from Business Office
- (e) Be determined in accordance with generally accepted accounting principles (GAAP) – check by Business Office
- (f) Not be included as a cost or used to meet cost sharing -- Check by Grant Director with assistance from Business Office
- (g) Be adequately documented. – Check by Grant Director with assistance from Business Office

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## Poll Question

- Who determines allowability of costs for a trip where valet parking is required?
  - A. Finance Officer
  - B. Grant Officer
  - C. Trip Attendant
  - D. Program Manager
  - E. A B and C

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## CFR – Subpart E

- Under Subpart E, there are many long list of concepts, definitions and items identified
- Some are allowable and some are not.. Here is a list of some of these....
- Let's take a look at some of these.. Through Poll Questions:

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## Allowable or Unallowable

NOTE: Items are unallowable or allowable based on cfr 200 OR special federal award.

		Allowable	Unallowable	Comments
\$200.420	Considerations for selected items of cost. In case of a discrepancy between the provisions of a specific Federal award and the provisions below, the Federal award governs. Criteria outlined in §200.403 Factors affecting allowability of costs must be applied in determining allowability. See also §200.102 Exceptions.			
\$200.421	Advertising and public relations.	Allowable		IND
\$200.422	Advisory councils.		Unallowable	
\$200.423	Alcoholic beverages.		Unallowable	
\$200.424	Alumni/ae activities.		Unallowable	
\$200.425	Audit services.	Allowable		IND
\$200.426	Bad debts.		Unallowable	
\$200.427	Bonding costs.	Allowable		IND
\$200.428	Collections of improper payments.	Allowable		IND
\$200.429	Commencement and convocation costs.		Unallowable	IND
\$200.430	Compensation—personal services.	Allowable		SPEC
\$200.431	Compensation—fringe benefits.	Allowable		SPEC
\$200.432	Conferences.	Allowable		
\$200.433	Contingency provisions.		Unallowable	BUT
\$200.434	Contributions and donations.		Unallowable	IND
\$200.435	Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements.		Unallowable	

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## Allowable or Unallowable

\$200.436	Depreciation.	Allowable -no land		SPEC
\$200.437	Employee health and welfare costs.	Allowable		
\$200.438	Entertainment costs.		Unallowable	
\$200.439	Equipment and other capital expenditures.	Allow-\$5,000		SPEC
\$200.440	Exchange rates.	Allowable		
\$200.441	Fines, penalties, damages and other settlements.		Unallowable	SPEC
\$200.442	Fund raising and investment management costs.		Unallowable	
\$200.443	Gains and losses on disposition of depreciable assets.	Allowable		ALLOC
\$200.444	General costs of government.		Unallowable	
\$200.445	Goods or services for personal use.		Unallowable	
\$200.446	Idle facilities and idle capacity.	Allowable		SPEC
\$200.447	Insurance and indemnification.	Allowable		SPEC
\$200.448	Intellectual property.	Allowable		SPEC
\$200.449	Interest.	Allowable		SPEC
\$200.450	Lobbying.		Unallowable	
\$200.451	Losses on other awards or contracts.		Unallowable	
\$200.452	Maintenance and repair costs.	Allowable		
\$200.453	Materials and supplies costs, including costs of computing devices.	Allowable		

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## Allowable or Unallowable

		Allowable	Unallowable	Comments
\$200.454	Memberships, subscriptions, and professional activity costs.	Allowable BUT no social or lobbying		SPEC
\$200.455	Organization costs.		Unallowable	
\$200.456	Participant support costs.	Allowable with PA		
\$200.457	Plant and security costs.	Allowable		
\$200.458	Pre-award costs.	Allowable with PA		
\$200.459	Professional service costs.	Allowable		SPEC
\$200.460	Proposal costs.	Allowable		IND
\$200.461	Publication and printing costs.	Allowable		IND
\$200.462	Rearrangement and reconversion costs.	Allowable		IND
\$200.463	Recruiting costs.	Allowable		SPEC
\$200.464	Relocation costs of employees.	Allowable w limits		SPEC
\$200.465	Rental costs of real property and equipment.	Allowable		SPEC
\$200.466	Scholarships and student aid costs.	Allowable if N for award		SPEC
\$200.467	Selling and marketing costs.		Unallowable	SPEC
\$200.468	Specialized service facilities.	Allowable		SPEC
\$200.469	Student activity costs.		Unallowable	SPEC
\$200.470	Taxes (including Value Added Tax).	Allowable		
\$200.471	Telecommunications & video Surveillance	Allowable		
\$200.472	Termination costs.	Allowable	Unallowable	SPEC
\$200.473	Training and education costs.	Allowable		SPEC
\$200.474	Transportation costs.	Allowable		SPEC
\$200.475	Travel costs.	Allowable		
\$200.476	Trustees.	Allowable		

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## Poll Question

- Is there a section where a government can cite that prohibits beer? Can I buy a six pack of Lite Beer for work?
- A. Yes
- B. May be
- C. No
- D. Depends
- Which is the section that deals with alcoholic beverages?
- A. 200.432
- B. 200.234
- C. 200.423
- D. 200.454

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## Poll Question

- Is there a section where a government can cite that prohibits lobbying activity?
- A. Yes
- B. May be
- C. No
- D. Depends
- Which is the section that deals with alcoholic beverages?
- A. 200.454
- B. 200.450
- C. 200.441
- D. 200.421

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## Poll Question

- Is there a section where a government can cite that prohibits an Astros Game?
- A. Yes
- B. May be
- C. No
- D. Depends
- Which is the section that deals with entertainment?
- A. 200.441
- B. 200.442
- C. 200.432
- D. 200.438

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## §200.415 Required certifications.

**Required certifications include:**

- (a) To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: **"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."**

- HCDE has implemented a certification for all draw down payments in the Business Office which requires the Program Director, the Staff Accountant, the Chief Accounting Officer and the Assistant Supt for Business signature.**

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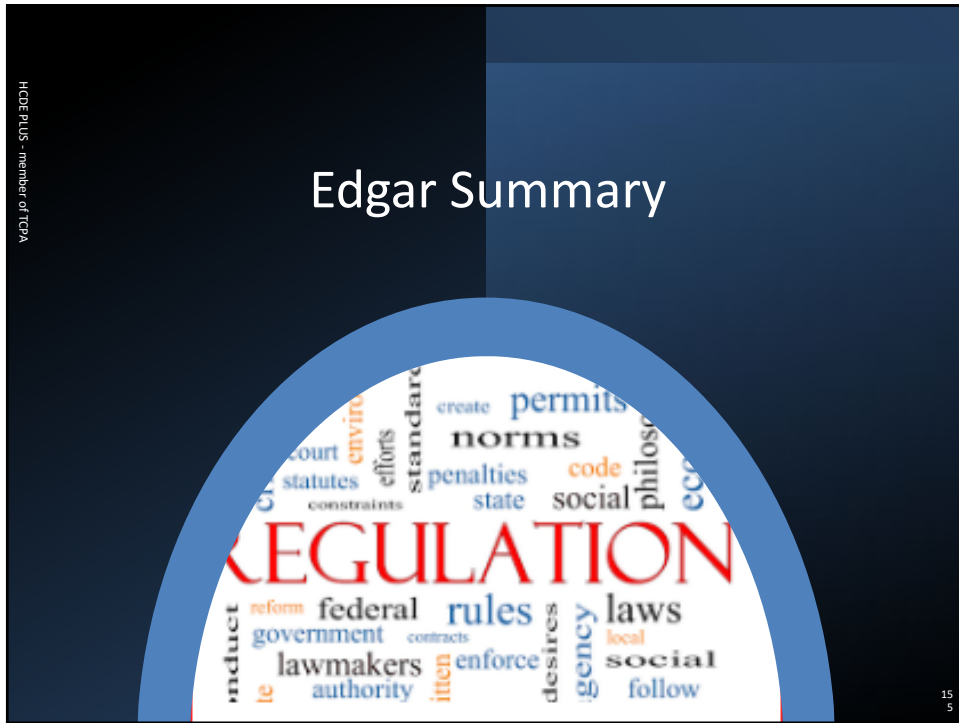
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### Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

- In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.
  - (A) Must address administrative, contractual, or legal remedies
  - (B) All contracts in excess of \$10,000 must address termination for cause and for convenience
  - (C) Equal Employment Opportunity.
  - (D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148).
  - (E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).
  - (F) Rights to Inventions Made Under a Contract or Agreement.
  - (G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended
  - (H) Debarment and Suspension (Executive Orders 12549 and 12689).
  - (I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352).
  - (J) See §200.322 Procurement of recovered materials.

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# Updates due to Hurricane Harvey

FOR EDGAR Grants (not FEMA):  
Hurricane Harvey and EDGAR Updates: **As posted on TEA Website**

[http://tea.texas.gov/Finance\\_and\\_Grants/Grants/Administering\\_a\\_Grant/Request\\_for\\_Prior\\_Approval\\_Disclosure\\_and\\_Justification\\_Forms/](http://tea.texas.gov/Finance_and_Grants/Grants/Administering_a_Grant/Request_for_Prior_Approval_Disclosure_and_Justification_Forms/)  
**\$200.320 Methods of procurement to be followed.**  
The non-Federal entity must use one of the following methods of procurement:

a) to d) as listed on this section..

**f) Procurement by noncompetitive proposals.** Procurement by noncompetitive proposals is procurement through solicitation of a proposal from **only one source** and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) **The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;**
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 80 FR 54409, Sept. 10, 2015]

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# 2 cfr 200.320f(2)

- For FEMA claims, there are specific procurement requirements that do not apply. Thus contact your FEMA Representative.

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## Poll Question

- Is EDGAR or CFR 200 elements applicable to all grants?
  - A. Yes
  - B. No
  - C. May be
  - D. Not Sure

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<https://cfo.gov/cofar/cofar-resources/>

### Agencies

<a href="#">Agency for International Development</a>	<a href="#">Corporation for National and Community Service</a>	<a href="#">Department of Agriculture</a>	Department of Commerce*
<a href="#">Department Of Defense</a>	<a href="#">Department Of Education</a>	<a href="#">Department Of Energy</a>	Department of Homeland Security*
<a href="#">Department Of Justice</a>	<a href="#">Department Of Labor</a>	<a href="#">Department of State</a>	<a href="#">Department of The Interior</a>
<a href="#">Department Of Transportation</a>	<a href="#">Department of Treasury</a>	<a href="#">Environmental Protection Agency</a>	Gulf Coast Restoration Council*
<a href="#">Health and Human Services</a>	Housing and Urban Development*	Institute of Museum and Library Services*	<a href="#">National Aeronautics and Space Administration</a>
<a href="#">National Archives and Records Administration</a>	National Endowment for Arts*	National Endowment for Humanities*	<a href="#">National Science Foundation</a>
Office of the National Drug Control Policy*	<a href="#">Small Business Administration</a>	Social Security Administration*	Veterans Affairs*

\*These agencies do not have exceptions relating to 2 CFR 200

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## Update to Procedures and Forms

- 1) Update to CH Local, CH Local -see draft
- 2) Update to Internal procedures – Conflict of Interest Form Questionnaires for staff
- 3) Update to Instructions to Committee Form, Recommendation Forms for RFPs, and Effectiveness and Compliance Form
- 4) Update to Conflict of Interest in RFP template
- 5) Update to Contract Provisions
- 6) Update to Cost and Price Analysis
- 7) Update to Estimate & Analysis Form
- 8) Update to CIS Form for staff
- 9) Update to Internal Control Assessment Form
- 10) Update to RFPs and Templates and contracts
- 11) Update source of funds for all contracts
- 12) Update to Standard Conditions
- 13) Update to Time and Effort Forms
- 14) Update to certification forms
- 15) Update debarment process



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**For additional information or training, contact:**  
 HCDE PLUS –Planning Leadership and Unmodified  
 Systems – a member of HCDE Texas Cooperative  
 Programs Alliance - TCPA  
 Jesus J. Amezcua, PhD., CPA. RTSBA  
 Assistant Supt for Business

6300 Irvington Boulevard

Houston, Texas 77022  
 713-696-1371 or 956-324-9827  
[jamezcua@hcde-texas.org](mailto:jamezcua@hcde-texas.org)



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Harris County Department of Education  
6300 Irvington Houston, Texas 77022-5618 - (713-696-1371)

**CONFLICT OF INTEREST DISCLOSURE  
ALL BUDGET MANAGERS  
2015-16**

**Note:** A budget manager is an individual that is authorized to approve purchase request of any kind (Requisitions, Grants, Bids, Purchase Requests, Campus and Student Activity) and/or is involved in any way in the procurement of any goods and services and is also involved in the approval of transfers or amendments (i.e. Principals, Directors, Supervisors, Budget Managers, etc.)

Have you accepted a cash gratuity of any amount that will result in personal gain while representing HCDE? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, please explain and disclose from whom \_\_\_\_\_

Have you accepted any Non-Cash gratuities that have a retail value of more than \$25.00 from a vendor this year? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, please disclose who and explain \_\_\_\_\_

Have you accepted a gratuity during duty and non duty periods and did you report it to your Supervisor within 72 hours? Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_ If no, explain \_\_\_\_\_

Do you own a business or have an interest in a company that does business with HCDE? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, disclose name of company and your interest in the outside company \_\_\_\_\_

Does any one in your family (brother, sister, mother, father, daughter, son, grandparents, uncles, aunts, etc.) work for, or have an interest in, a vendor or company doing business with HCDE? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, disclose name of company and your interest in the outside company \_\_\_\_\_

**CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.**

Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

Employee's Printed Name \_\_\_\_\_

**FOR HCDE USE ONLY**


**NOTE:** Failure to complete this form will prevent the employee from being authorized to approve any purchases within the HCDE

Reviewed By Compliance Officer:	Authorized to participate in the procurement process by HCDE Assistant Supt for Business

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 <b>Harris County Department of Education</b> <b>Business Office / Purchasing Division</b> <b>EC Form</b> <b>Effectiveness and Compliance Review</b> <small>(This form is used to document the signature by Buyer)</small>	
To:	Purchasing Audit File and Jesus J. Amescua, Ph.D., CPA, KTSBA Assistant Supt. for Business
From:	Kendra Jackson - Contracts Manager
Purchasing Dept:	Bill Monroe, Purchasing Director
Job- Bid or RFP# and Name:	15/029KJ Lease of a Tidwell Head Start Facility for Harris County Department of Education
Board Meeting Date:	July 21, 2015
Date:	June 30, 2015
<b>Procurement Requirements Applicable:</b> Check One <input type="checkbox"/> Under \$2,500 (Requires Division Director and Asst Supt. Approval) <input checked="" type="checkbox"/> From \$2,500 to \$49,999 (Requires Buyer, Purchasing Director/CFO Approval) <input type="checkbox"/> Over \$50,000 (per CH Local) <input type="checkbox"/> Cooperative Programs (Requires Board Approval)	
I certify that I have reviewed the attached job (bid or RFP) and certify that all of my actions as a Recommendations Committee Member are within the procurement requirements in accordance with local Board Policies (CH local/legal) and legal (federal and state) policies and administrative guidelines set by the Business Office and the Purchasing Division.	
I certify that I have adhered to the Purchasing Policies of HCDE concerning the review of this job (bid or RFP) to include policies on conflict of interest.	
I certify that I am aware of all purchasing policies (CH Local and CH Legal) and administrative procedures of HCDE.	
I certify that I am aware of the penalties of not following the purchasing policies and procedures and in specific with section 44.012 of the Texas Education Code which deals with the penalties related to sequential or component purchases.	
I certify that I am aware of the EDGAR requirements as amended on Dec 26, 2014 under 2 CFR Part 200, and in specific the conflict of interest requirements for federal funds.	
I certify that I am aware of Chapter 176 of the Local Government Code requirements for local government officers regarding conflict of interest disclosures.	
I further certify that I recommend the issuance of a purchase order after Board approval and execution of a contract. <small>(Note: This form is required of all jobs (bids and RFPs) prepared by all buyers and Director)</small>	

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		<b>Venetia Peacock</b> _____
		<b>Jay Atkins</b> _____
		<b>Armando Rodriguez</b> _____
	Job (Bid or RFP#) and Name: <u>15/029KJ</u> <u>Lease of a Tidwell Head Start Facility for Harris County Department of Education</u>	
	Board Meeting Date:	<u>July 21, 2015</u>
	Date:	<u>June 30, 2015</u>
	<b>Procurement Requirements Available:</b> Check One <input type="checkbox"/> Under \$2,500 (Requires Division Director and Asst Supt. Approval) <input checked="" type="checkbox"/> From \$2,500 to \$25,000 (Requires Buyer, Purchasing Director/CFO Approval) <input type="checkbox"/> Over \$50,000 (Requires Board Approval)	
	I certify that I have reviewed the attached Job (bid or RFP) and certify that all of my actions as a Recommendations Committee Member are within the procurement requirements in accordance with local Board Policies (CH local/legal) and legal (federal and state) policies and administrative guidelines set by the Business Office and Purchasing Division.	

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I  certify that I am aware of the EDGAR requirements as amended on Dec 26, 2014 under 2 CFR Part 200, and in specific the **conflict of interest requirements** for federal funds.

I certify that I am aware of Chapter 176 of the Local Government Code requirements for local government officers regarding **conflict of interest disclosures**.

I further certify that I recommend the issuance of a purchase order after Board approval and execution of a contract.

(Note: This form is required of all jobs (bids and RFPs) prepared by all Buyers & Director)

**Justification:**

Job no. 15/029KJ

This RFP was developed for the Lease of a Tidwell Head Start Facility for Harris County Department of Education.

This job was competitively bid and advertised. The result of the bid generated the following response:

Invitation to propose was sent to twenty-five (25) vendors.


HCDE received one (2) response.

**Recommendation:**

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	HARRIS COUNTY DEPARTMENT OF EDUCATION	<a href="#">SPECS-157</a>
DATE DEVELOPED: 6/15/2015		REVISED DATE: 6/15/2015
SUBJECT: Protest Procedures		

**Protest Procedures**

HCDE has protest procedures in place to handle and resolve disputes relating to procurements.

In all instances, information regarding the protest must be disclosed to the Purchasing Office. A protester must exhaust all administrative remedies with HCDE or [subcontractor](#) before pursuing a protest with the [granting](#) agency. Reviews of protest by HCDE will be limited to:

- Violations of federal law or regulations and procurement standards established by federal regulations (violations of state or local law will be under the jurisdiction of state or local authorities)
- Violations of the Contractor's or subcontractor's protest procedures for failure to review a complaint or protest

HCDE will review any protests and provide a response addressing each protest. The Purchasing Director will report all protests to the Assistant Superintendent of Business and prepare a summary report.

Authority:

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**FEDERAL FUNDS:** If the source of funds for this purchase is federal funds, the following federal provisions apply, (as applicable).

Section 14.52 of the Texas Family Code, added by S.B. 84, Acts, 73rd Legislature, R.S. (1993); Equal Employment Opportunity; Davis-Bacon Act, as amended (40 U.S.C. 3141-3148); Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708); Rights to Inventions Made Under a Contract or Agreement; Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended; Debarment and Suspension (Executive Orders 12549 and 12689; Byrd Anti-Lobbying Amendment (31 U.S.C. 1352); Record Retention Requirement - 2 CFR § 200.333; Clean Air Act of 1970, as amended (42 U.S.C. 1857(h)), Section 508 of the Clean Water Act, as amended (33 U.S.C. 1368), Executive Order 117389 and Environmental Protection Agency Regulation, 40 CFR Part 15; Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871; Buy America Act;

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**HARRIS COUNTY DEPARTMENT OF EDUCATION  
REVIEW OF MONTHLY P CARD REPORT**

**MONTH OF** [REDACTED]

**We have reviewed the expenditures and charges for accuracy and completeness in the P Card report for the month. The P Card Manual has been followed for compliance.**

**I am aware of Chapter 176 of the Texas Local Government Code and if needed, a CIS Form will be prepared should a conflict of interest arise.**

**By signing this report, I further certify to the best of my knowledge and belief that the monthly charges and reports along with supporting documentation are true, complete, and accurate, and the expenditures, disbursements are for the purposes and objectives that support an HCDE program or activity.**

**I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."**

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**Distribution of TXVSN Revenue**

We have reviewed the expenditures, revenues, and appropriations for accuracy and completeness in the general ledger for the month. Texas Education Agency's Financial Accountability System Resource Guide ("FASRG") has been followed to assure grant compliance.

By signing this report, I further certify to the best of my knowledge and belief that the monthly financial statements and drawdown reports along with supporting documentation are true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."

\_\_\_\_\_  
Jesus J. Amezcua, PhD, CPA, RTSBA, Assistant Superintendent for Business Services

\_\_\_\_\_  
Rosa Maria Torres, Chief Accounting Officer

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**LOCAL GOVERNMENT OFFICER  
CONFLICTS DISCLOSURE STATEMENT**

**FORM CIS**

(Instructions for completing and filing this form are provided on the next page.)

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with Chapter 176, Local Government Code.

	OFFICE USE ONLY
1 Name of Local Government Officer	Date Received
2 Office Held	
3 Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code	
4 Description of the nature and extent of employment or other business relationship with vendor named in item 3	
5 List gifts accepted by the local government officer and any family member, if aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100 during the 12-month period described by Section 176.003(a)(2)(B).	

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entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**1 Name of vendor who has a business relationship with local governmental entity.**

**2** ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

**3 Name of local government officer about whom the information in this section is being disclosed.**

\_\_\_\_\_

Name of Officer

This section (item 3 including subparts A, B, C, & D) must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

**A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?**

☐ Yes ☐ No

**B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?**

☐ Yes ☐ No

**C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local**

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**LOCAL GOVERNMENT OFFICER  
CONFLICTS DISCLOSURE STATEMENT**

Section 176.003 of the Local Government Code requires certain local government officers to file this form. A "local government officer" is defined as a member of the governing body of a local governmental entity; a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity, or an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. This form is required to be filed with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of this statement.

A local government officer commits an offense if the officer knowingly violates Section 176.003, Local Government Code. An offense under this section is a misdemeanor.

Please refer to chapter 176 of the Local Government Code for detailed information regarding the requirement to file this form.

**INSTRUCTIONS FOR COMPLETING THIS FORM**

*The following numbers correspond to the numbered boxes on the other side.*

- 1. Name of Local Government Officer.** Enter the name of the local government officer filing this statement.
- 2. Office Held.** Enter the name of the office held by the local government officer filing this statement.
- 3. Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code.** Enter the name of the vendor described by Section 176.001(7), Local Government Code, with whom the officer has an employment or other business relationship as described by Section 176.003(a)(2)(A), Local Government Code.
- 4. Description of the nature and extent of employment or business relationship with vendor named in item 3.** Describe the nature and extent of the employment or other business relationship with the vendor in item 3 as described by Section 176.003(a)(2)(A), Local Government Code.
- 5. List gifts accepted, if the aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100.** List gifts accepted during the 12-month period (described by Section 176.003(a)(2)(B), Local Government Code) by the local government officer or family member of the officer from the vendor named in item 3 that in the aggregate exceed \$100 in value.
- 6. Affidavit.** Signature of local government officer.

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Sample only . Go to  
the ethics  
commission to  
download...

Include the  
ISD Name

Include the  
contract # or RFP

This is a  
sample copy  
of the form,  
but only the  
form printed  
through the  
ethics  
commission  
will be  
accepted.  
Note: all  
forms will  
have an ID #.

<b>CERTIFICATE OF INTERESTED PARTIES</b>		<b>FORM 1295</b>																			
Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.		<b>OFFICE USE ONLY</b>																			
<b>1 Name of business entity filing form, and the city, state and country of the business entity's place of business.</b>																					
<b>2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.</b>																					
<b>3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.</b>																					
<b>4 Name of Interested Party</b>	<b>City, State, Country (place of business)</b>	<b>Nature of Interest (check applicable)</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Controlling</th> <th style="width: 50%; text-align: center;">Intermediary</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>		Controlling	Intermediary																
Controlling	Intermediary																				
<b>5 Check only if there is NO interested Party.</b> <input type="checkbox"/>																					
<b>6 AFFIDAVIT</b> <span style="float: right;">I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.</span>																					
<div style="text-align: right; margin-bottom: 5px;">             _____              Signature of authorized agent of contracting business entity           </div> <div style="display: flex; justify-content: space-between; font-size: small;"> <span>APPEAR NOTARY STAMP / SEAL ABOVE</span> <span>Return to and subscribe before me, by the said _____, this the _____ day of _____, 20____, to certify which, witness my hand and seal of office.</span> </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 10px;"> <span>_____ Signature of official administering oath</span> <span>_____ Printed name of official administering oath</span> <span>_____ Title of official administering oath</span> </div>																					
<b>ADD ADDITIONAL PAGES AS NECESSARY</b>																					

Form provided by Texas Ethics Commission

www.ethics.state.tx.us

Adopted 10/5/2018

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HARRIS COUNTY DEPARTMENT OF EDUCATION  
PROPOSER/VENDOR CERTIFICATION FORMS

CATION OF COMPLIANCE WITH TEXAS FAMILY CODE PROVISIONS

1 of the Texas: Family Code, added by S.B. 84, Act, 73rd Legislature, R.S. must complete and submit with the bid the following affidavit:  
endor, do hereby acknowledge that NO sole proprietor, partner, majority shareholder or owner of 10% or more of another business entity is 30 days or more delinquent in under a court order or a written repayment agreement. I understand that under this partnership, partnership, corporation or other entity in which a sole proprietor, holder or a corporation, an owner of 10% or more of another entity is 30 days or owing child support under a court order or a written repayment agreement is NOT a state contract.

CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS  
UNDER FEDERAL AWARDS - APPENDIX II TO 2 CFR PART 200

ions are required and apply when federal funds are expended by HCDE for up from this procurement process.]

more than the simplified acquisition threshold currently set at \$150,000, which is amount determined by the Civilian Agency Acquisition Council and the Regulation: Council (Council); as authorized by 41 U.S.C. 1908, must address: practical, or legal remedies in instances where contractors violate or breach provide for such sanctions and penalties as: appropriate.

Federal Rule (A) above, when federal funds are expended by HCDE, HCDE reserves and privileges under the applicable laws and regulations with respect to this the in the event of a breach of contract by either party.

er agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

r cause and for convenience by the grantee or subgrantee including the manner affected and the basis for settlement. (All contracts in excess of \$10,000)

Federal Rule (B) above, when federal funds are expended by HCDE, HCDE reserves immediately terminate any agreement in excess of \$10,000 resulting from this process in the event of a breach or default of the agreement by Vendor, in the event to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in ment solicitation, contract, and/or a purchase order; (2) make any payments owed, or payment in accordance with the contract and/or the procurement solicitation. reserves the right to terminate the contract immediately, with written notice to convenience, if HCDE believes, in its sole discretion that it is in the best interest of o. The vendor will be compensated for work performed and accepted and goods HCDE is in the termination date if the contract is terminated for convenience of y award under this procurement process is not exclusive and HCDE reserves the right goods and services from other vendors when it is in the best interest of HCDE.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b) as amended with Executive Order 11246. "Equal Employment Opportunity" (39 FR 12319, 12395, 3 CFR 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR p. 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity Department of Labor."

Pursuant to Federal Rule (C) above, when federal funds are expended by HCDE on any federal assisted construction contract, the equal opportunity clause is incorporated by reference herein.

Does vendor agree to abide by the above? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal procurement legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entity must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 31 4148), as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions: Applicable to Contracts Covering Federally Financed and Assisted Construction"), accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wage specified in a wage determination made by the Secret of Labor. In addition, contractors must be required to pay wages not less than once a week. The n Federal entity must place a copy of the current prevailing wage determination issued by Department of Labor in each solicitation. The decision to award a contract or subcontract must conditioned upon the acceptance of the wage determination. The non-Federal entity must report suspected or reported violations to the Federal awarding agency. The contracts must also include provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 5, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subcontractor must be prohibited from inducing by any means, any person employed in the construction, completion, or repair of public work give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

Pursuant to Federal Rule (D) above, when federal funds are expended by HCDE, during the v of an award for all contracts and subgrants for construction or repair, the vendor will be compliance with all applicable Davis-Bacon Act provisions.

Does vendor agree? YES \_\_\_\_\_ Initials of Authorized Representative of vendor

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704 supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of Act, each contractor must be required to compute the wages of every employee employed on basis of a standard work week of 40 hours. Work in excess of the standard work week permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirement



HCDE PLUS - member of TCDA	<p>3704 are applicable to construction work and provide that no laborer or mechanic must work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles available on the open market, or contracts for transportation or transmission of information.</p> <p>Pursuant to Federal Rule (E) above, when federal funds are expended by HCDE, the vendor certifies that during the term of an award for all contracts by HCDE resulting from this procurement process, the vendor will be in compliance with all applicable provisions of the Federal Work Hours and Safety Standards Act.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p> <p><b>to Inventions Made Under a Contract or Agreement.</b> If the Federal award meets the definition of "funding agreement" under 37 CFR 5401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the development, testing, or performance of experimental, developmental, or research project or task funded in whole or in part by a Federal award, the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any regulations issued by the awarding agency.</p> <p>Pursuant to Federal Rule (F) above, when federal funds are expended by HCDE, the vendor certifies that during the term of an award for all contracts by HCDE resulting from this procurement process, the vendor agrees to comply with all applicable requirements as referenced in Federal Rule (F) above.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p> <p><b>air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1362).</b> Contracts and subcontracts of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1362). Violations must be reported to the awarding agency and the Regional Office of the Environmental Protection Agency (EPA).</p> <p>Pursuant to Federal Rule (G) above, when federal funds are expended by HCDE, the vendor certifies that during the term of an award for all contracts by HCDE resulting from this procurement process, the vendor agrees to comply with all applicable requirements as referenced in Federal Rule (G) above.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p> <p><b>ment and Suspension (Executive Orders 12549 and 12689).</b> A contract award (see 2 CFR 200.333) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 200.333 that require the non-Federal award to agree to comply with all applicable standards, regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1362). Violations must be reported to the awarding agency and the Regional Office of the Environmental Protection Agency (EPA).</p> <p>Pursuant to Federal Rule (H) above, when federal funds are expended by HCDE, the vendor certifies that during the term of an award for all contracts by HCDE resulting from this procurement process, the vendor certifies that neither it nor its principals is suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>	<p>Pursuant to Federal Rule (H) above, when federal funds are expended by HCDE, the vendor certifies that during the term of an award for all contracts by HCDE resulting from this procurement process, the vendor certifies that neither it nor its principals is suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p> <p><b>(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352).</b> Contractors that apply for a Federal award exceeding \$100,000 must file the required certification. Each tier certifies that it will not and has not used Federal appropriated funds to pay any person or organization to influence or attempt to influence any officer or employee of any agency, Congress, officer or employee of Congress, or an employee of a member of Congress with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. The contractor must also disclose any lobbying with non-Federal funds that takes place in obtaining any Federal award. Such disclosures are forwarded from tier to tier.</p> <p>Pursuant to Federal Rule (I) above, when federal funds are expended by HCDE, the vendor certifies that during the term and after the awarded term of an award for all contracts by HCDE resulting from this procurement process, the vendor certifies that it is in compliance with all applicable provisions of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). The undersigned further certifies that:</p> <p>(1) No Federal appropriated funds have been paid or will be paid for on behalf of the contractor, its agent, or any other person for 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, grant or any other award covered by 31 U.S.C. 1352.</p> <p>(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for 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 this Federal contract or grant, the contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.</p> <p>(3) The undersigned shall require that the language of this certification be included in all subcontracts exceeding \$100,000. The contractor shall certify and disclose accordingly.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>
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HCDE PLUS - member of TCDA	<p><b>RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR WITH FEDERAL FUNDS – 2 CFR § 200.333</b></p> <p>When federal funds are expended by HCDE for any contract resulting from this procurement process, the vendor certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. The vendor further certifies that vendor will retain all records as required by 2 CFR § 200.333 for a period of three years after grantee or subgrantee submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p> <p><b>CERTIFICATION OF COMPLIANCE WITH EPA REGULATIONS APPLICABLE TO GRANTS, SUBGRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS IN EXCESS OF \$100,000 OF FEDERAL FUNDS</b></p> <p>When federal funds are expended by HCDE for any contract resulting from this procurement process in excess of \$100,000, the vendor certifies that the vendor is in compliance with all applicable standards, orders, regulations, and/or requirements issued pursuant to the Clean Air Act of 1970, as amended (42 U.S.C. 1857(h)), Section 508 of the Clean Water Act, as amended (33 U.S.C. 1368), Executive Order 117389 and Environmental Protection Agency Regulation, 40 CFR Part 15.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p> <p><b>CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT</b></p> <p>When federal funds are expended by HCDE for any contract resulting from this procurement process, the vendor certifies that the vendor will be in compliance with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p> <p><b>CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS</b></p> <p>Vendor certifies that vendor is in compliance with all applicable provisions of the Buy America Act. Purchases made in accordance with the Buy America Act must still follow the applicable procurement rules calling for free and open competition.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p> <p><b>CERTIFICATION OF NON-COLLUSION STATEMENT</b></p> <p>Vendor certifies under penalty of perjury that its response to this procurement solicitation is in all respects bona fide, fair, and made without collusion or fraud with any person, joint venture, partnership, corporation or other business or legal entity.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>	<p>Vendor agrees to comply with all federal, state, and local laws, regulations, etc. as specifically noted above.</p> <p>Vendor's Name/Company Name: _____ Address, City, State, and Zip Code: _____ Phone Number: _____ Fax Number: _____ Printed Name and Title of Authorized Representative: _____ Email Address: _____ Signature of Authorized Representative: _____ Date: _____</p>
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