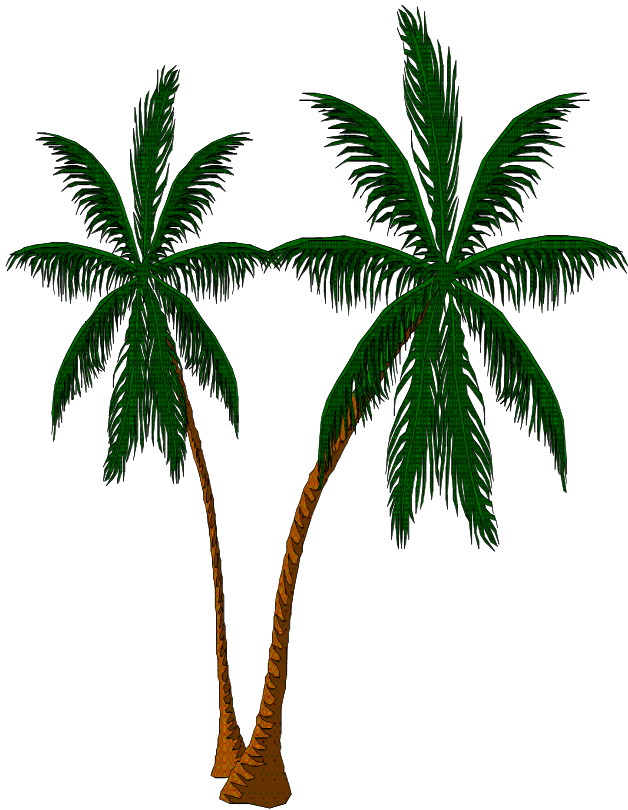


Presents

TIMELINE 2024

A PUBLIC PURCHASING SEMINAR
from

September 25th, 26th, 27th, 2024



Designed for Public Education Purchasing Professionals with special emphasis on the latest developments that are essential in educational purchasing.

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CALENDAR OF EVENTS

TIMELINE 2024

A PUBLIC EDUCATION PURCHASING SEMINAR

September 25, 26, 27, 2024

Hilton Garden Inn Beach Resort, South Padre Island, Texas

Tuesday, September 24 3:00 - 8:00 p.m. Exhibit Set-Up

Wednesday, September 25 10:00 a.m. Registration Begins
10:00 - 5:00 p.m. Exhibits Open
1:00 - 5:00 p.m. Classes
3:00 p.m. Afternoon Break
5:30 - 7:30 p.m. Reception & Networking Session

Thursday, September 26 7:00 - 9:00 a.m. Continental Breakfast
8:00 - 5:00 p.m. Exhibits Open
8:00 - 5:00 p.m. Classes
10:00 a.m. Mid-Morning Break
12:00 - 1:00 p.m. **Lunch**
3:00 p.m. Afternoon Break
5:30 - 7:30 p.m. Reception & Networking Session

Friday, September 27 7:00 - 9:00 a.m. Continental Breakfast
8:00 - 12:00 p.m. Classes
10:00 a.m. Mid-Morning Break
12:00 p.m. Lunch on your own
1:00 - 3:00 p.m. Group Sessions (Optional)
1:00 - 5:00 p.m. Region One ESC Purchasing Advisory Council Meeting



8:00 – 1:00		SET-UP VENDOR EXHIBITS
10:00 – 1:00		REGISTRATION
1:00 – 1:05		INTRODUCTION
1:05 – 2:00	W-1	REPORT ON LEGISLATION: ARE YOU COMPLYING WITH THE LATEST BILLS <ul style="list-style-type: none">• <i>Narita Holmes</i>• <i>Carol Cooper</i>• <i>Jesus Amezcua</i>
2:00 – 3:00	W-2a	THE WHYS OF REQUEST FOR QUALIFICATIONS <ul style="list-style-type: none">• <i>Carol Cooper</i>
3:00 – 3:15	W-2b	VENDOR PRESENTATIONS
3:15 – 4:00	W-3a	FRAUD ENTRAPMENT <ul style="list-style-type: none">• <i>Phillip Vasquez/Jesus Amezcua</i>
4:00 – 4:30	W-3b	ELECTRICITY BUYING STRATEGIES IN TODAY’S HIGH PRICED MARKET <ul style="list-style-type: none">• <i>Annette VanBrunt</i>
4:30 – 5:00	W-4	ACQUIRING A FLEET OF VEHICLES—ADVANTAGES OF PURCHASING VS LEASE OPTIONS <ul style="list-style-type: none">• <i>Jerry Haddad</i>


TIMELINE 2024

Class Schedule Thursday—September 26, 2024

TIME	CLASSROOM A		CLASSROOM B	
8:00 - 9:00	T-5A	YOU'RE OUTTA HERE (HOW TO TERMINATE A CONTRACT) * Carol Cooper * Narita Holmes	T-5B	WHAT TO EXPECT FROM EXTERNAL AUDITORS—TO INCLUDE ARPA * Jesus Amezcua
9:00 - 10:00	T-6A	PURCHASING METHODS FOR CONSTRUCTION PROJECTS * * Phillip Vasquez/TBD	T-6B	THE BASICS OF PURCHASING—REVIEW OF THE PROCUREMENT PROCESS * Rosario Pena
10:00 - 11:00	T-7A	E-PURCHASING W/ARTIFICIAL INTELLIGENCE * Dan Elliot	T-7B	PURCHASING REQUIREMENTS/GUIDELINES—FEDERALLY FUNDED GRANTS * Jesus Amezcua
11:00 - 12:00	T-8A	INSURANCE REQUIREMENTS FOR PURCHASES * Joey Lopez	T-8B	SECURING THE SUPPLY CHAIN: INTEGRATING CYBERSECURITY INTO PROCUREMENT * Dallas Smetter
12:00 - 1:00	LUNCH			
1:00 - 2:00	T-9A	THE HEART OF PURCHASING SPECIFICATIONS * Mark Rogers/Jesus Amezcua	T-9B	HOW TO PURCHASE MEDICAL CARE & SAVE MILLIONS * Joe Wilson
2:00 - 3:00	T-10A	THE BLIND REQUIREMENT: ETHICS * Mark Rogers/Carol Cooper	T-10B	SOLE SOURCE—IS IT? OR SHOULD IT BE? * Phillip Vasquez/Jesus Amezcua
3:00 - 4:00	T-11A	JOB ORDER CONTRACTING MANADATORY PROCEDURES * Ryan Burwell	T-11B	HOW TO EVALUATE AN RFP * Jesus Amezcua
4:00 - 5:00	T-12A	THE FORTRESS OF SOLITUDE (COPING WITH UNCERTAINTY) * Meliton Moya	T-12B	PURCHASING COOPERATIVES * Phillip Vasquez/Narita Holmes



8:00 – 9:00	F-13	APPLYING INTERNAL CONTROLS IN THE PURCHASING PROCESS <ul style="list-style-type: none">• <i>Narita Holmes</i>
9:00 – 10:00	F-14a	REAL PROCUREMENT QUANDRIES <ul style="list-style-type: none">• <i>Carol Cooper</i>• <i>Narita Holmes</i>
10:00 – 11:00	F-14b	HEADLINE NEWS ARTICLES <ul style="list-style-type: none">• <i>Panel of Speakers</i>
11:00 – 12:00	F-15	QUESTIONS & ANSWERS SESSION <ul style="list-style-type: none">• <i>Carol Cooper</i>• <i>Jesus Amezcua</i>• <i>Narita Holmes</i>• <i>Mark Rogers</i>• <i>Phillip Vasquez</i>
12:00 – 1:00		LUNCH
1:00 – 5:00		REGION ONE ESC PURCHASING ADVISORY COUNCIL



TIMELINE 2024

ABOUT THE SPEAKERS

JESUS J. AMEZCUA, CPA

Jesus is the Assistant Superintendent for Business Services for HCDE, he oversees the financial management, investment management, debt management, procurement, compliance, tax collections, accounts receivable, accounts payable and payroll departments. Dr. Amezcua is a CPA as authorized by the Texas State Board of Public Accountancy and a member of the Professional Standards Committee for the Texas Society of CPAs. Jesus has been an adjunct professor for accounting, auditing, governmental and not for profit accounting, ethics and finance management, marketing, and tax and business courses for 22 plus years. He received his Doctor of Education Administration from Texas A&M University in 2014. He received his MBA in 1990, Public Accountancy in 1994, and International Logistics in 2001 from Texas A&M International University; additionally, he received his Bachelor of Arts Degree in Business Administration and Accounting in 1987.

RYAN BURWELL

Ryan Burwell – Job Order Contracting Consultant for the BuyBoard Purchasing Cooperative. I have a business degree in Construction Management and twenty-eight years in the construction industry. The last 18 years were spent developing and implementing Job Order Contracting programs across the Country for Higher-ED, K-12, Cities, Counties and Cooperatives. Specializing specifically in JOC-educational trainings, JOC program development, contractor recruiting, oversight, best practices, budgeting strategies and JOC software support. Having worked in construction as a contractor and owners' representative, I understand the construction procurement challenges that both local government entities and contractors are faced with. My goal is to support you through the JOC process and provide a quick & easy construction purchasing experience.

CAROL COOPER, CPM, CPSM, CPPO

Carol has been providing consulting and training on procurement and professional development topics at conferences, workshops and governmental work-sites since 1996. Prior to retirement from the City of Garland, Texas in 2011, Carol was the Director of Materials Management. She was actively employed in the purchasing and supply profession since 1978. She has both public and private sector experience in a variety of industries. Carol has served on the Board of Directors for ISM-Dallas, ISM Southwest Forum and BuyBoard. She is a Charter member of the Texas Public Purchasing Association and served on the TxPPA Board of Directors. Carol is a co-founder of N&C Consulting, specializing in procurement solutions. Carol is a graduate of the University of Texas at Dallas and holds a lifetime C.P.M. and CPPO.

DAN ELLIOTT

Dan Elliot provides a point of contact to clients and potential clients for procurement products. Dan focuses on his relationship building and how the Euna solutions can affect daily activities in purchasing operations. For over twelve years he has provided outstanding Euna solutions to government agencies.

JERRY HADDAD

Jerry Haddad / Sr. VP of Sales / Government / Commercial Fleet Division. In 2005, Jerry took a leap by joining D&M Leasing as a sales agent. This move marked the beginning of a 19-year tenure that would see him evolve into a pivotal figure within the company. His ascent through the ranks—from Sales Agent to Company Training Manager, and from Commercial General Manager to his current position as VP of Sales for the Government and Commercial Fleet Services division—demonstrates his leadership and dedication. Jerry's work at D&M is driven by a commitment to enhancing the efficiency and effectiveness of fleet management for public sector organizations. He specializes in helping cities, counties and schools navigate the fleet leasing and management programs. His goal is to demonstrate the tremendous benefits of leasing, helping these entities to optimize their fleets and achieve substantial savings. From vehicle acquisition and maintenance to disposal and everything in between—Jerry ensures that each agency he works with can operate at its best. His approach is not just about managing fleets but about cultivating long-lasting relationships and fostering a sense of partnership that leads to mutual success. Beyond his professional achievements, Jerry has been married for 46 years and is a devoted father of three. His faith-driven approach profoundly influences his work and personal life, fostering strong professional relationships and promoting sustainable practices that contribute to the success and growth of client agencies.

NARITA K. HOLMES, MBA, CPA., CIA, LCTURER IN ACCOUNTANCY AND COMPLIANCE AND TITLE IV CO-ORDINATOR, THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN, AND PURCHASING CONSULTANT

A C.P.A. in the state of Texas since 1971, Narita has extensive experience in both the financial and purchasing sectors. She served as Ector County Purchasing Agent from 1987 until she retired in 2004. Her employment includes three years with a big-eight accounting firm, fifteen years as chief financial officer for financial institutions and most recently Director of Audit and Compliance for The University of Texas of the Permian Basin. Narita has been an accounting instructor at the college level and also has taught a variety of management courses including Purchasing Management. She speaks frequently on a variety of topics for workshops, conferences and in-service training. A graduate of the University of Texas at Austin with a BBA in Accounting, she earned an MBA in Management at the University of Texas of the Permian Basin. Narita is a Charter member of TxPPA and is co-founder of N&C Consulting, specializing in procurement solutions for governmental entities.

JOEY LOPEZ

Joey Lopez was born and raised in Brownsville, Texas. As a lifelong resident, Joey attended and graduated from Sacred Heart, St. Mary's, and St. Joseph Academy. After graduating from St. Joseph Academy, he attended Pan American University. In 1981, Joey graduated with a bachelor's degree in business administration majoring in accounting and marketing. Joey served as a School Board Trustee from 1990 - 2000 and BISD South Texas ISD 2002 - 2018, and currently serves as County Commissioner since 2019. For the past 36 years, he has also consulted as a financial advisor, tax preparation and planning, and insurances.

MELITON MOYA, Ph.D

Dr. Moya earned a B.A. in Psychology and Sociology from Pan American University in 1974 and earned his Ph.D. in Clinical Psychology with a minor in Social Psychology from the University of Colorado at Boulder in 1981. He spent twenty years as a public servant (Air Force, welfare, outpatient and inpatient mental health, juvenile and adult probation, public education administration, and teaching psychology and education at the college undergraduate and graduate levels.) In 1993, he founded The Process Manager, a consulting service specializing in K-12 psychoeducational management solutions. In 2013, he decided to focus on his writing career. He is now writing his third book and looking to publish his first two books along with poems and essays he has written through the years while also consulting with attorneys, courts and as a member of the Citizens Review Teach for Child Protective Services.

ROSARIO PEÑA, RTSBA

Ms. Rosario Peña, RTSBA; currently serves as Purchasing Director for the Brownsville Independent School District. She has served as BISD's Purchasing Director for 20 years where she oversees all the procurement functions of the District. Rosario has been employed with BISD for 38 years where she has served as Federal Funds/Property Tax Accountant, Finance Coordinator, Administrator for Investments, Administrator for Special Assignment/Food and Nutrition Services, Administrator for Employee Benefits and Risk Management and Interim Chief Financial Officer. Rosario has offered classes and served as a panelist at the National Association of Purchasing Management/Institute for Supply Management (NAPM/ISM), has provided procurement training workshops for District staff and Board members, and has provided investment training workshops for various Charter Schools. Recently, she was appointed by the Texas Association of School Boards to serve as a Trustee on the Board for The Local Government Purchasing Cooperative/BuyBoard. She holds a Bachelor of Business Administration degree from Pan American University/Brownsville and an Associate of Arts degree from Texas Southmost College/Brownsville. She also holds a Governmental Accounting Certificate from Texas Tech University/Southwest School of Governmental Accounting, and is a Registered Texas School Business Administrator.

MARK ROGERS

Mark has been providing training and consulting on public purchasing issues since retiring in 2009. Prior to his retirement in 2009, Mark was Director of Materials Management for the Austin Independent School District for twenty-four years. Prior positions include Director of Materials Management for the University of New Mexico at Albuquerque and Director of Purchasing & Support Services for Austin Community College. Mark has been speaking on public purchasing at the LBJ School of Public Affairs at The University of Texas since 1981 and at public purchasing seminars for the Rio Grande Valley chapter of ISM-Rio Grande Valley since 1988. While Director of Materials Management at the University of New Mexico at Albuquerque, he was responsible for implementing the New Mexico Procurement Code. Mark has been in public purchasing since 1974. He is a graduate of The University of Texas at Austin.

DALLAS SMETTER

Dallas Ray Smetter holds a Bachelor's degree from the University of Nebraska and a Master's degree from the University of Texas at Brownsville. As an experienced IT consultant, Dallas Ray specializes in cybersecurity, custom scripting, and automation, with a focus on integrating security measures into procurement processes. He is also the founder of DallasRay.com, Inc., where he advises organizations on mitigating cyber risks. In addition to his IT work, Dallas Ray is a published author in the field of educational technology, bringing a unique perspective that blends academic insight, military discipline, and hands-on experience to protect businesses from evolving threats.

ANNETTE VAN BRUNT

Ms. Van Brunt is President of Van Brunt & Associates, Inc. which offers energy consulting services to large end users across the state of Texas. In her role at Van Brunt & Associates, Inc., she works to assist energy users in the public and private sectors in managing their energy consumption and procuring energy in the most cost-effective manner possible while minimizing risk. She has worked in deregulated markets across the US for over 28 years, and has operated in Texas deregulated markets since its inception for over 21 years. Ms. Van Brunt brings over 30 years commercial energy experience to her clients from her tenure at a variety of energy related companies including an oil and gas producer, interstate pipeline company, wholesale trading and marketing company, retail energy marketing firm, and energy software solutions company. Ms. Van Brunt has a bachelor's degree in economics from Harvard University and an MBA in Finance from Rice University.

PHILLIP VASQUEZ

Phillip has 25 years of materials management experience in developing cost effective contract strategies. Phillip has a BA from Oklahoma State University. Phillip has directed major technology procurements, major cooperative contracts, and major construction contracts. Phillip oversaw a portfolio of over \$500 million in cooperative purchasing contracts while with a large program. He has worked or collaborated with over 8 different purchasing cooperatives trying to understand what a Cooperative Purchasing Best practices. Phillip has worked for the City of Dallas, Dallas County, Region 4 ESC, and for Collin College. Prior to joining Collin College, Phillip founded Shepherd Government Services. He often speaks on various topics especially Cooperative Purchasing.

LUKE WOODWARD

Luke Woodward is an Assistant Attorney General in the Antitrust Division of the Texas Attorney General's Office where he works on a range of antitrust cases, including civil bid rigging suits. Prior to working at the Attorney General's Office, Luke worked in the private sector focusing on administrative law and permitting issues. Luke attended Texas Tech University and earned a finance degree with honors before going on to graduate Summa Cum Laude with his JD and MBA degrees from the Texas Tech School of Law and Rawls College of Business.

JOE WILSON

Joe Wilson, the Executive Vice President of Growth at Frontier Health, has been instrumental in establishing the foundation of the business that has led to Frontier's rapid expansion across South Texas. With over 20 years of experience in nonprofit management, Joe brings a unique level of outside-of-the-box creativity to every aspect of the business. From Frontier's core values to its daily operating systems, Joe's ingenuity and leadership have shaped company culture to be Intentionally Relational, Exceptionally Thorough, Mission-minded, Extra Mile Attitude, Relentless Progress, and Unreasonable Hospitality. Joe values big challenges, and over the last several decades, he has built multiple non-profit chapters for Young Life in Georgia, Oklahoma, and Texas. His insightfulness for operations, revenue streams, and community engagement has repeatedly produced thriving organizations. In 2007 he increased chapter funding by 733% while the overall impact increased by 430%. After being recognized for his leadership in 2008, Joe was asked to lead an effort in rural Oklahoma that focused on under-resourced communities with large per capita Native American populations. His ability to articulate a vision to a diverse socioeconomic audience while engaging marginalized students lead the region in funding growth and impact once again. During the 5 years of his leadership, the region experienced an annual growth of 518% in funding with 105% annual growth in impact. In 2015, Joe was chosen to lead a collaborative effort between the Catholic Diocese of Brownsville, TX and Young Life International along the Texas-Mexico border. The ecumenical vision and business plan Joe was able to establish led to an annual revenue growth of 141% over 5 years, with annual impact increasing by 140%. His leadership has been recognized internationally through multiple industry publications because of his impact along the Texas-Mexico border. During his time in nonprofit leadership, Joe continued to be an entrepreneur and community advocate, using his education in Marketing and Graphic Design through Oklahoma State University to consult local for-profit businesses in their expansion efforts. In 2018, Joe helped lead an agricultural operations organization to market their products and generate over 300% increases in revenue in the first 6 months. In September of 2020, Bibb Beale and Dr. Peter Lazopina invited Joe to partner with them in expanding Frontier Direct Care as the Chief Operating Officer. Joe's self-immersion into the healthcare industry helped Frontier to identify \$2MM in capital investment in the first 4 months while implementing the operations structures that aligned the team. In his first year of leadership, Joe led the sales team to achieving 338% growth in membership with a 396% increase in revenue. Since receiving his insurance license in 2021, Joe has quickly become an industry leader in innovative health benefits built on the foundation of Frontier's Direct Primary Care model. In an effort to further develop Frontier's offering to large employer groups, along with helping build the merger & acquisition arm of Frontier, Joe was invited into the role of Executive Vice President of Growth. It goes without question

that Joe's leadership and ingenuity continue to produce results regardless of the mission, location, or industry. Joe continues to serve out his calling as a true leader of leaders and currently serves on the Board or First Methodist Church of Harlingen and Young Life – Rio Grande Valley Committee, and is Vice President of the Free Market Medical Association – RGV Chapter. Joe is an active member of the South Texas Association of Health Underwriters and Health Rosetta. Joe and his wife, Rebecca, of 16 years, continue to be examples of sacrificial leadership for their community and organization as they have recently begun a new chapter as foster parents for children in need.



INSTITUTE FOR SUPPLY MANAGEMENT

ISM—Rio Grande Valley, Inc.

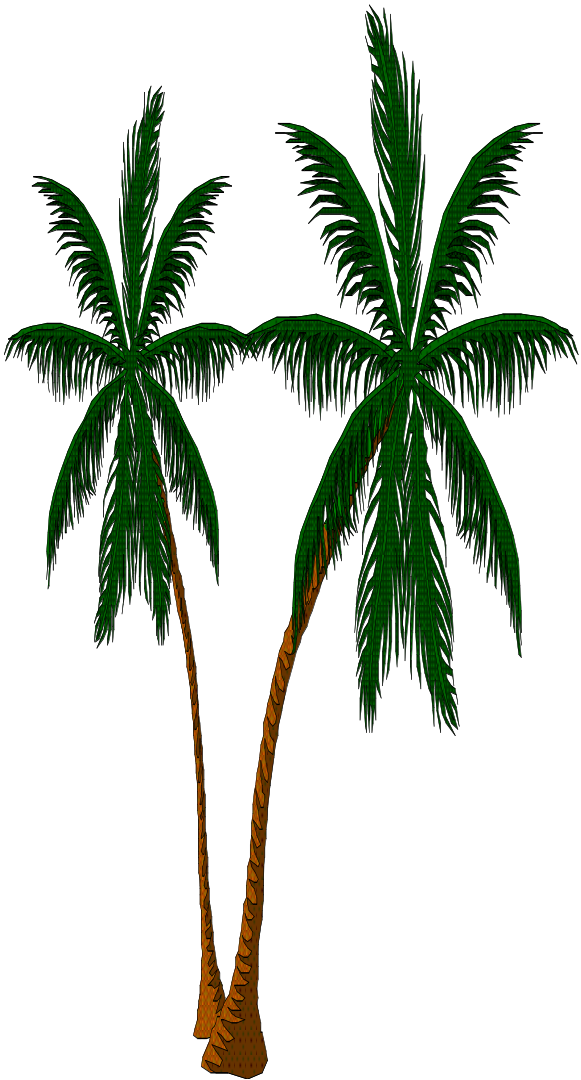
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TIMELINE 2024



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SEMINAR NO. 2024-02

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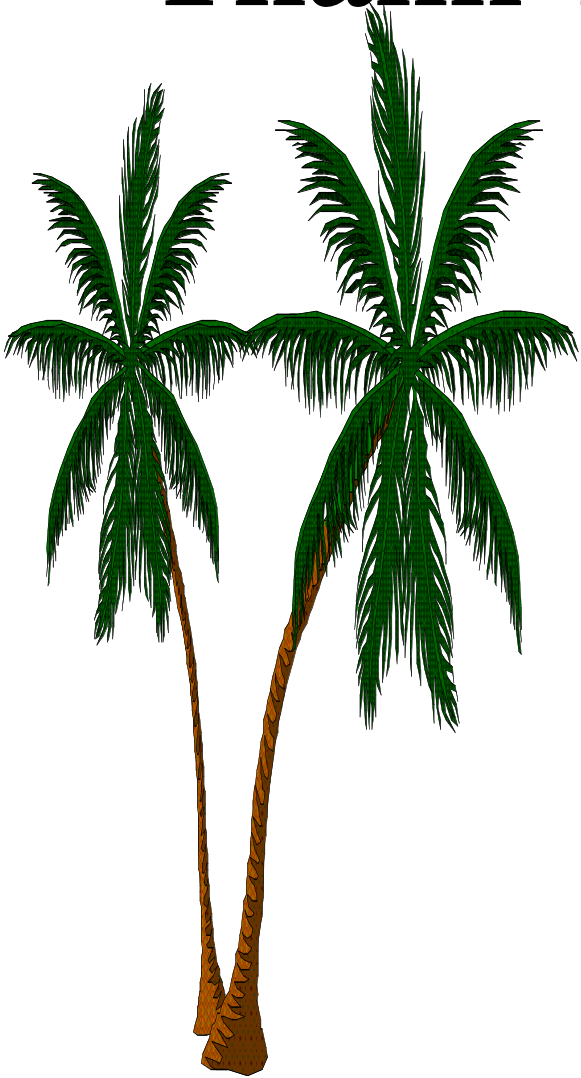
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Thank You Sponsors!

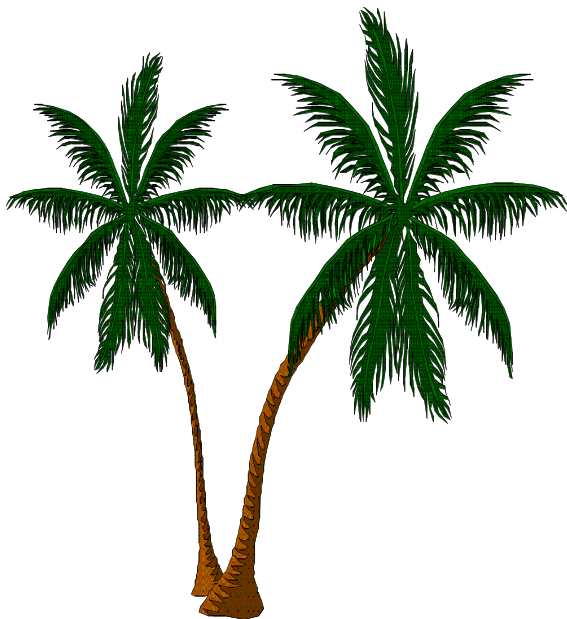


TIMELINE 2024

September 25, 26, 27, 2024
South Padre Island, TX

TIMELINE 2024

REPORT ON LEGISLATION: ARE YOU COMPLYING WITH THE LATEST BILLS



SPEAKERS:

Narita Holmes
Carol Cooper
Jesus Amezcua

LEGISLATIVE UPDATE Presented by

Dr. Jesus Amezcua,
CPA, RTSBA, CPFIM
Harris County Dept
of Education



2023 LEGISLATIVE UPDATE



SARAH LANGLOIS, PARTNER
Spalding Nichols Lamp Langlois, Houston Office



Session Recap

88th Regular Legislative Session: **By the Numbers**



- **8,046** bills filed
- **1,246** bills passed by House & Senate
- **1,124** bills signed by the Governor
- **76** bills vetoed by the Governor

Major bills at a glance

Signed

- [HB 1: Allocating the budget](#)
- [SB 14: Banning care for trans kids](#)
- [HB 12: Expanding postpartum Medicaid](#)
- [HB 6: Allowing murder charges for fentanyl poisoning](#)
- [HB 3: Addressing school safety](#)
- [HB 1500: Shoring up the power grid](#)
- [SB 15: Restricting trans athletes in college sports](#)
- [SB 17: Banning DEI offices in colleges](#)
- [SB 18: Solidifying tenure in state law](#)
- [HB 9/HJR 125: Expanding broadband](#)
- [SB 12: Regulating sexually explicit shows](#)
- [HB 2127: Preempting local regulations](#)
- [HB 1595: Creating university endowments](#)
- [SB 28/SJR 75: Funding water infrastructure](#)

Vetoed or Failed

- [SB 8: Creating education savings accounts](#)
- [HB 100: Increasing school funding and education savings accounts](#)
- [SB 3: Cutting property taxes](#)
- [HB 7: Expanding border security funding and creating a border safety unit](#)
- [HB 2744: Raising the age](#)
- [SB 7: Shoring up the power grid](#)
- [HJR 102: Legalizing online sports betting](#)
- [HJR 155: Authorizing casinos](#)
- [HB 1422: Adopting permanent daylight saving time](#)
- [SB 23: Raising minimum sentence for gun crimes](#)
- [HB 4843: Raising minimum sentence for gun crimes](#)
- [SB 147: Restricting foreign land ownership](#)

NOTHING BURGER

Definitions from Oxford Languages

noth·ing·burg·er

noun: **nothing burger**

1. something that is or turns out to be insignificant or lacking in substance.
2. "another nothingburger of a debate"



Post-session statement from Governor Abbott:



"I will soon be signing laws that advance our state and the future of all Texans Despite these major achievements, more must be done for the people of Texas. Many critical items remain that must be passed. Several special sessions will be required."

Special Sessions

- May only be called by the Governor
- Maximum 30 days each (but an unlimited number of Special Sessions may be called)
- May be called at any time between regular sessions
- Topics limited to those set forth by the Governor



Special session #1

Governor Abbott Announces Immediate Special Session Agenda

May 29, 2023 | Austin, Texas | Press Release

Governor Greg Abbott today announced special session #1 and issued a proclamation identifying agenda items for the Special Session that begins at 9:00 PM on Monday, May 29. Governor Abbott issued the following statement:

"I will soon be signing laws that advance our state and the future of all Texans, including laws that:

- End COVID restrictions and mandates;
- Provide more than \$5.1 billion to secure the border and fund the Texas National Guard, the Texas Department of Public Safety, and the border wall;
- Designate Mexican drug cartels as foreign terrorist organizations;
- Prosecute fentanyl deaths as murder;
- Protect women's sports and female collegiate athletes;
- Focus community colleges on preparing Texas students for high skill careers;
- Increase electric power generation to secure the Texas power grid;
- Hold rogue district attorneys accountable;
- Protect children from life-altering gender mutilation;
- Ban illegal DEI hiring practices in our colleges and universities;
- Add \$1.4 billion to make Texas schools safer;
- Require armed security at all schools;
- Provide access to mental healthcare for students at all schools; and
- Require regular safety checks of school buildings.

Despite these major achievements, more must be done for the people of Texas. Many critical items remain that must be passed. Several special sessions will be required. **To ensure that each priority receives the time and attention it deserves to pass into law, only a few will be added each session.**

Special session #1 will focus only on cutting property taxes and cracking down on illegal human smuggling.

We must cut property taxes. During the regular session, we added \$17.6 billion to cut property taxes. However, the legislature could not agree on how to allocate funds to accomplish this goal. Texans want and need a path towards eliminating property taxes. The best way to do that is to direct property tax reduction dollars to cut school property tax rates."

Special session #1

PROCLAMATION
BY THE
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

I, GREG ABBOTT, Governor of the State of Texas, by the authority vested in me by Article III, Sections 5 and 40, and Article IV, Section 8 of the Texas Constitution, do hereby call extraordinary session #1 of the 88th Legislature, to convene in the City of Austin, commencing at 9:00 P.M. on Monday, May 29, 2023, for the following purposes:

To consider and act upon the following:

Legislation to cut property-tax rates solely by reducing the school district maximum compressed tax rate in order to provide lasting property-tax relief for Texas taxpayers.

Legislation solely for the purpose of increasing or enhancing the penalties for certain criminal conduct involving the smuggling of persons or the operation of a stash house.

The Secretary of State will take notice of this action and will notify the members of the legislature of my action.



IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office: in the City of Austin, Texas, this the 29th day of May, 2023.

Handwritten signature of Greg Abbott in black ink.

Special session #1

TEXAS LEGISLATURE 2023

First special session ends with no new laws, Texas lawmakers still deadlocked on property taxes

Gov. Greg Abbott quickly called lawmakers back to the Capitol for round two, hoping to break an impasse that has outlasted the regular session and one overtime period.

BY JAMES BARRAGÁN AND PATRICK SVITEK JUNE 27, 2023 UPDATED: 5 PM CENTRAL

Special session #1...then #2...



Special session #1...then #2...

TEXAS LEGISLATURE 2023

Gov. Greg Abbott signs \$18 billion tax cut package for Texas property owners

At a time when the state has some of the nation's highest property taxes, the initiative was a cornerstone of his 2022 reelection campaign.

BY **KAREN BROOKS HARPER** JULY 24, 2023 1 HOUR AGO

HOUSTON CHRONICLE

HOUSTONCHRONICLE.COM • THURSDAY, SEPTEMBER 21, 2023 • VOL. 122, NO. 343 • \$3.00

Abbott vows special session on vouchers

He promises those at odds with him on hot topic will face primary challengers

By Edward McKinley
AUSTIN BUREAU

Gov. Greg Abbott said he will call a special session next month to pass private school vouchers and threatened lawmakers with primary challenges if they don't get on board.

"There's an easy way to get it done and a hard way to get it

done," he said during a recent call with supporters and church leaders, adding: "If they make it the hard way, we're happy to take the hard way also. Either way, I'm in this to win this."

The third-term Republican also pressed pastors to make the case for vouchers by telling their congregations "how important this is to the moral fabric of the

future of Texas."

The announcement comes as there's no clear consensus on the politically thorny issue of sending public money to private schools, and at a time when tensions are running high after the Senate acquittal of Attorney General Ken Paxton.

Lt. Gov. Dan Patrick has lashed out at House Speaker Dade Phelan for mishandling the impeachment case and Phelan responding by blasting the Senate leader for "confessing his

bias."

The Republican-controlled chambers have long been at loggerheads over voucher proposals. The Senate green-lit a policy earlier this year giving families \$8,000 in taxpayer money to pay for private school tuition and other related expenses, but the House never took it up.

Abbott, who named the issue a priority, said if the Republican-controlled Legislature won't pass a bill in a special session next month, he'll call a sec-

ond. And if it doesn't pass then, he said, "we will have everything teed up in a way" where anti-voucher members will face primary challengers who support vouchers in March. He said parents shouldn't have to send their children to a public school "teaching them things that are morally at odds with where parents want their children to be."

The biggest hurdle for vouchers has been the House, where a coalition of rural Republicans

Vouchers continues on A8

Notable Bills

Overview

procurement / vendor forms
public information
construction
facilities
miscellaneous



Impact to
our
operations

Procurement / Vendor Forms

HB 4123

HB 4123 Access to and Use of Certain Criminal History Record Information

- **Effective:** June 13, 2023
- **Amends provisions of Educ. Code regarding criminal history review of contractors and their employees to align with FBI criteria for use of background check information**





2007

- FBI notified DPS that TEC §22.0834 [the law requiring contractors to obtain CHRI and certify compliance to the district] should be amended to provide **access to school districts only**

2019 FBI Audit

- FBI instructed DPS that **contractors cannot have access to national criminal history record information**, given status as private entities

TEA Contractor Fingerprinting Guidance

The screenshot shows the TEA website interface. At the top, there is a navigation bar with links for Popular Applications, AskTED, ECOS for Educators, Grant Opportunities, Secure Applications, TEAL Login, and TSDS. A search bar is located on the right. Below the navigation bar is a row of icons for various services: About TEA, Texas Schools, Academics, Finance & Grants, Reports & Data, Student Assessment, and Texas Educators. The main content area features a breadcrumb trail: Home / Texas Educators / Investigations / Fingerprinting and Registry for Schools. The title of the page is 'Requirements for School District Contractors', updated July 20, 2021. The text explains that contractors providing services to school districts or charter schools must be fingerprinted before beginning work. It also mentions that the law requires contractors to certify to a school district or charter school that they have received all criminal history information for their employees. A sidebar on the right contains a list of links related to fingerprinting and registry for schools, with 'Requirements for School District Contractors' highlighted in yellow.

Popular Applications AskTED ECOS for Educators Grant Opportunities Secure Applications TEAL Login TSDS Help Desk

Search Search tea.texas.gov

A - Z Index Contact Employment Sign Up for Updates TEA Correspondence

About TEA Texas Schools Academics Finance & Grants Reports & Data Student Assessment Texas Educators

Home / Texas Educators / Investigations / Fingerprinting and Registry for Schools

Requirements for School District Contractors

Updated July 20, 2021

Texas Education Code (TEC) §22.0834 and §22.08341 state that a contractor that provides services to a school district or charter school must be fingerprinted before beginning work, if the contractor 1) will have continuing duties related to the contracted services, and 2) will have the opportunity for direct contact with students. Additionally, the law requires that a contractor certify to a school district or charter school that it has received all criminal history information for its employees who provide services for the school. Pursuant to §22.08341(c), the requirement does not apply to a contractor that performs construction, alteration, or repair of an instructional facility if the contractor uses separate sanitary facilities, installs a barrier fence, and has a policy that employees may not interact with students or enter areas used by students.

Fingerprinting and Registry for Schools

- Annual Certification and Statement of Compliance
- Fingerprinting for Certification Applicants
- Fingerprinting Help Desk
- Registry of Persons Ineligible for Employment
- Requirements for Certified Educators and Non-Certified Employees
- Requirements for School District Contractors**
- Requirements for Social Security Numbers

REMEMBER

Fingerprinting requirement is triggered:

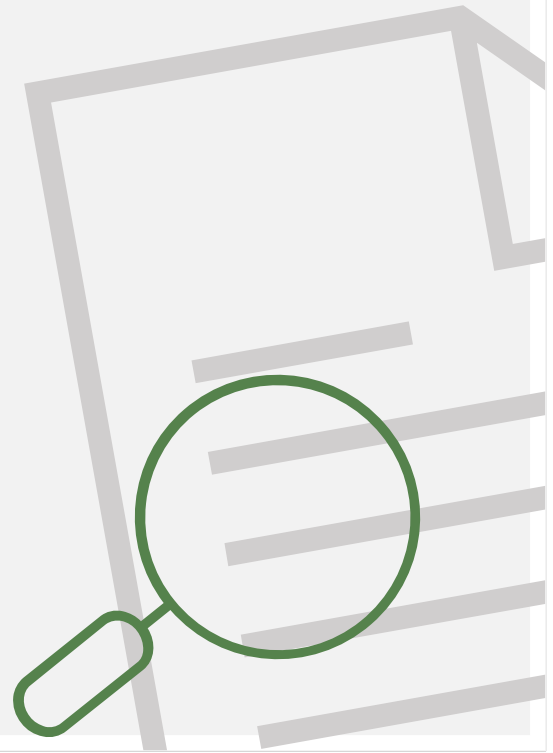
Unless an exception applies, Contractor:

- 1) is providing **services** to District;
- 2) will have **continuing duties** related to the contracted services; and
- 3) will have the opportunity for **direct contact** with students.

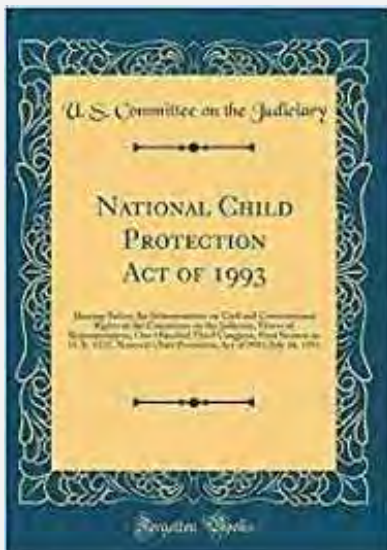
- ✓ **Continuing duties related to contracted services** – Work duties that are performed pursuant to a contract to provide services to a school entity on a **regular, repeated basis** rather than infrequently or one-time only. 19 TAC §153.1101(2)
- ✓ **Direct contact with students** – The contact that results from activities that provide **substantial opportunity** for **verbal or physical interaction with students** that is **not supervised** by a certified educator or other professional district employee.
 - ✓ Contact with students that results from services that do not provide substantial opportunity for unsupervised interaction with a student or students, such as addressing an assembly, officiating a sports contest, or judging an extracurricular event, is not, by itself, direct contact with students.
 - ✓ However, direct contact with students does result from any activity that provides substantial opportunity for unsupervised contact with students, which might include, without limitation, the provision of coaching, tutoring, or other services to students. 19 TAC §153.1101(7)
- TEA **has stated that virtual** interaction with students (i.e., virtual tutoring) **IS direct contact** and triggers the requirement to fingerprint!

HB 4123 Access to and Use of Certain Criminal History Record Information

- Qualified school contractor = has access to CHRI under National Child Protection Act of 1993 (NCPA)
 - May obtain CHRI from DPS or another Texas criminal justice agency
 - May not release CHRI without subject's consent or disclose under TPIA
 - May provide school district with a "fitness determination" based on CHRI; must certify to school district receipt of all CHRI of employees/ applicants offered employment
 - Must destroy CHRI after authorized use



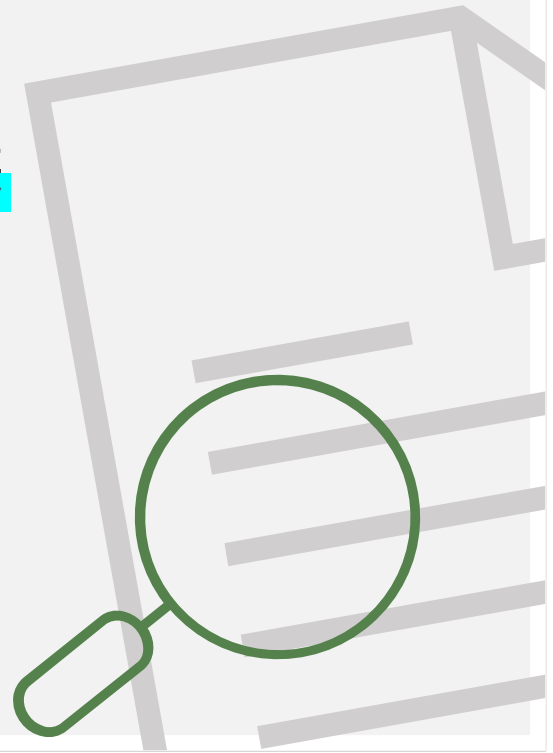
Exception: National Child Protection Act



- Access under the National Child Protection Act (NCPA):
 - if the contractor provides "**care or care placement services**" and
 - is **based in Texas**
- These contractors may fingerprint their W-2 employees who have access to students

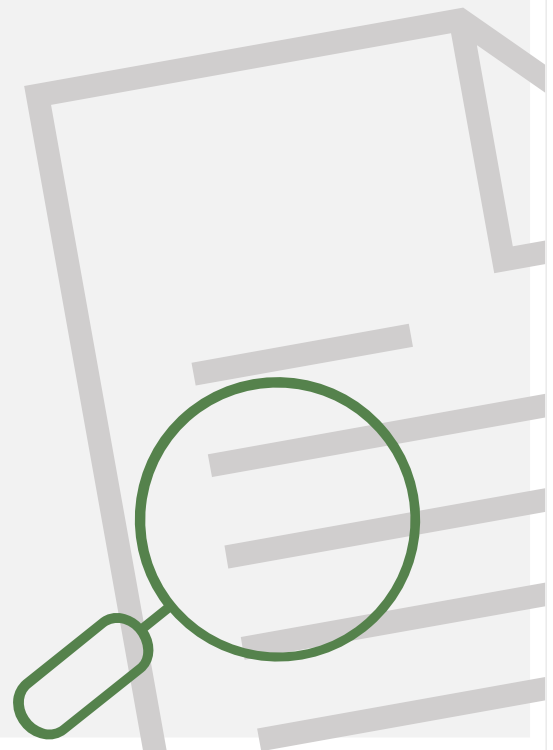
HB 4123 Access to and Use of Certain Criminal History Record Information

- Employees of contractors and subcontractors that are **not** qualified school contractors **must submit to criminal history review by the school district**
 - Contractor must ensure person sends to DPS information required for obtaining CHRI, such as photo and fingerprints
- Qualified school contractors must require any subcontracting entities that are also qualified school contractors to obtain CHRI
 - If subcontracting entity is not a qualified school contractor, contractor must require that subcontractor employees/ applicants submit to criminal history review by school district



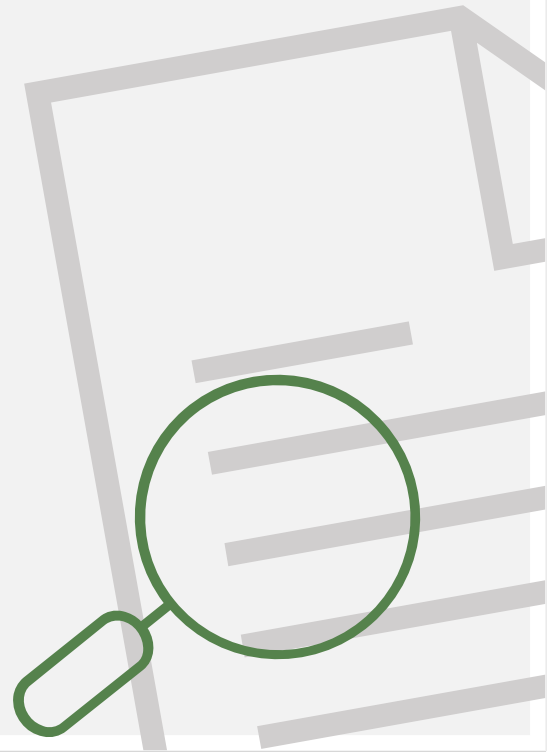
HB 4123 Access to and Use of Certain Criminal History Record Information

- Qualified school contractors and school districts **must not allow employees to provide services if convicted** of a crime that would prevent school district employment (TEC 22.085)



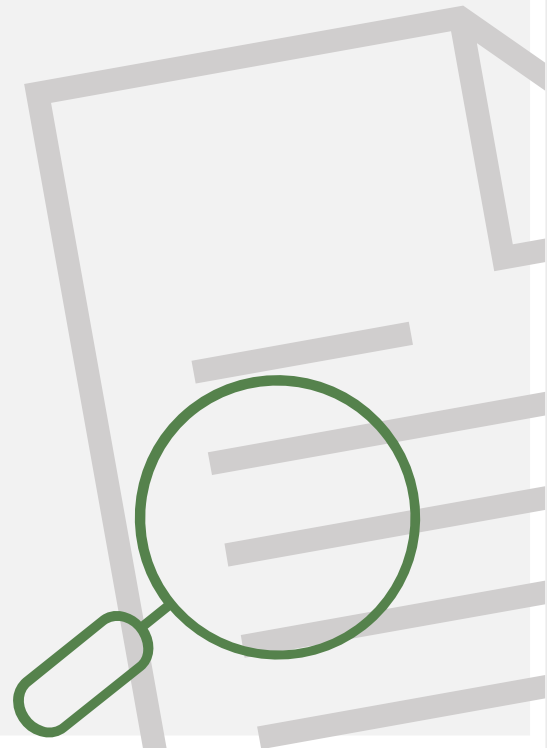
HB 4123 Access to and Use of Certain Criminal History Record Information

- Subcontractors: Adds employees and applicants for employment of school district subcontractors as persons who must submit to criminal history review (if continuing duties and direct contact with students)
- Volunteers: School districts **now authorized to obtain CHRI from DPS relating to volunteering parents, grandparents, guardians and school campus event volunteers.**
- Tutors: Tutors offering accelerated or supplemental instruction subject to national and state level background **checks by school district.**



HB 4123 Access to and Use of Certain Criminal History Record Information

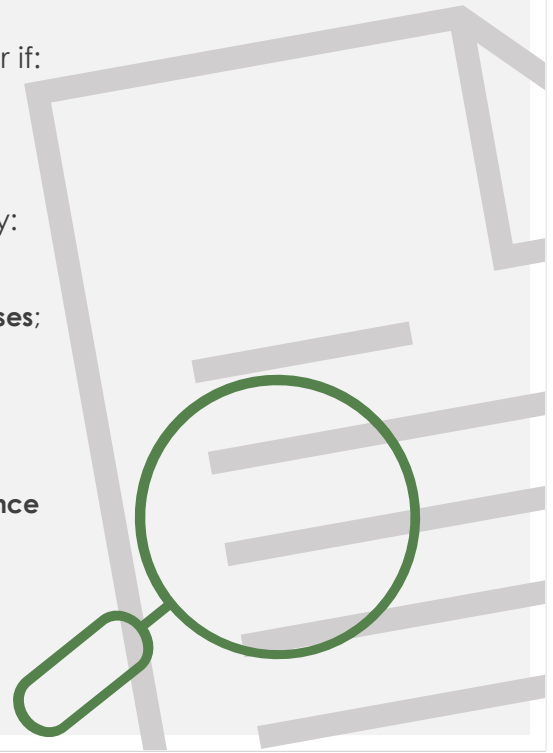
- Removes **separate process for** criminal history background checks for public works contractors from TEC 22.08341
- **Public Works Contractor** = an entity that contracts directly or subcontracts **with an entity that contracts** with a school district, open-enrollment charter school, or shared services arrangement to provide services to the school district, open-enrollment charter school, or shared services arrangement.



HB 4123 Access to and Use of Certain Criminal History Record Information

Does not apply to employee / applicant of public works contractor if:

- (1) the public work **does not involve** the construction, alteration, or repair of an **instructional facility**;
- (2) for public work involving construction of **new** instructional facility:
 - person's duties will be **completed not later than the seventh day before** the first date the facility will be **used for instructional purposes**;
- (3) or for public work involving **existing** instructional facility:
 - public work area contains **sanitary facilities** and
 - is separated from all areas used by students by **secure barrier fence** not less than six feet high; and
 - contracting entity adopts policy **prohibiting employees**, including subcontracting entity employees, from **interacting with students** or entering areas used by students, informs employees of policy, and enforces policy at work area.



HB 4123 Access to and Use of Certain Criminal History Record Information

- 1 Not instructional facility
- 2 New instructional facility, but
 - duties completed 7+ days before use
- 3 Existing instructional facility, but
 - barrier fence and separate sanitary facilities and
 - employees prohibited from interacting with students

PREVIOUSLY

Defined as "person does **not** have the opportunity for **direct contact** with students"

NOW

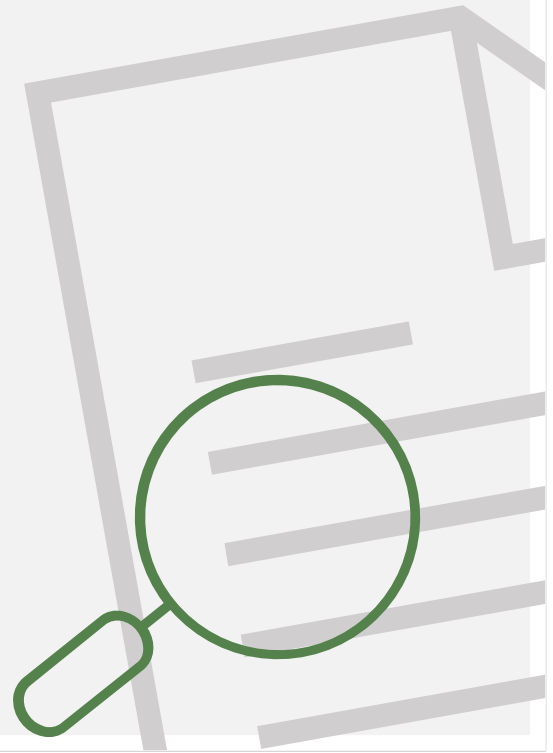
Exception to criminal history check requirement

END RESULT

No criminal history check required

HB 4123 Access to and Use of Certain Criminal History Record Information

- Removes modifier "on or after January 1, 2008"
- State Board for Educator Certification (SBEC) and Texas Education Agency (TEA) authorized to obtain CHRI (from DPS and FBI) for their purposes
 - May not release or disclose FBI CHRI
 - May only release DPS CHRI to certain entities
 - Must destroy CHRI after authorized use



HB 1605

HB 1605 Instructional Material

- **Effective:** June 13, 2023
- **District not required to follow purchasing contract requirements (e.g., RFP) to purchase instructional materials that have been reviewed by TEA and included on SBOE-approved list**

HB 1817

CERTIFICATE OF INTERESTED PARTIES **FORM 1295**

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 8 if there are no interested parties.

OFFICE USE ONLY

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track and provide a description of the services, goods, or other property to be provided under the contract.

4

Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is no Interested Party.

6 **UNSWORN DECLARATION**
 My name is _____ and my date of birth is _____
 My address is _____ (street) _____ (city) _____ (state) _____ (zip code) _____ (country)
 I declare penalties or sanctions into the foregoing in sworn testimony.
 Executed at _____ County, State of _____ on the _____ day of _____, 20____ (month) _____ (year)

 (Signature of authorized agent of contracting business entity)
 (Date)

ADD ADDITIONAL PAGES AS NECESSARY

Form provided by Texas Ethics Commission www.ethics.state.tx.us Revised 12/22/2017

HB 1817 Disclosure of Interested Parties for Certain Contracts

BILL ANALYSIS

H.B. 1817
 By: Capriglione
 State Affairs
 Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 2015, the Texas Legislature enacted legislation that required governmental entities to file a disclosure of interested parties, otherwise known as a Form 1295, with the Texas Ethics Commission for certain contracts. In 2022, a development company, Legacy Hutto LLC, sued the City of Hutto for breach of contract. The judge found that the city had not verified whether a Form 1295 was submitted and on file, therefore not complying with state government transparency laws. As such, the judge found that the contract had not been properly executed. With this ruling, the potential now exists for any government contract without a Form 1295 on file to be found void. H.B. 1817 seeks to prevent this from occurring by updating the disclosure of interested parties statute to allow for a cure period of 10 business days if a Form 1295 is found to not be on file.



HB 1817 Disclosure of Interested Parties for Certain Contracts

- **Effective:** June 9, 2023
- Contract is **only voidable** for failure to provide Form 1295 if:

the governmental
entity submits written
notice to the vendor



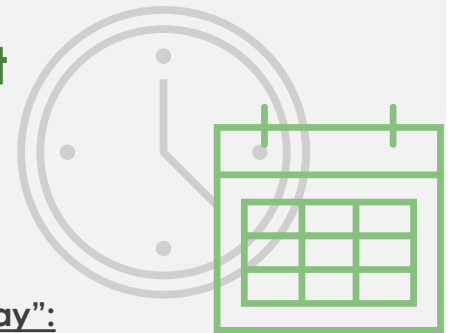
the vendor fails to submit
the disclosure within 10
business days after
receiving the notice

Public Information

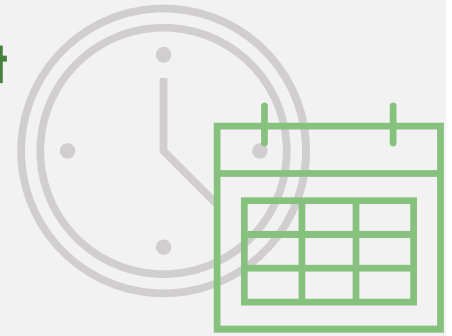
HB 3033

HB 3033 Revisions to Public Information Act

- **Effective:** September 1, 2023
- **Definition of “business day”**
 - Business day = day *other than*
 - Saturday or Sunday
 - National holiday (TGC 662.003(a))
 - State holiday (TGC 662.003(b))
 - **Also not a “business day”:**
 - Optional holiday (TGC 662.003(c)) if the public information officer observes it
 - Rosh Hashanah, Yom Kippur, or Good Friday
 - Holiday established by governing body of institution of higher education (TGC 662.011(a))
 - “Friday before” or “Monday after,” observing national or state holiday that occurs on Saturday or Sunday



HB 3033 Revisions to Public Information Act



Nonbusiness Days

- Governmental body may designate as a “nonbusiness day” a day on which its administrative offices **are closed or operating with minimum staffing**
 - Maximum of **10** “nonbusiness days” per calendar year
 - **For school district, board of trustees must designate**

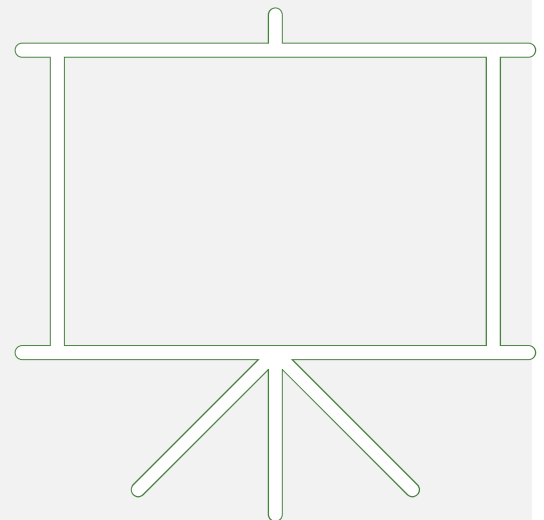
Alternative Work Sites

- Fact that employee works from alternative work site does **not** affect “business day.”

HB 3033 Revisions to Public Information Act

AG-Required Training

- If AG determines governmental body has failed to comply with TPIA requirement, AG may require that each public official of that body (including board members and PIO) complete **TPIA course of training**
 - AG to provide written notice of determination and requirement to complete training
 - Public official to complete training **within 60 days of receiving notice**



HB 3033 Revisions to Public Information Act



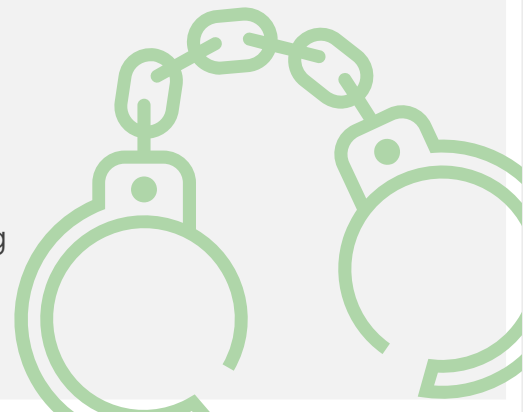
Litigation Exception – Elections

- Background: TPIA exception to disclosure for information related to pending litigation
- Litigation exception does not apply if the information:
 - relates to a general, primary, or special election, and
 - is in the possession of the governmental body that administers elections.

HB 3033 Revisions to Public Information Act

Law Enforcement Exception – Basic Arrest Information

- Background: TPIA exception to disclosure for information related to certain law enforcement information
 - NOT basic information: arrested person / arrest / crime
- Clarifies that governmental body shall release the basic information
 - unless seeking to withhold under another TPIA provision, and
 - regardless of whether seeking an AG decision regarding other requested information.



HB 3033 Revisions to Public Information Act

Limits; Written Statement

- Background: Governmental body is permitted to establish certain monthly and yearly limits and to charge for certain costs when requestor **requires large amounts of personnel time**.
 - Written statement of personnel time may not include time spent preparing the written statement.
- Requestor who has exceeded such a limit (TGC 552.275) may not inspect information on behalf of another requestor unless the requestor who exceeded the limit has paid each statement issued by the governmental body.
 - Time spent preparing the written statement may be included if the requestor has exceeded time limit for the period.

HB 3033 Revisions to Public Information Act

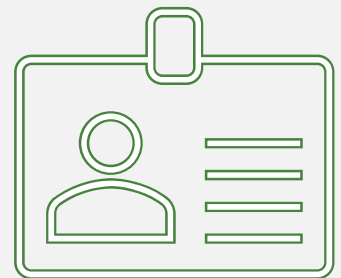


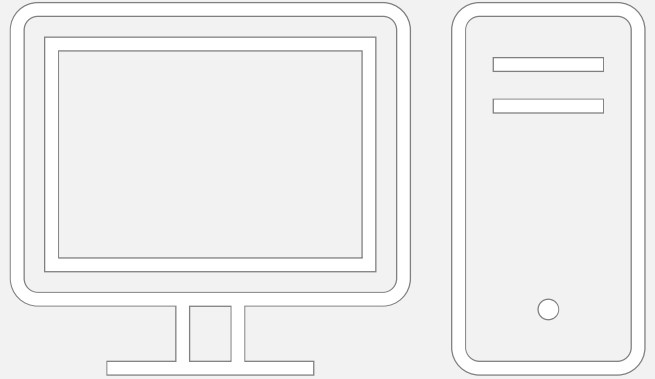
Photo ID of Requestor

- Governmental body may request photo ID from requestor **for sole purpose of establishing that requestor has not exceeded a limit** established by governmental body and concealed his or her identity.
 - Request for ID must include written statement of personnel time spent and statement describing each specific reason why photo ID request may apply.
 - Governmental body must accept as proof a physical photo ID or electronically transmitted or mailed image of the photo ID.
 - Requestor may decline to provide ID and obtain requested information by paying charge assessed in statement.

HB 3033 Revisions to Public Information Act

Electronic Submission of Request for AG Decision

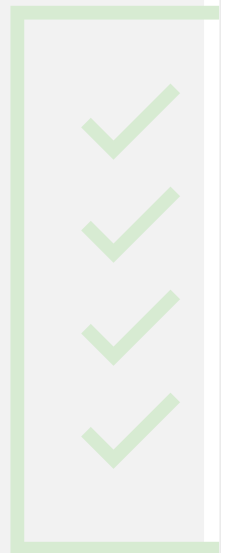
- Governmental body **must submit request for TPIA AG decision** through AG's designated electronic filing system (\$15/submission).
- Does not apply if:
 - Governmental body requesting decision has fewer than 16 full-time employees or is located in a county with a population of less than 150,000;
 - Amount or format of responsive information at issue in request makes use of filing system impractical or impossible; or
 - Request is hand-delivered to AG's office.



HB 3033 Revisions to Public Information Act

Production of Information After AG Decision

- Within a reasonable time after date AG issues decision, governmental body to respond and produce information:
 - Provide requestor itemized estimate of charges for production of information, if required (*i.e.*, charges exceed \$40);
 - Take certain actions if requested information is voluminous;
 - Produce information, if required;
 - Notify requestor in writing that governmental body is withholding information as authorized by AG's decision; or
 - Notify requestor in writing that governmental body has filed suit against AG regarding information.
- Governmental body is presumed to have complied with these requirements if action is taken not later than **30th day** after date AG's decision is issued.



HB 3033 Revisions to Public Information Act

Searchable Database on AG's Website



- AG to make available on its website (no later than January 1, 2024) a searchable database consisting of:
 - Information identifying each request for a TPIA AG decision, and
 - AG's decision issued for each request.
- Required search functions: Must be searchable by
 - name of governmental body requesting decision, and
 - exception asserted for withholding information from public disclosure.
- Must include current status of request for decision and estimated timeline for each stage of review.



Mental Break!



Construction



HB 679

HB 679 Workers' Compensation Experience Modifiers in Construction Procurement

- **Effective:** September 1, 2023 (applies to a contract for which a governmental entity first advertises or solicits offers on or after this date)
- "Experience modifier" = number assigned to an employer seeking a workers' comp insurance policy
 - Based on the employer's past loss experience
 - Affects the policy's premium amount



HB 679 Workers' Compensation Experience Modifiers in Construction Procurement

- Governmental entities (including school districts) **may not consider** a workers' comp experience modifier when soliciting or entering into a construction contract or a contract for a public work
 - Cannot require a specified experience modifier to respond to a solicitation or accept an offer
 - Contract cannot require a specified experience modifier for contractor
- Applies to public and private construction contracts
- Violation = solicitation / contract / offer is voidable



HB 2965

HB 2965 No Waiver of Construction Defect Claim Requirements

- **Effective:** September 1, 2023 (applies only to a cause of action that accrues on or after this date, under a contract entered into on or after this date)



- **Background:** TGC 2272 imposes requirements before action may be brought alleging damages for construction defects against contractors or design professionals
- Clarifies that those provisions may **not** be waived by contract
 - "Waiver" = void

HB 3485

HB 3485 Contractor's Right Not to Proceed With Additional Work



- **Effective:** September 1, 2023 (applies only to a contract entered into on or after this date)
- Grants to vendors and subcontractors certain rights related to the performance of additional work directed by a school district under a public work contract:
 - May elect not to proceed with additional work if:
 - it has not received a written, fully executed change order for the work **AND**
 - the aggregate value of the additional work plus any previous additional work not covered by a change order exceeds 10 percent of the original contract amount
 - Not responsible for damages associated with election not to proceed

HB 2007

HB 2007 Certificate of Merit for Third-Party Claims Arising from Design-Build Projects

- **Effective:** September 1, 2023 (applies only to an action commenced on or after this date)
- **Background:** Civil Practice & Remedies Code 150.002 requires certificate of merit - affidavit from third-party architect, engineer, landscape architect, or land surveyor (re: professional's knowledge, skill, experience, education, training, and practice) - **before pursuing an action against professional**



HB 2007 Certificate of Merit for Third-Party Claims Arising from Design-Build Projects

- Creates an exception to certificate of merit requirement when design-build firm makes third-party claim or cross-claim against professional arising from design-build project where school district contracts with single entity to provide both design and construction services



Facilities

HB 1263

HB 1263 School Crossing Zones and Crosswalks at High Schools in Houston

- **Effective:** September 1, 2023
- **Local authority authorized to enact traffic laws** required, upon request of Houston high school administrator, to designate a school crossing zone or crosswalk at the campus
 - Not applicable to campus undergoing major extension or new construction
- Local authority to update school zone standards by Sept. 1 and post online with clear instructions for making request



HB 1633

DISABLED VETERAN (DV) HANDICAP PARKING

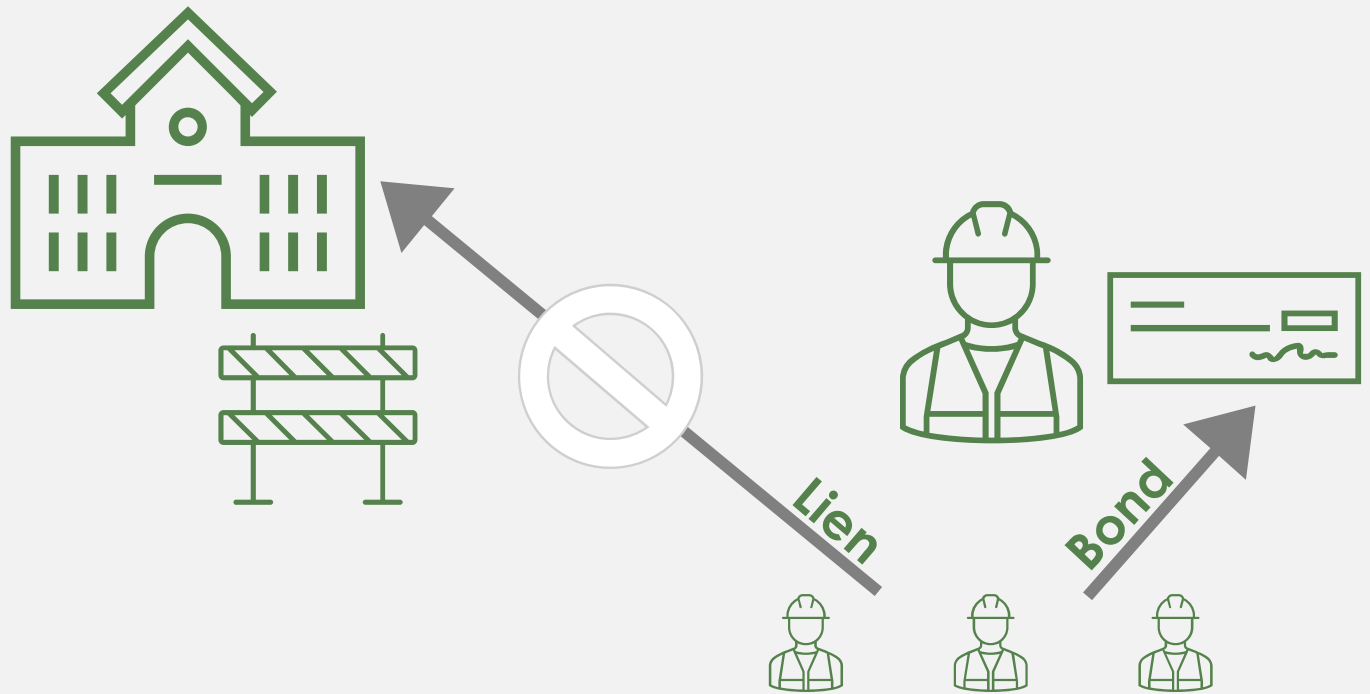


HB 1633 Parking Spaces Designated for Persons with Disabilities



- **Effective:** September 1, 2023 (applies only to offense committed on or after this date)
- **Background:** School district may designate parking spaces / area for use of vehicles transporting persons with disabilities. Parking enforcement may file charge against person using space without displaying international symbol of access on license plate or disabled parking placard.
- Lowers penalty for offense if vehicle displays disabled veteran license plate.

HB 2518



HB 2518 Required Terms for Leases of Public Property

- **Effective:** September 1, 2023 (applies to lease entered into or renewed by governmental entity on or after this date)
- Lease of public property by school district **must require in any contract for the construction, alteration, or repair of improvement that contractor:**
 - execute payment bond and performance bond in an amount equal to the amount of the contract, and
 - provide to governmental entity “notice of commencement” at least 90 days before start date of any construction / alteration / repair



HB 2518 Required Terms for Leases of Public Property

- Notice of commencement must include:
 - Identification of public property
 - Description of work
 - Total cost of work
 - Copies of bonds
 - Contractor's written acknowledgement that will give copies of bonds to all subcontractors.
- Governmental entity has **10 days** from receipt of notice to notify leaseholder that construction/alteration / repair may not proceed.



HB 1825



HB 1825 Alcoholic Beverages at School Districts in Tarrant County

- **Effective:** September 1, 2023
- Board of **Tarrant County school** district permitted to adopt policy allowing for consumption / possession / sale of alcoholic beverages at event held at district's performing arts facility
 - Facility must be leased to a nonprofit organization for event not sponsored or sanctioned by district **AND**
 - lease must require that event be held outside regular school hours **AND**
 - alcoholic beverages must be sold by person holding appropriate retail license or permit.



SB 2069

SB 2069 Human Trafficking Signs at Schools

• **Effective:** September 1, 2023



- Background: 87th Legislature's "No Trafficking Zone Act" + no funding = hardship in complying
- Scales back signage requirements:
 - Private schools taken out
 - Significantly reduces number and locations of signs to be posted by public schools:
 - Must post warning signs in a conspicuous place reasonably likely to be viewed by all school employees and visitors

HB 915

HB 915 Texas Workforce Commission Notice for Workplace Violence

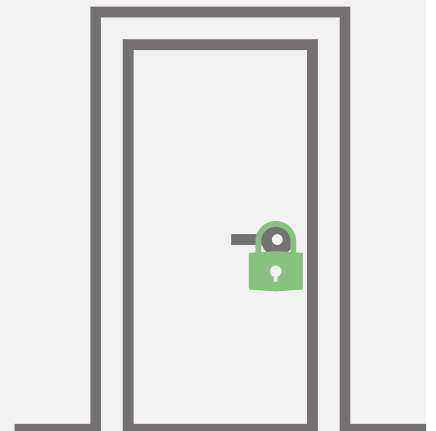
- **Effective:** September 1, 2023
- Employers to post notice for reporting **workplace violence or suspicious activity to DPS**. Must include contact information and right to make anonymous report. Must be posted:
 - In a conspicuous place,
 - In sufficient locations to be convenient to all employees, and
 - In English and Spanish, as appropriate.
- **TWC to consult with DPS to adopt rules prescribing form and content of notice by March 1, 2024.**



HB 3

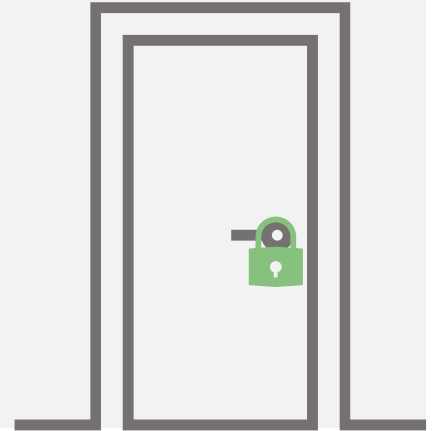
HB 3 Public School Safety Measures

- **Effective:** September 1, 2023
- **Facilities Standards Compliance:** District must comply with TEA facilities standards, *unless* claims a good cause exception related to:
 - age, physical design, or location of noncompliant facility;
 - availability of funding; or
 - supply chain obstacles.
- If exception, must set an alternative standard.
- Must document compliance and make available to TEA upon request.
- Must comply with applicable procurement laws when achieving compliance with facilities standards.



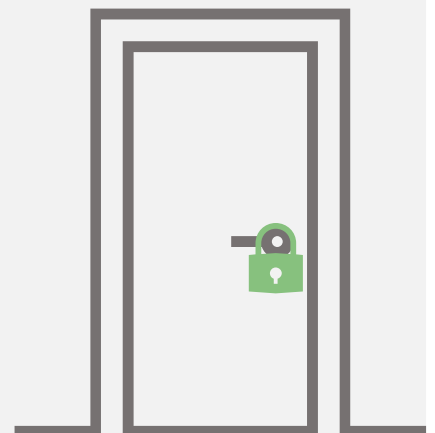
HB 3 Public School Safety Measures

- **Facilities Standards Compliance:** Commissioner may authorize districts to use funds for safety, including school safety allotment or any other available funds. Funds in state's supplemental budget (SB 30) may be used for compliance through September 1, 2026.
 - School safety allotment went up 28 cents per student and \$15,000 per campus.
- Commissioner may adopt rules with safety requirements that districts must meet in order to receive funds.
- Any document collected, identified, developed, or produced related to facilities standards compliance is confidential and not subject to disclosure.



HB 3 Public School Safety Measures

- **Use of Bond Funds:** For bonds authorized to be issued at an election after September 1, 2023, bond proceeds for construction and equipment of school buildings and purchase of necessary sites for school buildings may be used for complying with facilities standards.
- If TEA determines district is not in compliance with facilities standards, district **must** use such bond proceeds to achieve compliance before using the funds for any other purpose.





To the Administrator Addressed

Texas Education Agency

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1484 • 512 463-9734 • 512 463-9838 FAX • www.tea.texas.gov

DATE:	June 1, 2023
SUBJECT:	Adopted School Safety Standards
CATEGORY:	Information
NEXT STEPS:	Submit grant applications by 08/01/2023 deadline

Overview

The Texas Education Agency (TEA) is committed to supporting local educational agencies (LEAs) in their efforts to improve the safety and security of school facilities for staff, students, and visitors. This letter provides information related to Adopted New 19 Texas Administrative Code (TAC) Chapter 61, School Districts, Subchapter CC, Commissioner's Rules Concerning School Facilities, §61.1031, School Safety Standards.

School Safety Standards

On [June 2, 2022](#) Governor Abbott charged the Commissioner of Education with rule development to ensure existing school facilities are held to heightened safety standard, and to determine costs of more secure facilities in schools. As authorized by Texas Education Code (TEC), §§7.061 and 37.115(b), the [School Safety Standards in 19 TAC §61.1031](#) were adopted on May 31, 2023, to address minimum school safety standards that will better ensure the safety of students and staff in our public schools. The adopted rule requires that all public school system instructional facilities have access points that are secured by design, maintained to operate as intended, and appropriately monitored.

School Safety Funding

2023-2025 School Safety Standards Formulary Grant

On [November 3, 2022](#), TEA released a formula-based grant to support the school safety standards rule referenced above. The grant allows for pre-award for items purchased on or after June 1, 2022.

Application due date is: **August 1, 2023**

Grant details are available on the [TEA Grant Opportunities](#) page.

Future Funding

The Texas Legislature has provided new funding for school safety totaling \$1.4 billion for the next two years, including \$1.1 billion in one-time funding through the supplemental appropriations bill to address new minimum school safety standards and other facilities-related safety improvements. TEA will provide more information on accessing this funding in the coming months. In addition, the General Appropriations Act increases ongoing school safety funding by \$300 million per biennium (about \$150 million per year) through the school safety allotment and technical support/oversight programs.

Questions and More Information

More school safety resources are posted at the [TEA Safe Schools Webpage](#). If you have any questions, please contact safeschools@tea.texas.gov.

<https://tea.texas.gov/sites/default/files/taa-adopted-school-safety-standards.pdf>

HB 1760

HB 1760 Possession of Weapon in Prohibited Places Related to Schools

- **Effective:** September 1, 2023 (applies only to offense committed on or after this date)
- Adjusts list of locations where (absent an exception) a person cannot go with a firearm, location-restricted knife, club, or other prohibited weapon. Cannot take a location-restricted weapon:
 - On premises of a school or postsecondary educational institution,
 - On grounds or building **owned by and under control of school or postsecondary educational institution** where school activity is being conducted, or
 - In passenger vehicle of school or postsecondary educational institution.



HB 1760 Possession of Weapon in Prohibited Places Related to Schools

- **Effective:** September 1, 2023 (applies only to offense committed on or after this date)
- Adjusts list of locations where (absent an exception) a person cannot go with a firearm, location-restricted knife, club, or other prohibited weapon. Cannot take a location-restricted weapon: **UNLESS**
 - On premises of a school or postsecondary educational institution,
 - On grounds or building **owned by and under control of school or postsecondary educational institution** where school activity is being conducted, or
 - In passenger vehicle of school or postsecondary educational institution.

Not an offense if carrying weapon pursuant to written regulations or written authorization of the school or institution

HB 1760 Possession of Weapon in Prohibited Places Related to Schools

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- Adjusts list of locations where (absent an exception) a person cannot go with a firearm, location-restricted knife, club, or other prohibited weapon. Cannot take a location-restricted weapon:

- On premises of a school or postsecondary educational institution,
- On grounds or building **owned by and under control of school or postsecondary educational institution** where school activity is being conducted, or
- In passenger vehicle of school or postsecondary educational institution.

Premises = building or portion of building

- **NOT** public or private driveway, street, sidewalk or walkway, parking lot, parking garage, or other parking area.

HB 1760 Possession of Weapon in Prohibited Places Related to Schools

- **Effective:** September 1, 2023 (applies only to offense committed on or after this date)
- Adjusts list of locations where (absent an exception) a person cannot go with a firearm, location-restricted knife, club, or other prohibited weapon. Cannot take a location-restricted weapon:

- On premises of a school or postsecondary educational institution,
- On grounds or building **owned by and under control of school or postsecondary educational institution** where school activity is being conducted, or
- In passenger vehicle of school or postsecondary educational institution.

School = accredited primary or secondary school

Postsecondary educational institution = institution of higher education or private or independent institution of higher education.



Miscellaneous



SB 1893



SB 1893 Prohibiting Certain Social Media Applications on Government Devices

• **Effective:** June 14, 2023



- Prohibits use on government devices of social media applications and services deemed to pose risk to the state.
- Requires governmental entities to prohibit on devices owned / leased by governmental entity:
 - TikTok,
 - Any other service developed / provided by ByteDance Limited (owner of TikTok), and
 - Any other social media application or service determined by governor to pose a risk to the state.

SB 1893 Prohibiting Certain Social Media Applications on Government Devices

Professors sue Texas over TikTok ban, signaling First Amendment fight

The professors said the ban immediately halted research projects into TikTok and derailed their plans to lead classes discussing the social media app's benefits and risks.

BY DREW HARWELL, [THE WASHINGTON POST](#) JULY 13, 2023 12 PM CENTRAL

HB 4553

HB 4553 Eligibility of Certain Entities for DIR Services

- **Effective:** September 1, 2023
- **Background:** DIR required to perform a variety of tasks:
 - Telecommunications services,
 - Negotiate contracts for IT commodity items, and
 - Establish statewide tech centers offering tech services.
- State law establishes which entities are eligible to access DIR programs and services, but lists are not uniform. Varying eligibility across programs = confusion.

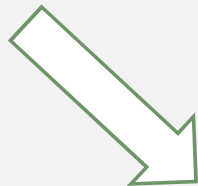
- **Expands** the list of eligible entities, which includes local governments such as school districts.
- **Aligns** the list across various DIR programs and services.

HB 2190

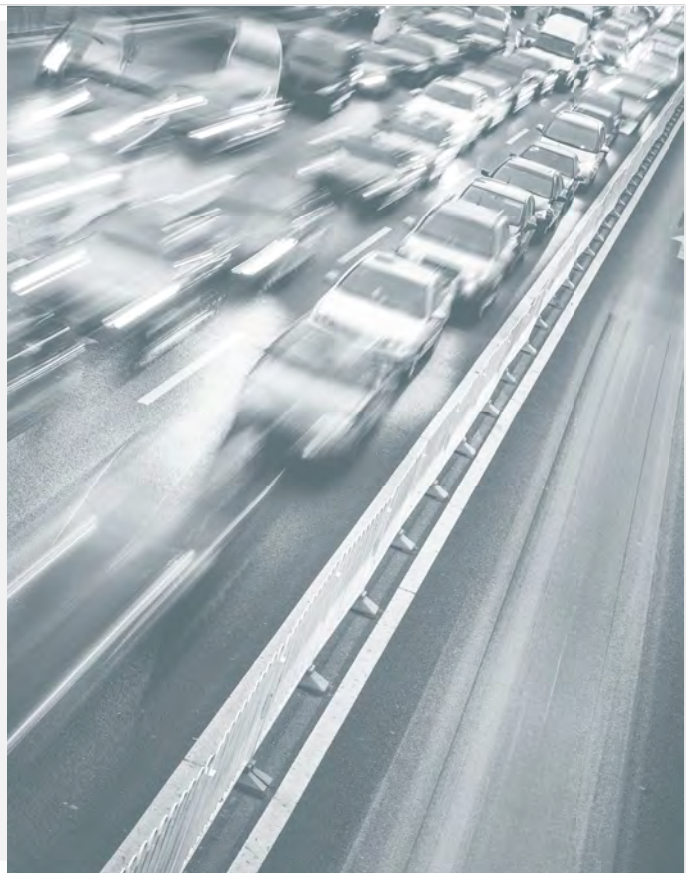
HB 2190 Terminology Used to Describe Transportation-Related Accidents

• **Effective:** September 1, 2023

Accident



Collision



Federal DOL Davis-Bacon Rule Changes



U.S. DEPARTMENT OF LABOR

News Release

US DEPARTMENT OF LABOR ANNOUNCES FINAL RULE TO MODERNIZE DAVIS-BACON ACT

Aided by labor, industry stakeholders' comments, most comprehensive updates in 40 years

The final rule's regulatory changes improve the department's ability to administer and enforce DBRA labor standards more effectively and efficiently. These changes include the following:

- Creating new efficiencies in the prevailing wage update system and making sure prevailing wage rates keep up with actual wages which, over time, would mean higher wages for workers.
- Returning to the definition of "prevailing wage" used from 1935 to 1983 to ensure prevailing wages reflect actual wages paid to workers in the local community.
- Periodically updating prevailing wage rates to address out-of-date wage determinations.
- Providing broader authority to adopt state or local wage determinations when certain criteria are met
- Issuing supplemental rates for key job classifications when no survey data exists.
- Updating the regulatory language to better reflect modern construction practices.
- Strengthening worker protections and enforcement, including debarment and anti-retaliation provisions.

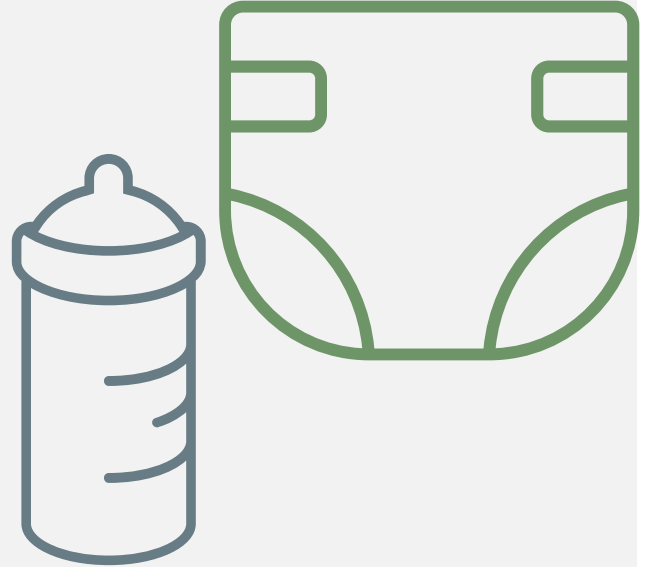
The DBRA requirements apply to an estimated tens of billions of dollars in federal and federally assisted construction spending each year and provide minimum wage rates for hundreds of thousands of U.S. construction workers. The department expects a significant increase in the numbers of industry workers due to the historic investments in federally funded construction projects made possible by legislation such as the Infrastructure Investment and Jobs Act.

“Lagniappe” Bills



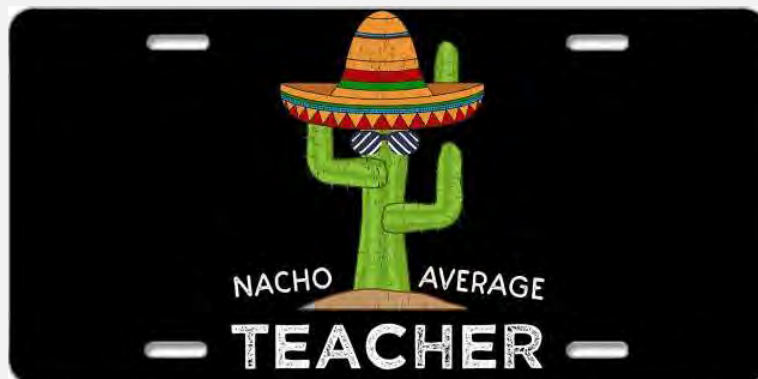
SB 379 Exemption from Sales and Use Taxes for Certain Family Care Items

- **Effective:** September 1, 2023
- **Exempts from sales tax:**
 - Diapers
 - Wipes
 - Baby bottles
 - Feminine hygiene products
 - Maternity clothes
 - Breast milk pumping products



HB 108 Issuance of Specialty License Plates for Classroom Teachers and Retired Classroom Teachers

- **Effective:** September 1, 2023
- Specialty license plates for classroom teachers **with 15 years of service** (and retired classroom teachers with 20 years of service) teaching public school students
- “Texas Teacher” or “Retired Texas Teacher,” respectively, and public education logo.



HB 2194 Establishing a “Made in Texas” Labeling Program



- **Effective:** September 1, 2023
- Establishes a “Made in Texas” labeling program to:
 - Set criteria for whether person may sell / advertise / offer for sale in Texas a product using “Made in Texas”
 - All or virtually all significant parts and processing of product must originate in Texas
 - Design and administer use of logo for products to be labeled as “Made in Texas”
 - Adopt application process for use of logo

HB 3991 Fruit & Vege Day



- **Effective:** beginning 2023-24 school year
- Establishes the first Friday in April as “Texas Fruit and Vegetable Day”
- To promote awareness of the health benefits of fruits and vegetables and to encourage students to consume more fruits and vegetables during Texas Fruit and Vegetable Month under Section 662.103, Government Code.
- Texas Fruit and Vegetable Day shall include appropriate instruction, as determined by each school district.

HB 639 Number of Temporary Licenses to Conduct Bingo

- **Effective:** September 1, 2023
- Increases from **6 to 12** the number of temporary licenses to conduct bingo per year.



Questions?



SPALDING NICHOLS
-LAMP LANGLOIS-

Sarah Langlois

PARTNER

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www.snll-law.com

THIS PRESENTATION IS INTENDED TO BE USED SOLELY FOR GENERAL INFORMATION
PURPOSES AND IS NOT TO BE REGARDED AS LEGAL ADVICE. IF SPECIFIC LEGAL
ADVICE IS SOUGHT, PLEASE CONSULT AN ATTORNEY.

LEGISLATIVE UPDATE Presented by

Dr. Jesus Amezcua,
CPA, RTSBA, CPFIM
Harris County Dept
of Education



2023 LEGISLATIVE UPDATE



SARAH LANGLOIS, PARTNER
Spalding Nichols Lamp Langlois, Houston Office



Session Recap

88th Regular Legislative Session: **By the Numbers**



- **8,046** bills filed
- **1,246** bills passed by House & Senate
- **1,124** bills signed by the Governor
- **76** bills vetoed by the Governor

Major bills at a glance

Signed

- [HB 1: Allocating the budget](#)
- [SB 14: Banning care for trans kids](#)
- [HB 12: Expanding postpartum Medicaid](#)
- [HB 6: Allowing murder charges for fentanyl poisoning](#)
- [HB 3: Addressing school safety](#)
- [HB 1500: Shoring up the power grid](#)
- [SB 15: Restricting trans athletes in college sports](#)
- [SB 17: Banning DEI offices in colleges](#)
- [SB 18: Solidifying tenure in state law](#)
- [HB 9/HJR 125: Expanding broadband](#)
- [SB 12: Regulating sexually explicit shows](#)
- [HB 2127: Preempting local regulations](#)
- [HB 1595: Creating university endowments](#)
- [SB 28/SJR 75: Funding water infrastructure](#)

Vetoed or Failed

- [SB 8: Creating education savings accounts](#)
- [HB 100: Increasing school funding and education savings accounts](#)
- [SB 3: Cutting property taxes](#)
- [HB 7: Expanding border security funding and creating a border safety unit](#)
- [HB 2744: Raising the age](#)
- [SB 7: Shoring up the power grid](#)
- [HJR 102: Legalizing online sports betting](#)
- [HJR 155: Authorizing casinos](#)
- [HB 1422: Adopting permanent daylight saving time](#)
- [SB 23: Raising minimum sentence for gun crimes](#)
- [HB 4843: Raising minimum sentence for gun crimes](#)
- [SB 147: Restricting foreign land ownership](#)

NOTHING BURGER

Definitions from Oxford Languages

noth·ing·burg·er

noun: **nothing burger**

1. something that is or turns out to be insignificant or lacking in substance.
2. "another nothingburger of a debate"



Post-session statement from Governor Abbott:



"I will soon be signing laws that advance our state and the future of all Texans Despite these major achievements, more must be done for the people of Texas. Many critical items remain that must be passed. Several special sessions will be required."

Special Sessions

- May only be called by the Governor
- Maximum 30 days each (but an unlimited number of Special Sessions may be called)
- May be called at any time between regular sessions
- Topics limited to those set forth by the Governor



Special session #1

Governor Abbott Announces Immediate Special Session Agenda

May 29, 2023 | Austin, Texas | Press Release

Governor Greg Abbott today announced special session #1 and issued a proclamation identifying agenda items for the Special Session that begins at 9:00 PM on Monday, May 29. Governor Abbott issued the following statement:

"I will soon be signing laws that advance our state and the future of all Texans, including laws that:

- End COVID restrictions and mandates;
- Provide more than \$5.1 billion to secure the border and fund the Texas National Guard, the Texas Department of Public Safety, and the border wall;
- Designate Mexican drug cartels as foreign terrorist organizations;
- Prosecute fentanyl deaths as murder;
- Protect women's sports and female collegiate athletes;
- Focus community colleges on preparing Texas students for high skill careers;
- Increase electric power generation to secure the Texas power grid;
- Hold rogue district attorneys accountable;
- Protect children from life-altering gender mutilation;
- Ban illegal DEI hiring practices in our colleges and universities;
- Add \$1.4 billion to make Texas schools safer;
- Require armed security at all schools;
- Provide access to mental healthcare for students at all schools; and
- Require regular safety checks of school buildings.

Despite these major achievements, more must be done for the people of Texas. Many critical items remain that must be passed. Several special sessions will be required. **To ensure that each priority receives the time and attention it deserves to pass into law, only a few will be added each session.**

Special session #1 will focus only on cutting property taxes and cracking down on illegal human smuggling.

We must cut property taxes. During the regular session, we added \$17.6 billion to cut property taxes. However, the legislature could not agree on how to allocate funds to accomplish this goal. Texans want and need a path towards eliminating property taxes. The best way to do that is to direct property tax reduction dollars to cut school property tax rates."

Special session #1

PROCLAMATION
BY THE
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

I, GREG ABBOTT, Governor of the State of Texas, by the authority vested in me by Article III, Sections 5 and 40, and Article IV, Section 8 of the Texas Constitution, do hereby call extraordinary session #1 of the 88th Legislature, to convene in the City of Austin, commencing at 9:00 P.M. on Monday, May 29, 2023, for the following purposes:

To consider and act upon the following:

Legislation to cut property-tax rates solely by reducing the school district maximum compressed tax rate in order to provide lasting property-tax relief for Texas taxpayers.

Legislation solely for the purpose of increasing or enhancing the penalties for certain criminal conduct involving the smuggling of persons or the operation of a stash house.

The Secretary of State will take notice of this action and will notify the members of the legislature of my action.



IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office: in the City of Austin, Texas, this the 29th day of May, 2023.

A handwritten signature in black ink, appearing to read "Greg Abbott".

Special session #1

TEXAS LEGISLATURE 2023

First special session ends with no new laws, Texas lawmakers still deadlocked on property taxes

Gov. Greg Abbott quickly called lawmakers back to the Capitol for round two, hoping to break an impasse that has outlasted the regular session and one overtime period.

BY JAMES BARRAGÁN AND PATRICK SVITEK JUNE 27, 2023 UPDATED: 5 PM CENTRAL

Special session #1...then #2...



Special session #1...then #2...

TEXAS LEGISLATURE 2023

Gov. Greg Abbott signs \$18 billion tax cut package for Texas property owners

At a time when the state has some of the nation's highest property taxes, the initiative was a cornerstone of his 2022 reelection campaign.

BY **KAREN BROOKS HARPER** JULY 24, 2023 1 HOUR AGO

HOUSTON CHRONICLE

HOUSTONCHRONICLE.COM • THURSDAY, SEPTEMBER 21, 2023 • VOL. 122, NO. 343 • \$3.00

Abbott vows special session on vouchers

He promises those at odds with him on hot topic will face primary challengers

By Edward McKinley
AUSTIN BUREAU

Gov. Greg Abbott said he will call a special session next month to pass private school vouchers and threatened lawmakers with primary challenges if they don't get on board.

"There's an easy way to get it done and a hard way to get it

done," he said during a recent call with supporters and church leaders, adding: "If they make it the hard way, we're happy to take the hard way also. Either way, I'm in this to win this."

The third-term Republican also pressed pastors to make the case for vouchers by telling their congregations "how important this is to the moral fabric of the

future of Texas."

The announcement comes as there's no clear consensus on the politically thorny issue of sending public money to private schools, and at a time when tensions are running high after the Senate acquittal of Attorney General Ken Paxton.

Lt. Gov. Dan Patrick has lashed out at House Speaker Dade Phelan for mishandling the impeachment case and Phelan responding by blasting the Senate leader for "confessing his

bias."

The Republican-controlled chambers have long been at loggerheads over voucher proposals. The Senate green-lit a policy earlier this year giving families \$8,000 in taxpayer money to pay for private school tuition and other related expenses, but the House never took it up.

Abbott, who named the issue a priority, said if the Republican-controlled Legislature won't pass a bill in a special session next month, he'll call a sec-

ond. And if it doesn't pass then, he said, "we will have everything teed up in a way" where anti-voucher members will face primary challengers who support vouchers in March. He said parents shouldn't have to send their children to a public school "teaching them things that are morally at odds with where parents want their children to be."

The biggest hurdle for vouchers has been the House, where a coalition of rural Republicans

Vouchers continues on A8

Notable Bills

Overview



procurement / vendor forms
public information
construction
facilities
miscellaneous

Impact to
our
operations

Procurement / Vendor Forms



HB 4123

HB 4123 Access to and Use of Certain Criminal History Record Information

- **Effective:** June 13, 2023
- **Amends provisions of Educ. Code regarding criminal history review of contractors and their employees to align with FBI criteria for use of background check information**





2007

- FBI notified DPS that TEC §22.0834 [the law requiring contractors to obtain CHRI and certify compliance to the district] should be amended to provide **access to school districts only**

2019 FBI Audit

- FBI instructed DPS that **contractors cannot have access to national criminal history record information**, given status as private entities

TEA Contractor Fingerprinting Guidance

The screenshot shows the TEA website interface. At the top, there is a navigation bar with links for Popular Applications, AskTED, ECOS for Educators, Grant Opportunities, Secure Applications, TEAL Login, and TSDS. A search bar is located on the right side of the navigation bar. Below the navigation bar, there is a main menu with icons and labels for About TEA, Texas Schools, Academics, Finance & Grants, Reports & Data, Student Assessment, and Texas Educators. The main content area features a breadcrumb trail: Home / Texas Educators / Investigations / Fingerprinting and Registry for Schools. The title of the page is 'Requirements for School District Contractors', updated on July 20, 2021. The text explains that Texas Education Code (TEC) §22.0834 and §22.08341 require contractors to be fingerprinted before beginning work. A sidebar on the right contains a list of links related to fingerprinting and registry for schools, with 'Requirements for School District Contractors' highlighted in yellow.

Popular Applications AskTED ECOS for Educators Grant Opportunities Secure Applications TEAL Login TSDS Help Desk

Search Search tea.texas.gov

A - Z Index Contact Employment Sign Up for Updates TEA Correspondence

About TEA Texas Schools Academics Finance & Grants Reports & Data Student Assessment Texas Educators

Home / Texas Educators / Investigations / Fingerprinting and Registry for Schools

Requirements for School District Contractors

Updated July 20, 2021

Texas Education Code (TEC) §22.0834 and §22.08341 state that a contractor that provides services to a school district or charter school must be fingerprinted before beginning work, if the contractor 1) will have continuing duties related to the contracted services, and 2) will have the opportunity for direct contact with students. Additionally, the law requires that a contractor certify to a school district or charter school that it has received all criminal history information for its employees who provide services for the school. Pursuant to §22.08341(c), the requirement does not apply to a contractor that performs construction, alteration, or repair of an instructional facility if the contractor uses separate sanitary facilities, installs a barrier fence, and has a policy that employees may not interact with students or enter areas used by students.

Fingerprinting and Registry for Schools

- Annual Certification and Statement of Compliance
- Fingerprinting for Certification Applicants
- Fingerprinting Help Desk
- Registry of Persons Ineligible for Employment
- Requirements for Certified Educators and Non-Certified Employees
- Requirements for School District Contractors**
- Requirements for Social Security Numbers

REMEMBER

Fingerprinting requirement is triggered:

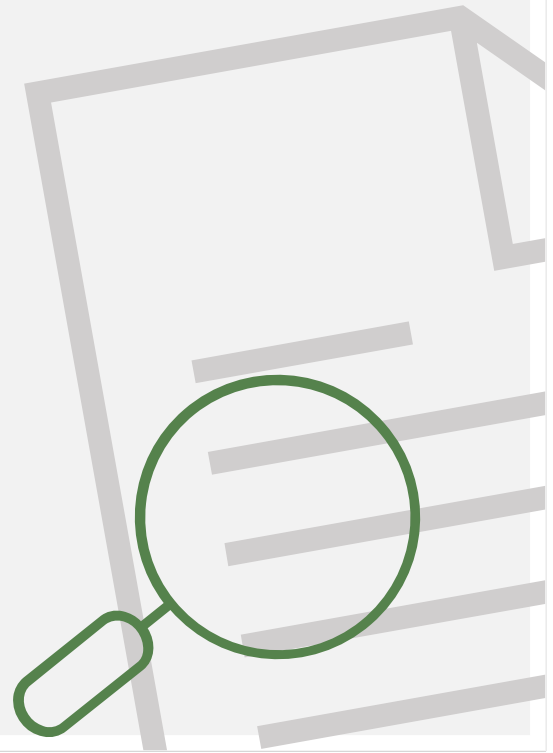
Unless an exception applies, Contractor:

- 1) is providing **services** to District;
- 2) will have **continuing duties** related to the contracted services; and
- 3) will have the opportunity for **direct contact** with students.

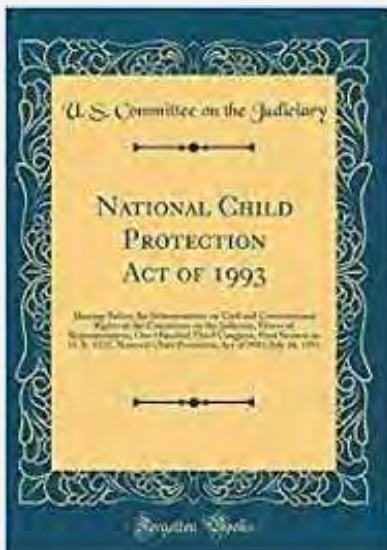
- ✓ **Continuing duties related to contracted services** – Work duties that are performed pursuant to a contract to provide services to a school entity on a **regular, repeated basis** rather than infrequently or one-time only. 19 TAC §153.1101(2)
- ✓ **Direct contact with students** – The contact that results from activities that provide **substantial opportunity** for **verbal or physical interaction with students** that is **not supervised** by a certified educator or other professional district employee.
 - ✓ Contact with students that results from services that do not provide substantial opportunity for unsupervised interaction with a student or students, such as addressing an assembly, officiating a sports contest, or judging an extracurricular event, is not, by itself, direct contact with students.
 - ✓ However, direct contact with students does result from any activity that provides substantial opportunity for unsupervised contact with students, which might include, without limitation, the provision of coaching, tutoring, or other services to students. 19 TAC §153.1101(7)
- TEA **has stated that virtual** interaction with students (i.e., virtual tutoring) **IS direct contact** and triggers the requirement to fingerprint!

HB 4123 Access to and Use of Certain Criminal History Record Information

- Qualified school contractor = has access to CHRI under National Child Protection Act of 1993 (NCPA)
 - May obtain CHRI from DPS or another Texas criminal justice agency
 - May not release CHRI without subject's consent or disclose under TPIA
 - May provide school district with a "fitness determination" based on CHRI; must certify to school district receipt of all CHRI of employees/ applicants offered employment
 - Must destroy CHRI after authorized use



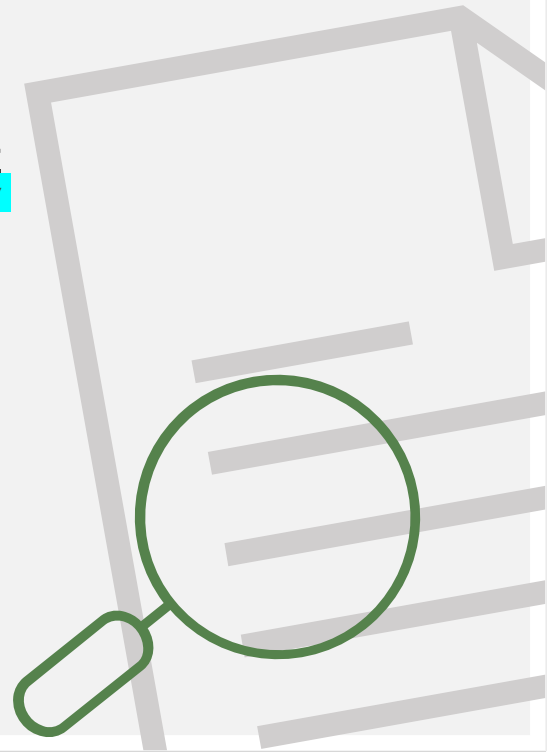
Exception: National Child Protection Act



- Access under the National Child Protection Act (NCPA):
 - if the contractor provides "**care or care placement services**" and
 - is **based in Texas**
- These contractors may fingerprint their W-2 employees who have access to students

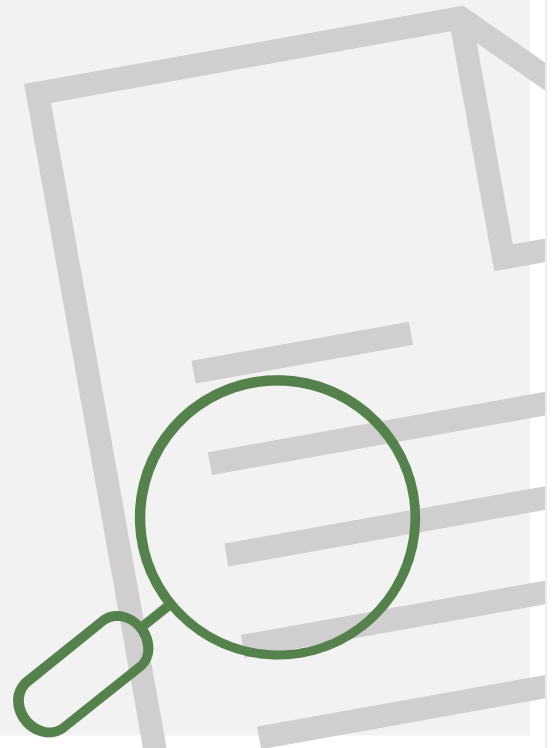
HB 4123 Access to and Use of Certain Criminal History Record Information

- Employees of contractors and subcontractors that are **not** qualified school contractors **must submit to criminal history review by the school district**
 - Contractor must ensure person sends to DPS information required for obtaining CHRI, such as photo and fingerprints
- Qualified school contractors must require any subcontracting entities that are also qualified school contractors to obtain CHRI
 - If subcontracting entity is not a qualified school contractor, contractor must require that subcontractor employees/ applicants submit to criminal history review by school district



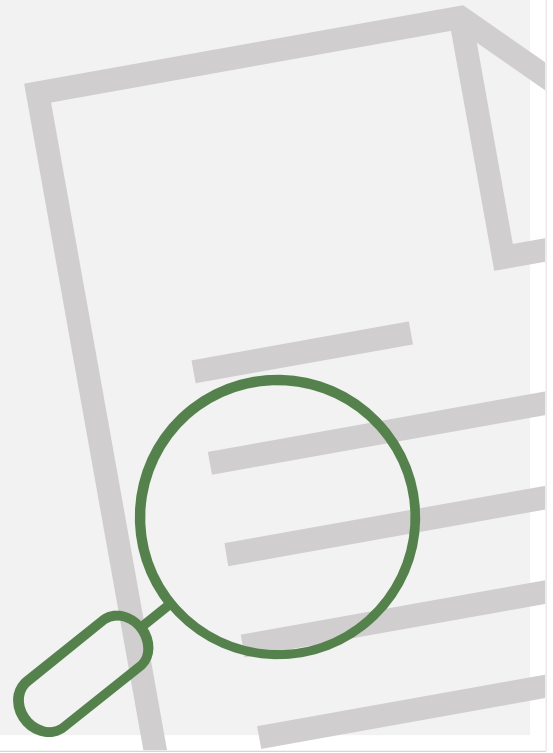
HB 4123 Access to and Use of Certain Criminal History Record Information

- Qualified school contractors and school districts **must not allow employees to provide services if convicted** of a crime that would prevent school district employment (TEC 22.085)



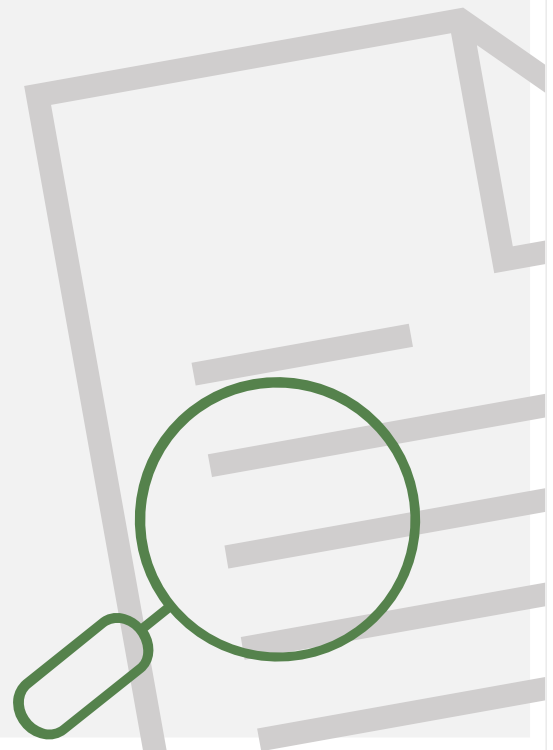
HB 4123 Access to and Use of Certain Criminal History Record Information

- Subcontractors: Adds employees and applicants for employment of school district subcontractors as persons who must submit to criminal history review (if continuing duties and direct contact with students)
- Volunteers: School districts **now authorized to obtain CHRI from DPS relating to volunteering parents, grandparents, guardians and school campus event volunteers.**
- Tutors: Tutors offering accelerated or supplemental instruction subject to national and state level background **checks by school district.**



HB 4123 Access to and Use of Certain Criminal History Record Information

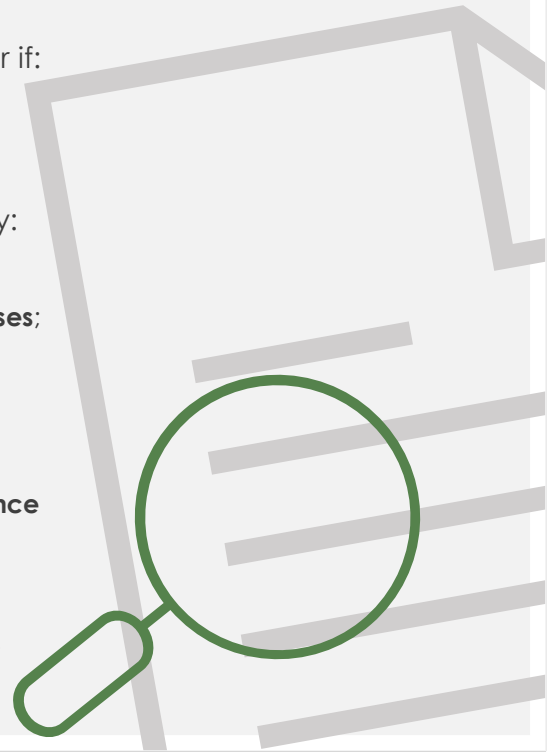
- Removes **separate process for** criminal history background checks for public works contractors from TEC 22.08341
- **Public Works Contractor** = an entity that contracts directly or subcontracts **with an entity that contracts** with a school district, open-enrollment charter school, or shared services arrangement to provide services to the school district, open-enrollment charter school, or shared services arrangement.



HB 4123 Access to and Use of Certain Criminal History Record Information

Does not apply to employee / applicant of public works contractor if:

- (1) the public work **does not involve** the construction, alteration, or repair of an **instructional facility**;
- (2) for public work involving construction of **new** instructional facility:
 - person's duties will be **completed not later than the seventh day before** the first date the facility will be **used for instructional purposes**;
- (3) or for public work involving **existing** instructional facility:
 - public work area contains **sanitary facilities** and
 - is separated from all areas used by students by **secure barrier fence** not less than six feet high; and
 - contracting entity adopts policy **prohibiting employees**, including subcontracting entity employees, from **interacting with students** or entering areas used by students, informs employees of policy, and enforces policy at work area.



HB 4123 Access to and Use of Certain Criminal History Record Information

- 1 Not instructional facility
- 2 New instructional facility, but
 - duties completed 7+ days before use
- 3 Existing instructional facility, but
 - barrier fence and separate sanitary facilities and
 - employees prohibited from interacting with students

PREVIOUSLY

Defined as "person does **not** have the opportunity for **direct contact** with students"

NOW

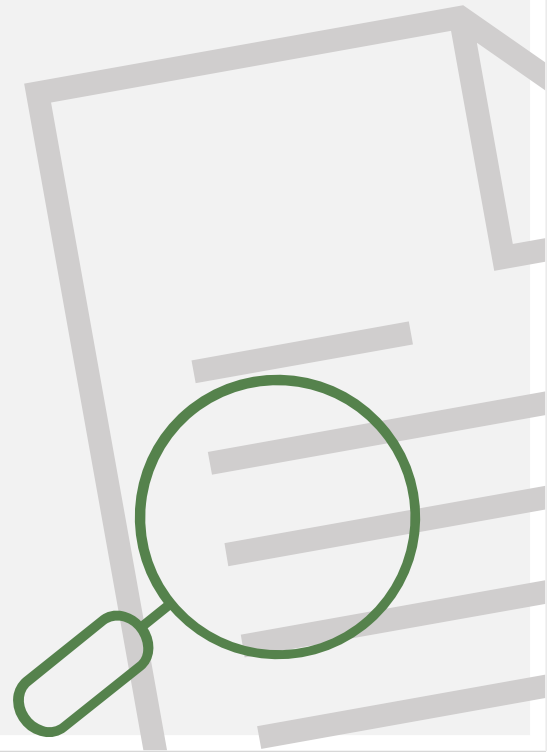
Exception to criminal history check requirement

END RESULT

No criminal history check required

HB 4123 Access to and Use of Certain Criminal History Record Information

- Removes modifier "on or after January 1, 2008"
- State Board for Educator Certification (SBEC) and Texas Education Agency (TEA) authorized to obtain CHRI (from DPS and FBI) for their purposes
 - May not release or disclose FBI CHRI
 - May only release DPS CHRI to certain entities
 - Must destroy CHRI after authorized use



HB 1605

HB 1605 Instructional Material

- **Effective:** June 13, 2023
- **District not required to follow purchasing contract requirements (e.g., RFP) to purchase instructional materials that have been reviewed by TEA and included on SBOE-approved list**

HB 1817

CERTIFICATE OF INTERESTED PARTIES **FORM 1295**

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 8 if there are no interested parties.

OFFICE USE ONLY

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track and identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Status of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is no Interested Party.

6 **UNSWORN DECLARATION**
 My name is _____ and my date of birth is _____
 My address is _____ (street) _____ (city) _____ (state) _____ (zip code) _____ (country)
 I declare penalties or sanctions into the foregoing in accordance with law.
 Executed at _____ County, State of _____ on the _____ day of _____, 20____ (month) _____ (year)

 (Signature of authorized agent of contracting business entity)
 (Date)

ADD ADDITIONAL PAGES AS NECESSARY

Form provided by Texas Ethics Commission www.ethics.state.tx.us Revised 12/22/2017

HB 1817 Disclosure of Interested Parties for Certain Contracts

BILL ANALYSIS

H.B. 1817
 By: Capriglione
 State Affairs
 Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 2015, the Texas Legislature enacted legislation that required governmental entities to file a disclosure of interested parties, otherwise known as a Form 1295, with the Texas Ethics Commission for certain contracts. In 2022, a development company, Legacy Hutto LLC, sued the City of Hutto for breach of contract. The judge found that the city had not verified whether a Form 1295 was submitted and on file, therefore not complying with state government transparency laws. As such, the judge found that the contract had not been properly executed. With this ruling, the potential now exists for any government contract without a Form 1295 on file to be found void. H.B. 1817 seeks to prevent this from occurring by updating the disclosure of interested parties statute to allow for a cure period of 10 business days if a Form 1295 is found to not be on file.



HB 1817 Disclosure of Interested Parties for Certain Contracts

- **Effective:** June 9, 2023
- Contract is **only voidable** for failure to provide Form 1295 if:

the governmental
entity submits written
notice to the vendor



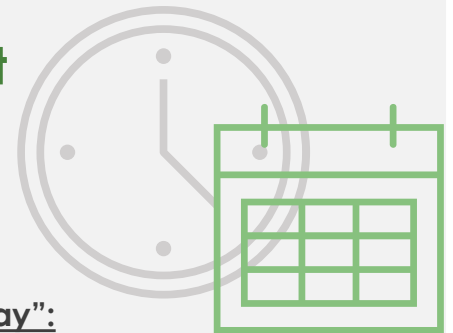
the vendor fails to submit
the disclosure within 10
business days after
receiving the notice

Public Information

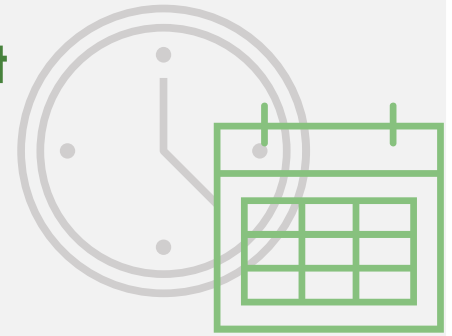
HB 3033

HB 3033 Revisions to Public Information Act

- **Effective:** September 1, 2023
- **Definition of “business day”**
 - Business day = day *other than*
 - Saturday or Sunday
 - National holiday (TGC 662.003(a))
 - State holiday (TGC 662.003(b))
 - **Also not a “business day”:**
 - Optional holiday (TGC 662.003(c)) if the public information officer observes it
 - Rosh Hashanah, Yom Kippur, or Good Friday
 - Holiday established by governing body of institution of higher education (TGC 662.011(a))
 - “Friday before” or “Monday after,” observing national or state holiday that occurs on Saturday or Sunday



HB 3033 Revisions to Public Information Act



Nonbusiness Days

- Governmental body may designate as a “nonbusiness day” a day on which its administrative offices **are closed or operating with minimum staffing**
 - Maximum of **10** “nonbusiness days” per calendar year
 - **For school district, board of trustees must designate**

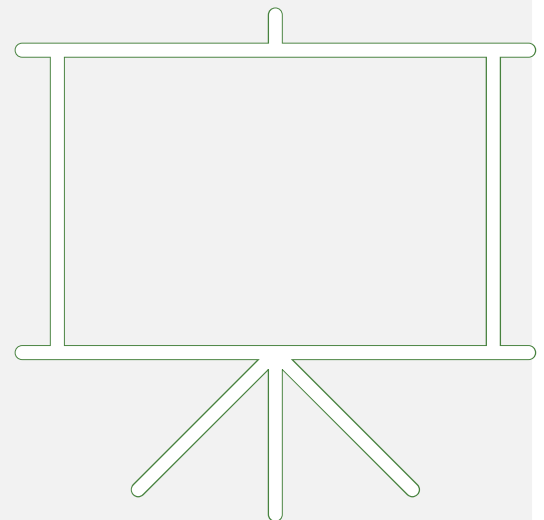
Alternative Work Sites

- Fact that employee works from alternative work site does **not** affect “business day.”

HB 3033 Revisions to Public Information Act

AG-Required Training

- If AG determines governmental body has failed to comply with TPIA requirement, AG may require that each public official of that body (including board members and PIO) complete **TPIA course of training**
 - AG to provide written notice of determination and requirement to complete training
 - Public official to complete training **within 60 days of receiving notice**



HB 3033 Revisions to Public Information Act



Litigation Exception – Elections

- Background: TPIA exception to disclosure for information related to pending litigation
- Litigation exception does not apply if the information:
 - relates to a general, primary, or special election, and
 - is in the possession of the governmental body that administers elections.

HB 3033 Revisions to Public Information Act

Law Enforcement Exception – Basic Arrest Information

- Background: TPIA exception to disclosure for information related to certain law enforcement information
 - NOT basic information: arrested person / arrest / crime
- Clarifies that governmental body shall release the basic information
 - unless seeking to withhold under another TPIA provision, and
 - regardless of whether seeking an AG decision regarding other requested information.



HB 3033 Revisions to Public Information Act

Limits; Written Statement

- Background: Governmental body is permitted to establish certain monthly and yearly limits and to charge for certain costs when requestor **requires large amounts of personnel time**.
 - Written statement of personnel time may not include time spent preparing the written statement.
- Requestor who has exceeded such a limit (TGC 552.275) may not inspect information on behalf of another requestor unless the requestor who exceeded the limit has paid each statement issued by the governmental body.
 - Time spent preparing the written statement may be included if the requestor has exceeded time limit for the period.

HB 3033 Revisions to Public Information Act

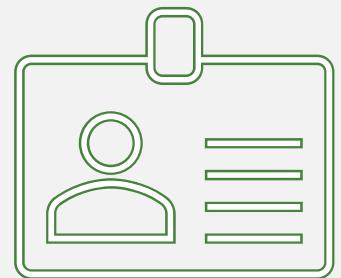


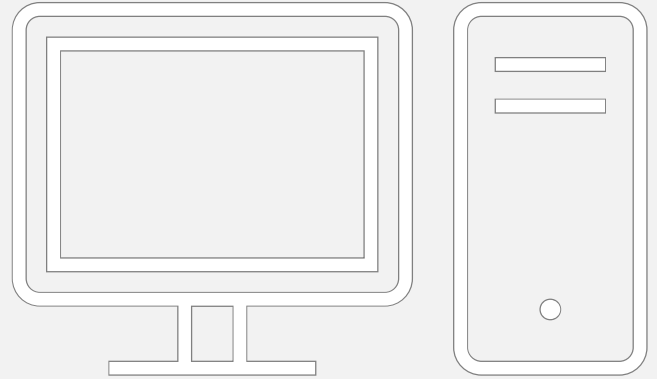
Photo ID of Requestor

- Governmental body may request photo ID from requestor **for sole purpose of establishing that requestor has not exceeded a limit** established by governmental body and concealed his or her identity.
 - Request for ID must include written statement of personnel time spent and statement describing each specific reason why photo ID request may apply.
 - Governmental body must accept as proof a physical photo ID or electronically transmitted or mailed image of the photo ID.
 - Requestor may decline to provide ID and obtain requested information by paying charge assessed in statement.

HB 3033 Revisions to Public Information Act

Electronic Submission of Request for AG Decision

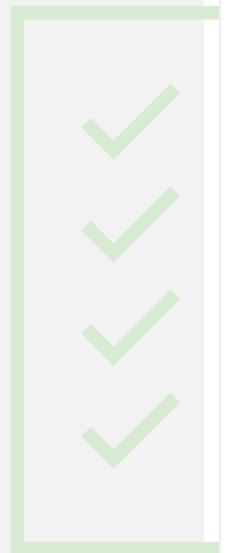
- Governmental body **must submit request for TPIA AG decision** through AG's designated electronic filing system (\$15/submission).
- Does not apply if:
 - Governmental body requesting decision has fewer than 16 full-time employees or is located in a county with a population of less than 150,000;
 - Amount or format of responsive information at issue in request makes use of filing system impractical or impossible; or
 - Request is hand-delivered to AG's office.



HB 3033 Revisions to Public Information Act

Production of Information After AG Decision

- Within a reasonable time after date AG issues decision, governmental body to respond and produce information:
 - Provide requestor itemized estimate of charges for production of information, if required (*i.e.*, charges exceed \$40);
 - Take certain actions if requested information is voluminous;
 - Produce information, if required;
 - Notify requestor in writing that governmental body is withholding information as authorized by AG's decision; or
 - Notify requestor in writing that governmental body has filed suit against AG regarding information.
- Governmental body is presumed to have complied with these requirements if action is taken not later than **30th day** after date AG's decision is issued.



HB 3033 Revisions to Public Information Act

Searchable Database on AG's Website



- AG to make available on its website (no later than January 1, 2024) a searchable database consisting of:
 - Information identifying each request for a TPIA AG decision, and
 - AG's decision issued for each request.
- Required search functions: Must be searchable by
 - name of governmental body requesting decision, and
 - exception asserted for withholding information from public disclosure.
- Must include current status of request for decision and estimated timeline for each stage of review.



Mental Break!



Construction



HB 679

HB 679 Workers' Compensation Experience Modifiers in Construction Procurement

- **Effective:** September 1, 2023 (applies to a contract for which a governmental entity first advertises or solicits offers on or after this date)
- "Experience modifier" = number assigned to an employer seeking a workers' comp insurance policy
 - Based on the employer's past loss experience
 - Affects the policy's premium amount



HB 679 Workers' Compensation Experience Modifiers in Construction Procurement

- Governmental entities (including school districts) **may not consider** a workers' comp experience modifier when soliciting or entering into a construction contract or a contract for a public work
 - Cannot require a specified experience modifier to respond to a solicitation or accept an offer
 - Contract cannot require a specified experience modifier for contractor
- Applies to public and private construction contracts
- Violation = solicitation / contract / offer is voidable



HB 2965

HB 2965 No Waiver of Construction Defect Claim Requirements

- **Effective:** September 1, 2023 (applies only to a cause of action that accrues on or after this date, under a contract entered into on or after this date)



- **Background:** TGC 2272 imposes requirements before action may be brought alleging damages for construction defects against contractors or design professionals
- Clarifies that those provisions may **not** be waived by contract
 - "Waiver" = void

HB 3485

HB 3485 Contractor's Right Not to Proceed With Additional Work



- **Effective:** September 1, 2023 (applies only to a contract entered into on or after this date)
- Grants to vendors and subcontractors certain rights related to the performance of additional work directed by a school district under a public work contract:
 - May elect not to proceed with additional work if:
 - it has not received a written, fully executed change order for the work **AND**
 - the aggregate value of the additional work plus any previous additional work not covered by a change order exceeds 10 percent of the original contract amount
 - Not responsible for damages associated with election not to proceed

HB 2007

HB 2007 Certificate of Merit for Third-Party Claims Arising from Design-Build Projects

- **Effective:** September 1, 2023 (applies only to an action commenced on or after this date)
- **Background:** Civil Practice & Remedies Code 150.002 requires certificate of merit - affidavit from third-party architect, engineer, landscape architect, or land surveyor (re: professional's knowledge, skill, experience, education, training, and practice) - **before pursuing an action against professional**



HB 2007 Certificate of Merit for Third-Party Claims Arising from Design-Build Projects

- Creates an exception to certificate of merit requirement when design-build firm makes third-party claim or cross-claim against professional arising from design-build project where school district contracts with single entity to provide both design and construction services



Facilities

HB 1263

HB 1263 School Crossing Zones and Crosswalks at High Schools in Houston

- **Effective:** September 1, 2023
- **Local authority authorized to enact traffic laws** required, upon request of Houston high school administrator, to designate a school crossing zone or crosswalk at the campus
 - Not applicable to campus undergoing major extension or new construction
- Local authority to update school zone standards by Sept. 1 and post online with clear instructions for making request



HB 1633

DISABLED VETERAN (DV) HANDICAP PARKING

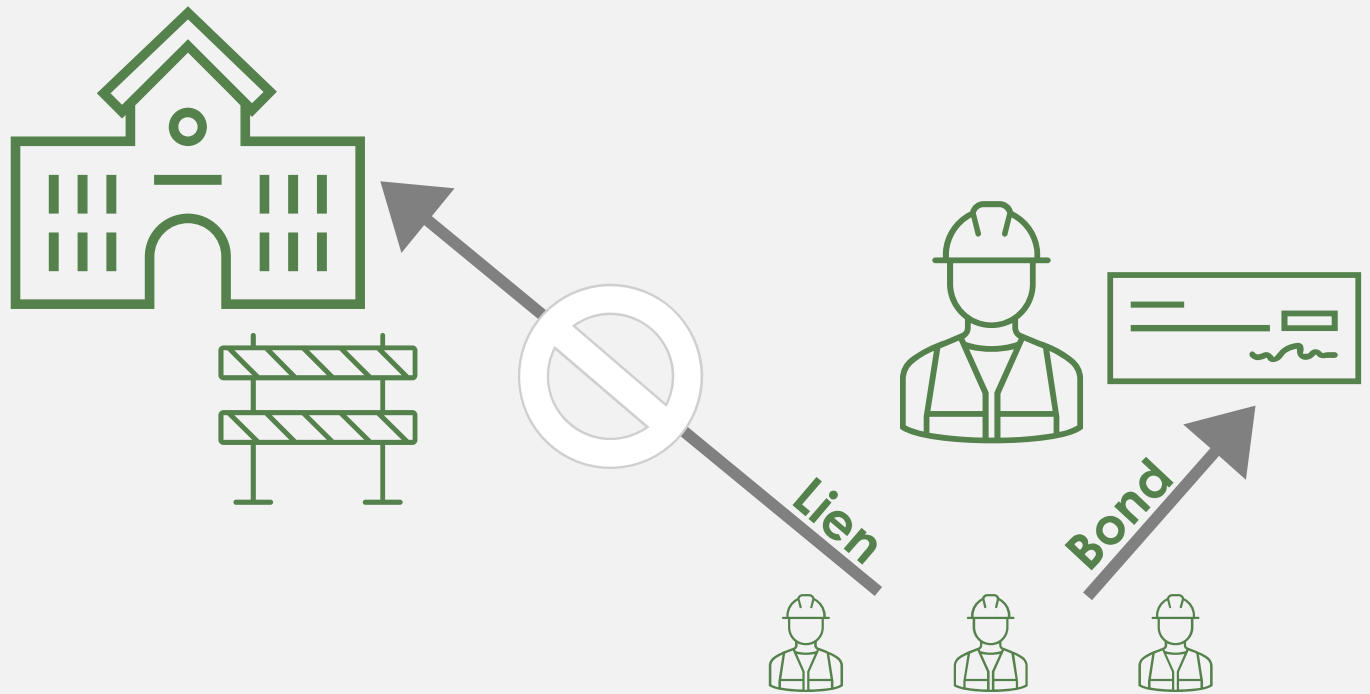


HB 1633 Parking Spaces Designated for Persons with Disabilities



- **Effective:** September 1, 2023 (applies only to offense committed on or after this date)
- **Background:** School district may designate parking spaces / area for use of vehicles transporting persons with disabilities. Parking enforcement may file charge against person using space without displaying international symbol of access on license plate or disabled parking placard.
- Lowers penalty for offense if vehicle displays disabled veteran license plate.

HB 2518



HB 2518 Required Terms for Leases of Public Property

- **Effective:** September 1, 2023 (applies to lease entered into or renewed by governmental entity on or after this date)
- Lease of public property by school district must require in any contract for the construction, alteration, or repair of improvement that contractor:
 - execute payment bond and performance bond in an amount equal to the amount of the contract, and
 - provide to governmental entity “notice of commencement” at least 90 days before start date of any construction / alteration / repair



HB 2518 Required Terms for Leases of Public Property

- Notice of commencement must include:
 - Identification of public property
 - Description of work
 - Total cost of work
 - Copies of bonds
 - Contractor's written acknowledgement that will give copies of bonds to all subcontractors.
- Governmental entity has **10 days** from receipt of notice to notify leaseholder that construction/alteration / repair may not proceed.



HB 1825



HB 1825 Alcoholic Beverages at School Districts in Tarrant County

- **Effective:** September 1, 2023
- Board of **Tarrant County school** district permitted to adopt policy allowing for consumption / possession / sale of alcoholic beverages at event held at district's performing arts facility
 - Facility must be leased to a nonprofit organization for event not sponsored or sanctioned by district **AND**
 - lease must require that event be held outside regular school hours **AND**
 - alcoholic beverages must be sold by person holding appropriate retail license or permit.



SB 2069

SB 2069 Human Trafficking Signs at Schools

• **Effective:** September 1, 2023



- Background: 87th Legislature's "No Trafficking Zone Act" + no funding = hardship in complying
- Scales back signage requirements:
 - Private schools taken out
 - Significantly reduces number and locations of signs to be posted by public schools:
 - Must post warning signs in a conspicuous place reasonably likely to be viewed by all school employees and visitors

HB 915

HB 915 Texas Workforce Commission Notice for Workplace Violence

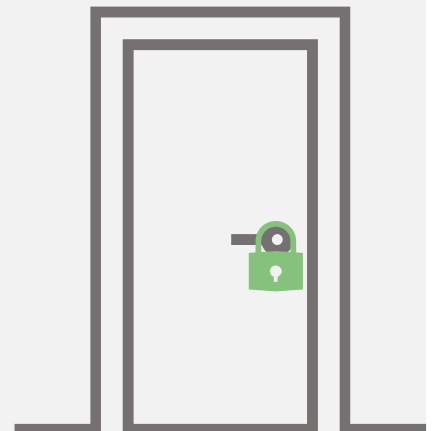
- **Effective:** September 1, 2023
- Employers to post notice for reporting **workplace violence or suspicious activity to DPS**. Must include contact information and right to make anonymous report. Must be posted:
 - In a conspicuous place,
 - In sufficient locations to be convenient to all employees, and
 - In English and Spanish, as appropriate.
- **TWC to consult with DPS to adopt rules prescribing form and content of notice by March 1, 2024.**



HB 3

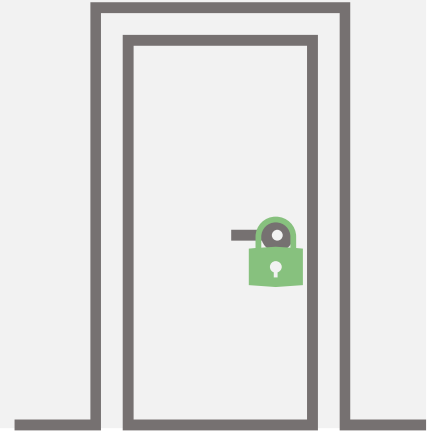
HB 3 Public School Safety Measures

- **Effective:** September 1, 2023
- **Facilities Standards Compliance:** District must comply with TEA facilities standards, *unless* claims a good cause exception related to:
 - age, physical design, or location of noncompliant facility;
 - availability of funding; or
 - supply chain obstacles.
- If exception, must set an alternative standard.
- Must document compliance and make available to TEA upon request.
- Must comply with applicable procurement laws when achieving compliance with facilities standards.



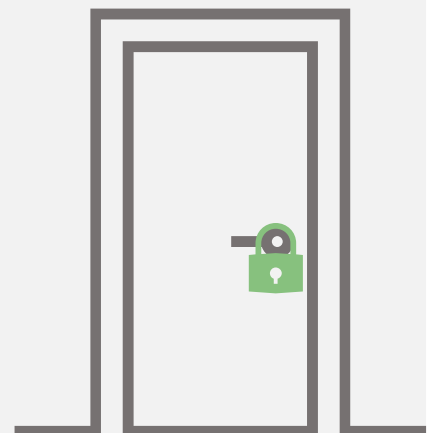
HB 3 Public School Safety Measures

- **Facilities Standards Compliance:** Commissioner may authorize districts to use funds for safety, including school safety allotment or any other available funds. Funds in state's supplemental budget (SB 30) may be used for compliance through September 1, 2026.
 - School safety allotment went up 28 cents per student and \$15,000 per campus.
- Commissioner may adopt rules with safety requirements that districts must meet in order to receive funds.
- Any document collected, identified, developed, or produced related to facilities standards compliance is confidential and not subject to disclosure.



HB 3 Public School Safety Measures

- **Use of Bond Funds:** For bonds authorized to be issued at an election after September 1, 2023, bond proceeds for construction and equipment of school buildings and purchase of necessary sites for school buildings may be used for complying with facilities standards.
- If TEA determines district is not in compliance with facilities standards, district **must** use such bond proceeds to achieve compliance before using the funds for any other purpose.





To the Administrator Addressed

Texas Education Agency

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1484 • 512 463-9734 • 512 463-9838 FAX • www.tea.texas.gov

DATE:	June 1, 2023
SUBJECT:	Adopted School Safety Standards
CATEGORY:	Information
NEXT STEPS:	Submit grant applications by 08/01/2023 deadline

Overview

The Texas Education Agency (TEA) is committed to supporting local educational agencies (LEAs) in their efforts to improve the safety and security of school facilities for staff, students, and visitors. This letter provides information related to Adopted New 19 Texas Administrative Code (TAC) Chapter 61, School Districts, Subchapter CC, Commissioner's Rules Concerning School Facilities, §61.1031, School Safety Standards.

School Safety Standards

On [June 2, 2022](#) Governor Abbott charged the Commissioner of Education with rule development to ensure existing school facilities are held to heightened safety standard, and to determine costs of more secure facilities in schools. As authorized by Texas Education Code (TEC), §§7.061 and 37.115(b), the [School Safety Standards in 19 TAC §61.1031](#) were adopted on May 31, 2023, to address minimum school safety standards that will better ensure the safety of students and staff in our public schools. The adopted rule requires that all public school system instructional facilities have access points that are secured by design, maintained to operate as intended, and appropriately monitored.

School Safety Funding

2023-2025 School Safety Standards Formulary Grant

On [November 3, 2022](#), TEA released a formula-based grant to support the school safety standards rule referenced above. The grant allows for pre-award for items purchased on or after June 1, 2022.

Application due date is: **August 1, 2023**

Grant details are available on the [TEA Grant Opportunities](#) page.

Future Funding

The Texas Legislature has provided new funding for school safety totaling \$1.4 billion for the next two years, including \$1.1 billion in one-time funding through the supplemental appropriations bill to address new minimum school safety standards and other facilities-related safety improvements. TEA will provide more information on accessing this funding in the coming months. In addition, the General Appropriations Act increases ongoing school safety funding by \$300 million per biennium (about \$150 million per year) through the school safety allotment and technical support/oversight programs.

Questions and More Information

More school safety resources are posted at the [TEA Safe Schools Webpage](#). If you have any questions, please contact safeschools@tea.texas.gov.

<https://tea.texas.gov/sites/default/files/tao-adopted-school-safety-standards.pdf>

HB 1760

HB 1760 Possession of Weapon in Prohibited Places Related to Schools

- **Effective:** September 1, 2023 (applies only to offense committed on or after this date)
- Adjusts list of locations where (absent an exception) a person cannot go with a firearm, location-restricted knife, club, or other prohibited weapon. Cannot take a location-restricted weapon:
 - On premises of a school or postsecondary educational institution,
 - On grounds or building **owned by and under control of school or postsecondary educational institution** where school activity is being conducted, or
 - In passenger vehicle of school or postsecondary educational institution.



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- Adjusts list of locations where (absent an exception) a person cannot go with a firearm, location-restricted knife, club, or other prohibited weapon. Cannot take a location-restricted weapon: **UNLESS**

- On premises of a school or postsecondary educational institution,
- On grounds or building **owned by and under control of school or postsecondary educational institution** where school activity is being conducted, or
- In passenger vehicle of school or postsecondary educational institution.

Not an offense if carrying weapon pursuant to written regulations or written authorization of the school or institution

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- On premises of a school or postsecondary educational institution,
- On grounds or building **owned by and under control of school or postsecondary educational institution** where school activity is being conducted, or
- In passenger vehicle of school or postsecondary educational institution.

Premises = building or portion of building

- **NOT** public or private driveway, street, sidewalk or walkway, parking lot, parking garage, or other parking area.

HB 1760 Possession of Weapon in Prohibited Places Related to Schools

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- On premises of a school or postsecondary educational institution,
- On grounds or building **owned by and under control of school or postsecondary educational institution** where school activity is being conducted, or
- In passenger vehicle of school or postsecondary educational institution.

School = accredited primary or secondary school

Postsecondary educational institution = institution of higher education or private or independent institution of higher education.

Miscellaneous

SB 1893

SB 1893 Prohibiting Certain Social Media Applications on Government Devices

• **Effective:** June 14, 2023



- Prohibits use on government devices of social media applications and services deemed to pose risk to the state.
- Requires governmental entities to prohibit on devices owned / leased by governmental entity:
 - TikTok,
 - Any other service developed / provided by ByteDance Limited (owner of TikTok), and
 - Any other social media application or service determined by governor to pose a risk to the state.

SB 1893 Prohibiting Certain Social Media Applications on Government Devices

Professors sue Texas over TikTok ban, signaling First Amendment fight

The professors said the ban immediately halted research projects into TikTok and derailed their plans to lead classes discussing the social media app's benefits and risks.

BY DREW HARWELL, [THE WASHINGTON POST](#) JULY 13, 2023 12 PM CENTRAL

HB 4553

HB 4553 Eligibility of Certain Entities for DIR Services

- **Effective:** September 1, 2023
- **Background:** DIR required to perform a variety of tasks:
 - Telecommunications services,
 - Negotiate contracts for IT commodity items, and
 - Establish statewide tech centers offering tech services.
- State law establishes which entities are eligible to access DIR programs and services, but lists are not uniform. Varying eligibility across programs = confusion.

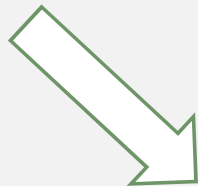
- **Expands** the list of eligible entities, which includes local governments such as school districts.
- **Aligns** the list across various DIR programs and services.

HB 2190

HB 2190 Terminology Used to Describe Transportation-Related Accidents

• **Effective:** September 1, 2023

Accident



Collision



Federal DOL Davis-Bacon Rule Changes



U.S. DEPARTMENT OF LABOR

News Release

US DEPARTMENT OF LABOR ANNOUNCES FINAL RULE TO MODERNIZE DAVIS-BACON ACT

Aided by labor, industry stakeholders' comments, most comprehensive updates in 40 years

The final rule's regulatory changes improve the department's ability to administer and enforce DBRA labor standards more effectively and efficiently. These changes include the following:

- Creating new efficiencies in the prevailing wage update system and making sure prevailing wage rates keep up with actual wages which, over time, would mean higher wages for workers.
- Returning to the definition of "prevailing wage" used from 1935 to 1983 to ensure prevailing wages reflect actual wages paid to workers in the local community.
- Periodically updating prevailing wage rates to address out-of-date wage determinations.
- Providing broader authority to adopt state or local wage determinations when certain criteria are met
- Issuing supplemental rates for key job classifications when no survey data exists.
- Updating the regulatory language to better reflect modern construction practices.
- Strengthening worker protections and enforcement, including debarment and anti-retaliation provisions.

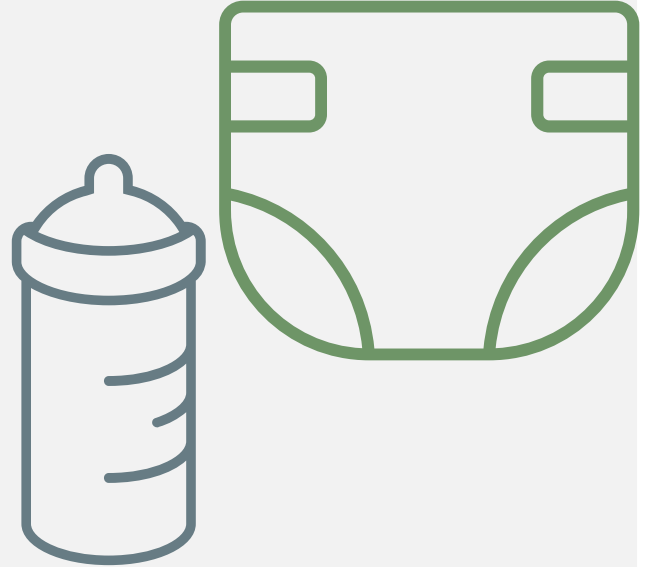
The DBRA requirements apply to an estimated tens of billions of dollars in federal and federally assisted construction spending each year and provide minimum wage rates for hundreds of thousands of U.S. construction workers. The department expects a significant increase in the numbers of industry workers due to the historic investments in federally funded construction projects made possible by legislation such as the Infrastructure Investment and Jobs Act.

“Lagniappe” Bills



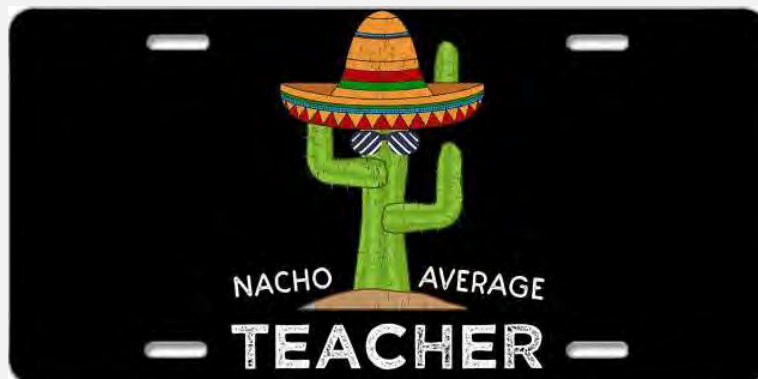
SB 379 Exemption from Sales and Use Taxes for Certain Family Care Items

- **Effective:** September 1, 2023
- **Exempts from sales tax:**
 - Diapers
 - Wipes
 - Baby bottles
 - Feminine hygiene products
 - Maternity clothes
 - Breast milk pumping products



HB 108 Issuance of Specialty License Plates for Classroom Teachers and Retired Classroom Teachers

- **Effective:** September 1, 2023
- Specialty license plates for classroom teachers **with 15 years of service** (and retired classroom teachers with 20 years of service) teaching public school students
- “Texas Teacher” or “Retired Texas Teacher,” respectively, and public education logo.



HB 2194 Establishing a “Made in Texas” Labeling Program



- **Effective:** September 1, 2023
- Establishes a “Made in Texas” labeling program to:
 - Set criteria for whether person may sell / advertise / offer for sale in Texas a product using “Made in Texas”
 - All or virtually all significant parts and processing of product must originate in Texas
 - Design and administer use of logo for products to be labeled as “Made in Texas”
 - Adopt application process for use of logo

HB 3991 Fruit & Vege Day



- **Effective:** beginning 2023-24 school year
- Establishes the first Friday in April as “Texas Fruit and Vegetable Day”
- To promote awareness of the health benefits of fruits and vegetables and to encourage students to consume more fruits and vegetables during Texas Fruit and Vegetable Month under Section 662.103, Government Code.
- Texas Fruit and Vegetable Day shall include appropriate instruction, as determined by each school district.

HB 639 Number of Temporary Licenses to Conduct Bingo

- **Effective:** September 1, 2023
- Increases from **6 to 12** the number of temporary licenses to conduct bingo per year.



Questions?



SPALDING NICHOLS
-LAMP LANGLOIS-

Sarah Langlois

PARTNER

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THIS PRESENTATION IS INTENDED TO BE USED SOLELY FOR GENERAL INFORMATION
PURPOSES AND IS NOT TO BE REGARDED AS LEGAL ADVICE. IF SPECIFIC LEGAL
ADVICE IS SOUGHT, PLEASE CONSULT AN ATTORNEY.

**Legislative Update
88th Regular Session**

2023

1

The Legislative Process

2

How to Track the Legislative Action

- You may wish to look up legislation of interest at: www.capitol.texas.gov

88th Regular Session - 2023										
Status	HB	HCR	HJR	HR	SB	SCR	SJR	SR	Total HB & SB	Total
Introduced	5413	123	206	2543	2633	62	93	734	8046	11807
Passed	744	65	7	2461	502	35	6	730	1246	4550
Vetoed	22	0	n/a	n/a	54	0	n/a	n/a	76	76

Legislative Reference Library

3

You May Search

- ❖ By bill number
- ❖ Bill text and activities related to the bill
- ❖ By author
- ❖ Bills signed
- ❖ Bills vetoed
- ❖ Bills that go into effect without Governor's action
- ❖ By topic
- ❖ By date bill will go into effect

4

Terminology

- ❖ When a bill passes in the chamber (House or Senate) where it was introduced originally, it is labeled **Engrossed**
- ❖ When a bill passes in both chamber chambers, it is labeled **Enrolled**
- ❖ After passing both chambers, the bill will go to the Governor where he/she may:
 - **Sign** the bill
 - **Veto** the bill
 - Let it go **into effect without taking action**
- ❖ The **effective date** will generally be stated in the bill

5

**The time for implementation of this
legislation has passed.
Be sure to update your Purchasing
Manuals!**

6

Bills Passed into Law

7

HB 679

Relating to limitations on the use of workers' compensation insurance experience modifier values in soliciting and awarding public construction contracts.

Prohibits state and local governmental entities, including higher education, from requesting or requiring an offeror to include an experience modifier in a bid, proposal, qualification, offer or other response submitted as part of the selection process for award of a contract. The offeror's experience modifier may not be considered in evaluation, selection or award. Consideration of the modifier will void the contract.

GC 2252

Effective 9/1/23

8

HB 1440

Relating to the authority to approve change orders for certain municipal contracts.

Would: (1) allow a city council in a city with a population of 240,000 or more (previously 300,000 or more) to grant general authority to a city administrative official to approve a change order for a public works contract if it involves a decrease or an increase of \$100,000 or less; and (2) provide generally that the change order procedures apply only to a contract awarded through a competitive procedure.

Municipal Only

LGC 252

Effective 9/1/23

9

HB 1817

Relating to the validity of a contract for which a disclosure of interested parties is required.

Contract described by Subsection (b) entered into by a governmental entity or state agency is voidable for failure to provide the disclosure of interested parties required by this section only if: (1) the governmental entity or state agency submits to the business entity written notice of the business entity's failure to provide the required disclosure; and (2) the business entity fails to submit to the governmental entity or state agency the required disclosure on or before the 10th business day after the date the business entity receives the written notice under Subdivision (1).

GC 2252

Effective 6/9/23

10

HB 2007

Relating to a certificate of merit in certain actions against certain licensed or registered professionals.

Provides that a third-party plaintiff that is a design-builder is not required to file a certificate of merit in connection with filing a third-party claim or cross-claim against a licensed or registered professional if the action or arbitration proceeding arises out of a design-build project in which a governmental entity contracts with a single entity to provide both design and construction services for the construction, expansion, extension rehabilitation, alteration, or repair of a facility, a building or associated structure, a civil works project, or a highway project

Civ. Prac. & Remed. Cd. 150

Effective 9/1/23

11

HB 2518

Relating to required lease terms for public property leased to a nongovernmental entity; creating a criminal offense

Adds wording regarding nongovernmental entities leasing public property from a governmental entity and having work performed on that property by a prime contractor. Adds requirements and timeframe for performance bonds, payment bonds and information to be included in notice of commencement. Also addresses liability of governmental entity as a surety.

GC 2252, 2253

Effective 9/1/23

12

HB 2738

Relating to certain indefinite quantity contracts entered into by the General Land Office in the event of a natural disaster.

Changes requirements for indefinite quantity contracts with vendors to the land office to construct, repair or rebuild property or infrastructure in the event of a natural disaster. Changes include term of the contract and basis of award by best value method.

Nat. Res. Cd. Sec. 31

Effective 9/1/23

13

HB 2965

Relating to certain construction liability claims concerning public buildings and public works.

Adds Section 2272.0025 "Waiver Prohibited" stating this chapter may not be waived. A purported waiver of this chapter is a violation of this section is void. This only applies to contracts entered into on or after the effective date of this Act.

GC 2272

Effective 9/1/23

14

HB 3013

Relating to exempting certain contracts from procurement notice requirements.

Provides notice requirements in contracts exceeding \$20 million by a state agency to interested parties in contracts, except for a contract entered into by the comptroller in specific circumstances or a contract for services necessary to respond to a natural disaster.

GC 2262

Effective 9/1/23

15

HB 3060

Relating to the regulation of recycling and recycled products.

Would, among other things, provide that the Texas Commission on Environmental Quality (TCEQ) or another political subdivision of Texas that establishes goals or requirements for recycling or the use of recycled material must base those goals or requirements on the definitions and principles established as a waste reduction program and does not apply to a computer equipment recycling program or a television equipment recycling program.

Health & Safety Cd. 361

Effective 5/27/23

16

HB 3485

Relating to a contractor's or subcontractor's right to elect not to proceed with additional work under a contract.

Adds section **Unsigned Change Orders**: that would: (1) allow a contractor or subcontractor performing work under a government contract to elect not to proceed with a request for additional work if: (a) the contractor or subcontractor has not received a written, fully-executed change order; or (b) the aggregate actual or anticipated value of the additional work requested without a change order exceeds 10% of the original contract amount; and (2) exempt a contractor or subcontractor for damages associated with (1), above.

GC 2251
Property Cd. 28

Effective 9/1/23

17

HB 3492

Relating to county and municipal authority to impose certain value-based fees and require disclosure of certain information related to subdivision construction.

Describes requirements for fees related to review, engineering, inspection, acceptance, administrative or other fees imposed by a municipality or county related to acceptance, review or processing of engineering or construction plans or for inspection of improvements for construction of a subdivision or lot in conjunction with that construction.

LGC 212, 232

Effective 9/1/23

18

HB 4012

Relating to the administration of the electronic state business daily.

Changes wording on requirements for administration of the electronic state business daily operated by the comptroller for state agencies and other eligible entities to advertise pre-solicitation notices, solicitations and contract awards. A fee may not be charged by entities providing access to the electronic state business daily for businesses that do not have technical means to access the state business daily.

GC 2155

Effective 6/11/23

19

HB 4553

Relating to the eligibility of certain entities for services and commodity items provided by the Department of Information Resources and statewide technology centers.

The executive director determines entities eligible for participation in services the department provides. These include: (1) network security services; (2) regional cybersecurity support and network security services; (3) the availability of commodity items for purchase; and (4) consolidated telecommunication systems.

GC 2054, 2059
2157, 2170

Effective 9/1/23

20

SB 158

Relating to the location of a bank eligible to be selected as a depository or sub depository of county public money, including money held by a county or district clerk.

Provides requirements to be followed if a local bank in the county is rejected for reasons listed, is acquired by a bank in an adjoining county, or becomes insolvent. Specific requirements were added.

County Only

LGC 116, 117

Effective 6/18/23

21

SB 232

Relating to the removal from office of an officer of a political subdivision for commission of certain criminal offenses.

Adds a section **Removal From Office**: which would, among other things: (1) provide that a person who holds an elected or appointed office of a political subdivision is automatically removed from and vacates the office on the earlier of the date the person enters a plea of guilty or nolo contendere, receives deferred adjudication, or is convicted of one of the following offenses: (a) bribery; (b) theft of public money; (c) perjury; (d) coercion of public servant or vote; (e) tampering with governmental record; (f) misuse of official information; (g) abuse of official capacity; or (h) conspiracy or the attempt to commit any of the offenses in (a) – (g). Instructions are provided for filling the position following removal.

LGC 180, 21, 87

Effective 9/1/23

22

SB 271

Relating to state agency and local government security incident procedures.

Amends the code to add the definition of "Security incident" rather than using the word Breach, rewords clauses due to that definition, and outlines additional security procedures.

GC 2054

Effective 9/1/23

23

SB 336

Relating to compliance programs at public institutions of higher education.

Amends the code to add that compliance is required by agents, contractors, subcontractors, or other persons acting on behalf of the institution related to ethics, standards of conduct, financial reporting, internal accounting controls or auditing.

Ed. Cd. 51

Effective 6/18/23

24

SB 943

Relating to publication of notices by a governmental entity on the Internet websites of a newspaper and the Texas Press Association.

Would, among other things: (1) require newspapers that publish public notices, at no additional cost to a governmental entity, publish a public notice on one or more webpages on the newspaper's website clearly designed for public notices and accessible to the public at no cost, and deliver the same to the Texas Press Association (TPA) for publication on a TPA-controlled website, if the TPA maintains such a website as a statewide repository of public notices; (2) if the TPA maintains a website described in (1), above, it must ensure that the website: (a) is accessible to the public at no cost; (b) is updated as notices are received; (c) is searchable and sortable by subject matter and/or location; and (d) offers a subscription service to receive e-mail notification that a notice has been published; and (3) require that any entity required to publish a public notice online archive the notice on its website in its entirety, include the notice publication date.

GC 2051

Effective 9/1/23

25

SB 1260

Relating to certain contracts regarding airports operated by or on behalf of a local government.

CERTAIN AIRPORT INFRASTRUCTURE OR EQUIPMENT CONTRACTS. (a) This section applies only to an airport infrastructure or equipment contract for the procurement of a passenger boarding bridge at an airport.

(b) A local government or a person operating an airport on behalf of a local government may not enter into an airport infrastructure or equipment contract with: (1) an entity that:

(A) a federal court determines has misappropriated intellectual property or trade secrets from another entity organized under federal, state, or local law; and

(B) is owned wholly or partly by, is controlled by, or receives subsidies from the government of the People's Republic of China;

(2) any entity that owns, controls, is owned or controlled by, is under common ownership with, or is a successor to an entity described by Subdivision (1); or

(3) any entity that has entered into an agreement with or accepted funding from an entity described by Subdivision (1) or (2), whether in the form of a minority investment interest, debt, partnership, or other contractual or written agreement.

(c) An airport infrastructure or equipment contract entered into by a local government or a person operating an airport on behalf of a local government must contain a written statement by the entity with which the local government or person is contracting verifying that the entity is not an entity described by Subsection (b)(1), (2), or (3).

Transp. Cd. 22

Effective 5/23/23

26

SB 1340

Relating to the local development agreement database maintained by the comptroller of public accounts.

The comptroller shall maintain a consolidated searchable data tool known as Local Development Agreement Database that shall contain information regarding all local development agreements in this state, including information provided by the local government that enters into the agreement. An internet link shall be provided to the tax abatement agreement.

GC 403 and Tax Cd. 312

Effective 1/1/24

27

SB 1716

Relating to term limits for certain contracts regarding airports and associated air navigation facilities operated by or on behalf of a local government.

Increases limit on term from 40-years to 50-years.

Transp. Cd. 22

Effective 9/1/23

28

SB 1750

Relating to abolishing the county elections administrator position in certain counties.

The commissioners court of a county with a population of 3.5 million or less by order may create the position of county elections administrator for the county.

On 9/1/23, all powers and duties of the county elections administrator of a county with a population of more than 3.5 million are transferred to the county tax assessor-collector and county clerk.

Elect. Cd. 31

Effective 9/1/23

29

SB 1766

Relating to indemnification and duties of real property appraisers under certain governmental contracts.

Adds a section related to appraisal service contracts, indemnification limitations and duties of the appraiser for a governmental agency. Among other provisions, a contract for appraisal services must require a licensed appraiser to perform services.

LGC 271

Effective 9/1/23

30

SB 2013

Relating to access to and the security of certain critical infrastructure.

Adds provisions allowing access to criminal history records of persons who have or are seeking employment at or access to systems that affect the electric grid.

Adds provisions related to transactions with certain foreign-owned companies in connection with critical infrastructures.

Bus. & Comm. Cd. 113,
GC 411, 2274, Water Cd. 39

Effective 6/9/23

31

SB 2601

Relating to payment of costs related to the relocation of certain utility facilities for state highway projects.

Adds the language “or is a water supply or sewer service corporation organized and operating under Chapter 67, Water Code” to (a-4) (1) and under (a-4)(3)(b) changes the language to “if the utility is a political subdivision or is owned or operated by a political subdivision, the political subdivision”

Transp. Cd 203

Effective 6/18/23

32

Public Information Act

33

HB 3033

Relating to the public information law.

Open Records Decisions: would, among other things, provide that: (1) the attorney general shall render a decision on a request for a decision under the Texas Public Information Act, not later than the 30th business after the date the attorney general receives the request for a decision; (2) a governmental body shall as soon as practicable but not later than the 15th day after the date a decision is issued: (a) produce the information subject to the decision that is required to be produced; or (b) notify in writing the person who requested the information that the governmental body is withholding the information as authorized by the decision; and (3) the office of the attorney general shall make available on the office's website an easily accessible and searchable database consisting of: (a) each request for an attorney general decision; and (b) the attorney general's decision on the request.

GC 552

Effective 9/1/23

34

Specific Office Bills

35

HB 2777

Relating to the contracting authority of the Parks and Wildlife Department.

Provides authority for the executive director to negotiate with and award a contract for goods or services to qualified vendors if there was a competitive bid process according to law and a written determination is prepared to justify the purchase and selection.

Parks & Wildlife Cd. Sec. 11

Effective 6/2/23

36

HB 3156

Relating to liability of engineering and certain professional entities performing construction monitoring and inspection services for the Texas Department of Transportation.

Adds Section 97.003: LIMIT ON LIABILITY OF CONSTRUCTION MONITORING AND INSPECTION SERVICES. A professional entity or an officer or employee of a professional entity that provides services as a consultant or sub-consultant of the Texas Department of Transportation to monitor and inspect the progress of work on a transportation construction or maintenance project performed by a private contractor and report to the department regarding the contractor's compliance with the department's requirements for the project is not liable to a claimant for personal injury, property damage, or death arising from an action performed in the course and scope of the entity's consulting duties with respect to the project.

Civ. Pract. & Rem. Cd. Ch 97

Effective 9/1/23

37

HB 3437

Relating to the authority to approve change orders for certain contract for the construction, repair, and renovation of water district facilities.

Increases dollar amount for authority to approve changes orders for certain water district facilities from \$50,000 to \$150,000.

Water Cd. Sec. 49

Effective 9/1/23

38

HB 3507

Relating to contracts for the construction, repair, and renovation of certain conservation and reclamation district facilities.

Raises the upper range dollar amount for contracts for which the board shall solicit written competitive bids from \$75,000 to \$150,000. The requirements previously applied to contracts over \$25,000 but not more than \$75,000.

Water Cd. Sec. 49

Effective 9/1/23

39

HB 3989

Relating to the adoption of a policy on the preclusion of private design professionals from contracting with the Texas Department of Transportation.

Adds Section 2261.260 TEXAS DEPARTMENT OF TRANSPORTATION PRECLUSION POLICY FOR PRIVATE DESIGN PROFESSIONALS. (a) In this section, "private design professional" has the meaning assigned by Section 2252.905. (b) Before the Texas Department of Transportation may make a determination under this subchapter that a private design professional is precluded from performing a contract for architectural or engineering services or from participating in a procurement for those services, the department must adopt a written preclusion policy that must include specific provisions listed and an appeals process in which the private design professional is given a reasonable amount of time to establish that no basis for preclusion under the policy exists.

GC 2261

Effective 9/1/23

40

HB 5260

Relating to the office of vehicle fleet management's plan for the state's vehicle fleet.

Repeals a section of the law

GC 2171

Effective 9/1/23

41

SB 1021

Relating to the handling of bids on certain contracts for highway projects.

Raises amount from \$300,000 to \$1,000,000 for amount for bids on a contract. Provides instructions for handling the contracts by the director of the department.

Transp. Cd. 223

Effective 5/24/23

42

SB 1831

Relating to the purchase of goods and services by the Employees Retirement System of Texas.

Adds language: Notwithstanding any other law, the retirement system has exclusive authority over all aspects of purchases of goods and services related to the operations of its home office facilities, including purchases related to the administration of tenant leases, if such purchases are made with money other than money appropriated from general revenue.

GC 815

Effective 5/19/23

43

Bill of Interest that Failed

44

HB 1132

ENGROSSED – Senate Received 5-15-23

Relating to the amount of an expenditure made by certain political subdivisions for which competitive bidding is required.

45

Key Dates in the 89th (Next) Session

1/14/25	Legislative Session Convenes
March	Deadline to file bills and resolutions
6/2/25	Last day of Regular Session
30 Days	Last day for Governor to sign or veto
Later	bills

46

K-12 Bills

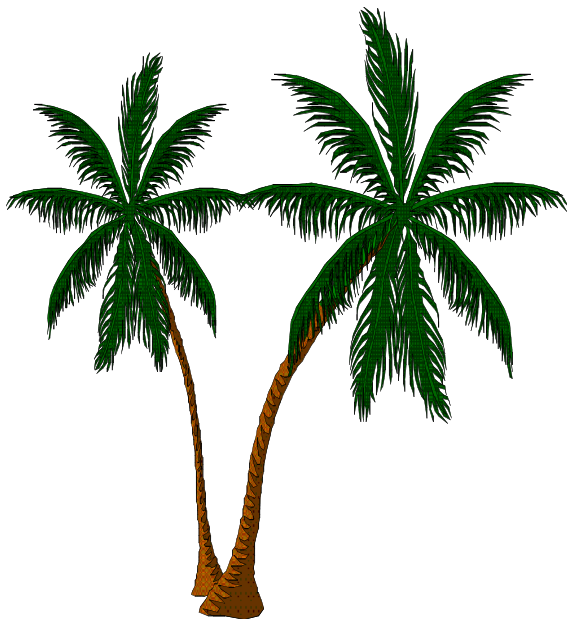
Bills passed and enacted into law from the 2023 88th Regular Session are provided in your ebinder.

Dr. Jesus Amezcua, CPA, TRSBA, CPFIM
Harris County Department of Education
is here to answer any questions you may
have.

THANK YOU

TIMELINE 2024

THE WHYS OF REQUEST FOR QUALIFICATIONS



SPEAKER:

Carol Cooper

RFQ's for Professional Services and Those "Other" Professional Services

Carol Cooper, C.P.M., CPPQ, CPSM

N&C Consulting
Government Procurement & Compliance

1


1

NOT A LAWYER

- Texas Government Code (GC) 2254
- Texas Government Code 2269 Contracting and Delivery Procedures for Construction
- Texas Education Code (TEC) 44.031 Purchasing Contracts

2


2



Government Code 2254


GC 2254.003
A governmental entity may not select a provider of professional services.....on the basis of competitive bids.

What is the definition of professional services according the GC 2254, 2269 and TEC 44.031?



3

3



GC 2254 PROFESSIONAL SERVICES

SUBCHAPTER A.
PROFESSIONAL SERVICES

SUBCHAPTER B. CONSULTING SERVICES (State agencies only)

SUBCHAPTER C.
CONTINGENT FEE CONTRACT FOR LEGAL SERVICES

4

4

GC 2254
PROFESSIONAL
SERVICES
SUBCHAPTER A

(A) Within the scope
of practice, as
defined by state law:

1. Accounting
2. **Architecture**
3. Landscape Architecture
4. **Land Surveying**
5. Medicine
6. Optometry
7. **Professional Engineering**
8. Real Estate Appraising
9. Professional Nursing
10. Forensic Science

5

GC 2254
PROFESSIONAL
SERVICES
SUBCHAPTER A

(B) Provided in connection
with ...or practice of

1. A certified public accountant
2. An architect
3. A landscape architect
4. A land surveyor
5. A physician, including a surgeon
6. An optometrist
7. A professional engineer
8. A state certified or state licensed
real estate appraiser
9. A registered nurse
10. Forensic analyst or forensic
science expert

6

GC 2254
PROFESSIONAL
SERVICES
SUBCHAPTER A

(C) Provided by a person lawfully engaged in interior design, regardless of whether the person is registered as an interior designer under Chapter 1053, Occupations Code

7

7

TEC 44.031 (f)

A school district may, at its option contract for professional services for :

- Certified Public Accounting
- Fiscal Agent
- Financial Consultant
- Attorney
- Technology Consultant

In the same manner provided by GC 2254.003

8

8

Government Code 2269



- Construction material engineering, testing and inspection services

9

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9

DEFINITION

Professional Service

Mental, Intellectual, Special Knowledge, High Order of Learning

Supreme Court of West Virginia – 1976

A member of a discipline with widely accepted standards of required study or specified attainments in special knowledge as distinguished from mere skill

10

10

COMPETITIVE BIDS

SHALL make selection and award

- (1) On basis of demonstrated competence and qualifications
- (2) A fair and reasonable price

The professional fees under the contract may not exceed any maximum provided by law

11

11

SPECIAL
THREE

VOID
2254.005

Architect,
Engineer
or Land
Surveyor

SHALL


- Select most highly qualified
- Attempt to negotiate fair and reasonable price

1
2

12

RFQ

REQUEST FOR QUALIFICATIONS



13

13

Requesting Department Provides

- Project description and deliverables
- Necessary qualifications and experience requirements
- Time frame
- Budgeted amount and source of funding
- Suggested professionals
- Other applicable evaluation criteria

14

14

RFQ MINIMUM REQUIREMENTS

- Scope of Work
- Pre-Proposal conference if applicable
- Deliverables
- Time frame
- Necessary qualifications
- Evaluation criteria – ranked
- Advertise?

CANNOT ask for pricing
if one of the special three

15

15

STEPS TO SELECTION

- Opened and documented by purchasing
- Only names of respondents announced
- Contents confidential during negotiations
- Purchasing leads evaluation team
- Interview/oral presentation/demo - one or more
- Rank and negotiate with #1

16

16

Example Best Practice Criteria

Past Performance (15)
<ul style="list-style-type: none"> Is quality of work satisfactory Adhere to schedule History of fair value engineering Subcontractors paid on time Work well with the owner on change orders
Work Experience (10)
<ul style="list-style-type: none"> Projects of similar scope, size, complexity Specific experience on active government projects Long term presence in the DFW market
Staffing Plan (25)
<ul style="list-style-type: none"> Qualifications of proposed Construction Management team Team experienced at similar projects Team experienced with government projects

17

17

What Not to Do

20	Company's qualifications and experience
20	Personnel qualifications and experience
20	Jobs completed in past five (5) years
20	Projects completed under Construction Manager at Risk delivery method
20	Current or past litigation

18

18

TRY,
TRY
AGAIN

2254.004 (b) If satisfactory contract cannot be negotiated

the entity **SHALL**:

- (1) formally end negotiations with that provider;
 - (2) select the next most highly qualified provider; and
 - (3) attempt to negotiate a contract with that provider at a fair and reasonable price.
- (c) The entity shall continue the process described in to select and negotiate with providers until a contract is entered into.

19

19

COMPETITIVE BIDS



Accounting, optometrist, landscape architect, physician including surgeon, real estate appraising, registered nurse, forensic analyst/science or interior designer;

SHALL make selection and award

- (1) On basis of demonstrated competence and qualifications
- (2) A fair and reasonable price

The professional fees under the contract may not exceed any maximum provided by law

20

20

TWO-ENVELOPE PROCESS

- Separate sealed envelope;
 - ONE with requested qualifications and
 - ONE with pricing
- Select by qualification, competence
- Then add pricing and re-rank
- Best and Final Offer (BAFO) – don't neglect this step



21

21

BAFO

- Purchasing makes request
- Due at specific time, date, location
- Firms must be allowed to:
 - 1) Modify the initial offer
 - 2) Update based on negotiations
 - 3) Include further information
- Evaluate and rank again

22

22

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GC 2254
PROFESSIONAL
SERVICES
SUBCHAPTER
C

This subchapter applies ONLY to a contingent fee contract for LEGAL services entered into by a state governmental entity or political subdivision

23

GC 2254
PROFESSIONAL
SERVICES
SUBCHAPTER C

Contingent fee means a contract for **legal** services where the amount of payment is contingent in whole or in part on the outcome of the results of the services performed

24

24



The
“Other”
Professional
Services



25

25

DEFINITION

“Other” Professional Services

Such services are generally acquired to obtain information, advice, training, or direct assistance. (NIGP).

Not listed in Government Code 2254

26

26

RFQ or RFP?

An RFQ can be used to procure services commonly referred to as professional that require:

- Technical skill
- Expertise
- Mental or intellectual labor rather than physical
- Obtain information
- Advise
- Training
- Direct assistance

27

27

Professional Services

The following have been held to be professional services in Texas cases or Attorney General Opinions:

Abstractors	Investigation	Property Tax Consultants
Appraisers	Financial Services Advisors	Prostitutes ¹
Artists	Fiscal Agents	Scientists
Attorneys	Law Enforcement Consultants	Teachers
Auditors	Map Makers	Third Party Administrators
Consultants	Models	Plat Book Preparers
Coordinators of Criminal Investigation	Private Consultants	

¹Tisdale v Texas, 640 S. W. 2d 409

28

28

END WITH A CONTRACT

With all the attending legal and risk mitigation language, forms

Never, Never sign the vendor's contract

Never sign it first

Always examine for changes

29

29



NOT A LAWYER

30

30

THANK YOU

N&C Consulting



Carol Cooper, C.P.M., CPPO, CPSM

cacooper@tx.rr.com
214-202-5903



Narita Holmes, MBA, C.P.A., CIA

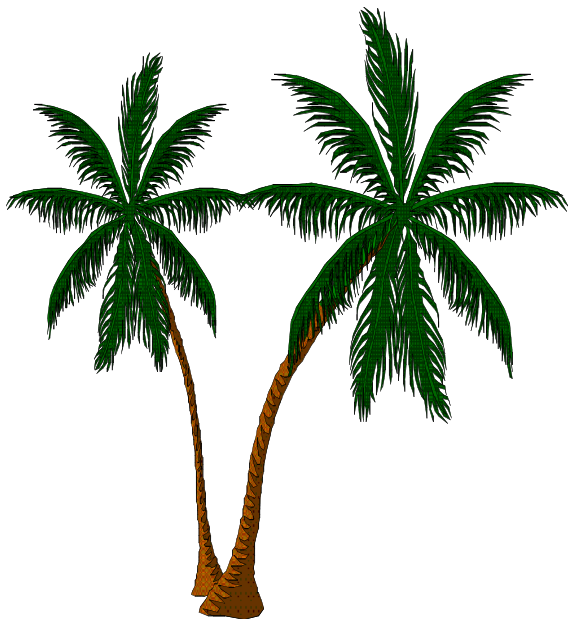
naritaholmes@utexas.edu
432-349-0116



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TIMELINE 2024

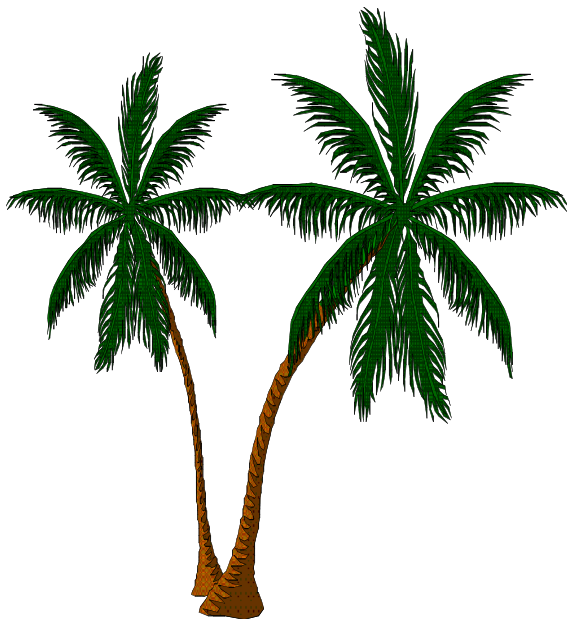
VENDOR PRESENTATIONS



SPEAKER:

TIMELINE 2024


FRAUD ENTRAPMENT



SPEAKER:

**Phillip Vasquez/
Jesus Amezcua**

1



FRAUD and Entrapment

By Dr. Jesus J. Amezcua, CPA, RTSBA, CPFIM
South Padre Island ISM RGV Purchasing Conference
September 2024

1

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Agenda



- The usual suspects
- The content
- The offer
- The proposal
- The Case Studies
- Fraud defined
- Avoid the SIG

2

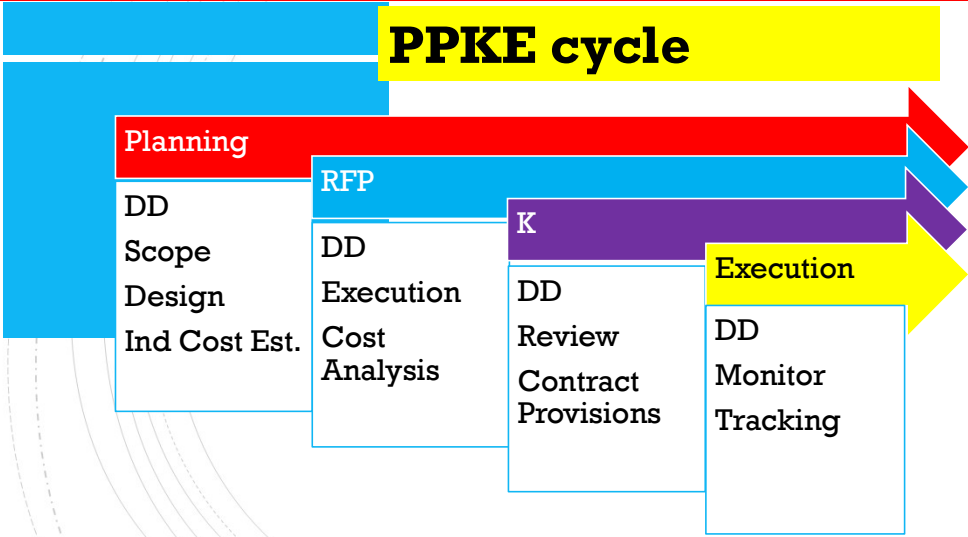
The usual suspects

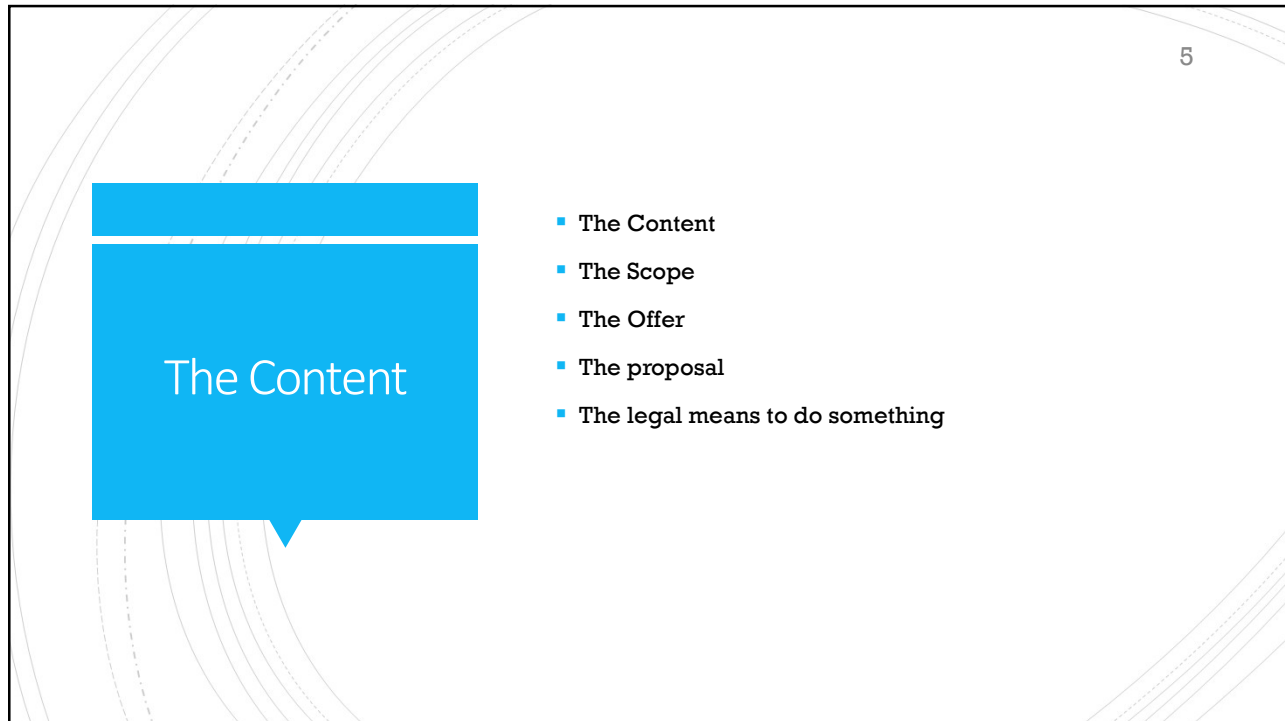
The INFLUENCERS

- The Purchasing Director
- The Staff
- The Vendors
- The Cooperatives
- End User(s)
- The Administration
- The Board
- The Legislators
- The Attorney and the CPA



4 phases of buying cycle FROM Planning & Procurement TO Contract AND Execution





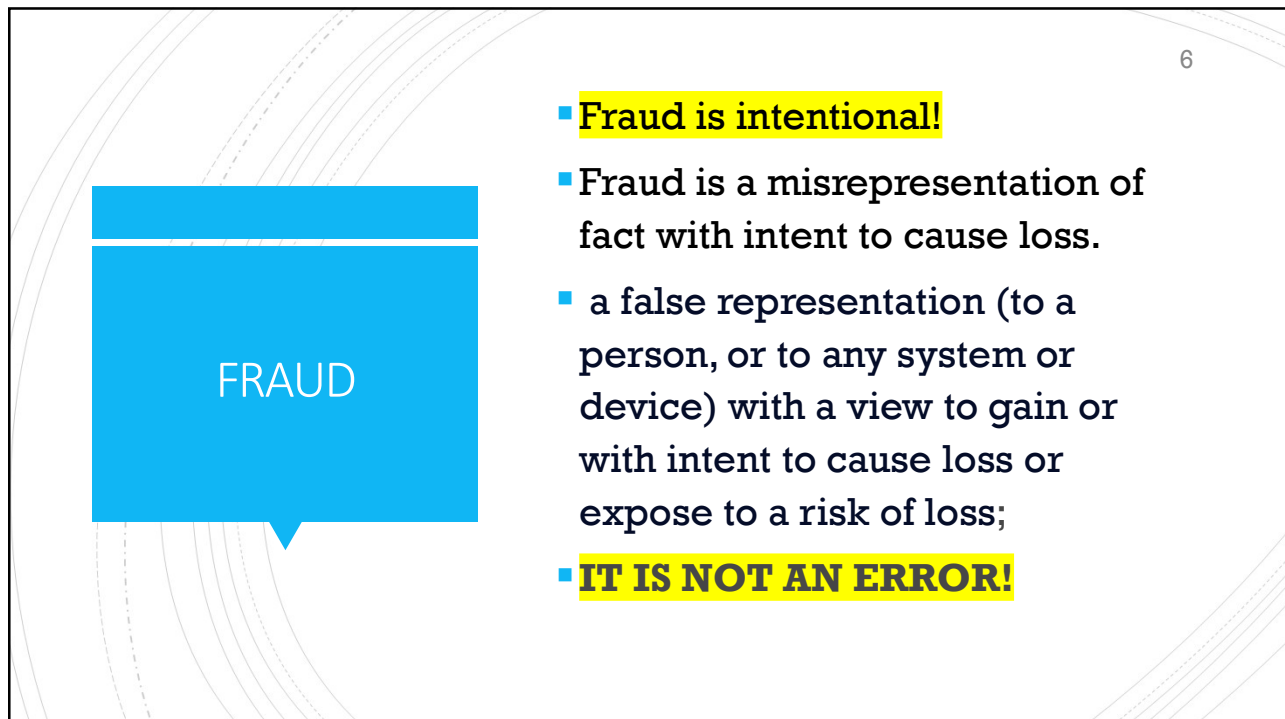
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The Content

- The Content
- The Scope
- The Offer
- The proposal
- The legal means to do something

This slide features a blue speech bubble on the left containing the text 'The Content'. To the right, a bulleted list contains five items: 'The Content', 'The Scope', 'The Offer', 'The proposal', and 'The legal means to do something'. The slide number '5' is in the top right corner.

5



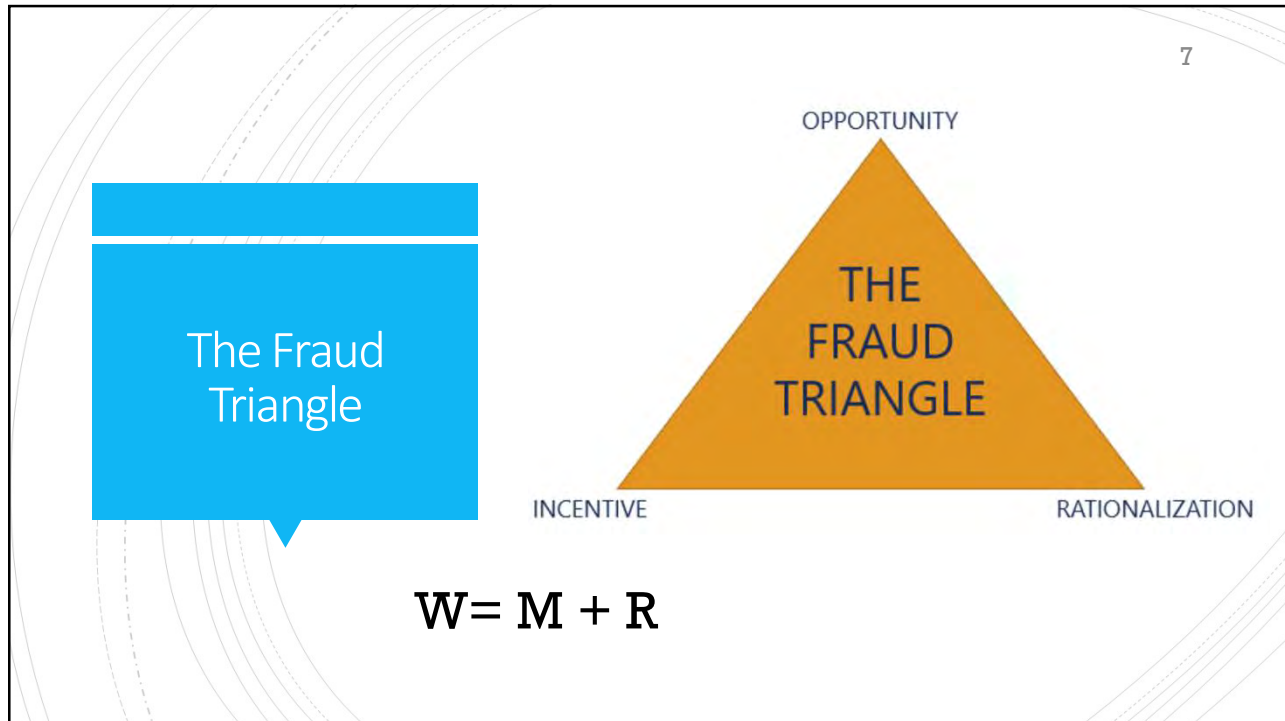
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FRAUD

- **Fraud is intentional!**
- Fraud is a misrepresentation of fact with intent to cause loss.
- a false representation (to a person, or to any system or device) with a view to gain or with intent to cause loss or expose to a risk of loss;
- **IT IS NOT AN ERROR!**

This slide features a blue speech bubble on the left containing the text 'FRAUD'. To the right, a bulleted list contains four items: 'Fraud is intentional!', 'Fraud is a misrepresentation of fact with intent to cause loss.', 'a false representation (to a person, or to any system or device) with a view to gain or with intent to cause loss or expose to a risk of loss;', and 'IT IS NOT AN ERROR!'. The slide number '6' is in the top right corner.

6



7

8

The Director
The Manager
The Assistant

- Who is the Director of Purchasing?

What do you expect out of her or him?

- Ethics
- Supervision
- Lead by Example
- Analytical Skills
- good management skills,
- market researching tactics,
- negotiation skills, communication skills,
- and marketing capabilities

8

9

The Staff

What do you expect from them?

- 1. Ethics
- 2. Procurement Expertise – Best Practices- Supply Chain- Logistics
- 3. Negotiation Skills
- 4. Strategic Thinking
- 5. Analytical Skills
- 6. Supplier Relationship Management (SRM)
- 7. Risk Management
- 8. Communication Skills
- 9. Contract Management
- 10. Vendor Selection
- 11. Cost Management

9

10

The vendors

What do we want from Vendors?

- To respond timely, and thoughtful in communication
- To Exhibit Good Ethics and honest
- To provide band authenticity
- To be approachable
- To provide value and quality
- To follow the rules
- To know the applicable laws
- To fulfill needs and time and on budget
- To have experience and be self sufficient
- To have a good reputation
- Good Prices
- Good corporate citizen

10

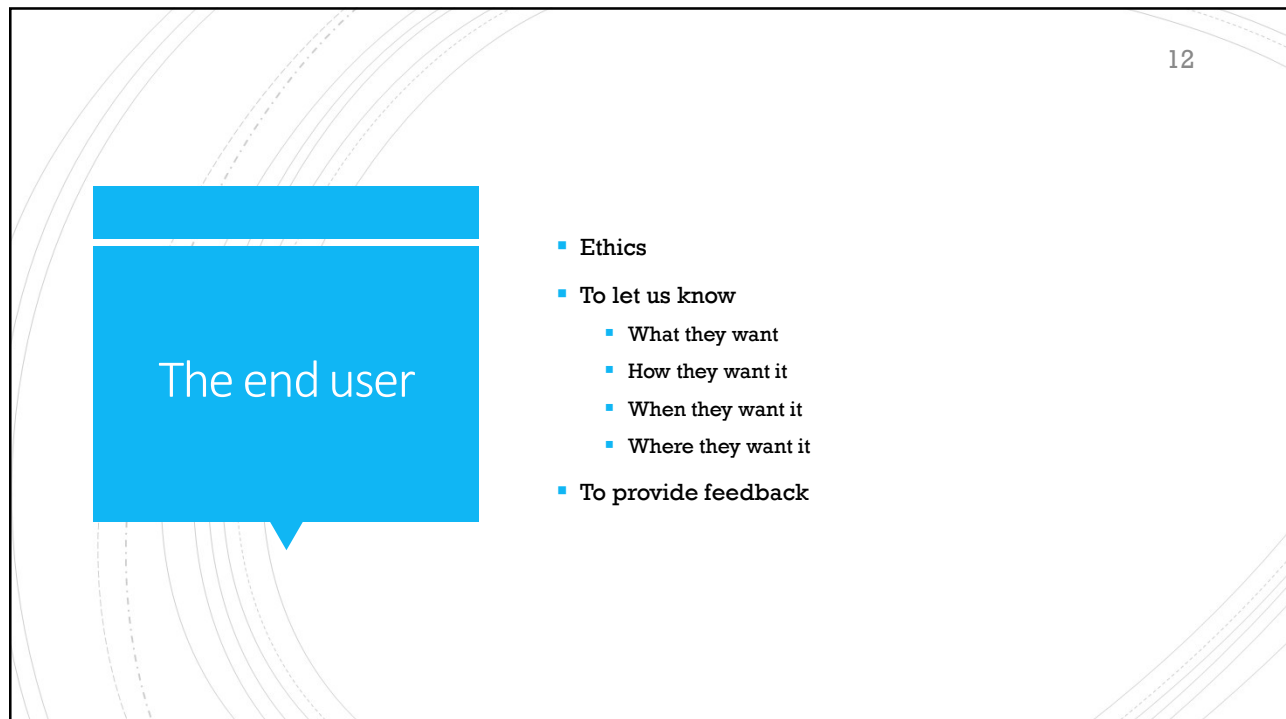


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The cooperatives

- Ethics
- To provide highly qualified vendors which have been competitive procured in accordance with all laws
- To be honest
- To be available
- To respond
- To collaborate
- Assist in needs assessment
- To access the market and available products and vendors
- To provide trainings as needed

11



12

The end user

- Ethics
- To let us know
 - What they want
 - How they want it
 - When they want it
 - Where they want it
- To provide feedback

12

Control environment is the organizational structure and culture created by management and employees, including: "tone at the top".

13

objective setting.
clearly defined areas of authority and responsibility.
human resource policies.

The administration

- The superintendent and other ELT members.
- Ethical
- Support
- Understanding
- Collaboration
- Participation
- The champions of change and innovation
- Respectful
- Knowledgeable



13

14

The Board

- Ethical
- Understanding
- Unbiased
- Knowledgeable

14

15

The Legislators

- Ethical
- Support
- Understanding
- Collaboration
- Participation
- Respectful
- Knowledgeable

15

16

The Attorney

- Ethical
- Knowledgeable
- Lawful
- Support
- Understanding
- Collaboration
- Participation
- Respectful

16

17


The CPA

- Ethical
- Knowledgeable
- Lawful
- Support
- Understanding
- Collaboration
- Participation
- Respectful

17

18

The entrapment Scenarios



18

19

Avoid the SIG
Illness!!!

- ▶ **S** –word. .. Less than knowledgeable
- ▶ **I**ncompetence – Does not know their job.
- ▶ **G**reed- More money or otherwise.

19

20

What would you do
this scenario?

- You are the procurement officer. You have an RFP out on the street. You are instructed by the Supt to prepare the RFP and Specs. A board member wants to attend the RFP. He attends and mentions that he is not a board member, and that he is a vendor.
- RFPs are received and evaluated, and item is not being recommended. The item is on the agenda for the board.

20

21

What would you do
this scenario?

- A principal is trying to get donations for a playground. They get \$75,000 for it. The cost of the project is \$100,000 and the ISD will have to add federal and state funds to the project. She gathers three bids, and she is happy to report that all are under \$100,000. She also says that one vendor can break the cost into three invoices for ease to make sure that it is under \$50,000.

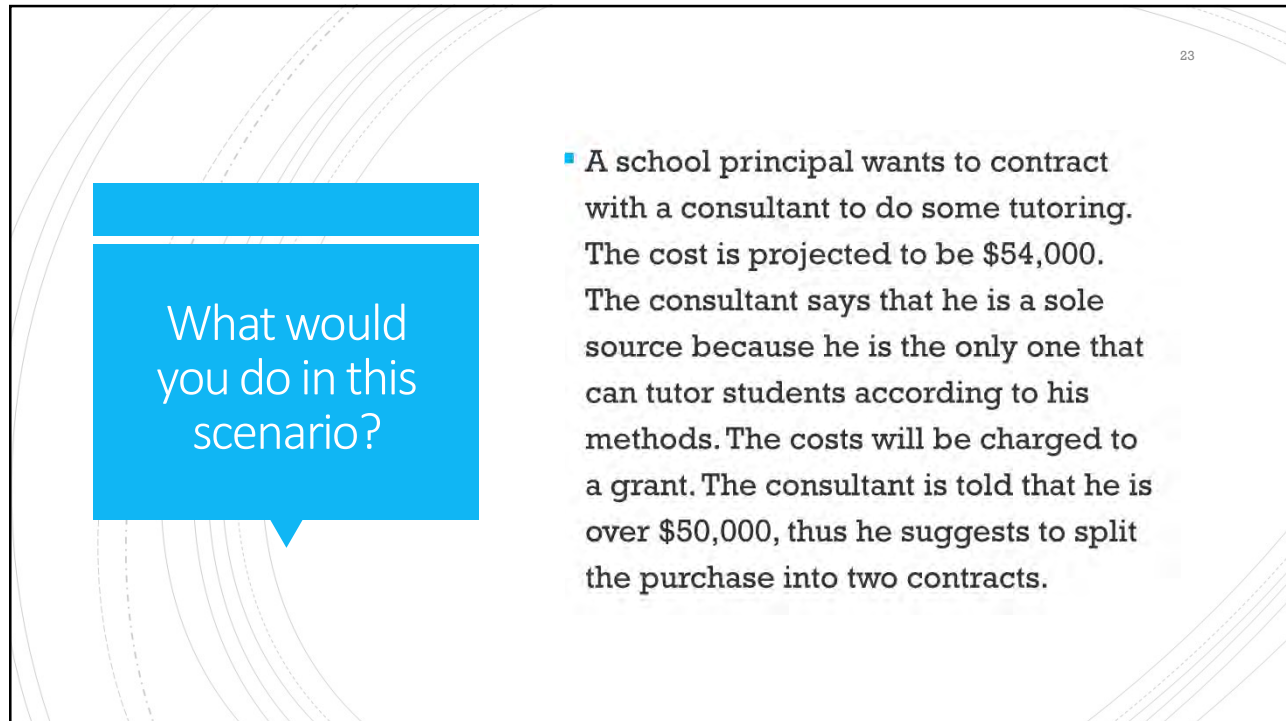
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22

What would you do
this scenario ?

- A head start program wants to buy a new playground. The cost is \$100,000. and it should cost about \$20,000 to install. There are some pre-installation work that needs to be done. Now the construction manager says that we need an engineer or architect to design or purchase it off a buy board. The cost of installation is \$20,000, the cost of drainage is \$250,000, the cost of engineer is \$50,000, the cost of the playground cost is \$100,000. Total cost is \$420,000. The construction manager wants to get three quotes and hand-written sketch of the project.

22

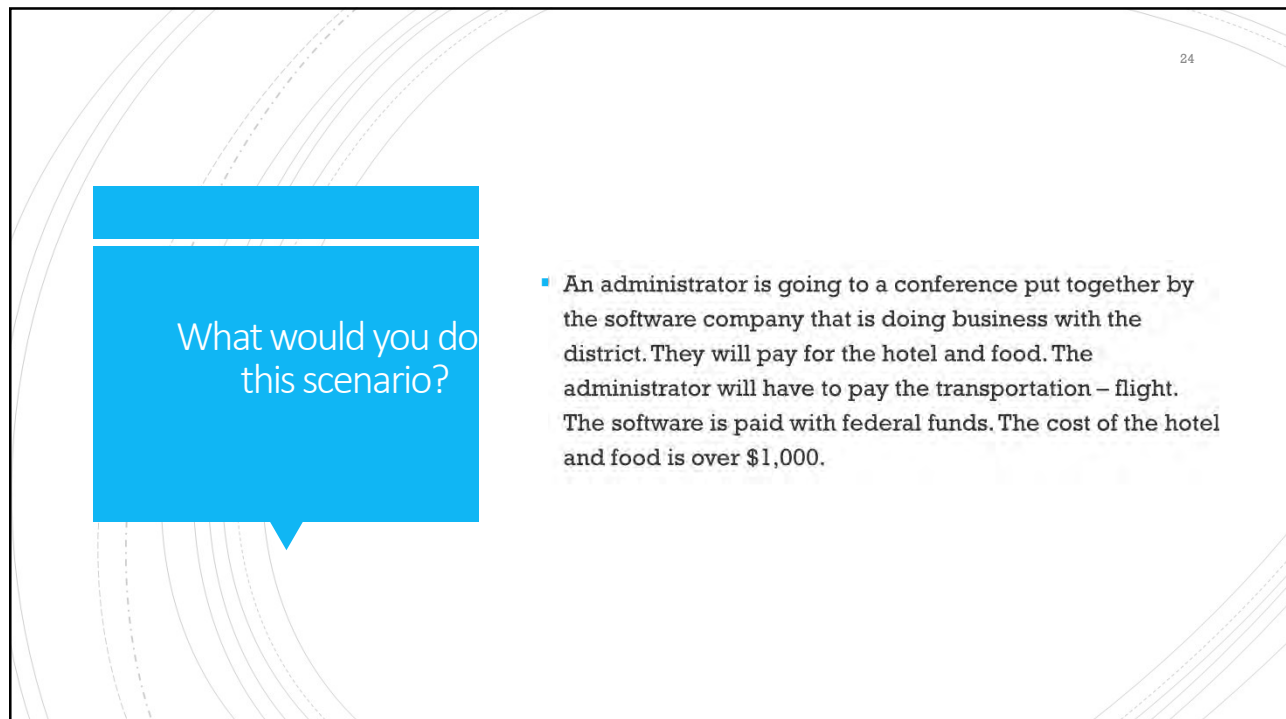


23

What would you do in this scenario?

- A school principal wants to contract with a consultant to do some tutoring. The cost is projected to be \$54,000. The consultant says that he is a sole source because he is the only one that can tutor students according to his methods. The costs will be charged to a grant. The consultant is told that he is over \$50,000, thus he suggests to split the purchase into two contracts.

23

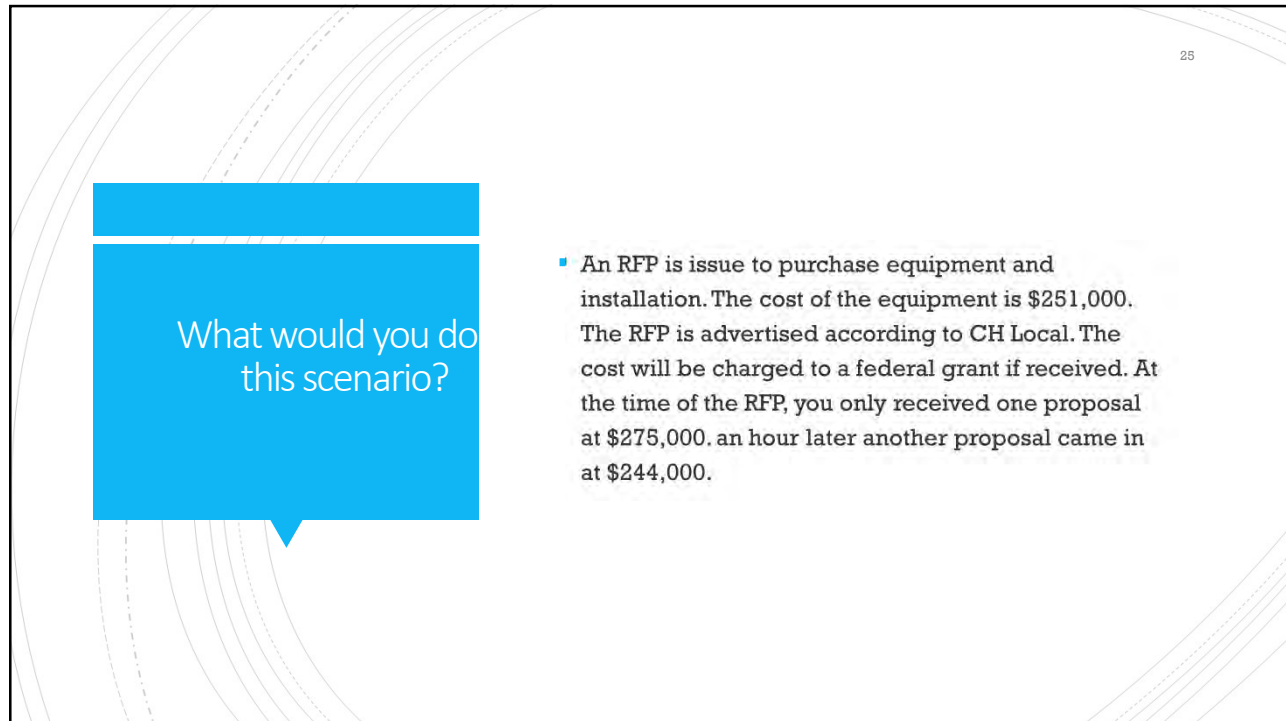


24

What would you do this scenario?

- An administrator is going to a conference put together by the software company that is doing business with the district. They will pay for the hotel and food. The administrator will have to pay the transportation – flight. The software is paid with federal funds. The cost of the hotel and food is over \$1,000.

24

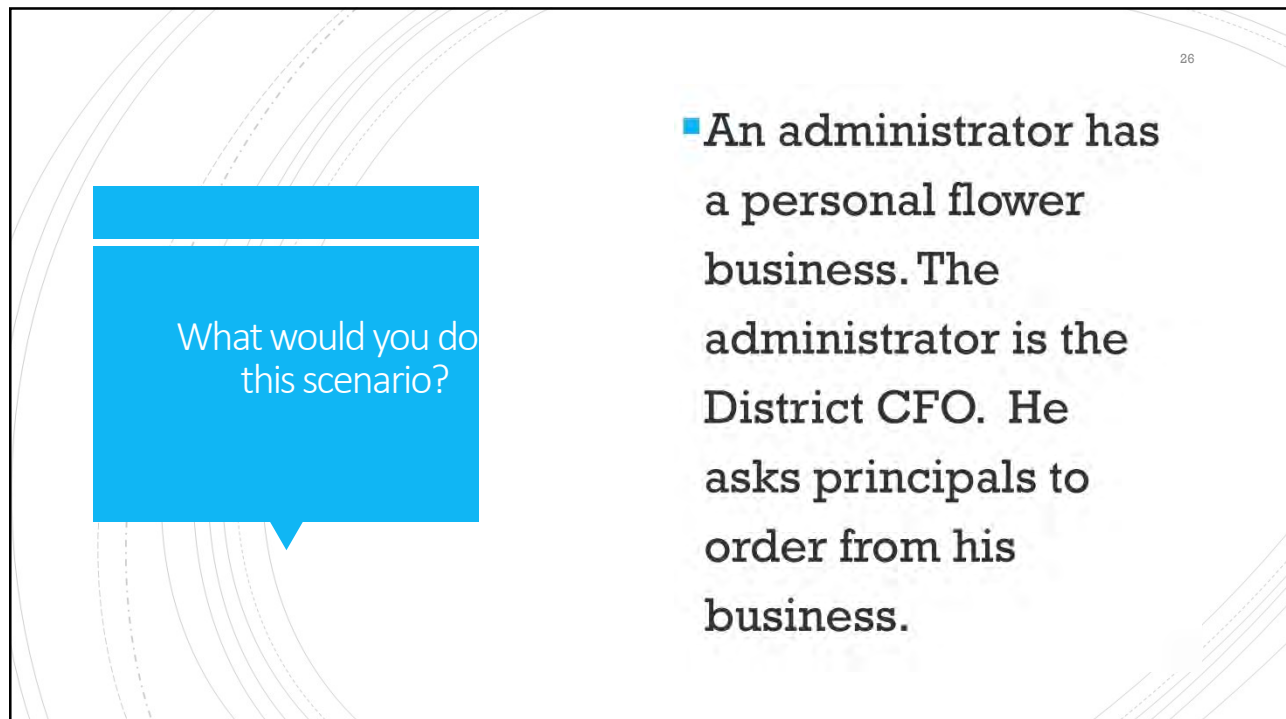


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What would you do this scenario?

- An RFP is issue to purchase equipment and installation. The cost of the equipment is \$251,000. The RFP is advertised according to CH Local. The cost will be charged to a federal grant if received. At the time of the RFP, you only received one proposal at \$275,000. an hour later another proposal came in at \$244,000.

25



26

What would you do this scenario?

- An administrator has a personal flower business. The administrator is the District CFO. He asks principals to order from his business.

26

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What would you do in this scenario?

- You go to a conference and place your business card in the bowl. The conference organizers are raffling various gifts. Some under \$50, and the grand price is \$10,000 for a weekend hunting trip. Your Procurement Officer wins the grand price. You are the CFO and you are attending the raffle event.

27

28

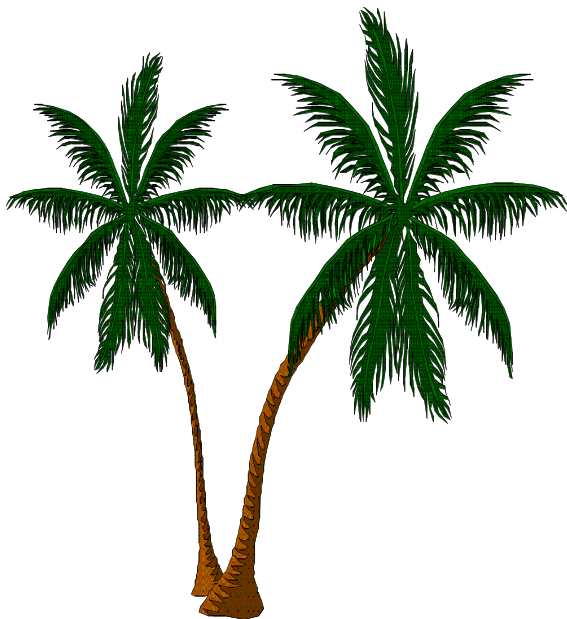
What would you do this scenario ?

- You are purchasing supplies through the p card. You are a teacher, and you are given the p card to purchase supplies of \$100. You need furniture for your classroom, and it is worth \$5,000. You purchase it and pay with the p card to include sales tax. Also, the order is coming from Vietnam, and it will be shipped in a couple of weeks after the end of the fiscal year.

28

TIMELINE 2024

ELECTRICITY BUYING STRATEGIES IN TODAY'S HIGH PRICED MARKET



SPEAKERS:

Annette VanBrunt

PLACEHOLDER
LIVE PRESENTATION WILL CONTAIN
UP-TO-DATE MARKET SLIDES

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ELECTRICITY BUYING STRATEGIES IN TODAY'S HIGH-PRICED MARKET

ISM-RGV
2024

Powering
the Modern Co-op era™



**TEXAS PUBLIC
ENERGY ALLIANCE**

Supported by Van Brunt & Associates, Inc.

Agenda

Powering
the Modern
Co-op era™



Review the **Current Energy Market Fundamentals-**
Why are prices so high?



When should we buy? How long?



Discuss Different Procurement Strategies to help you meet your budget needs



Other Things to consider...



TEXAS PUBLIC
ENERGY ALLIANCE

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About Us

Powering
the Modern
Co-op era™



About Texas Public Energy Alliance – Energy Cooperative



Not just a Co-op.
Better contract, lower price, faster process, more competition



All-in-One
The only co-op that combines **energy procurement and energy management guidance** with best-in-class energy experts, to help you make smart decisions with your budgets



Only Available to Public Sector

- School Districts
- Municipalities
- Public Universities
- MUDs
- Counties

About Our experts – Van Brunt & Associates

Van Brunt & Associates, Inc.

- Energy Advisory firm founded in 2001
- Over 30 years energy industry experience
- Have represented over 50 school districts in Texas



Accredited Texas Energy Manager



Licensed Energy Broker & Aggregator



Annette VanBrunt
President



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Thank You.

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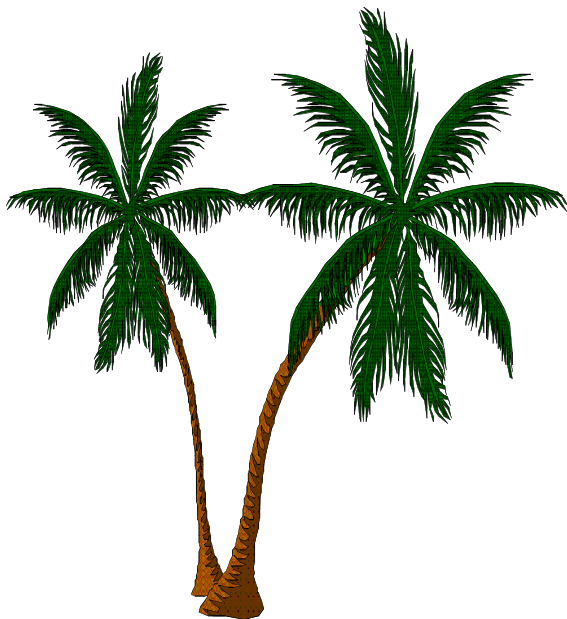
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TIMELINE 2024

ACQUIRING A FLEET OF VEHICLES— ADVANTAGES OF PURCHASING VS LEASE OPTIONS



SPEAKER:

Jerry Haddad






Ed Cain
President

Jennifer Garcia
Regional Vice President



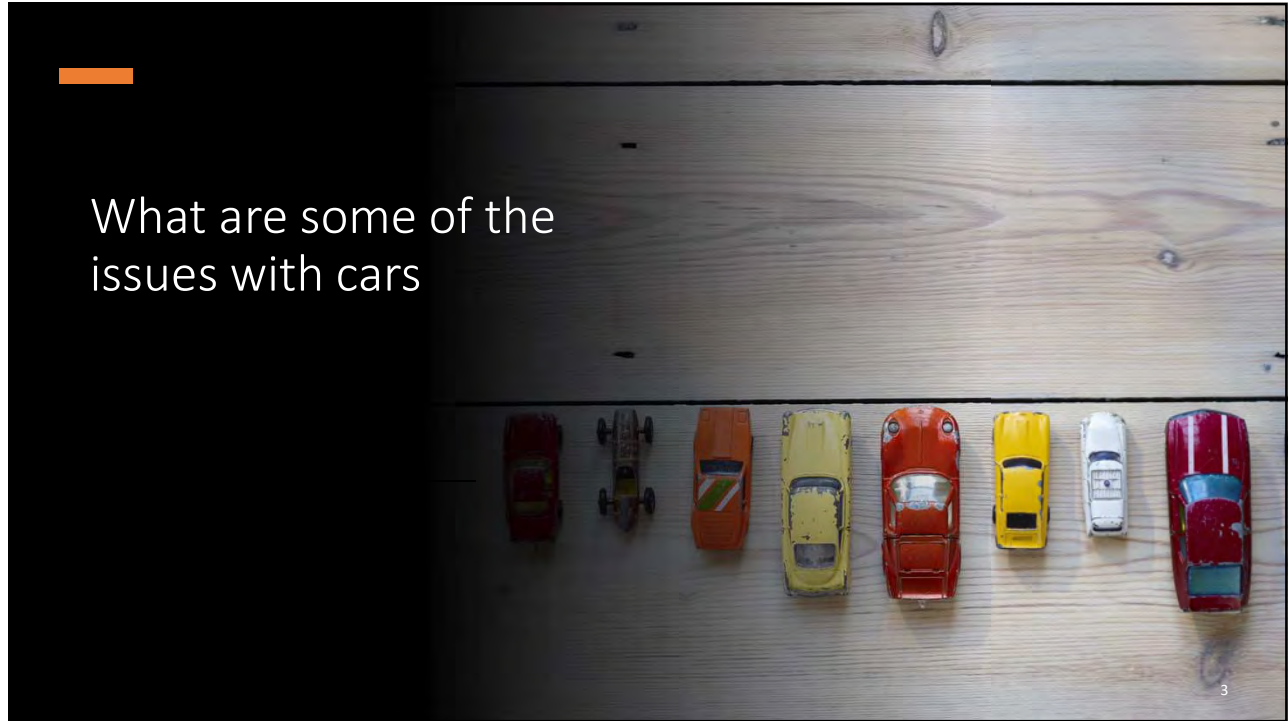
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OVERVIEW

- As the 2024 model year ends, how can you best position your fleet for 2025
- Update Texas and US Economy
- Auto Industry Outlook for 2025
- Things to Think About for your 2025 Budget
- How can D&M Leasing help

2



What are some of the issues with cars

3

Vehicle Knowledge 101

Cars Lose Value Rapidly
20% + when they hand you the keys ☹️

Cars Don't Start

Cars Crash

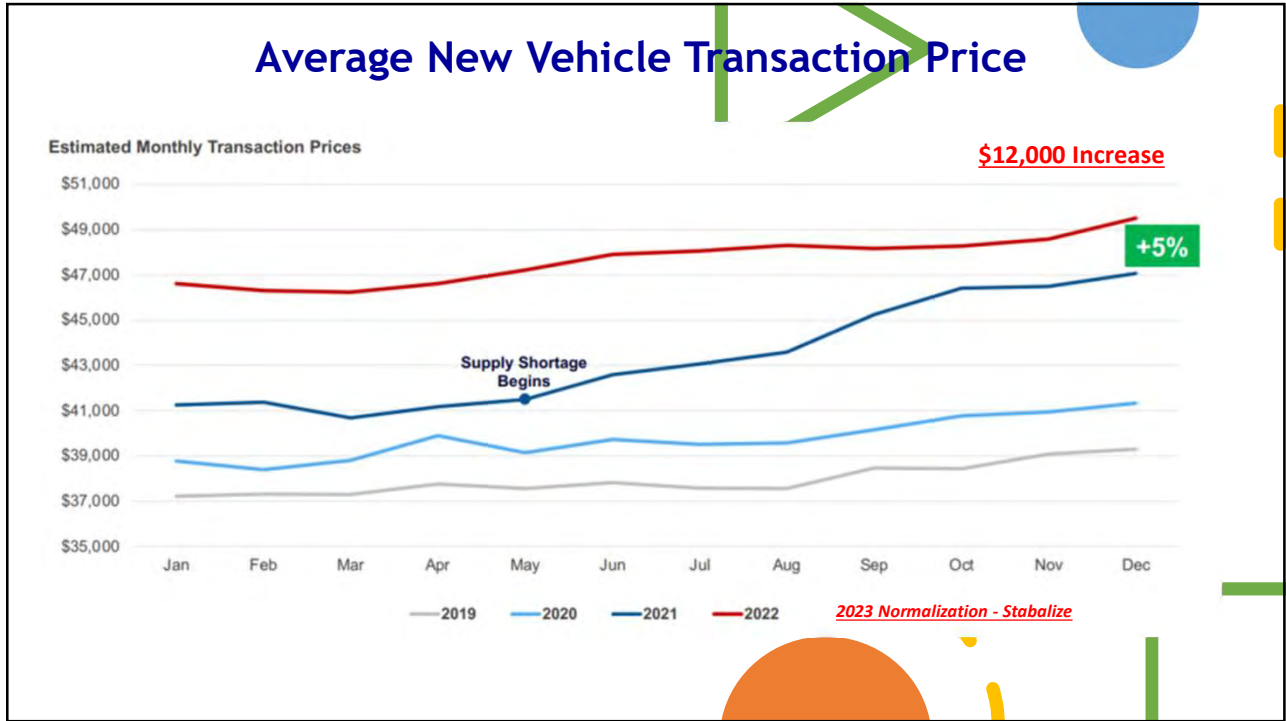
Cars Break Down

Is a car really an asset

Cars are EXPENSIVE !

A collage of images illustrating car issues. It includes a car losing value (20%+ when they hand you the keys), a man checking a car's engine (Cars Don't Start), a car crash at night (Cars Crash), a car breaking down (Cars Break Down), and stacks of coins with toy cars (Is a car really an asset, Cars are EXPENSIVE!).

4



5



6

REASONS FOR THE PRICE INCREASE



- Inflation- Everything costs more!
- Vehicle Advancements- The average vehicle has nearly 1000 micro chips (2000 for an EV). Vehicles have become highly advanced, and consumers want these upgrades; Lane Change, Blind Spot, Park Assist, Adaptive Cruise, etc. Vehicles are being built for the Retail Consumer so Manufacturers can have the highest profit margins.
- It is still a supply and demand marketplace. Supply is tight and the OEMs are enjoying high margins and so are the dealerships. They like it this way and don't want to return to the days of high inventory and big rebates!
- Vehicle Upfit costs have gone through the roof and inventory on certain items can take 60-days to 6-months to get. This is dramatically increasing the order to delivery timeframe.
- The UAW strike slowed production for 2024 and now the OEMs will need to raise prices further to meet the demands of the UAW.

7

7

Let's Talk Texas



- Over 500,000 people Moved to Texas last year -
 - How many in your community
- We now have over 30,000,000 people in our state
- Over 400,000 Jobs were added to our Economy in the same Period
- Texas has added jobs in 43 of the last 44 months
- Texas continues to outpace the nation in job growth and Economic Activity 7.7%
- #1 in the Nation
- The Texas economy is officially the 8th largest economy in the world, valued at more than \$2.4 trillion



8

What does all this information mean?



1. Texas is GROWING
2. Your County is GROWING
3. Your Cities are GROWING
4. Your NEEDS for vehicles will GROW
5. Will your vehicle budgets GROW?

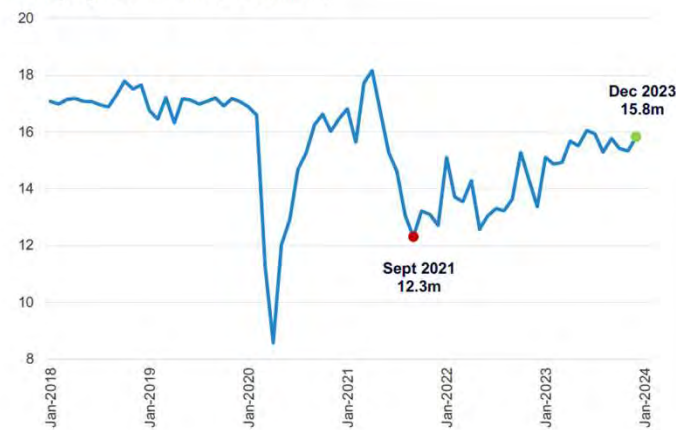


Expected Vehicle Sales

But what vehicles?

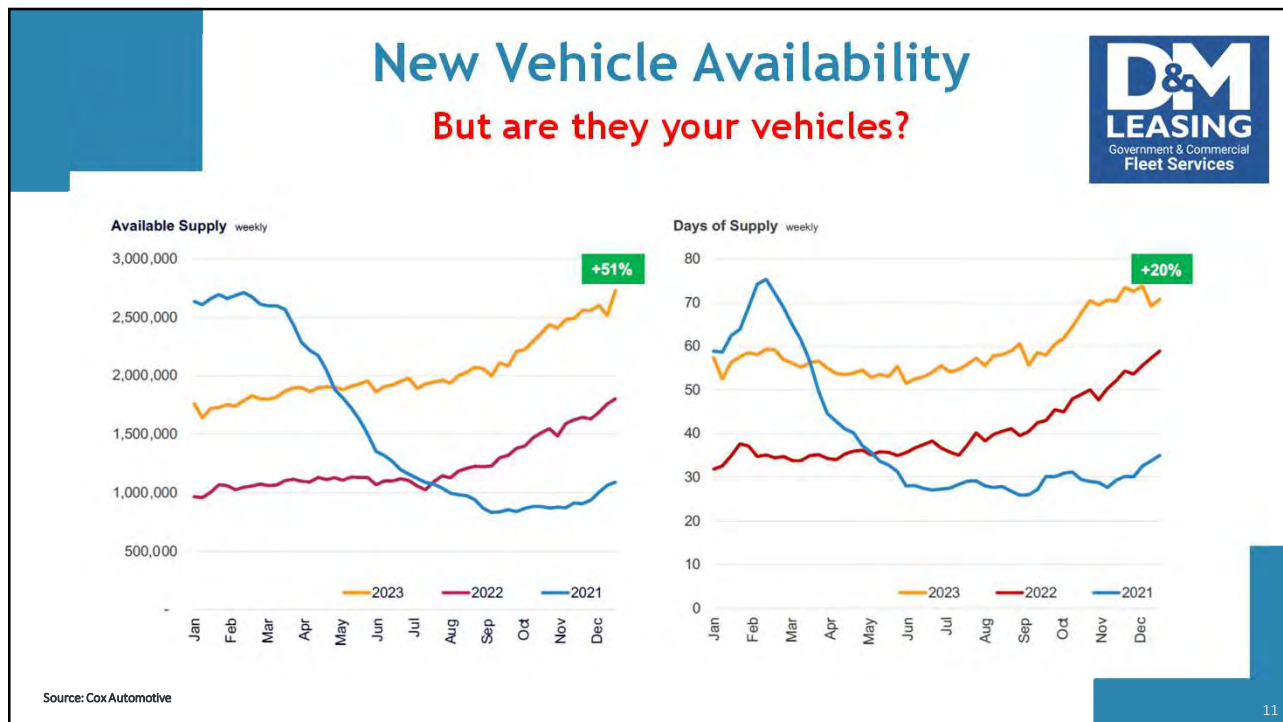


Monthly Light Vehicle Sales SAAR (millions)



Period	Sales millions	SAAR millions
Dec 2022	1.27	13.5
Dec 2023	1.43	15.8
Change	13.0%	+2.3m
Q4 2022	3.59	14.2
Q3 2023	3.96	15.7
Q4 2023	3.85	15.5
Change Y/Y	7.3%	+1.3m
Change Q/Q	-2.8%	-0.2m
YTD 2022	13.75	13.8
YTD 2023	15.46	15.5
Change	12.4%	+1.7m
CY 2024 Forecast	15.7m	+200K - 300K

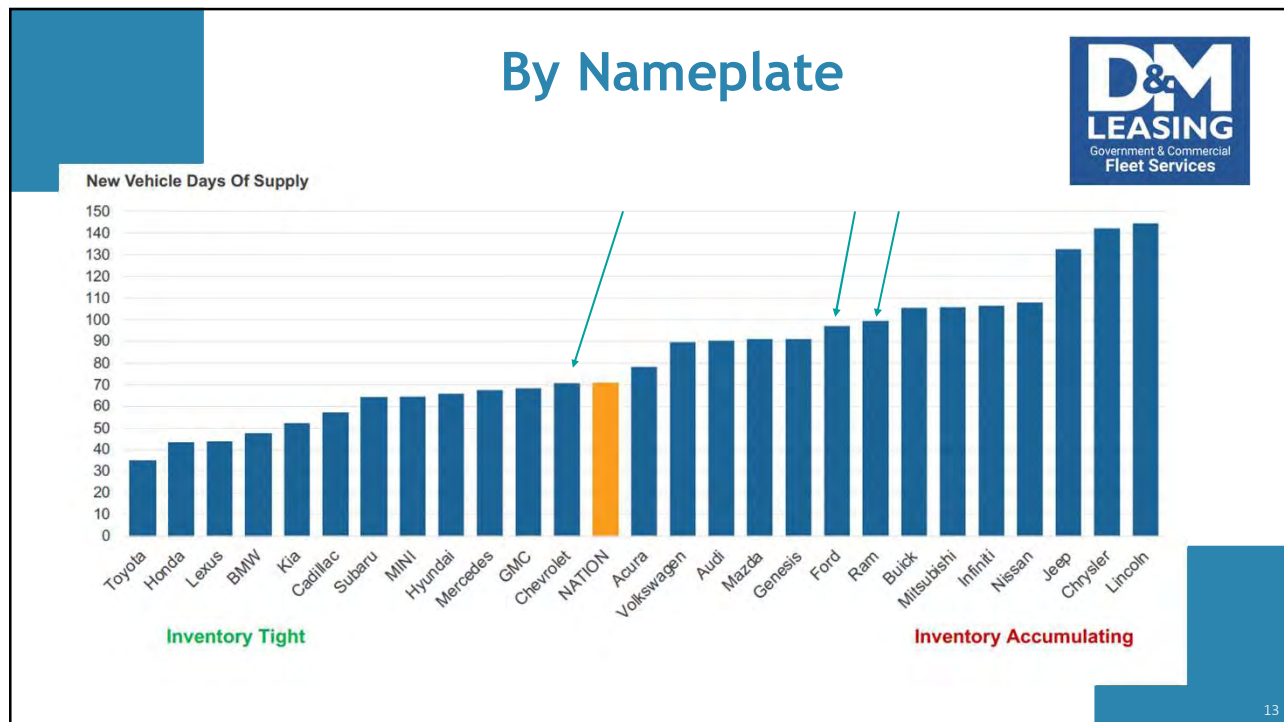
Source: Cox Automotive



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QUESTIONS OF THE DAY

- ❖ How many of you are still waiting on trucks ordered in 2021 or 2022?
- ❖ What about 2023?
- ❖ Do any of you know how things are going to shake out for 2024?
- ❖ Have any of you talked with the manufacturers' representatives about 2025 orders?
- ❖ How many of you think it will get better this year or the year after?

At the end of the day, how many of you just want to throw your hands in the air and call it a day????

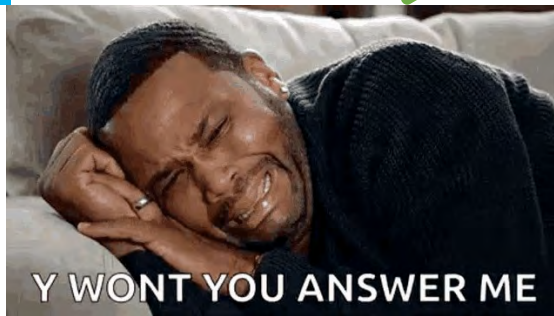
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The Pecking Order of Things



15

RFP's



RFQ's

16

QUESTIONS OF THE DAY



- For 35-years, the OEMs had a very structured ordering process. That is no longer in place. The OEMs no longer produce the maximum number of vehicles possible. Instead, they have gone to an Allocation process. You tell them how many vehicles you want, and they tell you how many they will let you have. This keeps supply down and profits up.
- For Government Fleets, the OEMs may keep their order banks open for 1-day, 1-month, or 6-months depending upon demand and their production capabilities. **Remember, Government comes last in the pecking order, so your order requests are filled after everyone else.**
- Because of the above, dealers and Fleet Management Companies like D&M cannot bid on your RFPs and guarantee you will get any vehicles. Especially, if you are requesting the vehicles after October when your budget is finalized because most likely, the Government Order banks are closed/filled.

The Automotive Industry is changing, adapting, and evolving changing; ARE YOU?

17

17

WHO IS D&M LEASING?



- D&M Auto Leasing
- Dallas Lease Returns
- Four Stars Auto Group
 - Chevy, Ford, RAM, Jeep, Dodge, Toyota, Nissan
- Four Stars Finance
- Apple Leasing


18

18



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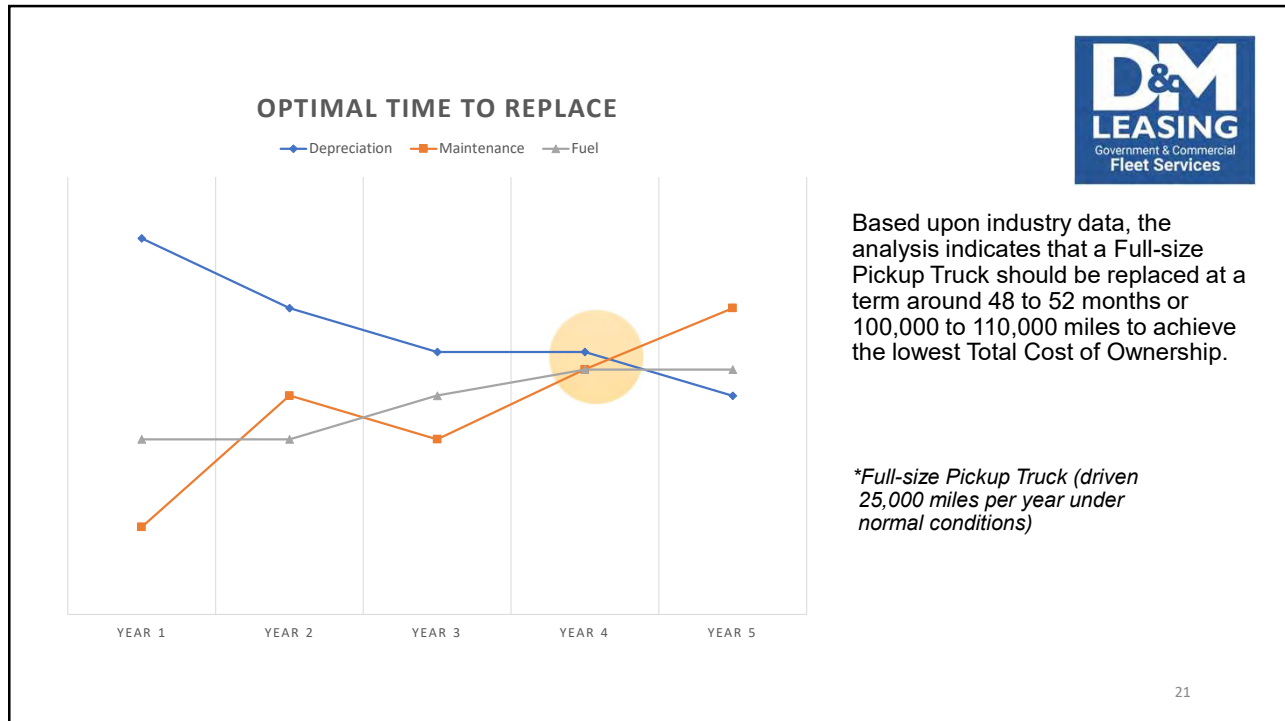
WHY LEASE?



- ✓ While purchasing a vehicle outright may offer some advantages, it severely limits cash-strapped government fleets from obtaining the vehicles they need. Leasing provides cash-flow benefits, reduced administrative headaches, and makes available a variety of fleet management tools and services.
- ✓ *Improved Cash Flow*- Over the last 20 years, the price of a new vehicle has increased an average of 500%, making an outright purchase impractical for most commercial and government fleets. Leasing requires a much smaller upfront investment in comparison to an outright purchase. In essence, you pay for only the amount of the vehicle you use, not the entire amount of the vehicle. These savings can be used to fund additional vehicles or cover budget shortfalls in other areas. On average, a fleet can acquire 4 leased vehicles for every 1 vehicle purchased outright.
- ✓ *Reduced Administrative Headaches*- Leasing provides a predictable annual fleet expense with a structured vehicle replacement cycle. Allowing fleet administrators, the ability to accurately forecast all fleet expenses. Additionally, D&M manages the following: acquisition, coordinating aftermarket installation, titling, registration and remarketing the vehicle. This allows the fleet administrator to concentrate on core fleet responsibilities.
- ✓ *Coop Contracts*- Allow government fleets to satisfy stringent procurement requirements and quickly adapt to the automotive marketplace. All while getting the lowest cost.

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ACQUISITION

- Factory Ordering**
- Stock Purchases**
- Incentives**
- Order Timing**
- Aftermarket Process & Logistics**


Vehicle Price Increases Within Model Years

Throughout the model year, invoice prices can increase up to four times.

Production Pricing (SEPT) → **Intro Price** (DEC) → **Increase #1** (MAR) → **Increase #2** (MAY) → **Increase #3** (JULY) → **Increase #4** (JULY) → **Model Year End Pricing**

22

LEASE/FUNDING OPTIONS




<div style="background-color: #2e7d32; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto; margin-bottom: 5px;"> 1 Option </div> <div style="background-color: #2e7d32; color: white; padding: 5px; text-align: center; font-weight: bold;">Open-End/TRAC Lease</div>	<div style="background-color: #2e7d32; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto; margin-bottom: 5px;"> 2 Option </div> <div style="background-color: #2e7d32; color: white; padding: 5px; text-align: center; font-weight: bold;">Municipal Lease</div>	<div style="background-color: #2e7d32; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto; margin-bottom: 5px;"> 3 Option </div> <div style="background-color: #2e7d32; color: white; padding: 5px; text-align: center; font-weight: bold;">Closed-End Lease</div>
<ul style="list-style-type: none"> Lease written to a book value. Flexible term No mileage restrictions No abnormal wear and tear clauses Lessee responsible for book value at term Lessee keeps vehicle equity at term 	<ul style="list-style-type: none"> Lease written to a \$1 book value Title Owner Potential interest rate deductions through funding sources No mileage restrictions No abnormal wear and tear clauses 	<ul style="list-style-type: none"> Walk-a-way lease Fixed term Mileage restrictions Abnormal wear and tear clauses No responsibility for vehicle resale at term Most appropriate for cars and SUVs with mileage predictability

23

23

OPERATING EXPENSES Maintenance



Full Maintenance


- Fixed monthly rate
- Simple process for all parties
- 24/7 Roadside, all major and minor repairs (excluding brakes/tires)
- Choose from over 70,000 shops nationwide

Maintenance Management

- “Bridge” program for currently owned fleet vehicles
- Monthly consolidation of all repair invoices
- Seamless experience for field drivers

Network Service Department

- ASE Blue Seal certified since 1998
- Available by phone 24 hours a day, every day, year round
- Average savings of \$51.27 per transaction by negotiating repair costs and avoiding unnecessary repairs
- 275,000 vehicles managed in US; 1.8M worldwide



CAR SERVICE

Our services for your car!

24

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WHY LEASE?



THE PROBLEM

- Government Fleets are being asked to do more with less.
- Official are being challenged to lower costs while increasing efficiencies.
- Official are forced to run vehicles far beyond their useful life due to shortfalls in their Capital Budgets.
- Operating expenses soar to four to five times higher than comparable commercial fleets due to the costly repairs of an aging fleet.

THE SOLUTION

Lease Fleet Vehicles using proven Fleet Management principals to maximize Capital Budgets and Operating Efficiencies. Commercial Fleets have been doing this for over 50-Years!

- ✓ Leasing allows government fleets to get 3 or 4 vehicles for the cost of purchasing 1 vehicle (More for less)
- ✓ Leasing can cut vehicle lifecycles in half. By shortening the rotation, vehicle maintenance drops and driver efficiency and safety increases.
- ✓ As fleet management experts, D&M will design the most cost-effective program for your fleet.

25

25

THE RESULTS



WHAT WILL LEASING DO FOR YOU?

Immediately
Save You
Money

Lower
Your Fuel
Expenses
An Average
of 30%

Lower Your
Maintenance
Expenses As
Much As 75%

Cut Your
Replacement
Cycle In 1/2

Improve
Safety
For Your
Drivers

Keep Your
Fleet Fresh
With New
Low Mileage
Vehicles

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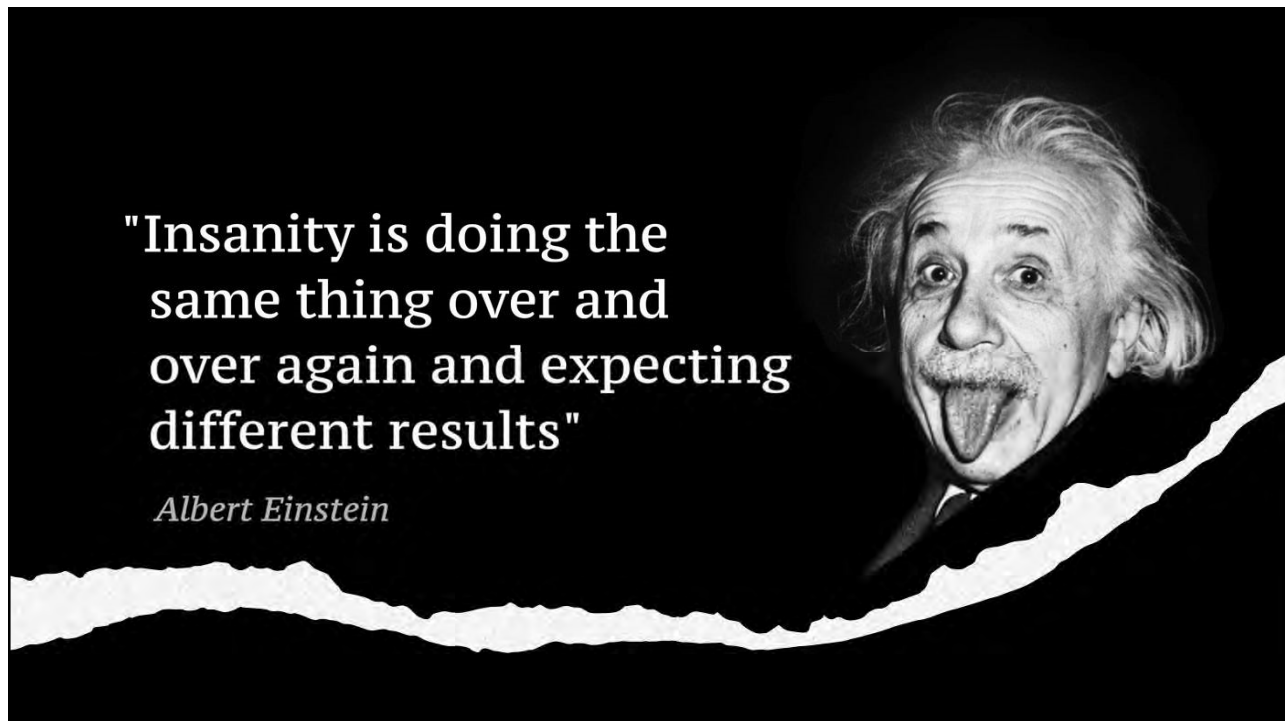
Panhandle

10 Year Fleet Analysis

Current Fleet	156	Annual Miles	6,319	Proposed Fleet	156
Current Cycle (yrs)	11	Price/Gallon	\$3.42	Proposed Cycle (yrs)	5
Current Maint. (monthly)	\$62.63			Proposed Maint. (monthly)	\$26.33
Current Cents per Mile	\$0.12			Proposed Cents per Mile	\$0.050
Current MPG	20.00	Proposed Monthly Lease Payment	\$590.00	Proposed MPG	25

Fiscal Year	Fleet Mix				Fleet Cost						Annual
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Maintenance	Estimated Equity	Fuel	Fleet Budget	Net Cash
Average	156	31.2	156	0	\$1,009,101.60	0	\$103,652.53	(\$31,200.00)	\$162,020.16	\$1,243,574.29	\$1,243,574.29
2024	156	31.2	125	31	0	\$220,896.00	\$103,652.53	(\$31,200.00)	\$162,020.16	\$455,368.69	\$788,205.60
2025	156	31.2	94	62	0	\$441,792.00	\$90,061.05	(\$31,200.00)	\$155,269.32	\$655,922.37	\$587,651.91
2026	156	31.2	62	94	0	\$662,688.00	\$76,469.58	(\$31,200.00)	\$148,518.48	\$856,476.06	\$387,098.23
2027	156	31.2	31	125	0	\$883,584.00	\$62,878.11	(\$31,200.00)	\$141,767.64	\$1,057,029.75	\$186,544.54
2028	156	31.2	0	156	0	\$1,104,480.00	\$49,286.64	(\$31,200.00)	\$135,016.80	\$1,257,583.44	(\$14,009.15)
2029	156	31.2	0	156	0	\$1,104,480.00	\$49,286.64	(\$93,600.00)	\$135,016.80	\$1,195,183.44	\$48,390.85
2030	156	31.2	0	156	0	\$1,104,480.00	\$49,286.64	(\$93,600.00)	\$135,016.80	\$1,195,183.44	\$48,390.85
2031	156	31.2	0	156	0	\$1,104,480.00	\$49,286.64	(\$93,600.00)	\$135,016.80	\$1,195,183.44	\$48,390.85
2032	156	31.2	0	156	0	\$1,104,480.00	\$49,286.64	(\$93,600.00)	\$135,016.80	\$1,195,183.44	\$48,390.85
2033	156	31.2	0	156	0	\$1,104,480.00	\$49,286.64	(\$93,600.00)	\$135,016.80	\$1,195,183.44	\$48,390.85
10 Year Savings										\$2,177,445.38	

27



28

HOW TO WIN IN THIS ENVIRONMENT



- 1) Proactive
- 2) Flexible
 - Who's Building Faster
 - Who has Allocation
 - What type of vehicles can be procured
 - Utilize your resources
 - ✓ Timing
 - ✓ Auto Auctions
 - ✓ Upfits
 - ✓ Order banks
 - ✓ Model Changes
 - ✓ Concessions vs. Production
 - ✓ Guidance and counsel



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CONCLUSION



- Maintain a fresh clean fleet for your agency
- Keep your employees in safer vehicles with the latest technology
- Keeping the vehicles on the road performing the intended job
- Save on fuel expenses- new vehicles get better gas mileage
- Spend thousands less per month on service and maintenance
- Communication is HUGE
 - We are proactive, not reactive
 - Communicate current and changing market information
 - Personally visit our clients regularly– face to face
 - We are a hands-on organization
 - We are solution driven
- You are not alone any longer -
 - Your agency can receive Professional recommendations and guidance

Let D&M Leasing go to work for you!

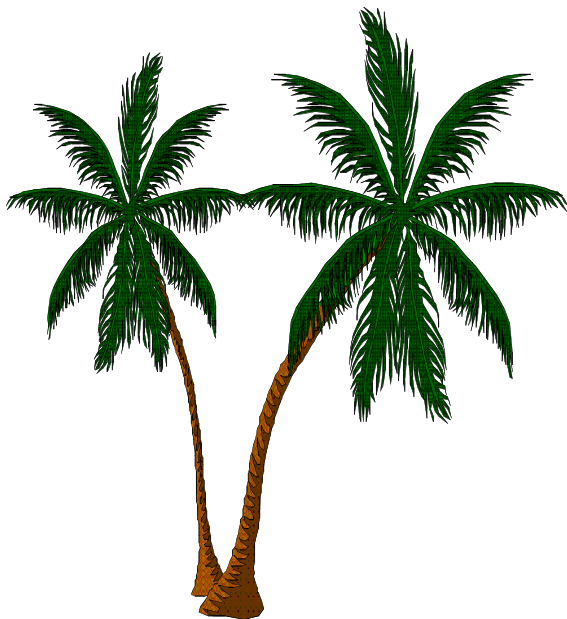


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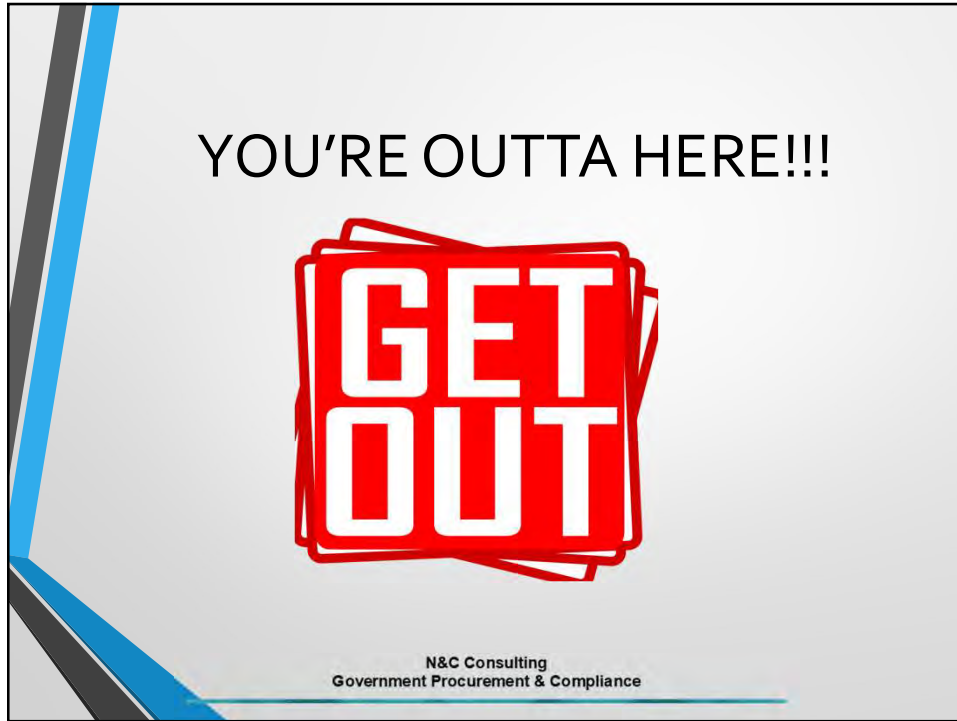
TIMELINE 2024

YOU'RE OUTTA HERE (HOW TO TERMINATE A CONTRACT)



SPEAKER:

**Carol Cooper
Narita Holmes**



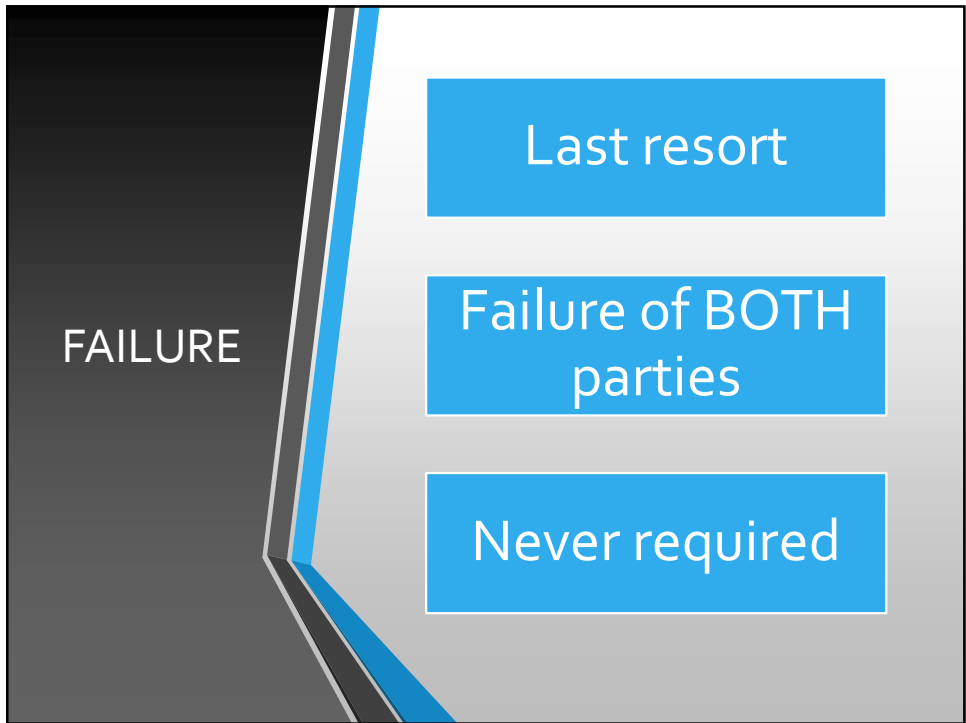
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3



4

**WAIT A MINUTE
BACK UP**

Termination is the last resort

- Must work to prevent
- Protect our entity
- Have processes and procedures in place
- Be the professional
- Resolve the situation
- Only after all roads are traveled

TERMINATION

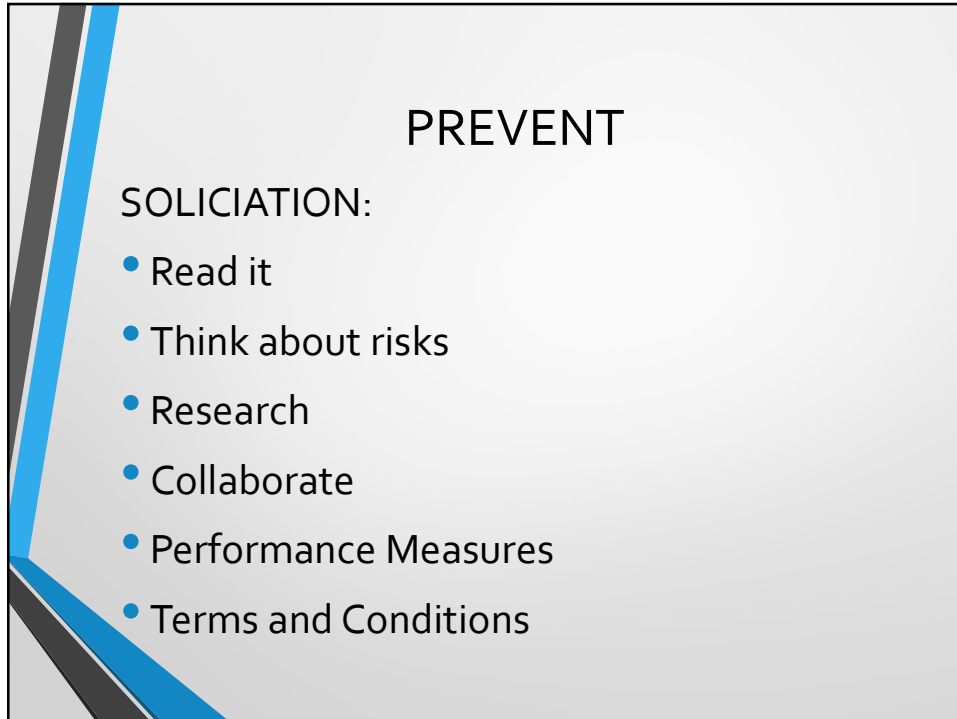
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PREVENTION

- Solicitation
- Contract/PO

**PREVENTION
WORKS!**

6

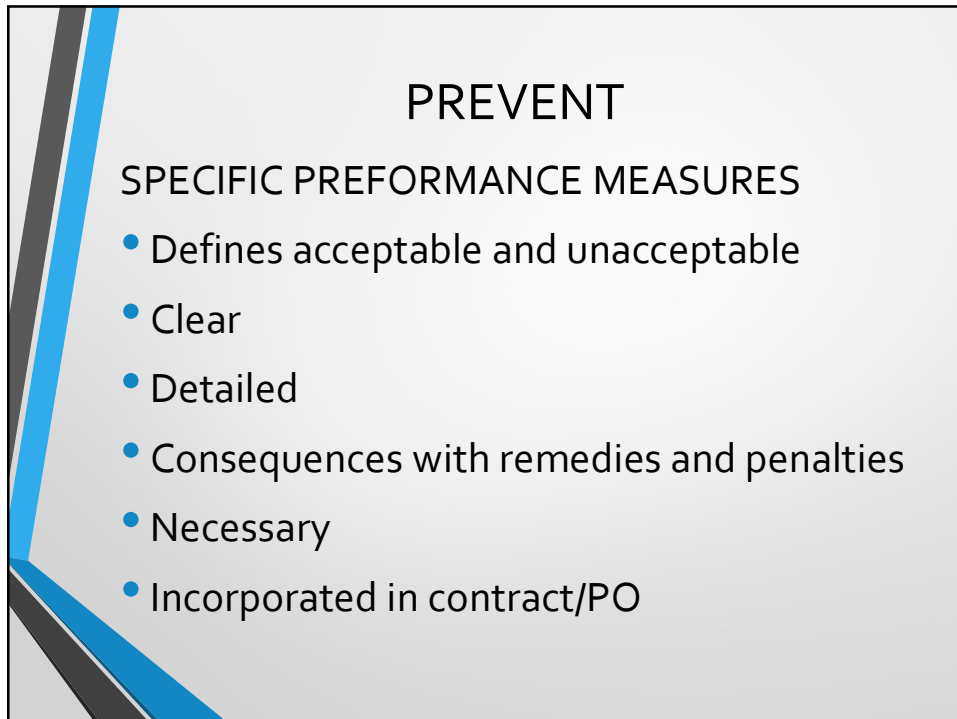


PREVENT

SOLICIATION:

- Read it
- Think about risks
- Research
- Collaborate
- Performance Measures
- Terms and Conditions

7



PREVENT

SPECIFIC PERFORMANCE MEASURES

- Defines acceptable and unacceptable
- Clear
- Detailed
- Consequences with remedies and penalties
- Necessary
- Incorporated in contract/PO

8

Performance Measures Effective/Efficient

Example of types:

- Sampling, inspection, testing
- Reports
- Deliverables, milestones
- Invoicing processes
- Cost verification, including indirect costs
- Risk mitigation measures
- Contract dates and deadlines
- Acceptance/rejection terms
- Dispute process

9

9

PREVENT

T&C EXAMPLES

- Dispute Resolution
- Continue to Perform
- Termination for Cause or Convenience
- Funding Out / Right to Audit
- Acceptance of Incomplete/Non-Conforming Goods
- Right of Assumption
- Force Majeure

10

PREVENT

CONTRACT/PO

If not in writing – did not/does not happen

- Negotiations
- BAFO
- Attorneys


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PROTECT

Contract Administration

- Train
 - responsible department/contractor
- Plan
 - capture deliverables in a schedule
- Assign responsibilities
 - administrator/monitor/?????

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PROTECT

Document
Document
Document

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PROCEDURES

- Details Responsibilities
- Lays out specific documentation requirements
- Provides path for contractor compliance
- Process for contractor to request a meeting or informal hearing
- Create a Non-Compliance Form
 - Date and areas of non-compliance
 - Conditions not met
 - Specific requirements of terms and conditions
 - Specific period of time to cure

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GOAL

Resolve Conflict Before it Escalates

- Solid, proactive contract management and administration
- Professional working relationship with
 - Contractor
 - Subs
 - End Users
 - Stakeholders

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PROFESSIONAL CONTRACT ADMINISTRATION

- Respond to inquiries, concerns without delay
 - Contractor, end user, administration, customers, citizens
- Identify problem
- Gather facts
- Resolve
- Document
- Add to monitoring plan and place in master file

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See Something – Say Something

- Could have corrected without delay
- Contractor may be able to say requirement was waived



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RESOLVE THE SITUATION

- **First Problem** - Less formal
 - Steps to document
 - Meet
 - Agreement
 - Document to both parties/add to monitoring plan/follow-up



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Second Problem
Cure Notice
Corrective
Action Plan

Formal process to bring contractor into compliance:

- Specific to non-compliance issue
- Specified period to cure
- Contractor receipt of notice verified
- Place on monitoring plan
- Include in reports
- Document for contract master file

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DISPUTE

Competent execution of the contract management process, from planning to administration, **should** prevent a conflict from ever getting as far as a dispute.

BUT

If it does not, carefully follow the dispute resolution process in the contract terms and conditions.

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20

DISPUTE

- Get all sides of dispute in writing
- Clearly understand issues from all viewpoints
- Research facts
- Identify entity and contractor interests
- Determine if entity is responsible
- Determine cause
 - Force Majeure?

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DISPUTE (cont'd)

- Identify risks and cost associated with non-compliance
- Investigate resolution options
- Consult with SME's
- Consult with owner department, Purchasing, Legal, Risk Management
- Evaluate facts as related to contract Terms & Conditions

22

22

DISPUTE (cont'd)

- Consider appropriate resolutions
 - Negotiation
 - Mediation
 - Litigation
 - If entity does NOT arbitrate. Be sure this clause is struck from any contract.
- Consider costs and time of each option

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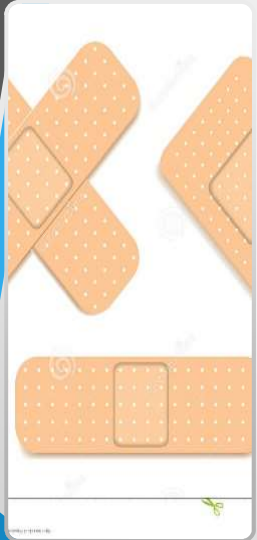
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DISPUTE (cont'd)

- Determine the consequences of termination
 - Will customers lose service?
 - Would loss of service cause harm?
 - Are there sufficient vendors to fill the need?
 - Is budget available if a new solicitation is issued?
- Negotiation leading to settlement would cause least disruption
- If agreement reached issue a cure notice

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DISPUTE (cont'd)

- Capture entire process in writing
- Professional, facts-only
- Add actions to monitoring plan
- Place in contract master file

These documents are subject to open records and can be used in a court of law

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ALL ROADSTRAVELED

Bring in heavy hitters

- Bonding company
- High administration/attorney
- Owner of contractor
- Negotiations
- Dispute resolution
- Concessions/Compromise
- Entity responsibilities

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TERMINATION

Cause or Default

Allows entity to cancel in whole or in part due to failure of the other party to perform satisfactorily

Convenience or No Fault

Allows contract to be ended in whole or in part at the discretion of the entity

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TERMINATION CAUSE/DEFAULT



LAST RESORT



There is no legal requirement to terminate



Consider consequences and alternatives

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TERMINATION NOTICE

Notification includes:

- Formal, traceable notification, documented
 - Contract/PO number
 - Date termination effective
 - All reasons tied to applicable, verifiable back-up
 - Entity to compensate for accepted goods/services
 - Contractor liable for additional costs **IF**
 - Professional, facts-only documentation
 - Examine last invoice and back-up very carefully
- Attorney office consulted PRIOR to termination ²⁹

29

What if a Contract is Silent?

Ask the Attorney's Office asked to assist
in developing the best approach

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Termination for Convenience No-Fault

- Formal, traceable notification, documented
 - Immediately upon decision to terminate
 - Paid for allowable costs to terminate
 - Compensated for costs during performance
 - Payments cannot exceed contract price
 - Review final invoice and back-up in detail
 - Document professionally, facts-only
 - Place in contract master file
- Subject to open records and court evidence

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FAILURE →
SUCCESS →

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RESOURCES

Contract Management Guides/Entity Terms and Conditions

State of Texas

City of Dallas

Town of Addison

Region One ESC

State of Texas Statutes – LGC 271, GC 2155.076, 2260

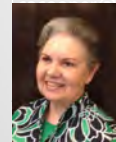
Beth Fleming, CPPO, C.P.M., Retired Director of Purchasing,
Denton County Texas

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THANK YOU N&C Consulting



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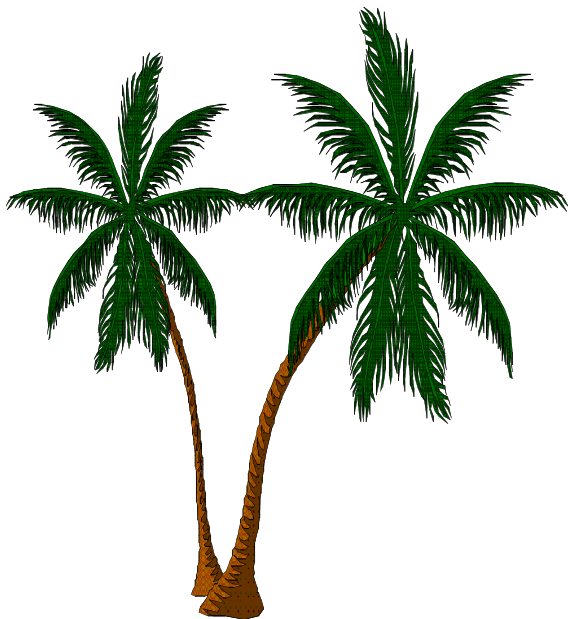


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TIMELINE 2024

WHAT TO EXPECT FROM EXTERNAL AUDITORS—TO INCLUDE ARPA



SPEAKER:

Jesus Amezcua

WHAT AUDITORS EXPECT OF PURCHASING DEPARTMENTS

Dr. Jesus Amezcua,
CPA, RTSBA, CPFIM

Harris County Dept
of Education



September 2024



Audit requirements

- ✓ All public funds are required to be audited annually by an external auditor.
- ✓ Some districts have Internal Auditors that also audit various areas of the school system – including purchasing –
- ✓ A granting agency like TEA or TDA may conduct a desk audit or an program audit.
- ✓ CFR 200 requires that federal expenditures be audited.

How do you know your auditors are qualified?

- CPAs required
- TEA listed
- TSBPA listed
- Not SEC debarred
- Not SAM Debarred
- No Conflict of Interest
- Coursework in Texas
- Experience in Texas
- Experience in ISDs

Type of Auditors – Recognize

Financial Auditors –
Express an opinion

Operational Auditors
– Program Results

Agreed upon
engagements - a
combination of both





Auditors want specifics... Bob

[Bing Videos](#)



There are auditors and then
there are auditors -



Audit Process in general terms

- 1) Entrance Conference
 - 2) Information Request
 - 3) Fieldwork
 - 4) Test of Transactions
 - 5) Exit Conference
 - 6) Audit Reporting
- 1) Communication through the process.
 - 2) No surprises
 - 3) Documentation
 - 4) Understand your auditor and logistics to submit information
 - 5) Challenge if necessary

7



Your charge during the process is to

• Show and tell

No hide and seek

Set the expectation that you are there to facilitate the process and adhere to professional standards.

8

Here are the top 25 things to consider when planning and getting ready for an audit.

Over the last 35 years, I have worked with auditors. I have been an auditor, and I have been on both sides of an audit.

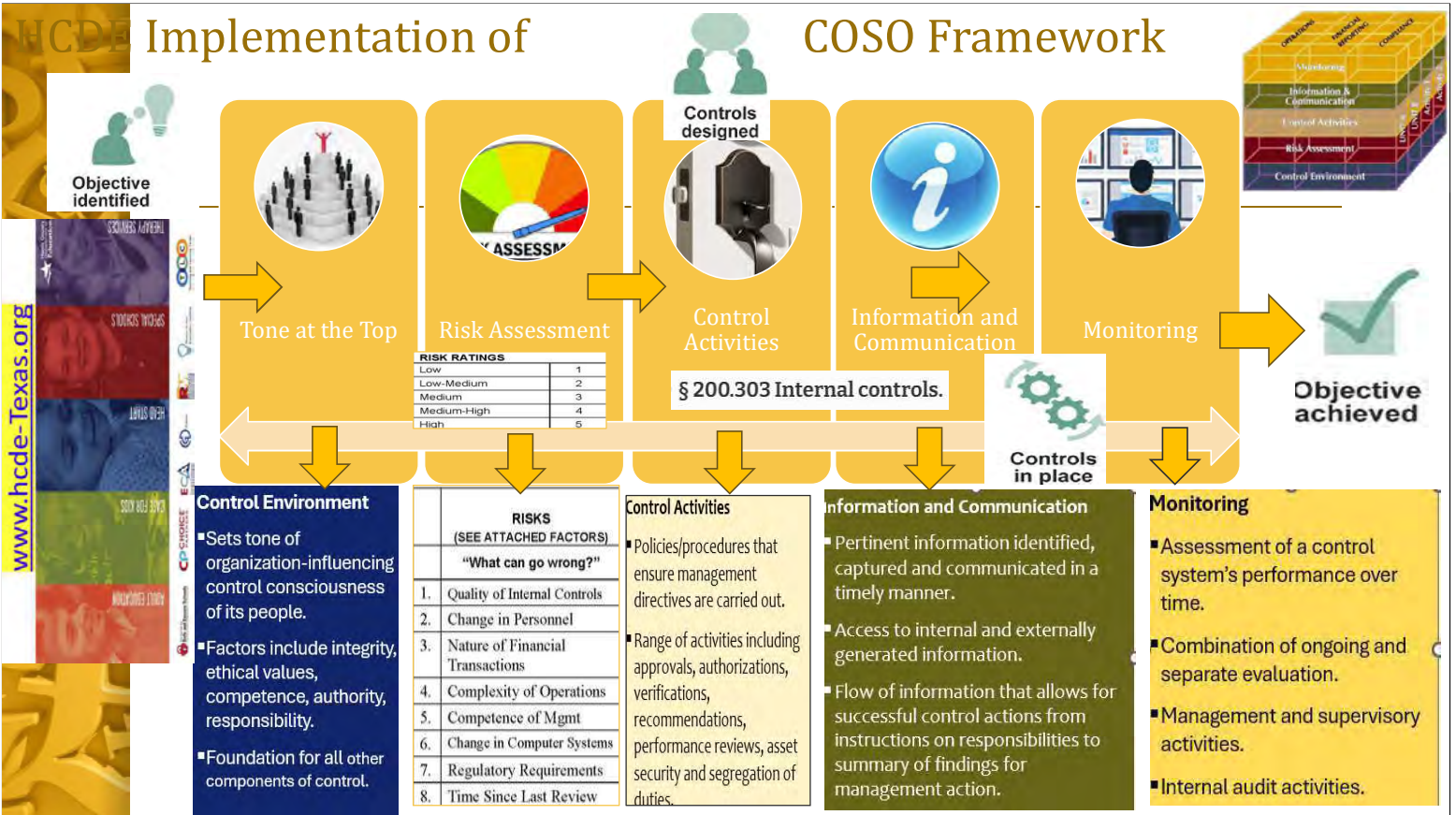


#1 Focus - Risk Assessment

- What are your internal controls? Recall the COSO Framework.
- Who does what to whom, when and how? Do you have a narrative on how things get processed?

8 indicators to test:

- 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



Internal controls in Purchasing

- Preventive
- Detective
- Corrective



Auditors expectations

The best few slides are the procurement standards that the auditors expect from purchasing offices.

Many times – the auditors request questionnaire and workflows.

They will request your staff to be interviewed.

Procurement Office
Grant Program Directors
Department Heads
Principals

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HARRIS COUNTY DEPARTMENT OF EDUCATION

THE PBC LIST?

"Prepared By Client"


Provide narrative for each process:

1. Procurement
2. Accounts Payable
3. Personnel
4. Payroll
5. Revenues and Receivables
6. P Cards
7. Wires
8. Other

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What should be in the file in specific?

1. Support for Procurement Method 44.031
2. RFP File 44.031
3. Advertising (2 weeks) 44.031
4. Debarment -200.
5. Tabulation
6. Evaluation
7. **Independent Estimate 200.**
8. **Cost Analysis 200.**
9. Disclosures if any for CIS or CIQ 176.
10. Approval by Internal Committee Agenda Item Memo Local
11. Approval By Board Agenda Item - Support CH Local
12. PO Issued Prior to the Invoice - Procurement
13. Check or ACH Support and Approvals - Actg



Up-Load to a Sura link or other allowed system OR EMAIL:

- Files
- Support
- Explanations
- Confirmations
- Contacts
- Schedules
- Etc

#2 Focus - Processes and segregation of duties

Process to issue a requisition

Auditors want to test this and usually will ask for a staff member to show them the process on the system.

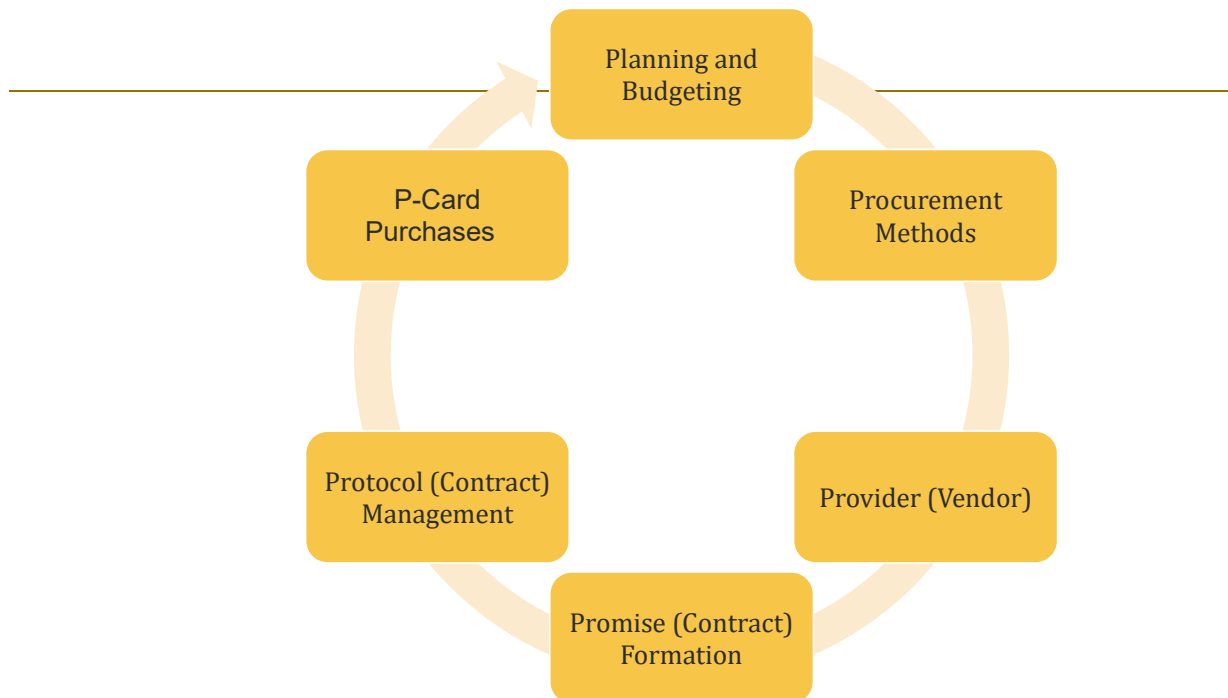
Does the system have a beginning PR and PO Number.

Who signs the POs?

Who sends the POs to the vendor?

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Procurement Cycle



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HARRIS COUNTY DEPARTMENT OF EDUCATION Repository File Order Naming Convention

RFP

- ✓ Bid Document
- ✓ Labeled as appropriate: CSP, RFP, or RFQ
- ✓ Addenda
- ✓ Evaluation Summary
- ✓ Proposal (Bid) tabulation

Award

- ✓ Effective & Compliance Form
- ✓ Evaluation forms
- ✓ Evaluation Summary
- ✓ Board Recommendation Form
- ✓ Approved Packet (Execution of Offer, Form 1295, Debarment)
- ✓ Board approved agenda
- ✓ Board Approval (minutes)
- ✓ (Choice) Contract Award Letter

EDGAR

- ✓ CIS Form (signed by local government officers/evaluators)
- ✓ Independent estimate form
- ✓ Price analysis form

SOLICITATION

- ✓ Copy of advertisement (2 notices & affidavits)
- ✓ RFP/addenda document (if any)

BID RESPONSE

- ✓ Participation Detail
- ✓ Pre-proposal/Evaluation sign in sheets
- ✓ Vendor Responses

RENEWAL

- ✓ Renewal Letter #1
- ✓ Renewal Letter #2
- ✓ Renewal Letter #3
- ✓ Renewal Letter #4
- ✓ Execution of Offer
- ✓ CIQ
- ✓ 1295
- ✓ W9
- ✓ Terrorist Form
- ✓ Debarment – SAM
- ✓ Felony Conviction Form
- ✓ Pricing Update (if applicable)
- ✓ Antitrust Certification Statement

Contract

- ✓ Copy of Executed Contract
- ✓ Contract Assignment
- ✓ Renewal Letters

Communication

- ✓ Vendor Responses

#3 Focus - Debarment

- Have you checked debarment? When do you do that? Do you have a procedure for this?



#4 Focus - CH Legal and CH Local

- What are the requirements to approve for your procurement and board action?
- \$10,000, \$25,000, \$50,000, \$75,000
- \$100,000, \$2,000,000

How do you comply?
Monthly
Disbursement Report

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#6 Focus - Conflict of Interest

Federal

State

Local

Requirements

Real or
apparent



Have you check conflict of interest requirements?



Are there any related party transactions?



Can you do business with employees or board members?

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Beware of the SIG

- S - Less than knowledgeable
- I - Incompetence
- G - Greedy

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#7 Focus - Before and After

- Do you have a process for the **Independent Cost Estimate** and **Cost Analysis** for Federal Funds?

What is your threshold?

\$250,000

\$50,000

\$2,000,000

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#8 Focus - Signatures

What does your
signature mean?

OK TO PAY

Certification of
expenditures

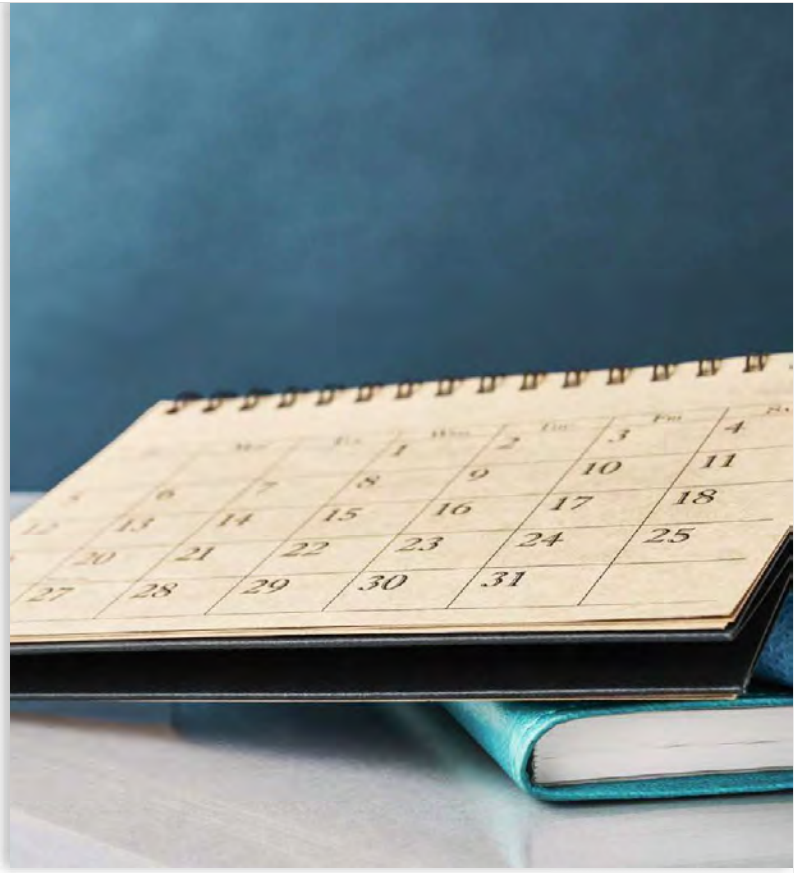
Program eligibility



#9 Focus - Board Agenda and Minutes

Auditors will ask for
agendas and minutes
to check for items that
were approved and
discussed.

Work with your Supt.
and Board Secretary to
make sure these are
available.





#10 Focus - Program Approvals

Who approves from
the program side?

Eligibility

Single or Multiple

Bilingual, Special Ed. ESSER,
State Comp. ESSA Grants,
etc.



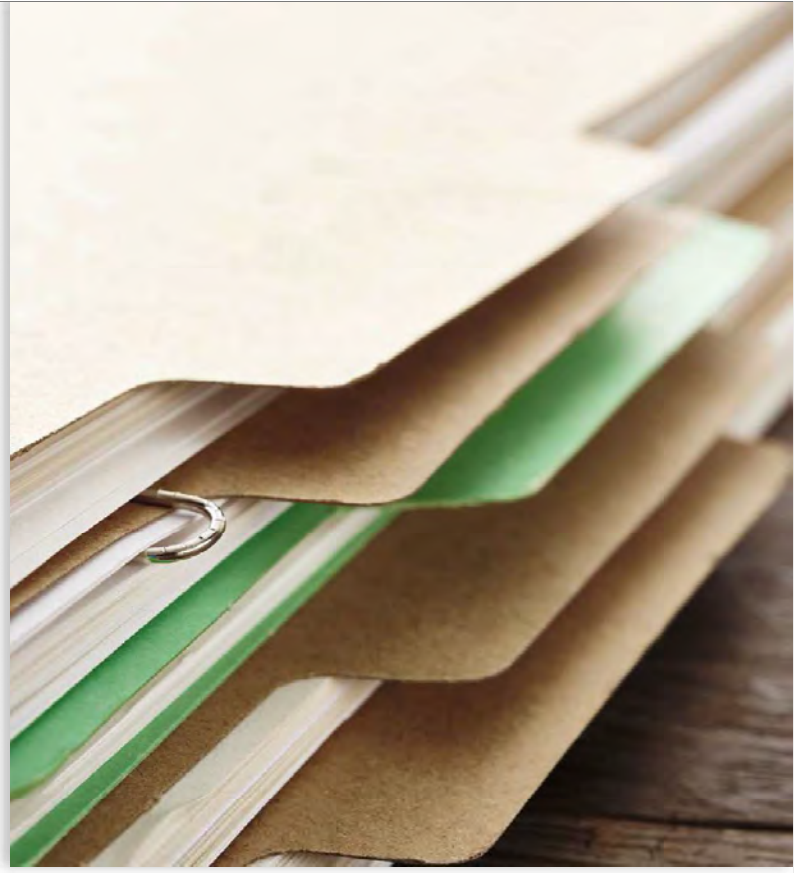
#11 Focus - CIQ and CIS Forms and 1295s

- Do you have these items on file?
- Are they timely?
- Are they signed and notarized?
- How do you track if there is no conflict of interest?



#12 Focus - RFP Folders – A to Z

Auditors will ask for the RFP list for the year. They will request a sample from the list. They will want to see the entire RFP File.



#13 Focus - P Cards

Auditors will ask for list of reports from p cards and charges. They will sample the transactions. They ask for the manual and the process for approvals.





#14 Focus - Dates of Contract and PO and Invoices

- Auditors will review contract dates and PO dates and Invoice Dates. They will ask if these are ok.
- Invoice Date 6/20/23
- Contract Date 7/30/23
- PO Date 8/10/23
- Payment Date 8/15/23

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#15 Focus - Service Performed – Cut off

- Auditors will request a cut off accounts payables after year end to determine accruals.
- They ask for the a-pay runs for Oct, Nov and Dec to determine if there are any material items that should be accrued as of year end.

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#16 Focus - Eligible for the programs

- Are the expenditures eligible for the program?
- Are you aware of the requirements?
- Be in the know and check with program managers to make sure that all expenditures are in compliance.

36

#17 Focus - Amounts of Material Payments – After year end

- What is material?
- It depends. I would say over \$10,000 but auditors have difference cut off amounts.



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#18 Focus - Prevailing Wages – Davis Bacon

Who is checking for
Davis Bacon Act
Compliance?

What are the
requirements?

\$2,000 in
construction items



#19 Focus - amendments to contracts prior to invoice

- Are there any amendments to contracts prior to the invoice?
- Any Change Orders prior to the work being done?
- Who approves changes to contracts and Change Orders?

#20 Focus - Ethics

- Auditors expect that all staff follow an ethics code of conduct.
- CAA Local.



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#21 Focus timely responses

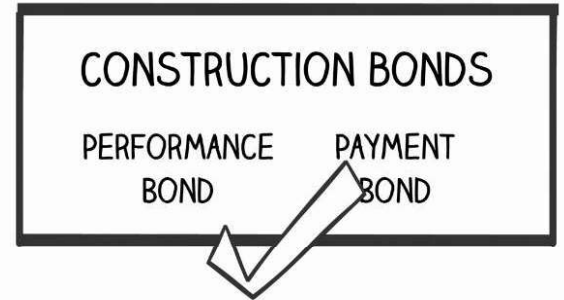
- Auditors expect that all responses to RFI and reports on a timely basis. Do not procrastinate. Get it done.



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#22 Focus - Payment and Performance Bonds

- Do you have the performance and payment bonds for the contracts?



42

#23 Focus - Procurement Methods

- What are the procurement methods for all major expenditures over the CH Local and CH Legal requirements.



43

#24 Focus - Vendor and employee – the same

- Auditors will run a report for all vendors to see if the employees are vendors and are they providing services?
- Review of W2s
- Review of 1099s.

44

#25 Focus - Vendor Packet and W9

- Review Vendor Packets and W-9
- Part of the RFP File and Vendor File.



45

Tips to consider when using P card

- 1. P Card is a privilege not a right.
- 2. P Card is a method of payment not a method of purchase.
- 3. P card expenses ARE Public Funds.
- 3. Be on time with reports. If you do not turn in the report, you can hold the board reports.
- 4. Do not sign contracts. Only the Supt and Asst Supt for Business is allowed by Board Policy.
- Absolutely no out of country purchases.
- 5. No Sales tax.
- 6. Don't lose the receipt. You are responsible.
- 7. You signed for the card not your supervisor. It is YOUR responsibility
- 8. Do not break purchases and violate the law. No SPLIT purchases – One month materials and next month service agreement -
- 9. Do not pay for lunch or dinner when traveling. You are being paid for per diem. You can not double dip.
- 10. Excessive catering purchases and large purchases are not allowed.
- 11. Document the expense by indicating the purpose on the receipt.
- 12. Manage the credit limit. Use requisitions for most purchases.
- 13. Make sure that you have funds in the budget.
- 14. Personal purchase are NOT allowed.
- 15. Your card will be placed on hold or cancelled if you abuse and-or not follow the rules.
- 16. Credit limits are set. No increases should be requested. Plan and submit requisitions.
- 17. Report any fraud and-or misuse in accordance with CAA Local.
- 18. Document travel – 3 quotes for flights.
- 19. Request to attend for travel is required. Don't forget.
- 20. Watch your tips. There are limits and READ the Manual.
- 21. Do not charge personal items like birthday cakes, flowers, and other personal items.
- 22. Report Fraud if you see it as part of CAA Local.

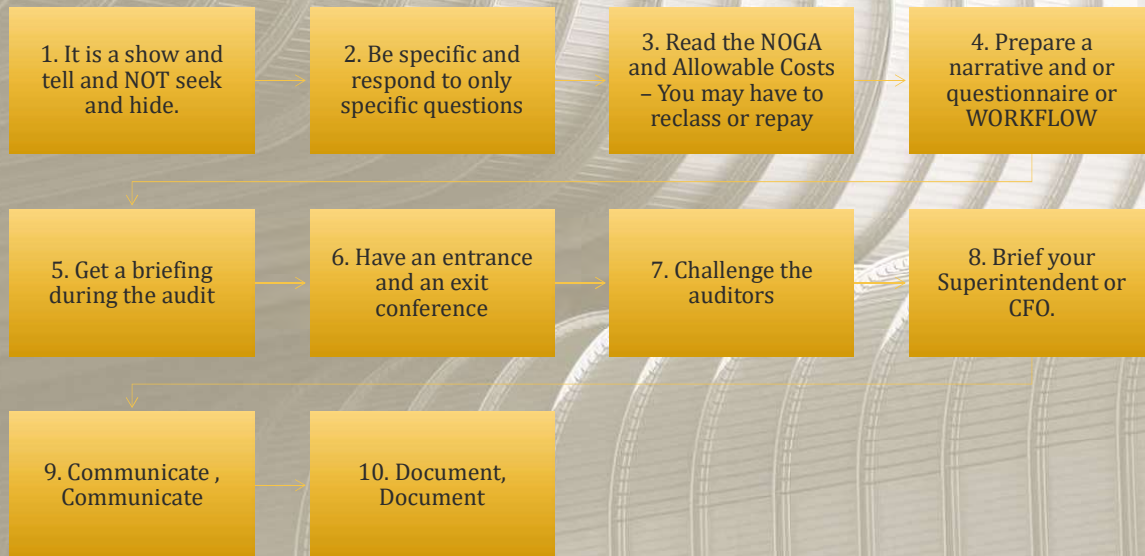
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Tips to consider when using P Card

- 21. No furniture
- 22. No individual payments – subject to 1099 and fingerprinting process
- 24. No Zelle or PAYPAL payments
- 23. No contracted services –
- 25. No sponsorships unless approved specifically in writing by the Superintendent.
- 26. Purchases of cakes and materials to celebrate birthdays is a personnel expense and not a public funds expense. No birthday food.

47

Best practices in dealing with auditors



48



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, CPFIM

Assistant Supt for Business

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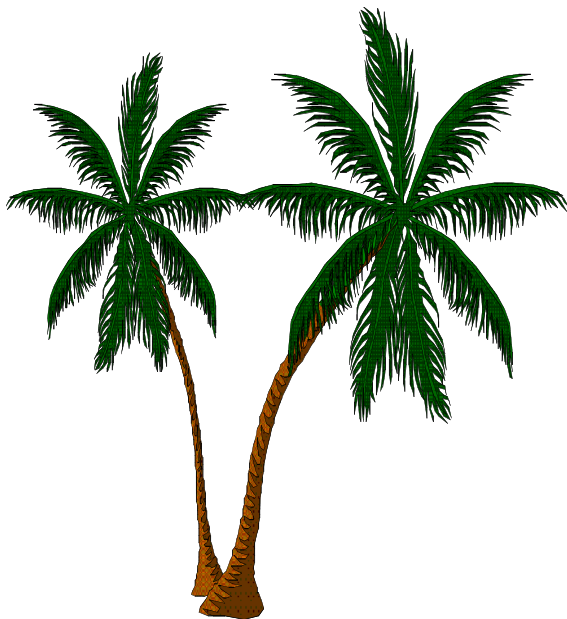
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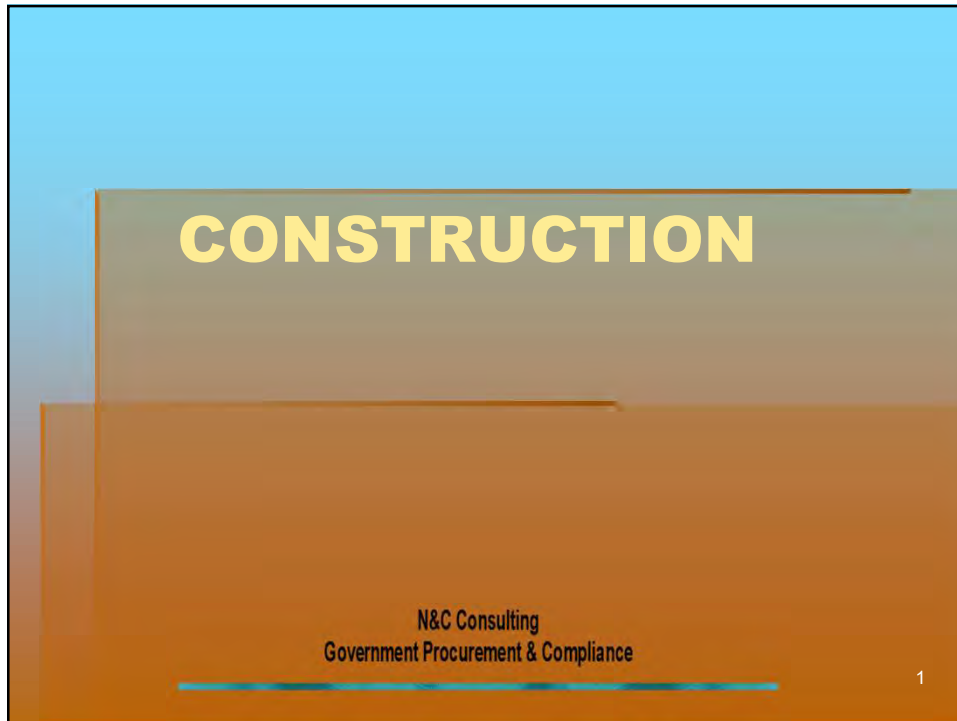
TIMELINE 2024

DPURCHASING METHODS FOR CONSTRUCTION PROJECTS



SPEAKER:

Phillip Vasquez/TBD



1

Construction Definition

Utilizing labor to bid, alter, repair, improve, or demolish any structure, building or public improvement.

Public Works Projects

- Civil works: roads, streets, bridges, airport runways, storm drainage – as described in Government Code 2269
- Facility: construction, alteration, rehabilitation or repair of a facility – as described in Government Code 2269

2

Construction Statutes

- Government Code 2269
 - Applicable to all governmental entities and agencies (with some exceptions)
- Local Government code 271
 - Municipal, county, school district, hospital organization, or other political subdivision
- Education Code 44.031
 - K-12, Texas Public Junior Colleges

3

Major Statutes Related to Construction

- GC 2269: Contracting and Delivery Procedures for Construction Projects

4

4

Chapter 2269

Contracting and Delivery Procedures for Construction Projects

5

5

Definition: Construction Delivery Method

A process that achieves the satisfactory completion of a construction project. The method is selected for the purpose of assigning risk and responsibility to members of the project team, i.e., owner, designer, builder.

6

6

THREE PRIMARY METHODS

- C. Competitive Bidding (Design – Bid – Build (DBB))
- D. Competitive Sealed Proposal
- E. Construction Manager-Agent
- F. Construction Manager at Risk (CMAR)
- G. Building Using Design–Build (DB)
- H. Design-Build Procedures for Certain Civil Works Projects
- I. Job Order Contracts

7

7

SUBCHAPTER A GENERAL PROVISIONS

8

8

Subchapter A General Provisions

Section Description	Section Number
Definitions	.001
Applicability of Chapter to Governmental Entities Engaged in Public Works	.002
Conflict of Laws; Requirement to Follow Procedures of This Chapter	.003
Exemption: Texas Department of Transportation; Highway Projects	.004
Applicability: Institutions of Higher Education	.005

9

9

Subchapter A General Provisions

Section Description	Section Number
Exemption: Regional Tollway Authorities	.006
Exemption: Certain Local Government Corporation Improvement Projects	.007
Exemption: Regional Mobility Authorities	.008
Exemption: County Toll Authorities	.009
Exemption: Coordinated County Transportation Authority	.010

10

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**SUBCHAPTER B
GENERAL POWERS AND
DUTIES**

11

11

**Subchapter B
General Powers and
Duties**

Section Description	Section Number
Rules	.051
Notice Requirements	.052
Delegation of Authority	.053
Right to Work	.054
Criteria to Consider (when determining award of a contract)	.055

12

12

Subchapter B General Powers and Duties

Section Description	Section Number
Using Method Other Than Competitive Bidding for Construction Services; Evaluation of Proposals; Criteria (HB 2581)	.056
Architect or Engineer Services	.057
Use of Other Professional Services	.058
Sealed Bids, Proposals, or Qualifications Required	.059
Documents Related to Evaluation and Ranking HB 2581 added new section	.060

13

13

SUBCHAPTER C COMPETITIVE BIDDING METHODS – DESIGN-BID- BUILD

14

14

COMPETITIVE BIDDING/DESIGN-BID-BUILD

Three sequential phases:

1. Design

Usually selected through a qualification-based process

2. Procurement (Bid)

Request for Bid or Competitive Sealed Bid

3. Construction



15

15

Subchapter C Competitive Bidding Methods

Section Description	Section Number
Contracts for Facilities: Competitive Bidding	.101
Use of Architect or Engineer	.102
Preparation of Request	.103
Evaluation of Offerors	.104
Selection of Offeror	.105
Applicability of Other Competitive Bidding Law to Certain Local Governmental Entities	.106

16

16

**SUBCHAPTER D
COMPETITIVE SEALED
PROPOSAL METHOD**

17

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**Subchapter D
Competitive Sealed
Proposal Method**

Section Description	Section Number
Contracts for Facilities: Competitive Sealed Proposals	.151
Use of Architect or Engineer	.152
Preparation of Request HB 2581	.153
Evaluation of Offerors	.154
Selection of Offeror HB 2581	.155

18

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SUBCHAPTER E CONSTRUCTION MANAGER- AGENT METHOD

19

19

CM – Agent (CMA)

- Acts as consultant to owner
- Is NOT partnered contractually with the designer
- Does NOT execute work
- Is NOT responsible for subcontracts
- Carries minimal risk to CM-Agent

20

20

Subchapter E Construction Manager- Agent Method

Section Description	Section Number
Contracts for Facilities: Construction Manager-Agent	.201
Contract Provisions of Construction Manager-Agent	.202
Limits on Construction Manager-Agent	.203
Fiduciary Capacity of Construction Manager-Agent	.204
Use of Architect or Engineer	.205

21

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Subchapter E Construction Manager- Agent Method

Section Description	Section Number
Selection of Contractors	.206
Selection of Construction Manager-Agent	.207
Insurance	.208

22

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SUBCHAPTER F CONSTRUCTION MANAGER- AT-RISK METHOD (CMAR)

23

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CMAR



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- Separate contracts with designer and CMAR
- CMAR advises owner and designer on:
Constructability, value engineering, cost estimating, schedule sequencing, selection of materials
- CMAR becomes “builder” or general contractor once design is completed
- “At Risk” for completion of project within guaranteed maximum price (GMP)

24

24

Subchapter F Construction Manager-at- Risk Method

Section Description	Section Number
Contracts for Facilities: Construction Manager-at-Risk	.251
Use of Architect or Engineer	.252
Selection Process	.253
Selection of Offeror	.254
Performance of Work	.255

25

25

Subchapter F Construction Manager-at- Risk Method

Section Description	Section Number
Review of Bids or Proposals	.256
Default; Performance of Work	.257
Performance or Payment Bond	.258

26

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SUBCHAPTER G BUILDING USING DESIGN- BUILD METHOD (DB)

27

27

DESIGN-BUILD (DB)

Method combines architectural and engineering design services with construction performance under one contract



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28

28

Subchapter G Building Using Design- Build Method

Section Description	Section Number
Contracts for Facilities: Design-Build	.301
Applicability of Subchapter to Buildings; Exceptions	.302
Contracts for Buildings: Design Build	.303
Design-Build Firms	.304
Use of Architect or Engineer as Independent Representative	.305

29

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Subchapter G Building Using Design- Build Method

Section Description	Section Number
Preparation of Request	.306
Evaluation of Design-Build Firms	.307
Selection of Design-Build Firm	.308
Submission of Design After Selection	.309
Final Construction Documents	.310
Performance or Payment Bond	.311

30

30

**SUBCHAPTER H
DESIGN-BUILD FOR CIVIL
WORKS PROJECTS**

31

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**Subchapter H
Design-Build for Civil
Works Projects**

Section Description	Section Number
Definitions HB 3069	.351
Applicability	.352
Contracts for Civil Works Projects: Design-Build	.353
Limitation on Number of Projects	.354
Use of Engineer	.355

32

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Subchapter H Design-Build for Civil Works Projects

Section Description	Section Number
Use of Other Professional Services	.356
Request for Qualifications	.357
Contents of Design Criteria Package	.358
Evaluation of Design-Build Firms	.359
Selection of Design-Build Firm	.360

33

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Subchapter H Design-Build for Civil Works Projects

Section Description	Section Number
Procedures for Combination of Technical and Cost Proposals	.361
Identification of Project Team	.3615
Negotiation	.362
Assumption of Risks	.363
Stipend Amount for Unsuccessful Offerors	.364

34

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Subchapter H Design-Build for Civil Works Projects

Section Description	Section Number
Completion of Design	.365
Final Construction Documents	.366
Performance or Payment Bond	.367

35

35

SUBCHAPTER I JOB ORDER CONTRACTS METHOD (JOC)

36

36

JOC

- One or more JOCs selected through solicitation process
- Unit price book(s) selected
- Adjustment or coefficient factor used
- Indefinite Delivery/Indefinite Quantity
- Each individual task or project negotiated
- Allows for innovation

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Subchapter I Job Order Contracts Method

Section Description	Section Number
Job Order Contracting	.401
Applicability of Subchapter to Buildings; Exceptions	.402
Requirements for Job Order Contracts for Facilities	.403
Contractual Unit Prices	.404
Competitive Sealed Proposal Method	.405

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**Subchapter I
Job Order Contracts
Method**

Section Description	Section Number
Awarding of Job Order Contracts	.406
Use of Job Order Contract	.407
Use of Architect or Engineer	.408
Job Order Contract Term	.409
Job Orders	.410
Payment and Performance Bonds	.411

39

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**SUBCHAPTER J
ENFORCEMENT**

40

40

Caution!

This consolidated law created in GC 2269 for construction resembles prior law in some ways. However, you should carefully review old specifications or rewrite specifications for construction after any legislative session to ensure conformity with the requirements of any new laws.

41

41

Subchapter J Enforcement

Section Description	Section Number
Void Contract	.451
Declaratory or Injunctive Relief HB 2581	.452

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42

SELECTION QUICK REF

Construction Project Delivery Methods Criteria	LOW PRICE Award is made to the responsible bidder who submits the lowest responsive bid	BEST VALUE Selection is based on a weighted combination of Price and Qualifications	BEST QUALIFICATIONS Selection is based solely on Qualifications.
DBB .Multiple-prime contracting .Multiple award task order contracting	X	X Price evaluation based on construction cost	
DB .Bridging .Progressive DB .Integrated DB		X	X
CMAR .Construction Manager/ .General Contractor		X Price evaluation based on CMAR fees and general conditions	X

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CRITERIA AND ATTRIBUTES

Criteria	Design Build	CMAR	DBB
Schedule	Fastest	Middle	Slowest
Cost – depending on negotiation	Highest	Middle	Lowest
Change Orders	Lowest	Lowest	Highest
Complex Scope	Highest	Middle	Lowest
Risk/Responsibility	Contractor	Contractor/Owner	Owner
Control Over Design	Contractor	Owner	Owner

44

SELECTION CONSIDERATIONS

- Collaborate with internal stakeholders
- Project characteristics
- Capacity of contractor
- Capability of contractor and owner
- Best value for entity and constituents

45

45

Resources

- State of Texas Government Code
- NIGP Public Procurement Practice –
Selecting the Appropriate Construction Project Delivery
Method
- Bills enacted by the 87th State of Texas
Legislative Session

46

46

THANK YOU N&C CONSULTING



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cacooper@tx.rr.com
214-202-5903

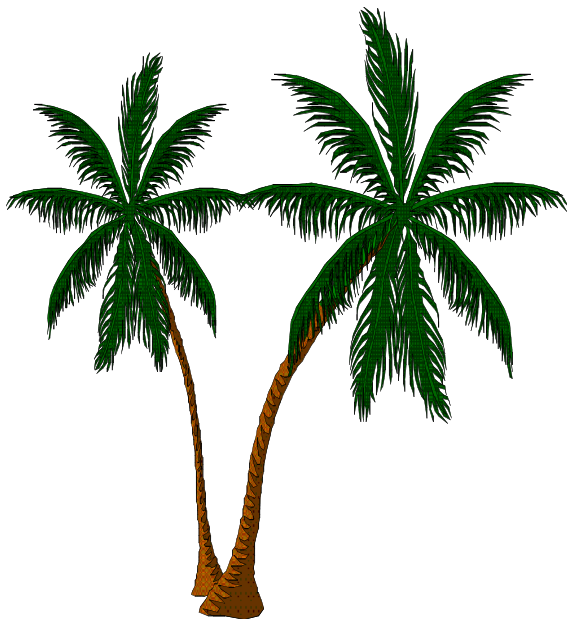
Narita Holmes, MBA, C.P.A., CIA
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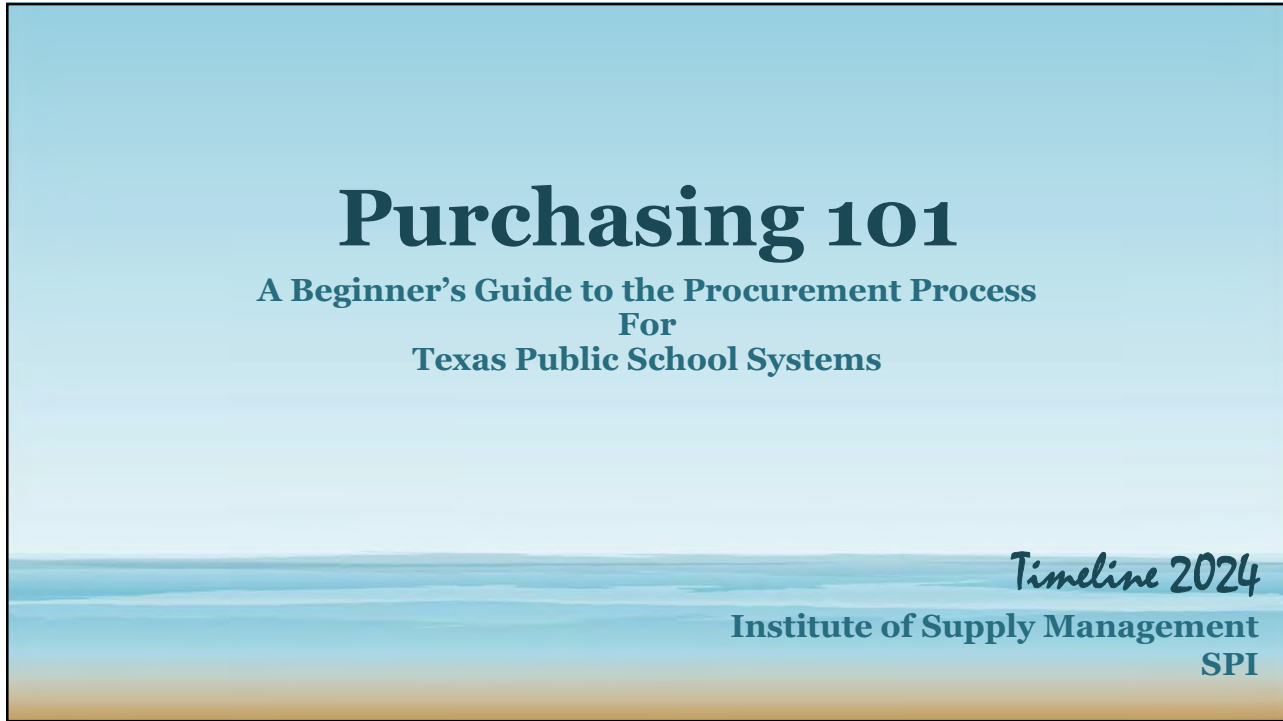
TIMELINE 2024

THE BASICS OF PURCHASING— REVIEW OF THE PROCUREMENT PROCESS



SPEAKER:


Rosario Pena



1



2



Procurement Process - Defined

The procurement process is designed to assist in establishing procedures that ensure...
full and open competition.

3

Procurement Authority

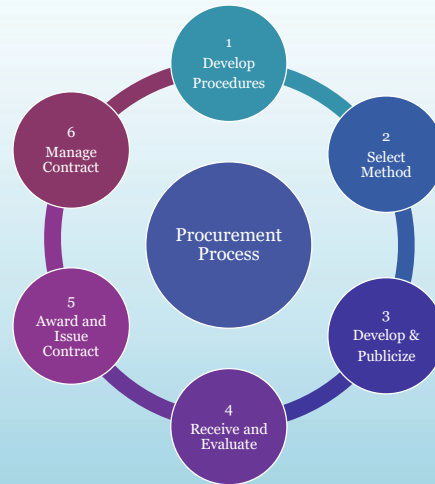
- Texas Education Code 44.031
- Government Code 2269
- Education Department General Administrative Regulations (EDGAR) 2 CFR 200
- Legal and Local policies under CH, CHE, and CVs



4

Effective Procurement Systems

1. Develop written procurement procedures that guide staff
2. Select the appropriate procurement method as described in the written procedures
3. Develop and publicize solicitation as described in the written procedures
4. Receive and evaluate responses according to the rubric or scale as described in the written procedures
5. Determine best price, award contract and execute contract as described in the written procedures
6. Manage the contract as described in the written procedures, including required records retention



5

#1 Written Procurement Procedures Ensuring Full and Open Competition

- Methods to identify possible suppliers for all products
- Processes to ensure that micro-purchases are equitably distributed among all suppliers
- Processes for determining when and how to give preference to local suppliers, including a definition of “local”
- Strategies for forecasting future products/services that will need to be purchased, including the evaluation of a variety of factors to be able to predict quantities of products/services to be used
- Timeline for procurement actions – Recommended at least 45 days for all solicitations
- Development of procurement levels to determine purchasing methods
- Strategies to increase greater economy and efficiency in purchasing

6

#1 Written Procurement Procedures Ensuring Full and Open Competition - continued

- Methods for awarding contracts including staff positions responsible for approval of contract awards based on the purchasing method
- Method in which local preference will be applied to solicitations
- Methods for obtaining required information when determining sole source purchases
- Process for staff assigned to ensure that contractors performs in accordance with the terms, conditions, and technical specifications of the contracts and purchase orders

7

#1 Written Procurement Procedures Ethical Standards – Code of Conduct

Districts must have written procedures that include ethical standards or a code of conduct that govern the performance of employees, officers, and agents of the District that are engaged in the selection, award, and administration of the contracts.

A method for an employee to disclose, in writing, any potential conflict of interest must be included in this procedure.

1. Must include disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the District
2. Guidance to District staff on how to avoid undue influence

8

#2 Selection of a Procurement Method for the Acquisition of Products/Services

- Conduct a cost analysis to determine an estimated cost for the products/services to be purchased
- Using the purchasing levels developed by the District, use the most restrictive method when selecting the method, informal or formal
 - ❖ Micro Purchases - \$10,000.00 or less
 - ❖ Small Purchases – \$10,001.00 - \$49,999.99
 - ❖ Formal Purchases - \$50,000.00+

9

#2 Best Value Methods of Formal Procurement \$50,000.00+

- Competitive bidding for services other than construction services
- Competitive sealed proposals for services other than construction services
- Request for proposals for services other than construction services
- Interlocal/Cooperative contracts
- Methods provided by Government Code Chapter 2269 for construction services
- Reverse auctions
- Formation of a political subdivision corporation

10

#2 Best Value Methods of Informal Procurement

- Using quotations for purchases under \$49,999.99 – Micro and small
- Sole source classifications – item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly, a film, manuscript, or book, a utility service, including electricity, gas, or water, and a captive replacement part or component for equipment
- Emergency declaration – School Board must determine that a delay posed by a formal method of procurement would substantially impair the continuation of classes or other essential school activities; then District may opt for other methods of procurement that do not involve the issuance of solicitations

11

#3 Develop and Publicize Solicitation

- Solicitation is intended to level the playing field so that all bidders and respondents have an equal opportunity to be awarded; therefore specifications must meet the needs of the requestor, but be general enough to have a good number of respondents
- Specifications must include all the required regulatory Federal contract requirements such as anti-lobbying act, clean air and water acts, Davis-Bacon act, small and minority firms acts, Buy America Provision, etc.
- Publicize for 2 weeks with 2 consecutive advertisements to include solicitation submission and opening date and time
- Advertisement must have the highest possible circulation
- The use of online publication systems such as the Electronic State Business Daily (ESBD) offered by the Texas Comptroller's Office

12

#4 Receive and Evaluate

- Criteria for the evaluation of a submission must have been included in the solicitation
- Criteria must be assigned a scale with price having the greater weight (notes – use 9 points in TEC 44.031) and be able to determine the most responsible and responsive submission
- All conflicts of interest, real or apparent must be considered
- Districts must not make or permit any award, sub-award, sub-grant, or contract with an individual or entity that is debarred or suspended from participation in federal assistance programs

<https://sam.gov/content/home>



13

#4 Receive and Evaluate Special Federal Funds Considerations

- Buy American Provision – the food product grown in the U.S. or does 51% of the final processed food product consist of agricultural commodities that were grown domestically (U.S.)
- Local Preference – Districts may give preference or bonus points to local producers when soliciting and awarding contracts so as long as the preference or bonus points **do not restrict full and open competition and must be included in its written procurement procedures**

14

#5 Award and Issue Contract

- Award to most responsible and responsive based on criteria
 - Responsible – capable of providing the products/services as described in the solicitation
 - Responsive – offer that addresses terms and conditions of the solicitation including the specifications and/or technical requirements for the products/services
- Primary consideration to cost regardless of type of contract
- Proposals and qualifications are to be negotiated with the highest ranked
- May award to other than lowest bidder, but must have adequate justification and documentation regarding responsible and responsive submittals
- May award to multiple contractors only if District has provided notice of this possibility in the solicitation

15

#5 Award and Issue Contract

- Once awarded the District must issue a contract that reflects the technical specifications of the solicitation
- Elements of the Contract
 - General Contract Requirements
 - Contract Management
 - Invoicing and Payments
 - Laws and Regulations that govern the contract
 - Products/Services to be provided
 - Dispute Resolution clause
 - Duration of Contract

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#5 Award and Issue Contract

- **Material Change** – When a District allows a winning respondent to make changes to contract terms that are materially inconsistent with the original solicitation for the contract, the District has undermined full and open competition by denying all possible contractors the opportunity to compete under the same terms and conditions. **Example: New products/services that were added to current contract after award.**
- **Open-ended solicitation** for the procurement of additional products or services is likely to be an **inappropriate procurement**. When procurement is not done correctly with full and open competition, the cost of the contract and legal defense of the contract may adversely hurt the District's budget.

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#6 Manage Contract

- Districts must have procedures in place to ensure performance in accordance with contract and purchase order. These may include:
 - ✓ Cost adjustment and escalation is applied correctly
 - ✓ Credits, discounts, and rebates are applied as required
 - ✓ Products/Services invoiced to the Districts are allowable costs
 - ✓ Products/Services provided are as required on the solicitation
 - ✓ Process to raise issues if performance by vendor is not in compliance with contract and purchase order
 - ✓ Process for vendor/contract termination

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Third Party Entities

- Agency, organization, group, business, food service management company, food processor, contractor, distributor, vendor, or other entity acting on behalf of the District must provide:
 - Requirements
 - Deadlines
 - Oversights of these contracts
- Adequate documentation to a District so that the District can determine if the procurement regulations have been implemented appropriately

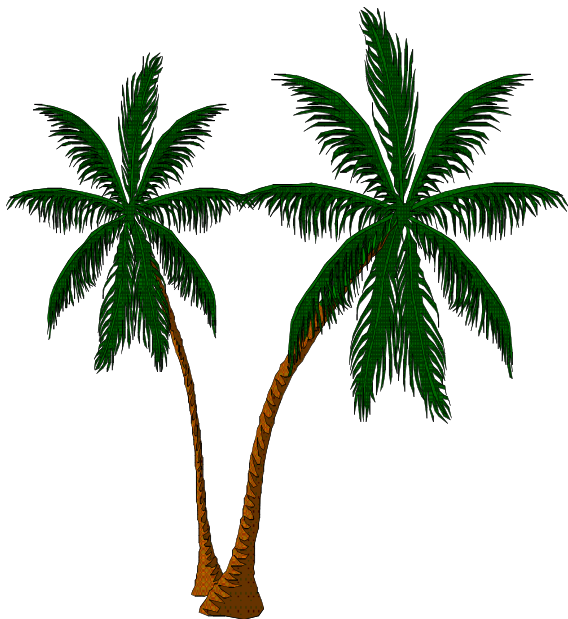
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TIMELINE 2024

E-PURCHASING W/ARTIFICIAL INTELLIGENCE



SPEAKER:

Dan Elliot

ISM Timeline

Demystifying AI in Public Sector Procurement

DAN ELLIOTT

Senior Account Executive
Euna Procurement



EUNA
solutions

Agenda

- 01** Why procurement teams are hesitant about AI
- 02** Ways AI can help increase bid competition through better supplier outreach
- 03** How AI drives cost savings while staying compliant
- 04** How AI can help you use data and benchmarks for better decision-making

EUNA
solutions

THOUGHT STARTER

What is your biggest hesitation to using AI?

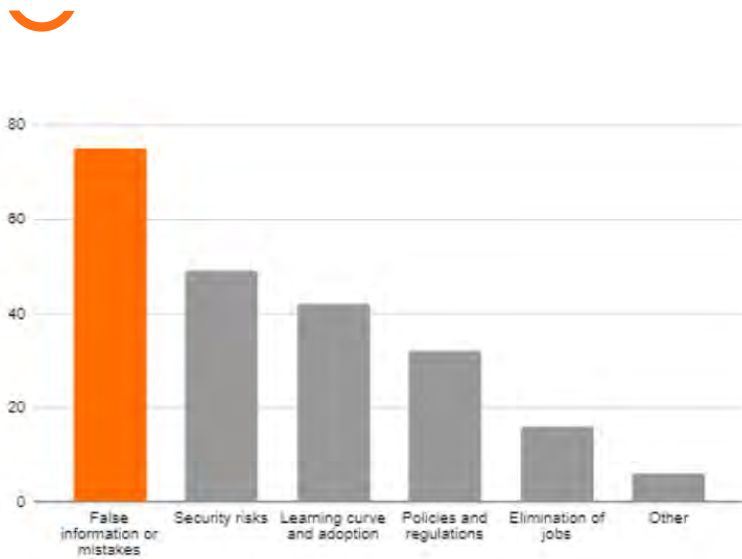
- Potential for false information or mistakes
- Security risks
- Big learning curve, worried about adoption
- Nervous about new policies and regulations
- Threat to jobs
- Other



Your Hesitations About AI are Valid



Biggest Concerns Procurement Team Have with AI



Potential for False Information or Mistakes...

- Anyone can create a website and publish information.
- AI can pull from reputable sites, but also pull from misinformation.
- AI output could perpetuate false information without human intervention.



Security Risks Involved with AI

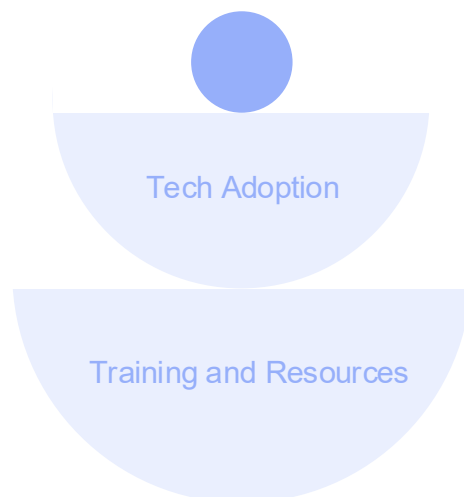
Top uses of generative AI by threat actors



"State of Security 2024: The Race to Harness AI." Splunk,
www.splunk.com/en_us/form/state-of-security.html. Accessed 13 June 2024.



The Learning Curve and Adoption of AI



Policies and Regulations

The CISA created a roadmap to AI security for governments

Public sector leaders are concerned about keeping up with demanding regulations

GovAI Coalition aims to solve this problem. Its main goals are to:

- Promote government agencies to use AI
- Practice using AI in responsible and trustworthy ways
- Give guidance to agencies making the switch

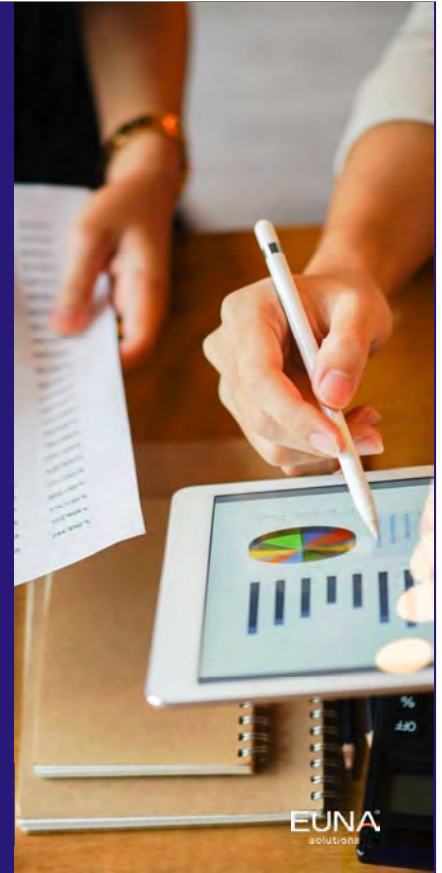
Check out CISA's step-by-step guide to govern and use AI.



Low risk, high impact
ways to leverage AI for
positive outcomes



More Bid Competition



Find
the most
**relevant,
qualified
suppliers**

Supplier
Location

Contract
Documentation

Industry

Centralized AI-Powered
Supplier Database

Certifications

DBE
Classifications

Performance

Easier Supplier Evaluation and Communication



Auto-identify relevant suppliers

Categorize your supplier options

Centralize supplier information

Open lines of communication to your suppliers

Find supplier information from pre-solicitation research to contract renewal

Support DBEs and Local Suppliers

Reach MWBEs and others classified as DBEs easily

AI allows you to easily identify relevant DBE suppliers that don't have the same reach as the big suppliers

A win-win for the agency, suppliers, and community

Save Money, Stay Compliant



Cost Savings Throughout the Entire Source-to-Pay Process



Sourcing

Higher bid competition

Better price comparisons

Not just best price, but best value

Price savings across more than just a product – but product delivery, installation, etc.

+

Purchasing

Pre-approved suppliers in one centralized location

Automated price comparisons and cart optimization

3-bids-and-a-buy made easier

Eliminate the grunt work of visiting each supplier site

Within the first six months of using AI for purchasing activities, **El Paso ISD saved \$44,000**, enough money to cover the cost of the technology and allocate additional funds throughout their institution.



Data-Informed Decision-Making



AI gives insights based on anonymized data from other organizations



IT Procurement Benchmarks

RFP Projects

All other Types

BENCHMARK #1 PROJECT TIMELINE

Majority of projects take **61 days** from Open to Award

Total range is between 28 - 115 days
Bars indicate typical ranges of days per project stage



BENCHMARK #2 CRITERIA

In Projects with Pricing Criteria, it accounts for **30/100** pts of total Criteria weight

56% of Projects have Pricing Criteria

30/100pts

Spread of Pricing Weight



70/100pts

Non-Pricing Keywords

Requirements
Experience
Technical Qualifications
Cost Form

Larger keywords are used more frequently

How to Use Benchmarks to Improve Project Structure



- Reference Successful Projects
- Set Realistic Requirements
- Streamline Evaluation



Trustworthy AI Supports Agency Growth

AI is not replacing the human element of
procurement

There's still a great need for human involvement, but the
type of involvement **is shifting**

Despite news headlines about private corporations facing
AI challenges, the public sector has a unique
stance

AI—in its most trustworthy sense—**removes
tedious work**

Public sector employees can refocus on the valuable,
community-impacting decisions

THOUGHT STARTER

What potential benefit are you most open to exploring?

- Increased supplier reach

- Maximized cost savings

- Data-driven decision making

- Other



Get in touch.

DAN ELLIOTT

Senior Account Executive

Euna Procurement

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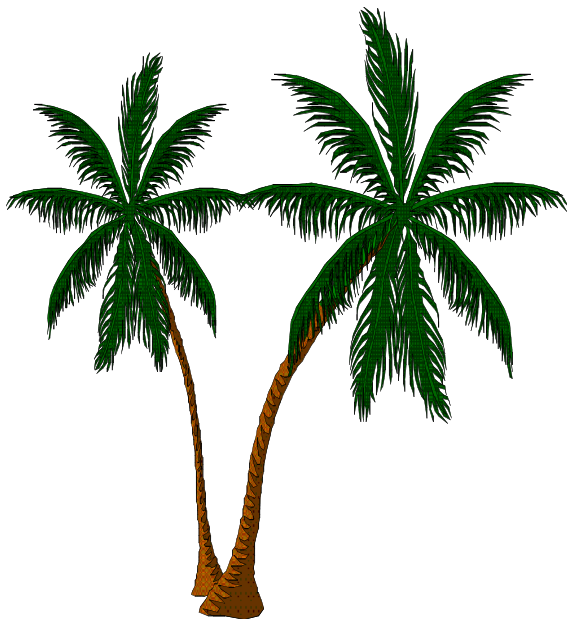
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TIMELINE 2024

PURCHASING REQUIREMENTS/GUIDELINES —FEDERALLY FUNDED GRANTS



SPEAKER:

Jesus Amezcua



Texas Comptroller
CONTRACTS & PROCUREMENT

FEDERAL want to know Why:

JUSTIFICATION

PURCHASING SYSTEMS, MANUAL & AND CONTROLS



Texas Comptroller
OPEN GOVERNMENT & COMPLIANCE



Texas Comptroller
TRADITIONAL FINANCES



Harris County Department of Education



Texas Comptroller
DEBT OBLIGATIONS

**ISM-RGV – South Padre Island
September 2024–**



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

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Types of federal Funds



HCDE
Serves
students

INDIRECT SERVICES
FOR SAFE SCHOOLS

216,671

NUMBER OF STUDENTS
SERVED IN FY 2023

257,332

ADULT EDUCATION
STUDENTS

4,599

K-12 DIRECT
STUDENT SERVICES

36,062

HCDE Serves Educators

TECHNOLOGY,
RECORDS
MANAGEMENT, AND
CO-OP SERVICES

2,622

TEACHER
LEARNING, GRANTS,
RESEARCH,
AND EDUCATOR
PROGRAMS

8,702

AFTER SCHOOL
INITIATIVES, SAFE
SCHOOLS, AND HEAD
START

17,690

THERAPY SERVICES

7,417

DIRECT SERVICES
TO EDUCATORS

30,634

As of information.....

Information provided to you is as of **9/22/2024**

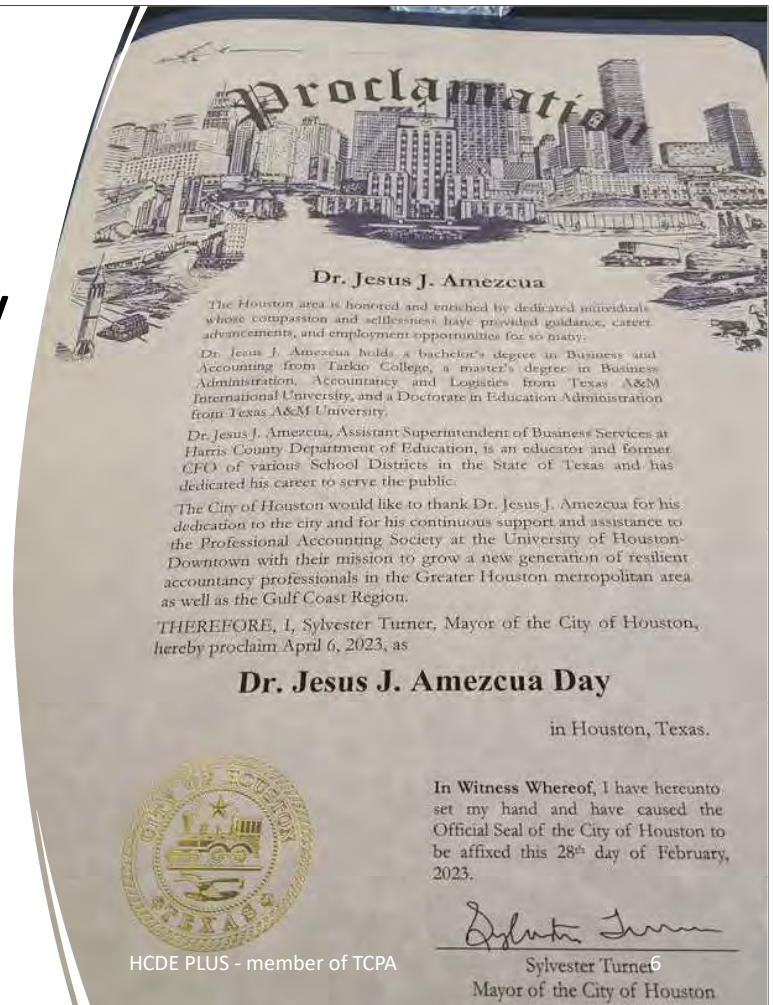
Information source is from **cfr 200** as posted on the federal website and the state of Texas **cost guidance handbook and cfr FAQ.**



4-6-2023

Remember to celebrate this day

1. **What is your weather for TODAY?**
2. **Where do you want to go anywhere in the Universe if money was no object?**
3. **Most Ethical Person that you know.**
4. **What is your function?**



Agenda

- 1. Overview and Introduction
- 2. 2 CFR changes
- 3. CH Legal and CH Local
- 4. Top 25 Best Practices
- 5. Procurement Activities
- 6. Handouts and detail
- 7. Summary



Your Presenter

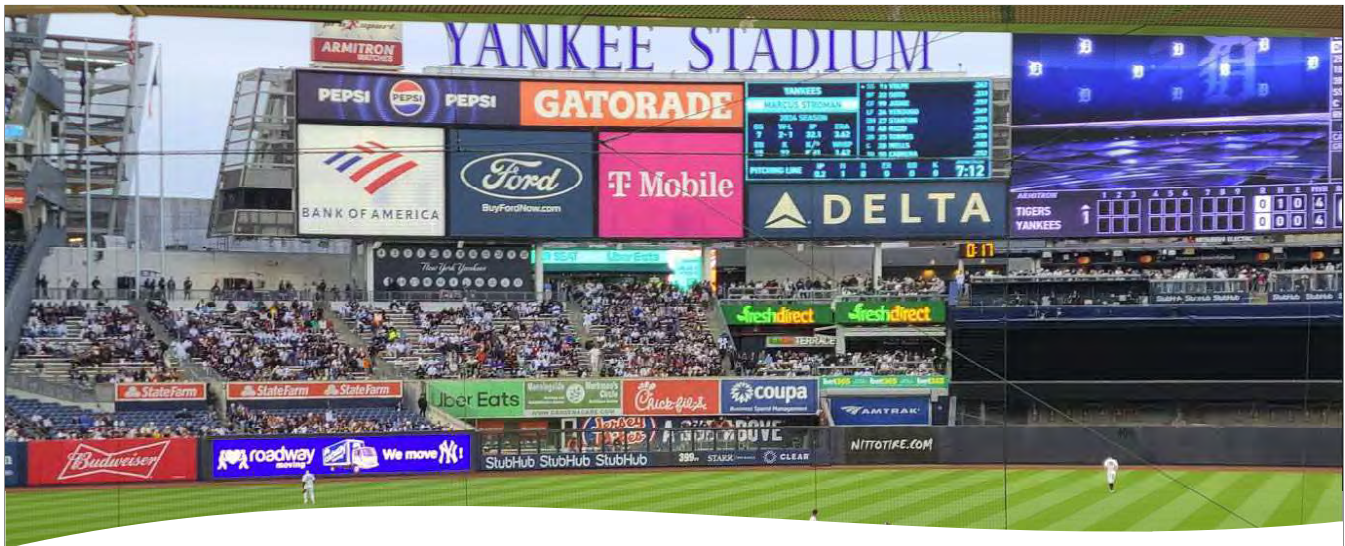
2021
ASBO
Pinnacle
Award
Winner

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- 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.



Session Agenda

In this session, we will discuss the federal guidelines for procurement under 2 cfr 200 (grants).

Federal requirements under the NOGA

From NYC...

Let's play ball



Links to Use

Choice Partners Cooperative

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

Ecftr 200 <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>

Vendor Packet

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/>



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

1. Look at your Grant NOGA and specific Grant Award
2. Look at the 2 cfr part 200 federal regulations
3. Look at FAQ from Grantee Federal
4. Look is there are any exemptions to CFR 200
5. Look at implications on state law (Legal)
5. Look at implications of your local law (Local)

First Step – Identify the NOGA and requirements

		
FUNDER:		
FEDERAL FUNDS		ALN #
NON-FEDERAL FUNDS	Yes	
	Description	Number
FUND:		
Fiscal Year		2022-2023
Grant Revenue Amount		
Expenditure		
	6100 Payroll	
	6200 Misc Contracted Services	
	6300 General Supplies	
	6400 Misc Operating Expenses	
	Unrestricted Admin. Fee	-
Total Expenditure		\$ -
Name of Grant Manager:		
Attach a copy of the NOGA, any restrictions on its use, and budget breakdown.		

Sample TEA NOGA

Texas Education Agency		Application ID: 003257034753								
		Organization: TEJANO CENTER FOR COMMUNITY CONCERNS INC Campus/Site: N/A Vendor ID: 1760377101								
SAS #: SPEDAA24		County District: 101806 ESC Region: 04 School Year: 2023-2024								
Notice of Grant Award										
Application Submit Date: 4/29/2024			Amendment Number: 02							
NOGA ID / Reimbursement ID	Name of Grant Program	FAR Fund Code	FAR Rev Code	Fed Awd # CFDA #	Federal Aid Agency	TEA USE Only	Begin Date	End Date	Increase (Decrease)	Amount
246600011018066600	IDEA-B Formula	224	5929	H027A230008 84.027A	USDE		8/30/2023	9/30/2024	\$27,944.00	\$338,636.00
						66002401	8/30/2023	9/30/2024	\$23,964.00	\$334,656.00
						6600301	10/1/2023	9/30/2024	\$3,980.00	\$3,980.00
246610011018066610	IDEA-B Preschool	225	5029	H173A230004 84.173A	USDE		8/30/2023	9/30/2024	\$710.00	\$3,086.00
						60102401	8/30/2023	9/30/2024	\$74.00	\$2,450.00
						60102301	10/1/2023	9/30/2024	\$636.00	\$636.00
<p>Application and any amendment thereto identified above, Received Date/Document Control Number/Application ID: 003257034753, as revised or requested by the Texas Education Agency (TEA) hereby incorporated by reference and, therefore, made a part of this grant award. Also incorporated by reference into this grant award are the Provisions and Assurances contained in the incorporated application, the Request for Application (if applicable), the instructions to completing the Standard Application System (SAS), any guidelines which accompany the applications, including program and fiscal guidelines, and any and all attachments or appendices submitted by the applicant or included by TEA. This grant is made contingent upon the availability of funds from the funding entity to the Texas Education Agency for distribution to the subgrantee named above. If funding is not received, TEA assumes no liability for costs incurred by the grant recipient.</p>										
Offer Accepted by Grantee The digital signature of the applicant's authorized officer contained on the applicant's application referred to above, is hereby incorporated by reference and made a part of this grant/award contract.						Approval ID of the Commissioner of Education or Designee Texas Education Agency 		Date 5/23/2024		

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Texas Education Agency Supplement to Notice of Grant Award (NOGA)



1	Subrecipient Name RAUL YZAGUIRRE SCHOOLS FOR SUCCESS 2950 BROADWAY HOUSTON, TX 77017	2	Subrecipient Unique Entity Identifier UEI (SAM): FDBAL3NGD3H9 CDN: 101806
3	Subrecipient Information		
	Grant name:	IDEA-B Formula	
	Subaward period of performance start and end date:	See NOGA certificate	
	Amount of federal funds obligated by this action:	See NOGA certificate	
	Total amount of federal funds awarded:	See NOGA certificate	
	Indirect cost rate:	4.131%	
	De minimis indirect cost rate:	Not applicable	
	Research and development grant:	Not applicable	
4	Subrecipient Terms and Conditions		
	(1) New EDGAR including 2 C.F.R. Part 200 applies (2) Grant program requirements (a) Incorporated by reference in General and Fiscal Guidelines (b) Incorporated by reference in Program Guidelines (c) Incorporated by reference in General Provisions and Assurances (d) Incorporated by reference in Program-Specific Provisions and Assurances (if applicable) (3) Additional requirements Incorporated by reference in the To The Administrator Addressed correspondence sent to grantee as applicable (4) Access to subrecipient records Per 2 CFR §200.331, the subrecipient must permit TEA as the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for TEA to meet the requirements of this section. (5) Closeout of subaward (a) Incorporated by reference in General and Fiscal Guidelines (a) Incorporated by reference in NOGA transmittal letter		
5	Name of Pass-Through Entity Texas Education Agency	6	Contact Information for TEA Awarding Official See NOGA certificate
7	Federal Award Information		
	Federal awarding agency:	USDE	
	Federal award identification number:	See NOGA certificate	
	CFDA number:	See NOGA certificate	
	CFDA name:	Special Education Grants to States	
	Federal award date:	October 1, 2023	
	Total amount of federal award:	\$1,208,117,002	
8	Federal Award Project Description Incorporated by reference in program guidelines		

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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.

	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</u> for this grant.
<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 <u>lobbying activities</u> 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.

Sample Supplement to NOGA

Second Step – Get familiar with CFR 200



You have reached SAM.gov, an official website of the U.S. government. There is no cost to use this site.

The unique entity identifier used in SAM.gov has changed.

On **April 4, 2022**, the unique entity identifier used across the federal government changed from the DUNS Number to the Unique Entity ID (generated by SAM.gov).

- The Unique Entity ID is a 12-character alphanumeric ID assigned to an entity by SAM.gov.
- As part of this transition, the DUNS Number has been removed from SAM.gov.
- Entity registration, searching, and data entry in SAM.gov now require use of the new Unique Entity ID.
- Existing registered entities can find their Unique Entity ID by following the steps [here](#).
- New entities can get their Unique Entity ID at SAM.gov and, if required, complete an entity registration.

I manage an entity. What do I need to do?

For more information about this transition, visit [SAM.gov](#) or the Federal Service Desk, [FSD.gov](#). You can search for help at [FSD](#) any time or request help from an FSD agent Monday–Friday 8 a.m. to 8 p.m. ET.

Do not show this message again

OK

The Title 2 Subtitle A, Chapter II CFR Part 200 Requirements



ECFR CONTENT

▼ Title 2 Grants and Agreements	Part / Section
▼ Subtitle A Office of Management and Budget Guidance for Grants and Agreements	1 – 299
▼ Chapter II Office of Management and Budget Guidance	200 – 299
▼ Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards	200.0 – 200.521
Subpart A Acronyms and Definitions	200.0 – 200.1
Subpart B General Provisions	200.100 – 200.113
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 E Cost Principles	200.400 – 200.476
Subpart F Audit Requirements	200.500 – 200.521
Appendix I to Part 200	
Full Text of Notice of Funding Opportunity	
Appendix II to Part 200	
Contract Provisions for Non-Federal Entity Contracts Under Federal Awards	

Additional Appendices

Appendix III to Part 200
Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
Appendix IV to Part 200
Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations
Appendix V to Part 200
State/Local Governmentwide Central Service Cost Allocation Plans
Appendix VI to Part 200
Public Assistance Cost Allocation Plans
Appendix VII to Part 200
States and Local Government and Indian Tribe Indirect Cost Proposals
Appendix VIII to Part 200
Nonprofit Organizations Exempted From Subpart E of Part 200
Appendix IX to Part 200
Hospital Cost Principles
Appendix X to Part 200
Data Collection Form (Form SF-SAC)
Appendix XI to Part 200
Compliance Supplement
Appendix XII to Part 200
Award Term and Condition for Recipient Integrity and Performance Matters

2024 Changes to CFR 200

OMB's objectives for the current round of revisions to several parts of subtitle A of 2 CFR include: (1) incorporating statutory requirements and administration priorities; (2) reducing agency and recipient burden; (3) clarifying sections that recipients or agencies have interpreted in different ways; and (4) rewriting applicable sections in plain language, improving flow, and addressing inconsistent use of terms.



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

Uniform Grants Guidance 2024 Revision: Burden Reduction

Summary

- The Office of Management and Budget (OMB) issues guidance regarding government-wide policy for the award and administration of Federal financial assistance,²² often referred to as the Uniform Grants Guidance. An updated version of this guidance was released in April 2024.
- The Uniform Grants Guidance 2024 Revision contains various updates that will reduce burden for [recipients of Federal funds](#). By using plain language, clarifying provisions, and improving organization, the Uniform Grants Guidance 2024 contains comprehensive revisions that will reduce burden for recipients of Federal funds.
- In addition, a number of specific updates will also allow recipients of Federal funds increase the efficiency of their financial management.

Changes to CFR 200

Additional Resources

- For additional information about any of the items in this brief or the Federal Uniform Grants Guidance, please visit <https://www.cfo.gov/resources/uniform-guidance>

About Us ▾ Our Work ▾ Resources JFMIP FRPC CXO Fellows Career Planning & Training Tool **Controller Alerts**

Uniform Guidance: Title 2 of the Code of Federal Regulations

Title 2 of the Code of Federal Regulations, also known as the “Uniform Guidance”, consists of Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. It was issued by The Office of Management and Budget’s (OMB) on December 26, 2013 and was compiled from previously separate OMB circulars that addressed separately administrative requirements, audits, and cost principles for specific entities such as States and local governments, non-profit organizations, institutions of higher education, and Indian Tribes. The overarching goal of the Uniform Guidance is to improve program performance, reduce the administrative burden on award recipients and mitigate the risk of the inappropriate use of Federal funds. 2 CFR is considered guidance and not regulation.

OMB Guidance contained in Title 2 Subtitle A and applicable to Federal financial assistance includes 2 CFR 25 Universal Identifier and System for Award Management; 2 CFR 170 Reporting Subaward and Executive Compensation Information; and 2 CFR 180 OMB Guidelines to Agencies on Governmentwide Debarment and Suspension, and Part 184 Buy America Preferences for Infrastructure Projects. The guidance also includes several appendices, including Appendix I: Full Text of Notice of Funding Opportunity. Similarly, agencies publish their own regulations adopting the Uniform Guidance, with some published exceptions, in Title 2 Subtitle B.

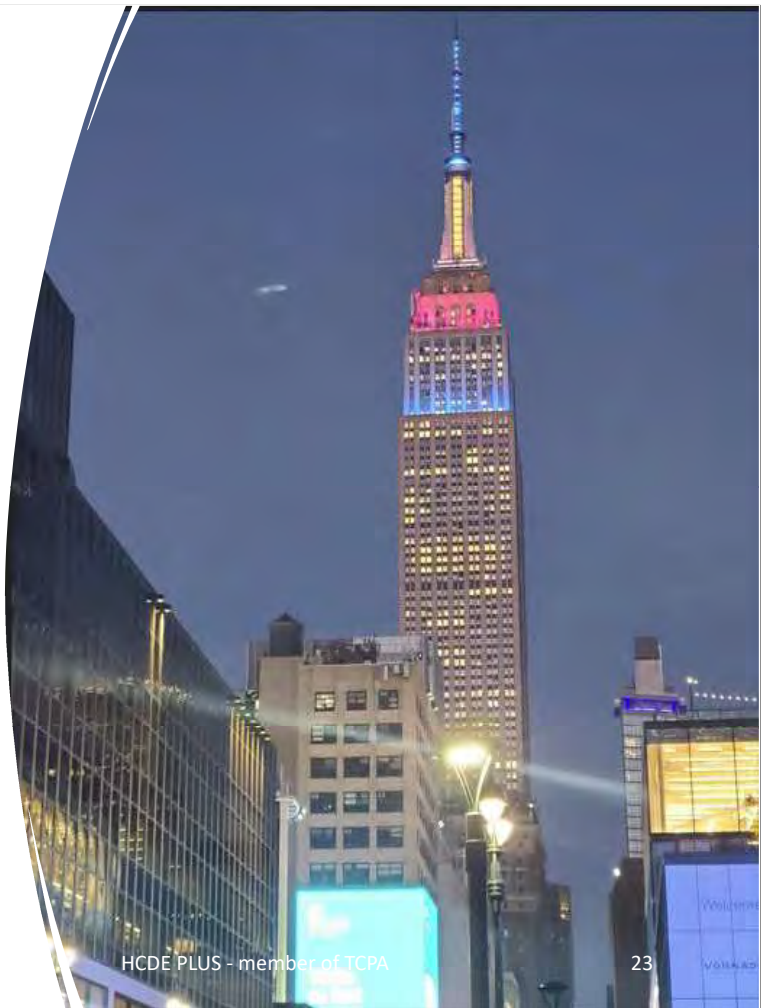
In 2024, OMB [released](#) an updated version of the [Uniform Guidance](#), [a redline document showing the 2024 revisions](#), and issued an accompanying [implementation memorandum](#) as well as [reference guides](#).

April 4, 2024: Uniform Guidance Revisions Launch

April 2024

Major Changes for 2024

- OMB increased the single audit threshold from \$750,000 to \$1,000,000 and also increased the threshold for determining items that are considered to be equipment from \$5,000 to \$10,000.
- OMB provided a complete revision to the template text for a Notice of Funding Opportunity (NOFO) located in Appendix I of the Uniform Guidance in part 200.
- OMB focused on using simple words and phrases, avoiding jargon, using terms consistently, and being concise throughout subparts A through E of part 200, OMB now uses the terms “recipient,” “subrecipient,” or both in place of “non-Federal entity.” 200.106



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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

April 4, 2024

M-24-11

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Shalanda D. Young *Shalanda D. Young*

SUBJECT: Reducing Burden in the Administration of Federal Financial Assistance

The Biden-Harris Administration is making it possible for recipients of Federal funding to focus more on the people they serve and to deliver results for their communities. This Memorandum builds on previous efforts by providing direction to Federal agencies on improving the management of Federal financial assistance to ensure the consistent implementation of Federal financial assistance policy.¹

This Administration continues to focus on efforts to streamline, simplify, and make more accessible the processes, systems, and data standards associated with Federal financial assistance to reduce burden on Federal agencies, applicants, and recipients. The American people are our customers and their experiences are central to the design of products and processes to deliver services. Government must also work to deliver services more equitably and effectively, especially for those who have been historically underserved.²

Consistent with these principles, the Office of Management and Budget (OMB) has published revised guidance to Federal agencies on administering and managing Federal awards in Title 2 of the Code of Federal Regulations (CFR). In addition, this memorandum describes a Government-wide approach that will reduce burden for agencies and recipients, ensure

OMB Memo April 4, 2024

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Effective Date – (10-1-2024)

For recipients to realize the maximum benefit of the 2024 Revisions, Federal agencies must implement them quickly and consistently. *See* 2 CFR 200.106. Consistent with 2 CFR 200.106 and applicable law, Federal agencies must take appropriate steps to ensure the 2024 Revisions are effective for all Federal awards issued on or after October 1, 2024. Agencies should ensure that Federal award terms and conditions, notices of funding opportunities (NOFOs), internal agency policies and procedures, agency templates, and other program documents reflect the 2024 Revisions for those Federal awards. Federal agencies may elect to apply the 2024 Revisions to Federal awards issued prior to October 1, 2024, but they are not required to do so.

By May 15, 2024, all Federal agencies must submit to OMB their plan for implementing the 2024 Revisions.

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From CFDA # to AL # Equipment

- *Assistance listing number* means a unique number assigned to identify a Federal Assistance Listings, formerly known as the CFDA Number. 200.204
- Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which that equals or exceeds **the lesser of** the capitalization level established by the non-Federal entity recipient or subrecipient for financial statement purposes, or **\$510,000**
200.1 Definitions.



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Micro Purchase – Information Procedure 200.320

HCDE PLUS - me

Micro-purchase means a ~~purchase of an individual procurement transaction for~~ supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold.

Micro-purchases comprise a subset of a ~~non-Federal entity's recipient's or subrecipient's~~ small purchases using informal procurement methods as defined set forth in § 200.320.

Micro-purchase threshold means the dollar amount at or below which a ~~non-Federal entity recipient or subrecipient~~ may purchase property, or services using micro-purchase procedures (see § 200.320). Generally, except as provided in § 200.320, the micro-purchase threshold for procurement activities administered under Federal awards is not to exceed the amount set by the FAR at 48 CFR part 2, subpart 2.1, unless a higher threshold is requested by the ~~non-Federal entity recipient or subrecipient~~ and approved by the cognizant agency for indirect costs.



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SAT threshold-formal method

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~~subrecipients~~ should also determine if local government ~~laws on~~ purchasing laws apply. This threshold must never exceed the dollar value established in the FAR.

Simplified acquisition threshold means the dollar amount below which a ~~non-Federal entity recipient or subrecipient~~ may purchase property or services using small purchase methods (see § 200.320). ~~Non-Federal entities Recipients and subrecipients~~ adopt small purchase procedures in order to expedite the purchase of items at or below the simplified acquisition threshold. The simplified acquisition threshold ~~for set in the FAR at 48 CFR part 2, subpart 2.1~~ is used in this part as the simplified acquisition threshold for secondary procurement activities administered under Federal awards is set by the FAR at 48 CFR part 2, subpart 2.1. The ~~non-Federal entity recipient or subrecipient~~ is responsible for determining an appropriate simplified acquisition threshold, which is less than or equal to the dollar value established in the FAR, based on internal controls, an evaluation of risk, and its documented procurement procedures. However, in no circumstances can this threshold exceed the dollar value established in the FAR (48 CFR part 2, subpart 2.1) for the simplified acquisition threshold. Recipients Recipients and

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MUST Versus Should



- 200.101

~~(1)-(3) Throughout this part when~~subparts A through F, the word “must” ~~is used to~~ indicates a requirement. ~~Whereas, use of the word~~The words “should” or “may” ~~indicates~~indicate a ~~best practice or~~recommended approach ~~rather than a requirement~~ and ~~permits~~permit discretion.

~~Supplies~~Supply means all tangible personal property other than those described in the ~~equipment~~ definition ~~of equipment in this section.~~. A computing device is a supply if the acquisition cost is ~~less than~~below the lesser of the capitalization level established by the ~~non-~~Federal entity~~recipient or subrecipient~~ for financial statement purposes or \$~~5~~10,000, regardless of the length of its useful life. See ~~also the~~this section's definitions of ~~computing devices and equipment in this section.~~

Conflict of interest 200.112

§ 200.112 Conflict of interest.

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



Mandatory Disclosures 200.113



§ 200.113 Mandatory disclosures.

~~The non-Federal entity or An applicant for, recipient, or subrecipient of a Federal award must promptly disclose whenever, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations connection with the Federal award (including any activities or subawards thereunder), it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award including found in Title 18 of the term and condition outlined in appendix XII to this part are United States Code or a violation of the civil False Claims Act (31 U.S.C. 3729-3733). The disclosure must be made in writing to the Federal agency, the agency's Office of Inspector General, and pass-through entity (if applicable). Recipients and subrecipients are also required to report certain~~

2 CFR Revisions 2024: Unofficial Comparison Version

~~civil, criminal, or administrative proceedings to SAM (currently FAPHS), matters related to recipient integrity and performance in accordance with Appendix XII of this part. Failure to make required disclosures can result in any of the remedies described in § 200.339. (See also 2~~

Debarment

www.sam.gov

0.214 Suspension and debarment.

~~Non-Federal entities~~ Recipients and subrecipients are subject to the ~~urement nonprocurement~~ debarment and suspension regulations implemented by 2 CFR parts 12549 and 12689, as well as 2 CFR part 180. The regulations in 2 CFR part 180 apply to ~~ing Federal~~ awards, subawards, and contracts with certain parties that are ~~ended, or otherwise excluded from receiving or ineligible for participation in~~ Federal ~~assistance programs or activities~~ awards.

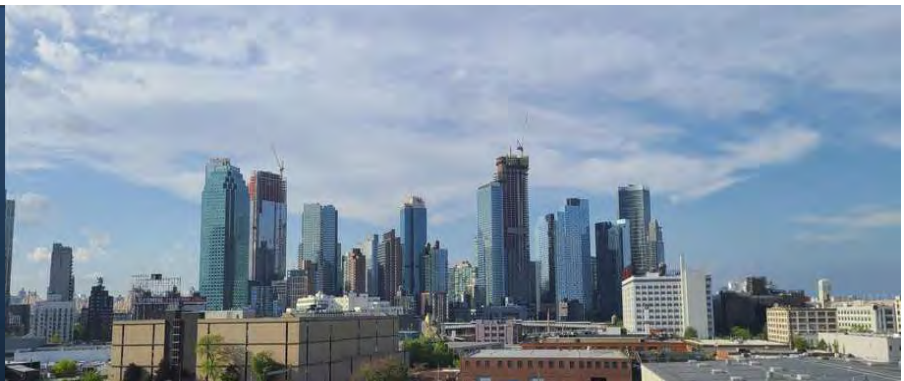


§ 200.217 Whistleblower protections

An employee of a recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. The recipient and subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. 4712. See statutory requirements for whistleblower protections at 10 U.S.C. 4701, 41 U.S.C. 4712, 41 U.S.C. 4304, and 10 U.S.C. 4310.

- 200.302

Records - source documents



~~(3) Records-Maintaining records that sufficiently identify adequately the amount, source, and application expenditure of Federal funds for federally-funded activities-Federal awards.~~ These records must contain information ~~pertain~~ing necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest ~~and~~. All records must be supported by source documentation.

2 CFR Revisions 2024: Unofficial Comparison Version

(4) Effective control over, and accountability for, all funds, property, and ~~other~~-assets. The ~~non-Federal entity recipient or subrecipient~~ must adequately safeguard all assets and assure ~~that~~ensure they are used solely for authorized purposes. See § 200.303.

200.303 Internal Controls Document



§ 200.303 Internal controls.

The ~~non-Federal entity recipient and subrecipient~~ must:

(a) Establish ~~document~~, and maintain effective internal control over the Federal award that provides reasonable assurance that the ~~non-Federal entity recipient or subrecipient~~ 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 the~~ 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 award~~.

(c) Evaluate and monitor the ~~non-Federal entity’s recipient’s or subrecipient’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 ~~cybersecurity and other~~ measures to safeguard ~~information including~~ protected personally identifiable information (PII) and other ~~types of information~~. ~~This also includes information the Federal awarding agency or pass-through entity designates as sensitive~~

2 CFR Revisions 2024: Unofficial Comparison Version

~~or the non-Federal entity other information the recipient or subrecipient~~ considers sensitive ~~and is~~ consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.

200.314 Supplies –residual

§ 200.314 Supplies.

See also § 200.453.

(a) Title to supplies ~~will vest in acquired under the non-Federal entity award will vest~~ upon acquisition. ~~If in the recipient or subrecipient. When~~ there is a residual inventory of unused supplies exceeding \$510,000 in ~~total aggregate value upon termination or completion at the end~~ of the ~~project or program period of performance~~, and the supplies are not needed for any other Federal award, the ~~non-Federal entity must recipient or subrecipient may 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.~~

(b) ~~As long as the Federal Government retains an interest in the supplies, the non-Federal entity must not use unused supplies. Unused supplies means supplies acquired under a that are in new condition, not having been used or opened before. The aggregate value of unused supplies consists of all supply types, not just like-item supplies. The Federal agency or pass-through entity is entitled to compensation in an amount calculated by multiplying the percentage of the Federal agency’s or pass-through entity’s contribution towards the cost of the original purchase(s) by the current market value or proceeds from the sale. If the supplies are sold, the Federal agency or pass-through entity may permit the recipient or subrecipient to retain, from the Federal share, \$1,000 of the proceeds to cover expenses associated with the selling and handling of the supplies.~~

(b) ~~Unless expressly authorized by Federal statute, the recipient or subrecipient must not use supplies acquired with the Federal award to provide services to other organizations for a fee that is less than a private companies company would charge for equivalent similar services, unless specifically. This restriction is effective as long as the Federal Government retains an interest in the supplies or as authorized by Federal statute.~~

200.318 Procurement oversight

§ 200.318 General procurement standards.

(a) ~~Documented procurement procedures.~~ The non-Federal entity recipient or subrecipient must ~~have maintain~~ and use documented ~~procurement procedures, procedures for procurement transactions under a Federal award or subaward, including for acquisition of property or services.~~

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~~These documented procurement procedures must be 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~~ (b) *Oversight of contractors.* Recipients and subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. See also § 200.501(h).

Real or
apparent

(c)

Conflicts of interest. (1) The non-Federal entity recipient or subrecipient 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, or board member with a real or apparent conflict of interest 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 includes when the employee, officer, or agent, or board member, any member of his or her their immediate family, his or her their partner, or an organization which that 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 an entity considered for a contract. ~~The officers, employees, An employee, officer, agent, and agents board member of the non-Federal entity recipient or subrecipient may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.~~ However, non-Federal entities the recipient or subrecipient may set standards for situations in which where the financial interest is not substantial or the gift is an unsolicited item of nominal value. ~~The~~ The recipient's or subrecipient's standards of conduct must also provide

Avoidance of duplicative items

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for disciplinary actions to be applied for violations of such standards by officers, its employees, or officers, agents of the non-Federal entity, or board members.

(2) If the non-Federal entity recipient or subrecipient has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the non-Federal entity recipient or subrecipient must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means mean that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity recipient or subrecipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

(d) *Avoidance of unnecessary or duplicative items.* The non-Federal entity recipient's or subrecipient's procedures must avoid the 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 should be made of lease versus purchase alternatives between leasing and any other appropriate analysis purchasing property or equipment to determine the most economical approach.



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Strategic sourcing – Coops -

(c) *To foster greater economy and efficiency, Procurement arrangements using strategic sourcing. When appropriate for the procurement or use of common or shared goods and services, recipients and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is subrecipients are encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement transactions. These or use of common or shared goods similar procurement arrangements using strategic sourcing may foster greater economy and services. Competition requirements will be met with documented efficiency. Documented procurement actions of this type (using strategic sourcing, shared services, and other similar procurement arrangements) will meet the competition requirements of this part.*



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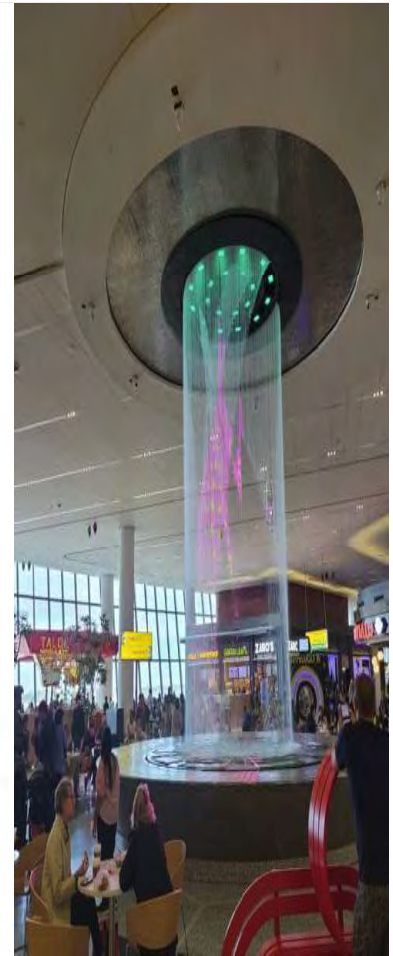
- 200.318

Value engineering responsible contractors

(f) Use of excess and surplus Federal property. The non-Federal entity/recipient or subrecipient is encouraged to use Federal excess and surplus Federal property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(g) The non-Federal entity (g) Use of value engineering clauses. When practical, the recipient or subrecipient 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 means analyzing each contract item or task to ensure that its essential function is provided at the overall lowest cost.

(h) Responsible contractors. The non-Federal entity/recipient or subrecipient must award contracts only to responsible contractors possessing that possess the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contract. The recipient or subrecipient must consider contractor integrity, compliance with public policy, record compliance, proper classification of employees (see the Fair Labor Standards Act, 29 U.S.C. 201, chapter 8), past performance record, and financial and technical resources when conducting a procurement transaction. See also § 200.214.

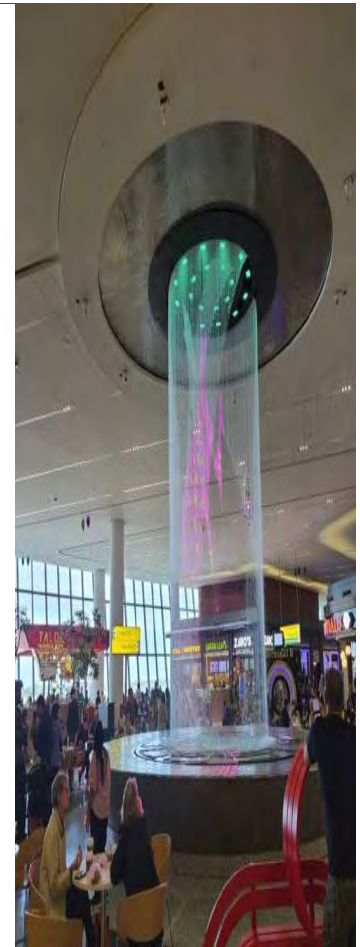


Docs – rationale, method and selection

(i) The non-Federal entity Procurement records. The recipient or subrecipient must maintain records sufficient to detail the history of each procurement transaction. These records will must include, but are not necessarily limited to, the following: Rationale the rationale for the method of procurement, selection of method, contract type selection, contractor selection or rejection, and the basis for the contract price.

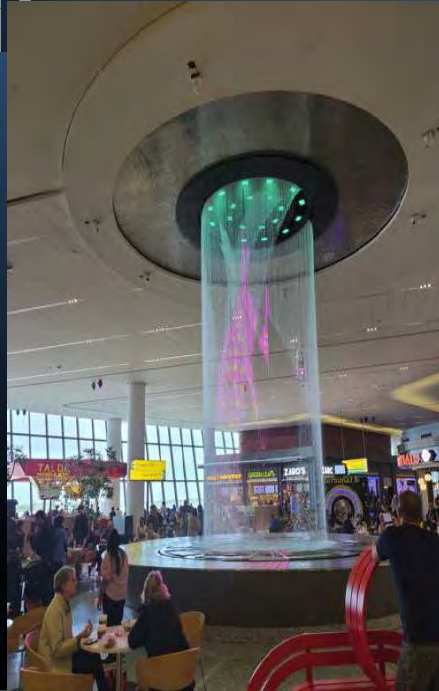
(i)

Time-and-materials type contracts. (1) The non-Federal entity/recipient or subrecipient 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.



Settlement of admin issues

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Time-and-materials type contract means a contract whose cost to a ~~non-Federal entity recipient or subrecipient~~ 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/Because~~ 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 recipient or subrecipient~~ 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) Settlement of contractual and administrative issues. The ~~non-Federal entity alone must be recipient or subrecipient is~~ responsible, ~~in accordance with good administrative practice and sound business judgment,~~ for the settlement of all contractual and administrative issues arising out of ~~procurements/its procurement transactions.~~ These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the ~~non-Federal entity recipient or subrecipient~~ of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the ~~non-Federal entity recipient or subrecipient~~ unless the matter is primarily a Federal concern. Violations The recipient or subrecipient must report violations of law will be referred to the Federal, State, or local, state, or Federal authority having with proper jurisdiction.

(l) Examples of labor and employment practices. (1) The procurement standards in this subpart do not prohibit recipients or subrecipients from:

(i) Using Project Labor Agreements (PLAs) or similar forms of pre-hire collective bargaining agreements;

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Hiring practices and preferences

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(ii) Requiring construction contractors to use hiring preferences or goals for people residing in high-poverty areas, disadvantaged communities as defined by the Justice40 Initiative (see OMB Memorandum M-21-28), or high-unemployment census tracts within a region no smaller than the county where a federally funded construction project is located. The hiring preferences or goals should be consistent with the policies and procedures of the recipient or subrecipient, and must not prohibit interstate hiring;

(iii) Requiring a contractor to use hiring preferences or goals for individuals with barriers to employment (as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(24)), including women and people from underserved communities as defined by Executive Order 14091;

(iv) Using agreements intended to ensure uninterrupted delivery of services; using agreements intended to ensure community benefits; or

(v) Offering employees of a predecessor contractor rights of first refusal under a new contract.

(2) Recipients and subrecipients may use the practices listed in paragraph (1) if consistent with the U.S. Constitution, applicable Federal statutes and regulations, the objectives and purposes of the applicable Federal financial assistance program, and other requirements of this part.

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Competition 200.319



§ 200.319 Competition.

(a) All procurement transactions ~~for the acquisition of property or services required under~~ ~~at the~~ Federal award must be conducted in a manner ~~providing that provides~~ full and open competition ~~and is~~ consistent with the standards of this section and § 200.320.

(b) ~~In order to~~ 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~~

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~~such on those procurements. Some of the situations considered to be restrictive of competition include but are not limited to:~~

~~(c) Examples of situations that may restrict competition include, but are not limited to:~~

Examples of items that restrict competition – geographic preferences

- (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.

~~(c) 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. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.~~



Specs... brands ... 200.319



(d) The ~~non-Federal entity recipient or subrecipient~~ must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

~~(1) Are made in accordance with § 200.319(b);~~

~~(2) Incorporate a clear and accurate description of the technical requirements for the material, product, property, equipment, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description~~

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may include a statement of the qualitative nature of the ~~material, product, property, equipment, or service to be procured~~ and, when necessary, the description must ~~set forth these~~ provide minimum essential characteristics and standards to which ~~the property, equipment, or service 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~~ clearly and accurately describe the technical requirements, a “brand name or equivalent” description of features may be used ~~as a means to define the performance or other salient to provide procurement requirements of procurement~~. The specific features of the named brand ~~which must be met by offers~~ must be clearly stated; and

Scoring mechanisms



~~(2)~~ Identify ~~any additional~~ requirements which the offerors must fulfill and all other factors ~~that will~~ be used in evaluating bids or proposals.

(e) The ~~non-Federal entity recipient or subrecipient~~ must ensure that all prequalified lists of persons, firms, or products ~~which are used in acquiring goods and services procurement transactions~~ are current and include enough qualified sources to ensure maximum open ~~and free~~ competition. When establishing or amending prequalified lists, the recipient or subrecipient ~~must consider objective factors that evaluate price and cost to maximize competition. Also, the non-Federal entity~~ The recipient or subrecipient must not preclude potential bidders from qualifying during the solicitation period.

~~(f)~~ To the extent consistent with established practices and legal requirements applicable to the recipient or subrecipient, this subpart does not prohibit recipients or subrecipients from ~~developing written procedures for procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job-training for employees making work products or providing services on a contract, and other worker protections. This subpart also does not prohibit recipients and subrecipients from making inquiries of bidders about these subjects and~~

3 types of procurement methods



assessing the responses. Any scoring mechanism must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award.

(g) Noncompetitive procurements can only be awarded in accordance with § 200.320(c).

§ 200.320 Methods of procurement to be followed Procurement methods.

The non-Federal entity must have There are three types of procurement methods described in this section: informal procurement methods (for micro-purchases and simplified acquisitions); formal procurement methods (through sealed bids or proposals); and noncompetitive procurement methods. For any of these methods, the recipient or subrecipient must maintain 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 for small purchases. These procurement methods expedite the completion of transactions, minimize administrative burdens, and reduce costs. Informal procurement methods may be used when the value of the procurement for property or services transaction under a the Federal award does not exceed the simplified acquisition threshold (SAT), as defined in § 200.1, or. Recipients and subrecipients may also establish 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 Informal procurement of property or services at or below the SAT methods include:

Formal – Informal and Sole Source – P cards



(1) *Micro-purchases*—

(i) *Distribution.* The acquisition of supplies or services, the The aggregate dollar amount of which the procurement transaction does not exceed the micro-purchase threshold (See the definition of micro-purchase defined in § 200.1). To the maximum extent practicable, the

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non-Federal entity recipient or subrecipient should distribute micro-purchases equitably among qualified suppliers.

(ii) *Micro-purchase awards.* Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity recipient or subrecipient considers the price to be reasonable based on research, experience, purchase history, or other information, and maintains documents it files accordingly to support its conclusion. Purchase cards may be used as a method of payment for micro-purchases if procedures are documented and approved by the non-Federal entity.

Thresholds up to \$50,000

(iii) *Micro-purchase thresholds.* The ~~non-Federal entity recipient or subrecipient~~ is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the ~~non-Federal entity recipient or subrecipient~~ must be authorized or not prohibited under State, local, or tribal laws or regulations. ~~Non-Federal entities~~ The recipient or subrecipient 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.

(iv) ~~Non-Federal entity recipient or subrecipient~~ increase to the micro-purchase threshold up to \$50,000. ~~Non-Federal entities~~ The recipient or subrecipient may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The ~~non-Federal entity recipient or subrecipient~~ 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 or pass-through entity~~ 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:



Low risk, Risk Assessment State approval

(A) A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;

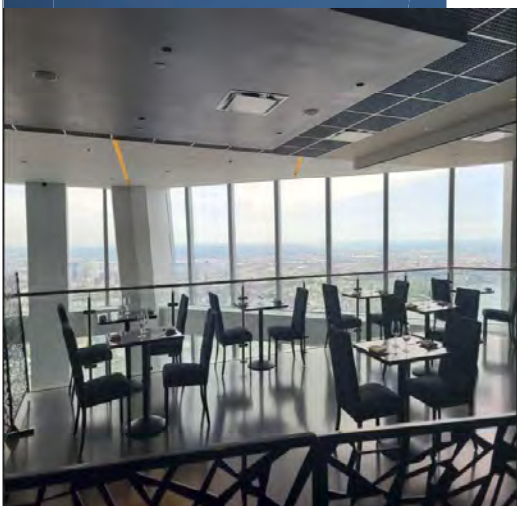
(B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,

(C) For public institutions, a higher threshold is consistent with State law.

(v) ~~Non-Federal entity~~ Recipient or subrecipient increase to the micro-purchase threshold over \$50,000. Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The ~~non-Federal entity recipient or subrecipient~~ must submit a request with that includes the requirements ~~included~~ in paragraph (a)(1)(iv) of this section. The increased threshold is valid until ~~there is a change~~ any factor that was relied on in status in which the justification was approved. ~~establishment and rationale of the threshold changes.~~

(2) *Small purchases* —

(Simplified acquisitions—) (i) ~~Small purchase~~ Simplified acquisition procedures. The ~~acquisition of property or services,~~ the aggregate dollar amount of which the procurement transaction is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If ~~small purchases~~ simplified acquisition 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.~~ Unless specified by the Federal agency, the recipient or subrecipient may exercise judgment in determining what number is adequate.



Formal Methods

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(ii) *Simplified acquisition thresholds.* The ~~non-Federal entity recipient or subrecipient~~ is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures, which may be lower than, but 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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(b) *Formal procurement methods.* ~~When formal procurement methods are required when the value of the procurement for property or service transaction under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required,~~ simplified acquisition threshold of the recipient or subrecipient. Formal procurement methods ~~require following documented procedures. Formal procurement methods also are competitive and require public advertising unless a non-competitive procurement can be used in accordance with § 200.219 or paragraph (c) of this section notice.~~ The following formal methods of procurement are used for procurement of property or service transactions above the simplified acquisition threshold or a value below the simplified acquisition threshold determined by the ~~non-Federal entity determines to be appropriate recipient or subrecipient in accordance with paragraph (a)(2)(ii) of this section:~~

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Sealed Bids

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(1) *Sealed bids.* ~~A~~ This is a procurement method in which bids are publicly solicited through an invitation and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid ~~conforming conforms~~ with all the material terms and conditions of the invitation ~~for bids, and~~ is the lowest in price. The sealed bids procurement method is ~~the~~ preferred method for procuring construction, ~~if the conditions services.~~

(i) ~~In order for~~ 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~~ have been identified as 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 based on ~~the basis of~~ price.

(ii) If sealed bids are used, the following requirements apply:

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Bids, proposals

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(A) Bids must be solicited from an adequate number of qualified sources, providing them with sufficient response time prior to the date set for opening the bids, for, Unless specified by the Federal agency, the recipient or subrecipient may exercise judgment in determining what number is adequate. 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 with specific information, including any required specifications, 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, For local and tribal governments, the bids must be opened publicly.

(D) A firm fixed-price contract award will be made is awarded in writing to the lowest responsive bid and responsible bidder. Where/When specified in bidding documents the invitation for bids, factors such as discounts, transportation cost, and life-cycle costs must be considered in determining which bid is the lowest. Payment discounts will/must only be used to determine the low bid when the recipient or subrecipient determines they are a valid factor based on prior experience indicates that such discounts are usually taken advantage of and.

(E) Any of The recipient or subrecipient must document and provide a justification for all bids may be rejected if there is a sound documented reason it rejects.

(2) Proposals. A This is a procurement method in which used when conditions are not appropriate for using sealed bids. This procurement method may result in 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:

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Request for proposals written procedures qual. For A/E

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(i) Requests for proposals must be publicized require public notice, and identify all evaluation factors and their relative importance, must be identified. Proposals must be solicited

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from an adequate number of multiple qualified offerors. Any entities. To the maximum extent practicable, any proposals submitted in response to publicized requests for proposals the public notice must be considered to the maximum extent practical.

(ii) The non-Federal entity/recipient or subrecipient must have a written method/procedures 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 recipient or subrecipient considering price and other factors considered; and

(iv) The non-Federal entity/recipient or subrecipient may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's/the offeror's qualifications are evaluated, and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where the price is not used as a selection factor, can only be used in procurement of to procure architectural/engineering (A/E) professional services. It cannot/The method may not be used to purchase other types of services though provided by A/E firms that are a potential source to perform the proposed effort.

(c) Noncompetitive procurement. There are specific circumstances in which the recipient or subrecipient may use a noncompetitive procurement can be used. Noncompetitive method. The noncompetitive procurement can method may only be awarded used if one or more of the following circumstances apply/applies:

(1) The acquisition of property or services, the aggregate dollar amount of which the procurement transaction does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);

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Criteria for sole source



- (2) The ~~item is available only from~~ procurement transaction can only be fulfilled by a single source;
- (3) The public exigency or emergency for the requirement will not permit a delay resulting from ~~publicizing~~ providing public notice of a competitive solicitation;
- (4) The recipient or subrecipient requests in writing to use a noncompetitive procurement method, and the Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a ~~provides~~ written request from the non-Federal entity; or approval; or
- (5) After ~~solicitation of a number of~~ soliciting several sources, competition is determined inadequate.

200.321 veteran owned – 6 step process



§ 200.321 Contracting with small ~~and~~ businesses, minority businesses, ~~women's~~ women's business enterprises, ~~veteran-owned~~ veteran-owned businesses, and labor surplus area firms.

~~(a) The non-Federal entity must take all necessary affirmative steps to assure~~ (a) When possible, the recipient or subrecipient should ensure that small businesses, minority businesses, women's/women's business enterprises, veteran-owned businesses, and labor surplus area firms (See U.S. Department of Labor's list) are used when possible, considered as set forth below.

~~(b) Affirmative steps must include:~~ Such consideration means:

~~(1) Placing qualified small and minority businesses and women's~~ These business enterprisestypes are included on solicitation lists;

~~(2) Assuring that small and minority businesses, and women's~~ These business enterprisestypes are solicited whenever they are deemed eligible as potential sources;

~~(3) Dividing total requirements, when economically feasible, procurement transactions into smaller tasks or quantities~~ separate procurements to permit maximum participation by small and minority businesses, and women's these business enterprisestypes;

~~(4) Establishing delivery schedules, where the requirement permits, which (for example, the percentage of an order to be delivered by a given date of each month) that encourage participation by~~ small and minority businesses, and women's these business enterprisestypes;

~~(5) Using the services and assistance, as appropriate, of such~~ Utilizing organizations such 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 under a Federal award to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of~~ apply this section- to subcontracts.

200.322 Domestic preference

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§ 200.322 Domestic preferences for procurements.

~~(a) As appropriate and to the extent consistent with law, the non-Federal entity~~(a) The recipient or subrecipient should, to the greatest extent practicable ~~under a Federal award and consistent with law,~~ 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~~Federal awards.

(b) For purposes of this section:

(1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the 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 non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

(c) Federal agencies providing Federal financial assistance for infrastructure projects must implement the Buy America preferences set forth in 2 CFR part 184.

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200.323 recovered materials

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§ 200.323 Procurement of recovered materials.

~~(a) A non-Federal entity~~recipient or subrecipient that is a ~~state~~State agency or agency of a political subdivision of a ~~state~~State and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act ~~of 1976 as amended, 42 U.S.C. 6962.~~ The requirements of Section 6002 include procuring only items designated in the 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.~~-(b) The recipient or subrecipient should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. See Executive Order 14057, section 101, Policy.~~

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200.324 Cost and Price



§ 200.324 Contract cost and price.

(a) ~~The non-Federal entity recipient or subrecipient must perform a cost or price analysis in connection with for every procurement action in excess of the Simplified Acquisition Threshold transaction, including contract modifications, in excess of the simplified acquisition threshold. The method and degree of analysis is dependent conducted depend on the facts surrounding the particular procurement situation, but transaction. For example, the recipient or~~

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subrecipient should consider potential workforce impacts in their analysis if the procurement transaction will displace public sector employees. However, as a starting point, the non-Federal entity recipient or subrecipient 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.~~

(e)(b) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that the costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity recipient or subrecipient under subpart E of this part. The non-Federal entity recipient or subrecipient may reference its own cost principles that as long as they comply with the Federal cost principles subpart E of this part.

(e)(c) ~~The recipient or subrecipient must not use the "cost plus a percentage of cost" and "percentage of construction cost costs" methods of contracting must not be used.~~

Procurement review



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

(b) ~~The non-Federal entity (b) When requested, the recipient or subrecipient must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, provide procurement documents, (such as requests for proposals or, invitations for bids, or independent cost estimates, when-) to the Federal agency or pass-through entity for pre-procurement review. The Federal agency or pass-through entity may conduct a pre-procurement review when:~~

- (1) ~~The non-Federal entity's recipient's or subrecipient'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 ~~simplified acquisition threshold~~ and is to be awarded without competition, or only one bid ~~or offer is expected to be~~ received in response to a solicitation;
- (3) The procurement, ~~which~~ is expected to exceed the Simplified Acquisition Threshold, ~~simplified acquisition threshold and~~ specifies a "brand name" product;
- (4) ~~The proposed contract procurement is more than~~ expected to exceed the Simplified Acquisition Threshold and simplified acquisition threshold, and a sealed bid procurement is to be awarded to an entity 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 ~~simplified acquisition threshold~~.

200.332 pass through

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§ 200.332 Requirements for pass-through entities.

~~AAA~~ pass-through ~~entities~~entity must:

~~(a) Verify that the subrecipient is not excluded or disqualified in accordance with § 180.300. Verification methods are provided in § 180.300, which include confirming in SAM.gov that a potential subrecipient is not suspended, debarred, or otherwise excluded from receiving Federal funds.~~

~~(b) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the provided below. A pass-through entity must provide the best available information when some of the information available to describe the Federal award and subaward below is unavailable. A pass-through entity must provide the unavailable information when it is obtained.~~ Required information includes:

(1) Federal award identification.

~~(i) Subrecipient~~Subrecipient's name ~~(which must match the name associated with its unique entity identifier);~~

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200.404 Reasonable Cost

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§ 200.404 Reasonable costs.

~~A cost is reasonable if, in its nature and amount, it does not exceed an amount that which would be incurred by a prudent person would incur under the circumstances prevailing at the time when the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally funded. In determining the reasonableness of a given cost, consideration must be given to the following:~~

~~(a) Whether the cost is of a type generally recognized as ordinary and necessary for the recipient's or subrecipient's operation of the non-Federal entity or the proper and efficient performance of the Federal award;~~

~~(b) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, ~~state~~State, local, tribal, and other laws and regulations; and terms and conditions of the Federal award;~~

~~(c) Market prices for comparable goods or services costs for the geographic area;~~

~~(d) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity recipient or subrecipient, its~~

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~~employees, where applicable its students or membership, (if applicable), the public at large, and the Federal Government; and~~

~~(e) Whether the non-Federal entity significantly deviates cost represents a deviation from the recipient's or subrecipient's established practices and written policies regarding the incurrence of and procedures for incurring costs, which may unjustifiably increase the Federal award's cost.~~

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200.405 Allocable Costs

§ 200.405 Allocable costs.

(a) ~~Allocable costs in general.~~ A cost is allocable to a ~~particular~~ Federal award or other cost objective if the ~~goods or services involved are chargeable~~ ~~cost~~ is assignable to that Federal award or ~~other~~ cost objective in accordance with ~~the~~ relative benefits received. This standard is met if the cost ~~satisfies any of the following criteria:~~

- (1) Is incurred specifically for the Federal award;
- (2) Benefits both the Federal award and other work of the ~~non-Federal entity recipient or subrecipient~~ and can be distributed in proportions that may be approximated using reasonable methods; ~~and~~
- (3) Is necessary to the overall operation of the ~~non-Federal entity recipient or subrecipient~~ and is assignable in part to the Federal award in accordance with ~~the basic cost principles in this subpart.~~

(b) ~~Allocation of indirect costs.~~ All activities which benefit from the ~~non-Federal entity recipient's or subrecipient's~~ indirect (F&A) cost, including unallowable activities and donated services by the ~~non-Federal entity recipient or subrecipient~~ or third parties, will receive an appropriate allocation of indirect costs.

(c) ~~Limitation on charging certain allocable costs to other Federal awards.~~ A cost allocable to a particular Federal award ~~under the principles provided for in this part~~ may not be charged to other Federal awards ~~for example, to overcome fund deficiencies, or~~ to avoid

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restrictions imposed by Federal statutes, regulations, or ~~the~~ terms and conditions of the Federal awards ~~or for other reasons.~~ However, this prohibition would not preclude the ~~non-Federal entity recipient or subrecipient~~ from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.



200.406 credits - rebates

§ 200.406 Applicable credits.

(a) Applicable credits refer to ~~those receipts or reduction of expenditure type~~ transactions that offset or reduce ~~expense items~~ ~~direct or indirect costs~~ allocable to ~~the~~ Federal award ~~as direct or indirect (F&A) costs.~~ Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the

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~~non-Federal entity recipient or subrecipient~~ relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

(b) In some instances, the amounts received from the Federal Government to finance activities or service operations of the ~~non-Federal entity recipient or subrecipient~~ should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing ~~or matching~~ requirements) must be recognized in determining the rates or amounts to be charged to the Federal award. (See §§ 200.436 and 200.468; for ~~areas of potential application in the matter of Federal financing of activities.~~)



200.407 Prior Approval

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§ 200.407 Prior written approval (prior approval).

~~Under any given Federal award, the~~ The reasonableness and allocability of certain ~~items~~ ~~of costs under Federal awards~~ may be difficult to determine. ~~In order to~~ ~~To~~ avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, the ~~non-Federal entity~~ recipient may seek the prior written approval of the Federal agency ~~for~~ ~~for indirect costs,~~ the cognizant agency for indirect costs ~~as~~ ~~before incurring the Federal awarding agency in~~ ~~advance of the incurrence of special or unusual costs.~~ Prior written approval should include the ~~timeframe or scope of the agreement,~~ ~~and~~. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that ~~element,~~ ~~cost~~ unless prior approval is specifically required for allowability as described under certain circumstances in the following sections ~~of this part~~:

- ~~(a) § 200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts, paragraph (b)(5);~~
- ~~(b) § Section 200.306 Cost sharing or matching;~~
- ~~(c) §(b) Section 200.307 Program income;~~
- ~~(d) §(c) Section 200.308 Revision of budget and program plans;~~
- ~~(e) § 200.311 Real property;~~
- ~~(f) § 200.313 Equipment;~~
- ~~(g) §(d) Section 200.333 Fixed amount subawards;~~
- ~~(h) § 200.413 Direct costs, paragraph (e);~~
- ~~(i) §(e) Section 200.430 Compensation — personal services, paragraph (b);~~
- ~~(j) §(f) Section 200.431 Compensation — fringe benefits;~~
- ~~(k) § 200.438 Entertainment costs;~~
- ~~(l) §(g) Section 200.439 Equipment and other capital expenditures;~~
- ~~(m) §(h) Section 200.440 Exchange rates;~~
- ~~(n) §(i) Section 200.441 Fines, penalties, damages and other settlements;~~
- ~~(o) §(j) Section 200.442 Fund raising and investment management costs;~~
- ~~(p) §(k) Section 200.445 Goods or services for personal use;~~
- ~~(q) §(l) Section 200.447 Insurance and indemnification;~~
- ~~(r) § 200.454 Memberships, subscriptions, and professional activity costs, paragraph (c);~~
- ~~(s) §(m) Section 200.455 Organization costs;~~
- ~~(t) § 200.456 Participant support costs;~~
- ~~(u) §(n) Section 200.458 Pre-award costs;~~
- ~~(v) §(o) Section 200.462 Rearrangement and reconversion costs;~~
- ~~(w) § 200.467 Selling and marketing costs;~~
- ~~(x) § 200.470 Taxes (including Value Added Tax); and~~
- ~~(y) §(p) Section 200.475 Travel costs.~~

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200.410 unallowable costs

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§ 200.410 Collection of unallowable costs.

Payments made for costs determined to be unallowable by either the Federal awarding Federal agency, cognizant agency for indirect costs, or pass-through entity, ~~either as direct or indirect costs,~~ must be refunded ~~(including with interest)~~ to the Federal Government. ~~Unless directed by Federal statute or regulation, repayments must be made~~ in accordance with the instructions ~~from~~ ~~provided by~~ the Federal agency or pass-through entity that determined the costs are unallowable unless Federal statute or regulation ~~directly~~ ~~otherwise~~ made the allowability determination. See also §§ 200.300 through 200.309 in subpart D of this part, and §200.346.

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200.445

personal
use

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§ 200.445 Goods or services for personal use.

(a) Costs of goods or services for the personal use of the ~~non-Federal entity's~~ recipient's or subrecipient's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.

(b) ~~Costs of housing (e.g.,~~ Housing costs (for example, depreciation, maintenance, utilities, furnishings, rent), housing allowances, and personal living expenses for the recipient's or subrecipient's employees are only allowable as direct costs ~~regardless of whether reported as~~

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~~taxable income to the employees. In addition, to be allowable direct costs~~ and must be approved in advance by the Federal ~~awarding~~ agency.

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200.451
audit
requirements

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§ 200.501 Audit requirements.

(a) *Audit required.* A non-Federal entity that expends ~~\$7501,000,000~~ or more during the non-Federal ~~entity's~~ entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

(b) *Single audit.* A non-Federal entity that expends ~~\$7501,000,000~~ or more in Federal awards during the non-Federal ~~entity's~~ entity's fiscal year ~~in Federal awards~~ must have a single audit conducted in accordance with § 200.514 except when it elects to have a program-specific audit conducted in accordance with paragraph (c) or (d) of this section.

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\$500 per year

- 200.305

example, due to public or political unrest in a foreign country).

(12) The recipient or subrecipient may retain up to \$500 per year may be retained by the non-of interest earned on Federal entity funds to use for administrative expense, expenses of the recipient or subrecipient. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts- funds must be remitted/returned annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either the Automated Clearing House (ACH) network or a Fedwire Funds Service payment.

(i) For All interest in excess of \$500 per year must be returned to PMS regardless of whether the recipient or subrecipient was paid through PMS. Instructions for returning interest can be found at <https://pms.psc.gov/grant-recipients/returning-funds-interest.html>.

(13) All other Federal awards paid through PMS, the refund should:

(A) Provide an explanation stating that the refund is for interest;

(B) List funds must be returned to the PMS Payee Account Number(s) (PANs);

(C) List payment system of the Federal award number(s) for which the interest was earned; and

(D) Make agency. Returns should follow the instructions provided by the Federal agency.

All returns payable to: Department of Health and Human Services.

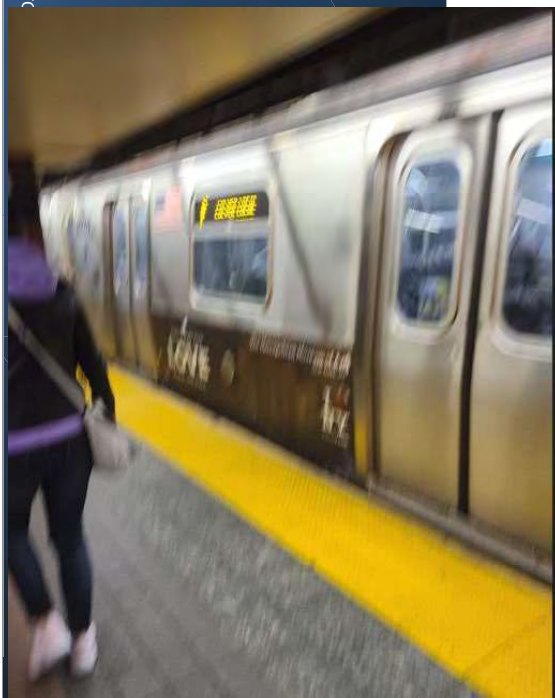
200.307 program income

§ 200.307 Program income.

(a) General. Non-Federal entities are encouraged to earn income to defray program costs where appropriate. The recipient or subrecipient is encouraged to earn income to defray program costs when appropriate. Program income must be used for the original purpose of the Federal award. Program income earned during the period of performance may only be used for costs incurred during the period of performance or allowable closeout costs. See § 200.472(b).

Program income must be expended prior to requesting additional Federal funds. Program income exceeding amounts specified in the Federal award may be added to or deducted from the total allowable costs in accordance with the terms and conditions of the Federal award.

(b) Use of program income. There are three methods of applying program income: deduction; addition; and cost-sharing. The Federal agency should specify what program income method(s) will be used in the terms and conditions of the Federal award. The deduction method will be used if the Federal agency does not specify a method for applying program income. When no program income method is specified in the Federal award, prior approval is required to use the addition or cost sharing methods. However, the addition method will be used when no method is specified for awards made to institutions of higher education (IHE) and nonprofit research institutions. In specifying alternatives to the deduction and addition methods, the Federal agency may distinguish between income earned by the recipient and income earned by subrecipients as well as between the sources, kinds, or amounts of income.



De Minimis Indirect rate 15%

- Recognizing Recipient Costs of Doing Business • De Minimis Indirect Rate: The Uniform Grants Guidance 2024 Revision increases from 10% to 15% the maximum rate that recipients of Federal funds may use for indirect costs without negotiating an alternative rate with the relevant Federal agency.
- Calculating Indirect Costs: The Uniform Grants Guidance 2024 Revision increases from \$25,000 to \$50,000 the amount of subawards that recipients can apply to their indirect rate (see section 200.333).



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

INFORMAL

- Micro Purchase ~~<\$10,000-~~ **\$50,000**
- Simplified acquisition Threshold <\$250,000

FORMAL

- Sealed bids >\$250,000 construction
- Competitive Proposals **>\$250,000**
- SOLE SOURCE

UG Subpart	Original Uniform Guidance	Revised Uniform Guidance
A - Definitions	\$200.1 - 200.99	\$200.1
B - General Provisions	\$200.100 - 200.113	\$200.100 - 200.113
C - Pre-Award Requirements	\$200.200 - 200.213	\$200.200 - 200.216 (added provisions at §200.202, 200.215, and 200.216)
D - Post-Award Requirements	\$200.300 - 200.345	\$200.300 - 200.346 (added provision at §200.322)
E - Cost Principles	\$200.400 - 200.475	\$200.400 - 200.476 (added provision at §200.471)
F - Audit Requirements	\$200.500 - 200.521	\$200.500 - 200.521
Appendices	Appendix I - XII	Appendix I - XII

Displaying title 2, up to date as of 5/22/2024. Title 2 was last amended 5/01/2024. [view historical versions](#)

Enter a search term or GFR reference (eg. fishing or 1 CFR 1.1)

ECFR CONTENT

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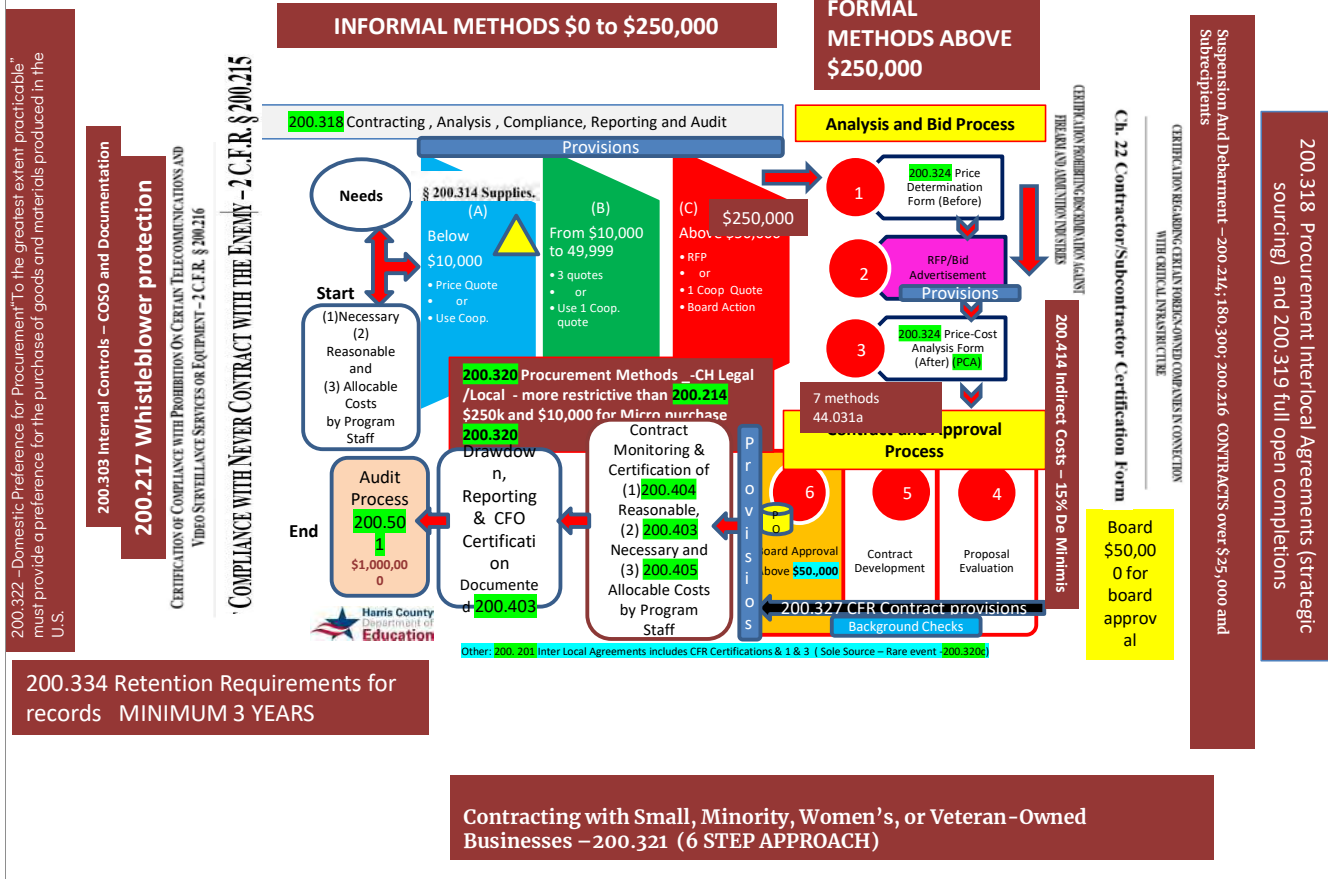
▼ Title 2	Grants and Agreements	Part / Section
▼ Subtitle A	Office of Management and Budget Guidance for Grants and Agreements	1 - 299
Part 1	About Title 2 of the Code of Federal Regulations and Subtitle A	1,100 - 1,305
Chapter I	Office of Management and Budget Governmentwide Guidance for Grants and Agreements	2 - 199
Chapter II	Office of Management and Budget Guidance	200 - 299
▶ Subtitle B	Federal Agency Regulations for Grants and Agreements	300 - 6099

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 # 70)

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200.318c Conflict of Interest – Employee, Officer, Agent OR Board Member may not have a real or apparent conflict of interest



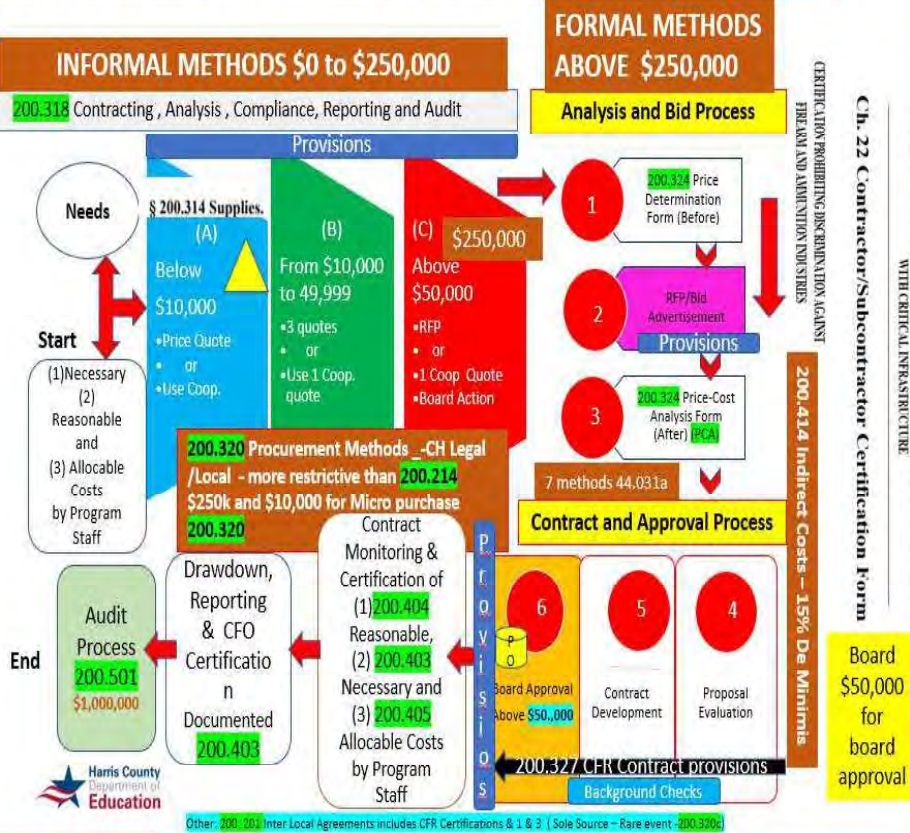
200.322 – Domestic Preference for Procurement: To the greatest extent practicable, must provide a preference for the purchase of goods and materials produced in the U.S.

200.303 Internal Controls – COSO and Documentation

200.217 Whistleblower protection

CERTIFICATION OF COMPLIANCE WITH PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT – 2 C.F.R. § 200.216

COMPLIANCE WITH NEVER CONTRACT WITH THE ENEMY – 2 C.F.R. § 200.215



Suspension and Debarment – 200.214; 180.300; 200.216 CONTRACTS over \$25,000 and Subrecipients

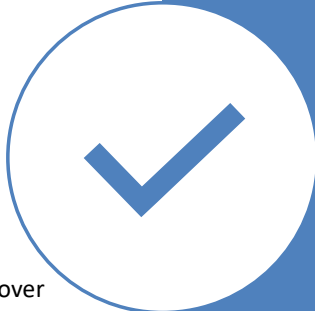
200.318 Procurement Interlocal Agreements (strategic sourcing) and 200.319 full open completions

200.334 Retention Requirements for records MINIMUM 3 YEARS

Contracting with Small, Minority, Women’s, or Veteran-Owned Businesses – 200.321 (6 STEP APPROACH)

SUMMARY OF KEY TIPS FOR SUCCESSFUL USE OF FEDERAL FUNDS

- Procure, Procure, Procure (RFP, Bid, etc.)
- Perform Due Diligence – write good specs and DO NOT Get Consultant to help and Award later to them. HARRIS COUNTY!
- **Get SAM UPDATE annually!**
- Promote competition – Chambers and HUBs
- Use a Cooperative -Interlocal agreement
- Prepare an independent cost estimate
- Prepare a Cost Analysis
- Use \$10,000 to \$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



200.1 Definitions

§ 200.1 Definitions.

These are the definitions for terms used in this part. Different definitions may be found in Federal statutes or regulations that apply more specifically to particular programs or activities. These definitions could be supplemented by additional instructional information provided in governmentwide standard information collections. For purposes of this part, the following definitions apply:

Assistance listings refers to the publicly available listing of Federal assistance programs managed and administered by the General Services Administration, formerly known as the Catalog of Federal Domestic Assistance (CFDA).

Assistance listing number means a unique number assigned to identify a Federal Assistance Listings, formerly known as the CFDA Number.

Assistance listing program title means the title that corresponds to the Federal Assistance Listings Number, formerly known as the CFDA program title.

ALN #

200.1 Definitions

§ 200.1 Definitions.

These are the definitions for terms used in this part. Different definitions may be found in Federal statutes or regulations that apply more specifically to particular programs or activities. These definitions could be supplemented by additional instructional information provided in governmentwide standard information collections. For purposes of this part, the following definitions apply:

Federal Audit Clearinghouse (FAC) means the clearinghouse designated by OMB as the repository of record where non-Federal entities are required to transmit the information required by subpart F of this part.

Federal interest means, for purposes of § 200.330 or when used in connection with the acquisition or improvement of real property, equipment, or supplies under a Federal award, the dollar amount that is the product of the:

- (1) The percentage of Federal participation in the total cost of the real property, equipment, or supplies; and
- (2) Current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

Indirect cost rate proposal means the documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate as described in appendices III through VII and appendix IX to this part.

FAC

200.1 Definitions

§ 200.1 Definitions.

These are the definitions for terms used in this part. Different definitions may be found in Federal statutes or regulations that apply more specifically to particular programs or activities. These definitions could be supplemented by additional instructional information provided in governmentwide standard information collections. For purposes of this part, the following definitions apply:

Internal controls for non-Federal entities means:

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (i) Effectiveness and efficiency of operations;
 - (ii) Reliability of reporting for internal and external use; and
 - (iii) Compliance with applicable laws and regulations.
- (2) Federal awarding agencies are required to follow internal control compliance requirements in OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.

COSO

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200.1 Definitions

§ 200.1 Definitions.

These are the definitions for terms used in this part. Different definitions may be found in Federal statutes or regulations that apply more specifically to particular programs or activities. These definitions could be supplemented by additional instructional information provided in governmentwide standard information collections. For purposes of this part, the following definitions apply:

Micro-purchase means a purchase of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchases comprise a subset of a non-Federal entity's small purchases as defined in § 200.320.

Micro-purchase threshold means the dollar amount at or below which a non-Federal entity may purchase property or services using micro-purchase procedures (see § 200.320). Generally, the micro-purchase threshold for procurement activities administered under Federal awards is not to exceed the amount set by the FAR at 48 CFR part 2, subpart 2.1, unless a higher threshold is requested by the non-Federal entity and approved by the cognizant agency for indirect costs.

Simplified acquisition threshold means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods (see § 200.320). Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items at or below the simplified acquisition threshold. The simplified acquisition threshold for procurement activities administered under Federal awards is set by the FAR at 48 CFR part 2, subpart 2.1. 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. However, in no circumstances can this threshold exceed the dollar value established in the FAR (48 CFR part 2, subpart 2.1) for the simplified acquisition threshold. Recipients should determine if local government laws on purchasing apply.

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200.1 Definitions

§ 200.1 Definitions.

These are the definitions for terms used in this part. Different definitions may be found in Federal statutes or regulations that apply more specifically to particular programs or activities. These definitions could be supplemented by additional instructional information provided in governmentwide standard information collections. For purposes of this part, the following definitions apply:

Period of performance means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the period of performance in the Federal award per § 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.

Conflict of Interest

Required Certifications

§ 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)."

Factors for federal Funds Eligibility

§ 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:

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- (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(b).
- (g) Be adequately documented. See also §§ 200.300 through 200.309 of this part.
- (h) Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to § 200.308(e)(3).

[78 FR 78608, Dec. 26, 2013, as amended at 85 FR 49562, Aug. 13, 2020]

Justification 200.403

- Is it necessary? How do we document and know?
- Examples:
- Consultant Who certifies?
 - Brands Who determines?
 - Valet Services
 - Travel
 - Value provided How do you determine?
 - Advanced payment How do you proof?

Reasonable 200.404

- Is the expenditure reasonable?
- How to document it?
- Document
- Comparison – Prices
- Third party
- History – trend expenditures

Allocable 200.405

- Is the expenditure allocable
- Can you charge it to the grant?
- Within the grant period?
- Is eligible for the cost objective?
- It is in the NOGA or amendment?

Applicable Credits 200.406

§ 200.406 Applicable credits.

- (a) Applicable credits refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the Federal award as direct or indirect (F&A) costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the non-Federal entity relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate.
- (b) In some instances, the amounts received from the Federal Government to finance activities or service operations of the non-Federal entity should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) must be recognized in determining the rates or amounts to be charged to the Federal award. (See §§ 200.436 and 200.468, for areas of potential application in the matter of Federal financing of activities.)

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 85 FR 49562, Aug. 13, 2020]

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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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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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 \$150,000 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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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; OJP 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. OJP 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, Let's CFR

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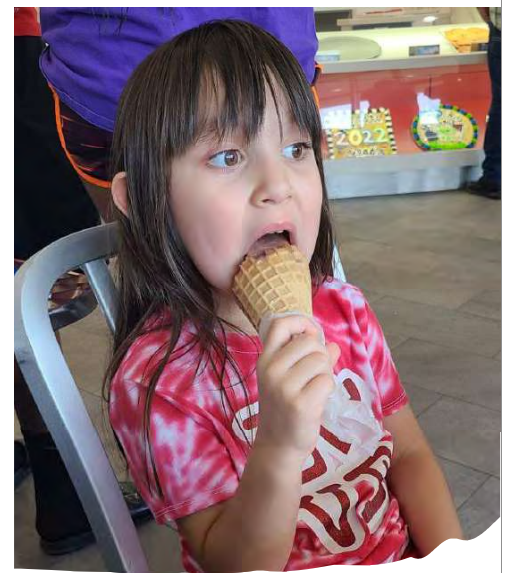
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http://www.ecfr.gov/cgi-bin/text-idx?SID=6214841a79953f26c5c230d72d6b70a1&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

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!

2 CFR 200 Website



6 yrs later- still sleeps when I talk about 2 CFR 200 to her.

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

Agencies

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

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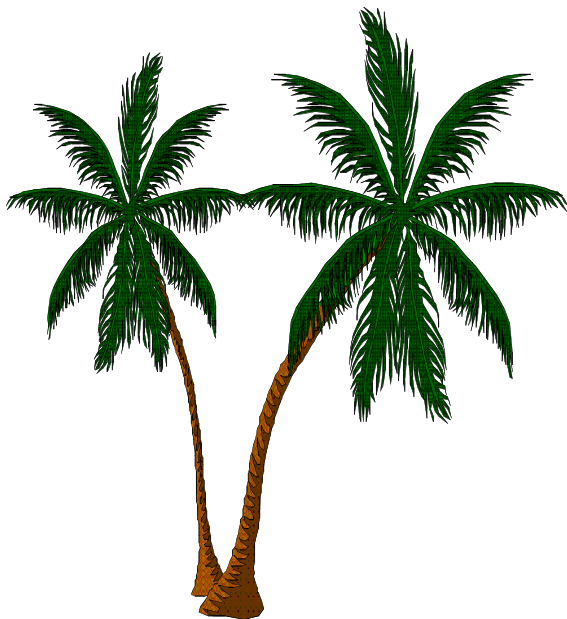
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TIMELINE 2024

INSURANCE REQUIREMENTS FOR PURCHASES

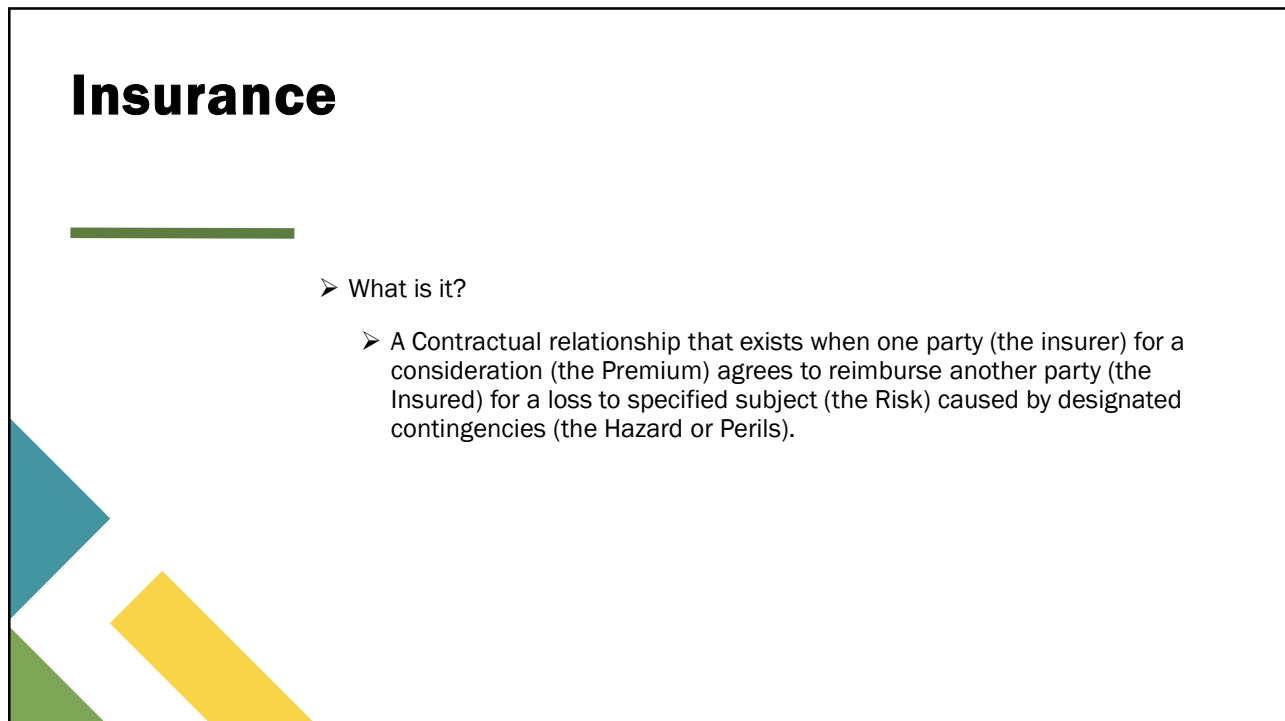


SPEAKER:

Joey Lopez



1



2

Transferring Your Risk Through Insurance

- Looking to protect your assets or liabilities for a dollar amount or (Premium)
- Reviewing the risk
 - Buildings (A/C)
 - Vehicles
 - Ransome computer information
 - Employee

3

Exposure

Liability

- Property (slip and falls)
- Employee Dishonesty
- Environmental (Spills)
- Computer Information loss or Ransomed
- Employee Liability
- Terrorism
- Umbrella Liability

4

Construction

- Performance Bond
- Builders Risk
- Workers Compensation
- Listed as an Additional Insured


5

Terms You Should Know

➤ Lines of Insurance

- Auto Liability
- Builders Risk / Installation Floater
- Directors and Officers (Public) Liability
- Electronic Data Policy
- Employee Dishonesty
- Employment Practice Liability
- Environmental Impairment / Pollution Liability
- General Liability
- Owners, Contractors Protective Liability
- Professional Liability
- Property
- Umbrella Liability
- Workers Compensation

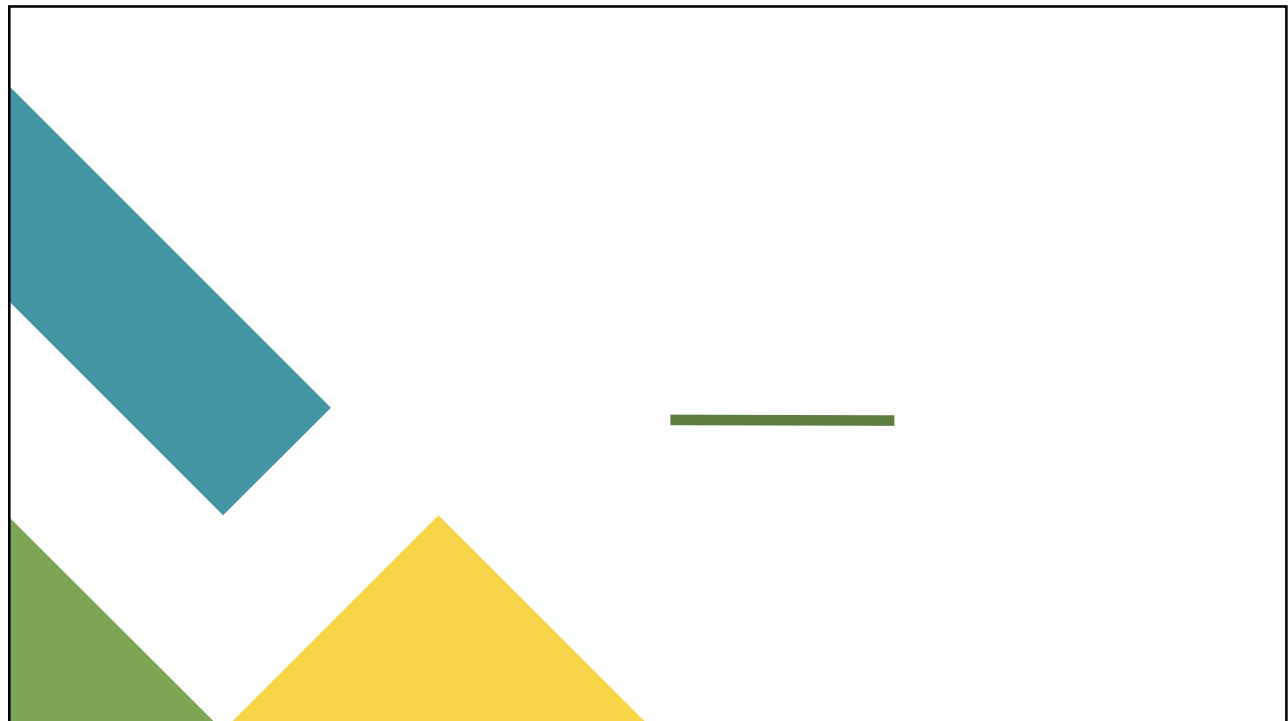
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Thank you

Joe L. Lopez
956-266-0393
jlopez@sel-adv.com

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8



Texas Department of Insurance
State Fire Marshal's Office Mail Code 112-FM
313 Guadalupe • P. O. Box 149221, Austin, Texas 78714-9221
512-305-7000 • 512-305-7922 fax • www.tdi.texas.gov

The State Fire Marshal's Office Requirements to Complete an Acord Insurance Certificate.

All firms registered with the State Fire Marshal's Office are required, by statute, to maintain general liability insurance and to provide this office with a current certificate of insurance. This information sheet is intended to assist you in meeting these requirements when submitting an Acord form.

ACORD 25 (01/04) CERTIFICATE OF LIABILITY INSURANCE. Includes sections for PRODUCER, NAME OF INSURED, TYPE OF INSURANCE, POLICY TYPE, DESCRIPTION OF OPERATIONS, CERTIFICATE HOLDER, INSURERS AFFORDING COVERAGE, POLICY EFFECTIVE DATE, POLICY EXPIRATION DATE, LIMITS OF INSURANCE, and AUTHORIZED REPRESENTATIVE.

9

CERTIFICATE OF INSURANCE CHECKLIST

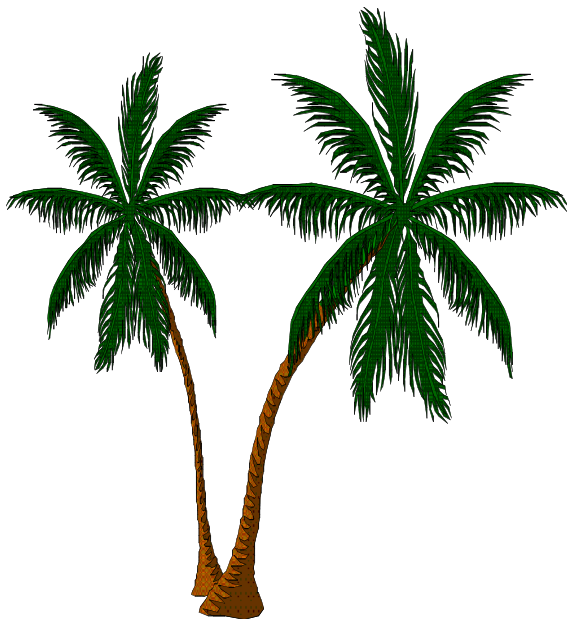
DRAFT

Checklist form for Contractor/Vendor/Consultant. Includes sections for Insurance Requirements (General, Workers' Compensation, General Liability, Automobile Liability, Umbrella), Other Insurance Requirements, and a final signature line.

10

TIMELINE 2024

SECURING THE SUPPLY CHAIN: INTEGRATING CYBERSECURITY INTO PROCUREMENT



SPEAKER:

Dallas Smetter

INTEGRATE CYBER SECURITY IN PURCHASING

Dallas Smetter

1

Introduction

- **Personal Introduction:**
 - Overview of Dallas Ray's background in cybersecurity and IT consulting, including the current role at ByteWave Automation, LLC.
 - Brief mention focus on integrating cybersecurity into business and procurement processes.
- **Importance of Cybersecurity in Procurement:**
 - The vital role procurement professionals play in protecting the organization's supply chain.
 - Why procurement is increasingly targeted by cyberattacks.

2

Cybersecurity Risks in Procurement

- **Identifying Common Threats:**
 - Vendor risks, third-party access, data breaches, and phishing attacks targeting procurement.
- **Supply Chain Attacks:**
 - Case study of supply chain attacks and their consequences.

3

CISSP Domain 1: Security and Risk Management for Procurement

- **Risk Assessment for Vendors:**
 - Steps procurement teams can take to assess and mitigate vendor-related security risks.
- **Compliance and Regulatory Concerns:**
 - Ensuring compliance with security regulations such as GDPR, NIST, and others affecting procurement.

4

CISSP Domain 2: Protecting Procurement Data

- **Data Protection Strategies:**

- Protecting procurement data through encryption, access controls, and data governance policies.

5

CISSP Domain 3: Secure Procurement System Design

- **Building Secure Platforms:**

- Collaborating with IT to design secure procurement systems using key security principles.

- **Contractual Security Requirements:**

- Ensuring vendors meet security standards as part of their contractual obligations.

6

CISSP Domain 5: Identity and Access Management (IAM) for Vendor Access

- **Managing Vendor Access:**
 - Implementing IAM strategies, such as multi-factor authentication and access controls, to secure procurement platforms.

7

Quiz

- **Brief Quiz (4 questions, 1.5 minutes each)**
Each question should take around 90 seconds, including reviewing the answers and explaining them.

8

Multiple-Choice Quiz

- **Q1:** Which of the following is the most effective way to ensure a vendor's cybersecurity practices align with your organization's requirements?
- a) Request a list of their security policies
- b) Require the vendor to fill out a security questionnaire
- c) Include specific security requirements in the contract
- d) Check vendor reviews and ratings online

9

Multiple-Choice Quiz

- **Q2:** What is the primary reason for securing communication channels with vendors?
- a) To prevent unauthorized access to sensitive procurement data
- b) To reduce costs associated with email services
- c) To increase collaboration efficiency
- d) To meet general IT policies

10

Multiple-Choice Quiz

- **Q3:** Which security principle is most important when controlling vendor access to internal procurement systems?
- a) Least privilege
- b) Default allow
- c) Full administrative access
- d) Open access for trusted vendors

11

Multiple-Choice Quiz

- **Q4:** Why is it critical for procurement teams to assess third-party vendor risks before signing contracts?
- a) To negotiate better pricing
- b) To ensure vendors won't delay product delivery
- c) To protect the organization from supply chain attacks
- d) To improve vendor relationship management

12

Conclusion and Q&A

- **Final Thoughts:**

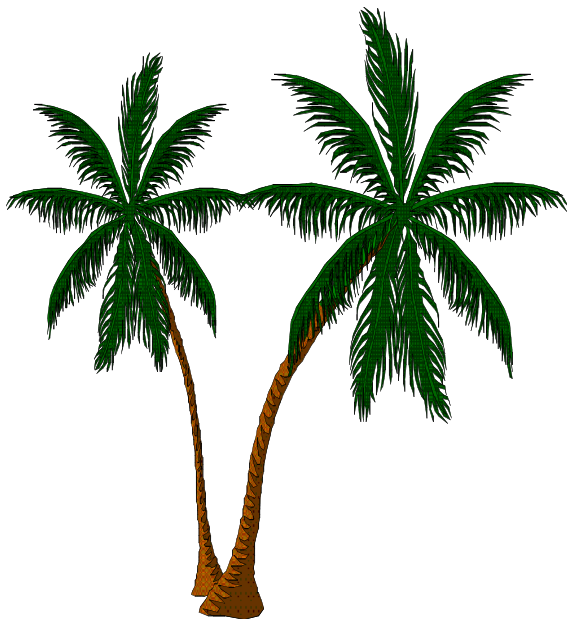
- Recap the key ways procurement professionals can integrate cybersecurity into their processes.
- Encourage ongoing collaboration with cybersecurity teams to ensure a secure procurement environment.

- **Q&A:**

- Brief Q&A session for any audience questions.

TIMELINE 2024

THE HEART OF PURCHASING SPECIFICATIONS



SPEAKER:

**Mark Rogers/
Jesus Amezcua**

T-9A

The Heart of Purchasing Specifications

Mark J. Rogers, C.P.M.
markjeffreyrogers@gmail.com

What are they?

- Clear, thorough description of product or service

Why are they needed?

- Essential to competitive process
- Means of communication
- Necessary for evaluation

What should be included?

- Functions
- Features
- Dimensions
- Grade or Quality
- Color
- Warranty
- Means for testing
- Intended use

3

What types are most commonly used?

- “Or equal”
- Performance is ideal
- Qualified product list
- Brand name only / No substitutions
- Design or engineering
- Sample
- Federal Specification
- State of Texas
- Hybrid

4

“Or equal”

- Most common
- Include disclaimer
Example: Brand and manufacturer names are used to establish quality and characteristics of merchandise required, and not to exclude other products of equal quality and characteristics.
- Never reference private label or store brand

5

Performance is ideal

- Describes which functions must be performed
- Example: Copier must be capable of:
 - 180,000 copies per month
 - 70 copies per minute
 - reducing legal to letter
 - handling 16# to 32# paper
 - handling plain paper transparencies
 - Semi-automatic document feeding
 - Electronic copy accounting with at least 200 access codes
 - Automatic duplexing
 - Feeding from multiple trays allowing as many as 1500 copies to be made without reloading

6

Qualified product list

- Only bids for tested/approved products are considered
- Prior to solicitation, test many products simultaneously
- Allows for prompt evaluation & award
- No further testing until specification or product changes
- Must allow other products to be considered prior to next round of solicitations
- Qualified products list does not encourage innovation

7

Brand name only / No substitutions

- Limits competition to sellers of brand specified
- Must be justified

Design or engineering

- Details of construction, dimensions, chemical composition, physical properties, etc.

Sample

- Vendor is furnished or shown a sample of what is required

8

Federal Specification

State of Texas

Hybrid

- Includes elements of more than one type of specification

9

Who prepares?

- Staffing
- Expertise

10

Minimum Specifications

- Compromise to get best value
- Example: user requires vehicle... We obtain specifications from three different manufacturers. One offers a 6900 lb GVWR, the second 6800 and the third, 6750. Do we have to have a 6900 lb GVWR to do the job? If not, we probably would set our minimum gross vehicle weight rating at 6750. We are not excluding anybody unnecessarily, nor are we “watering down” our specifications.
- Next, we discover that the engine displacements offered by the three manufacturers are 460 CID, 454 CID and 360 CID. The difference between the first and second offering is not very significant, but the third offering is substantially smaller than the first two. Will an engine displacing 360 CID be adequate? If not, we should specify a minimum cubic inch displacement of 454.

11

Where can they be obtained?

- Never start from “scratch”
- Vendors
- Peers
- Federal Agencies
- State Agencies
- Professional & Trade Associations

12

Standards & Specifications

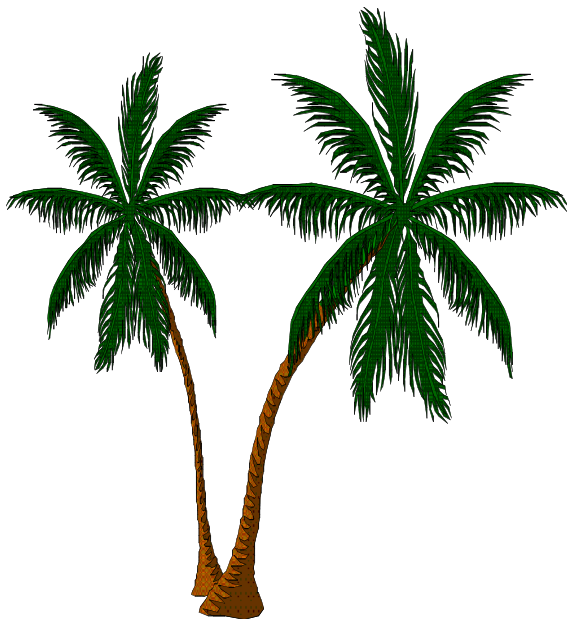
- Repetitive purchases
- Reduces variety of inventory
- Facilitates volume purchases

Pre-bid conference

- Timing
- Conduct
- Addendum

TIMELINE 2024

HOW TO PURCHASE MEDICAL CARE & SAVE MILLIONS



SPEAKER:

Joe Wilson

ESCAPING MEXICAN PRISON & THE CRIMINAL COST OF HEALTHCARE

JOE WILSON

Frontier Health - Executive Vice President of Growth

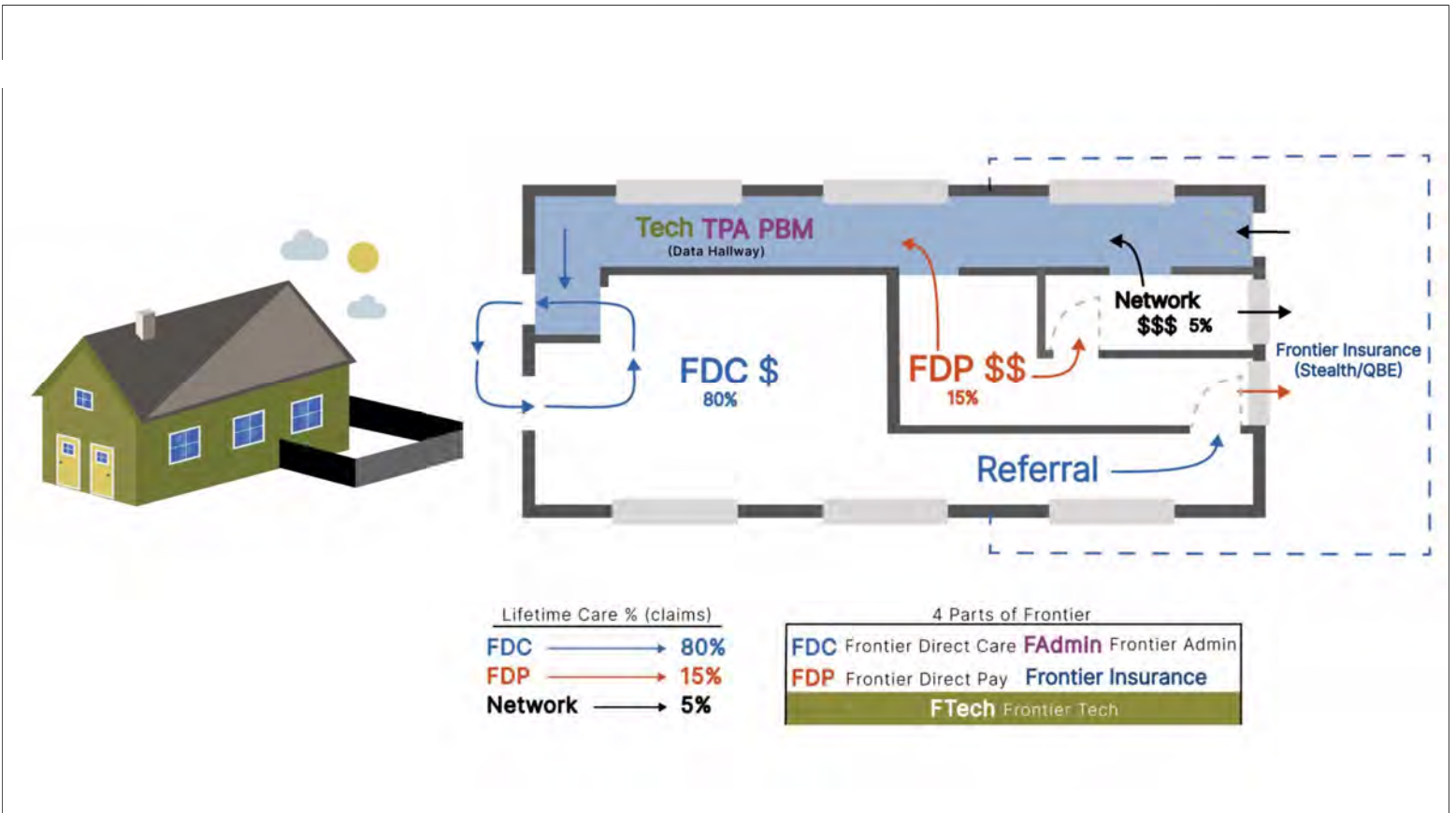




Harlingen, TX



FRONTIER
HEALTH





FRONTIER
HEALTH





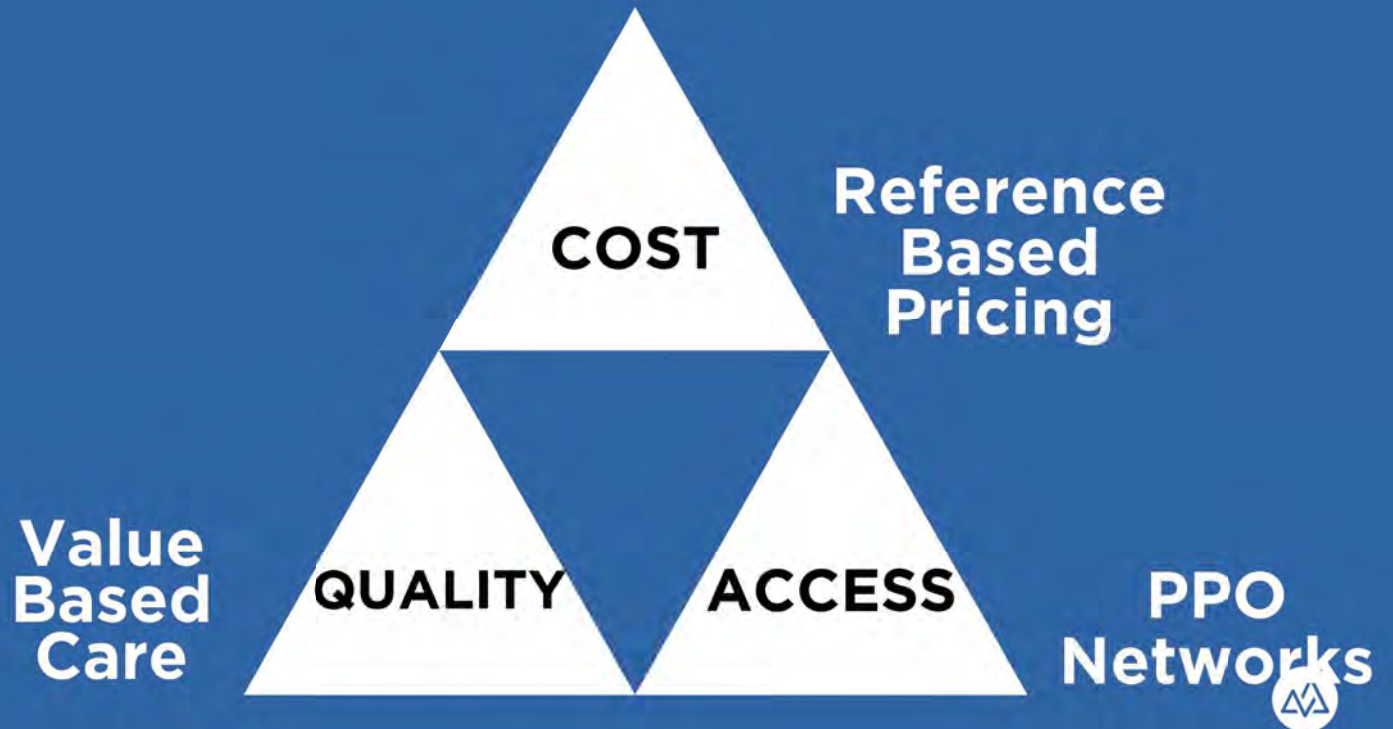
THE ESCAPE PLAN





THE CRIMINAL COST OF HEALTHCARE





**ERODING
RELATIONSHIPS**





**WE ARE BUILT FOR
RELATIONSHIPS**



The studies found that, overall, dog owners tend to live longer than non-owners. And they often recover better from major health events such as a heart attack or stroke, especially if they live alone.



Despite being a leader in poverty, diabetes, obesity, teen pregnancy, border wars, negative press, and lack of education and even healthcare resources,

Cameron/Hidalgo County lead in life expectancy of 81.2 years old compared to the rest of Texas.



There were devastating effects of lockdowns on residents of long-term care facilities during COVID-19. One study showed that

- **85% families noted a decline in their loved one's physical abilities.**
- **87% indicated their loved one's physical appearance had declined.**
- **91% of reported that their loved one's demeanor (mental status) had declined.**

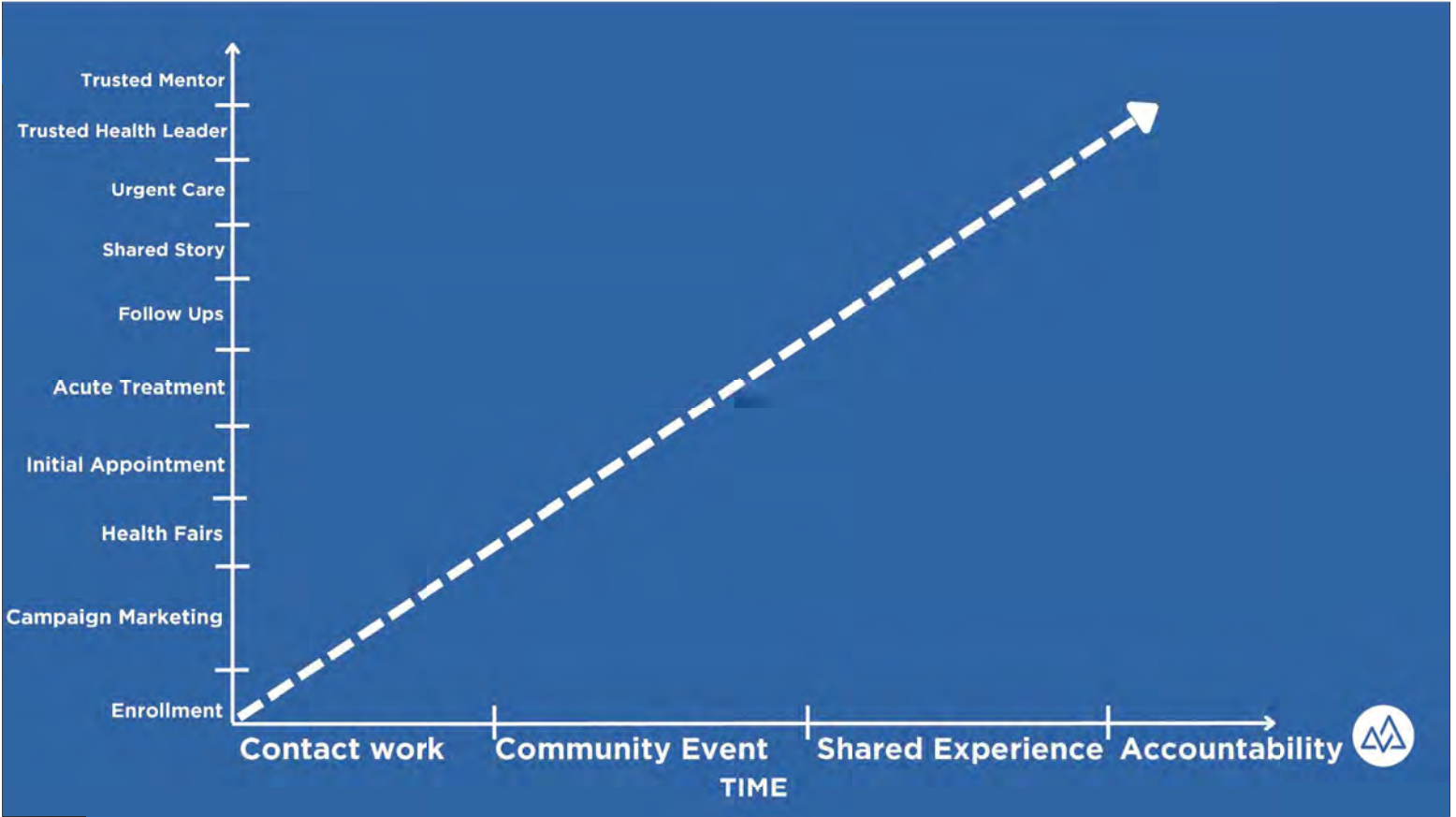


In contrast, patients with neurodegenerative disorders, such as Alzheimer's disease, who have strong, loyal relationships can outlive their life expectancies.





FRONTIER
HEALTH



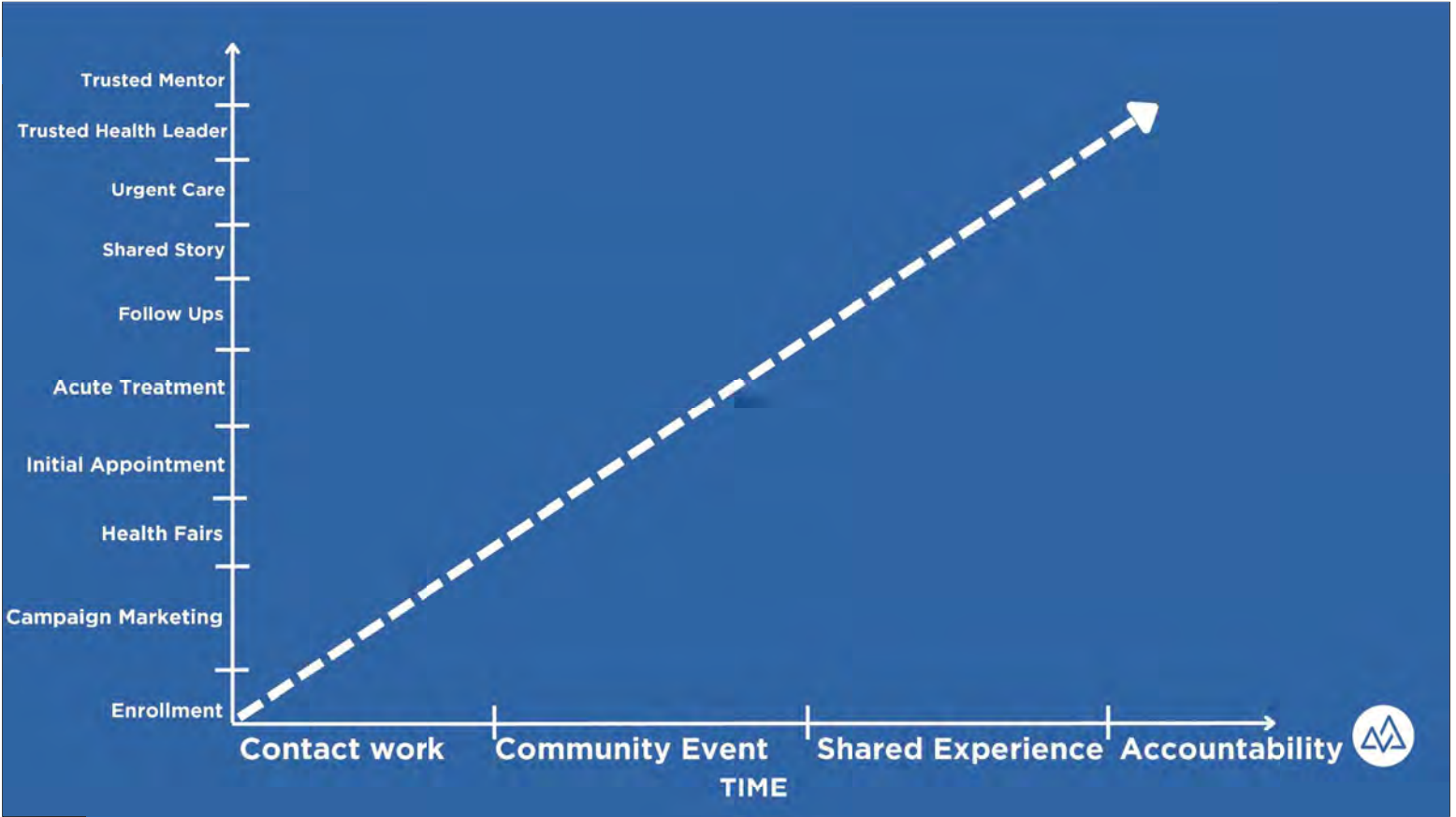
BUILD A VISION FOR YOUR RELATIONSHIPS



The Buyer / Seller Relationship

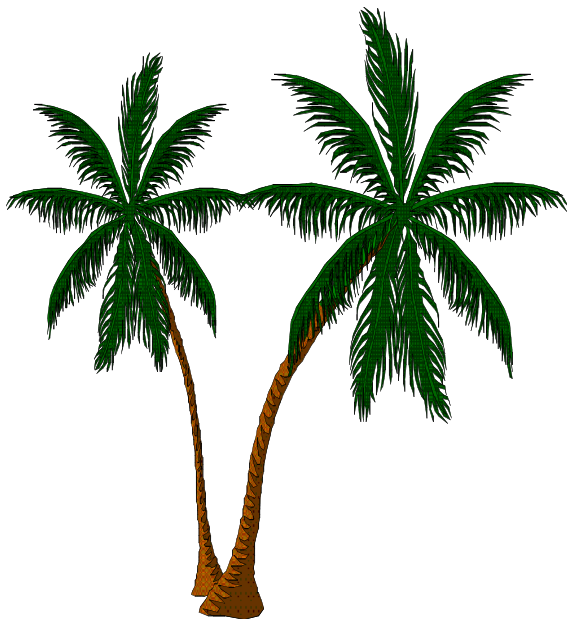
- **Aligned Philosophy**
- **Aligned Incentives**
- **Process**
- **Measurable Outcomes**





TIMELINE 2024

THE BLIND REQUIREMENT: ETHICS



SPEAKER:

**Mark Rogers/
Carol Cooper**

T-10A

The Blind Requirement: Ethics

Mark J. Rogers, C.P.M.
markjeffreyrogers@gmail.com

1

Ethics

- Vendor treatment
 - Fair
 - Consistent in treatment of late bids, requests for “in house” checks, etc.
 - Time stamp, log in, witness
 - Race, creed, color, appearance

2

Ethics

- Don't berate vendor or institution
- Vendor is valuable resource
- Thin margins
- Keep in business - not adversary
- Sample requirements
- Over-shipments
- Special orders

3

Ethics

- Restocking charges
 - High tech market changes daily
- Vendor is specialist
 - Buyer is generalist
- Maintain "arms length" relationship
 - Vendor partnerships
 - Adopt a school

4

Ethics

- Vendor support for professional development activities
- Encourage communications early
- Specifications development

5

Ethics

- Emphasize importance of surfacing spec problems early
- “Or equal” disclaimer
- Inform vendor of quality, timely expectations

6

Ethics

- Make certain vendor is aware of all requirements
 - Training
 - Delivery, lack of elevator, multiple locations, as needed shipments etc.
 - Installation

7

Ethics

- Work with vendor on payment problems
- Don't handhold
- Buying used equipment
- Develop "doing business with" website or brochure

8

Ethics

- Insist that vendor and user include purchasing in communications loop
- Use pre-bid conferences, bonds, etc. When exposure is great
- Conducting pre-bid conferences

9

Ethics

- Vendor references—get them and check them—document results
- Product endorsements vs product references
- Services are often prototypes
- Cooperative purchases

10

Ethics

- All or none bids
- Industry standard delivery
- Alternate bids

11

Ethics

- M/WBE
- Enforcement
 - Warranty
 - Price escalation

12

Ethics

- Change order “tail and dog”
- Negotiations
- Share user surveys with vendors
- Fax or e-mail quote instead of phone

13

Ethics

- Gifts, entertainment, etc.
- Public information
- RFP cautions

14

Code of Ethics

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.
2. Demonstrate loyalty to your employer by diligently following lawful instructions of your employer, using reasonable care and only authority granted.

15

Code of Ethics

3. Refrain from any private business or professional activity that would create a conflict between personal interests and those of your employer.
4. Refrain from soliciting or accepting money, loans, credits, discounts, gifts, entertainment, favors or services from present or potential suppliers.

16

Code of Ethics

5. Handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations.
6. Promote positive supplier relationships through courtesy and impartiality.

17

Code of Ethics

7. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
8. Ensure that all segments of society have the opportunity to participate in government contracts.

18

Code of Ethics

9. Discourage purchasing office involvement in employers sponsored programs of personal purchases which are not business related.

10. Enhance the stature of the purchasing profession by improving your technical knowledge and adhering to the highest ethical standards.

19

Ethics Questionnaire

1. Would you accept any of the following gifts from suppliers?
 - a) desk or wall calendar with advertising logo
 - b) sample towel or t-shirt
 - c) digital camera

20

Ethics Questionnaire

2. What disposition should be made of “bonus” gifts? (For example, a free monitor or printer with the purchase of a certain quantity of technology items which your entity regularly purchases)
- a) refuse
 - b) accept and use personally
 - c) accept for use elsewhere in the institution

21

Ethics Questionnaire

3. Is it proper for a buyer to take advantage of an offer from a supplier giving special price discounts for personal purchases of items?
- a) yes
 - b) no

If the offer were made to all employees of the institution would it be proper to accept?

- a) yes
- b) no

22

Ethics Questionnaire

4. How should a buyer react to a request from an assistant superintendent to get a "good buy" on an item for personal use?
 - a) refuse politely as it is not a proper use of buyer's time
 - b) request quotations on regular institutional bid form, place an order and send the invoice to the assistant superintendent
 - c) obtain phone quotes, making it clear that the purchase is for personal use and relay the price information to the assistant superintendent
 - d) suggest vendor and salesperson; explain that purchases for personal use are between vendor and employee

23

Ethics Questionnaire

5. What is the proper policy concerning having lunch with suppliers?
 - a) may be supplier's guest occasionally, but not too often
 - b) all lunches with suppliers should be on a Dutch treat basis
 - c) may be supplier's guest, but should reciprocate and act as host on alternate occasions
 - d) refuse politely and offer to visit with vendor in buyer's office

24

Ethics Questionnaire

6. What is the proper response to an invitation to visit supplier's plant at supplier's expense?
- a) accept and go as a guest
 - b) accept and insist on paying all your expenses
 - c) accept and insist on paying your fare if any commercial transportation is involved
 - d) refuse politely

25

Ethics Questionnaire

7. The low bidder who has been offered an order, subsequently claims that his bid was in error, and then requests a price increase. Which of the following actions should the buyer take?
- a) insist that the supplier accept the order at the price bid or be removed from the bidder's list for future order
 - b) permit the supplier to withdraw his bid without penalty and award the order to the next lowest bidder
 - c) grant the price increase, if he can submit evidence to support his claim of an error in bidding, provided that the adjusted price is lower than the next lowest bid

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Ethics Questionnaire

8. If no suppliers submit bids that comply with the specifications in all respects, which of the following actions should the buyer take?
- a) revise the specifications and re-advertise for bids
 - b) reward the order to the lowest bidder and negotiate whatever price adjustment or modification of the specification is necessary to reach agreement
 - c) award the order to the bidder whose proposal comes closest to meeting the specifications, regardless of whether or not he is the low bidder
 - d) negotiate with all bidders whose bids are reasonably close to meeting specifications, and subsequently award order to the bidder whose ultimate bid offers the best value

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Ethics Questionnaire

9. An alternate (unsolicited) bid is received which does not meet the published specifications, but offers acceptable quality and better value than the low bid meeting specifications. Which of the following actions should the buyer take?
- a) accept the alternate bid because it represents better value for the institution
 - b) reject all bids, revise the specifications and re-advertise

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Ethics Questionnaire

10. A bid was misplaced in your institution's mailroom. It was received by mailroom personnel prior to the deadline for submitting bids. Which of the following actions should the buyer take?
- a) accept the bid, since it was in the custody of the institution at the time of the deadline
 - b) return the bid, as it was the bidder's responsibility to get the bid into the purchasing office by the deadline
 - c) accept the bid and open it for price comparison, but do not consider the late bid for award

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Ethics Questionnaire

11. Your invitation to bid specified that a sample must accompany the bid in order for it to be considered. The low bidder offered an item meeting specifications, but did not submit a sample. Would you consider the low bid?
- a) yes
 - b) no

30

Ethics Questionnaire

12. Your invitation to bid specified that a sample must accompany the bid in order for it to be considered. The low bidder provided a sample, which did not meet specifications, but after you discovered the deficiency, the supplier offered to fill your order with goods, which did meet the specifications. Would you recommend the low bid?
- a) yes
 - b) no

31

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9901 Liriope Cove

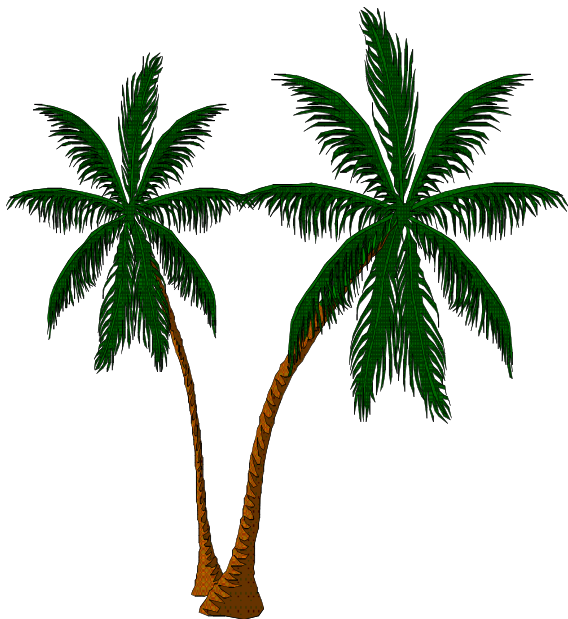
Austin, TX 78750

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TIMELINE 2024

SOLE SOURCE—IS IT? OR SHOULD IT BE?



SPEAKER:

**Phillip Vasquez/
Jesus Amezcua**

What are specs and why do we need to pay attention to them?



South Padre Island
September 2024

Dr. Jesus J Amezcua
CPA, RTSBA, CPFIM

1

THANK YOU

Mark Rodgers, C.P.M.
Narita Holmes, MBA, C.P.A., CIA
Carol Cooper, C.P.M., CPPO, CPSM
Jesus Amezcua, PhD, CPA, RTSBA, CPFIM

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During this Session

1. What a specification should be
2. Types and their uses
3. Scope/Statement of Work (SOW)
4. What makes an effective specification
5. Resources
6. Sample RFP Specs

3

What is a Specification?

Nothing more than an accurate description of what you want.

When you want it, where you want it and how you want it.

A detailed description of the product or service.

4

Let's order

- You are going to order tacos this morning.
- What are you ordering?
- I want a mariachi!



5

Describe Exercise

- It is a way to communicate to the vendor on what you really want. It is what you are going to evaluate the vendor on.
- If I am asking for a computer: Describe

To check your PC hardware specs, click on the Windows Start button, then click on Settings (the gear icon). In the Settings menu, click on System. Scroll down and click on About.

6

Specs

System > About

C-T1668-LT
XPS 15 9520

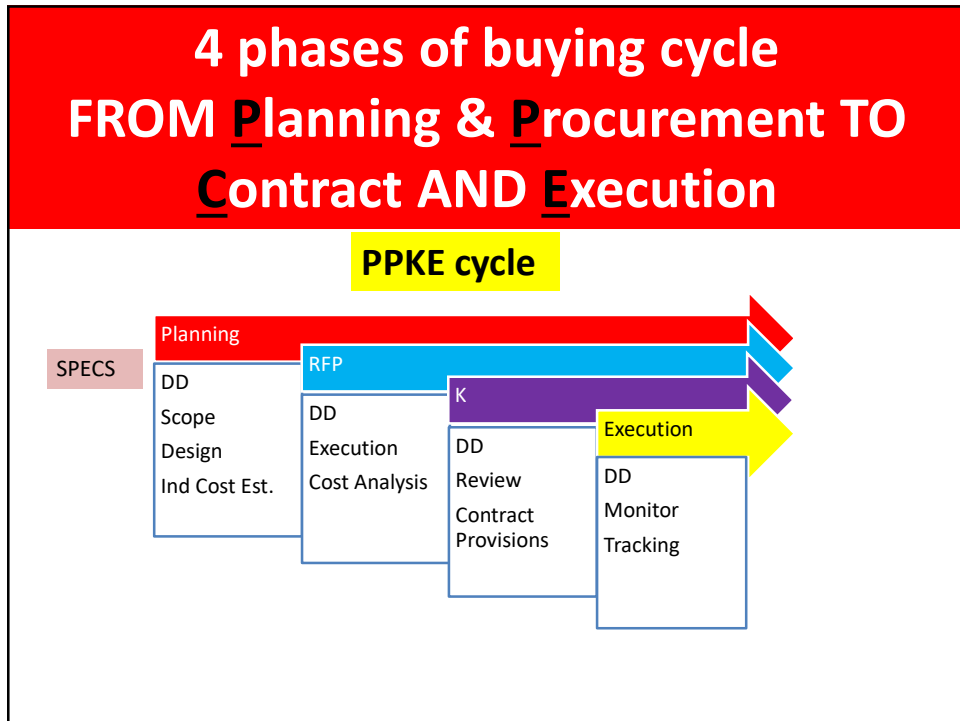
Device specifications

Device name	C-T1668-LT
Processor	12th Gen Intel(R) Core(TM) i7-12700H 2.30 GHz
Installed RAM	16.0 GB (15.7 GB usable)
Device ID	CB0718D9-97CB-44F3-A142-115C72E6E099
Product ID	00330-80000-00000-AA979
System type	64-bit operating system, x64-based processor
Pen and touch	Pen support

Windows specifications

Edition	Windows 11 Pro
Version	22H2
Installed on	5/11/2023
OS build	22621.4037
Experience	Windows Feature Experience Pack 1000.22700.1027.0
Microsoft Services Agreement	
Microsoft Software License Terms	

7



8

What Do You Want?

Accurate, simple specs;

- Identify minimum requirements
- Reasonable
- Clear
- Up-to-date
- Flexible
- Capable of being checked

Provide for full competition

BE Specific

9

What things should be included in the specs?

- Functionality
- Features
- Dimensions - Size
- Grade or Quality
- Color
- Warranty
- Insurance
- Means for testing
- What is the Intended use

BE DETAILED.
Pos que quieres??

10

Scope of Work

Scope of Work describes what to do

May include:

- Milestones
- Dates/Times
- Quality requirements

Performance Work Statement describes outcomes/deliverables rather than specifics (PWS)

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SOW Communicates

1. Detailed description
2. Consequences
3. Changes in SOW
4. Change order process
5. Price change possibilities

12

SOW Communicates

- | | |
|--|--|
| <ol style="list-style-type: none"> 6. Right to bid out additional work 7. Approval of sub-contractors 8. Omissions in the specifications 9. Dispute resolution 10. Requiring continued services while dispute resolution is under way | <p>Can a vendor ask for additional money after they have been awarded, but the City delays the permit.</p> |
|--|--|

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What things that are most common?

1. "Or equal"
2. Performance is ideal
3. Qualified product list
4. Brand name only / No substitutions
5. Design or engineering
6. Sample
7. Federal Specification or state spec
8. Local spec
9. State of Texas
10. Hybrid

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When you want something specific? Be Specific BOB

1. "Or equal"

Most common

Include disclaimer

Example: Brand and manufacturer names are used to establish quality and characteristics of merchandise required, and not to exclude other products of equal quality and characteristics.

Never reference private label or store brand

5

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What do you want the vendor to perform?

2. Performance is ideal

- Describes which functions must be performed
- Example: Copier must be capable of:180,000 copies per month
- 70 copies per minute
- reducing legal to letter
- handling 16# to 32# paper
- handling plain paper transparencies
- Semi-automatic document feeding
- Electronic copy accounting with at least 200 access codes
- Automatic duplexing
- Feeding from multiple trays allowing as many as 1500 copies to be made without reloading

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Performance

- Describes requirements
- Desired accomplishments
- Flexible
- Encourages ingenuity, innovation and cost reduction
- Milestones
- Deliverables
- For federal can you assign types of components or phases to get more competition from HUBs

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Why would you want a QPL?

3. Qualified product list

- Only bids for tested/approved products are considered
- Prior to solicitation, test many products simultaneously
- Allows for prompt evaluation & award
- No further testing until specification or product changes
- Must allow other products to be considered prior to next round of solicitations
- Qualified products **list does not encourage innovation**



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What can I accept?

4. Brand name only / No substitutions

- Limits competition to sellers of brand specified
- Must be justified
- Design or engineering
- Details of construction, dimensions, chemical composition, physical properties, etc.
- Sample
- Vendor is furnished or shown a sample of what is required



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Brand Name or Equivalent

- Brand Identifies what is acceptable
- Equivalent introduces flexibility
- Known throughout the industry



F-150

- **BRAND NAME – NO SUBSITUTE**



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Design or engineering

5. Federal Specification

- State of Texas
- Hybrid
- Includes elements of more than one type of specification

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Design

- Detailed Descriptions
- Custom Products
- Services
- Restrictive



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Who prepares the specs?

- Who prepares?
- Staffing
- Expertise
- Specialist or generalist

23

Whose Responsibility

YOU

- Final review
- Final approval
- Who reviews the final template?



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Minimum specifications

Minimum Specifications

- Compromise to get best value
- Example: user requires vehicle... We obtain specifications from three different manufacturers. One offers a 6900 lb GVWR, the second 6800 and the third, 6750. Do we have to have a 6900 lb GVWR to do the job? If not, we probably would set our minimum gross vehicle weight rating at 6750. We are not excluding anybody unnecessarily, nor are we “watering down” our specifications.
- Next, we discover that the engine displacements offered by the three manufacturers are 460 CID, 454 CID and 360 CID. The difference between the first and second offering is not very significant, but the third offering is substantially smaller than the first two. Will an engine displacing 360 CID be adequate? If not, we should specify a minimum cubic inch displacement of 454.

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Where can they be obtained?

- Never start from “scratch”
- Vendors
- Peers
- Federal Agencies
- State Agencies
- Professional & Trade Associations

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Standards & Specifications

- Repetitive purchases
- Reduces variety of inventory
- Facilitates volume purchases

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Other matters

- Pre-bid conference
- Timing
- Conduct
- Addendum

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Reviewing

- What is it?
- Method of approach
- Wants instead of needs
- Never assume
- Anticipate questions
- Full of jargon

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RFP Template

PART 4.0 – SCOPE & SPECIFICATIONS

4.1 Request for Proposals Defined

The intention of this Request for Proposals (RFP) is to solicit proposals for *insert*

HCDE is utilizing the Request for Proposals (RFP) method for the procurement of this service in accordance with Texas Education Code Section 44.031 Purchasing of Contracts, Item (3) Request for Proposals.

For information regarding the proposal process, contact *insert name* of the Purchasing Division at (713) 696-

Interested proposers should respond to this RFP and submit proposals online at the HCDE eBid System site.

This site can be accessed by logging into <https://hcedebid.ionwave.net/Login.aspx>

4.2 Scope of Services

HCDE is looking to obtain proposals from vendors that can provide *insert*

4.3 Specifications

It is the intention of HCDE to establish one or more contract(s) with highly qualified Vendor(s) for *Insert Title*.

Vendor(s) shall, at the request of HCDE, provide these products and/or covered services under the terms of this RFP and the Contract set forth in Section 7.0 Contract Terms and Conditions

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Choose the Right Words

- Consumption _____
- Circumvented _____
- Nevertheless _____
- Activate _____
- Erroneous _____
- Compensation _____
- Necessitate _____
- Modification _____

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Choose the Right Phrases

- A great number of times -
- At regular intervals -
- In most cases -
- A small number of -
- It is recommended that -
- Make contact with -
- At a later point in time -
- In consideration of the fact that -

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Checklist

1. Type of Specs
2. Necessary and essential
3. Clearly define obligations
 - a. Product or service sought
 - b. Work to be performed
 - c. When and how delivered
 - d. Evaluation criteria
 - e. Non performance of prime or sub

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Checklist

4. Obligations
5. Method of determining requirements met
6. Statement of intended use
7. Write plainly and precisely
 - a. Eliminate ambiguity
 - b. No room for misinterpretation
 - c. Common units of measure

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Checklist

7. Write plainly and precisely cont'd
 - d. Accurate technical terms
 - e. Any applicable tool for clarity
 - f. Bold, underline, highlight
 - g. Eliminate legal uncertainties
 - h. Avoid multiple meanings
 - i. Normal common meaning

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Checklist

8. Eliminate conflicting clauses
9. Leave no loopholes
10. Avoid acronyms
11. Avoid assumptions
12. Avoid clichés
13. Consistent format throughout

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Checklist

14. Number specs/revision dates/approvals

DO NOT

Include clauses or requirements that belong in:

- General conditions
- Instruction to bidders
- Special provisions

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Resources

- Peers
- Professional or Trade Organizations
- National and international professional associations
 - National Institute for Governmental Purchasing – NIGP
 - Institute for Supply Management
 - American Purchasing Society
- Standards Organizations
 - American Bar Association
 - American National Standards Institute
 - Instrument Society of America
- Catalogs and sales literature
- Sales representatives
- Consultants
- State- <http://www.cpa.state.tx.us/procurement/pub/specifications-library/>
- http://www.window.state.tx.us/procurement/tools/proc_forms/index.html
- <http://www.dot.state.tx.us/business/specifications.htm>
- Federal <http://www.gsa.gov/portal/content/100847>

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Summary-Conclusion

- Accurate description of what you want
- Professional responsibility
- Eliminate waste
- Required before a purchase
- Standard of satisfaction



39

What question do you have?



For additional information or training, contact:

HCDE PLUS –Planning Leadership and Unmodified Systems – a member of HCDE Texas Cooperative Programs Alliance - TCPA

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40

HCDE PLUS - member of TCPA

40

Specification Writing— How to Put Them Together

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Topics for Discussion

- Consider the elements of a complete specification packet
- Describe the consequences of incomplete documents
- Discuss the benefits of meeting with vendors before and after distribution of the specifications
- Determine actions to take if something goes wrong during the process

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The Next Step

You have worked with the User Department and developed the detailed description of the products or services required. What else should be considered when completing the specification packet?

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Elements of a Complete Specification Packet

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Elements of a Complete Specification Packet

- Bid number

- Type of service or product
- General instructions about submitting the bid or proposal
- General terms and conditions required by the entity
- Special requirements related to this bid or proposal
- Schedule for vendor to indicate whether their offer meets or exceeds specific specification requirements

45

Elements of a Complete Specification Packet

- Documents that are required with submittal

- Documents that are required at completion of the contract
- Training that is to be provided
- Warranty
- Vendor list of exceptions to the specifications
- Date, time and location for submittal

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Elements of a Complete Specification Packet

- Name, phone number and email address of the person to be contacted with questions
- Number of copies of the submittal that are required
- References
- Financial Statements
- Insurance and Bonds
- Workers' Compensation coverage

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Elements of a Complete Specification Packet

- Indemnification Form
- Contractor's Affidavit of Bills Paid
- Entity's contract
- Prevailing wage information, if required
- List of required submittals
- Format in which submittal may be made

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Elements of a Complete Specification Packet

- Evaluation criteria and relative weight
- Evaluation committee process
- Method of determining “best value”
- Mapping of evaluation criteria to specifications
- Product test results
- Samples

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Elements of a Complete Specification Packet

- Clear distinction between mandatory requirements and desired requirements
- HUB documentation
- Resident bidder affidavit
- Safety record if applicable
- Confidentiality of documents
- Source of funding, if required to be disclosed

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Elements of a Complete Specification Packet

- Pre-bid Conference

- Newspaper ad
- Requirements for correct classification as contractors and sub-contractors vs. employee
- Preferences that will be considered
- Conflicts of Interest questionnaire or disclosure statement
- Consequences of not meeting work performance requirements

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Elements of a Complete Specification Packet

- How possible changes in scope will be handled, including process for authorization

- Retention of the right to bid out additional work
- Requirement for approval of vendor sub-contractors
- Dispute resolution procedure
- Life Cycle Cost Evaluation
- Required reports during work
- Product or service specifications

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Now I have Determined the Necessary Elements, What's Next?

- Organize the elements in a logical, clear manner
- Have a second person double check for possible accidental omissions
- Have the second person identify any confusing or conflicting information or wording
- Complete document checklist

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Consequences of Incomplete Documents

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Potential Consequences

- Vendors do not submit bids or proposals due to too much or too little information
- Entity does not get the products or services that are needed
- Entity is left with no remedy to correct omissions
- Vendors file protest
- Legal action is necessary to correct the problems

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Meetings with Vendors

56

Possible Meetings with Vendors

- Pre-Issuance meeting (while specifications are in draft form)
- Pre-Bid meeting (based on issued specifications)
- Post award briefing of vendors

57

What if Something Goes
Wrong?

58

Action to Take

- Be certain that you have all the facts
- Develop a good working relationship in advance with the entity's attorney who will work with you—just in case
- At the first hint of problems, start thorough documentation
- Keep your governing body informed so that there are no surprises

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Above all, Purchasing should
keep control of the
specifications and the entire
procurement process!

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Credits

- NIGP Dictionary of Terms
- Purchasing Handbook: George W. Algian
- Model Purchasing Manual – State of Texas
- Presentation: Common Specifications in an Uncommon World, Richard Bennett and Kim Gould
- Dina Hansen, C.P.M., CPSD

61

Thank you

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62

SOLE SOURCE

Presentation in collaboration with
SNL Group Sarah Langlois,
Attorney at Law
South Padre Island
September 2024



1

SOLE SOURCE EXCEPTION

“Without complying with Subsection (a), a school district may purchase an item that is available from only one source, including:

- (1) an item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
- (2) a film, manuscript, or book;
- (3) a utility service, including electricity, gas, or water; and
- (4) a captive replacement part or component for equipment.” (i.e., required so as not to void warranties; certified parts or installers)

Tex. Educ. Code 44.031(j)

▪“The [sole source] exceptions provided by [TEC44.031(j)] do not apply to mainframe data-processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000.”



2

SOLE SOURCE EXCEPTION



- Sole source is RARE!
- There must be no functional equivalent in the marketplace to be a sole source.

QUESTIONS:

1. Is there another product that serves the same purposes or function?
2. Does this vendor or product have competitors?



3

EXCERPTS FROM TEA FASRG RE SOLE SOURCE



“The fact that a particular item is covered by a patent or copyright is **but one factor** in determining if the purchase falls under the sole source exemption to the purchase requirements.”

- Sole source statute “does not include services”!!
- “To be a bond fide sole source exemption...there must be no other like items available for purchase that would serve the same purpose or function, and only one price for the produce because of exclusive distribution or marketing rights.”



TEA FASRG Module 5 (2024 Update) 

4



- If anything, sole source is even more rare under federal law than state law.
 - FASRG: For federal purchases, 2 CFR Part 200 states the district should research the requirements of the use of federal funds and single source purchases before any funds are identified and/or expended.
- Similar legal requirements to show sole source as under state law.
- Sole source affidavit will not be sufficient.
- All other EDGAR regulations apply just like any procurement using 1¢ or more of federal funds.
 - EDGAR Certifications
 - Independent Estimate, Cost Analysis for purchases of \$250,000 or more, etc.
 - Be prepared to explain the basis for using the sole source exception.

5



- “Sole Source” = Noncompetitive procurement method used when products and/or services are available from only one supplier, distributor, or contractor.
- **TDA must approve all sole source methods of procurement!**
- Non-Competitive Procurement (Emergency or Sole Source) Request Form:
<https://form.jotform.com/202895506658063>

Noncompetitive Procurement Method

Procurement by a noncompetitive method is an appropriate method of procurement when one or more of the following types of circumstances apply: public emergency or an unexpected emergency situation, or sole source.

When a CE uses any noncompetitive method of procurement, the CE must retain all related documentation onsite to demonstrate compliance.⁶³ If a CE enters into a sole source contract without TDA approval, the contract has been improperly procured. All costs associated with an improperly procured contract are unallowable, including any ongoing and maintenance costs, from the nonprofit food service account.⁶⁴



6

TEST! SOLE SOURCE?

	Yes	No
▪ 1) "To Kill a Mockingbird" by Harper Lee	<input type="checkbox"/>	<input type="checkbox"/>
▪ 2) iPad	<input type="checkbox"/>	<input type="checkbox"/>
▪ 3) College Board AP Exams	<input type="checkbox"/>	<input type="checkbox"/>
▪ 4) STEM curriculum enrichment consultant	<input type="checkbox"/>	<input type="checkbox"/>
▪ 5) Replacement parts for a campus HVAC system (Warranty?)	<input type="checkbox"/>	<input type="checkbox"/>
▪ 6) Skyward student information system	<input type="checkbox"/>	<input type="checkbox"/>
▪ 7) Annual maintenance updates for the Skyward student information system	<input type="checkbox"/>	<input type="checkbox"/>



7

OTHER EXAMPLES

- Consultant work on psychology
- Water dispenser
- Paper Dispenser
- HVAC System
- Apple Computer
- Samsung TV
- Software
- HVAC Part
- Whataburger
- McDonalds
- Chicken Nuggets
- Diapers
- F150
- Credit Card System
- Event Application
- RAPTOR Software
- Paper
- Beer
- Pot
- Other Samples



8

BEST PRACTICES

- Conduct your own due diligence
- A product itself may be patented or copyrighted, but there may be competing products that serve the same function or purpose (i.e., brand name products, computers, trademarked processes, proprietary software, training materials)
- Do not rely solely on a vendor's letter
- Search cooperatives for alternative sources
- Ask other districts who may have procured the same good or service
- Don't focus solely on quality or convenience
- Don't focus solely on existence of a patent or copyright
- Consider requesting TEA pre-approval before relying on the sole source exception

When in doubt:

Advertise! Competitively Procure!

Purchase from a Co-op!



9

WHAT WOULD YOU DO IN THIS SCENARIO?

- A school principal wants to contract with a consultant to do some tutoring. The cost is projected to be \$54,000. The consultant says that he is a sole source because he is the only one that can tutor students according to his methods. The costs will be charged to a grant. The consultant is told that he is over \$50,000, thus he suggests to split the purchase into two contracts.



10

WHAT WOULD YOU DO IN THIS SCENARIO?

- An administrator is going to a conference put together by the software company that is doing business with the district. They will pay for the hotel and food. The administrator will have to pay the transportation – flight. The software is paid with federal funds. The cost of the hotel and food is over \$1,000.

11

11

A SAMPLE FOR FEDERAL

These are very familiar examples to all of us and are often included as part of the Justifications for Single or Sole Source Vendor Recommendations included with Purchase Request packages. The above statements may be accurate and credible, but do not serve as the only reason for single sourcing an effort. Here are a few considerations. **Federal Acquisition Regulation (FAR) Background**

- Both Technical Project Managers (TPMs), or COTRs in the Government environment, and [Sub]contract Administrators should be mindful of the few Federal Acquisition Regulation (FAR) prescriptions that helps us understand **the basis for single sourcing** efforts when dealing with Research and Development (R&D) world of contracting.
- FAR 6.302-1 Only one responsible source and no other supplies or **services will satisfy agency requirements.**
- FAR 6.302-2 **Unusual or compelling** urgency.
- FAR 6.302-3 Industrial mobilization; engineering, developmental, **or research capability**; or expert services.

12

12

SO, WHAT IS A GOOD JUSTIFICATION?

- A good justification will explain specifically how the proposed vendor's technical capabilities **are unique in responding to the objectives** outlined by the requestor. This includes not only new procurements, but also follow on efforts where a scientific need exists to continue soliciting a single vendor that possesses unique technical qualifications to fulfill the follow on work. For example, a unique alpha prototype developed by a single sourced vendor can only be intelligently serviced by the same vendor. The learning curve to bring on a new [sub]contractor would result in significant financial risk to requestor while not providing the same level of engineering expertise as the vendor that originally constructed the prototype. An important attribute to remember is that being incumbent to the effort does not on its own justify the choice of a [sub]contractor.
- It is always important to mention **whether an exclusive patent rights or limited rights exist**. Keep in mind that the existence of such circumstance does not fully justify the single source nature of the procurement. A requestor should always compliment this with an explanation of the unique technical capabilities of the selected vendor, facilities, overall technical approach or unique expertise of the proposed team.



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SUMMARY

- The key take away is that lack of **advance planning**, concerns regarding funds availability or customer preference are not sufficient reasons to consider a single source procurement. When there are no reasonable opportunities to compete a particular effort, a request to single source should focus on scientific merit and technical capabilities of the vendor that will yield a unique approach benefiting the requestor in meeting the objectives outlined in the statement of work or objectives. Being familiar with the vendor's team and offering the follow on work over and over to the same team may hinder the innovative nature of R&D efforts that one may strive to accomplish.
- TPMs/COTRs and [Sub]contract Administrators **are always encouraged to discuss the basis for sourcing an effort** to a single [sub]contractor at the time the requirement is realized and developed in early stages. This will allow both parties to understand the unique requirements and display due diligence in establishing whether reasonable opportunities to compete exist.



14

WHAT WOULD YOU DO IN THIS SCENARIO?

- An RFP is issued to purchase equipment and installation. The cost of the equipment is \$251,000. The RFP is advertised according to CH Local. The cost will be charged to a federal grant if received. At the time of the RFP, you only received one proposal at \$275,000. An hour later another proposal came in at \$244,000.

15

15

WHAT WOULD YOU DO IN THIS SCENARIO?

- An administrator has a personal flower business. The administrator is the District CFO. He asks principals to order from his business.

16

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WHAT WOULD YOU DO IN THIS SCENARIO?

- You go to a conference and place your business card in the bowl. The conference organizers are raffling various gifts. Some under \$50, and the grand price is \$10,000 for a weekend hunting trip. Your Procurement Officer wins the grand price. You are the CFO and you are attending the raffle event.

17

17

WHAT WOULD YOU DO IN THIS SCENARIO?

- You are purchasing supplies through the p card. You are a teacher, and you are given the p card to purchase supplies of \$100. You need furniture for your classroom, and it is worth \$5,000. You purchase it and pay with the p card to include sales tax. Also, the order is coming from Vietnam, and it will be shipped in a couple of weeks after the end of the fiscal year.

18

18

What questions do you have?



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, CPFIM

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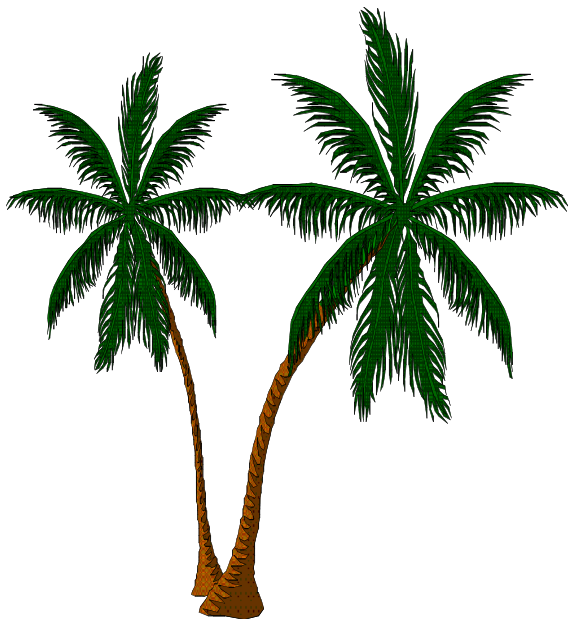
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TIMELINE 2024

JOB ORDER CONTRACTING MANDATORY PROCEDURES



SPEAKERS:

Ryan Burwell

Job Order Contracting Construction Procurement & Mandatory Procedures



Agenda

1. Legal Authority
2. Definition
3. Bidding the Umbrella Contract
4. The JOC Process
5. Why it works
6. Q & A.



JOC Procurement Legal Authority

Job Order Contracting is a Texas approved means to procure construction services for renovation, repair, rehabilitation, remediation and minor construction to Cooperative members, as set forth in the following Government Codes:



[Texas Education Code 51.784](#)



[Texas Local Government Code 2269.401.](#)

Procurement Vehicle via:

Internal Solicitations

Purchasing Cooperatives

Interlocal Agreements



Texas Government Code 2269: The (7) Legal ways to Procure/Purchase Construction Services

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE F. STATE AND LOCAL CONTRACTS AND FUND MANAGEMENT

CHAPTER 2269. CONTRACTING AND DELIVERY PROCEDURES FOR CONSTRUCTION PROJECTS

SUBCHAPTER C. COMPETITIVE BIDDING METHOD (Lowest Responsible Bidder)

SUBCHAPTER D. COMPETITIVE SEALED PROPOSAL METHOD (Best Value Criteria)

SUBCHAPTER E. CONSTRUCTION MANAGER-AGENT METHOD (Agent provides consultation or administrative services during the design and construction phase and to manage multiple contracts with various construction prime contractors.)

SUBCHAPTER F. CONSTRUCTION MANAGER-AT-RISK METHOD (contracted at a GMP guaranteed maximum price, with a construction manager to serve as the general contractor and to provide consultation during the design and construction phases)

SUBCHAPTER G. BUILDING USING DESIGN-BUILD METHOD (contracts with a single entity to provide both design and construction services)

SUBCHAPTER H. DESIGN-BUILD PROCEDURES FOR CERTAIN CIVIL WORKS PROJECTS (roads, streets, bridges, utilities, water supply projects, water plants, wharves, docks, airport runways, ect)

SUBCHAPTER I. JOB ORDER CONTRACTS METHOD (contractors compete on established unit prices where indefinite quantities and orders are awarded on the basis of pre-described and pre-priced tasks...)

Job Order Contracting Definition

Job Order Contract (JOC): A firm, fixed priced, competitively bid, fast track, indefinite quantity type procurement contract specifically designed to accomplish maintenance, repair, alteration, renovation, remediation, or minor construction of a facility.

Firm Fixed Priced:

Contract Documents include a UPB of work tasks that are pre-priced

Competitively Bid:

All Bidders submit a set of competitively bid Coefficients or Multipliers applied to the UPB.

Fast Track:

Avg. Procurement time of 20 days

Indefinite Quantity:

No projects or tasks are identified at the time of bidding. The amount and type of work is unknown.



Typical JOC type Projects.

- Asbestos Removal
- Back-up Generators
- Bathroom Renovations
- Boiler Replacement
- Flooring Replacement
- Concrete Sidewalks
- Demolition
- Doors and Hardware
- Pre-engineered Metal Buildings
- Fire Sprinkler Mods
- HVAC Upgrades
- Insulation/Soundproofing
- Masonry Repairs
- Office Renovations
- Painting
- Lighting Upgrades
- Replacement of Windows
- Roofing Repairs/Replacement
- School Security
- Outdoor Canopy's



Work Not Procured through JOC

2269.401 - This subchapter does not apply to:

- Highway
- Road
- Street
- Bridge
- Utility
- Water supply project
- Water plant
- Wastewater plant
- Water and wastewater distribution or conveyance facility,
- Wharf or dock,
- Airport runway or taxiway,
- Drainage project,
- Professional Services: Engineering and Architectural Stamped Drawings



Bidding the Umbrella Contract



Prior to bidding BuyBoard Does Not:

Identify any specific projects or locations.

Identify or commit to any specific quantities or tasks in the UPB (unit price book)



Scope of Work:

Maintenance, repair, alterations, renovations, remediation, or minor construction of a facility.

Defined by the tasks in the Unit Price Book.

The term of the Contract is up to 5-years.

- 2-year base with (3) options for a 1-year renewal



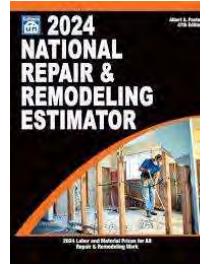
Contractors Proposal:

Series of Coefficients to be applied to the pre-established prices in the UPB.

Scoring is based on set Best Value Criteria.



Identify the UPB (Unit Price Book)



Bidding the JOC Solicitation

Contractors Propose Two Coefficients:

1. Standard Working Hours
2. Non-Standard Working Hours

1 WORK PERFORMED DURING STANDARD HOURS



7 AM – 5 PM
Mon - Fri

Award:

- Based on Best Value
- Multiple awards made

2 WORK PERFORMED DURING NON-STANDARD HOURS



5 PM – 7 AM
+Weekends
+Holidays



Best Value Criteria and Questionnaire

- 1) Company History, experience
- 2) Job Order Contracting Experience
- 3) Staffing Experience and Plan
- 4) In-house capabilities
- 5) Financial capabilities
- 6) References
- 7) Judgements
- 8) Active Contracts
- 9) Quality Control
- 10) EMR rating



BuyBoard RFP Compliance Forms

- Proposal Acknowledgements
- Felony Conviction Disclosure
- Resident/Nonresident Certification
- Debarment Certification
- Vendor Employment Certification
- No Boycott Verification
- No Excluded Nation or Foreign Terrorist Organization Certification
- Historically Underutilized Business Certification
- Construction-Related Goods and Services Affirmation
- Deviation and Compliance
- Vendor Consent for Name Brand Use
- Confidential/Proprietary Information
- EDGAR Vendor Certification
- Compliance Forms Signature Page



Awarded Vendors Across 20 Regions



Awarded Coefficients

BuyBoard JOC Coefficients

Standard hour coefficients awarded per contractor for each region (RF# 128-24)

Vendor Name	Region 1 Frio/Guadalupe	Region 2 Cotulla	Region 3 Vicksburg	Region 4 Brewster	Region 5 Brewster	Region 6 Ft. Bessert	Region 7 Comanche	Region 8 McPherson	Region 9 Wichita Falls	Region 10 Cottle	Region 11 Frost	Region 12 Lambert	Region 13 Sutton	Region 14 Sutton	Region 15 Sutton	Region 16 Sutton	Region 17 Lubbock	Region 18 Midland	Region 19 Midland	Region 20 San Antonio
Adept Facilities and Design	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87
Alpha Building Corporation	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Amstar Inc.	0.82	0.82	0.80	0.83	0.85	0.83	0.85	0.85	0.85	0.83	0.83	0.84	0.82	0.85	0.85	0.85	0.85	0.85	0.83	0.82
B&C Constructors L.P.				0.94		0.94							0.94							0.97
Basic IDIQ Inc.	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81
Brown & Root Industrial Services	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
Centennial Contractors Enterprises										0.94	0.94	0.94								
D.L. Bandy Construction				0.90	0.95		0.95						0.95	0.95	1.00	0.95				0.90
E Contractors USA LLC			0.76	0.76	0.72	0.72	0.72						0.74							0.74
ERC	0.89	0.89	0.89	0.90	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89			0.89
Facilities Sources				0.99	0.99		0.99													
Falkenberg Construction Co. Inc.				0.98					0.98	0.98	0.98	0.98								0.98
Fitz, LLC	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73
G2 Construction Services, Inc.												0.95	0.95							
Garloff Company Inc.	0.98	0.98	0.98									0.98		0.98						0.98
GPC Contracting (Gomez Floor Covering)			1.00	1.00	1.00				1.00	1.00	1.00	1.00								1.00
HCS Inc. Commercial General Contractor												0.95	0.95							0.95
Herron LLC	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89
Horizon International Group, LLC			0.95	0.93	0.95															
Jamail and Smith Construction	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
JL Squared Construction	0.78	0.78	0.78	0.78																0.78
Joets Construction										0.90	0.92									



Start of the Umbrella Contract

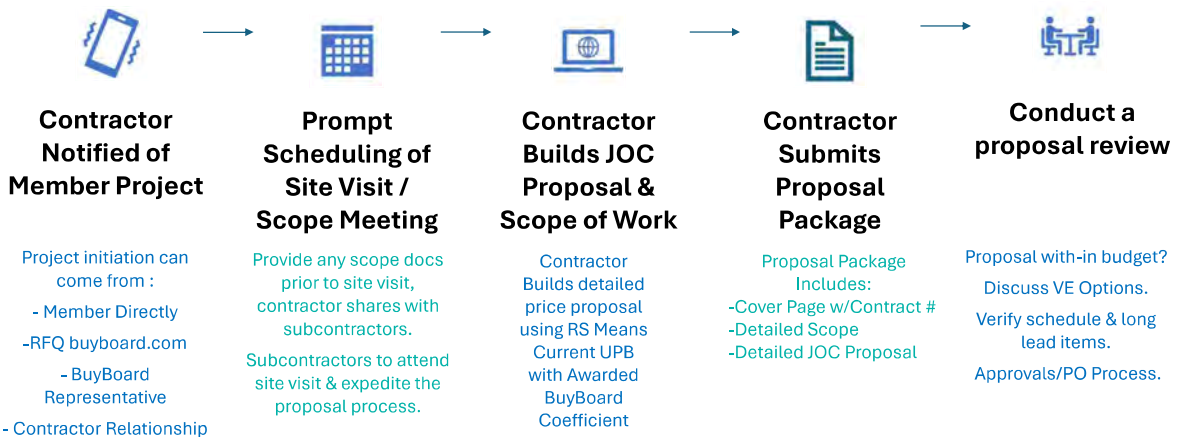
Part 1
Bidding the Umbrella
BuyBoard JOC
Contract



Part 2
Post Award – Performing
Individual Projects for
BuyBoard Members



The JOC 5 Step Process



Capturing the Scope of Work



Individual Job Order Specified Requirements

- a) HUB, MBE, WBE, SBE, Veteran Owned Requirements
- b) Certified Pay Roll & Wage Requirements
- c) Local Preference Programs
- d) Sub/Supplier Commitments
- e) LEED Goals
- f) Buy American
- g) Insurance Requirements
- h) Payment & Performance Bonds
- i) Permits
- j) Background Checks & Badging



Conducting the Site Visit



Review Drawings, Specs, Project Requirements



Discuss Value Engineering Ideas,
Time & Cost Savings Solutions



Discuss Scope of Work with Client
& evaluate all aspects of the project



Take Field Measurements, Notes
and Pictures of Existing Conditions



Site Visit - Topics of Discussion

Hours of work.

Controlled inspections, testing and documentation.

Shop drawings, technical data, material samples, etc.

Anticipated A/E produced drawings.

Start Date & Completion Date

Noise restraints.

Items with Long Lead Times.

Staging location.

Mockups.

Safety issues.

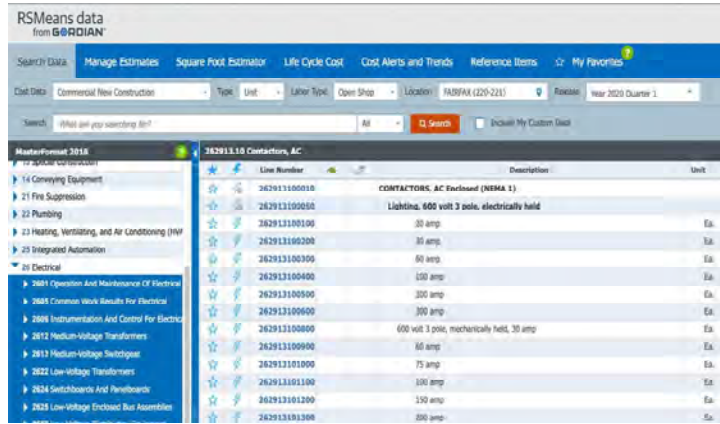
Proposal Due Date.



Building The Price Proposal

- Conduct Quantity Take-off
- Contractor builds proposal using web-based software: **RS Means or eGordian**
- Software Automates the Proposal Process
- Encourage Use of Notes and Categories

NOTE: This is completed within the timeline established at the scope meeting.



JOC Price Proposal

Member Has the Ability to See and Review the Pricing Detail



Item	Description	UM	Quantity	Unit Cost	Total	Book
08 - Openings						
1	08-71-20-65-2300 Threshold, aluminum, ADA, 4" wide x 36" long Line item used for threshold at restroom doors.	Ea.	2.0000	\$66.50	\$133.00	RSM21FAC M, L, B P
08 - Openings Total						\$133.00
09 - Finishes						
2	09-01-70-10-0510 Gypsum wallboard, repairs, prepare, retape and refinish joints Line item used for the Mens and Womans restroom Walls and ceilings.	L.F.	45.0000	\$7.97	\$358.65	RSM21FAC M, L, B P
3	09-05-05-20-0900 Flooring demolition, vinyl composition tile, 12" x 12" Line item used to remove vct around door frame in vestibule for mens and womans restroom. 3'2 = 6.00	S.F.	6.0000	\$0.71	\$4.26	RSM21FAC L, B P
4	09-22-36-83-1620 Corner bead, expanded bullnose, galvanized, 3/4" radius, #10 Line item used for new wall going in Mens bathroom.	C.L.F.	0.1600	\$192.50	\$30.80	RSM21FAC M, L, B P
5	09-29-10-30-2000 Gypsum wallboard, on walls, standard, 5/8" thick, finish excluded This line item is used for the Interior gypsum board walls. Patch, Repair (approx. 15%) (223* 15)*2 = 66.90	S.F.	66.9000	\$0.80	\$53.52	RSM21FAC M, L, B P
6	09-29-10-30-3300 Gypsum wallboard, on ceilings, mold resistant, 5/8" thick, finish excluded Line item is used for The Repair drywall ceilings assume 10% of ceilings will require patching.	S.F.	60.0000	\$0.94	\$56.40	RSM21FAC M, L, B P



Scope of Work



The Contractor will prepare a detailed scope of work based on the outcome of the site visit, that fully describes the work expected to be performed.



This SOW will be attached to the proposal itself and the owner will need to approve.



Price Proposal Total Becomes the Lump Sum Proposal Amount Based on the Scope of Work.



Reviewing the JOC Proposal

Applied City Cost Index – Correct CCI location

Applied correct coefficient/adjustment factor

Data release (correct Quarterly update)

Contract Specified Pricing

Non-pre-priced items and back up.



JOC Proposal Package Review

1 - Cover Page including:

- Company Letterhead
- BuyBoard Contract Number
- Contact Info: To & From

2 - Detailed scope of work narrative:

- Inclusions, Exclusions & Qualifications
- Drawing Title
- Architect/Engineer of Record
- Plan Dates
- Plan Pages

3 - Detailed RS Means Price Proposal:

- Use Notes
- Combine docs into 1 (.pdf)



Starting Construction



Construction can begin once approval documentation is issued by member:

- a) Signed Purchase Order (per Owner standards, signed by Owner)
- b) Fully Executed NTP (signed by Contractor and Owner)
- c) Fully Executed Contract (per Owner standards, signed by Contractor and Owner)

Payment Bonds :

- **\$25,000 and the Govt entity is not a municipality or joint board**
- **\$50,000 and the Govt entity is a municipality or joint board**
 - **\$100,000 Performance Bond required**



Third Bids Scenario

Addressing Third Bids

- **Is there a requirement for 3 bids.**
 - BuyBoard has fulfilled the 3-bid requirement bidding Umbrella Contract.
 - 100 Contractors Competed on Pricing and Value, 40 Awards made.
- **Is project scope applies to apples?**
 - Separate Contractor Site Visits = Dissimilar Project Information
 - Verify: Materials, equipment & scope.
 - Keep it fair: share exact same proposal scope.
- **Are all 3 quotes being procured legally?**
 - (JOC proposal vs random vender quotes)



Why JOC works for BuyBoard Members



Fast-Track Construction Procurement.



Assured Quality and Performance of Contractor.

- Preproposal Collaboration



Contractor Has A Continuing Financial Incentive To Provide Responsive Services.

- Future Purchase Orders Tied to Contractor Performance



Increased Transparency.

- Fixed Pricing

- Detailed Price Proposal



The Ability to Accomplish a Substantial Number of Individual Projects

- No Obligation To Award Specific Projects.



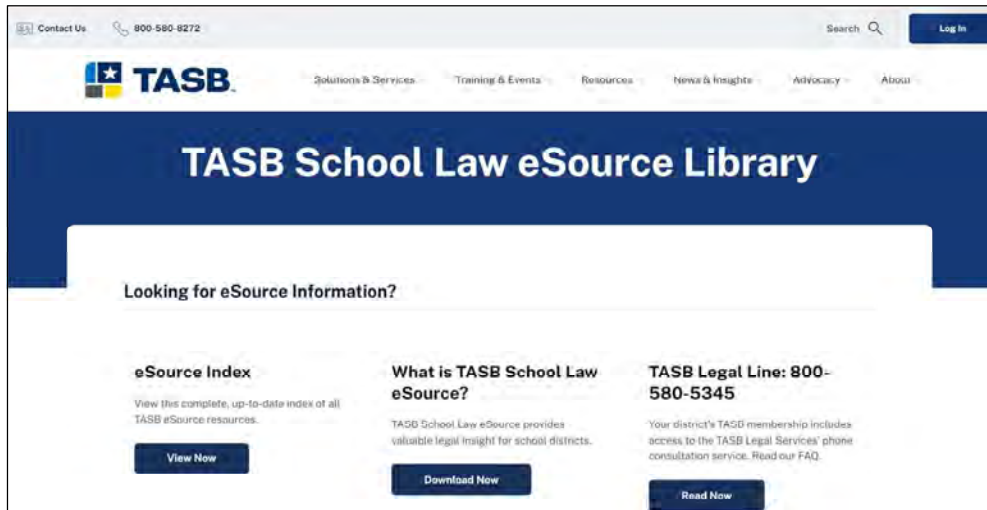
Schedule Flexibility.

- Budget for Summer Projects, obtain funding



JOC Volume Counts Toward Rebate

TASB Legal Line



<https://www.tasb.org/resources/esource>

BuyBoard Operations Support Job Order Contracting | Consultant

Ryan Burwell: 512-774-9844 _ ryan.burwell@tasb.org

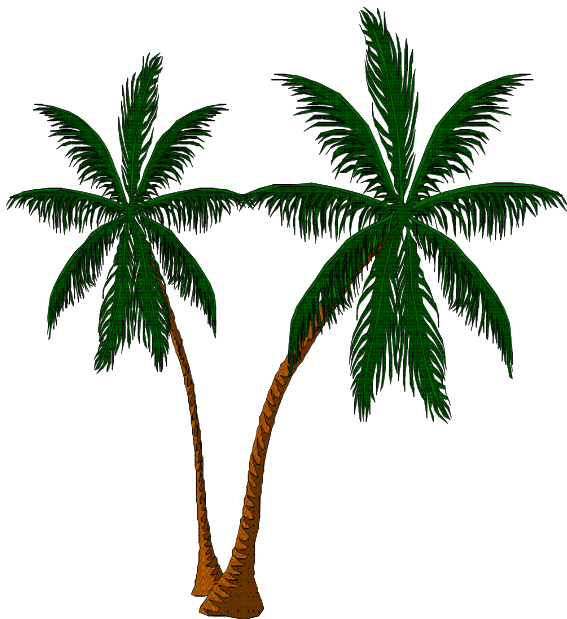
Objectives:

- JOC Program Support, Implementation and Standardization.
- Grow BuyBoard JOC Program Usage & Drive More Business.
- Expand JOC awareness understanding to BuyBoard Members.
- Support Members Renovation Project Needs.
- Collaborate with Vendors on Marketing/Sales Efforts.
- Expand the BuyBoard JOC program Nationally.
- Conduct Monthly PO Reporting.



TIMELINE 2024

HOW TO EVALUATE AN RFP



SPEAKERS:

Jesus Amezcua

How to evaluate and RFP- Evaluations and steps to approved vendor



Harris County
Department of
Education

Dr. Jesus Amezcua, CPA, RTSBA, CPFIM
Assistant Supt for Business
Presentation to SPI
Summer Timeline 2024

September, 2024

Outline for Today's Session

2

- A. Prerequisites for evaluating
- B. Evaluation Process
- C. Legal REGS:
- D. RFP requirements
- E. Contract Templates
- F. Vendor Forms
- G. Contract Provisions

[Ethics](#)
[Due diligence](#)

[Best practices](#)

[Sample Clauses](#)

[Sample Evaluation](#)

[Key Case in Harris County](#)

Who can evaluate an RFP?

3

- I am a Board Member or City Council Member
- I am a supervisor, and my boss is on the evaluation team
- I am a grant program director
- I am a vendor
- I am the broker on the account
- I am a consultant
- I have provided free tickets to the Mayor
- I have sponsored a luncheon for all evaluating committee members.
- I received a gift from a vendor and did not report it. It was for \$199
- I am the CFO
- I am the Purchasing Agent
- I am the Superintendent
- I am a vendor
- I am a parent
- I am a legislator

Prerequisites for being an evaluator

4

- Free from conflict of interest
- Be aware of biases
- Maintain Confidentiality
- Disclosure and complete the CIS Form
- Read the instructions given by Purchasing
- Communicate, Document and be Fair
- Work with Purchasing and Collaborate
- Read the proposals
- Ask Questions
- Prepare recommendation Memo

Evaluation Process

5

- Instructions to Evaluation Committee
- Sign CIS and Read instructions
- Evaluate proposals
- Sign Recommendation Memo

Activity on Teamwork

6

- Guess the drawing behind the team and win a metal.
- Need 5 teams of 5

Case in Harris County- let's discuss

7

- You are an evaluator, and you communicate with a proposer and answer questions.
 - You use an email and a text.
 - You want vendors to submit a proposal
 - Can you provide information?
 - They ask for additional information? Does everyone receive the same data?
 - FAIR COMPETITION. - What is our charge?
- **Best Value through a fair process that promotes healthy competition.**

Three of Lina Hidalgo's aides, including chief of staff, indicted in Harris County contract award scandal

8

The felony charges are misuse of official information and tampering with a government record. Hidalgo, who oversees Harris County, has the largest constituency of any elected Democratic executive in the state.

BY ZACH DESPART APRIL 11, 2022 UPDATED: APRIL 12, 2022

Three employees of Harris County Judge Lina Hidalgo have been indicted by a grand jury on charges related to how they helped award a contract for COVID-19 vaccine outreach last year.

The Harris County district clerk lists two felony counts each for chief of staff Alex Triantaphyllis, policy director Wallis Nader and former policy aide Aaron Dunn. The charges are misuse of official information and tampering with a government record.

The charges add weight to a scandal Hidalgo has attempted to dismiss as politically motivated, and they threaten to tarnish her carefully cultivated image as an ethically minded public servant as she seeks reelection this year. Hidalgo is widely seen as a rising star in the Texas Democratic Party and a future statewide candidate.

The three employees were part of a selection committee to choose a vendor for a COVID-19 vaccine outreach campaign Hidalgo wanted. The committee, which also included members of the county health department, unanimously awarded an \$11 million contract to Elevate Strategies, a small political consulting firm owned by Felicity Pereyra, who has previously worked on Democratic campaigns.

The committee had rated a cheaper bid from the University of Texas Health Science Center at Houston highest in a scoring competition. After interviewing the top applicants, the group decided to award the contract to Elevate. Hidalgo's office said the firm's background in political communications was exactly the skill set needed for the vaccine outreach campaign, which was to include digital ad buys and door-to-door canvassing.

Republicans have seized on this as evidence of corruption, alleging without evidence that Hidalgo was funneling money to help the Democratic Party build relationships with voters. Hidalgo accused Republican county commissioners of spreading conspiracy theories, though she agreed to cancel the contract in September because she said it had become too politicized.

Court records filed by the Texas Rangers, who are assisting prosecutors, suggest the inquiry focuses on whether Hidalgo's office inappropriately involved Pereyra in designing the bid proposal she would later win.

Harris County District Attorney Kim Ogg's office said it could only confirm charges after delivering arrest warrants to defendants.

Republican County Commissioner Jack Cagle, who began asking questions about the contract last summer, said in a statement he took no pride "in being right about this."

Requirements

- Legal REGS:
- RFP requirements
- Contract Templates
- Vendor Forms
- Contract Provisions

Best practices

No contact with vendors informally, Emails, Lunches Conferences

Due diligence & Posting

Documentation - who is on First? ROLES

Legal Review Prior - Prevent

11

RFP requirements

- What is included in the RFP?
- What is the scope?
- What are the evaluation factors and points?
- Who will evaluate?
- What are the requirements for evaluating?

Best Practices

RFP = Contract

Scope = Be detailed What you want from them and what they want from you.

Subjective or Objective

How many and Who?
Supervisors , Free from Conflict, Professionals

Instructions BEFORE and RESULTS AFTER

12

Discussion Question One.

13

- Is there a difference between and RFQ and RFP or RFI, or Competitive Sealed proposals?
- Why would you use one over the other one?
- Who is subject to CH 2254

(2) "Professional services" means services:

- (A) within the scope of the practice, as defined by state law, of:
- (i) accounting;
 - (ii) architecture;
 - (iii) landscape architecture;
 - (iv) land surveying;
 - (v) medicine;
 - (vi) optometry;
 - (vii) professional engineering;
 - (viii) real estate appraising;
 - (ix) professional nursing; or
 - (x) forensic science;

What is included in the contract?

14

- Contract Clauses?
- Contract templates
- Is this for revenue or expenditure?
- Construction or expenditure?
- Are there grant requirements?

Best Practices

Contract - Special Terms

Revenue - mostly not - unless you are charging fees

**Expenditure - Local policy
\$75,000 - of \$50,000 or less**

Grants are specials - special provisions - non-negotiable - see my Federal Class.

Contract Formatting Instructions

15

- APPEARANCE
- Always strive for a professional product.
- Consistent style
 - [header]
 - ARTICLE I. PURPOSE
- Consistent font size - Times New Roman, 12
- Number pages: 1 of 3, 2 of 3, 3 of 3; as necessary

Best Practices

RFP = Contract
One page - very rare
Attachments
Provisions

Contract Completeness

16

- Review your contract to make sure all your bases are covered. A good contract answers all the questions you or the other party may have during or after the contract term
- Use proper and complete names, titles, and contact information
- Have you included definitions? You may or may not need to; the goal is to make the contract clear to all contracting parties.
- Review the Entire Agreement clause/paragraph; it should state that the contract and attachments/exhibits represent the entire agreement.
 - Attachments may include:
 - Scope of Work
 - Additional Attachments/Exhibits

Contract Accuracy

17

- Use spell check
- Specify **total payment amount** (along with increment payments, if appropriate); including travel and/or other reimbursable expenses
- Amount should be in numbers (including cents amounts) and spelled out:
 - Example: Thirty Thousand Dollars and no/cents (\$**30,000.00**)
- (use US Currency, if necessary) **(No Foreign Currency)**

Contract types

18

- Use the format that is appropriate to your purpose; this can be based on critical need or the dollar amount involved
- **Purchase Order (for purchases of personal property)**
- **Speaker Agreement** **Leases**
- **Memorandum of Understanding (MOU) Interlocal Contract**
- **Service Contracts**
 - **Professional Services**
 - **Consultant Services**
- **Bonds** - **Competitive or Negotiable**

Contract Payments

19

- Purchase Order
 - Payment Authorization
 - IRS Form W-9, Felony Conviction Notice, Conflict of Interest Questionnaire, Senate Bill 9 Contractor Certification
 - Other Forms and Certifications
 - Copy of Contract
 - Invoice - OK TO PAY
 - Out of country vendors ?
 - Identify where to send the invoice???

Contract Payments

20

Best Practices:

Who monitors contract and what are their obligations?

- Product delivered according to specs
- Services delivered according to contract
- Within contract
- Within timeline
- SIGN, OK TO PAY, CERTIFIES

Can you amend an expired contract?
Who can monitor a contract and what are their duties?

What do you want for the Maintenance Director or the Principal or the Transportation Director to do in relation to contract monitoring?

21

- Exercise - Activity

What do you want for Program Directors to do?

22

• Performed by Division Director-Contracts:

- Receive assignment of contract management via the job description and via his or her function in the Department within the organizational structure.
- Implement an annual evaluation of the function, its related contract management responsibilities, and internal controls with the organizational structure.
- Implement a system of contract management system and internal controls for all program functions under the oversight of the administrator.
- Receive annual training on financial guidelines to include procurement policies and procedures by the Purchasing Department and the Business Services.
- Authorized personnel to sign on contracts:
 - ➔ Superintendent
 - ➔ Assistant Superintendent for Business Services
- Review contract requirements. Implement procedures to make sure requirements are met.
- Follow up on timeline of contract renewal at least 3 months prior to expiration and meet with purchasing staff to initiate the purchasing process and contract renewal process.

There is no **“one size fits all”** solution to creating a contract. Each unique situation mandates which clauses are included and which clauses are not included. The goals are to protect organization interests and to be fair and equitable.

Key Contract Clauses

ALPAHBETICAL LIST OF CLAUSES

- | | |
|---|---|
| Amendment | Intellectual Property Rights |
| Assignment | Introductory Paragraph-Interlocal Agreement |
| Changes | Introductory Paragraph-Contract |
| Compensation | Non-Appropriation of Funds |
| Completion & Liquidated Damages | Non-Completion of Contract |
| Confidential Data | Non-Exclusivity |
| Conflict of Interest | Notice |
| Contractor Status | Payment Bond or Performance Bond |
| Entire Agreement | Property Warranty/Indemnification |
| Examination of Records | Publication Rights |
| Felony Conviction Notice | Purpose |
| Force Majeure | Recitals |
| Funding Clause | Review of Progress |
| Governmental "Funding Out" Clause | Scope of Work |
| Governing Law | Services to be Provided |
| Hold Harmless-Speaking Engagement | Severability |
| Incidental Sales | Signature |
| Indemnification-Patent, Trademark, or Copyright | Sole Agreement |
| Independent Contractor Status | Term |
| Insurance Requirements | Termination |
| | (No) Third Party Beneficiary Clause |
| | Venue |

CLAUSE/DESCRIPTION	SAMPLE WORDING
Amendment	This Contract may be amended only by the mutual agreement of the parties, in a writing to be attached to and incorporated in this Contract.
Assignment	Neither this Contract nor any duties or obligations under it shall be assignable by Contractor without the prior written acknowledgment and authorization of HCDE.
Changes	During the Term of the Contract, HCDE reserves the right to make changes to the work the Contractor is required to provide pursuant to this Contract. All such changes shall be made in writing and agreed to by both parties.

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Compensation</p> <p><i>May put something in this clause referring to the release of the performance bond. Also see Performance Bond.</i></p> <p><i>Need to be specific concerning payments and conditions for payments: one payment upon completion of all services or multiple partial payments, a payment schedule based on due dates or based upon % of completion, etc. Does this clause need to be tied to the scope of work?</i></p>	<p>HCDE agrees to reimburse Contractor for reasonable costs and expenses necessarily incurred, up to the maximum amount of < \$XXX,XXX >. Contractor agrees to provide HCDE with appropriate documentation, including, but not limited to, copies of original receipts, verifying such expenses and costs associated with performing the required services. Contractor shall submit to HCDE an invoice for services rendered. HCDE agrees to make payment upon acceptance and approval by HCDE of all goods or services provided by Contractor.</p> <p>HCDE is Texas state sales tax exempt and will provide the Contractor with a signed TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION. Form available on HCDE Portal.</p>

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Completion & Liquidated Damages as Provided for in HCDE Contracts</p> <p>Usually found in construction contracts.</p>	<p>HCDE contracts include provisions for completion and liquidated damages and are listed as follows to inform the Bidder of the following conditions:</p> <ol style="list-style-type: none"> 1. Under the terms of an HCDE contract, the bidder certifies to complete delivery of any product/service within the specified calendar days < listed on each bid response > counting from the date HCDE purchase orders are received by the Bidder. Bidder agrees that time is of the essence in performance of the contract. Bidder and HCDE understand and agree that a breach of contract as to completion on time will cause damage to HCDE and the relevant End User, and that such damages would be difficult or impossible to measure.

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Completion & Liquidated Damages as Provided for in HCDE Contracts, continued</p>	<ol style="list-style-type: none"> 2. Therefore, for each and every calendar day that product/service is not delivered beginning < Specified number of days > after the expiration of the time limit set in the contract, HCDE may withhold permanently from Contractor's total compensation the sum of < amount in words > dollars (< amount in numbers: \$XXX.XX >) per calendar day liquidated damages. It is further agreed that the sum stipulated as liquidated damages is a reasonable estimate of the damage which will result to HCDE and/or the < End User > for a failure of Contractor to deliver the product/service in accordance with the Contract. The amount of liquidated damages due may be deducted by HCDE from any payment or payments otherwise due to Contractor, hereunder, or if all payments otherwise due to Contractor hereunder have been made, the amount of liquidated damages shall be immediately due and payable upon demand.

Clause

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CLAUSE/DESCRIPTION	SAMPLE WORDING
Confidential Data of HCDE	<p>In the course of performing duties under this Contract, Contractor may view, obtain, or have access to financial, accounting, statistical, personnel, and other information of a confidential nature concerning students being served by HCDE and employees of HCDE. All such information is confidential and shall not be disclosed, directly or indirectly, to any person other than authorized officials of HCDE, either during the Term of this Contract or after such Term.</p> <p>Contractor acknowledges that HCDE would be irreparably injured if Contractor were to disclose such information to third parties not entitled to receive such information or to misappropriate such confidential information for Contractor's own purposes or benefit and that money damages would not compensate HCDE for such irreparable injury.</p>
Conflict of Interest	<p>During the Term of Contractor's service to HCDE, Contractor shall not, directly or indirectly, whether for Contractor's own account or for or with any other person or entity whatsoever, employ, solicit or endeavor to entice away any person who is employed by HCDE.</p>
Contractor Status	<p>See Independent Contractor Status.</p>

Clause

30

CLAUSE/DESCRIPTION	SAMPLE WORDING
Entire Agreement	<p>This Contract and list memorandums, price lists, etc. attached hereto represent the entire and exclusive agreement between the parties thereto and replace in their entirety any previous agreements, written or oral. OR</p>
CLAUSE/DESCRIPTION	SAMPLE WORDING
Entire Agreement, Continued	<p>This Contract represents the entire and exclusive agreement between the parties thereto and replaces in their entirety any previous agreements, written or oral.</p>
Examination of Records	<p>HCDE shall have access to and the right to examine and reproduce or capture all documents, papers, records, notes, files, electronic data and any other "materials" that were used by Contractor. Contractor shall notify HCDE if any such materials are copyrighted.</p>

Clause

31

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Felony Conviction Notice</p> <p><i>This clause should be included in any contract where a Contractor will be working on a campus or in a center or with students or clients of any age, or at any other time the division deems appropriate.</i></p>	<p>Contractor acknowledges receipt of the Felony Conviction Notice attached as an addendum or an exhibit and incorporated herein, and represents to HCDE that Contractor has accurately completed, executed and delivered the Notice to HCDE. Contractor acknowledges that under Section 44.034 of the Texas Education Code, Contractor must give advance notice as required by this Article and that Contractor faces the consequences outlined in the Section for misrepresenting the conduct resulting in the conviction as indicated on the Felony Conviction Notice.</p> <p>See <u>Felony Conviction Notice</u> form.</p> <p>(IMPORTANT: This section does not apply to a publicly held corporation.)</p>
<p>Force Majeure</p>	<p>The parties to this Contract may be excused from performance hereunder during the time and to the extent that they are prevented from performance due to an act of God, fire, strike or lockout, when satisfactory evidence thereof is presented to the other party and provided that such non-performance is not due to the fault of the non-performing party.</p>

Clause

32

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Funding Clause</p> <p><i>For Contracts that are contingent on the receipt of grant funds should have a clause so stating.</i></p>	<p>HCDE anticipates it will receive funds from the grantor in an amount equal to the costs of services to be provided under this Contract. Notwithstanding anything to the contrary in this contract, this Contract is contingent on HCDE receiving such funds.</p> <p>In the event HCDE does not receive those funds, HCDE may terminate or reduce the scope of services provided under this Contract without pecuniary risk or penalty, at its sole discretion.</p>
<p>Governmental "Funding Out" Clause</p> <p><i>Contracts and Leases that are contingent on the receipt of revenues should have a clause so stating.</i></p>	<p>HCDE/Lessee anticipates it will receive revenues in an amount equal to the costs of services to be provided under this Contract/Lease. Notwithstanding anything to the contrary in this contract, this Contract/Lease is contingent on HCDE/Lessee receiving such revenues. In the event HCDE/Lessee does not receive those revenues, HCDE /Lessee may terminate the Contract/Lease or reduce the scope of services provided under this Contract/Lease without pecuniary risk or penalty, at its sole discretion.</p>


Clause

33

CLAUSE/DESCRIPTION	SAMPLE WORDING
Governing Law	This Contract shall be governed by and construed in accordance with the laws of the State of Texas. (May be combined with Venue.)
Hold Harmless-Speaking Engagement	Contractor hereby indemnifies and holds HCDE harmless from and against any and all loss, damage or claim against HCDE, arising from Contractor's acts or omissions in connection with the speaking engagement described in this agreement.
Incidental Sales	The Contractor shall have the sole right to sell or cause to be sold books authored by the Contractor on the Premises.

Clause

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<p>Indemnification & Insurance- < Speaker Agreement ></p>	<p>The Speaker agrees that physical activity is not required of participants.</p> <p>AND</p> <p>Speaker agrees that Speaker carries liability insurance covering acts or omissions of Speaker with an approved company naming HCDE as an additional insured").</p> <p>OR</p> <p> Speaker hereby indemnifies and holds HCDE harmless from and against any and all loss, damage or claim against HCDE, arising from Speaker's acts or omissions in connection with the speaking engagement described in this agreement.</p> <p style="text-align: right;">_____ Signature/Hold Harmless</p>
---	--

Clause

35

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Independent Contractor Status</p>	<p>It is the intention of the parties that Contractor be an independent contractor and not an employee, agent, joint venturer, or partner of HCDE and nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and Contractor or</p> <p>HCDE and any of Contractor's agents, employees, or sub- contractors.</p> <p>Contractor assumes exclusively the responsibility for the acts of its employees, subcontractors, if any, agents or partners as they relate to the services to be provided in connection with this Contract during the scope and course of their employment. Contractor, its agents, subcontractors, joint venturers, partners and employees, shall not be entitled to any rights or privileges of HCDE employees and shall not be considered in any manner to be HCDE employees.</p>

Clause

36

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Insurance Requirements</p> <p><i>Please call the Risk Manager whenever you think there is or even may be an insurance liability or a requirement for insurance coverage.</i></p> <p><i>Not ALL this verbiage is required. Ask the Risk Manager for assistance.</i></p> <p>More clause samples next page.</p>	<p>The Contractor is required to carry <u>general liability insurance</u>. The minimum liability coverage is \$1,000,000 .00 per single occurrence. An aggregate value in the amount of \$1,000,000.00 without single occurred coverage of like amount shall not be acceptable.</p> <p>The Contractor is required to carry <u>product liability insurance</u> on all products offered through the HCDE Cooperative Purchasing Program. Manufacturers/bidders shall submit insurance certificates for the <u>product liability coverage</u> encompassing their dealer network, or shall submit individual certificates for each of their participating dealers. The minimum product liability coverage is \$1,000,000 per single occurrence. An aggregate value in the amount of \$1,000,000 without single occurrence coverage of like amount shall not be acceptable.</p> <p>The Contractor is required to carry <u>workers compensation insurance</u>. Contractor must provide a certificate of workers compensation insurance in an amount not less than the State of Texas minimum requirements.</p> <p>Insurance coverage shall be in effect for the length of the contract and for any extensions thereof, plus the number of days/months required to deliver an outstanding order after the close of the contract period.</p> <p>Only one (1) original insurance certificate is required in each of the categories stated naming HCDE as the certificate holder. Insurance certificates shall specifically include the name of any subsidiary company responding to the bid.</p>

Clause

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CLAUSE/DESCRIPTION	SAMPLE WORDING
Insurance Requirements, Continued	<p>Contractor shall have the insurance coverage and furnish certificates of insurance, in duplicate form, prior to the beginning of the contract. All liability policies shall be issued by a Company authorized to do business in Texas with a rating of at least B+ and a final size of Class VI or better according to the current year's Best rating.</p> <p>Evidence of Insurance: Prior to performance, Contractor must provide a certificate of insurance evidencing the stated coverage and naming HCDE as the certificate holder. HCDE reserves the right to contact underwriters to confirm issuance and document accuracy.</p>
Intellectual Property Rights	<p>HCDE shall possess the legal ownership, right and title to any data, materials or intellectual property, invention, works made for hire, or discovery made or conceived by Contractor in the course of or in connection with this Contract. Contractor agrees to promptly and completely inform and disclose to HCDE all inventions, designs, improvements, works made for hire, and discoveries that Contractor may have during the Term of this Contract that pertain or relate to the business of HCDE or to any work carried on by HCDE, whether conceived by Contractor or not, which were conceived during regular working hours and all such inventions, designs, improvements and discoveries deemed patentable by HCDE.</p>

Clause

38

CLAUSE/DESCRIPTION	SAMPLE WORDING
Introductory Paragraph - Interlocal Agreement	<p>Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, the Interlocal Agreement/Contract (the "Agreement" or "Contract") is made and entered into between Harris County Department of Education ("HCDE") and <u>Governmental or Local Governmental entity</u> for the purpose of performing governmental functions and services and to state the terms, rights and duties of the Contracting parties <u>during the 20XX-20XX school year.</u></p>
Introductory Paragraph - Contract	<p>This Contract (the "Contract") is made and entered into by and between the Harris County Department of Education ("HCDE"), located at 6300 Irvington Blvd., Houston, Texas 77022 and <u>Fill in Contractor's Name, Address, City, State and Zip Code</u> for Contractor to provide services to HCDE in accordance with the terms and conditions specified herein.</p>

Clause

39

CLAUSE/DESCRIPTION	SAMPLE WORDING
Non-Appropriation of Funds	<p>The Term of this Contract is a commitment of HCDE current revenues only. The HCDE fiscal year runs September 1 through August 31. If funding for the continuance of the services required under this Contract is withdrawn, HCDE reserves the right to terminate this Contract in accordance with < Article XX – > Termination.</p> <p>Funds are not presently budgeted for performance under this Contract beyond the end of the current fiscal year (August 31). HCDE shall have not liability for payment of any money for performance under this Contract after the end of any fiscal year until and unless such funds are available and budgeted.</p>
Non-Completion of Contract	<p>If Contractor is unable to complete the mutually agreed-upon work in the mutually agreed-upon time, Contractor shall notify the HCDE Fill in the Name OR Title of HCDE Employee, ex. Director of Purchasing in writing.</p>
Non-Exclusivity	<p>Nothing in this Contract may be construed to imply that Contractor has exclusive right to provide HCDE these services. During the Term of the Contract, HCDE reserves the right to use all available resources to procure other professional services as needed and, in doing so, will not violate any rights of Contractor.</p>

Clause

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CLAUSE/DESCRIPTION	SAMPLE WORDING										
Notice	<p>Any notice provided under the terms of this Contract by either party to the other shall be in writing and shall be sent by certified mail, return receipt requested. Notice to shall be sufficient if made or addressed as follows:</p> <table data-bbox="613 1570 1328 1709"> <tr> <td>HCDE</td> <td>Contractor Name _____</td> </tr> <tr> <td>Attn: Jesus Amezcua</td> <td>Attn _____</td> </tr> <tr> <td></td> <td>Title _____</td> </tr> <tr> <td>6300 Irvington Blvd.</td> <td>Address _____</td> </tr> <tr> <td>Houston, Texas 77022</td> <td>City, State, Zip Code _____</td> </tr> </table> <p>Each party may change the address at which notice may be sent to the party by giving notice of such change to the other by certified mail, return receipt requested.</p> <p>Other possibilities: James Colbert, County School Superintendent OR Director of Purchasing</p>	HCDE	Contractor Name _____	Attn: Jesus Amezcua	Attn _____		Title _____	6300 Irvington Blvd.	Address _____	Houston, Texas 77022	City, State, Zip Code _____
HCDE	Contractor Name _____										
Attn: Jesus Amezcua	Attn _____										
	Title _____										
6300 Irvington Blvd.	Address _____										
Houston, Texas 77022	City, State, Zip Code _____										

Clause

41

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Payment Bond or Performance Bond</p> <p><i>Usually the amount of the Contract, payment bond for Contracts > \$25,000 to \$100,000 and performance bond in excess of \$100,000.</i></p>	<p>The Contractor is responsible to furnish a payment/performance bond in the amount of \$XXX,XXX.</p> <p>The performance bonds may be in the form of a bond executed by a surety (insurance) company authorized by the Texas Insurance Commission. The performance bond may also be in the form of a certified check upon a state or national bank or trust company. All such checks and certificates of deposits shall be drawn payable to the order of HCDE and delivered to HCDE prior to beginning work. The performance bond will be released upon acceptance of the work performed by the Director of XXXX and payment of the final invoice.</p> <p>The performance bond shall be issued for a period of time which shall be not be less than the length of the contract plus the number of months/days required to deliver any outstanding order after the close of the contract.</p> <p>Failure of Contractor to perform any services required by the contract within thirty (30) days of receipt of written demand for performance from the HCDE, or failure of Contractor to correct or replace defective goods or products within thirty (30) days from receipt of written demand therefore, may constitute a total breach of contract, and may cause contract to terminate. In the event of such termination the performance bond shall be retained by HCDE as liquidated damages, based upon mutual agreement and understanding between Contractor and HCDE at the time the contract is awarded.</p>

Clause

42

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Product Warranty/ <u>Indemnification</u></p>	<p>Contractor warrants that it has good title or license to the < Product > provided to HCDE. Contractor further warrants that it has the right to license and does hereby license the use of < Product > to HCDE free of any proprietary rights, liens, or encumbrances of any other party. Contractor shall protect, hold harmless, and indemnifies HCDE from any and all claims, assessments, suits of law or in equity, expenses, attorneys' fees, and damages arising from Contractor's actual or alleged infringement of any U.S. or foreign patent, trademark, or copyright.</p>
<p>Publication Rights</p>	<p>SAYING NO Contractor is expressly forbidden to use any data generated within the Contractor's scope of services to HCDE without prior written consent by HCDE.</p> <p>SAYING YES Contractor may use data developed during the performance of the Contractor's scope of services to HCDE provided HCDE provides prior written consent.</p>

Clause

43

CLAUSE/DESCRIPTION	SAMPLE WORDING
Purpose	HCDE agrees to retain Contractor and Contractor agrees to provide services to HCDE as fill in the blank and to perform the duties and all the necessary labor and resources needed to provide the services set forth in EXHIBIT A. Contractor shall also perform such other related services and duties as are customarily performed by all contractors in a similar position.
Recitals	<p>HCDE is a governmental unit established to promote education in Harris County, Texas. Contractor is a _____(specify profession) duly authorized to provide such professional services in the State of Texas. Both HCDE and Contractor desire to set forth in writing the terms and conditions of their agreement. OR</p> <p>Therefore, HCDE engages the services of Contractor, and in consideration of the mutual covenants and conditions contained in this Contract and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound agrees as follows:</p>
Review of Progress	HCDE reserves the right to monitor to progress of Contractor.

Clause

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<p>Scope of Work</p> <p>DO NOT REPEAT THESE INSTRUCTIONS IN YOUR CONTRACT. CUSTOMIZE THE WORDING TO PROVIDE THE SPECIFIC INFORMATION DEPENDING UPON THE PURPOSE OF YOUR CONTRACT.</p> <p><i>Scope of Work can be a separate attachment/exhibit OR a paragraph in the contract.</i></p>	<p>This clause or Exhibit includes a detailed scope of work that sets out the professional services, products, or outcomes that the Contractor agrees to provide. Exhibit A contains the objectives of what is to be accomplished, specific limitations, format of any report, the extent, if any, to which assistance from the HCDE staff is required (and the conditions for such assistance), firm or estimated time schedules, submission of progress reports, identification of key personnel (and anticipated supporting personnel), equipment and facilities to be utilized, expenses Contractor expects to incur and for which Contractor expects to seek reimbursement from HCDE, fees and/or billing rates Contractor expects to charge HCDE, and (if applicable) the names of any subcontractors.</p>
Services to be Provided	The Contractor shall provide services specified in the < Agreement > and personnel necessary to furnish said services contingent on it acquiring and maintaining sufficient staffing through reasonable efforts to satisfy its obligations under this < Agreement >.

Clause

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CLAUSE/DESCRIPTION	SAMPLE WORDING														
Severability	In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Contract shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.														
Signature	In witness whereof, HCDE and Contractor have executed this Contract to be effective on the date specified in Term above: <table border="0"> <tr> <td>Contractor</td> <td>HCDE</td> </tr> <tr> <td>Name <u>Fill In Name of Co/Contractor</u></td> <td>Harris Co. Dept. of Education</td> </tr> <tr> <td>By: <u>Signature</u></td> <td>By: _____</td> </tr> <tr> <td>Title: <u>Fill In Title</u></td> <td>Title: _____</td> </tr> <tr> <td><u>Address</u></td> <td>6300 Irvington Blvd.</td> </tr> <tr> <td><u>City, State and Zip Code</u></td> <td>Houston, Texas 77022</td> </tr> <tr> <td><u>Telephone/FAX Number</u></td> <td>713-696-8250/713-696-0740</td> </tr> </table>	Contractor	HCDE	Name <u>Fill In Name of Co/Contractor</u>	Harris Co. Dept. of Education	By: <u>Signature</u>	By: _____	Title: <u>Fill In Title</u>	Title: _____	<u>Address</u>	6300 Irvington Blvd.	<u>City, State and Zip Code</u>	Houston, Texas 77022	<u>Telephone/FAX Number</u>	713-696-8250/713-696-0740
Contractor	HCDE														
Name <u>Fill In Name of Co/Contractor</u>	Harris Co. Dept. of Education														
By: <u>Signature</u>	By: _____														
Title: <u>Fill In Title</u>	Title: _____														
<u>Address</u>	6300 Irvington Blvd.														
<u>City, State and Zip Code</u>	Houston, Texas 77022														
<u>Telephone/FAX Number</u>	713-696-8250/713-696-0740														
Sole Agreement	This Contract is the sole agreement by which the above parties will abide relative to the purpose(s) of this Contract.														
Term	This Contract is effective as of < BEGINNING DATE >, and shall continue in effect until < ENDING DATE >, (the "Term"). HCDE may elect to extend the Contract upon mutual written agreement with Contractor. All Contract extensions shall be subject to the terms and conditions specified herein. At the sole discretion of HCDE, the Contract may be renewed for an additional < ONE, TWO or THREE YEARS > with the authorization of the < BOARD OF TRUSTEES, SUPERINTENDENT >. In the event that the option to renew is exercised, HCDE will notify the Contractor < number of days/months > prior to the date the option will commence.														

Clause

46

CLAUSE/DESCRIPTION	SAMPLE WORDING
Termination <i>Not ALL this verbiage is required. Ask Business Services for assistance.</i>	Either party for any reason upon thirty (30) days written notice may terminate this Contract without cause. OR HCDE may, by written notice, terminate this Contract if Contractor has defaulted in whole or in part, refuses or fails to comply with provisions of the Contract, fails to make progress and does not cure such failure after written notice within a reasonable period of time, or fails to perform the services within the time period specified or any written extension thereof. In such event, HCDE may obtain comparable services elsewhere and either deduct the costs of obtaining such services from any from any amount owed Contractor or Contractor shall reimburse HCDE for such costs incurred by HCDE. OR This Contract may be terminated prior to the expiration of the term hereof as follows: <ul style="list-style-type: none"> • By Contractor upon 30 days notice if the work/service is not provided in a satisfactory and proper manner after a remedy has been reported and discussed; • By mutual written agreement of the parties, upon thirty (30) days prior notice; • By either party immediately if the other party commits a material breach of any of the terms of this Contract and no remedial action can be agreed upon by the parties. AND If this Contract is terminated prior to the term date, and the Contractor has paid in full, HCDE will refund a prorated amount of the prepaid amount. OR If this Contract is terminated prior to the term date, and the Contractor has paid in full, no refund will be forthcoming. OR HCDE will be responsible for payment of services that have been accepted by HCDE up to the termination date.
No Third-Party Beneficiary Clause	Neither this Contract, nor any term or provision hereof, nor any inclusion by reference shall be construed as being for the benefit of any party not in signatory hereto.
Venue	The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of this Contract shall be in Harris County, Texas. (May be combined with Governing Law.)

Termination Letter

47

|
DATE

Via U.S. Mail and Certified Mail, Return Receipt Requested ()

Name of Vendor
Vendor Address
Attn: Name of person signing the contract

Re: Harris County Department of Education Notice of Termination

To Whom It May Concern:

Harris County Department of Education ("HCDE") is a Texas governmental entity, and as such, is required to comply with Section 2252.908 of the Texas Government Code (HB 1295). This provision states that governmental entities such as HCDE may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties form to the governmental entity at the time the business entity submits the signed contract to the governmental entity. The required form, Form 1295, is required to be completed on the Texas Ethics Commission's website, and a notarized copy of the form is required to be submitted to HCDE.

On [REDACTED], Harris County Department of Education approved a contract with your organization, and a Form 1295 must have been submitted to HCDE at the time of the submission of the signed contract to HCDE. HCDE previously requested a completed Form 1295 from you. As of today, HCDE has not received the form from your organization.

This letter serves as notice that any and all contracts or agreements between the above business entity associated with the action taken by HCDE on [REDACTED] are terminated effective immediately due to your organization's failure to submit the required Form 1295.

Thank you for your past services to Harris County Department of Education and for your cooperation in this matter.

Sincerely,

Jesus Amezcua, CPA, RTSBA, PhD.
Assistant Superintendent for Business
Harris County Department of Education

10 Best Practices for Evaluation Teams

48

1. Get buy in from your stakeholders - department heads and your Admin.
2. Plan Schedule and Execute
3. Be ready at all times - Due Diligence
4. Perfect Agenda Item language
5. Document Document Document
6. Be Aware of Conflict of Interest
7. Ask Questions
8. No Surprises
9. Come to a consensus and Recommendation Memo
10. Follow up with the next step, Anticipate and Finish the Process

What questions
do you have?

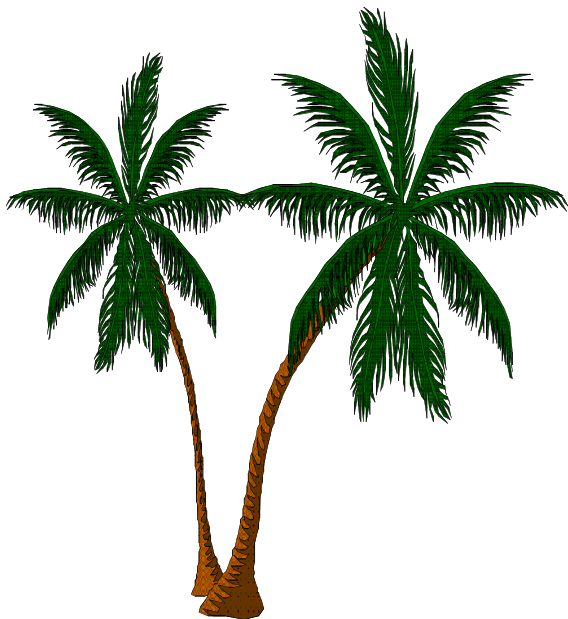


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- Copies of templates are available upon request. These get updated every year. For any questions,
- Dr Jesus J. Amezcua, CPA RTSBA, CPFIM
- Assistant Supt for Business
- Harris County Dept of Ed
- 956-324-9827 jamezcua@hcde-texas.org

TIMELINE 2024

THE FORTRESS OF SOLITUDE (COPING WITH UNCERTAINTY)



SPEAKERS:

Meliton Moya

The Fortress of Solitude (Coping with Uncertainty)

Presented at the
Institute for Supply Management - RGV
Timeline 2024
Thursday, September 26, 2024
By Melitón Moya, Ph.D.

1

Mindfulness

Definition
Mindfulness is paying attention, on purpose, in the present, and non-judgementally, to the unfolding of experience moment by moment — Jon Kabat-Zinn.

Mindfulness attitudes:

- » Patience
- » Nurturing trust
- » Non-striving
- » Acceptance
- » Letting go

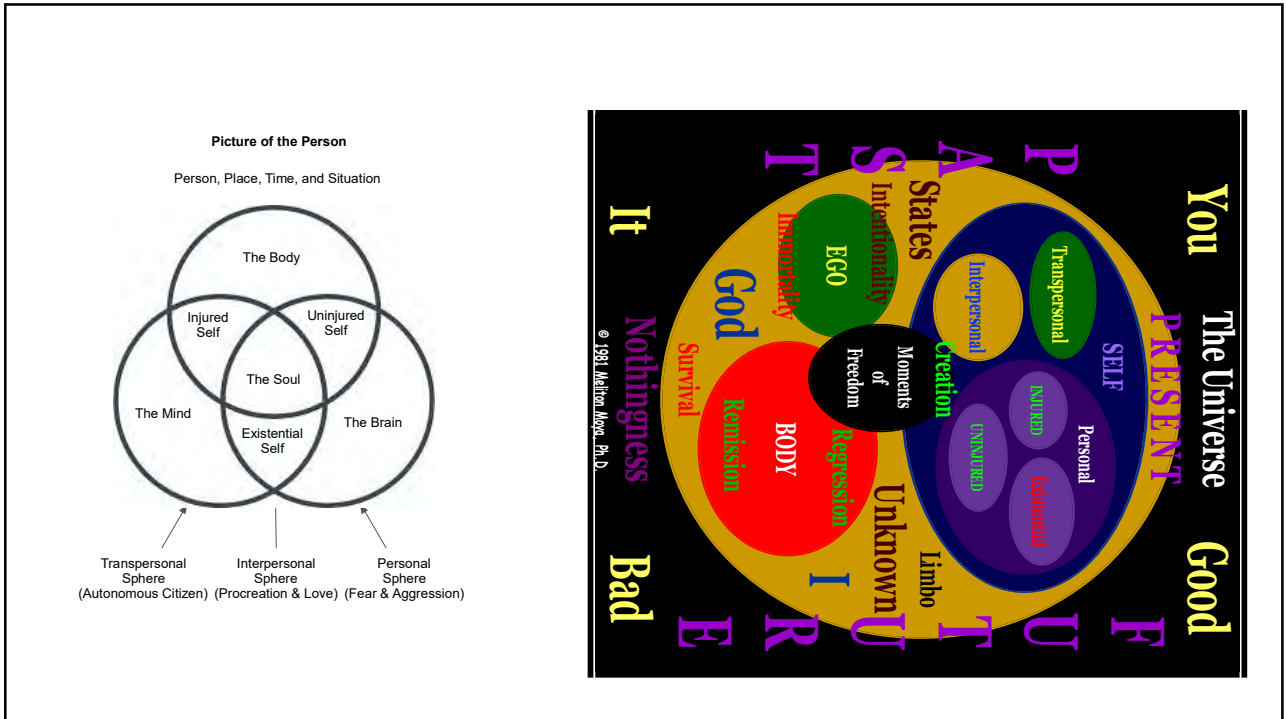
What occupies your attention?

- » The present moment
- » Zoning out
- » Distractions and "multi-tasking"
- » Thinking about the future
- » Thinking about the past

2



3



4

Top 10 Fears of 2018

The Fears	% of Very Afraid or Afraid
1. Corrupt government officials	74.0
2. Pollution of oceans, rivers, and lakes	62.0
3. Pollution of drinking water	61.0
4. Not having enough money for the future	57.0
5. People I love becoming seriously ill	57.0
6. People I love dying	56.0
7. Air Pollution	55.0
8. Extinction of plant and animal species	54.0
9. Global warming and climate change	53.0
10. High Medical Bills	53.0

The Chapman University Survey of American Fears

5

Top 10 Fears of 2022

The Fears	% of Very Afraid or Afraid
1. Corrupt government officials	62.1
2. People I love becoming seriously ill	60.2
3. Russia using nuclear weapons	59.6
4. People I love dying	58.1
5. The U.S. becoming involved in another world war	56.0
6. Pollution of drinking water	54.5
7. Not having enough money for the future	53.7
8. Economic/financial collapse	53.7
9. Pollution of oceans, rivers, and lakes	52.5
10. Biological warfare	51.5

The Chapman University Survey of American Fears

6

Top 10 Fears of 2023

The Fears	% of Very Afraid or Afraid
1. Corrupt government officials	60.1
2. Economic/financial collapse	54.7
3. Russia using nuclear weapons	52.5
4. The U.S. becoming involved in another world war	52.3
5. People I love becoming seriously ill	50.6
6. People I love dying	50.4
7. Pollution of drinking water	50.0
8. Biological warfare	49.5
9. Cyber-terrorism	49.3
10. Not having enough money for the future	48.0

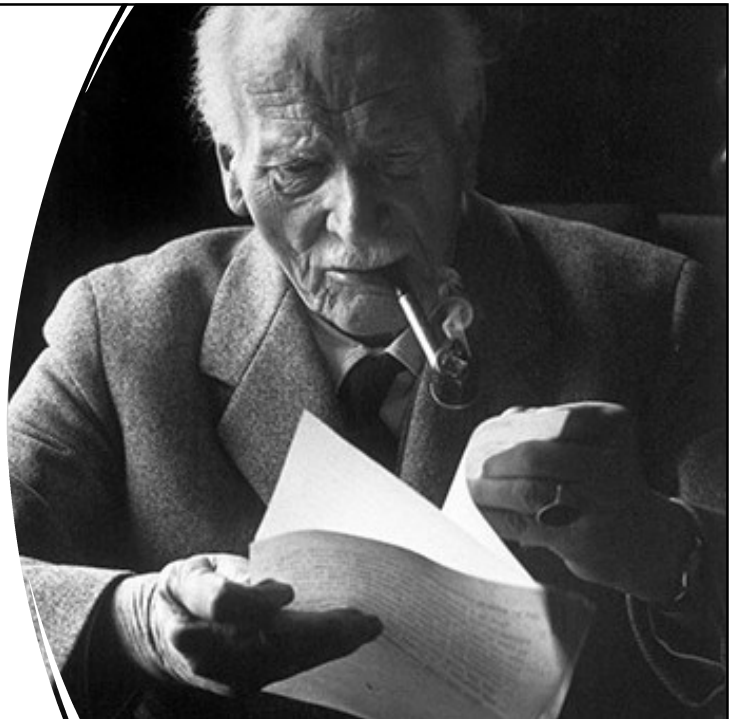
The Chapman University Survey of American Fears

7

Carl Gustav Jung
 Born: July 26, 1875
 Died: June 6, 1961

“What you resist will not only persist but will grow in size.”

When we repress anxious feelings, they generally surface in other ways: insomnia, nightmares, isolation, anger, depression.



8

Four States of Being in the World:

- the Body and the Soul
- the Brain and the Mind

Three Analytical States:

- Transpersonal – gender, race/ethnicity, profession, etc.
- Interpersonal – you and the ones you esteem or don't
- Personal – the you that only you knows

Three Experiential States:

- Injured Self – real or perceived injustices
- Uninjured Self – the superhero complex
- Existential Self – the one lost in doing for self and others

9

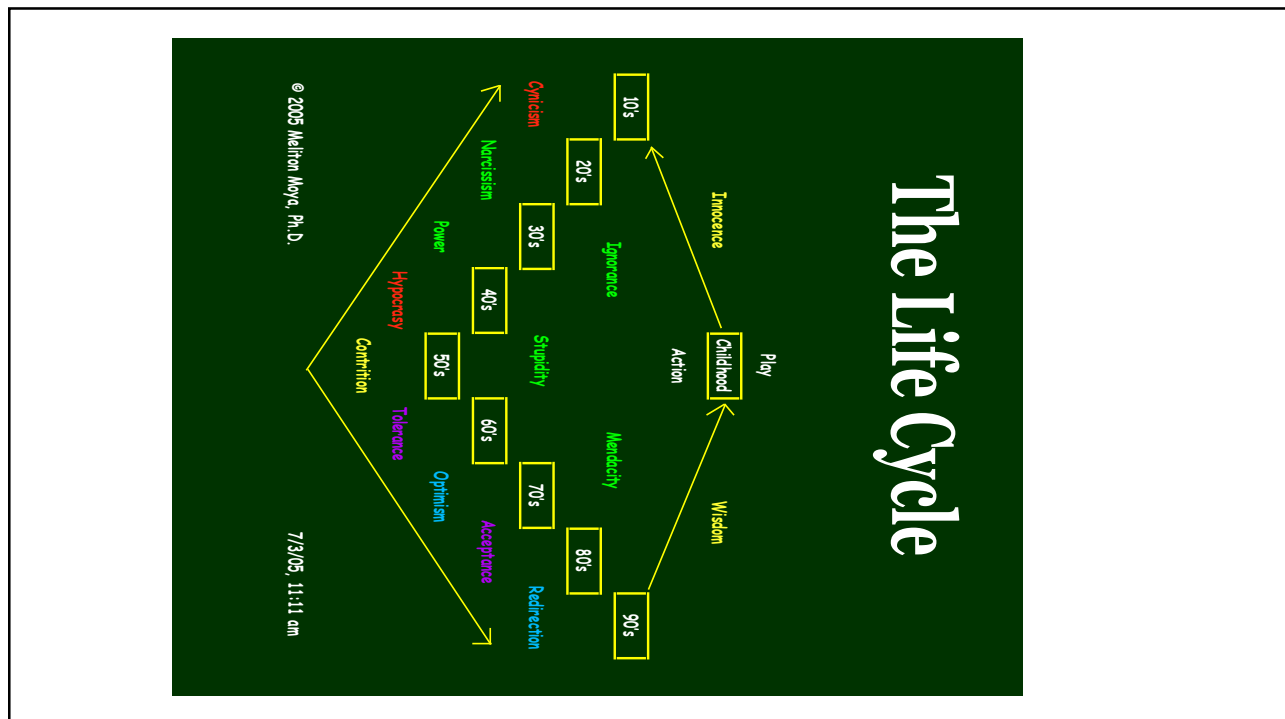


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Four Vantage Points to understand how people see things

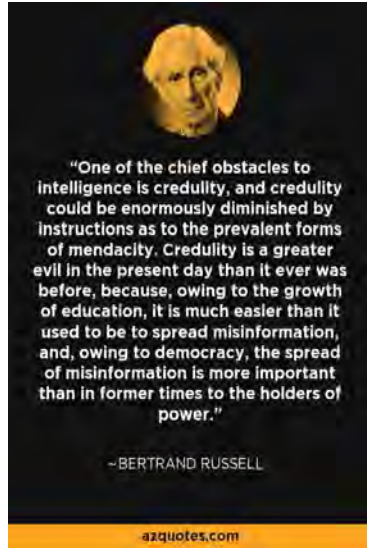
- **Insider Looking In** - the in-group, satisfied with the way things are; puro show is required outside circle of loved ones
- **Insider Looking Out** - part of the in-group but are not satisfied with the way things are; usually the popular ones
- **Outsider Looking In** - want to be part of the in-group but are not accepted, wannabes
- **Outsider Looking Out** - rebels and iconoclasts, always looking to improve the situation

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Credulity, Mendacity, & Critical Thinking

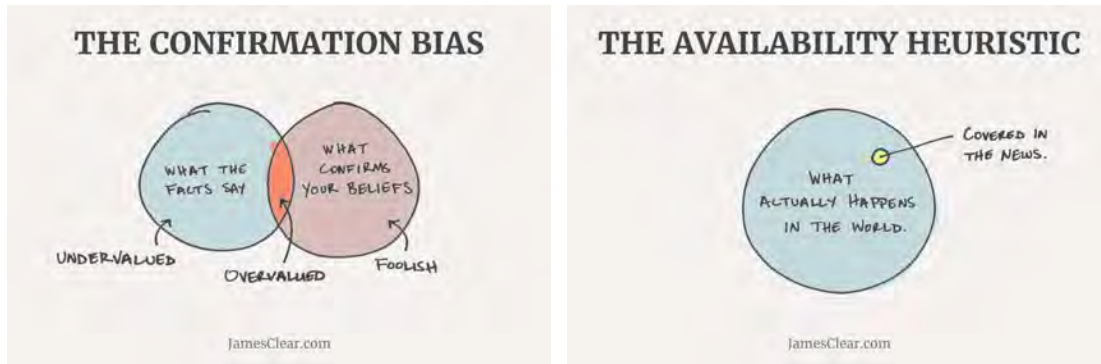


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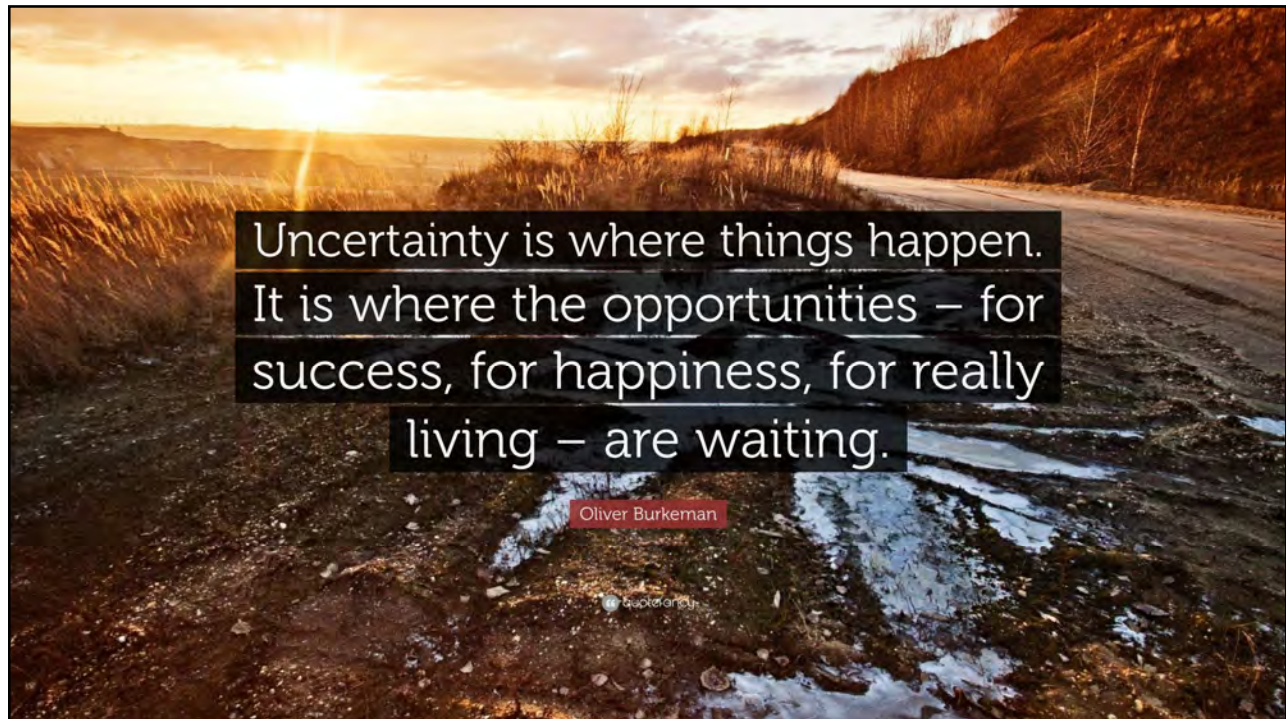


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Who Controls the Narrative?



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16

Things to Know About Uncertainty

- Uncertainty offers both creativity and paralysis.
- Without curiosity, we come to understand too quickly and fall into 'premature certainty' (Stewart et al, 1991)
- Research shows that people react differently to uncertainty, and that those with a higher intolerance for uncertainty may be less resilient and more prone to low mood, negative or down feelings, and anxiety.
APA's October 2022 [Stress in America survey](#)
- Research also shows that job uncertainty tends to take a more significant toll on our health than losing our job.

17

Things to Know About Anxiety

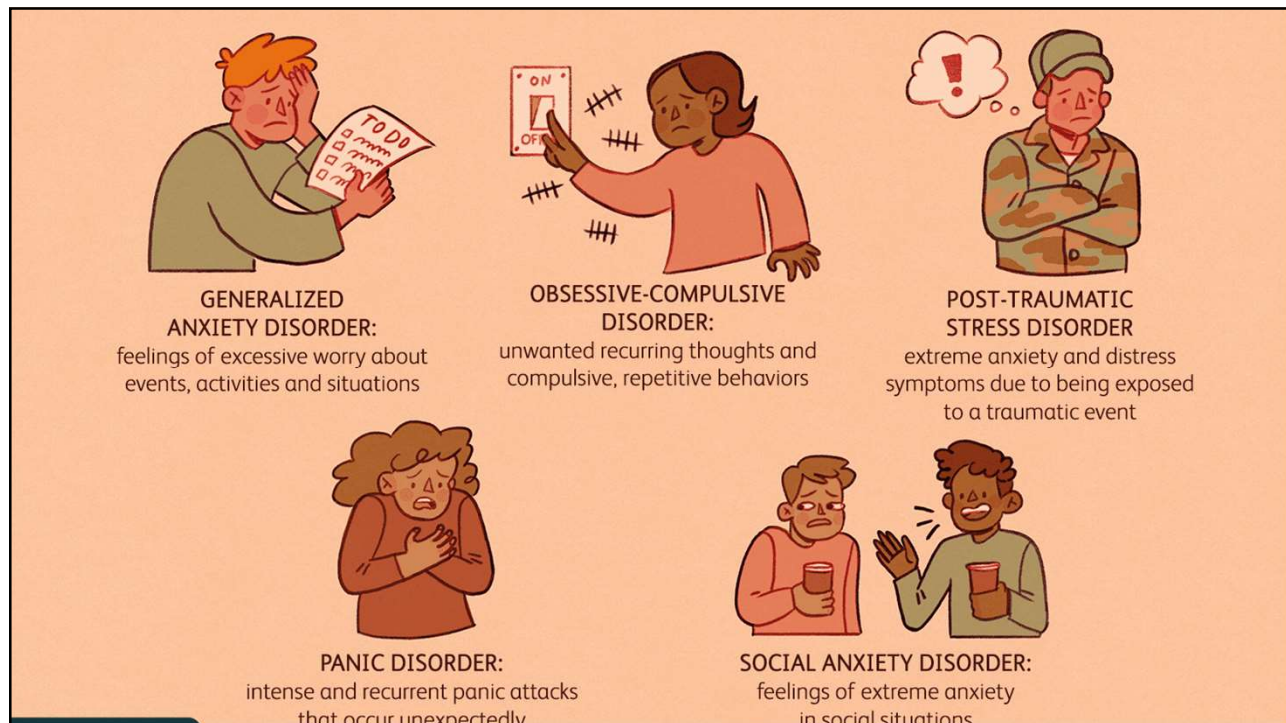
- Anxiety is the primary warning system in our DNA
- Anxiety can make us cautious in decision-making and in solving problems. It's there for a reason.
- Anxiety comes with deeply personal cues that can heighten self-awareness and well-being.
- Anxious people are known to be excellent researchers, analyzers, and critical thinkers.
- *Civilization and Its Discontents* (Sigmund Freud, 1930)

18

Why So Much High Anxiety

- Ninety percent of Americans today are affected by anxiety.
- Too much uncertainty for our brains.
- The negative nature of our 24/7 news cycle.
- Increases in racial and political tensions.
- Increases in the signs of global warming.
- Increases in random acts of violence.
- Social media's effects (exaggeration & embellishment).
- The residuals of a global pandemic (and conspiracies).

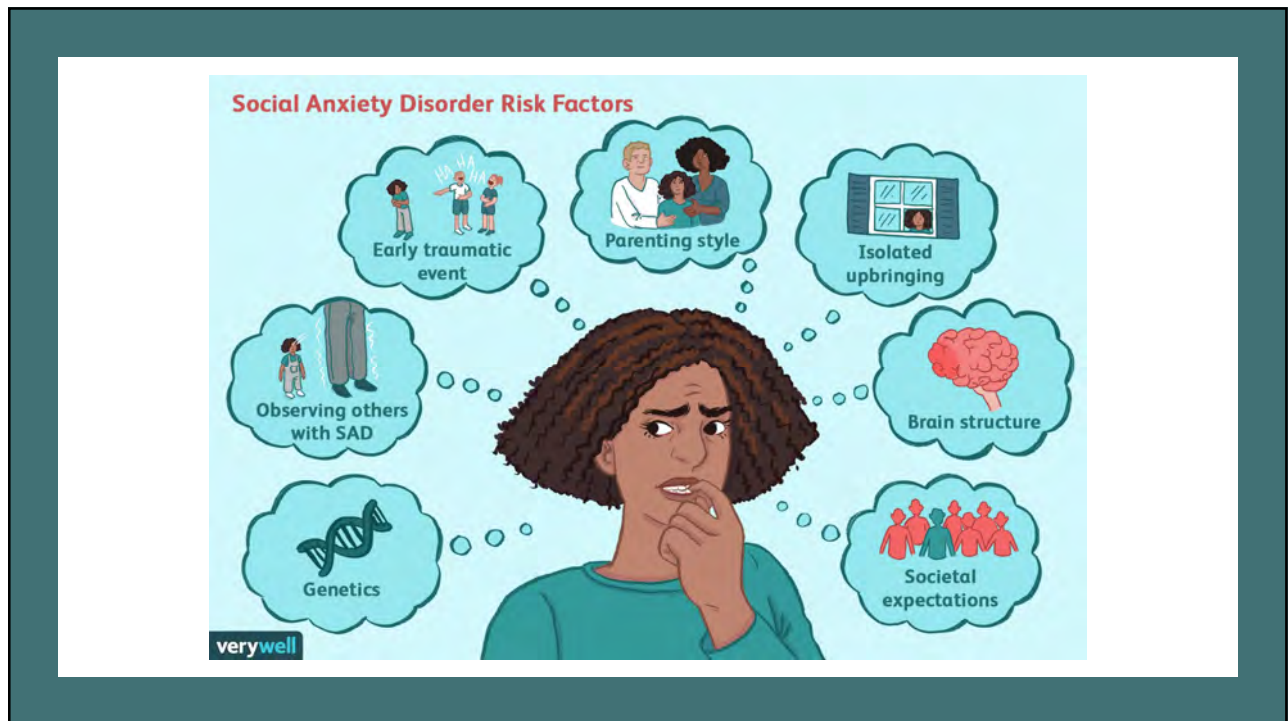
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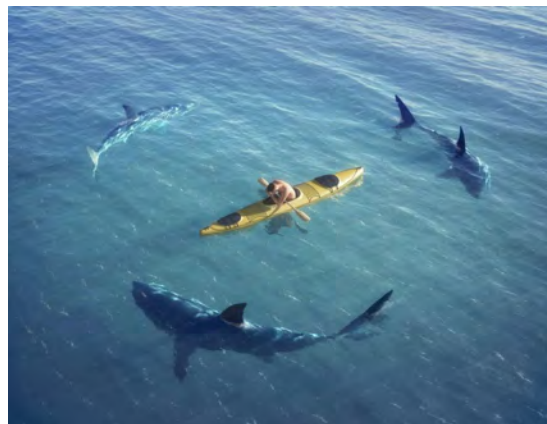
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What To Do About Anxiety

- Flip the narrative. Harness it. Leverage it. Repurpose it.
- Understanding what triggers anxiety in your system makes it easier to tackle the stressing agent.
- Our brains don't stop growing. Our mindsets get stuck in rigid routines and anxious thought patterns that limit our brains.
- Sit with your feelings; lean into the discomfort or agitation.
- Get accustomed to the feelings; know that you can survive it. Doing this gives you more time and space to make conscious decisions about how to act or respond. This is how a new neural pathway is established.

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The Amygdala & Our FEAR Response

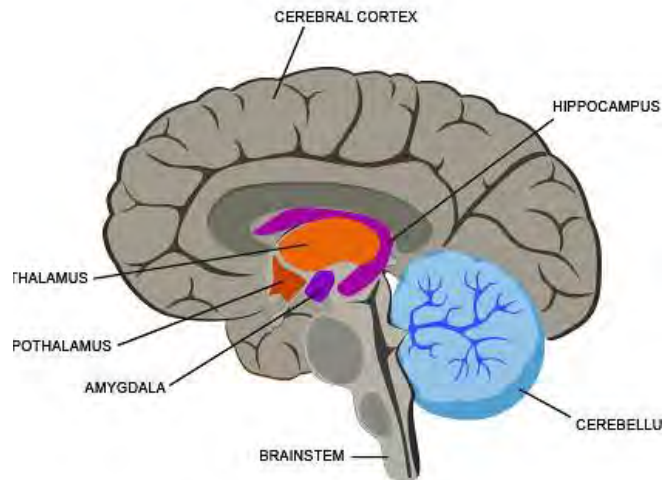


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Brain Plasticity

The brain can adapt in response to the environment. It is an enormously adaptive organ, and we can lay down new neural pathways and set down new ways of thinking, feeling, and behaving that can change our lives.

Good Anxiety: Harnessing the Power of the Most Misunderstood Emotion by Wendy Suzuki, Ph.D.



25

Coping with Uncertainty

- Quiet the limbic system.
- Stay positive. Be kind to yourself.
- Know what you know — and what you don't know.
- Embrace what you can't control. Control what you can.
- Don't seek perfection.
- Don't dwell on problems - "Energy Follows Thought".
- Know when to trust your gut.
- Have contingency plans . . .
- When all else fails, breathe.

26

More Coping Strategies

- Don't resist. Let go. Choose to feel.
- Don't believe everything you think.
- Invest in yourself (e.g., self-care).
- Stop looking for someone to rescue you.
- Be brave. Take risks. Be open to surprises.
- Find meaning in the chaos.
- Focus on the short term.
- Focus on what matters.
- Try to stay in the moment.

27

The Power of Journaling

- Expressive writing imparts extraordinary health benefits, from lowering blood pressure and boosting your immune system to fighting depression and feelings of negativity.
- Journaling is also associated with increased self-awareness, tapping into your creative mind and intuition, emotional release, reducing stress, improving memory, decluttering your mind and reaching your goals.

28

Design Your Own Fortress of Solitude



29

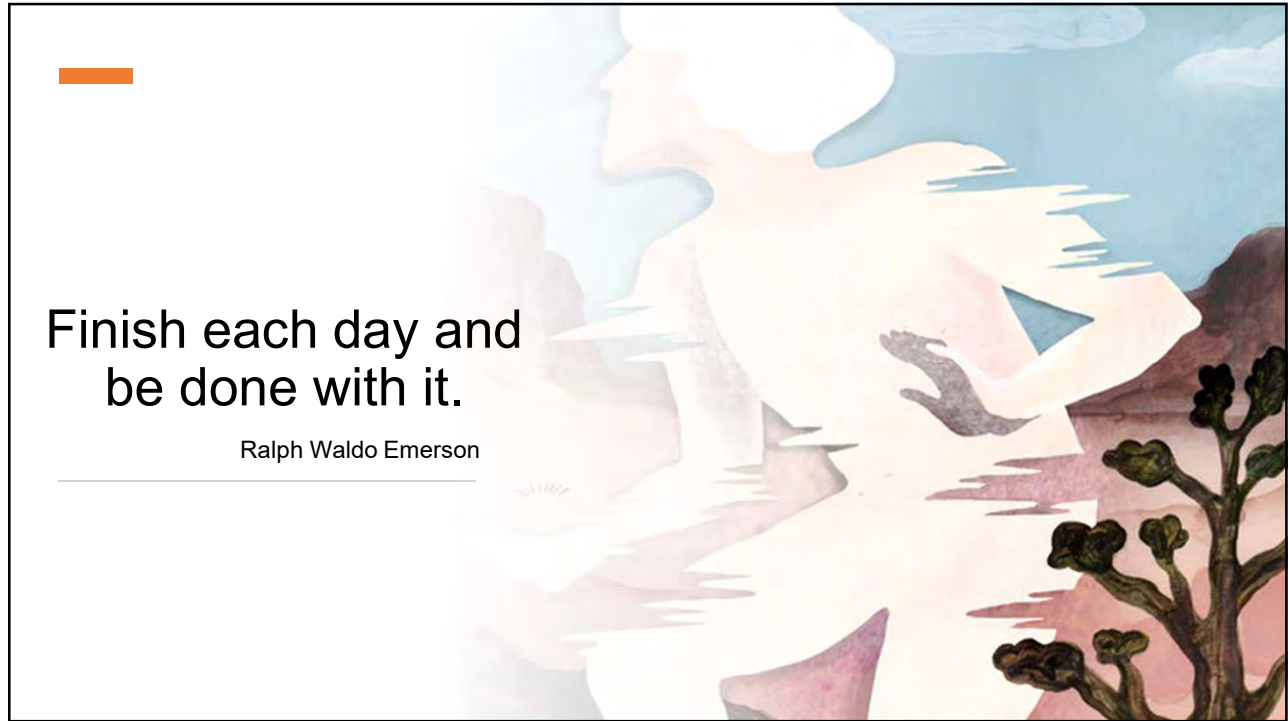
Self-Compassion

The practice of being kind and understanding to ourselves when confronted with a personal flaw or failure.

Research shows that the No.1 barrier to self-compassion is fear of being complacent and losing your edge.

All the research shows that's not true. It's just the opposite. Self-compassion leads to greater personal improvement, in part, through heightened acceptance and spurs positive adjustment in the face of regrets.

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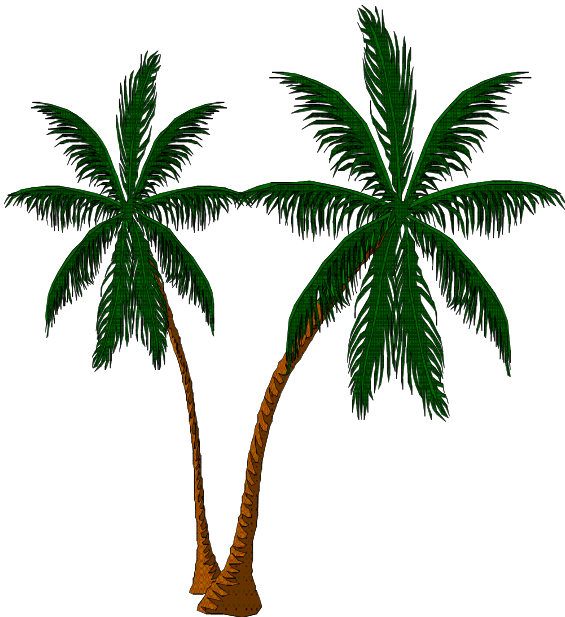


Finish each day and
be done with it.

Ralph Waldo Emerson

TIMELINE 2024

PURCHASING COOPERATIVES



SPEAKERS:

**Phillip Vasquez/
Narita Holmes**




YOUR PARTNER

PURCHASING COOPERATIVES




1



??

WHAT IS YOUR BUSIEST TIME OF THE YEAR?

- End of fiscal year
- Before holidays
- Grant due dates
- Natural disaster
- Before school begins



2



LET'S TAKE YOUR COOPERATIVE STRATEGY TO THE NEXT LEVEL

Carol Cooper, C.P.M., CPPO, CPSM
N&C CONSULTING

3



Cooperative vs Interlocal Agreement

Interlocal = a group of local governments forming a group to purchase common items in aggregate quantities.

Cooperative = agreements formed by an organization whose purpose is to perform the purchasing function for their members.

Today is about Cooperative agreements

4

Help! Cooperatives to the Rescue

- . Reduced administrative efforts
- . Simplified procurement process
- . Access to quality contracts and qualified vendors
- . Receive services and products faster
- . Competitive volume pricing rate

5

Before The Requests Pile On

Have a stable of cooperatives

- Due diligence for each one
- Check on them occasionally
- Know their culture, mission, vision and legal status
- Checklist before joining
- Checklist before procuring
- Complete the coops checklist

6



PROACTIVE BEST PRACTICES

- Identify cooperatives that have products/services you may need
- Get governing body approval for each individual cooperative
- When ready to make a purchase, research which approved cooperatives have the goods or services needed

7



PROACTIVE BEST PRACTICES (cont'd)

- Request each coop submit a written offer or capture the documentation from each website (Handout)
- Compare the offers and select the best.
- Need to allow local vendors an opportunity to compete?
 - Make it clear in your instructions and solicitation that organized cooperatives will be submitted also

8



PROACTIVE BEST PRACTICES (cont'd)

- Create a file just like would be done for any other solicitation
- Give it a bid number
- Include in the file:
 - Documentation the cooperatives meet state law
 - The awarded items are indeed included in the coop contract with the providing vendor
 - Documentation of all offers received, both coop and if applicable non-coop respondents

9



Checklist Before Joining

- What Texas law?
- When established – who does it serve – local, regional, national?
- Who runs the coop?
- Who issues the solicitation?
- Who evaluates and awards?

10



Checklist Before Joining (cont'd)

- Who manages contracts and vendors?
- Who pays fees to the coop and how much?
- Can contract information be downloaded or viewed?
- Are staff background, experience and certifications listed online?
- FEMA – EDGAR – 2 C.F.R. 200 compliant?

11




A Word About Disasters and 2 C.F.R. 200.318(E)

YES – you can use a Cooperative Agreement for disasters
BUT.....

(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 (NFE) 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 services¹.

12





Terms & Conditions Examples

Competitive Pricing: It is the intent of the county to consider Interlocal Cooperative Agreements and State/Federal contracts in determining the best value for the county.

Interlocal Agreement: Successful bidder (Seller) agrees to extend prices for the goods and/or services to be provided by Seller described in this Contract/Purchase Order to all entities that have entered into or will enter into joint purchasing interlocal cooperation agreements with Travis county.

13



Does the Purchasing Office Market Available Coops to the Departments?

YES

NO

14



Checklist Before Procuring

Due Diligence

Document – Document – Document

- Receive or download written verification of contract content and pricing.
- Understand terms and conditions of contract – can they be changed to fit your needs?
- Does coop advocate for member entity – problem solve?

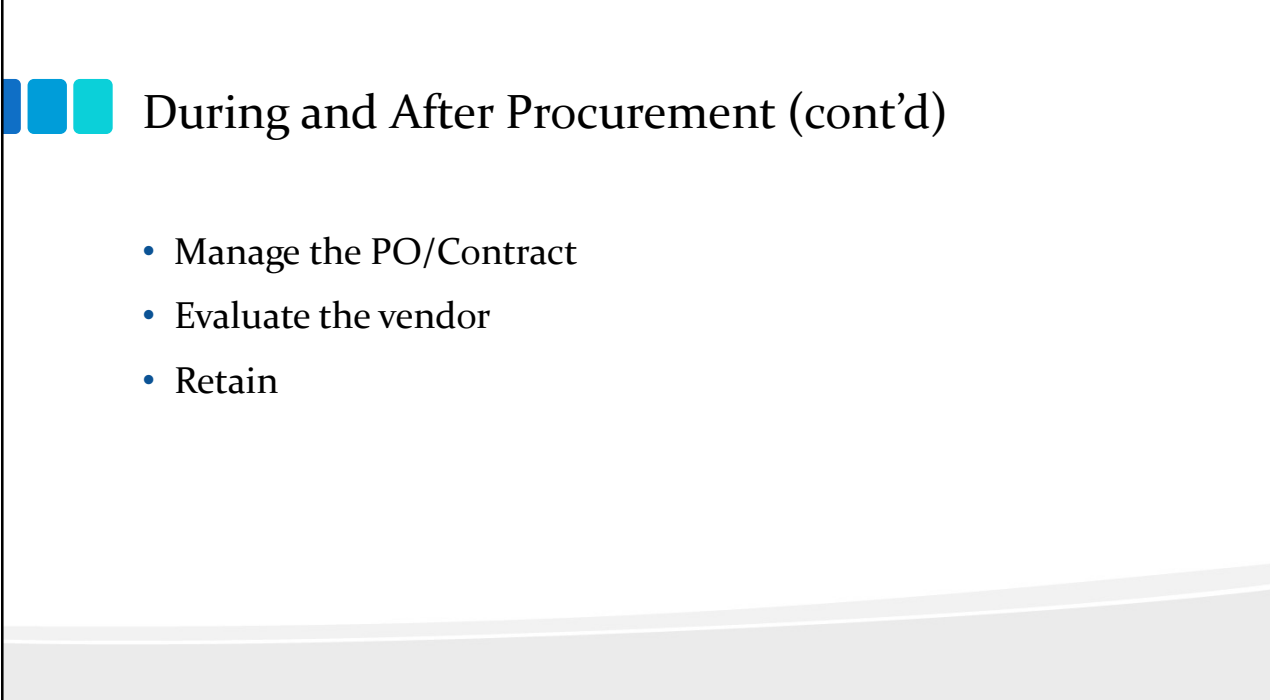
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During and After Procurement

- Create file just like you do for your solicitations
- Such as:
 - Request for product or service
 - Product/service award at time of your purchase
 - All offers received, both coop and if applicable non-coop respondents
- Documentation the cooperatives meet state law
- The awarded items are indeed included in the coop
- Contract with the providing vendor

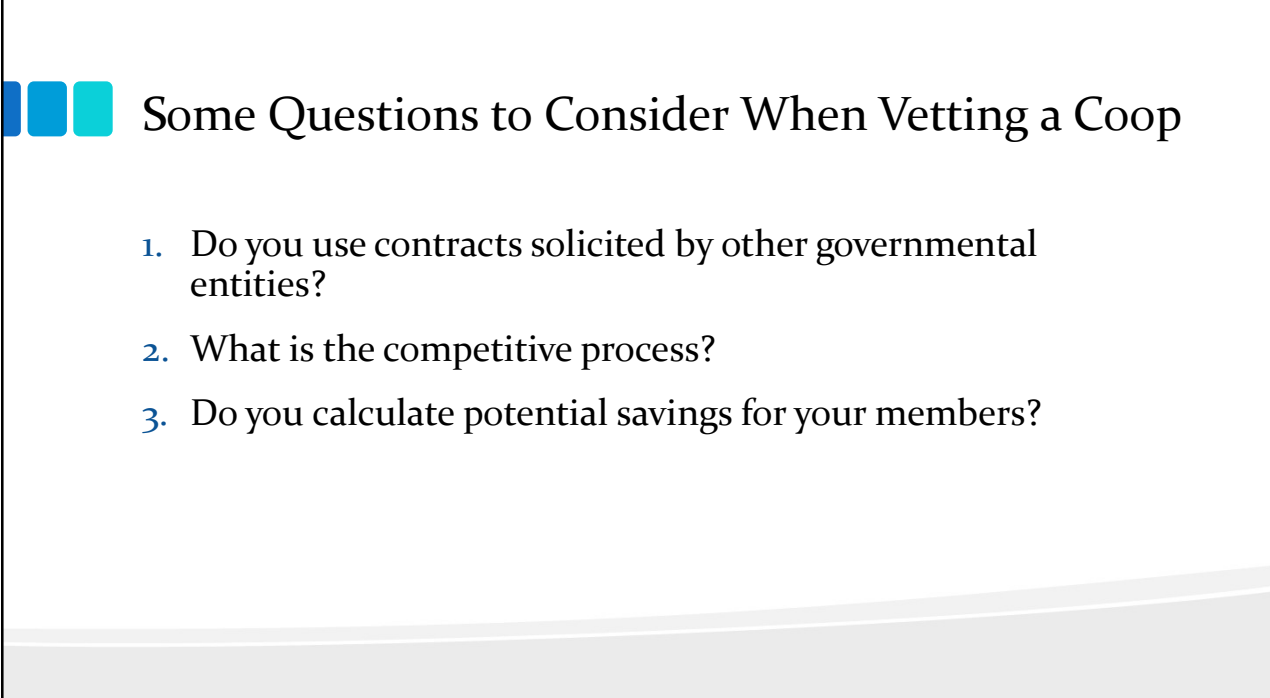
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During and After Procurement (cont'd)

- Manage the PO/Contract
- Evaluate the vendor
- Retain


17



Some Questions to Consider When Vetting a Coop

1. Do you use contracts solicited by other governmental entities?
2. What is the competitive process?
3. Do you calculate potential savings for your members?

18



Some Questions to Consider When Vetting a Coop (cont'd)

4. Is there a sign-in and password needed to access contracts?
5. Can I print what I need from your contracts, or will a representative have to compile and send to me?
6. How transparent is the website? Besides the award is the process, evaluation and award document posted?

19



Helpful Tools – Aggregated Cooperative Contracts

- Pavilion www.withpavilion.com
- Procurated home.Procurated.com

These companies aggregate valid cooperative contracts for many sources, individual entities, other cooperatives, from across the country. They provide many tools to find the right cooperative for you.

- Next slide example of search options

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Helpful Tools

Search for product or service in multiple ways:

- Many filters; by coop, supplier, HUB, year, lead agency, state
- Search by product name or brand name
- Both National and Local cooperatives

Search solicitations to review and use as examples

Get direct contact information for suppliers

User friendly

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Handouts and RESOURCES

- *Handout*
 - *Cooperative Contract Discount Calculation Form*
 - *Cooperative Organization Due Diligence before Joining*
 - *Cooperative Contract Due Diligence when Completed*
- *Resources*
 - *Charles Oberrender*
 - *N&C consulting*
 - *Phillip Vasquez, SGSG, LLC*

22

THANK YOU

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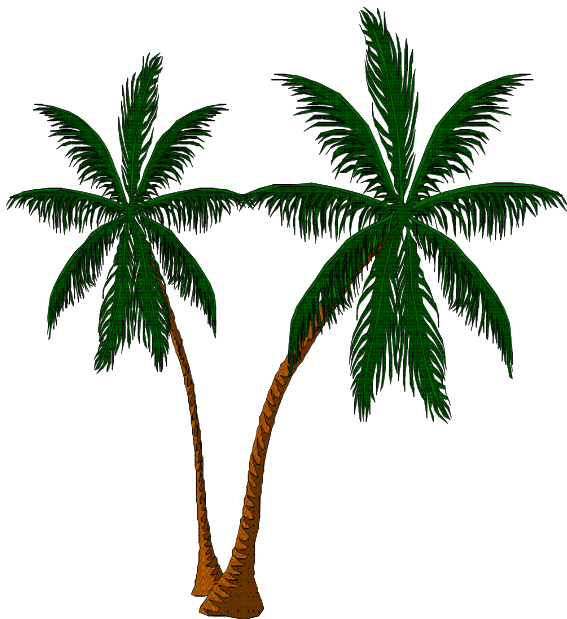
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TIMELINE 2024

APPLYING INTERNAL CONTROLS IN THE PURCHASING PROCESS



SPEAKERS:

Narita Holmes

APPLYING INTERNAL CONTROLS IN THE PURCHASING PROCESS

NARITA K. HOLMES, MBA, CPA, CIA

M&C Consulting
Government Procurement & Compliance

1

1

WHAT IS INTERNAL CONTROL?

2

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Internal Control

Internal control is an interlocking set of activities that are layered onto the normal operating procedures of an entity, with the intent of safeguarding assets, minimizing errors or fraud, promoting accountability and ensuring that operations are conducted in an approved and efficient manner.

3

3

Why We Have Internal Controls

The international Framework for Internal Controls was established to help entities:

- achieve their goals and objectives
- provide accountability for activities
- provide reasonable assurance regarding achievement in areas of:
 - Operations
 - Reporting
 - Compliance

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Components of Internal Control

- Control Environment
- Risk Assessment
- Control Activities
- Communication
- Monitoring

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Types of Controls

Preventive Controls:

- Segregating duties
- Requiring approvals
- Securing assets
- Password protection
- Using document control numbers
- Testing for drugs

6

6

Types of Controls

Preventive Controls:

- Positive pay system
- Rotating jobs and duties
- Backing up computers
- Pre-employment testing
- Pre-employment background checks
- Documented policies and procedures
- Training and fraud awareness programs

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Types of Controls

Detective Controls:

- Written confirmations
- Reconciliations
- Management reviews
- Counting inventory
- Hot lines
- Data analytics and monitoring
- Internal and external audits

8

8

Types of Controls

Corrective Controls:

- Training personnel
- Redesigning processes
- Improving controls
- Budget variance reports
- Insurance
- Civil or criminal action
- Disciplinary measures

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Emphasis on Potential for Fraud

- Manipulation of financial information
- Misappropriation of Assets
- Corruption such as:
 - Bribery
 - Kickbacks
 - Conflicts of Interest

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Emphasis on Potential for Fraud

Procurement Process Phase	Typical Risks and Possible Fraud Vulnerability
Procurement Planning	<ul style="list-style-type: none"> • Need Recognition Scheme • Bid Tailoring • Inadequate Market Survey • Inadequate Project Planning
Solicitation Planning	<ul style="list-style-type: none"> • Inappropriate Procurement Method • Inappropriate Contract Type • Use of Inadequate or Inappropriate Evaluation Criteria • Inadequate Consideration of Special Terms and Conditions • Unjustified Sole Source Award Scheme • Bid Manipulation • Bid Splitting
Solicitation	<ul style="list-style-type: none"> • Bid Manipulation • Bid Rigging • Subcontracting Fraud • Insufficient Bids Received • No Response From Potential Suppliers

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Emphasis on Potential for Fraud

Source Selection	<ul style="list-style-type: none"> • Conflict of Interest • Failure to Comply With Established Evaluation Criteria • Selection of Unqualified Contractor • Failure to Negotiate a Reasonable Contract Price and Terms and Conditions • Insufficient Budget
Contract Administration	<ul style="list-style-type: none"> • Cost Overrun • Fluctuation of Foreign Exchange Rate • Schedule Delay • Contractor Failing Acceptance Test Repeatedly • Delivery of Sub-Standard Goods (Product Substitution) • Unable to Reach Agreement on The Negotiated Settlement • Shell Company Scheme
Contract Closeout	<ul style="list-style-type: none"> • No Proper Closeout

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THE PERSPECTIVE OF PURCHASING

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Integral and Significant Part of the Big Picture

- Ensures appropriate use of taxpayer dollars
- Focuses on quality of products and services acquired for the best value
- Provides fair, open and transparent information in a level playing field to constituents

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Integral and Significant Part of the Big Picture

- Ensures compliance with Purchasing related laws, regulations and grant requirements
- Provides safeguards from fraudulent activities related to procurement

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Why Purchasing Internal Controls Matter

- **Identifies risks** that may have a major impact on the entity and its constituents
- **Eliminates waste** through proper purchasing procedures and redistribution of unneeded assets throughout the entity
- **Protects from financial loss** by ensuring best prices and qualification of vendors/contractors for the specified products and services

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Why Purchasing Internal Controls Matter

- **Keeps purchasing processes separated:**
 - Purchase requests
 - Verification of vendor and price
 - Issuance of purchase order
 - Receiving of goods
 - Approval of invoices for payment
 - Inventory management

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Internal Control Provided by Purchasing Policies

- Appropriate approvals are required
- The Purchasing Office monitors purchases
- Approved Purchase Orders / contracts communicate terms to your vendors
- Purchase Orders are numbered and accounted for
- Access to issue POs is secured and restricted
- Approved vendor lists are controlled by Purchasing

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Internal Control Provided by Purchasing Policies

- Goods are received by receiving department
- Goods are inspected for quantity and quality at time of receipt
- Receiving information is documented at time of receipt on receiving document
- Receiving documents may be pre-numbered

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Internal Control Provided by Purchasing Policies

- Partial deliveries on Purchase Orders are properly recorded and subsequently monitored
- Goods rejected by receiving department are documented and returned. Accounts Payable is notified of the return
- Invoices are matched by Purchasing to PO and receiving documents. Discrepancies are resolved

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Internal Control Provided by Purchasing Policies

- Purchases are monitored for Conflicts of Interest
- Procedures in place for cancelling Purchase Orders
- Unmatched invoices in Accounting should be monitored
- Unmatched receiving reports should be monitored
- Services received that do not match original Purchase Order should be investigated

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Internal Control a Purchase Order System Provides

A Purchase Order system should incorporate proper segregation of duties.

	Purchase of Goods	Purchase of Services
Initiates	Requisition—Person A	Requisition—Person A
Authorizes	Approves PO / Invoice—Person B	Approves PO / Invoice & Verifies Receipt of Services—Person B
Records	Accounting—Person C	Accounting—Person C
Reconciles	Budget Comparison—Person D	Budget Comparison—Person D
Controls / Custody	--Receives Goods—Person F --Distributes Payment—Person E	Distributes Payment—Person E

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ARE THERE ANY NEW
CHALLENGES THAT
SHOULD CONCERN US?

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New Challenges

With the rapid spread of AI technology, we must consider:

- The accuracy of information provided to us
- The accuracy of information that we distribute
- Does our policy and procedure manual address how we handle these types of issues when they occur?
- Ensure data integrity
- Prevent unauthorized transactions

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Thank You!

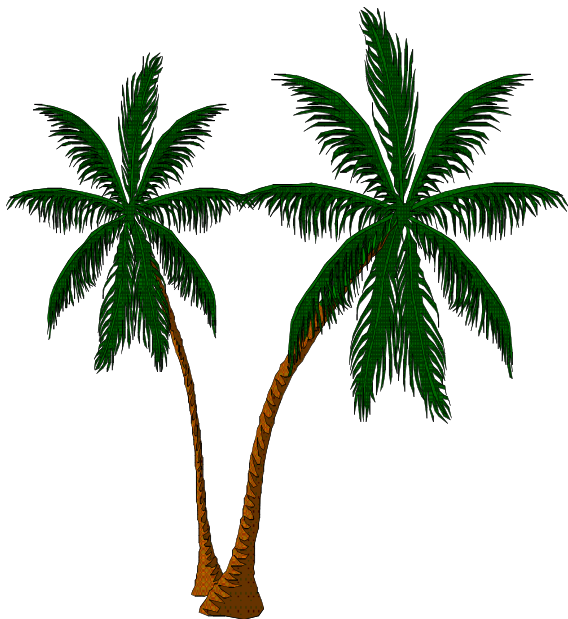
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TIMELINE 2024

REAL PROCUREMENT QUANDRIES



SPEAKERS:

Carol Cooper
Narita Holmes



REAL

PROCUREMENT

QUANDARIES

N&C Consulting
Government Procurement & Compliance

1

1

Starting with Common Questions

1. How do you deal with math errors in a bid?
2. Advantages and Disadvantages of Mandatory Pre-Bids and Site-Visits
3. Best Practice when vendor requests past bid tab or current bid

2

2

Starting with Your Specific Questions

4. Electronic bids – how to handle some being mailed and some being electronic.

5. What can be waived as a technicality or considered an informality?

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Now to some
specific
questions



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I had a p-cardholder raise an interesting question this morning and I'd like to see how your entities handle this.

The p-cardholder was booking a flight to a conference. The airline offered a \$15 "Early Check-In" fee, or \$30 for a round-trip flight. We had some debate in the office as to whether this constitutes an upgrade since this used to be a free option.

Now that airlines are charging for things like early check-in, carry-on luggage, permission to use the plane restroom (I'm kidding on this last one...for now) – how does your entity address these types of charges? Are they allowed in the travel policy or considered extras?

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LEGAL NOTICE

Has anyone ever forgotten to send an advertisement to the paper?

If so, what are the consequences – legally?

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I have been questioned and need some guidance please.

If you have posted a Notice of Request in the newspaper for RFQ's and state the RFQ's will be accepted until a certain date.

Is it okay to accept an RFQ past the date stated on the notice?

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BIAS



Just wondering how you handle an evaluation committee member that is clearly biased toward one company when ranking the submitted proposals? Do you throw out that individual's scores and go with the remaining ?

Prior to the solicitation posting, we make all committee members sign an agreement that states they will act in an unbiased manner and not discuss the process with anyone outside of the evaluation committee.

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As I move through the day I find myself faced with numerous vendor's terms and conditions (in state and out of state) to sign. How is your cities handling certain verbiage in these terms and conditions?

I would like to create a "general terms and conditions" to lay on top of the vendor's terms and conditions for the vendor to sign, but does this really work or am I just spinning my wheels?

Any advice would be greatly appreciated.

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One of my contractors has a payment claim against one of their bonds. My PM said that he use to release parts of their retainage to help them pay their subs. Have you all ever heard of that?

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OAG Request for Opinion (KP-0157)

Whether relatives of a public official may perform uncompensated work for the official's office without violating nepotism laws if the relatives receive reimbursement of actual expenses or a per diem expense payment.

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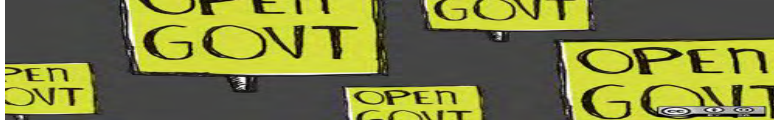
Our County Judge has put on the agenda to "exempt" purchasing from the competitive bidding under professional services. This is in reference to acquiring a Law Firm that does delinquent tax collections. I have maintained that law firms are not referenced as a professional service under the guideline of the Texas government code.

Our County attorney asked another attorney in Austin would it be legal to do this and he thought it would since the "Professional Services" does not have a list that is published under the Local Government Code.

Has anyone else run into this?

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Recently the County Clerk went out for RFP's on software. Now that the Clerk has awarded the contract, she has received an open record request to provide copies of all proposals, some of which are several inches thick and may have proprietary information.

Does the Clerk have to provide the intact proposals or may she just provide the cost factors presented by each vendor?

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I'M THE ONLY ONE

Yes, I know everyone is always claiming to be a sole source, so..... I need to know if a vendor can claim sole source due to logistics?

If a vendor is the only one in the state of Texas that has a particular material and the next closest is Missouri could sole source be used?

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Insurance Requirements



- What are your insurance requirements for vendors?
- Do you have different insurance requirements for different jobs or scopes of work?

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Posting of Bid Tabulations

Do you post your bid tabulations to your website prior to award or do you wait until after your court/council has approved before you post?

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Business Lunch



Does anyone have a policy about or a list of what constitutes an approved business lunch that would be acceptable to be paid for with City funds/City credit card?

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Rebid of Proposal

We had a proposal opening today with three responses. Two were non-responsive. The department and management would like to advertise the project again. Can we do that before Council rejects the proposal that was responsive? Have any of you done that before?

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Is anyone aware of any part of LGC that would allow an RFB or RFP respondent to be disqualified because the Governing Body dislikes the vendor's practices or Policies?

This Photo by Unknown Author is licensed under CC BY

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My city manager asked today "how do we know our employees are not making personal purchases from a contract vendor and getting the City's contract discount for those personal purchases". This was in regards to us setting up a National IPA coop contract account with Lowes but could apply to any number of vendors.

I know what measures we have in place here, but I am curious as to what special measures any of you may have implemented to keep your employees honest in this regard? Thoughts?

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Bid vs. COOP

For purchases of \$50,000 or more our options are Bid/Proposal or state/coop contract but not both.

Current issue....we sent out an IFB and awarded said IFB. Our commissioner has found a lesser price for an item on the awarded IFB and wants to purchase from that vendor. I did find that the vendor is on Buy Board. Can we bypass the awarded bid and purchase from the Buy Board vendor?

21

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Library Books



I was wondering what other entities do for purchase of books for your Library.

Do you issue a large purchase order for the year or let the Library charge on procurement cards each month?

If the purchases are done with a company that has a state contract and is over \$50,000, do you get it approved by your governing board?

22

22

Foul – Go to the Penalty Box

I have had an occurrence happen today and need a little assistance on which way we should proceed.

One of our Project Managers took it upon himself to reach out to “what appeared to be the lowest bidder, because I know him, and confirm his pricing” on an open, still under review ITB.

I suggest throwing out the entire BID as it seems that it’s been compromised to me. Any insight?

23

23

THANK YOU

N&C Consulting



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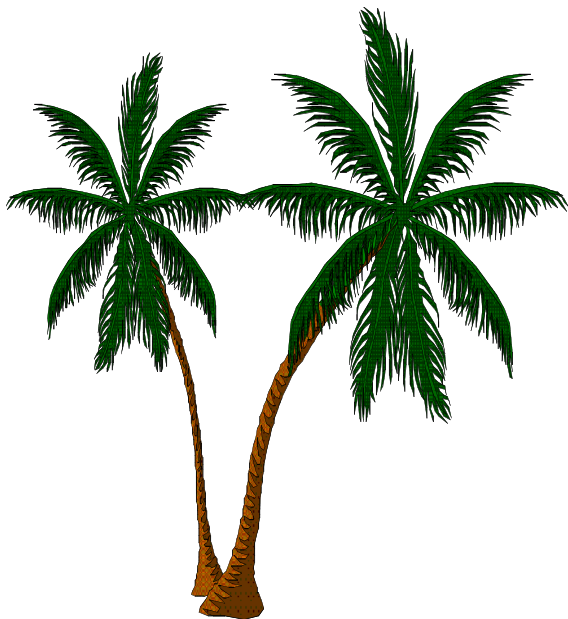


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24

TIMELINE 2024

HEADLINE NEWS ARTICLES



SPEAKERS:

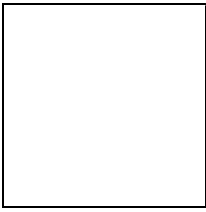
Panel of Speakers

From: GRA <gra-articles@government-resource-associates.com>

Sent: Sunday, September 22, 2024 6:01 AM

Subject: Corpus Christi auditor investigating city staff food purchases, money spent at Hooks

INVESTIGATION: Corpus Christi auditor investigating city staff food purchases, money spent at Hooks



A sampling of receipts from the Corpus Christi Yacht Club.

Photo by: Screenshot

KRIS 6 News

By: [Rachel Denny Clow](#) , [Bryan Hofmann](#)

Posted 12:19 PM, Sep 21, 2024

and last updated 12:22 PM, Sep 21, 2024

CORPUS CHRISTI, Tx — Just one month after requesting public documents from the City of Corpus Christi, the City Manager made changes to the city's purchasing card policy.

KRIS 6 News has also learned that the City Auditor is investigating an allegation of misuse of these cards.

That investigation began in part after 6 Investigates submitted that request in July. A city employee also made a confidential report alleging misuse of these cards to Gil Hernandez, District 5 Council Member and chair of the city's Audit Committee.

As the city developed its budget for the year, employees with the city began reaching out to 6 Investigates telling us to look into monies spent on food and entertainment by top executives at the city.

"Any time you have shortfalls in the budget, you have to question every expense," said Hernandez.

6 Investigates requested several documents from the city back in July and additional documents in August and September. To date, we have not received all of the documents we've requested.

KRIS 6 filed a complaint with the Attorney General alleging violations of the Public Information Act.

For the last few months, 6 Investigates has been digging into documents provided by the city. They reveal [extensive food purchases](#) made by executives and assistants to the city's top executives.

From September 1, 2023, to July 30, 2024, the city's fifth floor spent more than \$44,000 at local restaurants, including the Yacht Club, Aka Sushi, Koi Sushi, Vietnam, and Katz 21, to name a few.

SNAPSHOT OF EXPENDITURES:

- Yacht Club, \$13,053.44
- Aka Sushi, \$1794.75
- Koi Sushi, \$3,147.04
- Vietnam, \$2290.80
- Katz 21, \$2555.00

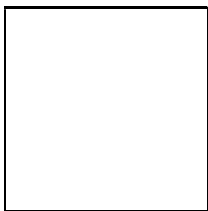
Zanoni said these expenditures are primarily due to staff having to work through meals, so the city picked up the tab.

"In all of those occasions, every one of them, it's us working around the clock to make a better city. It's that simple," Zanoni said.

The city also spent just over \$5,000 on snacks and drinks at HEB and Sam's Club, and \$8,000 at the American Bank Center while negotiating Industrial District Agreements.

"Our budget is a \$1.8 billion budget, so \$44,000 is insignificant in terms of the size of the budget. It's the cost of doing business in the city," Zanoni said.

The budget referenced by Zanoni is a combination of the operating and capital budget. However, the budget for the general fund is \$294.3 million.



City of Corpus Christi presentation
A breakdown of the fiscal year 2024-25 budget.

Between April of last year and the end of July 2024, 6 Investigates found the city had also spent over \$25,000 at Corpus Christi Hooks games.

"We should be doing that," Zanoni told Chief Investigative Reporter Bryan Hofmann.

"So we should be spending an extra \$25,000 on food and drinks for city officials?" Hofmann asked.

"We should be supporting the Hooks. The City Council, who are the chief ambassadors for the city should be doing that," Zanoni said.

Memos on purchasing card statements revealed multiple city departments, including the City Manager's Office and elected officials, were treated to nights at the ballpark. All on the taxpayer's dime.

Part of the agreement between the city and the Hooks means for half of the home games each season the city receives suite access to the city-owned baseball stadium, along with a food and drink allowance of \$500 per game.

TOP 5 HOOKS CHARGES, ABOVE \$500 CREDIT:

- 5/4/2024, City Manager's Office, \$1,603.80 (a notation indicates the city should have received a \$1,000 credit)
- 7/21/2024, Information Technology and City Manager's Office, \$1,129.80
- 5/25/2024, Animal Care Services, \$930.60
- 5/23/2024, Human Resources, \$930.60 (a notation indicates the city should have received a \$500 credit)
- 7/30/2024, Fire department, \$849.00

"With the Hooks we have, I would say, a sweetheart deal with them, you know? The cost for the insurance on the building is more than what we receive in lease expense for the year," Hernandez said.

Zanoni defended these charges and highlighted the economic impact garnered from these games.

"You have a \$450 million economic impact that you have annually, we want that to continue. That's not going to happen if we are nowhere to be found," Zanoni said. In August, before the city turned over the documents requested by 6 Investigates, Zanoni wrote a [six-page memo to the City Council about that request](#), along with an explanation for some of these charges.

Seven days after that memo was sent to the council, [an update to the city's P-card \(Purchase Card\) policy was made.](#)

"In light of your (6 Investigates) review and the one that the auditor is doing, we revised our P-card policy," Zanoni said.

That update includes a new section detailing allowable uses for business meetings and meals, as well as a requirement that anyone attending those meetings be listed on the receipt.

"All these expenditures, I should say, make sure you (Bryan Hofmann) and Rachel (Denny Clow) know, are approved by a checks and balance system through the city. So all the ones you are referring to were approved by the then-chief financial officer," Zanoni said.

However, a review of reimbursement requests submitted by Zanoni reveals several of these requests were not approved by the chief financial officer, but were approved by his assistant at the time. 6 Investigates also found reimbursements for monies spent at the Yacht Club included sales tax, despite the city being tax exempt.

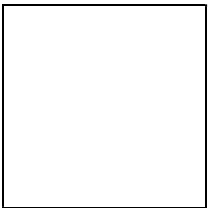
[According to a memo issued by City Auditor George Holland](#), there are significant gaps in the policy that do not address best practices.

Zanoni said when he was hired as the City Manager, the city did not have a p-card policy.

MORE: [Original procurement policy](#)

"The City Council requests, and kind of expects, or demands that I engage with business leaders across the city and really across the state and country to create economic developments and jobs across the city," Zanoni said.

The City Auditor has made several observations and recommendations related to reimbursements to the City Manager and has recommended a full audit of purchasing cards.



Screenshot

In a memo released by the City Auditor, several observations were noted related to reimbursement requests submitted by the City Manager

According to the memo issued Friday, the auditor recommends Zanoni's contract be updated to identify a maximum spending limit, payment of sales tax should be limited or eliminated, the City Secretary should be the approver of the City Manager's reimbursements or expenditures, and the Audit Committee and a City Council Member should review expenditures monthly.

While Hernandez would not comment on the pending investigation into these purchases, he said policies needed to be strengthened.

"From my perspective, I want to make sure that we tighten up some of these policies and we have the accountability there so we don't have this situation in the future and we can fix this and be accountable to the taxpayer that we are not spending their money foolishly," Hernandez said.

DOCUMENTS RELEASED:

On July 16, 6 Investigates requested bank statements corresponding to the purchasing card issued to the executive assistant to the City Manager between the dates of January 1, 2023, and July 30, 2024.

On July 30, The city released [bank statements between September 30, 2023, and July 30, 2024](#), which did not contain any detailed transaction information. It did not release bank statements between January 1, 2023, and September 29, 2023. It also released Zanoni's [requests for reimbursement related to purchases at the Corpus Christi Yacht Club](#).

A new request for public information was submitted to the city on August 14, requesting itemized bank statements corresponding to purchasing cards issued to nine city employees. The city ran these reports on August 15 and provided some of the records to 6 Investigates on August 26. Additional documents were provided on September 5.

Documents:

[Wells Fargo Statements - August 26 release](#)

[Wells Fargo Statements - September 5 release](#)

(On September 9, 6 Investigates notified the city that documents were missing from this request. To date, these documents have not been provided.)

A new request for public information was submitted on September 5, requesting additional requests for reimbursement. Documents were released on September 18.

A review of those documents reveal some documents should have been released, but were not, in the request submitted on July 16.

[City of Corpus Christi PIR - September 18 release](#)



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Harlingen School Board Dishes Out \$250K for Superintendent's Sudden Exit

ERIN ANDERSON | TEXAS SCORECARD | EDUCATION

SEP 20, 2024



Superintendent J.A. Gonzalez | Image by McAllen ISD

(Texas Scorecard) – A South Texas school superintendent who recently resigned under mysterious circumstances after just one year on the job was paid a quarter-million taxpayer dollars to buy out the remainder of his contract, even as the school district faces financial challenges.

Harlingen Independent School District trustees agreed earlier this month to let Superintendent J.A. Gonzalez “resign and pursue other interests,” citing unexplained “serious issues.”

According to Valley Central, trustees gave Gonzalez a payment of \$250,780 plus unused leave in exchange for his resignation.

The school board released a statement Wednesday defending their decision.

	JBL Charge 5 Portable Bluetooth Speaker	Bissell ReadyClean Cordless 10.8V Stick Vacuum	Tineco GO Pet 303 Cordless Stick Vacuum with Ze ro Tan... Dy

“The Agreement ensures fiscal responsibility amid a challenging financial environment. The former Superintendent had a three-year contract that if paid in full would have exceeded a million dollars,” read the statement. “By accepting his resignation, the District is no longer obligated to pay the final two years of this contract.”

The board had voted in April to give Gonzalez a \$10,000 raise, to \$310,000, and to extend his contract.

Wednesday’s board statement noted that a new Finance and Planning Committee—which first met a week before Gonzalez resigned—has reviewed expenditures made during the last fiscal year under Gonzalez’s administration.

“Many of these expenditures were beyond the approved budget and occurred without adequate communication to the Board,” the statement read.

	JBL Charge 5 Portable Bluetooth Speaker	Dyson Supersonic Hair Dryer with Attachments	Tineco GO Pet 303 Cordless Stick Vacuum with Ze ro Tan... D

Deputy Superintendent Maria Veronica Kortan is acting as interim superintendent of Harlingen CISD while trustees search for a permanent replacement for Gonzalez.

At any given time, dozens of Texas school districts are searching for superintendents.

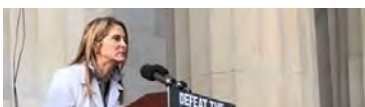
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State's premature release of bid proposal info touches off new battle over \$116 billion in Medicaid contracts

The early release of documents meant a single competitor got an early look at the other bidders' playbooks before final winners were announced.

BY **KAREN BROOKS HARPER** APRIL 26, 2024 UPDATED: APRIL 29, 2024

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Sign up for [The Brief](#), The Texas Tribune's daily newsletter that keeps readers up to speed on the most essential Texas news.

Aetna, which is set to win a multibillion Texas Medicaid contract, got a peek at sensitive information submitted by 17 rival health plans during the bidding process after the state Health and Human Services agency erred and sent competitors' proposals to the health insurance giant too early, according to emails and documents obtained by The Texas Tribune.

The agency confirmed the error in emails it sent to Aetna and others earlier this year, according to a court filing in Travis County this week.

Officials with Aetna's Medicaid division – Aetna Better Health Texas – would not discuss the matter with Tribune. HHS officials initially declined to comment on the procurement or the release of the records.

On Monday, three days after this story originally published, the agency sent a statement to the Tribune saying that no laws were broken and that the release did not affect the outcome of the procurement – which has been heavily criticized by some for proposing to shuffle the health plans of some 1.8 million low-income Texans.

The agency "has no reason to believe that the release of the redacted proposals via the [Public Information Act] process had an impact on the procurement results," the statement said.

But the court documents include the state agency's own admission to the insurance bidders that the release of the information to Aetna was in error.

“The PIA copies were sent to you in error as this procurement is still in the open stage,” reads a Jan. 12 email to Aetna from a legal assistant for the agency, referring to redacted copies of the bids required by the Texas Public Information Act. “As a courtesy, would you please destroy the copies? Once the Notices of Award are issued, we will provide the PIA copies to you.”

HHS officials still have not commented on why those emails were sent in January.

"HHSC practice has been to release procurement records after awards have been determined," the Monday statement said. "However, the release of records prior to oral presentations is allowable under state law."

The early release of documents throws into doubt the legitimacy of a procurement worth about \$116 billion over the next 12 years because it gave a single competitor a look at the other bidders' playbooks while the procurement game was still on, several bidders argue.

“One of the basic tenets of procurement law is that a procuring government entity must ensure a level playing field for all respondents,” attorneys for Superior Healthplan wrote in an April 19 protest letter to HHS. “This procurement utterly failed in that regard, among others.”

Superior Healthplan stands to lose its \$900 million contract if the new Medicaid bids are finalized, a move expected later this year.

The competing bidders who are complaining about Aetna's potential unfair advantage say the responsibility for that imbalance lies with the state, not with Aetna, which made a legal and publicly available request for the documents through the proper channels.

But at present, Aetna Better Health Texas is set to win seven new Medicaid contracts once the state finalizes its awards, which were announced March 7. Because records related to the bid evaluations are largely being withheld by the state, it is unclear whether or how any of that information might have been used during the decision-making process.

So far, eight insurance plans have filed protests in response to the state's intent to award the new six-year contracts to Aetna and other winners, one of which is brand new to Texas Medicaid. Each of those contracts can be extended up to a total of 12 years.

The list of winning bids shocked many in the health care community because it dropped three Texas children's hospital-affiliated plans — in Fort Worth, Houston and the Rio Grande Valley — in favor of competitors new to either the region or the state Medicaid programs. It also gutted the coverage areas of some long-standing for profit plans, including WellPoint and Superior.

On Wednesday, Superior Healthplan asked a Travis County district court to compel Texas HHS to release scoring, evaluation notes, audio and video and other records related to the procurement, signaling a contentious battle ahead.

The 'error'

Medicaid in Texas provides health insurance for more than 4 million people, mostly mothers and children. HHS manages the program but pays contractors to handle individual billing and payments to medical providers.

Each time the state has to reassess and collect new bids from companies that will actually issue insurance coverage to these residents, it can bring a cutthroat battle between companies and the state over who will win those multibillion contracts.

As part of any contract process, companies routinely look for advantage. And one way is by filing open records requests to a state agency to get a handle on what competitors are proposing.

It's a perfectly legal move to request the documents through public information channels, and the onus is on the state to determine if it's appropriate to release them.

But during this STAR/CHIP contracting round, those documents were released before the bid winners were announced – and indeed before the competitors had even been interviewed by the state's evaluation teams – and that has resulted in the losing companies crying foul.

The Aetna request was made in August, long before the awards were announced last month, emails between Aetna representatives and Texas Health and Human Services show.

One other Medicaid contract bidder received the same records in October, but Aetna was the only bidder to receive them while the companies were still presenting their cases to the evaluation team. Another requestor, a research clearinghouse with no affiliations to any bidders, received the records in August as well.

By the time the records were released, scoring on the written questions — the answers to which were in the proposals — had already been completed. Oral presentations — hours-long interviews before a panel of evaluators that were part of the scoring process — did not conclude, however, until mid-October.

In January, HHS notified all three companies to “destroy” the documents because they were “sent to you in error as this procurement is still in the open stage.” The email said that once

the state announced who they intended to award the contracts to the following month, they would re-release those documents.

Curiously, the error was made despite two Texas attorney general rulings that stated the agency had grounds to hold records private until after the procurement process because releasing them could unfairly affect the outcome.

“The agency’s misconduct created an unlevel playing field that advantaged one competitor to the detriment of all others in this procurement for the largest state contracts in Texas,” Superior attorneys wrote in the April letter. “The only appropriate remedy is to cancel ... and start over. Any other response would simply be a waste of taxpayer dollars and government resources in a misguided attempt to defend HHSC’s indefensible actions.”

Agency officials said Monday that the records contained no confidential information and that it would be difficult to use the proposals effectively in the oral arguments because they are based on what the competitor had already asserted in their application packets.

"HHSC uses oral presentations in its procurement process to determine whether an MCO’s ability to quickly strategize and convey information in real-time aligns with the written proposal the MCO submitted to HHSC," officials said in the statement. "Access to the information contained in the redacted proposals has no impact on an MCO’s ability to describe its own services and operations in its oral presentation."

Aetna declined to comment specifically on the release of the records or the procurement.

“While we defer to the state of Texas to comment on its procurement process, we remain confident in Aetna’s ability to deliver excellent service and value across these Medicaid contracts,” according to a statement emailed to the Tribune by an Aetna spokesperson.

New contracts, new battles

In March, Texas HHS announced its intentions to drop children’s health plans that are run by three legacy children’s hospitals and award the majority of Medicaid STAR and Children’s Health Insurance Program contracts to national for-profit health chains.

More than a week ago, two major children’s hospitals that had previously held Medicaid insurance plan contracts but lost them this round, announced they would likely have to shut down those programs if the deals are signed.

Some 1.8 million Texans who receive Medicaid coverage from six managed care organizations – the health insurance providers that actually issue the coverage – across the state would lose

their current health plans and be shifted to new insurers next year if the decision is finalized.

Lawmakers, angered at the plight of the children's Medicaid plans, have called on HHS to delay the procurement so that they could strengthen laws governing the process and better protect high-quality legacy plans.

Officials with managed care organizations, or MCOs, who lost contracts said they were troubled by the possibility that information they had assumed would be kept private until the end of the procurement process could have been used to compete against them.

"We are aware of this situation and are deeply concerned about the questions this raises about the process," officials from Cook Children's Health Plan said in a written statement.

Officials at Driscoll Health Plan, which is likely to shut down if it loses its long-standing Texas Medicaid contracts, said they were stunned to learn that one of its competitors had gotten a look at their bid proposals while the plans were all still being evaluated.

They have already filed a protest saying that the new scoring system used in the evaluation phase was unfair, arbitrary, and did not take into account legally required quality measures, among other failures.

"For this procurement attempt to be riddled with so many substantive failures — including the failure to meaningfully evaluate the actual, historic performance of health plans and the failure to involve local community and stakeholder feedback in the selection process — that we believe the process is already fundamentally flawed," said Craig Smith, Driscoll Health Plan's president and CEO, in an emailed statement. "To now add such serious questions as to the procedural integrity of the procurement attempt, we believe unequivocally that it is due time to set this attempt aside."

If the procurement is negated, it would be the third failed attempt in six years by Texas HHS to award contracts for the Medicaid programs that encompass the vast majority of state health insurance's low-income Texas recipients.

If it stands, it would mean a reduction in the number of MCOs that administer STAR and CHIP, a shift toward for-profit companies in most areas of the state, a smaller number of top-rated plans administering care, and the introduction of new national plans to regions historically served by local MCOs.

Among those who would be affected are a collective 700,000 families, pregnant women and children covered by Cook Children's Health Plan in the state's Tarrant service area, Texas

Children's Health Plan in the Harris region, and Driscoll Health Plan in South Texas, all which formed when the CHIP program was created two decades ago.

Why so many contractors

Texas Medicaid STAR and CHIP programs cover the cost of routine, acute and emergency medical visits. STAR is primarily for pregnant women, low-income children and their caretakers. CHIP provides health care to low-income children whose family's income is too high for Medicaid, which has some of the lowest income limits in the country. Their members compose the vast majority of Texans on state Medicaid programs.

HHS contracts with health plans to provide, arrange, and coordinate preventive, primary, acute care, behavioral health, non-emergency medical transportation, and pharmacy covered services for pregnant women, newborns, children, and parents with limited income.

The state's privatized Medicaid program divides the state into 13 service areas, and multiple contracts are awarded for each service area so enrollees can have a choice of plans, as required by federal law.

Texas law allows three two-year renewals on the six-year Medicaid STAR and CHIP contracts, which are combined into a single service contract so that every MCO that gets a STAR contract also gets a CHIP contract. After the contracts have been in place 12 years, HHS must run a new procurement.

The last completed STAR/CHIP procurement was in 2012.

When the health plan companies submitted bids beginning in 2022, they included redacted "Public Information Act" versions, or PIA copies, of their proposals in their application packets. The PIA copies are required per state law that mandates such information be made available to the public.

Companies were advised from the start that they should not include information in the PIA copies that they do not want released to the public.

But the state's request for proposals did not specify when that information might be released. Texas law does not say explicitly that the state may not release the proposals while the competitors are still being actively evaluated or before the awards are announced.

Attorney General Ken Paxton's office gave HHS the authority to withhold procurement documents in two rulings last year specifically on the STAR/CHIP procurement — once in June and once in October.

Paxton said the state has the right to withhold procurement-related documents while it was still open “if a governmental body demonstrates that release of the information would harm its interests by providing an advantage to a competitor or bidder in a particular ongoing competitive situation.”

Two months after the first ruling, in late August, HHS released thousands of pages of redacted bid proposals by the 18 health plans to Aetna, according to emails contained in this week’s court filing. The companies’ oral presentations — hours-long, in-person interviews and presentations that were scored alongside the proposals as part of the overall evaluations — weren’t scheduled to end until Oct. 13.

The redacted copies that were released to Aetna contained answers to a list of technical questions posed to bidders as well as written arguments for why each company believed they should get or keep a contract.

The bids include sensitive information including company business and marketing strategies or what innovations the bidder has made in dealing with provider shortages — any and all of which can be discussed during the oral presentations.

Shortly before the orals came to a close in October, Paxton’s office issued the same ruling in response to a new inquiry by HHS. But a few days after the companies’ oral presentations were done, the agency released the redacted proposals to an attorney for the Houston-based Texas Children’s Health Plan.

Then in January, HHS attempted to claw them back from Aetna, TCHP and Health Management Associates, a health care consultancy and clearinghouse that routinely requests procurement records and also had received them in August.

Even without a state law regarding the timing of public information releases, the Texas Administrative Code instructs the state to “provide for consistent and uniform management and procurement and contracting processes,” in a “fair consideration of proposals.”

Scorned health plans argue that sending the competing bids, even the redacted ones, to a single competitor halfway through the procurement process runs counter to both of those ideas.

“HHSC’s disclosure to Aetna of its competitors’ proposals before the oral presentations and while the evaluation of proposals was ongoing destroyed any semblance of a level playing field and gave Aetna an unfair competitive advantage,” Superior attorneys wrote in the company’s protest.

Superior is taking HHS to court over the agency's refusal to release dozens of additional records Superior officials requested in March and April after the contracts were announced — including audio and video of the oral presentations, scoring notes and meeting minutes, the identity of the people on the scoring teams who made the decisions, internal communications regarding the evaluation process, and similar information.

Superior argues that because the state already announced who would win the contracts, the competition was over and the records could no longer affect the outcome.

HHS, meanwhile, has asked Paxton for yet another opinion, this time regarding Superior's request, arguing that the additional records would interfere with the negotiations, with potential litigation, or with the evaluation process should the procurement be canceled and the competitors forced to go through it again.

The current fight over public records in government contracts is not a new one to HHS. The agency's record of refusing or delaying release of public information related to Medicaid contracts triggered a lawsuit in November of last year.

Wellpoint, a long-standing contractor of HHS, sued the agency over the \$10 billion STAR+PLUS program and what the company, formerly known as Amerigroup, described its lack of effective due process in procurement and barriers to information that is legally public.

Wellpoint's lawsuit also claims that the agency has withheld documents even after the Texas Attorney General directed HHS to produce them.

The agency uses the state's open records law as both a sword and shield - delaying bidders' access to critical information and evidence, and then summarily dismissing protests without proper consideration or justification because the protester failed to provide the very evidence that HHSC itself is withholding," the lawsuit stated.

Disclosure: Amerigroup has been a financial supporter of The Texas Tribune, a nonprofit, nonpartisan news organization that is funded in part by donations from members, foundations and corporate sponsors. Financial supporters play no role in the Tribune's journalism. Find a complete [list of them here](#).

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3

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CSP# 23-24-18 Mini-Gyms HVAC Upgrades

All proposals must be on a lump sum basis including General Contract, Electrical and Mechanical work. Digital Bid packages available at Ethos Engineering, email: imelda@ethoseng.net; phone: (956) 230-3435. An executed bid bond form in the amount of 5% for each proposal must accompany each proposal.

CSP# 23-24-18 Mini-Gyms HVAC Upgrades bid proposal due October 25, 2023 at 2:00 pm and read virtual (MS Teams) at 2:15 pm. Login access details: Click here to join the meeting Meeting ID: 263 684 146 995 Passcode: hT26ki.

Pre-Bid Conference will be on October 17, 2023, at 10:00 am at Ethos Engineering: 1126 S. Commerce St. Harlingen, Texas. For virtual attendance please join Virtual MS Teams on your computer, mobile app or room device Click here to join the meeting Meeting ID: 247 304 180 213 Passcode: DgMsqh

Each Bid Proposal must be submitted in a sealed envelope to Ethos Engineering at 1126 South Commerce St., Harlingen, TX 78550 and shall be plainly marked "CSP# 23-24-18 Mini-Gyms HVAC Upgrades"

Faxed or emailed Proposals are not acceptable. LFCISD reserves the right to accept or reject any or all proposals and to waive any irregularities.



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REQUEST FOR INTEREST(RFI)

The Brownsville Housing Opportunity Corporation (BHOC) a Public Facilities Corporation/Legal Instrumentality of the Housing Authority of the City of Brownsville (HACB) is hereby soliciting Statements of Interest (SOI) for the following item:

- 1. "HACB RFI No. 23-001 Leasable Space

BROWNS

The



SATURDAY, SEPTEMBER 9, 2023

B O R N

Partnership Investigation

BISD to discuss health insurance Sept. 18

BY GARY LONG
STAFF WRITER

The Brownsville Independent School District Board of Trustees has scheduled a special-called meeting Sept. 18 on health insurance, postponing action on the status of the district's insurance consultant Roger Garza after a closed session at its Sept. 5 meeting.

Trustee Carlos Elizondo had placed an item for discussion and possible action in open session on the issue, but board president Jessica G. Gonzalez had it moved to executive session.

The executive session lasted until just before midnight but also concerned other matters. The board then tabled Elizondo's item and quickly voted 7-0 to hold the Sept. 18 meeting.

Elizondo said he placed the item out of concern about the number of bidders for third-party administrator of BISD's \$54 million self-funded insurance plan and the information they were given.

"I found out the information these bidders were requesting, there was 14 of them. They were being denied this information, so they truly could not get an adequate bid to the school district to be able to say 'yeah we could save you money or we can't and we're out,' so these questions were asked. I got a copy of these questions with the answers by our hired Roger Garza," Elizondo told The Brownsville Herald.

Elizondo raised the concerns at the board's Aug. 23 insurance committee meeting.

At that meeting Garza explained that five out of 14 vendors that submitted bids to be the third-party administrator for BISD's insurance plan met the criteria to be selected finalists and were to make presentations at the meeting.

PLEASE SEE BISD, 12A

BISD

From Page 1A

Of those, only three, current TPA Blue Cross Blue Shield, United Health Care and Aetna, were selected finalists because the other two, Assertive and Lucent Health, would only submit certain information if they were selected finalists, Garza said.

United Healthcare, Blue Cross and Aetna were to start their presentations when questions arose. The process was similar to the last time the contract was negotiated four years ago, but BISD converted to electronic submission this time, Garza said.

Garza also said there was about a 30-point spread between the top three and

bottom two vendors on the selection criteria.

Trustee Eddie Garcia, the insurance committee chairman, said he felt the committee's consensus was to look "for something better than our current plan design offers, and definitely at a savings to taxpayers. ... That's the consensus of this board, to get the best for our employees and ... to hear presentations from the top five," Garcia said during the meeting.

Reportedly, the five vendors vying for selection as third-party administrator presented at a Sept. 1 meeting of BISD's employee benefits committee. However, the meeting was not streamed on the district's YouTube channel as is normal practice.

Former La Joya school board president sentenced in corruption scandal

BY DINA AREVALO
STAFF WRITER

McALLEN — Former La Joya school board president Oscar “Coach” Salinas has been sentenced to one year and two months in federal prison for his role in a massive Western Hidalgo County public corruption scandal.

He was further ordered to undergo substance abuse counseling and drug testing after twice violating his bond conditions by using and testing positive for cocaine.

“Good or bad, the responsibility was to look after your community. You weren’t doing that. ... You were looking after your own welfare,” U.S. District Judge Micaela Alvarez said before sentencing Salinas Tuesday afternoon.

“People who earn that privilege ... We are entrusted to look after the wellbeing of others, so, sort of taking care of our community,” Alvarez said, adding that she becomes “troubled” when public officials violate their oaths.

Salinas is among a score of former elected or public officials in Western Hidalgo County who have been implicated in a broad-reaching public corruption scheme involving vendor contracts, bribery, kickbacks, political retaliation and more.

Salinas originally pleaded guilty to one count of extortion in March of 2022.

The former school board president had an \$8,000 per month consulting contract with Jacinto Garza and his Mercedes-based firm L&G Consulting

and Engineering.

As the 2020 election season got underway, Salinas learned that Garza supported one of his political adversaries, Everardo “Ever” Villarreal, who was at the time running in the Democratic Primary for the Precinct 3 seat on the Hidalgo County Commissioners’ Court.

During a re-arraignment hearing last March, Salinas admitted to threatening to sever La Joya ISD’s contract with its insurance agent, Ruth Villarreal Insurance Inc., lest Garza renegotiate Salinas’ payment contract.

Ruth Villarreal, the principal of the insurance agency, is Everardo Villarreal’s wife.

“If Defendant’s contract was not renegotiated to include additional mone-

tary payments Ruth Villarreal Insurance’s contract at LJISD would be terminated,” federal prosecutors said last spring.

But Garza refused to renegotiate his payment deal with Salinas, who was running for reelection to the school board that year.

“Garza subsequently terminated the agreement with (Salinas), and (Salinas) subsequently cast an official vote as an LJISD trustee to terminate Ruth Villarreal Insurance’s contract,” Assistant U.S. Attorney Roberto “Bobby” Lopez Jr. said then.

Salinas’ threatening messages to Garza subsequently became public as part of a February 2020 lawsuit the La Joya school district filed against Ruth Villarreal insurance alleging breach of contract and fraud.

Ruth Villarreal later filed the profanity-laden text message exchange as part of a countersuit against the district in February of 2021.

She claimed the payment terms of the insurance contract were part of a settlement she and the school district had reached

after she had been awarded a \$3.35 million judgment in a separate 2013 lawsuit against the district.

The more recent countersuit further details the political retaliation Ruth Villarreal and her husband allegedly experienced at the hands of Salinas and members of his “TeamUnited” political slate.

“LHISD through the above listed slate of candidates continued to make threats against Villarreal and her husband. Members of that slate publicly stated that they would terminate Villarreal’s contract,” including Salinas who, “was kind enough to document his criminal conduct in writing.” Ruth Villarreal’s countersuit states, in part.

But in federal court on Tuesday, Salinas and his attorney, Christopher “Chris” Sully claimed that the insurance contract was a bad deal for the school district and its taxpayers.

“Voting against the contract was the right thing to do,” Sully said, adding that a study conducted by the school district later found the contract rate was two

to three times higher than the industry average.

“Regardless of what the propriety was of whether the contract was valid or not ... the manner in which the defendant conducted himself ... there is no excuse,” Lopez, the prosecutor, said Tuesday.

In September 2021, a state district court awarded Ruth Villarreal a \$2.7 million settlement.

Sully conceded the point.

And when given an opportunity to address the court, so, too, did Salinas, adding that his drug addiction contributed to his bad decision making.

Meanwhile, Salinas said he has made a turnaround after his bail was revoked last year.

Since then, he has started a literacy group for inmates at the East Hidalgo Detention Center in La Villa.

He has also taken part in various enrichment programs offered through the prison, pursued mental health help and has become sober, he said.

“The biggest problem in my life has been substance abuse,” Salinas said.

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The Santa Maria ISD will hold a public meeting at 6:00 PM, August 30, 2023 in Santa Maria ISD Board Room, 11119 Military Hwy 281 Santa Maria, Texas. The purpose of this meeting is to discuss the school district’s budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes

E
D

TEA seeks candidates for La Joya ISD board

BY MATT WILSON
STAFF WRITER

The Texas Education Agency on Wednesday posted candidate applications for a board of managers at La Joya ISD, moving the district closer to state intervention that it plans to oppose.

After years of corruption scandals, the agency recommended in May the installation of a board of managers for the district — the most severe level of intervention.

In a split vote, the district's board decided to resist intervention after a contentious meeting later that month.

"Our educators, administrators, and support staff remain steadfast in their dedication to delivering a well-rounded education, promoting student achievement, and fostering a nurturing atmosphere that encourages growth and success at the highest levels," Board President Alex Cantu wrote in a statement addressing the agency's search for candidates. "Your continued trust and understanding are vital as the Board navigates the appeal process and works tirelessly on behalf of our community.

"By standing together, we can ensure that the best interests of our students and their future remain at the forefront of all decision-making processes."

The statement pledged diligence during the process and emphasized that a board of managers is not yet a forgone conclusion.

According to the TEA, the district has the right to appeal the agency's special investigation unit's recommendation for intervention at a hearing scheduled to happen later this summer.

PLEASE SEE TEA, C3

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AROUND THE VALLEY

Man accused of lighting couple's vehicle on fire

BY VALERIE GONZALEZ
STAFF WRITER

Two men who allegedly lit a Progreso couple's vehicle on fire suffered two fates: one was arrested on Thursday and the other was burned.

Fernando Herrera Rodriguez, 39, of Weslaco, was arrested last week and charged with arson.

In the early hours of

PAGE 2

BROWNSVILLE AND THE RIO GRANDE VALLEY

Public corruption case headed to trial

BY DINA AREVALO
STAFF WRITER

A trial date has been scheduled for a man implicated in a far-reaching public corruption and fraud scheme out of western Hidalgo County.

Mariano Garcia, 49, of Mission, will tentatively head to trial on Feb. 27 on one count of federal programs theft.

The announcement came during a brief status conference Thursday in McAllen federal court.

Garcia — a civil engineer who founded M Garcia Engineering in 2007 — is allegedly one of several key players in a massive fraud scheme targeted numerous government entities in western Hidalgo County.

According to federal prosecutors, the company involved bribes to pay to elected officials in exchange for their use and favorables in approving emergency contracts with Indiana-based firm ad Performance Serps Inc., or PSI.

The conspirators allegedly targeted the Min City Council, the L2/2 Independent School District, the Agua SUD Utility District and others.

In Garcia's case, he is charged with participating

in a scheme to defraud Agua SUD out of millions of dollars.

Federal prosecutors allege Garcia paid nearly a quarter of a million dollars to former Peñitas chief of staff, Andres Morales.

"(Garcia) gave approximately \$249,839.13 to Andres Morales, through RGV Redlight, as instructed by the Agua SUD General Manager intending to influence and reward said General Manager for his official support and recommendation for Agua SUD to award" the energy savings contract to M Garcia Engineering, according to the indictment.

In March 2022, Agua SUD filed a 24-page civil lawsuit against Garcia and his company alleging he had bilked the utility district out of millions of dollars.

Garcia served as an intermediary between Agua SUD and PSI, which had approached the utility district sometime between 2016 and 2017 with an opportunity to save money by upgrading electrical and other infrastructure.

The plan involved installing LED light fixtures and solar paneling, and upgrading customers to "smart" water meters, among other things.

PSI and Garcia claimed

the upgrades would come at no cost to Agua SUD thanks to a state law that incentivizes cost-savings projects.

But instead, Agua SUD took on some \$12 million in debt on the project — paying \$11.4 million to PSI and more than \$346,000 to Garcia over the course of two years.

Last January, two other men connected to the conspiracy-at-large pleaded guilty to the allegations against them.

Morales, the man Garcia is accused of paying off, admitted to accepting more than \$1.1 million in kickbacks and bribes as part of the scheme.

Valley cities launch fitness challenge

BY XAVIER ALVAREZ
STAFF WRITER

WESLACO — It's time for its time. That's right. A new



Program Director Sam Gervase said. "We're at just over 4,000 participants just here in the RGV. I would say, per community, (the Valley has) the strongest representation. Over the last 5 to 10

Weslaco man sentenced in crash that killed 'best friend'



Lights form a Christmas tree Tuesday at W.H. Heavin Memorial Park.

San Benito \$1.2 million project back on track

BY FERRANDEL DEL VALLE
STAFF WRITER

SAN BENITO — After more than two years of hurdles, San Benito school district officials say they are back on track with a \$1.2 million project to pave their bus barn's gravel parking.

After officials launched the project with a 120-day timetable in September 2021, a company losing the construction bid filed a lawsuit, requesting the court grant a restraining order that delayed work for about five months.

Meanwhile, officials negotiated the cost of the contractor's change order request after workers broke a water line, further delaying construction.

Now, officials are planning to complete the project within five to six months, board member Rudy Corona stated

Wednesday.

LONG JOURNEY

During a meeting, Superintendent Theresa Servellon presented school board members with the project's timetable showing the series of hurdles officials have faced during the construction of the Jena Ray Landrum Auxiliary Services Building's parking lot located in the San Benito Industrial Park.

"It has been a journey to insure that we get this project to where it needs to be," she told board members during a building committee meeting Tuesday.

CONSTRUCTION COMPANY FILES LAWSUIT

In September 2021, officials launched the project after the school board voted 4-3 to award the construction bid to

Brownsville-based G&T Paving, which presented a bid of \$1.2 million, with a 120-day timetable.

Meanwhile, the board's three-member minority noted Rio Hondo-based Rhymor Construction Services was proposing a \$963,960 bid with a 60-day timetable.

On Sept. 26, 2021, the company filed a lawsuit, requesting a judge grant a temporary restraining order, Robert L. Guerra Jr., a Brownsville attorney representing the company, said Wednesday.

"Rhymor Construction offered the lowest price and the quickest time of completion," he said during an interview. "Based on the bidding criteria, we felt it was in the best interest of the school district to select our bid. We had issues regarding the way the bids were graded," Guerra said the case

has been settled.

SERVELLON: DISTRICT FOLLOWED STATE LAW

During Tuesday's meeting, Servellon told board members officials followed state laws during the process in which an administrative committee evaluated the district's five proposals leading it to recommend G&T Paving for the job.

"G&T had the highest score," she said. "The reason behind the score for it to be ranked No. 1 was that it had more experience with projects of this magnitude. It had a very strong financial structure. This company has been in business for decades."

On Jan. 26, 2022, the court dismissed the lawsuit, the suit, adding Rhymor had until Feb. 26 to appeal.

"So far that entire time, work was halted," she said.

On Tuesday, the high court issued opinion on Wednesday affirming Gustavo Tjerina Sandoval's capital man and attempted capital man convictions.

In May 2018, Cameron County found him guilty of shooting and killing off-duty Border Patrol agent Javier Vega Jr., Kingville, and of shooting and injuring the man's father, Javier Vega Sr., La Feria, on Aug. 3, 2011. Three generations of Vegas were enjoying a day at their favorite fishing spot, but that odd turned dark and dead when Tjerina-Sandoval and Daniel Hernandez Vallejo, 49, ambushed them near Santa Monica Tjerina-Sandoval's Hernandez-Valle opened fire on the man during an attempt to steal his vehicle.

The testimony revealed that Tjerina-Sandoval on \$150 in cocaine in May because he had a vehicle engine. The person threatening Tjerina-Sandoval, to be decided try and steal a vehicle.

Tjerina-Sandoval trial included 64 witness testimony from eye witnesses at the crime scene to corroborating witness accounts. Prosecutors also presented the jury with 2 pieces of evidence including scientific evidence like DNA and fingerprints found in Vega's vehicle, gun residue from Tjerina-Sandoval's hands, bullet casings at crime scene reconstruction.

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3RD-COPY/REPRINTS
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Circulation: 982-6664
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Delivery Commitment: 982-6662, 982-6664
882-6696, 6:00 a.m. - 5:00 p.m. (M-F)
7:00 a.m. - 12:00 p.m. (Sundays)
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Herald is a Full Service Carrier: \$17.77 per month Home delivery subscribers may be charged a higher rate for holiday editions.
Single Copy Rates: 75 cents Monday-Saturday; \$1.50 Sunday; \$1.50 Thanksgiving Day newspaper
Mail subscriptions available
© The Brownsville Herald
ISSN 092-0002 Published Sunday through Saturday except on Second class postage paid at Brownsville, Texas 78517

DON PEDRO SAYS
"The Pearl Harbor event reminds us that we can never let our guard down," Don Pedro emailed the newsroom.
"Attacks can come at any time, from any place," the city editor keyed back.
"Even from within our shores," the Don wrote.
And out went his ruminations.

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AROUND THE VALLEY

Fatal two-vehicle crash leaves 1 dead

BY XAVIER ALVAREZ
STAFF WRITER

The Texas Department of Public Safety is currently investigating a fatal two-vehicle crash that occurred Thursday morning in Santa Maria.

According to a news release, the crash occurred at about 6:25 a.m. on 281 Highway Road and 13

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BROWNSVILLE AND THE RIO GRANDE VALLEY

Weslaco updates lawsuit against water plant contractors

BY DINA AREVALO
STAFF WRITER

Just two months after Arturo "A.C." Cuellar and Ricardo "Rick" Quintanilla were sentenced to lengthy prison terms for their roles in the Weslaco water plant bribery scheme, the city has amended its lawsuit against the project's contractors to include facts from the criminal case.

On March 23, Weslaco filed a fifth amended petition in its attempt to recoup the millions it says it lost as a result of one of the largest public corruption scandals to rock Hidalgo County.

The lawsuit — which names a host of defendants, including Cuellar and

Quintanilla — primarily focuses on Massachusetts-based CDM Smith, the firm that oversaw the rehabilitation and construction of new water and wastewater treatment plants between 2008 and 2017.

The amended complaint makes new allegations bolstered by facts that were revealed during the October 2022 criminal trial against the two men, whom a jury convicted of a combined 70 counts of bribery, money laundering and wire fraud.

The 24-page petition also provides more clarity on the roles of two additional participants, former Weslaco Place 4 City Commissioner Gerardo "Jerry" Tafolla, and one-



DINA AREVALO | THE MONITOR

Weslaco businessman Ricardo "Rick" Quintanilla, second from left, walks out of the McAllen federal courthouse after being convicted on all counts in the Weslaco water plant bribery trial on Thursday.

time Starr County power broker Leonel J. Lopez Jr. Tafolla, however, is not listed as a defendant.

Weslaco originally filed a four-page suit against CDM Smith alone in January 2019 over a dispute

regarding some \$2.5 million. CDM Smith claimed Weslaco owed it that sum as payment above the \$38.5 million guaranteed maximum price the city had agreed to pay.

CDM Smith said the extra cost was as a result of 239 days' worth of construction delays due to rain over the course of 2014 and 2015.

Weslaco, in turn, argued that weather delays only entitled the company to more time — not more money — to complete the project. Weslaco is further asking the judge to declare all the contracts related to the water plant projects as void due to fraud.

Fieldy's farewell

Edinburg family says goodbye former military dog

Weslaco board to talk to lone finalist

BY MATT WILSON

police found a vial of alleged methamphetamine.

According to Salinas, the campus principal began looking for Bliot after the discovery of the pills, but he had left and gone home.

"So our police went to her house and arrested her," Salinas said.

A spokesperson for the district said no students were harmed in relation to the incident.

Salinas said Bliot had been with the district for eight years. According to ECLSD's website, she taught seventh grade social studies at Harwell.

"The safety of our students is our top priority. We want our parents and community to know that no students were injured, and with the aid of security cameras we were able to pinpoint who the teacher was within an hour of the incident," Salinas said in a statement.

GETTING IT RIGHT

CORRECTIONS & CLARIFICATIONS

It is the policy of The Brownsville Herald to correct errors in a timely manner. Corrections and clarifications will be published in this space. To inquire about corrections, readers may call an editor.

982-6628 | 982-6617
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or e-mail us at corrections@brownsvilleherald.com

bipartisan bill seeking to guarantee continued access to healthcare resources at lower costs.

The bill would expand access for Medicare, Medicaid and Medicaid beneficiaries such as permanent care at a freestanding

pandemic.

Due to many hospitals reaching capacity during the pandemic, the Centers for Medicare and Medicaid Service issued a waiver that allowed fully licensed emergency departments, or FLECs, to function as

rooms.

The release also pointed to a study that indicates that FLECs saved Medicare programs 21.8% in payments. Those payments were for lower-emergency care.

"A person's access to

beneficiaries may access the high-quality medical treatment provided by free standing emergency centers — expanding access and lowering cost for South Texans and patients across the country."

HB 4422 calls for state of cials to conduct a study "public safety, border security, and (the) modernization of transportation infrastructure from the Texas-Mexico border crossing onto the state highway system," according to the bill text.

The study would be conducted by the Texas Department of Public Safety in conjunction with local law enforcement, academic researchers and transportation industry stakeholders.

HB 3805 would go toward creating a new funding category in the state's transportation code.

The new funding would be allocated for highway infrastructure projects located along the border that would "provide greater security in the movement of goods... onto the state highway system," or mitigate congestion in other modes of transportation, such as airports and railroad crossings.

The Rio Grande Valley is the only border region in the state whose international ports of entry are not connected to an interstate highway system.

Plans to expand Interstate 69 to the region's land ports have stalled for years, leaving local leaders trying to plan projects themselves.

County hires firm to determine how bad leaks are at new courthouse

BY DINA AREVALO
STAFF WRITER

EDINBURG — Move-in day for the Hidalgo County Courthouse has hit yet another setback after officials discovered leaks in the roof at the newly constructed building.

However, the leaky roof isn't the only issue plaguing the seven-story building, whose opening was pushed back multiple times last year.

There are also problems with air leaking in through the building's exterior shell, leading to humidity issues inside the courthouse.

The problems loom so large that, on Tuesday, the Hidalgo County Commissioners Court hired a firm to conduct a comprehensive inspection of the entire facility.

The county hired Wiss, Janney, Elstner Associates Inc., or WJE, of Houston, to determine the extent of the damage.

WJE's inspection will make use of aerial drones, fog machines, moisture probes, infrared imaging, and other techniques both inside and out of the courthouse to examine the roof, the exterior shell, windows and more.

According to documents the county provided to WJE ahead of its inspection proposal, both water and air have been infiltrating the building due, in part, to defective construction.

"There is also reported non-conforming work installed by the Construction Manager and their subcontractors throughout the building," WJE stated in a March 2 proposal to provide

consulting services.

Hidalgo County Judge Richard E. Cortez confirmed WJE's assertions.

"I think we have some issues with the roof. I think we have some issues with some of the windows and some issues with pressure, negative pressure, in the courthouse that we're trying to correct," Cortez said via phone Wednesday.

But the judge was less forthcoming when asked what the inspection's pricing will be, as well as fixing the issues that the company uncovers.

"We're trying to identify responsibility and solutions to the problems. And we're right in the middle of those things, so I'd rather not discuss those things at this time," Cortez said.

The judge further asked

for the public's trust that he and other county leaders are doing their best to resolve the construction issues without further burdening taxpayers.

"At this point in time, the public is better served if you allow us to do our jobs and we will do our jobs," Cortez said.

In 2017, the county hired San Antonio-based firm, JacobsProjectManagement Co., to serve as the overall project manager for the build.

Jacobs, in turn, has been overseeing the work of other contractors associated with the project, including architects HDR Architecture Inc. and ERO Architects, and construction manager Morganti Texas Inc., which has offices in both Houston and San Antonio.

1/2

BISD PURCHASING

Bill Rusteberg <riskmanager@sbcglobal.net>

Thu 9/7/2023 3:50 PM

To:Adrian Garcia ISM-Rio Grande Valley <adrian@ismrgv.org>

THURSDAY, SEPTEMBER 7, 2023

BISD TO AUDIT PURCHASING, MAINTENANCE AND FOOD AND NUTRITION

XI.A.2. Discussion and possible action regarding purchasing department procurement review. (Board Agenda Request Denise Garza/Board Support Eddie Garcia)



Special to ***El Rrun-Rrun***

Were you an administrator or a vendor with the Brownsville Independent School District's Maintenance, Purchasing, or Food and Nutrition Service departments?

Did you sell ineffective fertilizer to the maintenance department, spoiled meat to the Food and Nutrition department, or padded the costs of your bid to get a facilities construction contract?

If you were involved – going back to 2017 – get ready for the Requests For Proposals (RFP) and Requests for Qualifications (RFQs) that might have been submitted and accepted or rejected to come under the BISD's internal auditors' scrutiny.

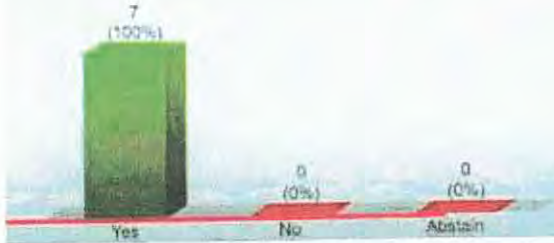
The item was placed and voted on during the BISD board's Tuesday meeting placed on the agenda by board member Denise Garza and supported by Eddie Garcia and drew a unanimous vote.

"Due to some ongoing issues that we've had with some RFQs, I'd like to motion to conduct and audit from January 2017 in reference to some RFQs and RFPs for the following departments; Maintenance, Food and Nutrition Service, and Facilities," Garza told the board. "And the reason I'm asking to go back to 2017 until now is because I know we've had a change in administration, we've had a change in directors, and superintendents, so this is my motion."

5 yrs old

XI. A 2. Discussion and possible action regarding purchasing department procurement review. (Board Agenda Request Denise Garza/Board Support Eddie Garcia)

garza/garcia
conduct audit January 2017 to present in reference to: RFO's - RFP's (In-house Internal Auditor)
Maintenance, FNS and Facilities Departments



Received	7
Needed To Pass	4
Result	Passed
Votes	
Carlos Elizondo	-> Yes
Daniella Lopez Valdez	-> Ye
Denise Garza	-> Yes
Eddie Garcia	-> Yes
Frank Ortiz	-> Yes
Jessica Gonzalez	-> Yes
Minerva Pena	-> Yes

"Is there just an amount, or just everything?" asked board member Carlos Elizondo.

"Everything having to do with RFQs and RFP0s, because one thing we have been hearing and what we have noticed is that there have been some violations out there," Garza replied. "...those are the departments that go out for big contracts."

"I'm just wondering because there's a lot of them," Elizondo replied. "Are we including all of them? Everything?"

"We have to include them since that's what the item calls for," said Superintendent Rene Gutierrez.

"I think that's good, but be very conscientious that there is a statute of limitations on a lot of this stuff," said board member Minerva Peña, "especially since 2017. But it would be good to know if something inappropriate had been done that would be excellent."

After board counsel clarified that there was no statute of limitations if it was an internal matter, he said that when it comes to vendors and it was criminal, the statutes could apply. The board then voted unanimously to approve the item.



RiskManagers.us is a specialty company in the benefits market that, while not an insurance company, works directly with health entities, medical providers, and businesses to identify and develop cost effective benefits packages, emphasizing transparency and fairness in direct reimbursement compensation methods.





"INVITATION TO BID"

Los Fresnos CISD is requesting sealed competitive bids/proposals on the following:

Method Category	Number	Time	Day	Date
CSP Amoxic, PE Supplies & Small Equipment	23-24-01	9:30 AM		5/23/2023
CSP Student Uniforms & Clothing - (Athletes/PE, extra-curricular, clubs)	23-24-02	9:30 AM		5/23/2023
CSP Employee Uniforms - (Police & Security maintenance, & general)	23-24-03	10:30 AM		5/23/2023
CSP General Mechanical & School Related Products	23-24-04	11:30 AM		5/23/2023
CSP Groceries, Catering or Misc. Food Products	23-24-05	1:30 PM		5/23/2023
CSP Music Supplies, Instruments, or Repair Services	23-24-06	2:30 PM		5/23/2023
CSP Police & Security Supplies/Parts, Small Equipment, Repair, Installation, & Services	23-24-07	4:30 PM		5/23/2023
CSP Awards, Trophies, Incentives, Spirit Attire, Promotional & Advertising Items	23-24-08	9:30 AM		5/31/2023
CSP Printing Services	23-24-09	9:30 AM		5/31/2023
CSP District Vehicle Parts, Repairs, Sales, Supplier or Services	23-24-10	10:30 AM		5/31/2023
CSP Custodial Supplies & Small Equipment	23-24-11	11:30 AM		5/31/2023
CSP Maintenance Facilities & Grounds Supplies, Equipment, or Services	23-24-12	1:30 PM		5/31/2023

Bids Includes Items Listed below:

- Carpentry Supplies, Small Equipment, or Services
- Concrete, Paving, Asphalt Materials or Services
- Electrical Supplies, Small Equipment, or Services
- Fencing Materials, Supplies, or Services
- Flooring Installation, Maintenance Repairs or Services
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B 031-23	N/A	04/19/23 5:00 PM	04/20/23 2:30 PM	Supply of 3-Phase Padmount Transformers
P 032-23	N/A	04/19/23 5:00 PM	04/20/23 10:00 AM	Employee Assistance Program Services
B 038-23	N/A	05/03/23 5:00 PM	05/04/23 10:00 AM	Annual Supply of Water and Wastewater Inventory Material

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Republicans charging government shutdown



J. Scott Applewhite | AP

Rep. Lauren Boebert, R-Colo., and Rep. Scott Perry, R-Pa., propose amendments to the Security Appropriations Bill before the House Rules Committee, at the Capitol in

But the divergent agendas pressed by the GOP's quarreling camps and McCarthy's precarious position within his own ranks could make an eventual deal with Democrats harder to accomplish than in previous standoffs. At the same time, muddled justifications for a shutdown heighten the danger to swing-district Republicans, who would face voter backlash over disruptions in government services.

Representative Mike Lawler of New York, one of 18 Republicans who represent districts Biden won in 2020, said Thursday he would join with Democrats to force a House vote on short-term funding for the government — stripped of conservative demands — if his party can't come up with a plan to avoid

a lapse.

"I will do everything in my power to avoid a shutdown," said Lawler, who represents the Hudson Valley.

Unlike the unprecedented U.S. default and potential tumult in global financial markets threatened during Washington's debt-limit confrontation earlier this year, the economic consequences of a shutdown largely depend on how long it lasts.

A lapse in federal funding would cut 0.2 percentage points from GDP for the quarter each week it lasts, estimates Bloomberg chief U.S. economist Anna Wong. With forecasters already anticipating slower growth, an extended shutdown risks tipping the U.S. into a recession. A shorter one carries less risk.



Rodrigo Buendia | AFP | Getty | TNS

Sen. Robert Menendez speaks to the press after a meeting April 10 at Carondelet Palace in Quito, Ecuador.

NJ senator charged with taking bribes of gold bars and cash

BLOOMBERG NEWS

U.S. Sen. Robert Menendez from New Jersey was indicted in a sweeping corruption probe alleging that the Democrat and his wife protected three businessmen who showered them with gifts of gold bars, hundreds of thousands in cash, mortgage payments and a Mercedes convertible.

The indictment in New York federal court said that Menendez, who is chairman of the Foreign Relations Committee, abused his power to secretly benefit Egypt as well the businessmen, including one seeking help with his own federal indictment. Another businessman sought the senator's help to protect his company, the only authorized importer of halal meat to Egypt.

Damian Williams, the U.S. Attorney for the Southern District of New York, said at a press conference Friday that Menendez

sought to disrupt the probe by seeking to have a U.S. Attorney appointed in New Jersey that would "bow" to political pressure.

"This investigation is very much ongoing," Williams said. "We are not done."

U.S. authorities in June 2022 took the extraordinary step of executing a search warrant on a sitting senator, recovering \$486,461 in cash from Menendez's house in New Jersey, two one-kilogram gold bars and 11 one-ounce gold bars. The cash was stuffed in envelopes and hidden in clothes, closets and a safe. The gold bars were worth around \$82,000 at the latest spot prices.

Agents also seized \$79,760 from his wife's safe deposit box, according to the indictment.

Menendez, 69, who faces re-election next year, said that "forces behind the scenes" are trying to "dig his political grave" and that he was simply doing normal work for constituents.

Former IES finance director pleads guilty to embezzlement conspiracy



By XAVIER ALVAREZ
Staff Writer

Despite receiving warnings from an auditor with the Office of Inspector General, the chief executive officer of International Educational Services Inc., or IES, advised his financial director “not to adjust the salaries to the cap limit” as they were told, according to a plea agreement between federal prosecutors and IES’ finance director.

Juan Jose Gonzalez, the former finance director for IES, pleaded guilty Tuesday morning to two counts of conspiracy to embezzle money meant for the non-profit and theft concerning programs receiving federal funds.

Gonzalez is facing up to 10 years in prison.

IES was a nonprofit organized under the laws of Texas that operated chiefly in the Rio Grande Valley, including Cameron County, that contracted with the federal government under the Unaccompanied Alien Children care and placement program.

The UAC is a federal program that provides placement, housing, food and other services to children under the age of 18 who have no lawful immigration status in the U.S. nor parent or legal guardian available to provide them care and physical custody.

This program is administered by the Office of Refugee Resettlement, also known as ORR, which is a program of the Administration for Children and Families, or ACF, an office within the U.S. Department of Health and Human Services, or HHS.

According to the fact

summary sheet within the plea agreement documents, defendants Ruben Gallegos Sr. and Ruben Gallegos Jr. were the chief executive officer and the executive director of IES between the years 2014 and 2017. Gonzalez was the finance director.

“IES received nearly all its funding in the form of federal grant funds,” the document reads. “For each fiscal year (FY) from 2014 through 2018, IES received millions of dollars in federal grant funds.”

In 2016, an audit of IES’ fiscal year 2015 conducted by HHS OIG found that Gallegos Sr., Gallegos Jr. and Gonzalez violated executive compensation limits and committed in less-than-arm’s-length transactions in violation of federal limits.

According to the document, Gonzalez received a salary of \$375,177 in 2015 when the salary cap was \$181,500. This yearly trend continued with Gonzalez receiving more than the cap.

“In 2017, Gonzalez was paid a salary of \$249,716 which exceeded the salary cap of \$187,000,” the document said. “All Gonzalez’s salary was paid with federal grant money.”

When questioned by authorities, Gonzalez stated that it was Gallegos Sr.’s idea to increase the executive salaries during an impromptu meeting, adding that he did as he was instructed and increased the salaries for each of the defendants.

Gonzalez also stated that in 2016, two years before IES shut down, he had been advised by an OIG auditor that the non-profit couldn’t use federal

grant money to pay its executives more than the cap.

“On June 30, 2016, Gonzalez sent an email to Ruben Gallegos, Sr. and Ruben Gallegos, Jr. advising them that they were in violation of the salary cap limit and advised them of the salary cap limit for FY-2017,” the document said. “Gonzalez stated that Ruben Gallegos, Sr. told him not to adjust the salaries to the cap limit and that they would continue to draw their salaries regardless of the cap.”

The three defendants were paid salaries far above the federal limits. Gonzalez was paid \$641,115 above the federal salary cap limit from 2014 through 2017.

Gonzalez also rented property to IES at rates that exceed federal regulation, according to the court document.

In August 2014, Gonzalez purchased four wooden frame buildings for a total of \$24,400 which were combined to make two portable buildings that were then leased to IES in Los Fresnos.

Under federal regulations, Gonzalez would’ve been able to charge IES \$3,400 per year for renting each portable. However, Gonzalez rented the building to IES for \$2,200 a month each from October 2014 to March 2018.

He also rented one of the portables under the name of an immediate family member, resulting in Gonzalez and his family member receiving \$177,808 in rent from IES, which exceeded what was allowed under federal regulations by \$148,258.

RIO GRANDE VALLEY

Trial for three accused of embezzling money from immigrant shelter pushed to January

BY LINDA R. MARTINEZ
STAFF WRITER

A federal judge has signed an order agreeing to the embezzlement case against the president, CEO and finance director for International Educational Services or IES in "complex" and has pushed back their trial date to January.

U.S. District Judge Fernando Rodriguez Jr. signed the order Thursday, which amends the hearing schedule in the case against Ruben Gallegos Sr., Ruben Gallegos Jr. and Juan Jose Gonzalez.

The trio face theft and embezzlement charges that they are accused of committing during the time they worked and operated the International Educational Services or IES for migrant children.

According to the amended scheduling order, all motions in the case must be filed by Dec. 15. A motion hearing before Rodriguez is scheduled for Dec. 20, with final pretrial conference set for Jan. 10.

Jury selection is scheduled to begin Jan. 17. The order also states the parties must "engage in timely plea negotiations" and that the final pretrial conference date "is not a date to secure a plea agreement and review it with the defendant client."

Their earlier scheduling order had their trial scheduled to begin Nov. 7.

Gallegos Sr., Gallegos Jr. and Gonzalez were indicted on the charges in August. Count one of the indictment charges them with conspiracy. Count two charges them with

theft concerning programs receiving federal funds. Among the charges and according to a portion of the indictment, Gallegos was paid salaries way over the \$183,000 cap limit with his 2017 salary at \$435,416.88.

The indictment also states Gallegos Sr. was paid \$506,0932.22 and Gonzalez \$377,060.96 — also in violation of the salary cap — but their names are redacted in the document.

The IES contracted with the Unaccompanied Alien Children Program and provided temporary shelter care and other related services to unaccompanied alien children, according to the federal indictment.

IES received almost all of its funding in the form of federal grants, and for each fiscal year from 2014 through 2018, it received millions of dollars in federal grant funds.

Gallegos Jr. served as CEO of IES from 2014 to 2018, Gallegos Sr. as president, and Gonzalez as finance director until the federal government decided it would not renew its funding for the IES shelter.

In another order signed Wednesday, the government is to provide attorneys for the men, the list of witnesses, the identity and home address of informants or cooperating individuals "whom informants have encouraged officers called upon in connection with bringing charges against" the defendants.

In addition, the government should "make available the full and complete criminal record of each

witness the United States is likely to call in its case in chief at trial." The government must also disclose and "make available for inspection, copying, or photographing any agreement between the United States and a witness the United States is likely to call at trial" to the attorneys representing the men, the order states.

The government states the case against Gallegos Sr., Gallegos Jr. and Gonzalez is one that is quite "complex" and involves fraud losses that will exceed \$9.5 million.

The government has obtained thousands of documents during the investigation, and during discovery, it will have to review bank records, property records, grant proposals, grant awards, budgets, audit reports, tax records, employment records, leases, e-mails, and written correspondence.

The government estimates the trial will take about two weeks and anticipates calling about 30 witnesses from various agencies. Some of these witnesses may live out of the area.

All three have pleaded not guilty to the charges and are out on bond.

If found guilty on count one of the indictment, each man faces five years in federal prison, and/or a \$250,000 fine and three years supervised release. If found guilty on count two of the indictment, they face up to 10 years in federal prison, and/or a \$250,000 fine plus three years supervised release.

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Delayed again



These problem alligators were captured and brought to the South Padre Island Birding and Nature Center and Alligator Sanctuary.

Expert: Resist urge to feed Valley alligators

BY DIKE KELLEY
STAFF WRITER

SOUTH PADRE ISLAND — One of the surest ways to kill an alligator, eventually, is to start feeding it.

Herpetologist Jake Reinbolt made a passionate case against the practice last week at the 26th annual Winter Outdoor Wildlife Expo at the Hilton Garden Inn.

Reinbolt transferred last September from Gator County, Louisiana, to manage the island to supervise alligators and other reptiles at the South Padre Island Birding and Nature Center and Alligator Sanctuary.

"Once an alligator is fed by a person just one time, they do not forget," he said. "Alligators are like husbands, cats and kids — you give them hunch, and they ain't going away."

There are about 7 million American alligators today, a remarkable conservation success story seeing they

were almost hunted to extinction in the 1950s and 1960s.

Of those, an estimated 1 million are in Texas, with about 20,000 to 25,000 in the Rio Grande Valley. Their numbers have climbed by the availability of fresh water.

"Alligators, wild alligators, went absolutely nothing to do with people. They do not see us as prey, they do not see us as food; they don't see us as a source of food," he said. "Wild alligators, we almost hunted them to extinction in the 20th century, and they see us as predators, not prey."

FINES, FATALITIES
Texas Game Warden warn that feeding an alligator is a Class C misdemeanor in Texas, with fines ranging up to \$500.

"If you're out there fishing or swimming, doing whatever you're doing, and you swim across a wild alligator, it's going to do one of three things," Reinbolt said. "Option one, it's going to pit

as still as it possibly can and pray to God you don't see it. Option two, it's going to get under the water and take off as fast as possible. Option three, some of the more confident animals, or the ones that feel cornered, especially, actually puff their backs out of the water."

He said the only time this behavior changes is when a mother alligator is protecting her nest and young — or when an alligator is fed and associates humans with food.

"There's one point I try to drive home to every person I give these talks to," Reinbolt said. "I don't care how good you think you look doing it, I don't care who you're trying to impress, do not feed wild alligators. And if you care about your family and friends, do not let them do it, either. It's not worth it for you or anyone else involved, including the alligators."

The consequences can be deadly. "You remember what happened in Disney a cou-

ple of years ago involving an alligator?" he said. "In case you're not familiar, there were two parents and a 2-year-old boy, walking by the water in Disney, supposedly the happiest place on earth. A seven-foot alligator came out of water, grabbed that kid, pulled him in, and drowned him."

"My boss sits on the board, and whenever there's an alligator attack they do a little work with the gators," he added. "In the case of the Disney incident ... what do you think we found? Two employees of Disney going out every single day on their lunch break and feeding that alligator. It's rarely the person feeding the alligator who gets hit."

PROBLEM GATORS
All of the 50 or so alligators at the SPT Birding and Nature Center are problem gators, which have become habituated to humans, many of them because they were being fed.

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P/13



GREGG WENDORF'S TRUE CRIME



WHY PEOPLE RISK SO MUCH FOR SO LITTLE?

Wed, 02/21/2024 - 12:00am

Another fed indictment?

By Gregg Wendorf
Advance News Journal

Another elected official in Hidalgo County indicted by the feds, charged with two counts related to bribery and racketeering.

What else is new?

Ten years ago, 2014, a story was published in this newspaper, which carried this lead paragraph: "The FBI and the Texas Rangers are joining hands to fight public corruption in the Rio Grande Valley."

Based on multiple news stories subsequently published in *The Advance* over the past decade, citing successful convictions in federal courts, the work fighting public corruption seems to have paid off, despite claims made by some, related to a few of the defendants, that prosecutors are sometimes too heavy handed.

Still, the press releases published after each trial, courtesy of the DOJ, discount that allegation, by laying out what it deems are the "facts related to the case."

Now, former Edinburg City Councilman Jorge "Coach" Salinas stands accused of working with another elected Edinburg city official (Public Official A, as named in the indictment) to steer city business to a city vendor (listed as Person 1 in the indictment) between June 1, 2019, and March 1, 2020, during the period when Richard Molina was the city's mayor and a close political ally of Salinas, each supporting the other.

In November 2021, after one term in office, Salinas chose not to run for reelection (Place 1), and Molina lost in a runoff election to current Mayor Ramiro Garza, Jr., who led the way the following March in adopting a new code of ethics for Edinburg's elected officials, board, and committee members.

"It's important. People work hard for their money. They need to know their money is in good hands and they are electing people that are going to follow the laws that are in place. I think this code of ethics is going to show that," said Garza.

In fact, during the first city meeting that Ramiro Garza, Jr. convened in December 2021 as the city's new mayor, he asked the city council to adopt a full disclosure of any conflict of interest with regard to elected officials and city vendors, which was indeed adopted.

Six years prior, in 2015, a story published in the *Pittsburgh Tribune-Review* labeled Edinburg as "the dirtiest town" in the entire state.

"Texas had 166 convictions, 34 in Hidalgo County alone, with a dozen cases linked to government agencies headquartered in Edinburg, the county seat."

Meanwhile, former Councilman Jorge "Coach" Salinas remains innocent until proven guilty.

The Allegation

According to the federal indictment unsealed last Friday, Jorge "Coach" Salinas "did knowingly, and corruptly solicit and demand for his own benefit, and the benefit of others, and accepted, and agreed to accept something of value, that is United States currency, from Person 1, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions with the City of Edinburg valued at \$5,000 or more."

In plain English, votes in exchange for *dinero*. That was Count 1, as part of the indictment.

Count 2 claims that between June 1, 2019, and approximately March 1, 2020, Salinas did knowingly use a cell phone, and wire and electronic communications, with the intent to promote, manage, and facilitate unlawful activity, namely, bribery.

According to the indictment, if convicted, all "property, real or personal, which constitutes or is derived from proceeds traceable to such offense, is subject to forfeiture."

That amount, listed in the indictment, equals approximately \$47,235.

On a personal note, Jorge Salinas was with Edinburg CISD for an undetermined amount of time before being (allegedly) terminated circa 2016. Some claim that he resigned in exchange for a pay-out, to avoid expensive litigation on the part of the school district, with the stipulation that he would never re-apply to work again with Edinburg CISD.

Side note: Jorge Salinas was rehired by the same district last year.

Meaning, basically, while on the Edinburg City Council between 2017 and 2021, Salinas didn't (allegedly) have a full-time job, but he did have a school-district pay-out in hand, allegedly worth approximately \$80,000 (unconfirmed through official channels).

Salinas's attorney of record is Jesus Villalobos.

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U.S. Magistrate Judge Scott Hacker set the former councilman's cash bond at \$50,000 after Jorge Salinas entered a plea of not guilty.

Why Accept Bribes?

In Hidalgo County in particular, and the RGV in general, white-collar crime has become almost as common as a hot summer. Or maybe it just seems that way.

Is public corruption more prominent here than in other parts of the country, who knows. But it seems that not a month goes by that another federal indictment isn't unsealed, putting the name of another elected official, or two, or three, on the front page in a bad light, casting a shadow over the entire region.

Question is, why does anyone who has built a career risk everything, not to mention time in a federal prison, for a relatively small amount of money?

According to at least two studies related to the subject, the answers are complex.

The two studies — "Why Do People Take Bribes? An Exploration of Individual-Level Factors That Motivate Bribery" by Michael Johnston; and "Understanding Corruption: Explaining Why Good People Do Bad Things" by Susan Rose-Ackerman — help spell out some of the reasons (with the help of AI):

Not about the money: While the monetary value might seem small, it's often not the primary motivator. The bribe might represent access, influence, or a sense of obligation to the briber. Public officials might feel pressured to reciprocate future favors or simply succumb to social norms within corrupt circles.

Perception of risk: Some officials might underestimate the chances of getting caught or believe they can justify their actions through rationalizations like "everyone does it" or "it's just a small favor." Additionally, the perceived severity of punishment might not outweigh the immediate perceived gain.

Gradual escalation: Bribery often starts small and escalates over time. Accepting a seemingly harmless \$5,000 bribe can create a slippery slope towards larger sums and greater risks. It becomes harder to refuse subsequent offers after having already crossed the ethical line.

Psychological factors: Some officials might have personality traits like impulsivity, narcissism, or a sense of entitlement that make them more susceptible to corrupt behavior. Additionally, financial pressures or personal vulnerabilities can increase the temptation.

Systemic weaknesses: Weak ethical codes, inadequate oversight, and lack of transparency within organizations can create fertile ground for corruption. A culture of impunity, where past offenders face minimal consequences, further emboldens others to engage in similar acts.

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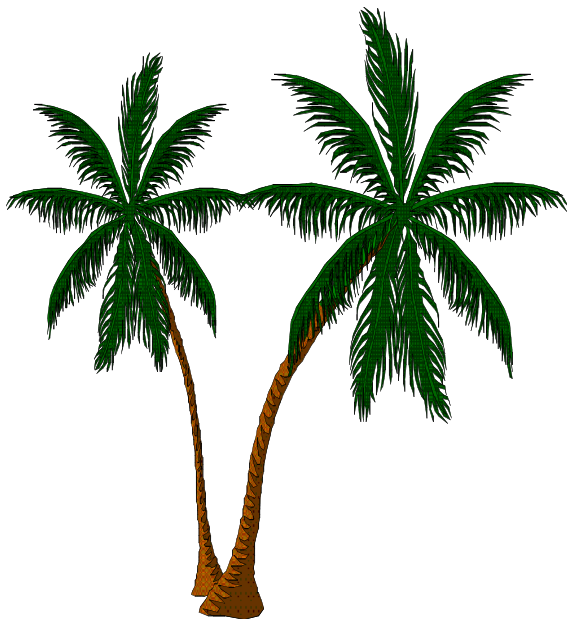
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