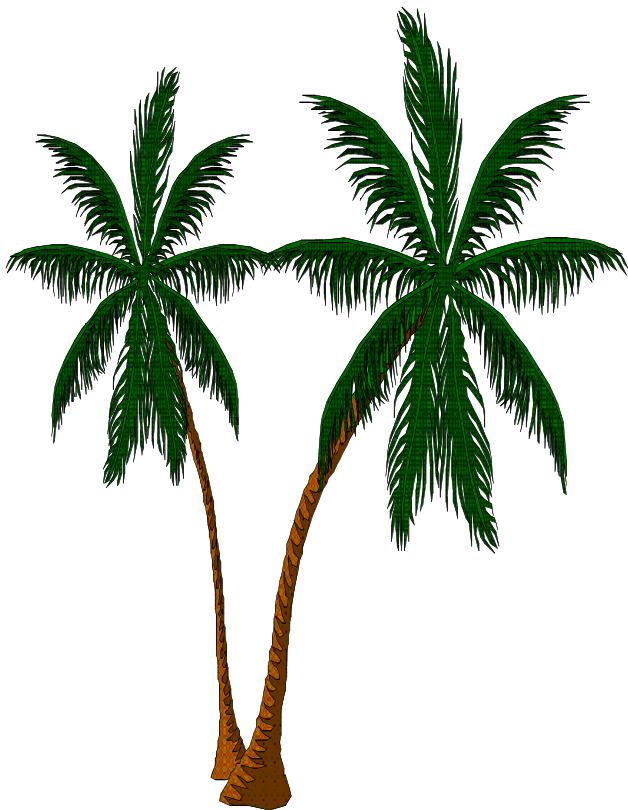


*Presents*

# **SUMMER SESSION 2025**

**A PUBLIC PURCHASING  
SEMINAR *from***

**June 25<sup>TH</sup>, 26<sup>TH</sup>, 27<sup>TH</sup>, 2025**



*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

# SUMMER SESSION 2025

### A PUBLIC PURCHASING SEMINAR

*June 25, 26, 27, 2025*

*Hilton Garden Inn Beach Resort · South Padre Island, Texas*

#### **Tuesday, June 24**

3:00 - 8:00 p.m. Exhibit Set-Up

#### **Wednesday, June 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, June 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, June 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)



# SUMMER SESSION 2025

## CLASS SCHEDULE WEDNESDAY—JUNE 25, 2025

8:00 – 1:00		SET-UP VENDOR EXHIBITS
10:00 – 1:00		REGISTRATION
1:00 – 1:05		INTRODUCTION
1:05 – 2:00	W-1	NEW LEGISLATION: KNOW ALL NEW LAWS CONCERNING PUBLIC PURCHASING <ul style="list-style-type: none"><li>• <i>Narita Holmes</i></li><li>• <i>Carol Cooper</i></li><li>• <i>Jesus Amezcua</i></li></ul>
2:00 – 3:00	W-2a	THE WHYS OF REQUEST FOR QUALIFICATIONS <ul style="list-style-type: none"><li>• <i>Carol Cooper</i></li><li>• <i>Narita Holmes</i></li></ul>
3:00 – 3:15	W-2b	VENDOR PRESENTATIONS
3:15 – 4:00	W-3	FRAUD ENTRAPMENT <ul style="list-style-type: none"><li>• <i>Phillip Vasquez</i></li></ul>
4:00 – 5:00	W-4	VENDOR CONTRACTS—THE LATEST WAYS VENDOR CONTRACTS CAN HIDE HIDDEN PITFALLS. PROVISIONS TO WATCH FOR AND ELIMINATE <ul style="list-style-type: none"><li>• <i>Mike Saldana</i></li></ul>
5:30 – 7:30		NETWORKING SESSION/RECEPTION

# SUMMER SESSION 2025

## Class Schedule Thursday—June 26, 2025

TIME	CLASSROOM A		CLASSROOM B	
8:00 - 9:00	T-5A	PURCHASING LAWS—101 FOR CITIES * <i>Carol Cooper</i>	T-5B	PURCHASING LAWS—101 FOR COUNTIES * <i>Narita Holmes</i>
9:00 - 10:00	T-6A	AVOID CREDIT CARD FRAUD * <i>Edna Johnson</i>	T-6B	ACQUIRING A FLEET—LEASE OR PURCHASE * <i>Jerry Haddad</i>
10:00 - 11:00	T-7A	WHEN TO USE ELECTRONIC PURCHASING * <i>Dan Elliot</i>	T-7B	THE NEW CHANGES IN 2 CFR PART 200, NEW FEDERAL REGULATION * <i>Jesus Amezcua</i>
11:00 - 12:00	T-8A	CONTRACT AND RFP EVALUATIONS * <i>Jesus Amezcua</i>	T-8B	INTEGRATE CYBER SECURITY IN PROCUREMENT * <i>Dallas Smetter</i>
12:00 - 1:00	LUNCH			
1:00 - 2:00	T-9A	ETHICS * <i>Mark Rogers</i>	T-9B	PROPER PROCEDURES FOR TRAINING YOUR STAFF * <i>Rudy Salinas</i>
2:00 - 3:00	T-10A	THE ART OF NEGOTIATIONS * <i>Mark Rogers</i>	T-10B	BID RIGGING AND OTHER ANTITRUST VIOLATIONS * <i>Paige Etherington</i>
3:00 - 4:00	T-11A	SPECIFICATION WRITING * <i>Mark Rogers</i>	T-11B	MINIMIZE STAFF EXPENSE—USE PURCHASING COOPS * <i>Philip Vasquez</i>
4:00 - 5:00	T-12A	THE POSITIVE ASPECTS OF SOLITUDE, BOREDOM AND LONELINESS * <i>Meliton Moya</i>	T-12B	JOB ORDER CONTRACTING * <i>Stephen Kendrick</i>
5:30—7:30	NETWORKING SESSION/RECEPTION			

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# SUMMER SESSION 2025

## CLASS SCHEDULE FRIDAY—JUNE 27, 2025

8:00 – 9:00 F-13

### PURCHASE ORDERS—THE RISKS FOR LACK OF PROPER ADMINISTRATION

- *Narita Holmes*
- *Carol Cooper*

9:00 – 10:00 F-14

### THE TEN COMMANDMENTS OF PURCHASING

- *Narita Holmes*
- *Carol Cooper*

10:00 – 11:00 F-15a

### HEADLINE NEWS ARTICLES

- *Panel of Speakers*

11:00 – 12:00 F-15b

### QUESTIONS & ANSWERS SESSION

- *Carol Cooper*
- *Jesus Amezcua*
- *Narita Holmes*
- *Mark Rogers*
- *Phillip Vasquez*

12:00

### SEMINAR ENDS

1:00 – 3:00

### GROUP SESSIONS (OPTIONAL)

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## SUMMER SESSION 2025

### 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.

#### **EDNA JOHNSON**

Edna E. Johnson currently serves as the Director of Procurement Services for the Harris County Department of Education (HCDE). Johnson holds a doctoral degree in education from the University of New England, a Master of Public Administration from Villanova University, and a bachelor's degree in political science from Texas Southern University. Before joining HCDE, she served as a revenue accountant and procurement manager in Spring Branch ISD. Beyond her professional achievements, she has taught procurement classes at state and national conferences, and has earned multiple state and national procurement awards.

#### **RUDY SALINAS**

Rudy's public purchasing career actually started when his company was trying to sell equipment to a municipality. Years later, he found himself on the other side of the table being hired as the buyer for Mission CISD Maintenance Department. Along with the new role, the department also assigned him as their warehouse supervisor because of his business background. His twenty-year career in public purchasing would have him serving in various positions from buyer to procurement manager with Mission CISD, Hidalgo County, and with the City of McAllen. He retired in 2024 from the city where his role as senior buyer would provide him with the opportunity to help develop and lead the purchasing department's procurement training program. Following his retirement and with his entrepreneurial spirit still alive, he started a consulting company specializing in assisting businesses having the very same issues he himself had to overcome in order to do business with a government agency.

#### **PAIGE ETHERINGTON**

Paige is an Assistant Attorney General in the antitrust division of the Texas Attorney General's Office, where she works on a range of antitrust cases. Prior to working at the Attorney General's Office, Paige worked for sports agencies concerning antitrust issues, name, image, and likeness, and compliance with advertising and endorsement guidelines. Paige attended the University of Texas at Austin and earned a psychology degree before graduating with her J.D. and a Sports and Entertainment Law Certificate from the Tulane University School of Law.

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### **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.

### **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.

### **STEPHEN KENDRICK, RTSBA**

Stephen is Senior Manager of Facilities Planning at Harris County Department of Education. His wide-reaching expertise in facilities stems from more than 25 years of experience in construction, job order contracting, and procurement in the government, education, and private markets. Kendrick conducts training for school districts and other governmental entities. After graduating with a degree in business from Texas A&M University – Corpus Christi, Kendrick strengthened his project management skills with positions at ExxonMobil, Perry Homes and Vogel Construction, eventually landing a job at Santa Fe ISD as Assistant Director of Maintenance and Operations.

### **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.

### **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.

### **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.

### **MIKE SALDANA**

Miguel (Mike) Saldana is a native of Brownsville, TX and the current leader of Walsh Gallegos' Rio Grande Valley law office. In addition to his general school law practice, Mike focuses on litigation involving school employees and personnel issues as well as facilities and business. He is an experience litigator with over 45 jury trials in his career, Mike has argued successfully before the Texas 13th Court of Appeals, the Texas Supreme Court, and the U.S. 5th Circuit Court of Appeals. Prior to joining Walsh Gallegos' law firm, he served as a school board trustee and later as general counsel to Brownsville ISD. Mike received his law degree from UT Austin.

### **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.

### **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.

### **DAN ELLIOTT**

Dan provides a point of contact to clients and potential clients for procurement products. He 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.



INSTITUTE FOR SUPPLY MANAGEMENT

ISM—Rio Grande Valley, Inc.

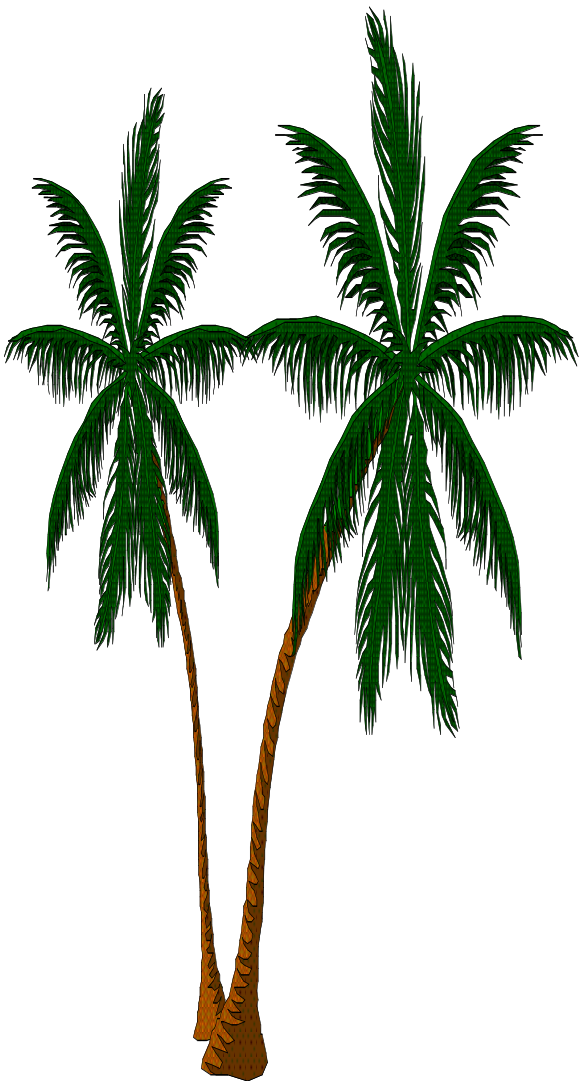
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# SUMMER SESSION 2025



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SEMINAR NO. 2025-01**

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<p><b>Monica Salinas</b>  <b>Assistant County Executive Officer</b>  <b>Hidalgo County</b>  <b>505 S. McColl Rd</b>  <b>Edinburg, TX 78539</b>  <b>956-292-7655</b>  <b>monica.salinas@co.hidalgo.tx.us</b></p>	<p><b>Damaris San Miguel</b>  <b>Division Manager III</b>  <b>Hidalgo County</b>  <b>505 S. McColl Rd. Suite G</b>  <b>Edinburg</b>  <b>956292-7025</b>  <b>damaris.sanmiguel@co.hidalgo.tx.us</b></p>

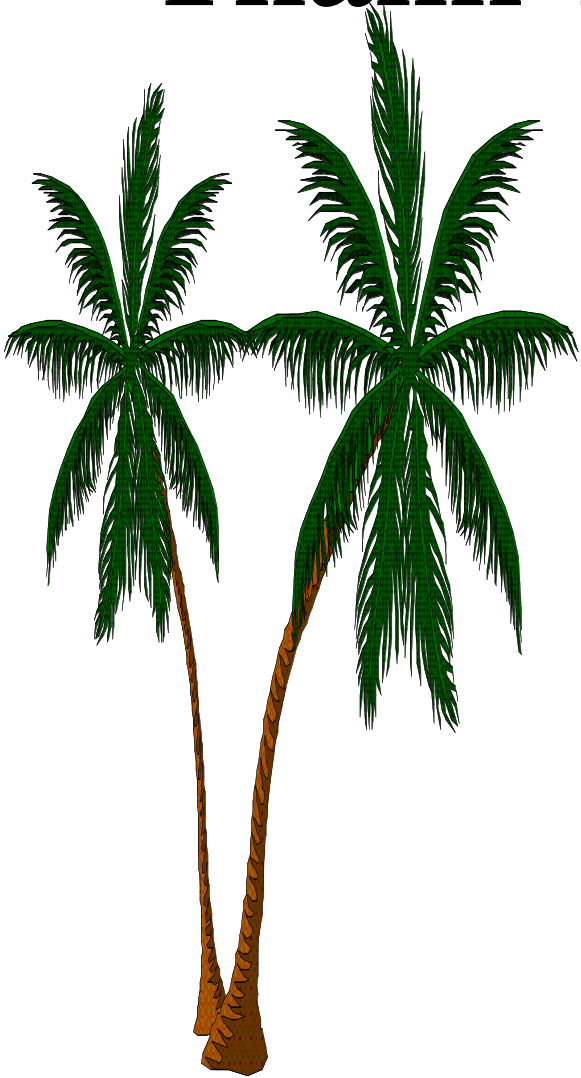
<b>Ruth Sanchez</b> <b>Human Resource Specialist</b> <b>Cameron County Juvenile Justice Dept</b> <b>P.O. Box 1690 / 2310 U.S. 77 Business</b> <b>San Benito, TX 78586</b> <b>(956) 399 - 3075</b> <b>ruth.sanchez@co.cameron.tx.us</b>	<b>Dairen Sarmiento Rangel</b> <b>Director</b> <b>Hidalgo County Health and Human Services</b> <b>1304 S. 25th Ave</b> <b>Edinburg, TX 78542</b> <b>956318-2011</b> <b>dairen.sarmiento@hchd.org</b>
<b>Leon Scaife</b> <b>Purchasing Agent</b> <b>Bastrop County</b> <b>804 Pecan Street</b> <b>Bastrop Tx 78602</b> <b>512581-7110</b> <b>leon.scaife@co.bastrop.tx.us</b>	<b>Harold Seay</b> <b>Purchasing Agent</b> <b>Liberty County</b> <b>20911 Sweet Violet Ct</b> <b>Kingwood, TX 77346</b> <b>936334-5276</b> <b>halseay74@gmail.com</b>
<b>ABBIGAIL SILVA</b> <b>CLINICAL CLERK III</b> <b>HIDALGO COUNTY ADULT PROBATION</b> <b>3100 S BUS HWY 281</b> <b>EDINBURG</b> <b>956-587-6111</b> <b>abbigail.silva@hidalgocountycscd.org</b>	<b>KRISTIN SLAUSON</b> <b>Buyer</b> <b>Johnson County Purchasing</b> <b>411 Marti Dr.</b> <b>Cleburne</b> <b>817556-6382</b> <b>kslauson@johnsoncountytexas.org</b>
<b>Saul Solis</b> <b>Chief</b> <b>Alamo Police Department</b> <b>423 N Tower Road</b> <b>Alamo</b> <b>956787-1454</b> <b>josevillarreal@alamotexas.org</b>	<b>Delia Soto</b> <b>Quality Audit Supervisor</b> <b>Cascos &amp; Associates, PC</b> <b>765 East 7th Street</b> <b>Brownsville, TX 78520</b>
<b>Leigh Ann Tognetti</b> <b>Assistant District Attorney</b> <b>Hidalgo County</b> <b>100 E. Cano</b> <b>Edinburg</b> <b>956-292-7000</b> <b>leigh.tognetti@da.co.hidalgo.tx.us</b>	<b>Eduardo Torres</b> <b>Buyer</b> <b>City of Brownsville</b> <b>1001 E. Elizabeth St</b> <b>Brownsville, TX, 78520</b> <b>956-538-4787</b> <b>eduardo.torres@brownsvilletx.gov</b>

<b>FELIPA TORRES</b> <b>OFFICE MANAGER</b> <b>HIDALGO COUNTY ADULT PROBATION</b> <b>3100 S BUS HWY 281</b> <b>EDINBURG</b> <b>956-587-6111</b> <b>felipa.torres@hidalgocountycscd.org</b>	<b>Denise Trevino</b> <b>Procurement Coordinator</b> <b>Brownsville Navigation District</b> <b>1000 Foust Rd</b> <b>Brownsville</b> <b>956838-7025</b> <b>dtrevino@portofbrownsville.com</b>
<b>Pedro Trevino</b> <b>City Manager</b> <b>City of Progreso Texas</b> <b>p.o.box 699</b> <b>PROGRESO</b> <b>956565-0241</b> <b>citymanager@cityofprogreso.us</b>	<b>Jaydy Valdez</b> <b>Buyer</b> <b>City of Brownsville</b> <b>1001 E. Elizabeth St.</b> <b>Brownsville, Texas, 78520</b> <b>956538-2703</b> <b>jaydy.valdez@brownsvilletx.gov</b>
<b>Lizette Vallejo</b> <b>Fiscal / Human Resource Assistant</b> <b>Cameron County Juvenile Justice Dept.</b> <b>P.O. Box 1690 / 2310 U.S. 77 Business</b> <b>San Benito, TX 78586</b> <b>(956) 399-3075</b> <b>lizette.vallejo@co.cameron.tx.us</b>	<b>JAVIER VARGAS</b> <b>SERGEANT</b> <b>HIDALGO COUNTY SHERIFF'S OFFICE</b> <b>2812 S. BUSINESS HWY 281</b> <b>EDINBURG</b> <b>956393-6029</b> <b>javier.vargas@hidalgoso.org</b>
<b>Jose Adan Vela</b> <b>Contract Specialist III</b> <b>Hidalgo County</b> <b>2802 S Business Hwy 281</b> <b>Edinburg</b> <b>956-318-2626</b> <b>jose.avela@co.hidalgo.tx.us</b>	<b>Alfred Vera, JR</b> <b>Managing CPA/Audit Manager</b> <b>Cascos &amp; Associates, PC</b> <b>765 East 7th Street</b> <b>Brownsville, TX 78520</b> <b>(956) 544-7778</b> <b>alfred.vera@cascoscpa.com</b>
<b>Norma Villafranca</b> <b>Audit Staff</b> <b>Cascos &amp; Associates, PC</b> <b>765 East 7th Street</b> <b>Brownsville, TX 78520</b>	<b>Norma Villafranca</b> <b>Audit Staff</b> <b>Cascos &amp; Associates, PC</b> <b>765 East 7th Street</b> <b>Brownsville, TX 78520</b>

<b>Jose Villarreal</b> <b>Quartermaster</b> <b>Alamo Police Department</b> <b>423 N Tower Road</b> <b>Alamo,Tx,78516</b> <b>956600-9547</b> <b>josevillarreal@alamotexas.org</b>	<b>Robert Vina</b> <b>Assistant District Attorney</b> <b>Hidalgo County District Attorney</b> <b>100 E. Cano St.</b> <b>Edinburg, TX 78539</b> <b>(956) 292-7609</b> <b>robert.vina@da.co.hidalgo.tx.us</b>
<b>Chawn Ybarra</b> <b>Administrative Assistant</b> <b>San Patricio County</b> <b>1301 E Sinton, Unit C</b> <b>78387</b> <b>1361364-9312</b> <b>cybarra@sanpatriciocountytexas.gov</b>	<b>Enriqueta Zambrano</b> <b>Procurement Manager</b> <b>Hidalgo County Drainage District #1</b> <b>902 N Doolittle Rd</b> <b>Edinburg</b> <b>956292-7080</b> <b>enriqueta.zambrano@hcd1.org</b>
<b>Aurora Zapata</b> <b>Assistant Director of Purchasing</b> <b>Laredo College</b> <b>1 W End Washington St.</b> <b>Laredo, TX, 78040</b> <b>956-721-5111</b> <b>azapata@laredo.edu</b>	



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## SUMMER SESSION 2025

**June 25, 26, 27, 2025**  
**South Padre Island, TX**



<b>Vendor #: 1</b> <b>Company Name:</b> Doggett Freightliner of South Texas, LLC <b>Address:</b> 3103 North Cage Blvd Pharr, TX 78577 <b>Phone:</b> 956-559-3322 <b>Email:</b> mark.brunnemann@doggett.com <b>Website:</b> <b>Products:</b> Full line of vocational trucks and bodies	<b>Contact Person 1:</b> Mark Brunnemann <b>Email:</b> mark.brunnemann@doggett.com  <b>Contact Person 2:</b> Tony Paniagua <b>Email:</b>  <b>Contact Person 3:</b> Emilio Anaya <b>Email:</b>
<b>Vendor #: 2</b> <b>Company Name:</b> Gulf Coast Paper Co. Inc <b>Address:</b> 635 Billy Mitchell Blvd Brownsville TX 78521 <b>Phone:</b> 956-541-2281 <b>Email:</b> gary.ellis@imperialdade.com <b>Website:</b> www.gulfcoastpaper.com <b>Products:</b> Paper Janitorial, Packaging Foodservice disposable equipment, equipment repair offset printing, laundry and office supply needs	<b>Contact Person 1:</b> Gary Ellis <b>Email:</b> gary.ellis@imperialdade.com  <b>Contact Person 2:</b> Gary Ellis <b>Email:</b>  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #: 3</b> <b>Company Name:</b> XRX Business Consultants Inc <b>Address:</b> 708 N McColl Rd MCALLEN <b>Phone:</b> 956874-8728 <b>Email:</b> javierg@xrxinc.com <b>Website:</b> Xerox.com <b>Products:</b> All Xerox Product Line	<b>Contact Person 1:</b> Javier Granado <b>Email:</b> javierg@xrxinc.com  <b>Contact Person 2:</b> Fatima Barajas <b>Email:</b> fatima@xrxinc.com  <b>Contact Person 3:</b> Tony Guerrero <b>Email:</b> tony@xrxinc.com
<b>Vendor #: 4</b> <b>Company Name:</b> TIPS - The Interlocal Purchasing System <b>Address:</b> 4845 Us Highway 271 N Pittsburg TX <b>Phone:</b> 903575-2704 <b>Email:</b> conferences@tips-usa.com <b>Website:</b> https://www.tips-usa.com/ <b>Products:</b> TIPS is a leading national purchasing cooperative offering members access to competitively priced purchasing contracts leveraging the purchasing power of 10,000+ member agencies. Purchasing Made Personal	<b>Contact Person 1:</b> Javier Farias <b>Email:</b> javier.farias@tips-usa.com  <b>Contact Person 2:</b> Joni Elms <b>Email:</b> conferences@tips-usa.com  <b>Contact Person 3:</b> <b>Email:</b>

<b>Vendor #: 5</b> <b>Company Name:</b> Total Imaging Solutions, Inc <b>Address:</b> 6100 North 10th Strteet, Ste M McAllen <b>Phone:</b> 956664-2113 <b>Email:</b> mrandall@tistx.us <b>Website:</b> www.tistx.us <b>Products:</b> Scylla Security Threat Detection and Konica Minolta Copiers	<b>Contact Person 1:</b> Martin Randall <b>Email:</b> mrandall@tistx.us  <b>Contact Person 2:</b> Brenda Perez <b>Email:</b> bperez@tistx.us  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #: 6</b> <b>Company Name:</b> D&M Leasing <b>Address:</b> 1400 W 7th Street, Suite 200 Ft. Worth <b>Phone:</b> 214412-1656 <b>Email:</b> ecain@dmautoleasing.com <b>Website:</b> https://www.dmfleets.org/ <b>Products:</b> Government Fleets across the country are being asked to do more with less. Officials are being challenged to lower costs and increase efficiencies throughout their fleet program. Leasing allows you to pay for only the portion of the vehicle that you use instead of the entire vehicle. On average, leasing allows governments to get two or three vehicles compared to the cost of purchasing one vehicle.	<b>Contact Person 1:</b> Ed Cain <b>Email:</b> ecain@dmautoleasing.com  <b>Contact Person 2:</b> Jennifer Garcia <b>Email:</b> jennifer.garcia@dmfleets.org
<b>Vendor #: 7</b> <b>Company Name:</b> Big D Tractor Co LLC dba: BlueCat Heavy Equipment and Specialty Trucks <b>Address:</b> 711 East Nolana Loop Pharr, TX 78577 <b>Phone:</b> 956.464.0123 <b>Email:</b> nancy@bluecatrentals.com <b>Website:</b> www.bluecatrentals.com <b>Products:</b> Heavy Machinery, Road Construction Machinery, Specialty Trucks, Trailers, Service Vehicles, Emergency Vehicles, Disaster Relief Services/Equipment, Brush Trucks	<b>Contact Person 1:</b> Nancy Rodriguez <b>Email:</b> nancy@bluecatrentals.com  <b>Contact Person 2:</b> Chuck Gomez <b>Email:</b> chuck@bluecatrentals.com
<b>Vendor #: 8</b> <b>Company Name:</b> Amazon Business <b>Address:</b> 619 N 143rd St Seattle <b>Phone:</b> 425870-9529 <b>Email:</b> jradons@amazon.com <b>Website:</b> https://business.amazon.com/government <b>Products:</b> Amazon Business combines the selection, convenience and value customers have come to know and love from Amazon, with unique needs of government organizations.	<b>Contact Person 1:</b> Jennifer Radons <b>Email:</b> jradons@amazon.com  <b>Contact Person 2:</b> Brian Beresford <b>Email:</b> bberesfo@amazon.com  <b>Contact Person 3:</b> Tania San Miguel-Bounds <b>Email:</b> migutani@amazon.com

<b>Vendor #: 9</b> <b>Company Name:</b> GerMax LLC <b>Address:</b> 2101 N 10TH ST Hidalgo, TX 78557 <b>Phone:</b> 956369-4636 <b>Email:</b> services@germax.us <b>Website:</b> germax.us <b>Products:</b> Cleaning, Janitorial Supplies/Products	<b>Contact Person 1:</b> Maximiliano Fernandez <b>Email:</b> mfernandez@germax.us  <b>Contact Person 2:</b> Luis Gerardo Barragan <b>Email:</b> gbarragan@germax.us  <b>Contact Person 3:</b> Victor Fernandez <b>Email:</b> sales@germax.us
<b>Vendor #: 10</b> <b>Company Name:</b> Herrcon, LLC <b>Address:</b> PO Box 988 Alamo <b>Phone:</b> 956330-5566 <b>Email:</b> herrcon.gh@gmail.com <b>Website:</b> herrcon.us <b>Products:</b> Job Order Contract (JOC) - Commercial Construction Services	<b>Contact Person 1:</b> Gilbert Herrera <b>Email:</b> herrcon.gh@gmail.com  <b>Contact Person 2:</b> Domingo Pequeno <b>Email:</b> dpequeno0@gmail.com  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #: 11</b> <b>Company Name:</b> Knight Office Solutions <b>Address:</b> 12961 Park Central, Ste 1470 San Antonio <b>Phone:</b> 210-340-8909 <b>Email:</b> michelleh@knightoffice.com <b>Website:</b> <b>Products:</b> Copier/Printer/Managed Services/IT/Technology	<b>Contact Person 1:</b> Bonnie Garza <b>Email:</b> bgarza@knightenterprise.us  <b>Contact Person 2:</b> Dana Daniels <b>Email:</b> ddaniels@knightenterprise.us  <b>Contact Person 3:</b> Betty Rice <b>Email:</b> brice@knightenterprise.us
<b>Vendor #: 12</b> <b>Company Name:</b> OpenGov <b>Address:</b> 660 3rd Street Suite 100, San Francisco <b>Phone:</b> 650336-7167 <b>Email:</b> cking@opengov.com <b>Website:</b> <a href="https://opengov.com/products/procurement/">https://opengov.com/products/procurement/</a> <b>Products:</b> OpenGov Procurement provides the industrys most automated and collaborative eProcurement and Contract Management solution thats purpose-built for the public sector. From solicitation development, supplier engagement, evaluations and contract management, OpenGov Procurement sets users up for success with a single cloud-based platform that promotes transparency, equity, accessibility and compliance. Public procurement teams have cut their time spent building solicitations by 50-90%, while seeing 3-4x more completed, compliant supplier responses.	<b>Contact Person 1:</b> Christine Spiel <b>Email:</b> cspiel@opengov.com

<b>Vendor #: 13</b> <b>Company Name:</b> PACE Purchasing Cooperative <b>Address:</b> 1314 Hines Ave San Antonio <b>Phone:</b> 210370-5204 <b>Email:</b> jim.metzger@esc20.net <b>Website:</b> www.pacecoop.org <b>Products:</b> Purchasing Cooperative	<b>Contact Person 1:</b> Jim Metzger <b>Email:</b> jim.metzger@esc20.net  <b>Contact Person 2:</b> Jim Metzger <b>Email:</b>
<b>Vendor #: 14</b> <b>Company Name:</b> Armko Industries <b>Address:</b> 1320 Spinks Flower Mound, TX 75028 <b>Phone:</b> (982) 874-1388 <b>Email:</b> vburdett@armko.com <b>Website:</b> www.armko.com <b>Products:</b> Roofing and Building envelope consulting services.	<b>Contact Person 1:</b> Mike Perry <b>Email:</b> mperry@armko.com  <b>Contact Person 2:</b> Travis Jones <b>Email:</b> tjones@armko.com
<b>Vendor #: 15</b> <b>Company Name:</b> Beacon Bid <b>Address:</b> 2211 South Interstate 35 Frontage Road, Ste 401 Austin, TX 78741 <b>Phone:</b> 888.402.2231 <b>Email:</b> info@beaconbid.com <b>Website:</b> www.beaconbid.com <b>Products:</b> Beacon Bid provides agencies and ISDs across Texas with free and premium eProcurement tools designed to engage with local suppliers, reduce costs, and save time. Our platform includes AI-powered solutions, a robust RFP Archive of previously issued bids and RFPs, contract management, cooperative and shareable contracts search, market research and more. Visit our table for a demo and be entered in a raffle. See how Beacon Bid can optimize your procurement processes.	<b>Contact Person 1:</b> Stephen Hetzel <b>Email:</b> shetzel@beaconbid.com  <b>Contact Person 2:</b> Alex Capps <b>Email:</b> acapps@beaconbid.com  <b>Contact Person 3:</b> Alexis Paulos <b>Email:</b> apaulos@beaconbid.com
<b>Vendor #: 16</b> <b>Company Name:</b> Blink Charging <b>Address:</b> 5081 Howerton Way Suite A Bowie <b>Phone:</b> 602502-2370 <b>Email:</b> awing@blinkcharging.com <b>Website:</b> https://blinkcharging.com/ <b>Products:</b> Electric Vehicle Charging Equipment. Level 2 AC Charging and Level 3 DC Fast Charging	<b>Contact Person 1:</b> Adam Wing <b>Email:</b> awing@blinkcharging.com  <b>Contact Person 2:</b> <b>Email:</b>  <b>Contact Person 3:</b> <b>Email:</b>

<b>Vendor #: 17</b> <b>Company Name:</b> Brady Plus <b>Address:</b> 7055 Lindell Rd Las Vegas, NV 89118 <b>Phone:</b> 210854-2715 <b>Email:</b> eric.fritze@bradyplus.com <b>Website:</b> www.Bradyplus.com <b>Products:</b> Janitorial Products Food Service Products PPE Equipment	<b>Contact Person 1:</b> Irma Garza <b>Email:</b> irma.garza@bradyplus.com  <b>Contact Person 2:</b> Eric Fritze <b>Email:</b> eric.fritze@bradyplus.com  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #: 18</b> <b>Company Name:</b> Brownstone Consultants, LLC <b>Address:</b> 2205 N. Jackson Rd. McAllen, TX 78501 <b>Phone:</b> 956-307-3057 <b>Email:</b> patty@bstone.biz <b>Website:</b> <b>Products:</b> N/A	<b>Contact Person 1:</b> Gilbert Gallegos <b>Email:</b> gilbert@bstone.biz  <b>Contact Person 2:</b> <b>Email:</b>  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #: 19</b> <b>Company Name:</b> Build Tactical llc <b>Address:</b> 5121 N McColl Rd #30 McAllen, TX 78504 <b>Phone:</b> 956325-6678 <b>Email:</b> jt.torres8@outlook.com <b>Website:</b> www.builtacticalprojects.com <b>Products:</b> Job Order Contracting, Construction Project Management database, General Contractor and Sub Contractor Database with certifications, Local Government Directory	<b>Contact Person 1:</b> Johnny Torres <b>Email:</b> jt.torres8@outlook.com  <b>Contact Person 2:</b> <b>Email:</b>  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #: 20</b> <b>Company Name:</b> Choice Partners Purchasing Cooperative <b>Address:</b> 6300 Irvington Houston, TX 77022 <b>Phone:</b> 713696-1886 <b>Email:</b> info@choicepartners.org <b>Website:</b> https://www.choicepartners.org/ <b>Products:</b> Choice Partners national purchasing cooperative offers quality, legal procurement and contract solutions to meet government purchasing	<b>Contact Person 1:</b> Sylvia Zapata <b>Email:</b> sylvia@choicepartners.org  <b>Contact Person 2:</b> Steve Gibson <b>Email:</b> steve@choicepartners.org  <b>Contact Person 3:</b> <b>Email:</b>

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<b>Vendor #:</b> 21	<b>Contact Person 1:</b> Dan Elliott
<b>Company Name:</b> Euna Solutions	<b>Email:</b> dan.elliott@eunasolutions.com
<b>Address:</b> 363 W. Erie St., Floor 7 Chicago	
<b>Phone:</b> 905246-1700	<b>Contact Person 2:</b>
<b>Email:</b> info@eunasolutions.com	<b>Email:</b>
<b>Website:</b> <a href="https://www.eunasolutions.com">https://www.eunasolutions.com</a>	<b>Contact Person 3:</b>
<b>Products:</b> Suite of Public Sector SaaS Solutions	<b>Email:</b>

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<b>Vendor #:</b> 22	<b>Contact Person 1:</b> Ed Sanders
<b>Company Name:</b> Ferguson Facility Supply LLC	<b>Email:</b> edward.sanders@ferguson.com
<b>Address:</b> 418 Pintail Street San Benito	
<b>Phone:</b> 956238-9159	<b>Contact Person 2:</b> Ed Wilson
<b>Email:</b> edward.sanders@ferguson.com	<b>Email:</b> edward.wilson@ferguson.com
<b>Website:</b> <a href="http://www.Ferguson.com">www.Ferguson.com</a>	<b>Contact Person 3:</b>
<b>Products:</b> Janitorial Supplies, HVAC, PLumbing	<b>Email:</b>

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<b>Vendor #:</b> 23	<b>Contact Person 1:</b> Jose Gonzalez
<b>Company Name:</b> French Ellison Truck Center	<b>Email:</b> jose.gonzalez@csctruck.com
<b>Address:</b> 4300 N Cage Blvd Pharr, TX, 78577	
<b>Phone:</b> 956781-2401	<b>Contact Person 2:</b>
<b>Email:</b> corina.garza@csctruck.com	<b>Email:</b>
<b>Website:</b>	<b>Contact Person 3:</b>
<b>Products:</b> Kenworth Dealership	<b>Email:</b>

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<b>Vendor #:</b> 24	<b>Contact Person 1:</b> Chris Diaz
<b>Company Name:</b> Gateway Printing & Office Supply, Inc.	<b>Email:</b> cdiaz@gatewayp.com
<b>Address:</b> 315 South Closner Edinburg, TX 78539	
<b>Phone:</b> 956-383-3861	<b>Contact Person 2:</b> Letty Saenz
<b>Email:</b> cdiaz@gatewayp.com	<b>Email:</b> leticia@gatewayp.com
<b>Website:</b> <a href="http://www.gatewayp.com">www.gatewayp.com</a>	<b>Contact Person 3:</b> Andy Lozano
<b>Products:</b> Office Supplies, Promotional products, Janitorial Products, Commercial Printing, Commercial Furniture & Space Design.	<b>Email:</b> andy@gatewayp.com

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<b>Vendor #:</b> 25 <b>Company Name:</b> Gordian <b>Address:</b> 525 Ft. William Street Hutto <b>Phone:</b> 737306-9851 <b>Email:</b> edward.hernandez@gordian.com <b>Website:</b> www.gordian.com <b>Products:</b> Imagine, Create and Sustain Stronger, Resilient Communities As a leader in state or local government, your mission is clear: creating thriving communities where your citizens can live, work and play safely. This vision encompasses a wide array of responsibilities, from ensuring peace and safety to maintaining transit systems for seamless commutes, to preserving parks that serve as natural sanctuaries for all to enjoy.	<b>Contact Person 1:</b> Edward Hernandez <b>Email:</b> edward.hernandez@gordian.com  <b>Contact Person 2:</b> Daniel Alvarez <b>Email:</b> daniel.alvarezrodriguez@gordian.com  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #:</b> 26 <b>Company Name:</b> GovDeals <b>Address:</b> 6931 Arlington Road Bethesda, MD. 20814 <b>Phone:</b> 334-387-0532 <b>Email:</b> conferences@govdeals.com <b>Website:</b> https://www.govdeals.com <b>Products:</b> Online government surplus auctions.	<b>Contact Person 1:</b> Heidi Feiden <b>Email:</b> hfeiden@govdeals.com  <b>Contact Person 2:</b> <b>Email:</b>  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #:</b> 27 <b>Company Name:</b> Gunn Nissan <b>Address:</b> 750 NE Loop 410 San Antonio, TX 78209 <b>Phone:</b> 210-254-5629 <b>Email:</b> jcastillo@gunnauto.com <b>Website:</b> www.gunnnissan.com <b>Products:</b> Retail and Commercial Vehicles	<b>Contact Person 1:</b> Jose Castillo <b>Email:</b> jcastillo@gunnauto.com  <b>Contact Person 2:</b> <b>Email:</b>  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #:</b> 28 <b>Company Name:</b> Linebarger Goggan Blair & Sampson, LLP <b>Address:</b> 350 Providencia Court Brownsville, Texas 78526 <b>Phone:</b> (956) 546-1216 <b>Email:</b> jgarcia@lgbs.com <b>Website:</b> https://www.lgbs.com/ <b>Products:</b> ADVALOREM TAX COLLECTION SERVICES FEES & FINES COLLECTION SERVICES	<b>Contact Person 1:</b> Jeff Garcia <b>Email:</b> jgarcia@lgbs.com  <b>Contact Person 2:</b> Monica Solis <b>Email:</b> msolis@lgbs.com  <b>Contact Person 3:</b> <b>Email:</b>

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<b>Vendor #:</b> 29 <b>Company Name:</b> Lowe's Inc <b>Address:</b> 1000 Lowes Blvd Mooreville <b>Phone:</b> 727247-8645 <b>Email:</b> jason.a.finch@lowes.com <b>Website:</b> <a href="https://www.lowes.com/">https://www.lowes.com/</a> <b>Products:</b> Commerical Building materials, paints, flooring, electrical, plumbing, san-jan, safety	<b>Contact Person 1:</b> Jason Finch <b>Email:</b> jason.a.finch@lowes.com  <b>Contact Person 2:</b> Bobby Pena <b>Email:</b> bobby.pena@lowes.com  <b>Contact Person 3:</b> Ryan Howard <b>Email:</b> ryan.r.howard@lowes.com
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<b>Vendor #:</b> 30 <b>Company Name:</b> OMNIA Partners <b>Address:</b> 5001 Aspen Grove Drive, Suite 600 Franklin <b>Phone:</b> 310618-4550 <b>Email:</b> info@omniapartners.com <b>Website:</b> <a href="https://www.omniapartners.com/">https://www.omniapartners.com/</a> <b>Products:</b> Group Purchasing Organization	<b>Contact Person 1:</b> Leslie Garza <b>Email:</b> leslie.garza@omniapartners.com  <b>Contact Person 2:</b> Marcie Carpenter <b>Email:</b> marcie.carpenter@omniapartners.com  <b>Contact Person 3:</b> <b>Email:</b>
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<b>Vendor #:</b> 31 <b>Company Name:</b> Purchasing Cooperative of America <b>Address:</b> PO Box 604 Hico <b>Phone:</b> 817917-1813 <b>Email:</b> natalie@pcamerica.org <b>Website:</b> <a href="https://www.pcamerica.org">https://www.pcamerica.org</a> <b>Products:</b> Purchasing cooperative	<b>Contact Person 1:</b> Natalie Wells <b>Email:</b> natalie@pcamerica.org  <b>Contact Person 2:</b> Mike Forbes <b>Email:</b> mikef@pcamerica.org  <b>Contact Person 3:</b> Dean Zajicek <b>Email:</b> dean@pcamerica.org
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<b>Vendor #:</b> 32 <b>Company Name:</b> Staples Contact and Commercial LLC <b>Address:</b> 500 Staples Dr. Framingham, MA 01702 <b>Phone:</b> 508-253-5000 <b>Email:</b> lamar.garcia@staples.com <b>Website:</b> <b>Products:</b> Office products, janitorial products, technology products, print and promotional products, furniture, and breakroom products.	<b>Contact Person 1:</b> Lamar Garcia <b>Email:</b> lamar.garcia@staples.com  <b>Contact Person 2:</b> <b>Email:</b>  <b>Contact Person 3:</b> <b>Email:</b>
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<b>Vendor #:</b> 33 <b>Company Name:</b> TASB BuyBoard <b>Address:</b> 12007 Research Blvd. Austin, TX 78759 <b>Phone:</b> 956373-5610 <b>Email:</b> melissa.rodriguez@tasb.org <b>Website:</b> buyboard.com <b>Products:</b> Purchasing COOP	<b>Contact Person 1:</b> Melissa Rodriguez <b>Email:</b> melissa.rodriguez@tasb.org  <b>Contact Person 2:</b> Lupe Mireles <b>Email:</b> lupe.mireles@tasb.org  <b>Contact Person 3:</b> Cesar Lopez <b>Email:</b> cesar.lopez@tasb.org
<b>Vendor #:</b> 34 <b>Company Name:</b> T-Mobile/Telecom Solution Partners <b>Address:</b> 833 North Ware Rd Suite L McAllen, Tx 78501 <b>Phone:</b> 956-451-6504 <b>Email:</b> jgutierrez@tel-sol.com <b>Website:</b> <b>Products:</b> Cellular dash cams and asset trackers for fleet	<b>Contact Person 1:</b> Jorge Gutierrez <b>Email:</b> jgutierrez@tel-sol.com  <b>Contact Person 2:</b> Gilbert Conde <b>Email:</b> gilbert.conde2@t-mobile.com  <b>Contact Person 3:</b> <b>Email:</b>
<b>Vendor #:</b> 35 <b>Company Name:</b> Toshiba Business Solutions <b>Address:</b> 801 W Nolana Ave McAllen <b>Phone:</b> 956463-6802 <b>Email:</b> roberto.artegajr@tbs.toshiba.com <b>Website:</b> tbs.toshiba.com <b>Products:</b> Printer and MFP sales and support. Digital conversion services and Content management consulting services.	<b>Contact Person 1:</b> Roberto Arteaga <b>Email:</b> roberto.artegajr@tbs.toshiba.com  <b>Contact Person 2:</b> David Deviney <b>Email:</b> david.deviney@tbs.toshiba.com  <b>Contact Person 3:</b> Adam Guillen <b>Email:</b> adam.guillen@tbs.toshiba.com
<b>Vendor #:</b> 36 <b>Company Name:</b> UBEO Business Services <b>Address:</b> 401 E. Sonterra Blvd. Suite San Antonio, TX 78258 <b>Phone:</b> (210) 918-6000 <b>Email:</b> acolino@ubeo.com <b>Website:</b> www.ubeo.com <b>Products:</b> Multi-function Printers/Copiers, Production Print Systems, Business Class Printers, Electronic Document Management, Print Fleet Management, Wide Format Devices, High-Speed Scanners, Offline Finishing, Managed IT & Infrastructure, Interactive Communication.	<b>Contact Person 1:</b> Andrew Colino <b>Email:</b> acolino@ubeo.com  <b>Contact Person 2:</b> <b>Email:</b>  <b>Contact Person 3:</b> <b>Email:</b>

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**Vendor #:** 37  
**Company Name:** WorkQuest  
**Address:** 1011 E. 53rd 1/2 Street  
Austin  
**Phone:** TX  
**Email:** information@workquest.com  
**Website:** WWW.WORKQUEST.COM  
**Products:** PRODUCTS AND SERVICES

**Contact Person 1:** ROBERT OLIVO  
**Email:** robertolivo@workquest.com

**Contact Person 2:** ROSA VALDEZ  
**Email:** rvaldez@workquest.com

**Contact Person 3:**  
**Email:**

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**Vendor #:** 38  
**Company Name:** Office Furniture 4 Less  
**Address:** 2495 Boca Chica  
Brownsville Texas 78521  
**Phone:** (956) 504-1074  
**Email:** officefurnitureforless@gmail.com  
**Website:** officefurniture4less.com  
**Products:** Office Furniture

**Contact Person 1:** Guadalupe Hernandez  
officefurnitureforlessbro@gmail.com  
**Email:** Guadalupe Hernandez Jr.

**Contact Person 2:** Maria Ramirez  
**Email:**

**Contact Person 3:**  
**Email:**

---

**Vendor #:** 39  
**Company Name:** Texas Department of Information  
Resources  
**Address:** 300 West 15th St, Suite 1300  
Austin, TX 78701  
**Phone:** 512936-7199  
**Email:** tom.hay@dir.texas.gov  
**Website:** www.dir.texas.gov  
**Products:** The Texas Department of Information  
Resources (DIR) offers information technology  
products and services to eligible Texas entities.

**Contact Person 1:** Tom Hay  
**Email:** tom.hay@dir.texas.gov

**Contact Person 2:**  
**Email:**

**Contact Person 3:**  
**Email:**

---

**Vendor #:** 40  
**Company Name:** Valley Grocers  
**Address:** 6101 South 23rd unit R12  
McAllen  
**Phone:** 956453-7535  
**Email:** cgarcia@valleygrocers.com  
**Website:**  
**Products:** Janitorial copy paper

**Contact Person 1:** carlos Garcia  
**Email:** cgarcia@valleygrocers.com

**Contact Person 2:** carlos Garcia  
**Email:**

**Contact Person 3:**  
**Email:**

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**Vendor #:** 41  
**Company Name:** Ethos Engineering  
**Address:** 1126 South Commerce Street  
Harlingen  
**Phone:** 956230-3435  
**Email:** gquin@ethoseng.net  
**Website:**  
**Products:** Engineering Services

**Contact Person 1:** Guillermo Quintanilla  
**Email:** gquin@ethoseng.net

**Contact Person 2:**  
**Email:**

**Contact Person 3:**  
**Email:**

---

**Vendor #:** 42  
**Company Name:** Lone Star National Bank  
**Address:** 520 E. Nolana Ave  
McAllen, TX 78504  
**Phone:** 956-984-2913  
**Email:** ochoav@lonestarnationalbank.com  
**Website:**  
**Products:** At Lone Star National Bank, we are proud to be a part of South Texas journey, working hand-in-hand with our community to drive growth and prosperity across this dynamic region. With a legacy built over decades, we are honored to contribute to the development of the Rio Grande Valley and beyond. Our team of over 700 employees is deeply connected to the communities we serve, and with 36 locations throughout South Texas, including five in San Antonio, we continue to expand our reach and strengthen our shared future. Together, we're shaping the regionals success.

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**Contact Person 1:** Vanessa Ochoa  
**Email:** ochoav@lonestarnationalbank.com

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**Vendor #:** 43  
**Company Name:** Central Bolt & Industrial Supply  
**Address:** 404 N. Expressway 77/83 E  
Brownsville,  
**Phone:** 956-546-7424  
**Email:** slovak@centralbolt.com  
**Website:** centralbolt.com  
**Products:** FASTENERS, CUTTING TOOLS, INDUSTRIAL SUPPLIES, SAFETY SUPPLIES, RIGGING HARDWARE, MADE TO PRINT PARTS FOR OEM ACCOUNTS

**Contact Person 1:** Joedy Slovak  
**Email:** slovak@centralbolt.com

**Contact Person 2:**  
**Email:**

**Contact Person 3:**  
**Email:**

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**Vendor #:** 44  
**Company Name:** Republic Services  
**Address:** 9402 W. Expressway 83  
Harlingen, TX 78552  
**Phone:** 956-392-7021  
**Email:** rcarrillo2@republicservices.com  
**Website:** republicservices.com  
**Products:** Recycling and Waster Disposal

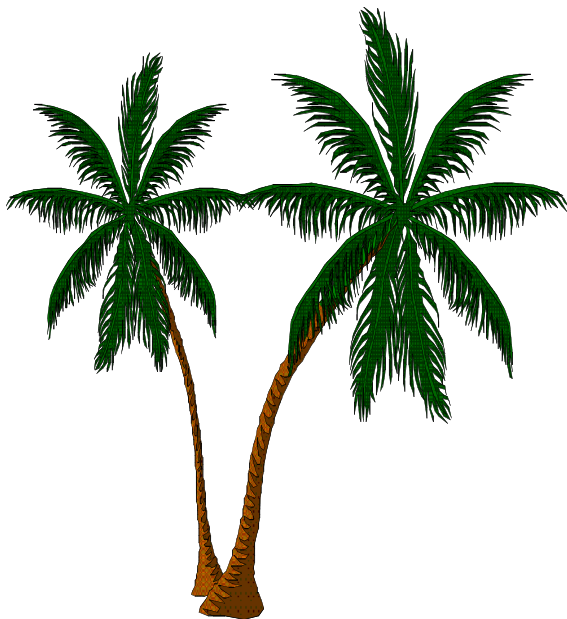
**Contact Person 1:** Rey Carrillo  
**Email:** rcarrillo2@republicservices.com

**Contact Person 2:** Jon Deicla  
**Email:** jdeicla@republicservices.com

**Contact Person 3:**  
**Email:**

# SUMMER SESSION 2025

## NEW LEGISLATION: KNOW ALL NEW LAWS CONCERNING PUBLIC PURCHASING



### **SPEAKERS:**

**Narita Holmes**  
**Carol Cooper**  
**Jesus Amezcua**

# New Legislation: Know all New Laws Concerning Public Purchasing

89<sup>TH</sup> LEGISLATIVE SESSION  
2025

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## How to Track the Legislature

You may wish to look up legislation of interest at:

[www.capitol.texas.gov](http://www.capitol.texas.gov)

89th Regular Session - 2025										
Status	HB	HCR	HJR	HR	SB	SCR	SJR	SR	Total HB & SB	Total
Introduced	5644	168	208	1540	3075	58	87	723	8719	11503
Passed	619	96	8	1490	594	28	10	717	1213	3562
Vetoed	1	0	n/a	n/a	1	0	n/a	n/a	2	2

Data is Effective 6/15/25

Legislation tab / General Reports/ Legislative Statistics

2

2

## You may Search

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- ❖ 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

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## Terminology

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- ❖ 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

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## Important Dates

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### **Monday, June 2, 2025 (140th day)**

Last day of 89th Regular Session (sine die); only corrections may be considered in the House and Senate

### **Sunday, June 22, 2025 (20th day following final adjournment of 89th Regular Session)**

Last day the governor can sign or veto bills passed during the regular session

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## Legislation Impacting Purchasing

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## HB 206

**Relating to a limitation on a county's authority to require a cash bond before approving the construction of a pipeline.**

A county may not require a cash bond as a condition of approval for the construction of a pipeline in the county's boundaries.

LGC 240

Effective 9/1/25

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## HB 210

**Relating to contracting with a school district or open-enrollment charter school by a vendor with whom a member of the board of trustees or governing body of the district or school or a related individual has certain business interests; creating a criminal offense.**

The board member may not have a substantial interest in the vendor, be related to the vendor, or have received or been promised a gift or in-kind services with a value more than \$250. Substantial interest is defined.

Ed Code 11

Effective 9/1/25

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## HB 223

**Relating to competitive requirements for a procurement by a municipality for lobbying, government relations, or similar services.**

Amends wording of exclusion for procurement for personal, professional or planning services to add, other than lobbying, government relations, or similar services intended to influence state or federal lawmakers on behalf of a municipality.

LGC 252

Effective 9/1/25

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## HB 718

**Relating to prohibiting a public institution of higher education from partnering with certain private entities for the construction of a student housing facility.**

An institution of higher education may not enter into a contract to partner with a private entity to construct a student housing facility if the entity has a pending action or lien against the entity or entity's property relating to a claim for nonpayment of a contractor, subcontractor, or vendor. This section does not apply to a claim for nonpayment if the entity has provided a payment bond to cover the claim.

Ed. Code 51

Effective 9/1/25

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## HB 1261

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### **Relating to the disposition of abandoned or unclaimed property seized by a peace officer.**

The procedures for notification and publication of abandoned or unclaimed property are modified to include using the Internet website and social networking website of the law enforcement agency that seized the property within the specified period of 90 days to notify owners and to give notice of the date and location on the sale at least 14 days prior to sale. Details that must be included the notifications are provided.

Code of Criminal Procedures. 18.17

Effective 9/1/25

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## HB 1500

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### **Relating to the continuation and functions of the Department of Information Resources, including the composition of the governing body of the department.**

Reauthorization includes some changes to mandatory training requirements for governmental entities. It establishes a procurement services pilot program for participating state agencies.

GC 656, 2054

Effective 9/1/25

12

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## HB 1851

**Relating to the disposition of certain surplus motor vehicles and other law enforcement equipment by the Texas Facilities Commission to certain school districts.**

Adds school districts to those eligible to obtain surplus law enforcement vehicles and equipment. A school district that receives surplus property under Subsection (a) may not use the property for a purpose other than in the performance of law enforcement duties by peace officers, school resource officers, or security personnel

GC 2175

Effective 9/1/25

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## HB 1922

**Relating to the accrual of a cause of action for purposes of certain laws governing certain construction liability claims.**

Would provide that: (1) a cause of action for a claim for damages asserted by a governmental entity for certain claims for damages caused by an alleged construction defect in a public building or public work against a contractor, subcontractor, supplier, or design professional accrues on the date that the report from the governmental entity to each party with whom the governmental entity has contracted with for the design or construction of the affected structure, that identifies the construction defect upon which the claim is based and describes the present physical condition of the structure and any modifications, maintenance, or repairs made by the governmental entity or others since the structure was initially occupied or used, is postmarked; and (2) the date of accrual of a cause of action for such a claim described in (1), above, is unaffected for all other purposes.

GC 2272

Effective 9/1/25

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## HB 2884

**Relating to the required disclosure of certain financial relationships in civil actions regarding the activities of United States defense contractors.**

Adds Chapter 28 to Subchapter B. The section applies to a civil action regarding the activities of a defense contractor, regardless of whether the contractor is a party. There is required disclosure of funding sources to the contractor or their attorney from any individual, entity or government affiliated with a sanctioned or embargoed nation. The disclosed information must be updated throughout the contract period. Sanctions are included.

Civil Practice and Remedies Code

Effective 9/1/25

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## HB 2960

**Relating to choice of law and venue for certain construction contracts.**

States when a contract may be void as against public policy and to the extent that a venue provision in a contract is void under Subsection (b), unless the parties stipulate to another venue after the dispute arises, an action arising out of the contract shall be brought only in this state in the county in which the property that is the subject of the litigation is located.

Business and Commerce Code 270

Effective 9/1/25

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## HB 3005

**Relating to the payment of funds under certain construction contracts.**

Would, among other things, provide that a bona fide dispute regarding a contract for the construction of a public work does not include an audit of the public work project that continues for more than 60 days after the date of the substantial completion of the project.

GC 2251

Effective 9/1/25

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## HB 5057

**Relating to exclusive contracts for municipal solid waste management services.**

Adds a section that relates to exclusive contracts for municipal solid waste management services. Provides procedures that must be followed.

Health and Safety Code 363

Effective Immediately

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# HB 5331

**Relating to the content of certain contracts entered into by governmental entities.**

Relating to the enforceability of certain state agency and local government contract language regarding required security incident notifications.

GC 2054

Effective Immediately

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# SB 33

**Relating to certain prohibited transactions and logistical support between a governmental entity and an abortion assistance entity or abortion provider for the procurement of an abortion or related services.**

Prohibits government entities from using taxpayer funds for any support related to abortion services.

GC 2273

Effective 9/1/25

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## SB 480

**Relating to the authority of a local government to enter into an interlocal contract with certain governmental entities to participate in water research or planning activities.**

Adds a section that allows a local government to contract with another local government, the state, or the federal government to jointly participate in research or planning activities related to water resources.

GC 791

Effective Immediately

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## SB 687

**Relating to liability for land surveying services in or in connection with certain construction or services contracts.**

Would, among other things, provide that a contract for land surveying services to which a governmental agency is a party: (1) is void and unenforceable if the contract provides that a land surveyor whose work is the subject to the contract must: (a) indemnify or hold harmless the governmental agency against liability for damage, other than liability for damage to the extent that the damage is caused by or results from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier, or another entity over which the land surveyor exercises control; or (b) defend a party, including a third party, against a claim based wholly or partly on the negligence of, fault of, or breach of contract by the governmental agency, the agency's agent, the agent's employee, or other entity, over which the governmental agency exercises control, excluding the land surveyor or the land surveyor's agent, employee, or subconsultant; (2) may provide for the reimbursement of a governmental agency's reasonable attorney's fees in proportion to the land surveyor's liability; (3) may require that the land surveyor name the governmental agency as an additional insured under the land surveyor's general liability insurance policy and provide any defense provided by the policy; (4) must require that a land surveyor perform services: (a) with the professional skill and care ordinarily provided by competent land surveyors practicing under the same or similar circumstances and professional license; and (b) as expeditiously as is prudent considering the ordinary professional skill and care of a competent land surveyor; and (5) is void and enforceable if the contract contains a provision establishing a different standard of care than that described in (4), above.

Civil Practice and Remedies Code 130

Effective 9/1/25

LGC 271

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## SB 1062

**Relating to the type of newspaper required for publication of public notices.**

Provides that in lieu of publishing a notice in a newspaper, a governmental entity may publish a notice in a digital newspaper if that digital newspaper: (1) has an audited paid-subscriber base; (2) has been in business for at least three years; (3) employs staff in the jurisdiction of the governmental entity; (4) reports on local events and governmental activities in the jurisdiction of the governmental entity; (5) provides news of general interest to people in the jurisdiction of the governmental entity; and (6) updates its news at least once each week.

GC 2051

Effective Immediately

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## SB 1173

**Relating to the amount of an expenditure made by certain political subdivisions for which a competitive procurement method may be required.**

Increases the formal bid limit from \$50,000 to \$100,000.

Ed Code 44, LGC 252, 262, 271  
and Transportation Code 252

Effective 9/1/25

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# Legislation Impacting Public Information and Open Meetings

25

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## HB 3112

**Relating to the application of the open meetings law and public information law to government information related to certain cybersecurity measures.**

This bill allows government bodies to discuss cybersecurity measures for critical infrastructure in private meetings and exempts related information from public disclosure. Protected details include cybersecurity policies, insurance coverage, reported incidents, and technical data that could pose security risks if shared. However, confidential information may be disclosed if required by law or court order.

GC 551

Effective 9/1/25

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## HB 4219

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### **Relating to a governmental body's response to a request for public information.**

Requires that if a government agency receives a public records request and determines they have no information, they must inform the requestor within 10 business days. It also establishes that if information is withheld due to a previous ruling, the agency must notify the requestor, explaining why. Additionally, it allows requestors to file complaints with the attorney general if the agency fails to respond properly, leading to possible penalties such as mandatory open records training for the agency.

GC 552

Effective 9/1/25

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## SB 765

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### **Relating to the confidentiality of fraud detection and deterrence information under the public information law.**

Adds a section that states that information in the custody of a governmental body that relates to fraud detection and deterrence measures is confidential and excepted from the requirements of Section 552.021. For purposes of this section, fraud detection information includes risk assessments, reports, data, protocols, technology specifications, manuals, instructions, investigative materials, crossmatches, mental impressions, and communications that may reveal the methods or means by which a governmental body prevents, investigates, or evaluates fraud.

GC 552

Effective 9/1/25

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# Legislation Impacting Only the State

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## HB 346

### **Relating to support for new businesses.**

Changes in fees for licensing and registration for first year businesses, and allocation of state entity funding to encourage new business. Contracts with new businesses will be tracked in several areas, including HUBs. Various reports will be made to the legislature.

GC 405, 41, 2155,  
Labor Code 301, 302

Effective 9/1/25

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## HB 2791

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**Relating to powers and duties of the Texas Workforce Commission with respect to the procurement of goods and services for the provision of vocational rehabilitation services.**

Authorizes the commission to enter into contracts and provides the procedures to be followed for the procurement.

Labor Code 352

Effective Immediately

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## HB 3088

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**Relating to the authority of the Parks and Wildlife Department to procure goods and services related to items for resale by the department.**

Relating to standards and procedures for purchasing goods for resale by the Parks and Wildlife Department

Parks and Wildlife Code 11

Effective 9/1/25

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## HB 3623

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**Relating to the manner of solicitation of bids for certain purchases by the comptroller of public accounts and state agencies.**

Methods of soliciting bids are changed by deleting telegraphy and adding online electronic transmission

GC 2156

Effective 9/1/25

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## HB 4129

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**Relating to the contract requirements for a contract between a single source continuum contractor and the Department of Family and Protective Services.**

Amendment to require the department to implement formal measures to ensure the contractor is delivering high-quality service. Specifies what must be included in the measures.

Family Code 264

Effective 9/1/25

34

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## HB 4748

**Relating to state agency purchasing methods and procedures, including a state agency multiple award contract purchasing procedure.**

Relating to multiple award of contracts with indefinite delivery and indefinite quantity terms. Describes procedures to be followed. Does not apply to Professional Services under Government Code 2254.

GC 2156

Effective 9/1/25

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## HB 5061

**Relating to prohibiting certain activities by contractors and vendors of state agencies; providing administrative penalties**

Adds Subchapter G related to prohibited activities by contractors and vendors related to procurement of goods or services. Prohibited activities include surveillance targeting, intimidation, coercion, extortion, silence or retaliation against individuals described. The section describes the complaint process, investigation, enforcement and prohibition of retaliation. Requires annual report by the State Auditor's office and Texas Rangers to state officials each year of any reported violations.

GC 2261

Effective 9/1/25

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## HB 5308

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**Relating to certain authorities of the adjutant general for procurement and construction.**

Adds that adjutant general has all powers necessary for the acquisition and procurement related to construction of Texas military forces facilities and real property and associated property and equipment.

GC 437

Effective 9/1/25

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## SB 992

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**Relating to the procedure by which the attorney general approves or denies approval of a state agency contract for outside legal services.**

Sets a new deadline for the Texas Attorney General to approve or deny state agency contracts for outside legal services. The attorney general must act within 25 days of receiving the contract. If the contract is denied, the agency will receive a written explanation. This change will apply to contracts submitted for approval after the bill takes effect.

GC 402, 825

Effective 9/1/25

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## SB 1066

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### **Relating to the requirement for performance and payment bonds from certain contractors of the Parks and Wildlife Department.**

Amends to add a section stating if the value of a contract under Subsection (a)(2) for constructing, altering, or repairing a public building or carrying out or completing any public work exceeds \$150,000, the department, the executive director, or the executive director's designee shall require the contractor to execute a performance bond and a payment bond to the department before beginning work.

Parks and Wildlife Code 11

Effective 9/1/25

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## SB 1364

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### **Relating to the repeal of wheelbase and horsepower restrictions for the state's passenger vehicle fleet.**

Repeals previous requirement for state passenger vehicle fleet.

GC 2158

Effective 9/1/25

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## SB 2032

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**Relating to certain requirements regarding a contract between a single source continuum contractor and the Department of Family and Protective Services.**

Changes notice of intent to terminate from 60 to 10 days. Under specific circumstances, may contract with a different sole source contractor without competitive bidding process.

Family Code 264

Effective 9/1/25

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## SB 2034

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**Relating to the receivership of a single-source continuum contractor providing child welfare services.**

Adds a section to provide the procedures for receivership of a single-source continuum contractor that provides child welfare services.

Civil Practice and Remedies Code 64

Effective Immediately

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## SB 2204

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**Relating to the applicability of uniform grant and contract management standards to certain Texas Water Development Board programs.**

Amends the uniform grant and contract management requirements exempting some contracts.

Water Code 15

Effective 9/1/25

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## Cybersecurity and AI

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## HB 150

**Relating to the establishment of the Texas Cyber Command and the transfer to it of certain powers and duties of the Department of Information Resources.**

Separates Cybersecurity from DIR to Texas Cyber Command (TCC). Requires annual training for all officials and employees of local governmental entities and reporting to TCC. Access to information resources may be denied if training is not completed.

GC 2063, 2054, 2059, 325, Effective 9/1/25  
411, 772, 2056, 2170 Ed Code 38

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## HB 2818

**Relating to the artificial intelligence division within the Department of Information Resources.**

Adds a new section establishing an Artificial intelligence Division. Provides administrative authority, including contracting.

GC 2054 Effective 9/1/25

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# HB 3512

## **Relating to artificial intelligence training programs for certain employees and officials of state agencies and local governments.**

**Artificial Intelligence Training:** would, among other things, provide that: (1) local government employees and elected and appointed officials who have access to a local government computer system or database and the use of a computer to perform at least 25 percent of the employee's or official's required duties must complete a certified artificial intelligence (AI) training program; (2) the governing body of a local government may select the most appropriate certified AI training program for employees and officials to complete; (3) the Department of Information Resources, in consultation with the cybersecurity council and interested persons, shall, among other things, annually certify at least five AI training programs for state and local government employees and update standards for maintenance of certification by the AI training programs; and (4) to apply for a criminal justice related state grant, a local government must submit with the grant application a written certification of the local government's compliance with certified AI training.

Ed Code 11, GC 772 and 2054

Effective 9/1/25

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# SB 1964

## **Relating to the regulation and use of artificial intelligence systems and the management of data by governmental entities.**

Amends some sections of GC 2054 and adds additional sections with requirements related to used of artificial intelligence and management of data by governmental entities. Among other things, it requires a code of ethics and disclosures by vendors.

GC 2054

Effective 9/1/25

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# You Also May Want to Know

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## HB 3372

**Relating to prohibiting certain personal services performed by school district administrators: providing a civil penalty.**

Would prohibit a school administrator from performing personal services or receiving any financial benefit for the performance of personal services for:

- Any business that conducted or solicited business with school district
- An education business that provided services regarding the curriculum or administration of any school.
- Another school district, charter school, or regional ed service center

Education Code 11 Subchapter A

Effective immediately

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## SB 783

**Relating to certain regulations adopted by governmental entities for the construction or alteration of residential or commercial buildings.**

Applies in specific circumstances to construction and alteration of residential or commercial buildings

GC 3000

Effective 9/1//25

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## SB 843

**Relating to a Texas Education Agency database of school district and open-enrollment charter school bonds, taxes, and bond-related projects.**

Requires the Texas Education Agency (TEA) to create a database with information on school district bonds and taxes. This database will include details like bond amounts, election results, tax rates, and how money is spent. The goal is to make school district financial information more transparent and accessible to the public.

Ed. Code 45

Effective 9/1/25

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## SB 995

**Relating to the approval of a surety bond for a contract authorizing an oversize or overweight vehicle to cross a road or highway.**

Updates the approver of the bonds to be the Texas Department of Transportation rather than the comptroller and attorney general.

Transportation Code 623

Effective Immediately

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## SB 1188

**Relating to electronic health record requirements; authorizing a civil penalty.**

Relating to electronic health record requirements. See details and note: if this bill passes, government agencies procuring EHR systems or related services may face new compliance checks, vendor limitations, and potential cost increases. Agencies will need to update RFPs and contracts to align with these data security and record-keeping requirements

Health and Safety Code

Effective 9/1/25

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# Governor's Executive Order

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## Executive Order GA-48

[Executive Order GA-48](#) establishes a new certification requirement for all executive agencies that are controlled by gubernatorially appointed heads and all public institutions of higher education contracting for goods or services.

Below is the **standard text** that must be included in solicitations and is recommended for contracts by state agencies and higher education institutions subject to the executive order. This clause and related guidance will be incorporated into Version 4.0 of the Texas Procurement and Contract Management Guide (TxPCMG):

*Respondent certifies that neither it, nor its holding companies or subsidiaries, is:*

- (a) Listed in Section 889 of the 2019 National Defense Authorization Act;*
- (b) Listed in Section 1260H of the 2021 National Defense Authorization Act; or*
- (c) Owned by the government of a country on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R Section 791.4; or*
- (d) Controlled by any governing or regulatory body located in a country on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R Section 791.4.*

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# Executive Order GA-48

## Guidance

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**EXCEPTION:** This clause is recommended for every contract but constitutes an essential clause for solicitations.

If the good or service is necessary to fulfill a core function that directly benefits Texans, and the good or service can only be provided by an entity that could not make the certification, an agency may contract with the entity through Nov. 19, 2025.

**Effective Date** Per the Office of the Governor, agencies that report to the governor and public institutions of higher education shall be in compliance of the executive order and submit a certification of compliance with all applicable aspects of the executive order to the budget and policy Advisor at the Office of the Governor that oversees that submitting agency. The certification of compliance must be submitted by Aug. 1, 2025.

**Agency Considerations** Executive Order GA-48 applies **only to state agencies that report to the governor and public institutions of higher education**. Agencies that do not report to the governor are not required to take action based on this order.

For questions regarding Executive Order GA-48 and its implementation, please contact the Office of the Governor.

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# Watch Dates Carefully

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Watch the dates for implementation of the requirements in bills that passed into law. Bills do not all have the same effective date. Also start planning now to update your Policy and Procedures Manual. You don't want to miss an important deadline!

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# Official Updates to Statutes

The below is the header on the statutes **NOW**. Watch for it to say 89<sup>th</sup> session. Could be as late as January 2026 before the new and updated statutes are on this official site.

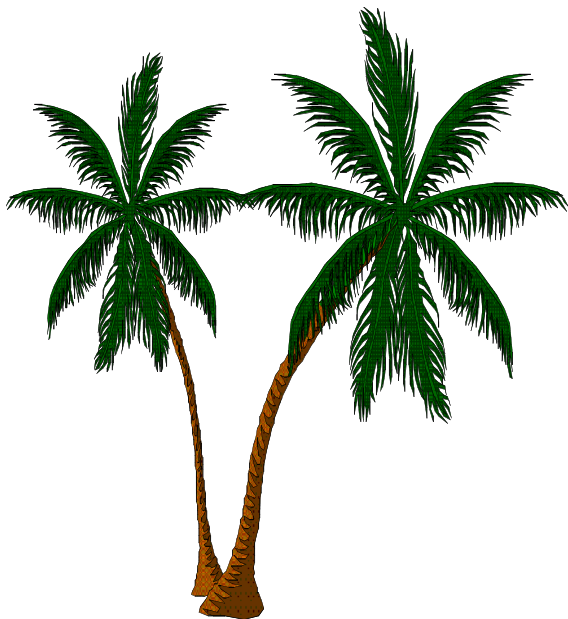
<https://statutes.capitol.Texas.gov>



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# SUMMER SESSION 2025

## THE WHYS OF REQUEST FOR QUALIFICATIONS



### **SPEAKERS:**

**Carol Cooper**  
**Narita Holmes**

# THE WHYS OF REQUEST FOR QUALIFICATIONS

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

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

Summer Session 2025

N&C Consulting  
Government Procurement & Compliance

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Texas  
Public  
Purchasing

Requests for Qualifications  
(RFQ)

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Why Use an RFQ



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Why Use an  
RFQ?

**Encourages Fair Competition –**  
RFQs allow entities to assess  
vendors based on merit, ensuring  
the best-qualified professionals are  
selected.

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## Why Use an RFQ?

**Enables Better Project Outcomes** – Selecting vendors based on qualifications rather than price can lead to higher-quality work and fewer project delays.

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## Why Use an RFQ?

**Ensures Expertise and Competence** – Specifying the type of experience needed, asking for and checking references, determining the ability to provide advise (value add), verifying past successes, and requiring specific project centric information helps establish if the vendor is legally fit, qualified and capable.



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## Why Use an RFQ?

**Provides Legal Compliance** – Texas statutes outline specific procurement procedures, including RFQs, to maintain transparency and accountability in public purchasing.

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Now, How Do We Do That?



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## How about the How?

### **Encourages Fair Competition**

- Structure RFQ to allow for fair and transparent evaluation process based on predefined criteria
- Ensure equal access to information
- Provide opportunity open to all
- Allow vendors to recommend solutions, ask questions, seek clarification, share expertise

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## How about the How?

### **Enable Better Project Outcomes**

- Awardee selected on qualifications
- Higher-quality work
- Fewer project delays
- Ability to deliver project successfully



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## How about the How?

### **Ensures Expertise and Competence**

- Require clearly defined qualifications and demonstrated competence.
  - Avoid jargon and ambiguous terms
  - Complete scope of work with clear details
  - Comprehensive “must have” details

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## How about the How?

### **Ensures Expertise and Competence**

- Evaluate qualifications thoroughly.
  - Outline how responses will be scored
  - Focus on qualifications, experience, expertise, and competence rather than cost
  - Required/desired qualifications fit the scope
  - Describe how vendors are to demonstrate competence
- Ensure criteria set by Texas law.
  - Follow statute mandates to maintain transparency and fairness

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## How about the How?

### **Provides Legal Compliance**

- Know what statute applies to your entity?
  - Local Governmental Entities - Government Code 2254, 2269
  - School Districts and Community Colleges - Texas Education Code 44.031
  - State and Higher Education - Government Code 2155.001 (2) (A)
- Advertise/post
- Avoid compliance challenges, disputes and VOIDED contracts

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## Evaluation: Key to Selecting Best Value

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## Examples of Evaluation Criteria

1. **Relevant Experience** – Demonstrates the vendor's ability to handle similar projects successfully, reducing risks.
2. **Technical Expertise** – Ensures the vendor has the necessary skills and knowledge to meet project requirements.
3. **Qualifications of Key Personnel** – Confirms that the team members assigned to the project have the right credentials and experience.
4. **Project Approach** – Shows how the vendor plans to execute the project efficiently and effectively.

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## Examples of Evaluation Criteria

5. **Past Performance** – Provides insight into the vendor's track record, helping agencies avoid unreliable contractors.
6. **Compliance with Legal and Regulatory Requirements** – Ensures adherence to Texas procurement laws, preventing legal issues.
7. **Capacity and Resources** – Confirms the vendor has the necessary workforce, equipment, and financial stability to complete the project.
8. **References and Client Feedback** – Offers third-party validation of the vendor's reliability and quality of work.

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## Evaluation Criteria Best Practice

**Weighted Criteria** – Carefully determine the importance of each criterion and weigh accordingly to highlight success aspects.

**Evaluation Criteria Support** – Tie criteria back to the section of the solicitation applicable for clarification.

Careful attention to the criteria language and the weights plus the clarity of the Entity's wants and needs, can help avoid the following:

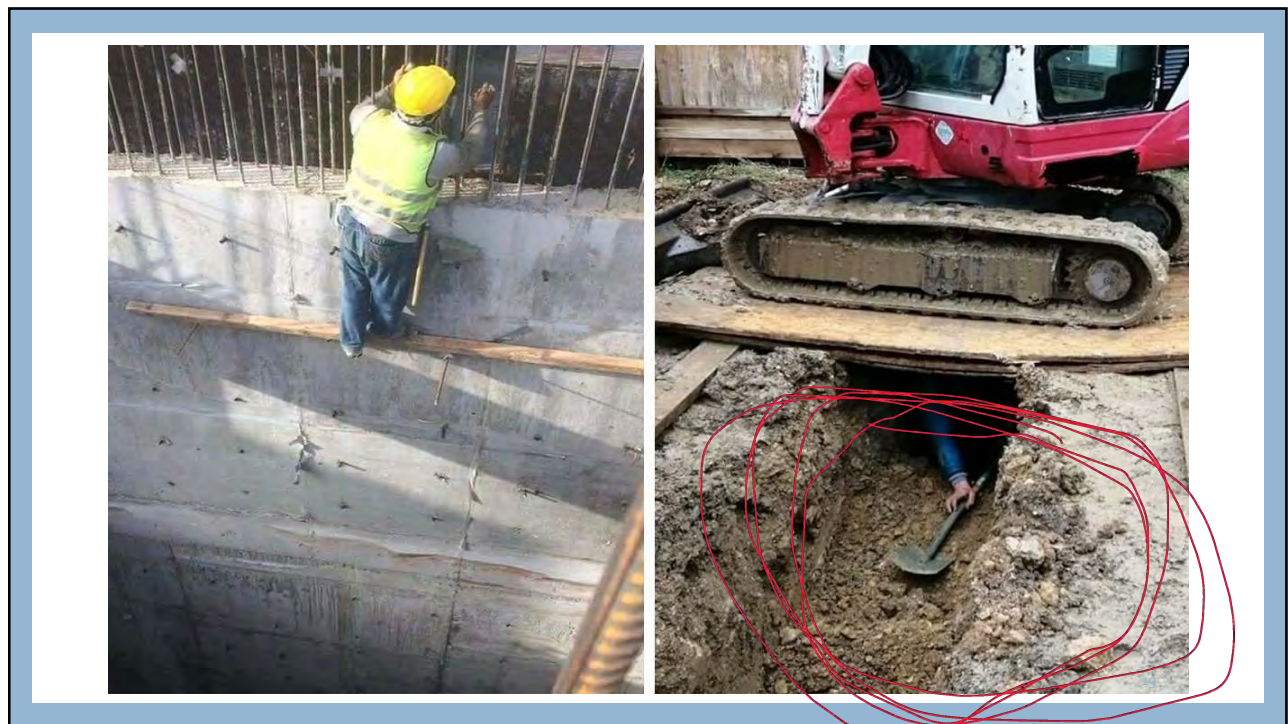
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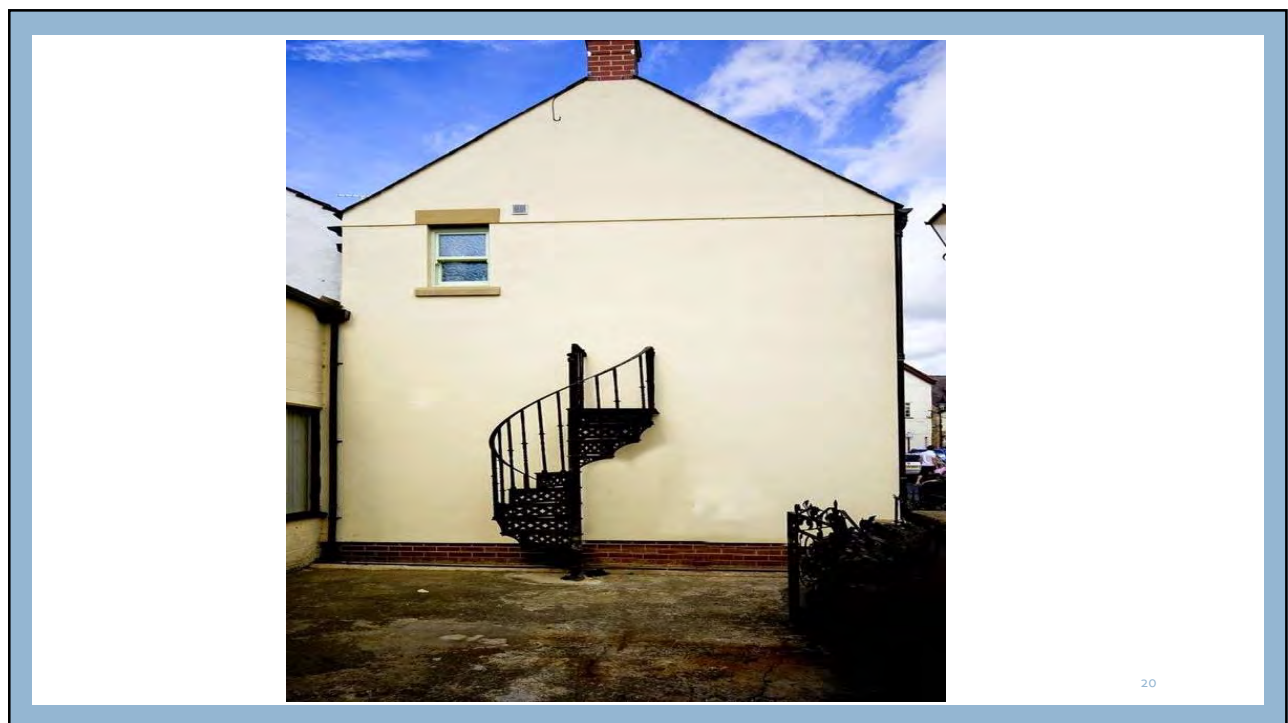


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## Mistakes to Avoid



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## Common RFQ Mistakes to Avoid

1. **Vague or Incomplete Scope** – If the RFQ lacks clear details about the project or services needed, vendors may struggle to provide relevant qualifications.
2. **Unclear Evaluation Criteria** – Failing to specify how submissions will be assessed can lead to confusion and inconsistent evaluations.
3. **Overly Restrictive Requirements** – Setting unrealistic or overly specific qualifications may limit competition and exclude capable vendors.
4. **Ignoring Legal Compliance** – Not following Texas procurement laws can result in challenges or contract disputes or VOID contracts.

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## Common RFQ Mistakes to Avoid

5. **Poorly Defined Submission Guidelines** – If formatting, deadlines, or required documents are unclear, vendors may submit incomplete or non-compliant responses.
6. **Lack of Transparency** – Not providing enough information about the selection process can lead to concerns about fairness.
7. **Failure to Allow Vendor Questions** – Not offering a Q&A period can result in misunderstandings and lower-quality submissions.
8. **Rushing the Process** – Setting unrealistic deadlines may prevent vendors from preparing thorough responses.

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## RFQ Pros and Cons

### **PROS**

Selection criteria targets skills, competency and qualifications

### **CONS**

Cannot know proposed price with initial response

Hard to get specification language “just right”

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## Valuable Tool

Requests for Qualifications can be a valuable tool to ensure your entity bases vendor selection on the best available information tailored to your specific project.



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# THANK YOU

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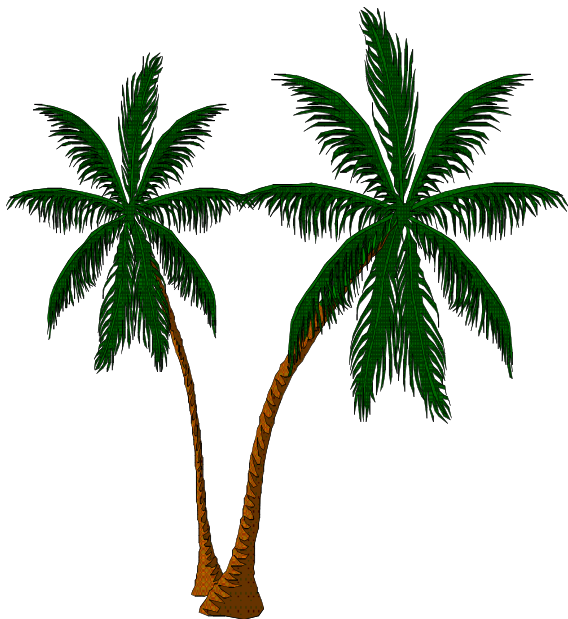


The materials provided in this presentation and any comment or information provided by the presenter are for educational purposes only and nothing conveyed or provided should be considered legal advice. Please contact your own attorney with any specific questions you have related to the information provided that are of legal nature.

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# SUMMER SESSION 2025

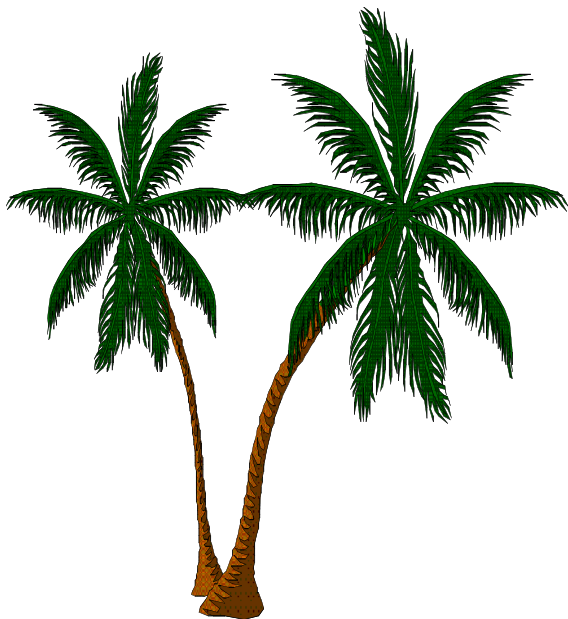
## VENDOR PRESENTATIONS



**SPEAKERS:**

# SUMMER SESSION 2025

## FRAUD ENTRAPMENT



**SPEAKER:**

**Phillip Vasquez**

# **FRAUD ENTRAPMENT**

**“Risk, Compliance, Opportunity, Ethics and  
Fraud”**

**Date: June 25, 2025**

---

**By: Phillip Vasquez  
Managing Director  
Phillip Vasquez and Associates**

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## **Five Parts: In Combat Fraud in Contracting**

1. Samples of Fraud
2. Who Investigates Fraud
3. What Causes Fraud
4. What Can We Do to Prevent Fraud
5. Discussion or Questions

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# FBI

## Public Corruption



- Investigating violations of federal law by public officials at the federal, state, and local levels of government;
- Overseeing the nationwide investigation of allegations of fraud related to federal government procurement, contracts, and federally funded programs;
- Combating the threat of public corruption along the nation's borders and points of entry in order to decrease the country's vulnerability to drug and weapons trafficking, alien smuggling, espionage, and terrorism.
- Addressing environmental crime, election fraud, and matters concerning the federal government procurement, contracts, and federally funded programs.

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## Procurement Fraud



The Procurement Fraud Division supports the overall NCIS mission by safeguarding the Department of Navy's (DON's) major acquisition programs and responding to allegations of corruption, financial fraud, and product substitution. NCIS has a dedicated group of Special Agents who specialize in investigating abuses in the procurement process. Many of these agents are embedded in other Naval commands. By reducing the threat of procurement fraud and product substitution, the DON will realize important cost savings and successfully procure quality products that meet safety standards for the war fighter, resulting in increased military readiness.

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## General Fraud Indicators

1. Contractor intentionally delays inception of audit
2. Contractor delays in producing requested data or documents
3. Contractor documents are all photocopies rather than originals
4. Contractor files, reports, data, or invoices are "missing"
5. Contractor refuses to provide access to records
6. Contractor has high turnover of management
7. Key personnel have been reassigned or terminated
8. The organizational structure is overly complex
9. Contractor has a lack of segregation of duties
10. Contractor has experienced financial difficulties/layoffs
11. Financial assertions lack support
12. Unusual variances between estimates and actual assertions
13. Documents have been altered
14. Attorney involvement relative to routine audit matters and access to records

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## Types of Fraud

1. Bid Rigging
2. Collusion
3. Bribery
4. Kickbacks
5. Conflicts of Interest
6. Mischarging Costs
7. Price Reduction Violations
8. Charging for Products Not Used or Services Not Rendered
9. Products/Services Substitution with Inferior Products or Labor

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# Bid Rigging

1. Bid Suppression: One or more competitors agree not to bid, or withdraw a previously submitted bid, so a designated bidder is ensured to win. In exchange, the non-bidder may receive a lucrative subcontract or payoff.
2. Complementary Bidding: Bidders submit bids which are intentionally high or which intentionally fail to comply with bid requirements in order to give the appearance of competition where it does not exist.
3. Bid Rotation: Competitors, based on a pre-established agreement, take turns submitting the lowest (winning) bid on a series of contracts.
4. Customer or Market Division: Competitors divide customers or geographic locations. Competitors do not bid or submit only complimentary bids for customers or geographic areas not assigned to them.

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# Indicators of Bid Rigging

Companies submit bids with identical individual line items or lump sums

1. Bids greatly exceed the agency's estimate of contract value or exceed comparable bids by the same companies in other areas similar in demographics
2. Winning bidder awards subcontracts to one or more of the losing bidders
3. There is an indication of last minute alteration of bids
4. A large gap exists between the winner's proposed pricing and losing bidders' pricing
5. All bids are very close in price (indicates that competitors may be communicating and sharing bidding information)
6. All bids are consistently high
7. Multiple bids have relatively the same increment in pricing

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## More Indicators of Bid Rigging

1. A company gives different bids for the same line item on different contracts that are close in time
2. Evidence indicates that multiple bids may have come from the same individual (such as same spelling or mathematical errors, same handwriting, same address, same fax or phone numbers, or bids appear poorly prepared)
3. Qualified bidders inexplicably withdraw valid bids, especially if multiple bids are withdrawn in the same time frame
4. Qualified bidders do not submit bids
5. Prices inexplicably drop when a new bidder (most likely uninvolved in the scheme) enters the bid
6. Competitors seem to interact and communicate with each other frequently when bids are due
7. Patterns in behavior exist such as a certain contractor always or never wins a bid, or all contractors win an equal volume of business/contracts over time
8. Patterns exist in which contractors seem to win most contracts in specific geographical area
9. Same bidders always bid against each other or never bid against each other
10. Different bidders appear to specialize in government jobs exclusively

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## Indicators of Collusion

1. Market characteristics such as a concentrated market dominated by a few major players and high barriers to entry
2. Markets involve standardized products or common product substitution
3. Competitors announce price increases at the same time, for the same amount, or have staggered price increases with some common pattern, such as appearing to take turns going first
4. Competitors all offer the same discount and refuse to negotiate lower discounting
5. Competitors have same pricing for line items
6. All suppliers' prices appear uniform and suppliers refuse to negotiate those prices

**Note: Many of the indicators for bid rigging may also be applicable to collusive activity.**

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## Be A Scout and Take the Pledge

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**BE PREPARED  
BE HONEST  
HAVE INTEGRITY  
BE VIGILANT  
SPOT AUDIT  
CHECKS AND BALANCES**

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## 8 Steps to Prevent Procurement Fraud

While procurement fraud may be hard to spot, there are a number of steps you can take to mitigate the risk.

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- 1 - Create An "Approved" Vendor List or Awarded Contract List.**
- 2 – Separate Job Responsibilities.**
- 3 - Look Out for Cliques.**
- 4 – Establish A Hot Line for Whistle-Blowers-BLOWERS.**
- 5 - Do The Parking-Lot Test.**
- 6 - Get Insurance.**
- 7 – Spot Audit.**
- 8 – Be Vigilant.**

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## Create An “Approved” Vendor Database

1. “Organizations NEED a system to verify each vendor to make sure the company exists.
2. Once that is done, that vendor is put into the 'approved vendor list,'" says Joel Bartow, director of fraud prevention at ClientLogic, a business process outsourcer based in Nashville, Tenn.
3. "No invoice should be paid to any vendor who is not on the approved list—and at the address that has been verified.
4. A Web site does not mean there is a company, nor does an answering machine.
5. A phone listing is a good clue; so is a conversation with a real receptionist.
6. One red flag is when invoices are submitted but have not been folded, which means they have not been mailed—rather, they have been created at the office and slipped into the system."
7. That said, sometimes even a company on the approved list can prove to be a shadow operation.

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## Watch Out for Employee Fraud

1. 26% of Businesses DO NOT Audit for Procurement Fraud
2. Fraud Prevention was a Top Priority of 82% of Senior Management Leaders in 2023
3. 39% of Companies Experienced Issues With Suppliers as a Result of Fraud
4. 96% of US Companies Experienced at Least 1 Fraud Attempt in 2023

Source: [Trustpair](#)

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Checks before order placement, payments, or periodic reviews are often overlooked

**When Does Your Organization Require Account Validation for a Supplier**

1. 74% When On-Boarding a New Supplier
2. 20% Before Purchasing can Place an Order
3. 20% In Real Time, With Every Payment Initiated
4. 20% Once In a While, Just to Check
5. This is private companies, but How do you stack Up?
6. Should We Be More Vigilant?

Source: [Trustpair](#)

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## SEPARATE JOB RESPONSIBILITIES

1. One of the underlying enablers of procurement fraud is a lack of separation of job responsibilities, says Cary Meiners, second vice president of financial and professional services at St. Paul Travelers, an insurance company in St. Paul, Minn.
2. "For example, you can't have the same person approving contracts and doing the audits," Meiners says.
3. "There are no checks and balances in place in that kind of a situation."
4. In companies undergoing mergers and acquisitions or accelerated growth, he adds, these checks and balances are particularly likely to fall by the wayside, leaving the organizations vulnerable.

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## LOOK OUT FOR CLIQUES

1. In many cases, according to Karen Schnatterly, a white-collar-crime expert at the University of Minnesota's Carlson School of Management, fraud comes about when there's a tight clique within an organization, especially one in which the members feel entitled and perhaps a little smarter than anyone else in the room.
2. The Association of Certified Fraud Examiners (ACFE) concurs, noting that when more than one person commits fraud, the median loss rises dramatically.
3. "When multiple perpetrators conspire to commit a fraud, this makes it easier to circumvent anti-fraud controls," the ACFE said in its latest fraud report.
4. Employees should not have close Relationships with Vendors

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## ESTABLISH A HOT LINE FOR WHISTLE-BLOWERS

1. **Sarbanes-Oxley dictates that companies establish confidential reporting mechanisms for employees.**
2. **The ACFE reports that fraud is much more likely to be detected by a tip from employees than from internal or external audits.**

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## DO THE PARKING-LOT TEST

1. If a \$90,000-a-year I.T. manager comes to work in a \$50,000 automobile, as allegedly did several of the men in the ERCOT case, or lives in a multimillion-dollar mansion, it might be a clue that all is not kosher with said manager's finances.
2. Are employees or contractors appear to be living beyond their means.

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## GET INSURANCE

1. If you don't have it already, take out what's called employee dishonesty fraud insurance.
2. An Agency had such a policy in place prior to its fraud problems, has recovered much of what it lost. "We were fortunate and had a responsive carrier," says Rich Erstad, the company's general counsel.
3. Meiners says that in applying for this kind of policy, companies have to answer 40 to 50 questions about what kinds of financial controls and procedures they have in place.
4. "Even if a company says it doesn't want to take the insurance, we encourage them to respond to the questions," he explains. It forces a company to think about the ways in which it's vulnerable.

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## Spot Audit

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1. **Spot Checking Inventory**
2. **Spot Check Petty Cash or P-Cards on a Regular Basis.**
3. **Special Funds Need Extra Attention.**
4. **Some Companies Require Employees Handling Money to Take a Week's Vacation and Someone Else Works Their "Desk."**
5. **Fraud is Often Detected When An Employee Leaves.**

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## Be Vigilant

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1. **Do Not Forget that You are Stewards of the Public Trust.**
2. **Do Not Let Vendors Get to Close.**
3. **Watch the "Line," There is no Gray Area.**
4. **Watch The Employees of Your Department and Your Organization.**
5. **It is a Crime of Opportunity and Desire.**

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## Be Vigilant (cont'd)

6. Limit the Opportunities.
7. Is It Stealing in a Forest When No One Can See Them.
8. Remember It Can Happen Anywhere and Anytime.
9. Work each others "Desk" to See What Turns Up
10. IT CAN ALSO HAPPEN TO 'GOOD PEOPLE' CAUGHT IN A BAD SITUATION.

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## Remember...

1. Procurement Fraud Costs the Economy Upwards to 9% of Your Spend.
2. What Can you do with an Extra 9 percent to Spend? Not For You but For Your Organization.
3. It Can Be Anyone.
4. Rule Breakers Can Be Socio-Paths. The Rules Do Not Apply To Them and They Deserve More.
5. DO NOT FIND YOURSELF BEING INTERVIEWED BY THE FBI OR ON THE FRONT PAGE OF THE NEWSPAPER.

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## Document Source: On Stats

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Trustpair **White Paper:**

Fraud in the Cyber Era: 2024 Fraud Trends and Insights

Source: [Trustpair](#)

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## Don't Be a Fireman

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**Once the FRAUD Fire Starts Everyone gets Burned!**

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# The End

## **Success and Victory**

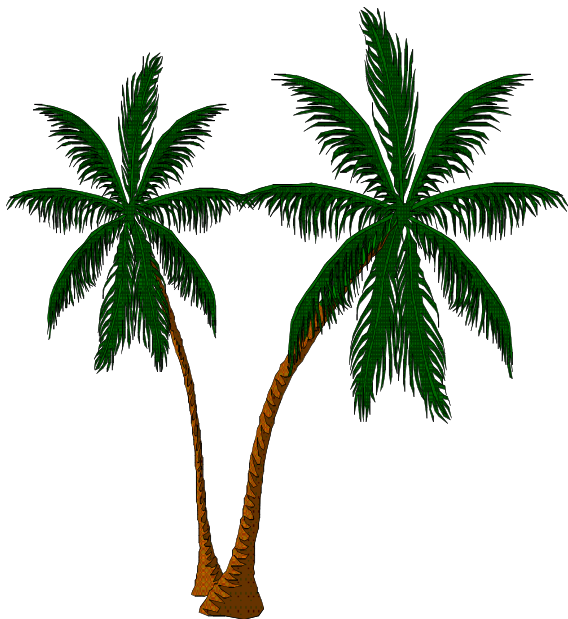
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By: Phillip Vasquez  
Managing Director  
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27

# SUMMER SESSION 2025

## **VENDOR CONTRACTS - THE LATEST WAYS VENDOR CONTRACTS CAN HIDE HIDDEN PITFALLS. PROVISIONS TO WATCH FOR AND ELIMINATE**



**SPEAKER:**

**Mike Saldana**

# HIDDEN PITFALLS IN VENDOR CONTRACTS

Presented by: Miguel A. Saldaña  
Attorney



WALSH GALLEGOS  
TREVIÑO KYLE & ROBINSON P.C.

1

## COVERING THE BASICS

### WHAT MAKES A CONTRACT?

- ☐ **OFFER MADE AND ACCEPTED**
  - WRITING REQUIRED?
- ☐ **BARGAINED FOR EXCHANGE**
  - GIFT OF PUBLIC FUNDS – NO DONATIONS (EVEN FOR A GOOD CAUSE!)
- ☐ **BY COMPETENT PARTIES**



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2

# DOCUMENTING THE PARTIES' INTENT

## ☐ DOES THE CONTRACT HAVE ANY OF THESE ?

- ATTACHMENTS (INCLUDING ELECTRONIC)
- EXHIBITS
- ADDENDUMS
- WAIVERS
- LIMITATIONS
- DISCLAIMERS
- Check the Back of the Pages
- Check Links and Print
- Rogue Terms and Conditions
- “Incorporated by Reference”

# DOCUMENTING THE PARTIES' INTENT

- ☐ SPECIFICATIONS (KIND OF GOODS/SERVICES)
- ☐ EXPECTATIONS (SERVICE)
- ☐ COMPLETION
- ☐ TERMINATION/DEFAULT
  - CONVENIENCE
  - NON-APPROPRIATION
  - COOPERATION
  - CURE PERIOD

# GENERAL TERMS & CONDITIONS

## ❑ THE GENERAL TERMS AND CONDITIONS GOVERN ANYWHERE FROM 50-80% OF HOW THE CONTRACT WILL BE CARRIED OUT

- THESE ARE OFTEN OVERLOOKED BECAUSE THEY DO NOT RELATE TO THE SPECIFICS OF THE CONTRACT
- BUYERS TEND TO FOCUS ON THE SPECIFICS OF THE CONTRACT
  - QUANTITY OF GOODS/SERVICES
  - DESCRIPTION (MODEL AND/OR BRAND)
  - DATES OF DELIVERY
  - PRICE

# GENERAL TERMS & CONDITIONS

## ❑ THE GENERAL TERMS & CONDITIONS WILL GOVERN THE OVERALL RESPONSIBILITIES AND OBLIGATIONS OF THE PARTIES TO CARRY OUT THE INTENT OF CONTRACT

# THE HIDDEN GENERAL TERMS & CONDITIONS

## ❑ MOST OF TODAY'S CONTRACTS ARE PROVIDED IN ELECTRONIC FORM

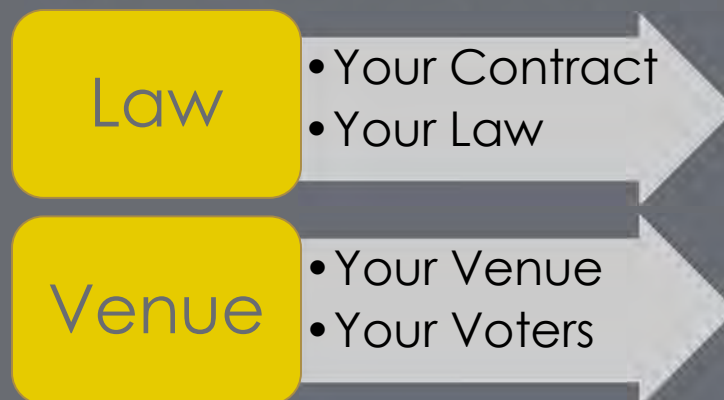
- DOES THE CONTRACT HAVE ANY LINKS?
  - "CLICK HERE TO VIEW GENERAL TERMS & CONDITIONS"
  - BY CLICKING YOU ARE OFTEN SENT TO THE VENDOR'S GENERAL WEBSITE WHERE YOU WILL OFTEN HAVE TO SEARCH FOR THE GENERAL TERMS & CONDITIONS
- DOES THE CONTRACT REFER YOU TO WEBSITE?
  - GO TO [WWW.VENDOR.COM](http://WWW.VENDOR.COM) TO VIEW THE GENERAL TERMS & CONDITION
  - AGAIN, YOU WILL HAVE TO EXPLORE THE VENDOR'S WEBSITE FOR THE GENERAL TERMS & CONDITIONS
- DOES THE CONTRACT HAVE EXHIBITS?
  - SEE EXHIBIT 5 ATTACHED FOR GENERAL TERMS & CONDITIONS
  - THESE EXHIBITS ARE OFTEN IN SINGLE SPACED AND IN FINE PRINT
- DOES THE CONTRACT STATE "GENERAL TERMS & CONDITIONS INCORPORATED BY REFERENCE"
  - REFERENCE TO WHAT?
- INCORPORATING WEBSITES OR SEPARATE ELECTRONIC DOCUMENTS BECOMES A CHORE AND IS OFTEN OVERLOOKED

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# RISK ALLOCATION AND REMEDIES

## ❑ CHOICE OF LAW AND VENUE



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# RISK ALLOCATION AND REMEDIES

- ❑ DON'T ACCEPT GOODS WITHOUT INSPECTION AND SATISFACTION
- ❑ NO PRE-SIGNATURE ON CERTIFICATES OF ACCEPTANCE
- ❑ ACCEPTANCE ONLY BY SIGNATURE OF AUTHORIZED PERSON

# RISK ALLOCATION AND REMEDIES

THIS MAN IS WHY YOU NEED TO ADDRESS INSURANCE COVERAGE!

- ❑ **REQUIRE ADEQUATE INSURANCE LIMITS/DEDUCTIBLES**
  - PRIMARY COVERAGE
  - GOV'T ENTITY AS ADDITIONAL INSURED (GL & AUTO)
- ❑ **REQUIRE ADEQUATE PROOF OF INSURANCE**
  - POLICIES VS. CERTIFICATES OF INSURANCE
- ❑ **MANDATE QUALITY OF INSURER**
  - TEXAS LICENSED COMPANY
- ❑ **REQUIRE NOTICE OF CHANGE OR CANCELLATION**
- ❑ **INCLUDE WAIVER OF SUBROGATION**





# RISK ALLOCATION AND REMEDIES

## ❑ PUBLIC ENTITIES MAY NOT INDEMNIFY

- GIFT OF PUBLIC FUNDS
- UNLIQUIDATED DEBT

## ❑ CONDITION OR STRIKE INDEMNITY PROVISIONS

## ❑ INDEMNITY

- WHAT IS IT?
- WHO PROVIDES IT?
- WHY IS IT IMPORTANT?



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# RISK ALLOCATION AND REMEDIES

## ❑ ADDRESS GOVERNMENTAL IMMUNITY

- LOCAL GOVERNMENT CODE CHAPTER 271, WAIVES SOVEREIGN IMMUNITY TO SUIT FOR BREACH OF CONTRACT.
- INCLUDE A PROVISION CONFIRMING DISTRICT'S NON-WAIVER OF OTHER IMMUNITIES (NOT ASSOCIATED WITH BREACH OF THE CONTRACT).

## ❑ LEGAL FEES PROVISIONS

- LOCAL GOV'T CODE ALLOWS AN AWARD OF "REASONABLE AND NECESSARY ATTORNEY'S FEES THAT ARE EQUITABLE AND JUST" .

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# PROTECTION THROUGH PROVISIONS

## ☐ DISPUTE RESOLUTION

- AVOID BINDING ARBITRATION
- AVOID WAIVING RIGHT TO JURY TRIAL
- ENCOURAGE MEDIATION

## ☐ DAMAGES

- BE AWARE OF LIABILITY LIMITATION AND CAPS
- LIMIT THE CONTRACTOR CONSEQUENTIAL DAMAGES
- AVOID WAIVERS OF CONSEQUENTIAL DAMAGES BY DISTRICT
- LIQUIDATED DAMAGES IMPORTANT WITH CRITICAL DEADLINES

# PROTECTION THROUGH PROVISIONS

- ☐ REMOVE PROVISIONS ALTERING THE STATUTE OF LIMITATIONS
- ☐ AVOID DISCLAIMERS OF WARRANTY
- ☐ INCLUDE CLEAR LANGUAGE DEFINING THE RELATIONSHIP
- ☐ CONSIDER A NON-ASSIGNMENT/NON-DELEGATION CLAUSE

# PROTECTION THROUGH PROVISIONS

## ❑ PUBLIC ENTITIES CANNOT GUARANTEE CONFIDENTIALITY

- ALL AGREEMENTS ARE PUBLIC INFORMATION SUBJECT TO THE TEXAS PUBLIC INFORMATION ACT UNLESS A SPECIFIC EXCEPTION APPLIES

## ❑ INCLUDE DISCLOSURE AND NOTICE OF THE PUBLIC INFORMATION ACT IN PROCUREMENT DOCUMENTS



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# SOLUTION TO VENDOR'S GENERAL TERMS & CONDITIONS

## HAVE YOUR OWN GENERAL TERMS & CONDITIONS

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# INCORPORATE INTO YOUR SPECIFICATIONS

**INCLUDE IN YOUR PROCUREMENT LANGUAGE THAT THE VENDOR, BY SUBMITTING A BID, PROPOSAL, SEALED PROPOSAL OR LIST OF QUALIFICATIONS AGREES, UPFRONT, TO THE GOVERNMENTAL ENTITY'S GENERAL TERMS & CONDITIONS**



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## KEY ELEMENTS OF ENTITY'S GENERAL TERMS & CONDITIONS

### **YOUR GENERAL TERMS & CONDITIONS SHOULD AT LEAST INCLUDE:**

- Texas law shall apply
- Venue shall be in the entity's county
- The entity, under no circumstance, agrees to indemnify the vendor
- Mediation shall be encouraged; however, binding arbitration shall not apply
- Renewal of contracts is subject to good faith effort to budget funds but otherwise, automatic renewals are prohibited.
- Require that the vendor submit a contract for your review or review by legal



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# NEGOTIATING LEVERAGE

**GOVERNMENTAL ENTITY'S GENERAL TERMS & CONDITIONS, AS PART OF THE PROCUREMENT SPECIFICATIONS, GIVE YOU THE MOST LEVERAGE TO NEGOTIATE WITH VENDORS. AFTER A CONTRACT HAS BEEN AWARDED THE LEVERAGE SWITCHES TO THE VENDOR AND TO THE FACT THAT THE BOARD OR COMMISSION HAS ALREADY APPROVED THE VENDOR.**

## BASIC CONTRACTS CHECKLIST

### **Purchasing Procedures Followed?**

- ☐ Have the applicable procurement laws, as well as district Regulations policies and procedures been followed?
- ☐ Was a form of Agreement or contract terms and conditions included in the procurement documents? If so, does the proposed Agreement conform to the procurement requirements?

### **Do I Have The Entire Agreement?**

- ☐ Is the Agreement complete (i.e., are all pages accounted for and have all exhibits and attachments been provided)?

### **Parties.**

- ☐ Are all references to the parties, including references in (1) the first paragraph of the Agreement, (2) the abbreviations or defined terms referring to the parties, and (3) the signature blocks, accurate, complete and consistent?

### **Effective Date, Term and Termination.**

- ☐ Does the Agreement clearly state (1) the beginning or effective date, and (2) the ending or expiration date?
- ☐ Is there a Certificate of Acceptance or commercial term?
- ☐ Does the agreement create financial obligations for the district outside of the current budget year?
- ☐ If so, is there a multi-year source of funding such as a general revenue bond to fund the obligation or is a non-appropriation clause or a provision providing the district a right to terminate the contract for any reason or no reason?
- ☐ Does the contract clearly set out the "events of default" and time periods allowed for cure?

- ☐ Does the contract allow the district sufficient time to cure a default, taking into consideration how often the Board meets?

**Consideration/Payment Terms.**

- ☐ Does the Agreement clearly and accurately state the maximum amount that the district will be obligated to pay under the Agreement?
- ☐ Does the Agreement clearly establish place, time and method of payment?
- ☐ Does any benefit flow to any entity or individual other than the district?
- ☐ If so, is the predominant purpose to benefit the school district as a whole? Is the expenditure appropriate or conducive to conduct of a public school? Are there controls in place to insure that the benefit to the district is accomplished? Will the district receive a return benefit?
- ☐ If so, has the Board of Trustees adopted a written resolution making these findings and setting out facts that establish them?

**Goods and Services, Duties and Obligations.**

- ☐ Is a detailed Scope of Work included, which defines what is to be done, the completion date and what constitutes an acceptable result?
- ☐ If for a product or non-professional service is there a detailed list of specifications included, providing the criteria for performance design or both, or in the case of goods, quality, quantity and any other details?
- ☐ Are all duties and obligations of the district and the other party to the Agreement clearly stated so that all parties know: (1) what the duties and obligation of each party are, (2) how those duties and obligations will be performed, and (3) when those duties and obligations will be performed?

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**Representations, Warranties, Duties and Obligations.**

- ☐ Has the other party asked the district to represent or warrant anything other than (1) the district's authority to sign the Agreement, or (2) clearly supported and accurate factual information?
- ☐ Has another party asked the district to keep information confidential?
- ☐ If so, is information that party considers confidential adequately identified?
- ☐ Does the contract contain a provision stating that the information may be subject to release under the Texas Public Information Act?

**Insurance and Indemnity.**

- ☐ Has the other party asked the district to carry any kind or amount of insurance? If so, verify that the district can provide the coverage and, if not, delete or modify the requirement.
- ☐ Has the other party agreed to provide adequate insurance to the district based upon an evaluation of the risks associated with this contract?
- ☐ Does the Workers' Compensation Insurance require a waiver of subrogation?
- ☐ Are there requirements in the contract for the district to be named as an additional insured?
- ☐ Is there a requirement for notification in the event of change or cancellation?
- ☐ Is the insurance provider required to be licensed in Texas?
- ☐ Is the insurance company reputable? A- or better?
- ☐ Does the Agreement require the district to indemnify other parties to the Agreement from claims or liability or hold other parties to the Agreement harmless from claims or liability? If so, it should be deleted or conditioned "as permitted by Texas law..."
- ☐ Does the Agreement require other parties to the Agreement to indemnify the district from claims or liability or hold the district harmless from claims or liability?

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#### Remedies and Damages.

- ☐ Does the Agreement contain a limitation on or waiver of another party's liability?
- ☐ Does the Agreement contain the dispute resolution (arbitration or mediation) provision?
- ☐ Does the Agreement contain a provision that attempts to change or limit the time period during which the district may file a cause of action or lawsuit against the other party based on a breach of the Agreement?
- ☐ Does the Agreement contain a provision for Liquidated Damages? If so, does the per day amount roughly approximate the damages likely to fall upon the district in the event of delay in completion?
- ☐ Does the Agreement contain a provision waiving Consequential Damages? If so, is the waiver mutual?

#### Miscellaneous.

- ☐ Does the Agreement contain a provision selecting Texas law and local venue?
- ☐ Does the Agreement contain a provision confirming that the district does not waive its governmental immunity?

*The information in this Appendix was created by Walsh Gallegos Treviño Russo & Kyle P.C. It is intended to be used for general information only and is not to be considered specific legal advice. If specific legal advice is sought, consult an attorney.*

*This Checklist is not exhaustive, and is not tailored for any specific type of contract.*



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**Miguel A. Saldaña**  
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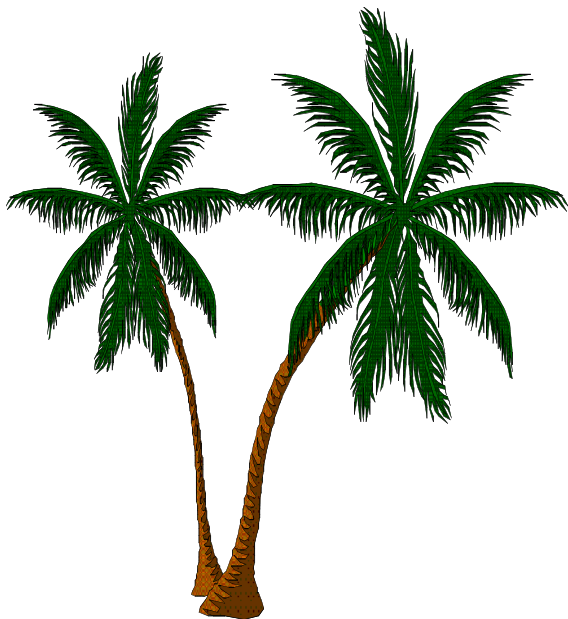


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# SUMMER SESSION 2025

## PURCHASING LAWS - 101 FOR CITIES



**SPEAKER:**

**Carol Cooper**



# PURCHASING LAW 101 FOR CITIES

Know the Basics of  
Purchasing Law

---

N&C Consulting  
Government Procurement & Compliance

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1

## Ice Breaking Questions

- Yesterday afternoon did you hear about a law you have more questions about?
- Anything in the other sessions so far that has you scratching your head?

2

## Ice Breaking Questions

- What challenges has remote working caused?
- Have you increased your use of COOPS?

3

What's on your mind?

4

Let's look at those laws and some of the specifics

5

## Why Can't We Just Buy It?

- ▣ State law requires that public entities:
  1. have specific legal authority to make the purchase
  2. meet the requirements of specialized purchasing statutes
  3. engage in competitive bidding
  4. meet certain budget and finance restrictions

6

## What are the Laws I Need to Know?

There are entity specific statutes that provide basic purchasing requirements:

- Cities: Local Government Code (LGC), Chapter 252
- Counties: LGC, Chapter 262
- All Local Governments LGC 271 (not Subchapter B)
- School Districts: Education Code, Chapter 44
- Higher Education: Education Code, Chapter 51
- State Agencies: Government Code, Chapters 2155-2158
- Special Districts: District enabling statutes

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## Is That All There Is? More Codes that affect us

**Local Government  
Code  
Government Code  
Education Code  
Code of Criminal  
Procedures  
Health and Safety  
Code  
Human Resources  
Code**

**Business and  
Commerce Code  
Transportation Code  
Penal Code  
Occupation Code  
Finance Code  
Labor Code  
Insurance Code**

8

## Is That All There Is?

You will also want to be familiar with the following laws:

LGC, Chapter 271—Purchasing and Contracting by Municipalities, Counties and Certain Other Local Governments

GC, Chapter 791—Interlocal Cooperation Act

GC, Chapter 2258—Prevailing Wage Rates

LGC, Chapter 140—Financial Provisions Affecting Local Governments

9

## Is That All There Is?

LGC, Chapter 171 and 176 - Regulation of Conflicts of Interest

Code of Criminal Procedures, Art. 18.17 - Disposition of Abandoned or Unclaimed Property

Code of Criminal Procedures, Art. 59.06 - Disposition of Forfeited Property

Human Resources Code, Chapter 122 - Council on Purchasing from People with Disabilities

GC, Chapter 2251—Prompt Payment Act

GC, Chapter 2269—Construction Procurement

GC, Chapter 2267/2268 - P3 Construction Method

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## Is That All There Is?

GC 2252, Subch. A—Nonresident Bidders

GC 2252, Subch. B—Interest on Retained Public Works Contract Payments

GC 2252, Subch. F – No Foreign Terrorists, Iran, Sudan

GC 2253—Public Work Performance and Payment Bonds

GC 2254—Subch. A—Professional and Consulting Services

GC 2270 & 808 - Israel Preference

Labor Code 406.096 - Worker's Compensation Agency and Texas Administrative Code Rule 110.110—Requirements for Worker's Compensation Coverage

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## Is That All There Is?

GC 2272 – no taxpayer resource transaction with an abortion provider or affiliate

GC 2274 – prohibits contracts with companies that discriminates against the firearm or ammunition industry (written verification) AND

Prohibits contracts or agreements with certain foreign-owned companies in connection with critical infrastructure

GC 2400 – no adverse action based on religious organization

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## How Do I Find the New Legislation Everyone is Talking About?

If you have a bill number, you may do a bill search at [www.capitol.state.tx.us](http://www.capitol.state.tx.us).

Recent legislation that impacts our member entities is summarized at:

<http://www.gpstraining.biz> news/events

Scroll to Legislative Watch

<http://txppa.org> Currently a red button on home page

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## What Are the Ways I May Legally Make Purchases?

For purchases under \$50,000 (under the legal bid limit for now) your specific law may have provisions that guide you in the methods to use.

Your entity may develop entity specific purchasing policies and procedures that are used for these purchases in compliance with your laws.

The policies and procedures generally should be approved by your governing body

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## What Are the Ways I May Legally Make Purchases?

Following the specific law under which you make purchases, for bids exceeding the legal bid limit (\$50,000), you may use the following methods:

**\$100,000 September 1, 2025**

Sealed Bids

Sealed Proposals (RFP, CSP)

Awarded Cooperative Contracts that were bid following state law

Various construction methods allowed under GC 2269

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## What Must I Consider When Using Bid or Proposal Methods?

- Which method is best for the type purchase you are making
- Keeping a level playing field for vendors—each provided the same information
- Specifications should not have bias toward any vendor
- Specifications govern what is desired and what may be considered in making award of contract
- HUB requirements

16



## What Must I Consider when Using Bid or Proposal Methods?

- Consider payment or performance bond and insurance requirements
- Advertise according to statute
- Open the sealed bids or proposals (paper and electronic) according to law
- Protect information contained in the submittals according to law
- Submit bids or proposals to the governing body for award according to law and local policy and procedures

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## What Must I Consider when Using a Request for Qualification? GC 2254

SHALL make selection and award

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

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## Additional Considerations

- Requests for exemptions from bidding
- Requests for a vendor to be considered a sole source
- Protect your department from protests and violations of the laws
- Determine how to work best with your user departments, governing body, vendors and the public

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## Where Else May I Find Help?

- TxPPA offers a “TxPPAconnect” where you may ask questions. All members are eligible to use the service. No question is a bad question. [www.txppa.org](http://www.txppa.org)
- Texas Municipal League [www.tml.org](http://www.tml.org)  
Texas Municipal Procurement Laws Made Easy  
[Microsoft Word - procurement\\_easy\\_final.docx](#) 2023
  - Nepotism Laws Made Easy (GC 573)
  - Public Information Act Made Easy
  - Ethics (covers wide area of Conflicts of Interest, Financial Disclosure (1295), Financial Disclosure Requirements, Prohibited Gifts and Nepotism)

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## THANKYOU N&C Consulting



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214-202-5903



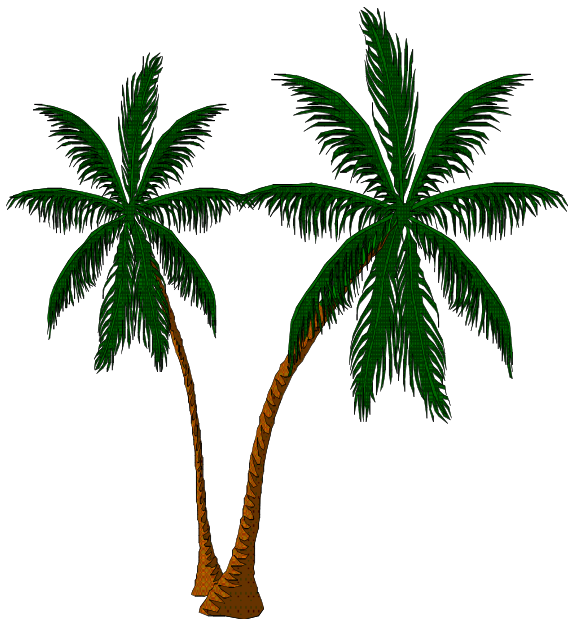
Narita Holmes, MBA, C.P.A., CIA  
[naritaholmes@utexas.edu](mailto:naritaholmes@utexas.edu)  
432-349-0116



The materials provided in this presentation and any comment or information provided by the presenter are for educational purposes only and nothing conveyed or provided should be considered legal advice. Please contact your own attorney with any specific questions you have related to the information provided that are of legal nature.

# SUMMER SESSION 2025

## PURCHASING LAWS - 101 FOR COUNTIES



**SPEAKER:**

**Narita Holmes**



# PURCHASING LAWS - 101 FOR COUNTIES

**Narita Holmes**

1



## What You Need to Know Before You Even Think About Buying

- ☐ Your Purchasing office's responsibilities
- ☐ YOUR responsibilities
- ☐ Authority and expenditure levels
- ☐ System(s) used to procure -  
Electronic/Manual/Purchase Orders/P-Cards
- ☐ Laws, Rules, Policies and Procedures
- ☐ Ethics
- ☐ Forms, Checklists, Flow Charts

2

# Your Purchasing Office's Responsibilities

## CORE RESPONSIBILITIES:

- Encourage Maximum Competition
- Fair, Open, Transparent
- Best Value/Lowest Price

3

# Your Responsibilities

## Job Description

- Perform a variety of statutory Purchasing duties
- Evaluate and monitor contract performance
- Act as liaison between County departments
- Demonstrate understanding of entire County
- Purchasing office operations



## Beyond Job Description

WHO	WHAT
WHERE	WHEN
WHY	HOW

4



## Why Can't We Just Buy It?

State law requires that public entities:

1. have specific legal authority to make the purchase
2. meet the requirements of specialized purchasing statutes
3. engage in competitive bidding
4. meet certain budget and finance restrictions

5

5



## Methods Used to Purchase

- Electronic
- Manual
- Various types of solicitation
- Purchase Orders
- P-Cards

6/18/2025

6

6



## How May I Legally Make Purchases?

- State of Texas Codes and Statutes detail the musts and shalls of public purchasing
- Your entity Purchasing Policies and Procedures provide entity specific requirements

7

7



## What are Codes and Statutes?

- Statutes are Laws enacted by legislation
- Code is a body of law
- Texas organizes its laws into Codes addressing specific areas
- Within each code there are Chapters

8



## What are the Laws I Need to Know?

There are County specific statutes that provide basic purchasing requirements:

**Local Government Code, Chapter 262**  
**The County Purchasing Act**



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## County Purchasing Act

Major topics described in the Act include:

- Definitions related to Purchasing
- Description of competitive procedures
- Paper or electronic submittals
- Discretionary and mandatory exemptions
- Legal notice publication requirements

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## County Purchasing Act

Major topics described in the Act include:

- Pre-bid conferences
- Opening of bids
- Awarding of contracts
- Bidder health insurance and safety record considerations
- Vendors with debt owed to County

6/18/2025

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## County Purchasing Act

Major topics described in the Act include:

- Lump sum or unit price methods
- Alternative multi-step proposal procedure
- Alternative proposal procedures for certain goods and services
- Modifications after award
- Changes in plans and specifications

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## County Purchasing Act

Major topics described in the Act include:

- Bid or performance bonds
- Injunction option
- Criminal penalties
- Special rules for retention of insurance broker
- Qualification to make purchases

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## What Else Is There?

Other Codes that govern governmental purchasing.

Local Government Code (LGC)  
Government Code (GC)  
Education Code (EdC)  
Code of Criminal Procedures  
Health and Safety Code  
Human Resources Code  
Business and Commerce Code  
Transportation Code  
Penal Code

14



## Is That All There Is?

You will also want to be familiar with the following laws:

- LGC, Chapter 271—Purchasing and Contracting by Municipalities, Counties and Certain Other Local Governments
- GC, Chapter 791—Interlocal Cooperation Act
- GC, Chapter 2258—Prevailing Wage Rates
- LGC, Chapter 140—Financial Provisions Affecting Local Governments
- LGC, Chapter 171 and 176-- Regulation of Conflicts of Interest

15



## Is That All There Is?

- Code of Criminal Procedures, Art. 18.17-- Disposition of Abandoned or Unclaimed Property
- Code of Criminal Procedures, Art. 59.06— Disposition of Forfeited Property
- Human Resources Code, Chapter 122—Council on Purchasing from People with Disabilities
- GC, Chapter 2251—Prompt Payment Act
- GC, Chapter 2267 P3 Construction Method
- GC, Chapter 2269—Construction Procurement
- GC 2252, Subch. A—Nonresident Bidders
- GC 2252, Subch. B—Interest on Retained Public Works Contract Payments

16



## Is That All There Is?

- GC 2252, Subch. F – No Foreign Terrorists, Iran, Sudan
- GC 2253—Public Work Performance and Payment Bonds
- GC 2254—Subch. A—Professional and Consulting Services
- GC 2260 Resolution Certain Claims Against State
- GC 2270 & 808 Israel Preference
- Worker's Compensation Agency, Rule 110.108 & 110.110—Requirements for Worker's Compensation Coverage

17



## Is That All There Is?

- Tax Code 151.309 Sales Tax Exemption
- Business & Commerce Code 332 Uniform Electronic Transaction Act
- Occupation Code Chapter 1001 Engineering
- Occupation Code Chapter 1051 Architecture

18

18

**Is  
That  
All  
There  
Is?**



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19

## **What is Important to Remember?**

- Which method is best for the type purchase you are making?
- Keeping a level playing field for vendors—each provided the same information
- Solicitations should not have bias toward any vendor

20

20



## What is Important to Remember?

- Solicitations govern what is desired and what may be considered in making award of a contract
- HUB requirements
- Payment or performance bond and insurance requirements
- Advertisement according to statutes

21

21



## What is Important to Remember?

- Opening the submittals according to law (paper and electronic)
- Protect information contained in the submittals according to law
- Submit bids or proposals to the Court for award according to law and county policy and procedures

22

22



## What Else Should I Consider?

- Requests for exemptions from bidding
- Requests for a vendor to be considered a sole source
- Protect your office from protests and violations of the laws
- Determine how to work best with your user departments, administration, governing body, vendors and the public

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## Ethics – Specific to Your Procurement Office

- Perception
- Responsibility to your employer
  - Responsibility to your customers
- Conflict of Interest
- Gratuities
- Supplier/Vendor Relations

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## Forms, Checklists, Flow Charts

Documents identifying critical information needed to fully comply with all requirements

- CHECKLISTS  
Purchasing, Customer, Vendor
- FORMS  
Templates, Compliance, Quick Reference
- FLOW CHARTS/DESKTOP PROCEDURES  
Processes from beginning to end/individual tasks

25



## THANK YOU

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

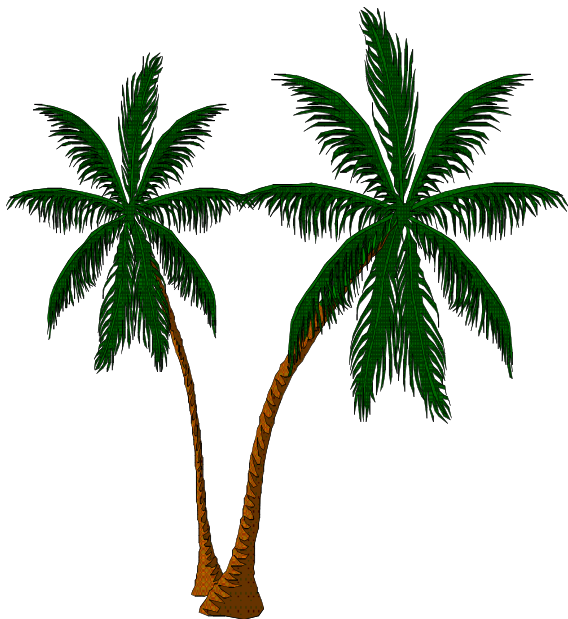
[naritaholmes@utexas.edu](mailto:naritaholmes@utexas.edu)

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# SUMMER SESSION 2025

## AVOID CREDIT CARD FRAUD



**SPEAKER:**

**Edna Johnson**

# Purchasing Cards: Avoid Credit Card Fraud



ISM-RGV Summer 2025

1


## Agenda

- Meet the Presenters
- Headline News – P-Card Fraud, Misuse and Abuse
- Developing Strong Internal Controls
  - 17 Principles of COSO Framework
  - Top 10 Best Practices for P-Card Programs
  - Tips to Consider when using P-Cards
  - Acceptable/Unacceptable Purchases
  - Monitoring Reports
- Training
- Annual P-Card Audit Review
- P-Card Manual
- Questions




ISM-RGV Summer 2025


2



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



**Jesus J. Amezcua, Ph.D.**  
Assistant Superintendent of Business Services  
jamezcua@hcde-texas.org



Dr. Jesus J. Amezcua is the assistant superintendent for business services at HCDE. Amezcua holds a bachelor's degree in business and accounting from Tarkio College, a master's degree in business administration, accountancy and logistics from Texas A&M International University and a doctorate in education administration from Texas A&M University. Before joining HCDE in 2009, he worked as chief financial officer at Laredo Independent School District. Amezcua's achievements include earning multiple certificates of achievement for financial reporting and excellent budget document awards.



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



**Edna E. Johnson, Ed.D.**  
Director of Procurement Services  
edna.johnson@hcde-texas.org



Dr. Edna E. Johnson is the director of procurement services at HCDE. Johnson holds a bachelor's degree in political science from Texas Southern University, a Master of Public Administration from Villanova University, and a doctoral degree in education from the University of New England. Dr. Johnson is a Certified Texas Contract Manager (CTCM) and Registered Texas School Business Administrator (RTSBA). Johnson has is a member of the Association of School Business Officials (ASBO), and actively involved in the National Institute of Governmental Purchasing (NIGP), and the Texas Association of School Business Officials (TASBO).



## Harris County Department of Education

### Who We Are

The Harris County Department of Education is a **public entity** dedicated to helping meet the needs of **uniquely challenged learners** and school staff in the state's largest county through innovative programming and support services.



### Facts and Figures





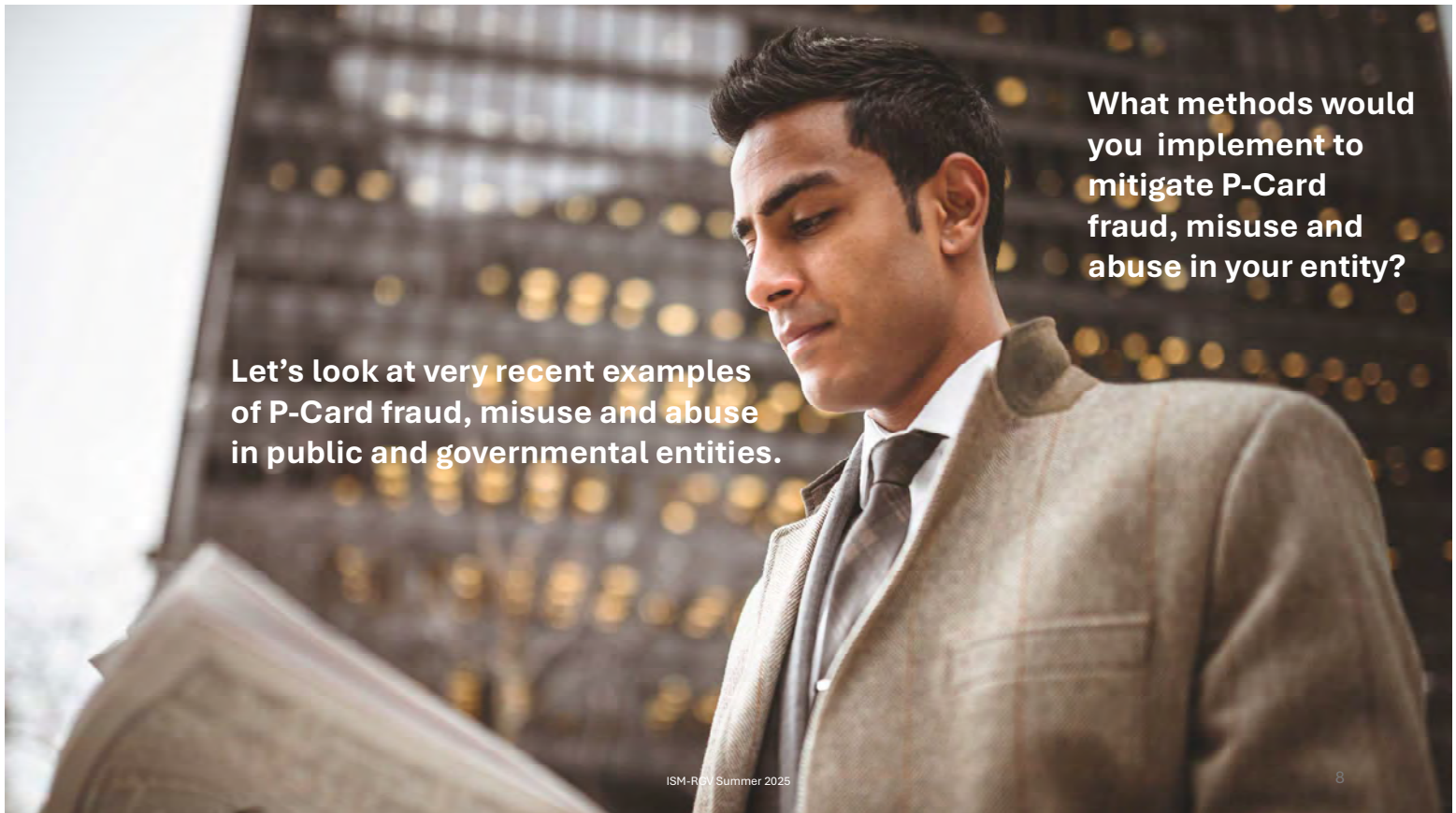
# Purchasing Cards: Avoid Credit Card Fraud



## Cases of P-Card Fraud, Abuse and Misuse

ISM-RGV Summer 2025

7



Let's look at very recent examples of P-Card fraud, misuse and abuse in public and governmental entities.

What methods would you implement to mitigate P-Card fraud, misuse and abuse in your entity?

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Example #1

## DOD employees charged \$500k to government at bars, casinos and online gaming stores in 2023, watchdog finds

By ROSE L. THAYER  
STARS AND STRIPES • January 27, 2025



Charges at bars during the Super Bowl, withdrawals from casino ATM machines and Roblox game purchases were among \$500,000 of worrisome spending that went unnoticed on government credit cards in 2023, according to a Pentagon watchdog report. (U.S. Army)

While 70% of the \$6.4 billion charged on 2.3 million government cards that year was found to be appropriate, 12% was inadvertently spent on the wrong things, such as alcohol or in Google's online store for games, smartphone applications and video streaming services. Inspectors also found cards used on federal holidays and during major sporting events when employees were unlikely to have work expenses.

The most egregious case highlighted by the IG was an Air Force airman who withdrew more than \$10,500 from two Maryland casinos between April and August 2023. The airman tried the card nine more times totaling \$3,500, but those transactions were rejected because the card had reached its spending limit.



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Example #2

**AP** The Associated Press- Sports

+ Follow

46.4K Followers



## FAMU AD Angela Suggs is accused of stealing more than \$24,000 from her former employer

TALLAHASSEE, Fla. (AP) — Florida A&M University athletic director Angela Suggs was arrested Monday on fraud and theft charges for allegedly using a corporate credit card for personal use totaling more than \$24,000 at her former job.

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She was charged with **two felonies**: grand theft and scheme to defraud. She also was charged with **four misdemeanor** counts of false claims on travel vouchers.

The Florida Department of Law Enforcement said Suggs made **wire transfers, cash withdrawals** and **personal purchases at casinos** during business trips while CEO of the Florida Sports Foundation.

The investigation began last November after the FDLE received a criminal referral from the Florida Department of Commerce's Inspector General, which audited Suggs' business credit card purchases and corresponding travel reimbursements at the FSF. The FSF is a direct-support organization operating under the Florida Department of Commerce.

The audit revealed that **Suggs falsified travel vouchers by coding the unauthorized charges as meals**, according to the FDLE. When asked about the unauthorized charges, Suggs claimed some were for business meals and others were accidentally charged to the business card. She failed to fully repay FSF for her personal expenditures, the FDLE said.

Example #3

## Recently approved Richmond Public School audit report reveals potential credit card misuse

Story by Shantel Davis

RICHMOND, Va. (WWBT)—An audit report from Richmond Public Schools raises some major concerns. It reveals that the division may be misusing its credit cards under the p-card program.

"These types of deviations create exactly the kind of environment where fraud and embezzlement can occur," said 12 On Your Side's legal analyst, Steve Benjamin.

The 2024 audit reveals charges between 2020 and 2024. Under the p-card program, the division saves money on processing costs if a credit card is used for purchases under \$5,000.

**The report also highlights that out of the \$1.49 million spent on employee meals, more than \$500K was coded incorrectly as instructional supplies, \$289K was coded as office supplies, and \$4.6K in furniture expenses was coded as toll expenses. The report tested 105 transactions, and 85 of them had violations**

**81% had violations**

<https://www.msn.com/en-us/money/other/recently-approved-rps-audit-report-reveals-potential-credit-card-misuse/ar-AA1G6Hy6?ocid=socialshare>





## Recently approved Richmond Public School audit report reveals potential credit card misuse

Story by Shantel Davis

A review of the principles, practices and process for PCard management resulted in the following exceptions:

- **PCard Program Staff** - the **PCard Program staff level is inadequate** to effectively, efficiently and economically manage the current and expected transaction level and dollar volume of the program.
- **PCard Program Procedures Manual** - the **PCard operations manual needs to be updated** to reflect current operational issues and procedures. The manual needs to be reviewed by Legal, the PCard violations process is, by comparison, too liberal and lenient, the need for the cardholder "Monthly Reconciliation Report" needs to be assessed, the need to retain hard copies of receipts needs to be assessed, revisions to procedures need to be tracked, a minimum card spend needs to be established, PCard need criteria needs to be established, etc. . . .
- **PCard Key Performance Indicators (KPIs)** - PCard KPIs have not been identified and developed to monitor and measure areas of concern and success within the PCard program.

**RPS** RICHMOND  
PUBLIC SCHOOLS  
SCHOOL BOARD AUDIT SERVICES Est. 1978

- **Multiple PCards Issued to Entities** - **single departments and schools have been issued multiple cards**, increasing the risk of over spending, fraud, theft and embezzlement as well as increasing administrative time to maintain, track and reconcile multiple cards. It was indeterminable why multiple cards have been issued.
- **PCard Cardholder Annual Need Review** - **no annual reassessment of cardholder need is performed**.
- **PCard Eligible Transactions Managed by Purchase Order** - there are procurement transactions under \$5,000.00 that are managed via the Purchase Order process versus being transacted per the PCard Program.
- **PCard Cardholder Monthly Receipt Reconciliation** - not all cardholders are aware of the **monthly receipt reconciliation requirement** and most those who are, do perform the reconciliations.
- **PCard Transactions Miscoded and Poorly Supported** - 85 of 105 tested transactions were noted to have some policy exception. Either receipts lacked detail or explanation, receipt amount did not match expense amount, attendees were not listed for meal expenses. A majority of charges were also noted to be miscoded to various GL expense accounts to possibly either avoid an over budget circumstance or mask an unauthorized expense. For example:
  - a) food charged as Office Supplies - \$5.5K,
  - b) food charged as Staff Development - \$5.5K,
  - c) two shrimp dinners charged as Instructional Supplies - \$35.00,
  - d) food receipt amounts were split for \$1,100.00 each transaction for the purchase of 250 chicken dinners and charged as Office Supplies - \$2.2K, and
  - e) furniture was coded as Toll expense - \$4.6K.
- **Merchant Category Code (Food)** - PCard purchases for food and employee meals totaled \$1.459M for the last five years. Of that, \$1.459M or 84.6% of those purchases were coded to non-meal expense categories. For example, \$542.3K of food and meals was expensed Instructional Supplies, \$298.0K of food and meals was expensed to Office Supplies, and \$190.6K of food and meals was expensed to Staff Development. The 84.6% of miscoding could be in error or could be intentional to evade an overbudget circumstance and or mask unauthorized expenses.

<https://www.msn.com/en-us/money/other/recently-approved-rps-audit-report-reveals-potential-credit-card-misuse/ar-AA1G6Hy6?ocid=socialshare>



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### Example #4

Auditors find nearly \$900,000 misappropriation at Office of Administrative Hearings | Office of the Washington State Auditor



The Audit Connection Blog Careers Public Records Client Login

**Office of the Washington State Auditor**

Pat McCarthy

Reports & Data Performance Audits About Audits Improving Government BARS & Annual Filing Report a Concern About SAO

[SAO HOME](#) / [THE AUDIT CONNECTION BLOG](#) / Auditors Find Nearly \$900,000 Misappropriation At Office Of Administrative Hearings

## Auditors find nearly \$900,000 misappropriation at Office of Administrative Hearings



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## Auditors find nearly \$900,000 misappropriation at Office of Administrative Hearings | Office of the Washington State Auditor

### Management Analyst

- **Duties**
  - Oversaw credit card usage
  - Collected supporting receipts
  - Reconciled monthly statements
  - Prepared payments to credit card company
- May 23, 2023, SAO requested supporting documents for payments made to consulting businesses.
- May 24, 2023, the Management Analyst took unexpected leave.
- June 30, 2023, the Management Analyst resigned.

#### FRAUD INVESTIGATION REPORT

##### Investigation Summary

In May 2023, during a regularly scheduled audit of the Office of Administrative Hearings (Agency), we selected certain credit card charges paid to a consulting business and requested supporting records for review. The Agency's Chief Financial Officer (CFO) at the time did not recognize the business and could not find any supporting records for the charges. The CFO, working with our Office, found the business on the Washington State Department of Revenue's business registry. The business was registered in the name of a Management Analyst who worked in the Agency's fiscal department.

We opened an investigation and determined a credit card misappropriation occurred at the Agency, totaling \$878,115 between June 14, 2019, and May 11, 2023. We also identified questionable amounts of \$4,933 between July 20, 2017, and March 13, 2018. "Questionable" means we were unable to determine whether the expenditures were for legitimate business purposes. The table below shows the misappropriated and questionable amounts by year.

Summary of results		
Year	Misappropriation	Questionable
2017	\$0	\$2,946
2018	\$0	\$1,987
2019	\$51,903	\$0
2020	\$251,485	\$0
2021	\$96,574	\$0
2022	\$293,792	\$0
2023	\$184,361	\$0
<b>TOTAL</b>	<b>\$878,115</b>	<b>\$4,933</b>

The Agency filed a report on July 12, 2023, with the Olympia Police Department, which is investigating this case. We will refer this case to the Thurston County Prosecuting Attorney's Office.



## Inadequate Internal Controls

In total, the Analyst misappropriated at least \$878,115, as shown in the table below.

Type:	2019	2020	2021	2022	2023	Total
Business 1	\$29,380	\$0	\$0	\$0	\$0	<b>\$29,380</b>
Business 2	\$18,100	\$238,283	\$0	\$0	\$0	<b>\$256,383</b>
Business 3	\$0	\$10,000	\$35,943	\$0	\$0	<b>\$45,943</b>
Business 4	\$0	\$0	\$56,800	\$289,951	\$182,300	<b>\$529,051</b>
Personal use of cards	\$4,423	\$3,203	\$3,831	\$3,841	\$2,061	<b>\$17,359</b>
<b>Total</b>	<b>\$51,903</b>	<b>\$251,485</b>	<b>\$96,574</b>	<b>\$293,792</b>	<b>\$184,361</b>	<b>\$878,115</b>

Between March and April 2024, after we completed our investigation, we made multiple attempts by phone and email to contact the former Analyst for an interview. We did not receive a response.

### Control Weaknesses

The Agency's internal controls were inadequate for safeguarding public resources. We found the following weaknesses allowed the misappropriation to occur:

- No one in management oversaw the Agency's credit card activity, and no one independently reviewed the Analyst's monthly reconciliation of the Agency's credit card charges or payments.
- The Analyst was the only employee who could access the Agency's credit card account online. This further prevented anyone from independently viewing or printing monthly statements and account charges.
- Staff conducted inadequate reviews of the card payments that the Analyst prepared. Rather than providing full monthly statements, the Analyst presented only select portions of credit card statements for another employee to review. This allowed the Analyst to conceal the misappropriated charges, but still gain approval to pay the bill.
- The Analyst's access to the Agency's accounting system allowed him to both upload and release batches of payments to the credit card company. No one reconciled these batch payments before they were released, and no one monitored the upload and release of the batch payments. This prevented the Agency from noticing the Analyst was undertaking conflicting duties that allowed him to conceal the misappropriated payments.





- 2019 SAO found two unallowable transactions – personal purchase & ATM cash withdrawal
  - recommended independent review
- 2021 SAO identified \$2,458 in misappropriations
  - again recommended independent reviewer of transactions
- 2022 SAO found the new clerk unresponsive when bank records were requested in Fall 2022
  - Mayor and two town council members requested bank records in March 2023



Example # 5 continued

**FRAUD INVESTIGATION REPORT**

**Investigation Summary**

On March 8, 2023, the Town reported a potential loss of public funds, as required by state law (RCW 43.09.185). As our Office began a standard accountability audit, the Mayor and two Town Council members discovered multiple unauthorized bank account transfers and unallowable credit card charges on the Town's bank and credit card accounts.

We investigated and determined a multi-scheme misappropriation occurred at the Town, totaling at least \$277,570 between September 16, 2022, and March 10, 2023. We summarized questionable amounts of \$30,843 between September 15, 2022, and March 2, 2023. The largest single source of misappropriation was through a scheme involving 421 unauthorized bank account transfers totaling \$242,555 to multiple Town credit cards. Immediately following these transfers, the credit cards were used to make a significant number of unauthorized charges.

The table below shows the misappropriated and questionable amounts by category. "Questionable" means we were unable to determine whether the expenditures were for a legitimate business purpose.

Summary of results		
Investigation area	Misappropriation	Questionable
Credit cards	\$199,348	\$686
Electronic disbursements	\$48,240	\$5,672
Payroll	\$24,406	\$23,846
Check disbursements	\$5,576	\$639
Cash receipting	*Unknown	
<b>TOTAL</b>	<b>\$277,570</b>	<b>\$30,843</b>

*\*Due to a lack of records, we were unable to quantify a specific amount of cash receipting misappropriation. We were only able to estimate a potential loss of \$76,343 based on an average monthly expected amount of bank deposits compared to actual amounts deposited.*

The Town filed a report with Pend Oreille County Sheriff's Office, which investigated and referred the case to the FBI. We will share our investigation results with the FBI.

- Bank account balance on August 1, 2022, was \$233,822 and by March 7, 2023, it had a balance of only \$249.
- September 16, 2022, through March 10, 2023
  - **\$277,570**
  - 421 unauthorized bank account transfers
- Of the total amount misappropriated,
  - \$131,180 went to a personal account held by the Clerk Treasurer, and
  - \$62,202 went to a personal account of the Clerk Treasurer's spouse, who is a fellow Council member.
  - The last \$5,966 went to a cryptocurrency vendor that had an account in the Clerk Treasurer's name.

On March 21, the U.S. Attorney's Office for the Eastern District of Washington announced an indictment charging the former Cusick clerk treasurer with 25 counts of wire fraud, 26 counts of bank fraud and 25 counts of aggravated identity theft.





## Northern District of Georgia | Former GBI inspector sentenced for charging over \$60,000 on government credit cards | United States Department of Justice

As a Special Agent with the Georgia Bureau of Investigation (GBI), Sandra J. Stevens held several prestigious and high-ranking leadership positions, including being the Special Agent in Charge of the Child Exploitation and Computer Crimes Unit, where she supervised approximately 25 GBI employees. **May 9, 2013, to August 17, 2016**, Stevens used her P-Card and the P-Cards of other GBI employees to make more than **325 unauthorized purchases** of goods and services for her personal benefit or the personal benefit of others, including: **a seven-piece dining set for \$562.99, a corn hole game set for \$229.99, two chaise lounge chairs for \$399.99, and a 65-inch ultra HD smart television for \$1,597.99.**

Stevens, 46, of Covington, Georgia, was sentenced by U.S. District Judge Steve C. Jones to **one year and one day in prison to be followed by two years of supervised release**. Stevens was convicted on January 3, 2019, after she pleaded guilty to mail fraud.



## Houston city employees found abusing credit cards, audit reveals

They also spend too much time reading emails



City of Houston audit reveals spending habits and the plan to make change. (Copyright 2025 by KPRC Click2Houston - All rights reserved.)

February 14, 2025

### Financial Controls and Risks:

*Noncompliant use of P-Cards:* Based on the analytics performed, results identified potential use of P-Cards to **split payments** that would otherwise be over transaction limits, large round dollar payments, purchases from **prohibited vendors**, such as **Amazon**, and **use of payment applications**, such as **PayPal**.

Key findings include **poor oversight** of purchasing cards (P-cards) issued to city employees. Some employees were found to **split purchases** into multiple payments to avoid triggering transaction limits and made purchases from prohibited vendors.

### Recommended Actions (Opportunities):

1. Implement system controls
2. Standardize P-Card monitoring and oversight



# Purchasing Cards: Avoid Credit Card Fraud



## Developing Strong Internal Controls

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# 17 PRINCIPLES OF THE COSO FRAMEWORK



Source: BDG-CPAs|www.bdgcpa.com

## Tone at the top-Control Environment from COSO Framework

Best Practice

P card Procedures are reviewed and signed by the Superintendent/CEO

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## Top 10+ Best Practices for P Card Programs

- Get buy in from your stakeholders – department heads and your Admin. CEO
- Develop Allowable and Unallowable uses and check eligibility
- Provide training on an annual basis
- Document receipt, training PRIOR to issuance of card
- Check for signed Receipts and taxes paid
- Document Document Document
- Be Aware of Conflict of Interest
- Ask Questions of cardholder, supervisor and others
- Check on limits and process for adjusting
- Audit the reports and receipts
- Issue Violations when appropriate
- Get an External Review and annual audit
- Follow up with the next step, Anticipate and Finish the Process

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Dr. Jesus J. Amezcua, CPA, RTSBA, CPFIM<sup>24</sup>

## Who Are the P-Card Holders?

- An authorized **employee in charge of a division, a school, or service area budget or designee** may utilize the P-card program to purchase items included in their approved budget in accordance with established P-card limits adopted by the Department's purchasing policies and procedures.

### Policy (CH Local)



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## 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.
4. Be on time with reports. If you do not turn in the report, you can hold the board reports.
5. Do not sign contracts. Only the Supt and Asst Supt for Business is allowed by Board Policy.
6. No Sales tax. No international purchases.
7. Don't lose the receipt. You are responsible.
8. You signed for the card not your supervisor. It is YOUR responsibility.
9. Do not break purchases and violate the law. No SPLIT purchases – One month materials and next month service agreement -
10. Do not pay for lunch or dinner when traveling. You are being paid for per diem. You can not double dip.
11. Excessive catering purchases and large purchases are not allowed.
12. Document the expense by indicating the purpose on the receipt.
13. Manage the credit limit. Use requisitions for most purchases.
14. Make sure that you have funds in the budget.
15. Personal purchase are NOT allowed.
16. Your card will be placed on hold or cancelled if you abuse and-or not follow the rules.
17. Credit limits are set. No increases should be requested. Plan and submit requisitions.
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 birthdate food.

## 6.0 Acceptable Purchases (Things I Can Buy)

All purchases made with the P-Card must be for official HCDE business and must NEVER be used for personal purchases (intentional or unintentional), regardless of the circumstance. The P-Card may be used to purchase supplies and materials, non-inventoried equipment, and various services valued at \$3,499 or less, including shipping or handling charges, insurance, etc. provided there is no requirement to sign a contract or agreement.

Your P-Card is not intended to bypass established purchasing or payment procedures. Procurement bidding procedure requirements should be utilized as required and appropriate. The P-Card is intended to complement the existing processes available and is not intended for after-the fact-payment.

### **Some Allowable Items Include:**

**P-Card holders must identify a brief business purpose on the receipt or expense description section of the P-Card report (i.e. Supplies for Principal Meeting, Refreshments for May 1 School Meeting, app fee for report preparation, etc.)**

- Airfare (flight can be added as part of your Request to Attend if there is doubt about attendance).
- Parking at airport or nearby parking locations is restricted to \$30 per day.
- Travel and Lodging
- Car rentals to attend a conference are not allowed. If a car rental is requested and approved through a Request to Attend, the cardholder must pick-up and drop-off the unit at the conference location. Driving or flying are the authorized methods of transportation.
- Registration Fees
- Workshop Materials; including books, tapes and CD's
- Business Meals - An agenda must be attached to the documentation (i.e. Rotary Meetings)

**Purpose**

**Allowable  
items**

**Informal  
Method  
Small  
Purchase**



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



### 7.1 Unallowable Purchases (Things I Cannot Buy)

- Any purchase that exceeds **\$4,999** per month (including shipping, handling and set-up); except if prior written approval has been obtained through the Assistant Superintendent for Business Services
- Adult Entertainment
- Alcohol, alcoholic beverages and tobacco products
- Antique shops and antique reproductions
- ATM Machines withdrawals
- Betting/Track/Casino/Lotto
- Cash advances, Cash Refunds or “Store Credits” held on account with vendor
- Computer/Electronic Equipment not in the list above and/or without Technology Division approval
- Conference and or workshops for non-employees/independent contractors
- Dating Services
- Door Prizes: Door prizes is defined as any prize awarded by lottery to a holder of a ticket or a drawing where names (i.e. business cards) are selected and a prize is awarded
- Donations: A donation is defined as giving of financial gifts, contributions, presents and pledges



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J.P.Morgan

### Authorization Decline Detail

Run Date: 06/09/2025  
Report ID: sd19983

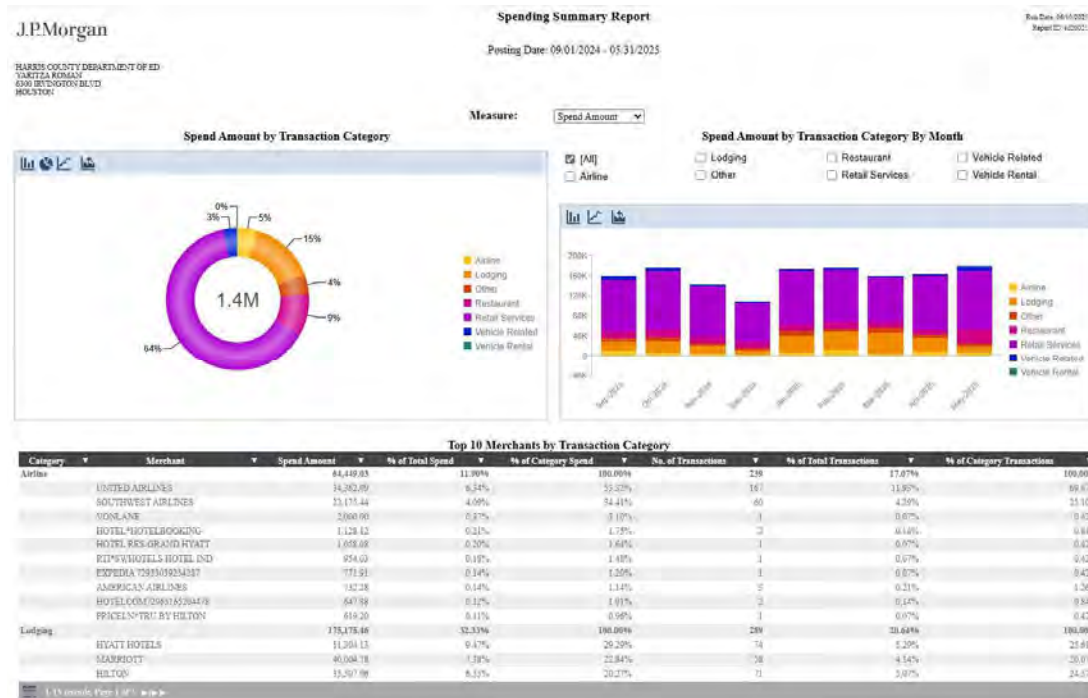
Transaction Date: 05/06/2025 - 06/05/2025

HARRIS COUNTY DEPARTMENT OF ED  
YARITZA ROMAN  
6300 IRVINGTON BLVD  
HOUSTON, TX 77022-5799 USA

Account Name	Account Number	Transaction Date	Transaction Time	Merchant Name	Merchant City	Merchant State	MCC	Decline Reason Code	Decline Reason Detail	Decline Amount
██████████	XX ██████████	06/03/2025	13:21:05	RTICCOOLERS.C OTM	+18555276993	TX	5399	0124	*** INVALID CV2/CVC	0.00
<b>Account Total</b>										<b>0.00</b>
██████████	XX ██████████	05/28/2025	11:43:28	HILTON HOTELS ANATOLE	DALLAS	TX	3504	0814	*ACCT NBR LIMIT EXCE	230.00
██████████			11:43:40	HILTON HOTELS ANATOLE	DALLAS	TX	3504	0814	*ACCT NBR LIMIT EXCE	272.92
<b>Account Total</b>										<b>502.92</b>
██████████	XX ██████████	05/13/2025	16:39:28	SUPERIOR CHEER	CYNTHIANA	IN	5943	0048	*** NOT ENOUGH AVAIL	586.95
██████████			16:40:22	SUPERIOR CHEER	CYNTHIANA	IN	5943	0048	*** NOT ENOUGH AVAIL	586.95
██████████		06/02/2025	19:42:13	AMAZON MKTPACE PMTS	Amzn.com/bil	WA	5942	0048	*** NOT ENOUGH AVAIL	31.95
██████████		06/03/2025	02:06:33	AMAZON MKTPACE PMTB	Amzn.com/bil	WA	5942	0048	*** NOT ENOUGH AVAIL	31.95
██████████			06:09:38	AMAZON MKTPACE PMTS	Amzn.com/bil	WA	5942	0048	*** NOT ENOUGH AVAIL	31.95
██████████			12:16:42	HOUSTON CHRONICLE CIRC	HOUSTON	TX	5968	0048	*** NOT ENOUGH AVAIL	27.72

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# Spending Summary Report



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## Purchasing Cards: Avoid Credit Card Fraud



## Conduct P-Card Trainings Regularly

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Training is **mandatory** for all P-Card roles. Cards will not be disbursed until training has been completed. A refresher training is required annually.

An additional one on one training with CFO is now required to warn of inappropriate purchases. The HCDE P-Card training presentation is included in the next slides.



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A graphic for Procurement (P-Card) Training. It features a large blue circle with a white outline, containing a photo of a person with long brown hair looking out at a city skyline at sunset. To the left of the circle is a circular logo for Harris County Department of Education. To the right of the circle, the text "PROCUREMENT (P-CARD) TRAINING" is written in large white capital letters, and "PROCUREMENT SERVICES DIVISION" is written in smaller white capital letters below it.

 **PROCUREMENT  
(P-CARD) TRAINING**  
PROCUREMENT SERVICES  
DIVISION



## Overview

The purpose of the HCDE P-Card program is to establish an efficient method of purchasing and paying for small dollar transactions. The use of a P-Card as a purchasing method is a privilege and not a right, thus we need to ensure that ALL regulations are complied.

### • Training Objectives

- Understand the benefits of using the Procurement Card
- Recognize the acceptable and unacceptable purchases and practices
- Violations & Written Notices
- Learn the roles/duties within the P-Card Program
- Required information for Travel Expenses
- Steps in preparing your Monthly Expense Report

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#### Reports Deadline

The P-Card expense reports due dates are listed on the Business Calendar and on The PIN newsletter. An email is sent prior to the due date as a friendly reminder.



#### Email Report

Send expense reports to Liliana Maldonado at: [p-cards@hcde-texas.org](mailto:p-cards@hcde-texas.org) Include in the subject line of your email, the cardholder's name and billing cycle.



#### P-Card Training

Training is mandatory for all P-Card roles. Cards will not be disbursed until training has been completed. A refresher training is required annually.

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## General Information

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# ACCEPTABLE PURCHASES

## Travel



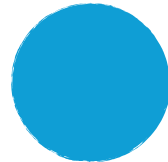
- Airfare (requires Airline Quote form and three quotes)
- Travel and Lodging
- Car Rentals/Fuel as part of rental vehicle contract
- Valet Parking (unload materials/safety of employee) \$50 day
- Excess luggage/baggage fees due to presentation brochures or booth materials up to \$500

## Business



- Registration Fees (in/out of county)
- Workshop Materials
- Business Meals (employees receive a per diem reimbursement when attending out of county/state events, therefore, business meals must not be paid with P-Card)
- Memberships to professional associations up to a \$3,499 per transaction

## Maintenance



- Fuel for equipment
- Plan or permit fees to a city or county, as necessary.
- Purchase of parts up to a max. \$3,499 (must include part number for vehicle or building location)

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# ACCEPTABLE PURCHASES

## Events



- Flower arrangements for events (general in-services up to \$500)
- Convention booth fees up to \$4,999
- Catering Services for business functions up to \$4,999
- Promotional Items that bear HCDE/Division logo

## Others



- E-Commerce (up to a max. \$3,499); use delivery confirmation receipts for Amazon orders.
- Office or General Supplies up to a max. \$1,500 (misc. vendors) or \$4,999 (Choice Partners vendors)
- Advertisement on Google, Facebook or another platform up to \$3,499

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## Computers



- Monitors and web cameras
- Headsets and speakers
- Keyboards, mouse & trackballs
- Laptop chargers & connectors

## Photo Equipment



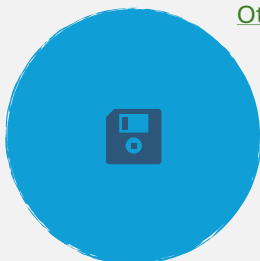
- Cameras

## Devices



- Small printers
- Scanners

## Others



- Flash drives
- Toner (refurbished is not allowed)
- Cell phone accessories (HCDE phone)
- Various USB Cables (network cables are prohibited)

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# Technology Items

All technology related items not listed here require either the approval and/or assistance of Technology Support Services staff. Cumulative purchases above \$1,500 per month, on this list, may not be purchased. These purchases must be purchased via Purchase Order.

iPads, cameras or other sensitive equipment, regardless of the cost must be tagged prior to providing the item to the division or employee.

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# UNACCEPTABLE PURCHASES & PRACTICES

- Any purchase that exceeds \$4,999 per month (including shipping, handling, and set-up); except if prior written approval has been obtained through the Assistant Superintendent for Business Services



- Alcohol
- Money orders
- ATM Machines withdrawals
- Cash advances, cash refunds or store credits held on account with vendor
- Donations and/or sponsorships
- E-Bay and Groupon purchases
- Gasoline for personal vehicles
- Gift cards of any kind for any reason
- Contracted Services of any kind subject to procurement
- Contracted Services that require fingerprinting



**Good or services for personal use**

**International Purchases**

**Maintenance/Service agreements that**

**require a signed contract**

# UNACCEPTABLE PURCHASES & PRACTICES



## P-Card Sharing

Only the person named on the P-Card is the authorized user. P-Card sharing is prohibited and will result in immediate termination of the P-Card.



## Personal Expenditures

The use of the P-Card for personal expenditures is strictly prohibited. *Cardholders who violate this rule must immediately report the personal use and reimburse the funds within 15 working days.*

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## Sales Tax

HCDE is exempt from sales tax. Although HCDE does not pay Texas sales tax, we are required to pay hotel occupancy taxes and airport parking taxes.

*If the cardholder gets charges Texas sales taxes, the cardholder will be personally liable for reimbursement of the tax within 15 working days.*

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# CONTACT INFORMATION

## SECURITY

- Keep the P-Card and account number in a secure location
- Do not loan or share the P-Card with others
- Review transactions in SmartData frequently
- Lost, stolen or fraudulently used P-Cards must be reported immediately to JP Morgan CHASE by calling: 1-800-890-0669

## RESOLVE DISPUTES

If a vendor fails to promptly credit your account, you may file a dispute with JP Morgan CHASE within 30 days of the billing issue date.

Report the dispute to CHASE at: 866-491-9432

## P-CARD REPORTING

**For any questions regarding P-Card Policies and Procedures or assistance with SmartData, please contact the Procurement Services Division at ext. 8212 or 1306.**

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## Roles/Duties within the P-Card Program

There are three mandatory roles listed below that must be assigned for each P-Card. Each role has mandatory duties associated with that role.

## MANDATORY DUTIES CARDHOLDERS

- Attend initial training prior to receipt of a new P-Card and complete a refresher training annually.
- Complete and sign the Conflict of Interest Disclosure form
- Provide adequate documentation for each transaction with the expense report
- Sign and date the monthly reconciled expense report and ensure that funding is available.
- If terminating employment with HCDE or transferring to another department, the cardholder must notify the Approving Official, Executive Team Member, and the P-Card Administrator in writing and turn in



# MANDATORY DUTIES

## APPROVING OFFICIALS

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- Attend initial training prior to receipt of a new P-Card and complete a refresher training annually.
- Review the P-Card purchases of assigned cardholders every month to ensure that charges were appropriate and directly related to HCDE.
- Ensure that the cardholder has signed and dated the monthly expense report.
- Sign the monthly expense report to show evidence that a reconciliation and review of transactions has been completed.
- Notify the P-Card Administrator immediately of any leave of absence, transfer, termination, resignation or retirement in the division and ensure all transactions have been entered in SmartData and documentation have been provided by the cardholder.

# MANDATORY DUTIES

## EXECUTIVE TEAM LEADERS

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- Attend initial training and complete a refresher training annually.
- Approve and Monitor the Distribution of P-Cards
  - ✓ Approve new cards and ensure that only permanent full-time employees are issued P-Cards
  - ✓ Assign Approving Officials and Facilitators
  - ✓ Re-evaluate spending limits and approve profile changes using the P-Card Maintenance form
  - ✓ Notify the P-Card Administrator if the cardholder leaves the department or is no longer an employee of the Department
- Ensure Monthly Review and Segregation of Duties.

## OTHER DUTIES

### FACILITATORS

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- Must received the same training as Cardholders and complete a refresher training annually.
- Enter detailed purpose of purchase in SmartData that describe the item/service purchased.
- Enter the budget codes and ensure that there are sufficient funds.
- Reconcile the monthly expense report with required supporting documentation.
- Send the complete reconciliation package to the Procurement Services Division.
- Facilitators assist cardholders in preparing their expense reports. This does not excuse cardholders from

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## VIOLATIONS & WRITTEN NOTICES

### MAJOR VIOLATIONS

Major violations are instances that show disregard for established policy and procedures, whether is intentional or not. Some examples are:

- Purchasing unauthorized or restricted items
- Allowing others to use your card
- Personal purchases, with or without willful intent
- Splitting orders to avoid the single transaction limit

### CARD SUSPENSION

Cardholders will receive a minor violation in the form of an electronic memo from the Quality Assurance Specialist. Accumulating three(3) minor violations equated to one(1) major violation. Any major violation will result in immediate temporary suspension of the P-Card.

### MINOR VIOLATIONS

Accidental and without willful intent:

- Failure to reconcile and submit expense report by deadline
- Payment of sales tax
- Not obtaining approvals for certain purchases



# Monthly Expense Report

Cardholders are required to submit an expense report to the Procurement Services Division on a monthly basis.

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## Steps in Preparing your Monthly Expense Report

Follow these steps in preparing your monthly expense report:

1. Immediately following the end of the billing cycle, a SmartData report should be run for the FULL billing cycle.
2. Place all supporting documentation in the order that it appears on the expense report.
3. All documentation is fed through an imaging scanner; therefore:
  - Receipts should not be attached with staples or paper clips
  - Receipts smaller than 8 ½" by 11" should be taped **securely** to a sheet of paper
  - All receipts must be itemized and signed.

*If a receipt is lost, the cardholder should make every attempt to obtain a duplicate copy of the receipt from the vendor. If unable to obtain a receipt, the charges will become a personal charge and a money order or check payable to HCDE must be submitted to Procurement Services within 30 days of the purchase.*

4. DO NOT write on the reverse side of a receipt or tape over any writing on the receipt.
5. Note purpose of expense on the side of the receipt and in the description field in SmartData.
6. Ensure that all backup documentation is attached for travel-related and meal expenses
7. Cardholders and supervisor must each sign and date the **Monthly Expense Report**.
8. Send expense reports directly to [p-cards@hcde-texas.org](mailto:p-cards@hcde-texas.org) including the cardholder's name and billing cycle in the subject line.
9. Keep a copy of the P-Card expense report and receipts on the HCDE OneDrive under your Division.
10. The retention requirements for receipts must follow at least three (3) years from the date of the expenditure.

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# Purchasing Cards: Avoid Credit Card Fraud



## External Audit of the P-Card Program

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## Annual P-Card Audit Review



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# Annual P-Card Audit Review

## ■ EXECUTIVE SUMMARY

■ A comprehensive review of the Harris County Department of Education Procurement Card program was completed for the fiscal year ending August 31, 2023. This review included the policies and procedures, training, monitoring of transactions and financial controls in place. Details of the results of that review are provided in this report.

## ■ INTRODUCTION

■ The Procurement Card program for the Harris County Department of Education is administered under the direct supervision of the Purchasing division within the Business Services department. In the spirit of continual improvement and to identify best practices, the Purchasing division sought an outside firm to conduct a comprehensive review of the Procurement Card program.



# Annual P-Card Audit Review

## ■ BACKGROUND

■ The Harris County Department of Education (HCDE) has oversight of public funds that are provided to advance education in Harris County. A Procurement Card program has been established to help the Department meet their fiduciary responsibilities by establishing an efficient and cost-effective method of purchasing and paying for small dollar transactions. The program was established as a supplement to the Department's purchasing program and may not be used to circumvent the established purchasing process.

■ Procurement Cards may be issued only to permanent (full-time) employees of the Department whose job duties include authority to make small purchases. Cards are issued to individual employees, with established single transaction and monthly credit limits, based on the cardholder's budgetary responsibility. Cards may also be restricted by Merchant Category Codes (MCC). Specific requirements must be met in order to obtain and keep a Procurement Card, including initial and refresher training. The specific requirements of the program are provided in the Procurement Card Program Manual (Manual), which is maintained by the Purchasing Division. The mandatory duties for Cardholder, Approving Official, Executive Team Member and Facilitators are outlined in the manual.



# Annual P-Card Audit Review

## ■ PURPOSE

■ This independent review of the HCDE Procurement Card Program is designed to include the entire program, from the initial request that a card be issued, through training, and monitoring of actual expenditures. This report includes observations developed from the results of the review, recommendations for improvement in the program and implementation of best practices.

## ■ SCOPE

■ The period selected for review is the Department's last completed fiscal year, which extended from September 1, 2022, through August 31, 2023. During this period, 8,944 transactions totaling \$1,913,090.69 were processed on Procurement Cards by 87 active card holders in 20 Divisions.



## Purchasing Cards: Avoid Credit Card Fraud



Review and Revise P-Card Manual Regularly

The Procurement Card Program Manual is reviewed annually and edited, as needed.







## Preface

September 10, 2024

A message from the Superintendent:

Harris County Department of Education is a public entity supported by tax dollars, grants and fees for services. As such, we are accountable to the public and other funding entities for appropriate use and accurate accounting of expenditures.

As an employee of HCDE, you engage in purchasing activities which require various levels of approval and accountability. Within these levels, HCDE has established internal controls and business practices to ensure dollars are used appropriately and accounted for accurately. HCDE takes this responsibility very seriously and trusts that all employees afforded the authority to expend funds do so as well.

One of the ways employees expend funds is through the use of purchasing cards (P-Card).

Attached is the P-Card manual. This has been developed to guide you in supporting HCDE in meeting its fiduciary obligations to act in the best interest of the taxpayers, clients and grantors when spending money.

Please take a moment to read through this manual so you can effectively implement the administrative measures required to use a P-Card at HCDE. Remember: use of a P-Card is a privilege, not a right and may be revoke at any time.

HCDE's Procurement Services staff is available to work with you should you need additional information or individualized training on established procurement procedures.

Please contact the Procurement Services team or Dr. Jesus Amezcua, assistant superintendent of business services, with any questions.

Sincerely,

James Colbert, Jr.  
County School Superintendent



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## 1. Overview

In an effort to better serve our customers and ensure a level of accountability appropriate for a public institution, this manual has been compiled to provide instructions and guidelines for the issuance and use of the procurement card along with instructions for reconciliation and review of card transactions. Changes to this manual may be made over time as the program develops and new or unforeseen purchasing situations arise.

## 2. Introduction to the Procurement Card Program

The purpose of the Harris County Department of Education ("HCDE"/the "Department") Procurement Card (P-Card) Program is to establish an efficient and cost-effective method of purchasing and paying for small dollar transactions. The P-Card can be used with any merchant that accepts MasterCard as a form of payment.

The use of a P-Card as a purchasing method is a privilege and not a right, thus we need to ensure that ALL regulations are complied.

The P-Card Program is designed to supplement our purchasing program by giving users some flexibility. Use of the P-Card must not circumvent the purchasing process. If used to its potential, the P-Card Program will result in a significant reduction in the volume of purchase orders and related documentation including invoices and checks. In addition, corresponding work processes associated with ordering and check-writing will be reduced.

## 3. Who Can Obtain a P-Card?

A P-Card may be issued only to permanent (full-time) employees of the Department whose job duties require the use of a P-Card. Cards are issued to individual employees (in the employee's name) rather than to a specific department or division. No more than one (1) card may be issued to any employee.

## 4.0 How Do I Obtain a P-Card and Keep It?

### 4.1 Complete a New P-Card Request Packet

Full-time HCDE employees whose duties call for making purchases with a credit card and authorized by their division director may submit a New P-Card Request Packet. The packet includes: (1) P-Card Request Form; (2) Employee Procurement Card Agreement; and (3) JP Morgan Chase Procurement Card Application. The complete packet must be submitted to the Procurement Card Administrator with the approval of the employee's immediate supervisor/budget manager and executive team member of the division where the employee works. See Attachment A for the complete New P-Card Request Packet.

*P-Card Request Form* – Enter the employee information and cardholder classification. If selecting a different transaction limit from the one assigned for the classification, specify the reason. If someone other than the Cardholder will be preparing the Monthly Expense Reports as discussed in Section 10, include the information for the assigned Facilitator. The Human Resources Division will verify that the card applicant is a full-time employee.

*Employee Procurement Card Agreement* – Potential Cardholder, Executive Team Member, and Approving Officials (usually the Division Director/Budget Manager) must acknowledge spending limit and sign this agreement.

*JP Morgan Chase Procurement Card Application* – All the highlighted areas must be completely filled out. The "Home Address" section must be the actual address of the employee. Do not sign this form; only the P-Card Administrator will sign and process this form.



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Reminder: No Cardholder shall be allowed to be his or her own "approving official". The Executive Team Member must assign a knowledgeable individual acting in a supervisory capacity as the Approving Official. (See section 11.0 for a description of Approving Official Roles and Duties). If the cardholder is the only employee of a particular department, the next level of authority (Executive Team Member) must be assigned as the Approving Official.

### 2. Complete P-Card Training

Training is mandatory for all P-Card roles: Cardholder, Executive Team Members, Approving Officials, and P-Card Facilitator. Once all required documents have been submitted to the P-Card Administrator, the Cardholder will be scheduled for training. If any of the aforementioned employees have not completed training, they will also be scheduled. Cards will not be disbursed until training has been completed.

### 3. Sign the P-Card Receipt and Acknowledgement Form

The P-Card Administrator will provide the P-Card Receipt and Acknowledgement Form (Attachment B) to the cardholder for signature upon receipt of the new card. Cardholders must sign this form which acknowledges the completion of training and receipt of the P-Card.

By signing this form, the Cardholder acknowledges:

- Receipt of the P-Card Manual
- Training received regarding all P-Card matters and fully understand all the procedures and regulations outlined in the manual; including procedures for P-Card expenditures, reconciliation of monthly expense reports, what constitutes proper supporting documentation, and consequences for P-Card violations
- Receipt of the P-Card

### 4. Complete Refresher Training

P-Card "refresher" training will be required annually or as required by the Procurement Services Division. The Cardholder, Executive Team Member, Approving Official, and those individuals holding Facilitator roles will be required to complete a refresher training course in order to maintain P-Card privileges. Failure to complete training within thirty (30) days of notice will result in suspension of P-Card privileges until such time as the training has been successfully completed. Instructions for completion of the refresher training will be provided by the Procurement Services Division to the individuals holding the various P-Card roles.

## 1. Spending Limits

All P-Cards have monthly cardholder spending limits. These limits automatically refresh each month. Limits vary for each Cardholder and are established by the Director of Procurement Services (as indicated in the P-Card Request Form). Increases to the limits on any card must be made in writing via a P-Card Maintenance Form (Attachment D). The increase must be approved by both the Director of Procurement Services and the Assistant Superintendent of Business Services. If the limit increase request is approved, the Program Administrator will adjust the card purchasing limit and the adjustment is effective immediately.

### 1. P-Card Controls

Cardholders act as purchasing agents for HCDE; therefore, expenditures made with the P-Card must be only for those items that are for official HCDE business and furthermore, for those items allowed to be purchased using a P-Card as outlined in this manual. Additional controls have been added to each P-Card in order to assist in keeping charges within HCDE monetary spending limits. These spending limits are embedded in each P-Card via the magnetic strip and are imposed at the point of sale when the card is swiped.



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## 2. Cardholder Spending Limits

The available limits on a P-Card include:

\$5 per transaction – Single Transaction Limit (STL)

\$5 per month – Credit Limit (CL) – this is a monthly limit

The Department's maximum limit on P-Card purchases is \$5,000 per transaction.

The established standard monthly credit card limit is based on the Cardholder's budgetary responsibility not to exceed \$10,000 per month. If a cardholder requires a higher monthly limit, the Cardholder's Division Director may request, with appropriate justification, an exception. All monthly limits, including those above \$5,000, are reviewed on an annual basis to determine if there is still a need for the higher limit.

Your judicious review/sign-off of transactions is important to maintain purchasing capacity; however, your timely and prudent evaluation of purchases also serves to validate the Department's ability to utilize the P-Card within the parameters of policy and procedures

## 3. Merchant Activity Type Limits

Specific types of businesses are identified by a Standard Industrial Classification (SIC) Code, commonly referred to as Merchant Category Code (MCC). Based on the nature of some categories, specific MCC codes may be restricted for use on the card. If you have difficulty using your card with any particular vendor, please contact the P-Card Administrator.

## 6.0 Acceptable Purchases (Things I Can Buy)

All purchases made with the P-Card must be for official HCDE business and must NEVER be used for personal purchases (intentional or unintentional), regardless of the circumstance. The P-Card may be used to purchase supplies and materials, non-inventoried equipment, and various services valued at \$3,499 or less, including shipping or handling charges, insurance, etc. provided there is no requirement to sign a contract or agreement.

Your P-Card is not intended to bypass established purchasing or payment procedures. Procurement bidding procedure requirements should be utilized as required and appropriate. The P-Card is intended to complement the existing processes available and is not intended for after-the-fact-payment.

Some Allowable Items Include:

**P-Card holders must identify a brief business purpose on the receipt or expense description section of the P-Card report (i.e. Supplies for Principal Meeting, Refreshments for May 1 School Meeting, app fee for report preparation, etc.)**

- Airfare (flight can be added as part of your Request to Attend if there is doubt about attendance)
- Parking at airport or nearby parking locations is restricted to \$30 per day. If the total cost for ground transportation services (Uber, Lyft) from home to airport and back is less than the daily parking fee, this could be a convenient option.
- Travel and Lodging
- Car rentals to attend a conference are not allowed. If a car rental is requested and approved through a Request to Attend, the cardholder must pick-up and drop-off the unit at the conference location. Driving or flying are the authorized methods of transportation.
- Business Meals - An agenda must be attached to the documentation (i.e. Rotary Meetings)

**Note: Employees receive a per diem reimbursement when attending conferences/training (out of county/state). For this reason, business meals must not be paid with the P-Card to avoid duplicate meal reimbursement.**

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- Registration Fees
  - Workshop Materials; including books, tapes and CD's
  - E-Commerce (ordering from electronic vendors) up to a maximum of \$3,499 (i.e. apps, ppt templates, etc.) (Note: no sales tax allowed)  
(Advertisement on Google, Facebook or other platform up to \$3,499 and if recurring in more than one month, it requires the quotes to be attached to the p card expense report).
  - Amazon purchases. Submit itemized receipt and/or delivery confirmation of your purchase with your expense report. Items must be delivered to an HCDE location.
  - Promotional Items. Promotional items are those items that bear the HCDE/Division logo and is used for promotional purposes
  - Fuel for equipment such as mowers or shop equipment
  - Fuel as part of rental vehicle contract
  - Payment of convention booth fees (i.e. TASB, TASBO) up to \$4,999
  - Flower arrangements for events (i.e. graduations, general in-service) up to \$500
  - Plan or permit fees to a city or a county (i.e. COH or Harris County) **as necessary**
  - Review fees for documents sent to GFOA, TASBO, ASBO or other association
  - Permit or license fees (i.e. CPA, Engineer, etc.)
  - Memberships to associations (i.e. TASA TASB, GFOA, ASBO, TSCPA, AICPA, Rotary, or other professional organization up to \$3,499 per transaction)
  - Excess luggage/baggage payment traveling by airplane – for presentation brochures or other booth materials up to \$500
  - Valet parking is allowed when unloading materials at conference sites/hotels and-or is a safety matter for the HCDE employee not to exceed \$60 per day
  - **Payment of utilities through the Accounts Payable Office for emergency situations or as approved by Asst. Supt for Business.** (utilities such as water, electricity, cable, or gas)
  - Authorized transactions by Asst. Supt for Business in order to pay an HCDE debt which requires expediency and within the allowed budget and CH Local.
- Purchases from Vendors for the following categories:
- Office or General Supplies up to a maximum of \$1,500 from other misc. vendors.
    - Choice Vendors – **\$4,999** i.e. listed on choice vendor website
  - Catering Services for business functions up to **\$4,999**
  - Technology Items – See "Allowed Technology Items Purchases" below
  - Purchase of parts up to a maximum of \$3,499 (must include part # for a vehicle or building location)

## 1. Technology Items

The Technology Support Services division participates in the acquisition process of HCDE technology-related purchases, as necessary. One of the goals of the Technology Division is to ensure that HCDE technology standards are consistently adhered to; however, realizing that there are a few items that should not require Technology approval. To assist you with expediting your technology purchases, the list below contains approved items that P-Card users are allowed to purchase without consulting Technology (items must not exceed **\$1,500**):

- Cameras (photo equipment)
- Web cameras
- Small printers
- Scanners

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- Monitors
- Headsets
- Multi USB hubs
- Keyboards
- Mouse and Trackballs
- Printer Toner (you are responsible to get correct model; refurbished is not allowed)
- Various USB Cables (Network Cables are prohibited)
- Cell Phone Accessories if you have an HCDE provided phone
- Laptop chargers & Connectors
- Speakers
- Surge Protectors
- Pen (Flash) Drives
- CD/DVD Media (Blanks)

**Purchases of any and all technology-related items not listed above require either the approval and/or assistance of Technology Support Services staff. The method of approval can be an interoffice memo or email from the Technology Director.**

**Cumulative purchases above \$1,500 per month on this list may not be purchased.** These purchases must be purchased via a Purchase Order. Splitting purchases intentionally will be deemed to be non-compliance and will trigger cancellation of the P-Card in the first instance.

Note: Any other technology needs such as computers, printers, scanners and software must also be pre-approved by Technology Support Services. The pre-approval for these items is needed to resolve concerns about connectivity, compatibility and license compliance.

**6.2 iPad, cameras, or other sensitive equipment- regardless of the cost must be tagged by technology prior to providing to the division or employee.**

## 7.0 Unacceptable Purchases and Practices

### 7.1 **Unallowable Purchases (Things I Cannot Buy)**

- Any purchase that exceeds **\$4,999** per month (including shipping, handling and set-up); except if prior written approval has been obtained through the Assistant Superintendent for Business Services
- Adult Entertainment
- Alcohol, alcoholic beverages and tobacco products
- Antique shops and antique reproductions
- ATM Machines withdrawals
- Betting/Track/Casino/Lotto
- Cash advances, Cash Refunds or "Store Credits" held on account with vendor
- Computer/Electronic Equipment not in the list above and/or without Technology Division approval
- Conference and or workshops for non-employees/independent contractors
- Dating Services
- Door Prizes: Door prizes is defined as any prize awarded by lottery to a holder of a ticket or a drawing where names (i.e. business cards) are selected and a prize is awarded
- Donations: A donation is defined as giving of financial gifts, contributions, presents and pledges

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- E-Bay
- Escort Services
- Escrow Accounts
- Furrier and Fur Shops
- Gasoline for personal motor vehicles
- Gift Cards of any kind, for any reason (including gift certificates, stored value cards, calling cards, pre-paid cards, or similar products and other equivalent forms of cash)
- Goods or Services for personal use
- Group purchases
- International purchases
- Jewelry stores
- Leases or other contractual agreements regardless of the cost
- Payments to individuals, consultants, employees and/or sole proprietors are strictly prohibited. These payments will require immediate reimbursement to HCDE. ZELLE payments are not allowed.
- Contracted services of any kind subject to procurement
- Contracted services that may require fingerprinting review. Services must be procured through a purchase order
- Upgrades of airline seats
- Use of P-Card for Education Foundation, PFC, and other entity purchases
- Food at restaurants not to exceed \$50 per person. The Superintendent and Leadership Members conducting business on behalf of HCDE should use their discretion.
- Maintenance/Service Agreements (that require a signed contract)
- Massage Parlors
- Merit Awards/Student gifts in the excess of \$50
- Money Orders or Convenience Checks
- Office furniture
- Outstanding invoices against active purchase orders
- Pawn shop purchases
- Personal services (hair salon, doctor visits, hospitalization, etc.)
- Special occasion items for personnel or personal use (flowers, fruit baskets, candy, balloons, birthday celebrations or cakes, lunches, etc.)
- Sponsorships. Sponsorship is defined as offering financial assistance, support, patronage or funding to an entity or person such as golf tournaments, galas, etc.
- Wire transfers
- Any purchase prohibited by another HCDE policy

### 7.2 **Unallowable P-Card Practices**

Inappropriate use of the P-Card or failure to abide by the P-Card Program and Procedures will result in revocation of the card and appropriate disciplinary action, including termination of employment.

#### A. **Splitting Orders/Making Sequential Purchases**

Splitting orders/transactions or making sequential purchases with the Department P-Card is prohibited. Ensure that individual transaction limits are never exceeded. Transaction splitting is the practice of committing multiple P-Card transactions to circumvent the Cardholder's

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one-time transaction limit, bypass HCDE competitive bidding requirements, or avoid the card's monthly card limit. Sequential purchases mean purchases, made over a period, of items that in normal purchasing practices would be purchased in one transaction.

#### **B. Single Purchases of \$5,000 or More**

The P-Card is intended for small dollar transactions. Single purchases of **\$5,000** or more are required to be done via a purchase order. Exceptions may be made with prior written approval from the Assistant Superintendent for Business Services.

#### **C. Using the P-Card to Pay Outstanding Invoices Against Active Purchase Orders**

The P-Card should never be used to pay any type of outstanding purchase order or items that were ordered but not processed through a requisition.

#### **D. Store Credits**

If purchased items need to be returned, the cardholder is responsible to request vendor to credit P-Card. Store credits are not allowed in any way or form. Please ensure to provide adequate documentation of the transaction with your P-Card expense report.

#### **E. Conflict-of-Interest Policy**

Cardholders must not make P-Card purchases from friends or relatives where the Cardholder has a financial interest. Additionally, the Cardholder must not accept any gift or gratuity from any source when it is offered, or appears to be offered, to influence your decision in making a P-Card purchase. The use of coupons, rebates, or rewards programs from vendors, banks, or other institutions that offer free/promotional items for the benefit of the Cardholder are not allowed when purchasing items with the P-Card. Any items received as a direct result of using the P-Card must be for the benefit of the Department and are expected to remain on HCDE premises. For example: An office supply vendor has a rewards program that allows a customer to earn free items based on accumulated points/dollars spent.

#### **F. P-Card Sharing**

Only that person named on the P-Card is the authorized user. P-Card sharing is prohibited and will result in immediate termination of the P-Card and all P-Card privileges. P-Card sharing is the practice of allowing an individual other than the cardholder whose name appears on the front of the P-Card to have access to the P-Card or P-Card number to initiate or complete a transaction. P-Card sharing increases the risk of fraud and cardholder liability.

Best practices to prevent fraud and misuse include NOT allowing an individual other than the Cardholder to:

- have physical possession of the P-Card to make payments to point of sale vendors;
- have access to the P-Card number and expiration date to make payments via telephone, internet, or in person;
- have access to receipts or invoices that display the complete P-Card number and expiration date.

#### **G. Using the P-Card for Personal Use**

*The use of the P-Card for personal expenditures is strictly prohibited.* Cardholders who violate this rule must **immediately** report the personal use and reimburse the funds within fifteen (15) working days. The Procurement Services Division is required to report the misuse, regardless of the cardholder's intent to reimburse the Department, to the Assistant Superintendent for Business, Executive Team Member, and Human Resources Division.

Personal purchases are considered a misappropriation of HCDE funds, a criminal offense, and will be reported to the appropriate authorities. An example would be when a cardholder includes a personal purchase with a departmental order to take advantage of free shipping, tax exemption status or pricing discounts.

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All personal use (intentional or unintentional) of the P-Card must be handled by the cardholder as follows:

- Immediately report the purchase to the Division Director and the Procurement Services Division P-Card Administrator by completing the "P-Card Reporting form"
- Attach a memo on letterhead explaining the circumstance of what happened (including a timeline of the incident) and include a copy of the receipt and/or other supporting documentation
- Submit a check payable to Harris County Department of Education within fifteen (15) working days of transaction to the Business Services Division
- Submit receipt of your payment and the entire package to the Procurement Services Division

#### **H. Exceeding the Single Transaction Limit**

Every P-Card has an assigned Single Transaction Limit that has been approved by the Executive Team Member. Cardholders are cautioned to avoid exceeding this limit. While this limit is embedded in the magnetic strip in the card, vendors who do not swipe the card may exceed the single transaction limit. If the cardholder allows the vendor to exceed the single transaction limit, this will be considered a violation of the P-Card Manual.

#### **I. Reimbursing Unauthorized Charges**

Cardholders may be held personally responsible for unauthorized purchases using the p-card including, but not limited to:

- Paying for personal purchases
- Payment of sales tax
- Unauthorized gratuities

A personal check or money order must be submitted for such transactions to the Business Services Division with fifteen (15) working days of notification to the cardholder. Failure to reimburse HCDE within this timeframe will result in action from the HCDE superintendent.

### **1. How to Make Purchases with Your P-Card**

Only the individual to whom the card has been issued may use the card. When purchasing an item, the following procedures should be followed:

#### **1. Approval Procedure**

Always follow proper internal departmental procedures in obtaining approval for the purchase. If unsure as to whether an item to be purchased does or does not fall within HCDE P-Card guidelines, please contact the Facilitator within the Division or the P-Card Administrator before making the purchase. Cardholders must notify the P-Card Administrator and the Procurement Services Division if they are being directed by their supervisor to execute or approve unallowable transactions. All reports will be handled without retribution.

#### **2. Provide Vendor with Request/Required Card Information**

Be prepared to provide the vendor with any or all of the following information: card number, name, expiration date, billing address, billing phone number, and the three-digit credit card security/verification code that is located in the signature block of the card.

HCDE's billing address must be on all receipts and backup documentation and not the Cardholder's address. HCDE's address is:

Harris County Department of Education  
6300 Irvington Boulevard  
Houston, TX 77022

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### 3. Tax Exempt Status

Inform the vendor that the Department is exempt from sales tax. If the vendor requests a tax exemption certificate, use the one provided in Attachment F. Although HCDE does not pay Texas sales tax, we are required to pay hotel occupancy taxes and airport parking taxes.

If the Cardholder gets charged Texas sales taxes, the Cardholder will be personally liable for reimbursement of the tax to HCDE.

### 4. Shipping Instructions

Give the merchant detailed shipping instructions which must include the following:

1. Your Name, Department Name
2. Building, Room Number
3. Street Address
4. City, State, Zip Code
5. Phone Number

P-Card purchases should be delivered directly to the individual Cardholder's place of work; otherwise, arrangements should be made to pick up the merchandise at the vendor's place of business. In instances where delivery must be through the warehouse, the Cardholder is responsible for immediately notifying the warehouse that goods are expected to arrive.

### 5. Maintain Transaction Log (Recommended)

As P-Card transactions occur, Cardholders are recommended to record all purchases and credits on a transaction log. Transaction logs help to keep a running tally of monthly charges and identify outstanding transactions not yet appearing on the monthly expense report. Maintaining these logs will assist the cardholder in staying within the established purchasing limits of the card. The log may also be used to verify receipt of the correct quantity and product along with verification of billing in the correct price. Cardholders may use a format which contains the following information:

- Purchase made by the cardholder
- Vendor's name
- Detailed description of item(s) purchased
- Date of purchase
- Date item(s) received
- Date item(s) billed on the bank statement
- Amount of the purchase (including freight)
- Name of the employee making the purchase
- Budget accounts
- Business purpose for the purchase

Transaction logs although not required, assist Facilitators in cases where the Cardholder does not prepare his/her own monthly expense report.

### 8.6 Ensure Adequate Documentation is Obtained and Exists

If receipts do not provide sufficient detail to identify what the purchase is and what the business reason is for the purchase, the Cardholder should include additional details documented on the P-Card report expense description section, receipt, transaction log or other supporting documentation. If adequate documentation is unavailable, a Missing Receipt Affidavit form (Attachment G) must be completed, signed, and submitted with the monthly expense report. A pattern of missing receipts, which is defined as more than three (3) times in one fiscal year, will result in suspension of P-Card privileges.



### 7. Security

Cardholders are responsible for safeguarding the P-Card and account number at all times. To prevent unauthorized use and limit the potential for fraud, the cardholder should use basic security measures, as outlined below:

- Keep the P-Card and account number in a secure location and safeguard it as if it were your own personal credit card
- Do not loan or share the P-card with others, including co-workers within the department
- If purchasing by phone, caution the vendor to refrain from placing the P-Card number on the shipping label or anywhere on the outside of the package
- Review transactions in SmartData in a timely manner to detect unauthorized transactions
- Review the monthly bank statements immediately upon receipt, to detect unauthorized transactions
- Before placing an order with an online merchant, make sure the site is secure before entering your account information. The URL, or web site address, should begin with https. A graphic, such as a lock, should appear in the bottom right corner of your browser bar
- Lost, stolen, or fraudulently used P-Cards must be reported immediately to JPMorgan Chase by calling 1-800-890-0669 within 24 hours of discovering the loss, theft, or fraudulent use. The Cardholder's Approving Official and the P-Card Administrators in Procurement must also be notified immediately in writing.
  - JP Morgan Chase will send the Cardholder an Affidavit of Fraud in which the Cardholder is to identify the fraudulent charges, sign and date the Affidavit.
  - The Cardholder must submit the Affidavit of Fraud to JPMorgan Chase and a copy to the P-Card Administrator.
  - A fraud case can't be investigated without receipt of the affidavit by JPMorgan Chase. It is the cardholder's responsibility to keep in contact with JP Morgan Chase and report those findings to the P-Card Administrator in regard to the fraudulent charges.

### 8. Obtain Best Value

All purchases must comply with the purchasing requirements as outlined in HCDE's Financial Operating Guidelines. When purchasing goods and/or services, the following is the order of precedence which should be followed: HCDE contracts, Choice Partners Cooperative contracts, other cooperative contracts in which HCDE participates (with approval of Procurement Services Division), and then open market. After verifying that the item is not available on an CDE/Choice Partners contract, the Cardholder must utilize lowest price based on requirements, quality, and availability to obtain the maximum value of each dollar expended.

### 9.0 Resolve Disputes

The Cardholder is responsible for resolving disputes with the vendor such as incorrect pricing, delivery problems, incorrect items received, damaged items, etc. A fraudulent charge is not handled in the same manner as a dispute. See Section 8.7 (last paragraph) for the correct method of handling fraudulent charges.

Most disputes can be resolved by calling the vendor and having them issue a credit back to the P-Card account. Never accept cash, store credits, or gift cards in lieu of a credit to the P-Card account. Please contact the P-Card Administrators for guidance if a vendor insists on providing a credit in a form other than a credit back to the P-Card.



If the vendor fails to promptly credit your account, file a dispute with JPMorgan Chase within thirty (30) days of the billing issue date. Document all correspondence including dates, individuals involved, and a brief description of the problem and keep this form in your records, filed with the expense report. If no resolution can be achieved between the Cardholder and the vendor, follow the procedures below:

- Report the dispute to JPMorgan Chase by contacting the Dispute Department at 866-491-9432. At such time, they will try to clear the dispute on the spot; however, if they cannot resolve it via telephone, the Cardholder will be required to provide JPMorgan Chase with a narrative of the disputed transaction via fax to the attention of Merchant Dispute Department at 888-297-0768. The transaction will be set aside until the dispute is resolved; please note that the Merchant has 45 days to respond; if no response has been received, then the transaction will be credited.
- Send a copy of the completed dispute form to the P-Card Administrator and the individual responsible for compiling the reconciliation package.
- Add a comment in SmartData noting that the charge has been disputed and that either a credit is expected or that a dispute form has been faxed to the bank.
- Contact the P-Card Administrators for additional assistance if JPMorgan Chase is unable to resolve a dispute.
- Note: All sign offs must still occur within SmartData and the monthly expense report. Sign off does not indicate approval of the charge provided comments are entered in SmartData to indicate that a dispute has been filed.

#### 10.0 Reconciliation of Monthly Expense Reports and Billing Statements

A reconciliation of the monthly expense reports to receipts, invoices, and other supporting documentation must occur on a monthly basis. The following steps must be completed when performing the monthly reconciliation process:

- Step 1: Compile the monthly reconciliation package. This "package", which consists of all original documentation, including receipts, credits, records of disputed transactions and other supporting documentation must be reconciled and attached to the Monthly Expense Report. Departments may use the suggested Monthly Reconciliation Checklist (Attachment H) to assist in completing the monthly reconciliation.
- Step 2: The Cardholder must review the reconciliation package and sign and date the monthly expense report to indicate that a review of the reconciliation package has been conducted. Cardholder must ensure that funds are available on the account where the expense is being coded. If no funds are available, a budget transfer must be initiated to cover these expenses. The reconciliation package should be submitted to the Approving Official or Facilitator in a timely manner so that the package can be reviewed and approved by the Approving Official.
- Step 3: A propriety review of each Cardholder's transactions must occur to ensure that the purchase was reasonable, appropriate and necessary while also in compliance with P-Card rules and regulations. This review may be completed by a Facilitator or the Approving Official; however, the Approving Official is responsible for ensuring that a propriety review has been conducted. The individual conducting the propriety review must sign the monthly expense report package to indicate that the propriety review has been performed.
- Step 4: The Approving Official must review the reconciled expense report package on a monthly basis. This review must be evidenced by a signature of the Approving Official on the JPMorgan Chase SmartData Expense Report for the assigned cardholder.
- Step 5: The Cardholder and/or Facilitator must send the signed expense report package to the Procurement Card Specialist and retain a copy for their records (see Section 14.8 for Retention Period requirements). The P-Card Specialist reconciles the expense reports to the monthly billing statements and ensures that all purchases were conducted in accordance to P-Card guidelines.



#### 1. Departmental Roles/Duties within the P-Card Program

There are three mandatory roles listed below that must be assigned for each P-Card. Each role has mandatory duties associated with that role. Please note that the Approving Official and the Executive Team Member may be the same individual.

##### Cardholder

This role is assigned by the Executive Team Member. The Cardholder is the individual to whom the P-Card is issued. All cardholders must be permanent (full-time) employees of the Department whose job duties require the use of a P-Card. Cards are issued to individual employees and never to a specific department or division. No more than one (1) card may be issued to an employee. Note: The Cardholder must never be his/her own "approving official".

##### Mandatory Duties:

- Attend initial training prior to receipt of a new P-Card
- Complete refresher training annually or as often as directed by the Procurement Office
- Sign the **Conflict of Interest Disclosure Forms** (Fraud)
- Record each transaction on a transaction log as the purchase (or credit) occurs – *this is a recommended practice and not mandatory*
- Provide adequate documentation for each transaction for inclusion with the monthly expense report. Submit documentation to the Approving Official or Facilitator for inclusion in the reconciled monthly expense report.
- Sign and date the monthly reconciled expense report and assure that funding is available when posting the transaction to the general ledger.
- If a personal charge has accidentally been made on the P-Card, the item must immediately be paid in full by personal check made payable to the Harris County Department of Education from the Cardholder. (See Section 7.2, Subsection F).

If terminating employment with the Department or transferring to another department, the Cardholder must notify the Approving Official, Executive Team Member, and the P-Card Administrator in Procurement in writing and turn in the P-Card immediately to one of these individuals.

##### Approving Official (Division Directors/Budget Managers)

The Executive Team Member must assign a knowledgeable individual acting in a supervisory capacity (to the Cardholder) as the Approving Official. Once this role is assigned, the duties of this position may not be delegated. Note: The Approving Official may also be the Executive Team Member and may perform other mandatory functions associated with P-Cards.

##### Mandatory Duties:

- Attend initial training prior to assuming the role of Approving Official
- Complete refresher training annually or as often as directed by the Procurement Office
- Review the P-Card purchases of assigned Cardholders on at least a monthly basis to verify that all transactions were properly authorized and that a propriety review was conducted to ensure that charges were appropriate and directly related to HCDE business as well as sufficiently supported with documentation that describes the nature and purpose of each transaction. Evidence that a propriety statement with a signature or with comments added in SmartData.
- Sufficient documentation and description generally means that an external reviewer, with access only to the statement and supporting documentation, could identify the following:
  - Detailed list of items(s) purchased
  - Intended business use of items purchased
  - Date and amount of the purchase
  - Vendor Name



- Ensure that the Cardholder has signed and dated the monthly expense report.
- Sign the monthly expense report to show evidence that a reconciliation and review of transactions has been completed. Ensure that the supporting documentation which includes receipts, invoices, and dispute forms are attached to the signed expense report.
- Identify any policy violations and discuss with the Cardholder to provide additional instruction. If a violation occurs (even if unintentional or if a credit was received), Approving Officials must report the situation in writing using the P-Card Reporting Form (Attachment E). Please forward a copy to the Executive Team Member.
- If the Cardholder is no longer employed at HCDE or has transferred to a new department, the Approving Official is responsible for ensuring that:
  1. The P-Card has been cancelled immediately, cut-up and returned to the P-Card Administrators in Procurement
  2. All transactions have been entered in SmartData
  3. Adequate documentation exists for each transaction
- Notify the P-Card Administrator immediately upon change in cardholder's employment status including:
  - o Change of Department
  - o Change of Position, Role or Title
  - o Leaves of Absence
  - o Termination, resignation or retirement – The Approving Official must notify the P-Card Administrator immediately so that the card can be deactivated promptly

If desired, the Approving Official may also monitor P-Card purchases on a more frequent basis in the SmartData program. Please contact the P-Card Administrators for assistance in setting up "view only" access in SmartData.

Note: Signature authority for the P-Card approval process may not be delegated.

#### **Executive Team Member**

This role has sole authority for assignment of P-Cards and roles. This responsibility to assign cards and roles may not be delegated (even to those individuals holding signature authority). The Executive Team Member has overall budgetary responsibility for the department's P-Card program and is responsible for following sound business practices. The Executive Team Member approves the issuance of new cards which includes setting the single transaction and monthly credit limits. This individual also assigns P-Card roles to employees within the department, balancing control and operating convenience in those designations. The Executive Team Member may also act as an Approving Official.

Please note: Contact the P-Card Administrator or someone in the Business Services Division if guidance is needed in determining who should serve as the Executive Team Member for your division.

#### **Mandatory Duties:**

- Complete required training and refresher training annually
- Approve and Monitor the Issuance of P-Cards:
  - o Approve new P-Card requests via the P-Card Request Form (Attachment A) to establish cardholder single transaction/monthly credit limits and default accounts.
  - o Ensure that only permanent (regular) employees whose duties require purchasing card use are issued P-Cards
  - o For every P-Card issued, assign an Approving Official who acts in a supervisory capacity to the cardholder.
  - o Assign individuals to act as Facilitators, as needed, to perform various other mandatory duties (multiple Facilitators may be assigned)

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- o Periodically assess the continuing business need for each card issued within the department at least annually
- o Re-evaluate transaction and spending limits periodically
- o Approve Cardholder profile change requests as needed using the P-Card Maintenance Form (Attachment D). This form addresses changes to the single transaction limit, monthly credit limit, role assignment changes and other changes.
- o Notify the P-Card Administrator if the Cardholder leaves the department or is no longer an employee of the Department.
- Ensure Monthly Review and Segregation of Duties:
  - o Assign a knowledgeable individual acting in a supervisory capacity (usually the Division Director/Budget Manager) to the cardholder as the Approving Official for each card. Sufficient internal controls must be established and implemented to ensure that this knowledgeable individual review the monthly expense report package, including receipts and other supporting documentation for approval in a timely manner during regularly scheduled billing cycles.
- Establish and Maintain Internal Controls as specified in Policy CAA (Local) – Fiscal Management Goals and Objectives – Financial Ethics.

#### **Other Mandatory Duties/Functions**

The following duties/functions listed below may be performed by individual's other than the Cardholder, Approving Official or Executive Team Member. If someone other than an individual holding one of the three mandatory roles is completing these duties, this person is considered to be performing the role of a "Facilitator" and must be assigned by the Executive Team Member (See Attachments K and L for Facilitator forms).

In order to ensure that transactions are recorded correctly and reviewed on a timely basis, the person completing these duties must perform the following:

- Facilitators must also receive the same training as Cardholders and complete a refresher training annually.
- Enter detailed comments in SmartData that describe the item/service purchased including the reason for the purchase. The website for logging in to SmartData can be found at: <https://sdol.mastercard.com/jpmorganchase>.
- Enter the budget account codes and ensure that there are sufficient funds in the general ledger. If you need guidance regarding a particular account to use, please contact the staff in the Business Services Division.
- Reconcile the monthly expense report to the receipts, invoices and other supporting documentation. (See Section 10.0 Reconciliation of Expense reports)
- Ensure that a propriety review has occurred and is documented. A propriety review indicates that the purchase was reasonable, appropriate and necessary while also in compliance with P-Card rules and regulations.
- Sign the P-Card Monthly Review form and send the reconciliation package (complete reconciled monthly expense report with signatures and attached documentation) to the P-Card Specialist in the Procurement Services Division and retain a copy for your records.

Facilitators assist Cardholders in preparing their expense reports. This does not excuse cardholders from their responsibilities.

#### **I. Compliance: Administration, Reviews and Violations**

##### **2. Program Administration**

The Procurement Office is responsible for the overall administration of the P-Card program. Administrative roles within the P-Card program include the Procurement Director and P-Card

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Administrator, the P-Card Specialist within the Procurement Department, and the Assistant Superintendent for Business Services in the Business Services Division.

#### **12.2 Business Services Division Review**

The Business Services Division will conduct random post-audit reviews and compliance inspections of P-Card transactions to ensure compliance with all P-Card policies and procedures and identify improper use of the P-Card such as unallowable purchases, purchases in excess of single transaction limits, split-orders, payment of sales tax, purchases from "high risk" vendors, excessive purchasing activity, etc. Inactive accounts (those with little or no activity over the past 12 months) will also be reviewed and may be deactivated or cancelled. The P-Card Administrators will discuss the status of inactive accounts with Approving Officials or Executive Team Members prior to deactivation or cancellation. Statistics regarding P-Card compliance will be provided to the Assistant Superintendent for Business Services on a routine basis.

The individual assigned the responsibility for retaining P-Card documentation must submit receipts and any other supporting documentation upon request. Providing detailed comments in SmartData and submitting documentation as quickly as possible will help to facilitate this review process.

Failure to provide documentation i.e. invoice, receipt or other supporting documentation detailing specific transactions may result in the cancellation or restriction of a department's P-Card privileges. Cardholders will be required to reimburse the Department for purchases that have not been appropriately documented. In addition, approving officials may also be required to reimburse the department if the Approving Official approved the purchase.

#### **I. Violations, Fraud, Waste and Abuse**

##### **2. Violations and Written Notices**

Violations of rules governing the use of P-Cards can be the result of noncompliance with policy or procedure or can be as severe as misuse which could result in disciplinary actions up to and including employment termination and civil and criminal charges.

Violations of policies and procedures governing use of the procurement card can be classified as minor or major. The action taken is dependent upon the type of violation and the number of previous occurrences. The Director of Procurement Services and the P-Card Administrator can suspend a cardholder's privileges with or without input from the cardholder's department. All other actions are determined at the appropriate level. Any alleged violation or questionable transaction could result in an immediate suspension of card privileges pending a review to determine what, if any, action is appropriate.

##### **Minor Violations**

Minor violations are instances that are "accidental" and without willful intent or associated with a delinquent reconciliation of the Monthly Expense Report. Examples include but are not limited to:

1. Purchases that should have been made through a purchase order
2. Failure to reconcile and return the Monthly Expense Report in a timely manner
3. Payment of sales tax
4. Not obtaining prior approvals for purchases

Cardholders will receive a minor violation in the form of an electronic memo from the P-Card Specialist. A copy of the violation memo will be sent to the Cardholder's immediate supervisor, Executive Team Member, and budget manager (if applicable). Repetitive violations of any type in a 12-month period will result in a major violation being issued.

##### **Major Violations**

Major violations are instances that show disregard for established policy and procedures, whether intentional or not. Examples include but are not limited to:

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1. Purchasing unauthorized or restricted items
2. Splitting orders to avoid the single transaction limit
3. Allowing others to use your card
4. Any and all personal purchases, even without willful intent
5. Accumulating minor violations as defined above (3 minor violations equates to 1 major violation)

Any major violation will result in immediate temporary suspension of the cardholder's privileges and notification to their department. If no fraud or theft is involved, reinstatement of the P-Card privileges can be made after 30 days at the request of the cardholder's supervisor, with the approval of the Assistant Superintendent of Business Services. If a second suspension is required, it will be permanent.

##### **2. Detection and Prevention of Fraud**

The Department is responsible for ensuring that the institution's assets are safeguarded from fraud, waste, and abuse. The Department will seek restitution for any inappropriate charges made to the P-Card. Fraudulent or intentional misuse of the card will result in revocation of the card and/or possible criminal charges, including termination. Any employee of the Department who knowingly:

- a. uses a purchasing card for personal gain;
- b. purchases items on such purchasing card that are not authorized for purchase by such employee;
- c. purchases items in violation of this manual; or
- d. retains for such employee's personal use a rebate or refund from a vendor, bank, or other financial institution for a purchase or the use of a purchasing card

shall be subject to immediate termination of employment, restitution for the amount of the improper purchases, and criminal prosecution.

An employee's supervisor who knowingly intentionally, willfully, wantonly, or recklessly allows or who conspires with an employee who is issued a purchasing card to violate any p-card procedures shall also be subject to immediate termination of employment and criminal prosecution.

An employee may report improper activities through their supervisor, or to the Procurement Services Division by completing a P-Card Reporting Form (Attachment E).

#### **14.0 Documentation Needed to Prepare the Monthly Expense Report Package**

Section 10 describes the steps needed to prepare the monthly expense report package. Cardholders are required to submit an expense report to the P-Card Specialist the Procurement Services Division on a monthly basis. Lists of cut-off dates for submission are included in the Business Services calendar and the P-Card Specialist sends monthly reminders. It is the Cardholders responsibility to ensure the timely submission of all documentation to the Procurement Services Division.

**Failure to Submit Timely Expense Reports** – Cardholders that fail to submit the report by the deadline may be subject to either (1) temporary loss of the card or (2) permanent loss of the card. It is each division's responsibility to ensure that a backup person and/or facilitator has been selected to address the monthly completion and submission of monthly expense reports in the event that the primary person is absent or unavailable. It is also the division's responsibility to assign an authorized person who has signature authority to sign the monthly expense report in the event the budget manager is absent or unavailable. The signature authorization form on file with the Business Office may need to be updated to reflect that the appropriate person is authorized to submit the monthly expense report package.

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If a Cardholder does not have any purchases for the month, a "Financial Transaction Summary" should be printed out, signed by the cardholder, Approving Official and sent to the P-Card Specialist in the Procurement Services Division.

The following are general guidelines to assist you in documenting and preparing your monthly expense report(s):

**1. Receipts**

Original, itemized (detailed) receipts of all P-Card transactions must accompany the Monthly Expense Report Package. A credit card charge slip is not considered adequate documentation.

**2. Lost Receipts**

If a receipt is lost or stolen, the Cardholder should make every attempt to obtain a duplicate copy of the receipt from the vendor. If unable to obtain a receipt, the charges will become the personal liability of the Cardholders. A check or money order payable to Harris County Department of Education must be submitted within 30 days of the purchase to the Business Services Division for the full transaction amount. A Cardholder may also make arrangements with the Business Office for payroll deductions.

**3. Travel Expenses (6411 – 6414)**

All travel-related expenses (parking, airfare, meals, toll roads, rental cars, hotel, etc.) must comply with HCDE Travel Reimbursement procedures which can be found in the Financial Operating Guidelines.

A copy of your Request to Attend and the Travel Reimbursement Request form is required for each trip along with the agenda or notice of the trip/event. The link to the Request to attend is as follows:

<https://hcdeportal.hcde-texas.org/Nintex/SitePages/RTAS%20and%20Travel%20Reimbursement.aspx>

The Request to Attend and Travel Reimbursement forms must be attached behind the airline, hotel, or conference transaction receipts from the trip. In cases where transactions occur and are billed prior to the actual trip (i.e. registration fees, airline tickets, etc.) a copy of the Request to Attend must be attached behind the receipts for charges made prior to the actual trip.

**Airfare** – HCDE is not exempt from paying airfare taxes. The HCDE Airfare Quote Form (see Attachment I) should be completed by the Cardholder to ensure that HCDE is getting the best value when flying. Three (3) quotes must be procured from any airline company that accepts MasterCard as a form of payment. Quotes must be from different airlines. The form and airline quotes must accompany the airfare receipt when submitting the monthly expense report. For locations that are not serviced by more than one airline (i.e. Dallas Love Field from Houston Bush Airport, document that the other quotes are not available.) Avoid paying a premium by booking your flights fourteen days or more in advance. It is highly recommended to insure your flight in case of unforeseen circumstances or emergency cancellations. Flight insurance is an allowable expense at the time of purchase.

The P-Card may be used to pay for baggage fees; however, Accounts Payable will only reimburse the cardholder for the first checked bag if a fee is assessed. Any additional baggage or overweight baggage fees will be the responsibility of the traveler and HCDE will have to be reimbursed by the traveler unless it is to carry materials to conduct business on behalf of HCDE.

**Hotel** – Please note that HCDE is not exempt from paying hotel occupancy taxes. When booking a hotel ensure that you are obtaining the best value for your money and factor other incidental expenses such as parking fees, distance to venue, taxis, etc. It is recommended that the bill include HCDE in the name; for instance, reserve as John Doe/HCDE.

Valet parking is allowed under certain circumstances:

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- (1) When the employee traveling has multiple luggage and conference or booth materials and
- (2) When the individual safety is at risk

**Fuel (Gas) and Meals** – Fuel purchases are only allowable for HCDE vehicles and rental cars being used for business purposes. Note that fuel for your personal vehicle and meals during your trip are not allowable P-Card expenses. The cost of gas is reimbursed on a mileage rate basis and meals are reimbursed on a per diem basis by submitting a Travel Reimbursement Request to the business office.

**Tips** - Reimbursements for tips/gratuities for the following services are considered personal services and are unallowable for reimbursements: maid service; valet parking; baggage handler; bell hopper; restroom attendant; and concierge services.

**Ground Transportation** – HCDE allows to tip a minimum of \$2.00 and a maximum of 10% of the transaction total for taxi, uber, shuttle, and other ground transportation services. Since these payments are processed electronically, and in most cases the vendor does not provide a hard copy of the receipt, the cardholder will be responsible to download and submit a receipt showing the trip purpose and total transaction amount with their P-Card expense report.

**Cancellations** - Employees cancelling travel costs must provide adequate documentation prior to the travel beginning in order to get a refund or a cancellation. The P-Card user must secure the supervisor's approval prior to the cancellation. Failure to secure cancellation may require reimbursement to HCDE. Emergency situations are allowed, but after returning to work, the P-Card user must secure approval for the cancellation due to family emergency.

**Note:** The P-Card user will be responsible to notify the Procurement Services Division if travel arrangements have been postponed or canceled, and to provide adequate documentation if these have been rescheduled, refunded or an allowance has been provided to use at a future date.

**Non-employees** - Travel expense payments are allowed for non HCDE employees under the following circumstances:

A copy of the grant or contract and the approved board agenda allowing or requiring the travel must be attached. The P card user will be held liable for any misappropriation or misuse by the non HCDE employee.

**14.4 Business Meals**

Business meals are allowed only when entertaining HCDE business clients. A meeting agenda and sign-in sheet must be submitted for meeting meals/refreshment expenses.

The original itemized meal receipt (list of food items purchased) and the credit card payment authorization slip (total charged to credit card) must be turned in along with a notation of the reason for meeting and a list of people in attendance. When dining in a restaurant, taxes will be applied to the total charge of your meal. It is the cardholder's prerogative to request the tax exemption to the vendor.

**Tips** – Follow the Tips and Gratuities policy in the Financial Operating Guidelines for guidance on maximum tip amount allowed. Cardholders will be required to reimburse HCDE for tips more than the maximum amount allowed.

**Tips for Meals:**

For the purpose of business meetings, HCDE allows up to a maximum of 15% of the meal expense as a gratuity to the waitperson for excellent service. Gratuities established by a restaurant for parties over a certain number of persons are allowable and will be reimbursed in full providing that the request for reimbursement accompany documents and or receipts that substantiates (time, date, purpose and a list of the attendees) the business meeting. For



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example, if an establishment accesses an 18-25% gratuity (usually for larger parties) the employee will be reimbursed for the total of the bill.

#### Catering & Delivery

It is allowable to have food catered and or delivered when conducting business on behalf of HCDE. A meeting agenda and sign in sheet must be submitted for meeting meals/refreshment expenses.

The original itemized meal receipt (list of food items purchased) and the credit card payment authorization slip (total charged to credit card) must be turned in along with a notation of the reason for meeting and a list of people in attendance.

**Tips** – Follow the Tips and Gratuities policy in the Financial Operating Guidelines for guidance on maximum tip amount allowed. Cardholders will be required to reimburse HCDE for tips in excess of the maximum amount allowed.

##### Tips for Catering/Food Delivery:

The delivery fee for food often covers the expenses for delivery such as vehicle fuel and use, insurance expense and 'to go' supplies (containers, etc.) and not a gratuity for the delivery person. HCDE allows a maximum of **15% of the food total** to be paid for catering/food delivery expenses. For example,

Invoice total:	\$ 75.00
LESS Delivery fee:	- 10.00
Food Total:	\$ 65.00
Maximum allowable tip:	\$ 9.75

#### Retirement Celebration

Employees retiring from Harris County Department of Education (HCDE) may be honored with a reception. The Human Resources Division allocates \$300.00 for the purpose of purchasing refreshments for the reception and a small bouquet of flowers. Additional expenses incurred by the division for the retirement celebration will be considered out of pocket costs. Gifts for the retiree may not be purchased using the P-Card. The Department has pre-selected gifts allotted for retirees (See HCDE Retiree's Gift Brochure) available through the Human Resources division. The Department does not sponsor private (division only) receptions.

##### **The documentation for the reception cost should include:**

- Retirement letter from the employee that was submitted to the Human Resources Division and the Division Director indicating their intent to retire
- Retirement Celebration P-Card Authorization Form (Attachment N) approved by the Human Resources Executive Director
- Original itemized receipts
- JP Morgan Chase Smart Data Expense Report with signatures from both the P-Card Approving Official and the Human Resources Executive Director

The following object code should be used when entering the transaction into the JP Morgan Chase Smart Data: **64160025 Retirement Reception**. The description should identify the Retirees Name-Retirement Reception.



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#### **5. Split Purchases**

Split budget transactions are allowed. Written authorization from the other division's budget manager must be submitted along with the monthly expense report in order to use another division's budget code.

#### **6. Budget Codes**

Ensure that budget codes are correct; double-check all information on the report before turning it in each month.

#### **7. Finalizing the Expense Report Package**

1. Place all supporting documentation in the order that it appears on the Expense Report
2. Highlight backup quotes on airlines
3. Explain why, if any, purchases were delivered to a location other than 6300 Irvington
4. Explain reasons for credits issued
5. Do not tape over ink on receipts as the ink will disappear over time

#### **8. Retention Period**

The retention requirements for receipts must follow at least three (3) years from the date of the expenditure. Cardholders and/or Facilitators must keep copies of the P-Card expense reports and receipts on the HCDE OneDrive under your division. If you have any other retention location, please provide it to the Quality Assurance Specialist.

##### **Follow these steps in preparing your monthly expense report package:**

1. Immediately following the end of the billing cycle, a Smart Data report should be ran for the FULL billing cycle.
2. Place all supporting documentation in the order that it appears on the Expense Report
3. All documentation is fed through an imaging scanner; therefore:
  - a. RECEIPTS SHOULD NOT BE ATTACHED WITH STAPLES OR PAPER CLIPS.
  - b. Receipts smaller than 8 1/2" by 11" should be taped **securely** to a sheet of paper.
  - c. All receipts should lay flat on the paper.
4. DO NOT write on the reverse side of a receipt.
5. Ensure that all backup documentation is attached for travel-related and meal expenses as described in this section.
6. Facilitator, cardholder, and supervisor must each sign and date the **Monthly Expense Report**.
7. Send expense reports directly to [p-cards@hcde-texas.org](mailto:p-cards@hcde-texas.org) including the cardholder's name and billing cycle in the subject line.

**Note:** If you are traveling at the time of the deadline and are unable to submit your documentation, it is the **cardholder responsibility** to inform their supervisor, so that proper arrangements can be made for the timely submission of the expense report to Procurement Services Division.



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**HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM**

Attachment A

**Employee Procurement Card Agreement**

I, \_\_\_\_\_ hereby request a JPMorgan Chase Bank/HUDE MasterCard Corporate Procurement Card. As a Procurement Card user, I have read, understand and agree to comply with the HCDE Procurement Card Policies and Procedures.

1. I understand that I am being entrusted with a valuable tool, the corporate procurement card. I will be making financial commitments on behalf of HCDE. I will obtain the best value for HCDE by using the card wisely and with discretion.
2. I agree to use this card for official approved purchases only. I fully understand that misuse or abuse of the card will result in revocation of the card and in appropriate disciplinary action which may include termination of my employment. I also agree to attend training on the use of this card as prescribed by the card Program Administrator.
3. Policy violations include, but are not limited to:
  - a. Purchasing items for personal use or non-HUDE business purposes
  - b. Exceeding card transaction dollar limits or monthly limits
  - c. Failure to turn the card over to the Division Director or Program Administrator when appropriate
  - d. Failure to submit electronic expense report (with original receipts) at the end of each month by deadline established by Program Administrator in Business Services.
  - e. Allowing the card to be used by someone else
4. I agree to return the card immediately upon request or upon termination of employment (including retirement and resignation). Should I be transferred, qualify for extended leave or undergo an organizational change which causes my duties to no longer necessitate the use of the card, I agree to return it immediately and arrange for a new one as may be appropriate.
5. If the card is lost or stolen, I agree to immediately notify JP Morgan Chase and the HCDE Program Administrator verbally and in writing.
6. I agree to allow HCDE to deduct from my paycheck the amount of any unlawful, unauthorized, ineligible and/or other charges made in violation of policies and/or procedures that are made with the Procurement Card. However, this does not relieve HCDE from exercising its right to reprimand, terminate and/or report criminal offenses.

Classification Selected (See P-Card Request Form)	Single Purchase Limit	Max Number Daily Transactions	Monthly Spending Limit	Max Number Monthly Transactions
	\$		\$	

By signing below, you acknowledge the transaction level and agree to comply with this Agreement:

Employee Name:		Title:	
Signature:		Date:	
Executive Team:		Title:	
Signature:		Date:	
Approving Official:		Title:	
Signature:		Date:	



**HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM**

**P-Card Request Form**

This form is to be submitted as part of the New P-Card Request Package. The Purchasing Cardholder Agreement form signed by the Cardholder, Approving Official (Division Director/Budget Manager), and Executive Team Member must be attached before sending to Procurement Services.

**Employee Information**

Cardholder Full Name: \_\_\_\_\_  
 Full time Employee ID: \_\_\_\_\_ Cardholder Title: \_\_\_\_\_  
 Department Name: \_\_\_\_\_ Dept. #: \_\_\_\_\_ Cardholder  
 Email: \_\_\_\_\_ Work Phone: \_\_\_\_\_  
 \_\_\_\_\_  
**For HR Office Only**  
 Verified by Human Resources Department \_\_\_\_\_ Date: \_\_\_\_\_

Select the Cardholder P-Card classification:

Classification(s)	Single Transaction Limit	Number of Daily Transactions	Monthly Transaction Limit	Number of Monthly Transactions
<input type="checkbox"/> Courier I	\$1,500	5	\$1,500	150
<input type="checkbox"/> Clerical I	\$2,000	5	\$2,000	150
<input type="checkbox"/> Clerical II, Courier II, Aide, Asst. Principal	\$3,000	5	\$3,000	150
<input type="checkbox"/> Clerical III, Manager I, Maintenance Technicians, Coordinator	\$3,500	5	\$4,000	150
<input type="checkbox"/> Director, Assistant Director, Manager II, Principal, Clerical IV, Assistant Superintendent, Specialist	\$3,500	5	\$5,000	150
<input type="checkbox"/> * Other (Specify) - Single Purchase Limits are not allowed to exceed \$3,500				

\* If selecting "Other" provide justification: \_\_\_\_\_

Facilitator who will be reconciling the monthly expense reports; if other than Cardholder:  
 Name: \_\_\_\_\_ Email: \_\_\_\_\_ Ext. \_\_\_\_\_  
*Note: Facilitators are required to have a P-Card Facilitator Agreement on file with the Procurement Services Division.*

**Send complete package to Procurement Services, Attention: P-Card Administrator**

**For Procurement Services Use Only:**  
 Date sent for approval by Assistant Superintendent of Business Services: \_\_\_\_\_ Approved: ☐ Yes ☐ No  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 If "No", reason for denying: \_\_\_\_\_  
 Superintendent approval: ☐ Yes ☐ No  
 Signature: \_\_\_\_\_  
 If "No", reason for denying: \_\_\_\_\_  
 Date Application Sent to JPMorgan Chase: \_\_\_\_\_ Date Card Received in Procurement: \_\_\_\_\_  
 Date Training was Completed: \_\_\_\_\_ Date P-Card Released to Employee: \_\_\_\_\_



**J.P.Morgan**

**U.S. Commercial Card Application**

**COMPANY / ORGANIZATION INFORMATION**  
 Harris County Department of Education 77037 281937 8017  
 Company / Organization Name Bank Account\* Bank Account\* Bank Account\* Bank Account\*

**APPLICANT SECTION - (Indicate appropriate)**  
 Account Number Type: ☒ Individual ☐ Department (If card issued to department please fill in card #)  
**1. APPLICANT INFORMATION** **2. ACCOUNT SECURITY**  
 Card Type: ☒ Debit ☐ Credit ☐ Prepaid ☐ Other ☐ Other (Specify) \_\_\_\_\_  
 Cardholder Name: \_\_\_\_\_ Cardholder Title: \_\_\_\_\_  
 Cardholder Address: \_\_\_\_\_ Cardholder City: \_\_\_\_\_ Cardholder State: \_\_\_\_\_ Cardholder Zip: \_\_\_\_\_  
**3. NAME AS IT WILL APPEAR ON CARD** **4. ACCOUNT CONTACT INFORMATION**  
 Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_  
**5. ACCOUNT MAILING ADDRESS** **6. HOME ADDRESS**  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_  
**7. ADMINISTRATOR SECTION - (Indicate appropriate)**  
**7.1. ACCOUNT SPEND LIMITS/CONTROLS** **7.2. MERCHANT CATEGORY CODE GROUP SPEND LIMITS**  
 Single Transaction Limit: \_\_\_\_\_ Monthly Transaction Limit: \_\_\_\_\_  
 Cardholder Name: \_\_\_\_\_ Cardholder Title: \_\_\_\_\_  
 Cardholder Address: \_\_\_\_\_ Cardholder City: \_\_\_\_\_ Cardholder State: \_\_\_\_\_ Cardholder Zip: \_\_\_\_\_  
**7.3. ACCOUNT PARAMETERS - (Indicate appropriate)**  
 Cardholder Name: \_\_\_\_\_ Cardholder Title: \_\_\_\_\_  
 Cardholder Address: \_\_\_\_\_ Cardholder City: \_\_\_\_\_ Cardholder State: \_\_\_\_\_ Cardholder Zip: \_\_\_\_\_  
**7.4. ADMINISTRATION CERTIFICATION**  
 I, \_\_\_\_\_, hereby certify that the information provided on this application is true and correct to the best of my knowledge and belief.  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Harris County Department of Education



**HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM**

**P-Card Receipt and Acknowledgement Form**

By signing this form, you acknowledge the following:

1. You've received a copy of the P-Card Manual.
2. You've received training regarding all P-Card matters and fully understand all the procedures and regulations outlined in the manual; including procedures for P-Card expenditures, reconciliation of monthly expense reports, what constitutes proper supporting documentation, and consequences for P-Card violations.
3. You have received your P-Card.
4. I have reviewed the requirements for the P-Card Expense Report in the P-Card Manual for the current fiscal year posted on our website and the HCDE Portal.
5. I am aware of Chapter 176 of the Texas Local Government Code and if needed, a CIS Form will be prepared should a conflict of interest arise. I have completed the Conflict-of-Interest Form – Attachment P.
6. I am aware that I must submit a monthly report of P-Card expenditures and it needs to be signed by my supervisor.

Employee Name:		Title:	
Signature:		Date:	



**HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM**

**P-Card Agreement for Approving Officials  
and Executive Team Members**

I agree to comply with the terms of this Agreement, the stated provisions in the HCDE P-Card Manual, and HCDE's Financial Operating Guidelines, and agree to enforce the requirements of the P-Card Program. I further understand that HCDE is entrusting me to protect its assets through supporting proper use of P-Cards.

- I have read and agree to follow the policies and provisions outlined in the HCDE P-Card Manual
- I will attend P-Card training on a yearly basis or as necessary
- I will approve and monitor the issuance of P-Cards. Periodically assess the continuing business need for each card issued within the department at least annually
- I will not share my J.P. Morgan Smart Data User ID or password information with others
- I am not permitted to use any cardholders P-Card for any reason
- I will review charges in a timely manner and allocate expenses to the proper budget account(s); I understand that failure to allocate charges in a timely manner can result in the suspension of the cardholders P-Card privileges
- I ensure the submittal of monthly expense reports packets by the deadline, including all supporting documentation
- I will notify the P-Card Administrator immediately if a cardholder leaves the division or is no longer an employee of HCDE
- I will notify the P-Card Administrator of any known or suspected P-Card activity and/or inappropriate or fraudulent use of the card(s)
- I will complete the Conflict-of-Interest Form -Attachment P.

Name:		Title:	
Signature:		Date:	



HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

Attachment D

P-Card Maintenance Form

Part 1 – Cardholder Information

Cardholder's name as it appears on card: \_\_\_\_\_  
Last four digits of card number: \_\_\_\_\_ Division: \_\_\_\_\_

Part 2 – Type of Request

<input type="checkbox"/> Cancel Card (attach card) – Employee will ensure that Monthly Expense Report and receipts will be completed and submitted to the Procurement Services Division up to the date of the last transaction.	<u>Current</u>	<u>Requested</u>
<input type="checkbox"/> Report Authorize Signature	_____	_____
<input type="checkbox"/> Single Transaction Limit Change	_____	_____
<input type="checkbox"/> Monthly Transaction Limit Change	_____	_____
<input type="checkbox"/> Number of Daily Transactions	_____	_____
<input type="checkbox"/> Cardholder Name Change	_____	_____
<input type="checkbox"/> Other (Specify)	_____	_____

\* A change to transaction limits requires the approval of the Assistant Superintendent for Business Services; a name change requires proper documentation through the Human Resources Division.

Reason: \_\_\_\_\_  
\_\_\_\_\_

Part 3 – Approval Process

Cardholder Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Approving Official Printed Name: \_\_\_\_\_  
Approving Official Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
ELT Member Printed Name: \_\_\_\_\_  
ELT Member Official Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please send completed form to the Procurement Services Division

Office Use Only:

Approved by Assistant Superintendent of Business Services (if required): ☐ Yes ☐ No  
Signature \_\_\_\_\_ Date: \_\_\_\_\_  
Reason: \_\_\_\_\_  
P-Card Administrator Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Date P-Card was returned to Procurement: \_\_\_\_\_ Date P-Card Account was: ☐ Deactivated ☐ Closed

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HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

Attachment E

P-Card Reporting Form

This form may be submitted by the Cardholder, Facilitator or any other employee aware of a P-Card misuse or non-compliance.

*Per Board Policy CAA (Local), any person who suspects fraud or financial impropriety in the Department shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board President, or local law enforcement. Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.*

Reported By: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
Cardholder Name: \_\_\_\_\_ Last four digits of card: \_\_\_\_\_

Select P-Card Misuse or Non-Compliance (choose one)

1. \*P-Card Misuse:

Select the area(s) that apply and refer to page 2 for reporting and documentation requirements:

- ☐ P-Card used to purchase personal items (intentional or unintentional)
- ☐ Purchased items on the P-Card not authorized for purchase by the employee
- ☐ Retained a rebate or refund from a vendor, bank or other financial institution for personal use
- ☐ Used the P-Card for purchases of \$3,500 or above without written authorization from the Assistant Superintendent for Business Services
- ☐ Purchased gift cards, alcoholic beverages, tobacco products or personal items
- ☐ Any person, including a Supervisor/Budget Manager who knowingly, intentionally, willfully, wantonly, or recklessly allowed or conspired with the cardholder on any of the actions noted above

2. Non-Compliance to P-Card Manual:

Refer to Section 7.2 of the P-Card Manual for Unallowable P-Card practices and list the area(s) of Non-Compliance that apply; some examples are include in page 2 of this form. Refer to page 2 of this form for reporting and documentation requirements.

1. \_\_\_\_\_
2. \_\_\_\_\_

Comments:

Signature (Reported By) \_\_\_\_\_ Date: \_\_\_\_\_

\* Any incidents of P-Card Misuse as described above must be reported to the Procurement Services Division and/or Business Services Division.

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#### Examples of Non-Compliance with P-Card Practices

NON-COMPLIANCE TO P-CARD MANUAL	EXAMPLE
Purchased technology equipment on the P-Card	Use of a card to purchase an item such as a computer, printer, projector in excess of \$999 per unit; without Technology Division approval
Exceeded the single transaction limit	Use of a card with a single transaction limit of \$500 to purchase an item that costs \$600
Used the P-Card for personal purchases (unintentional)	Use of a card to purchase a non-business item by mistake (Cardholder inadvertently selected the P-Card from their wallet instead of their personal card). <i>Purchases of this nature should be rare and must be reported immediately to your Approving Official, Executive Team Member and P-Card Administrator</i>
Split purchases in order to circumvent transaction limits	A card with a single transaction limit of \$2,500 is charged twice for \$2,000 to purchase an item that costs \$4,000

#### P-Card Reporting Form Instructions

For reported cases of **Personal** P-Card Misuse, attach the following to the P-Card Reporting Form:

- A memo on letterhead explaining the circumstance of what happened (including a timeline of the incident and if the employee self-reported the incident). Be sure to reference the transaction number(s).
- A copy of the receipt and/or other supporting documentation.
- A check made payable to Harris County Department of Education (if the purchase was for personal use/gain)
- Submit the entire package to Procurement Services Division, Attention: P-Card Administrator

For all **Other** P-Card misuse and reported cases of Non-Compliance to the P-Card Manual, attach the following to the P-Card Reporting Form:

- A memo on letterhead explaining the circumstance of what happened. Be sure to reference the transaction number(s).
- A copy of the receipt and/or other supporting documentation.
- Submit the entire package to Procurement Services Division, Attention: P-Card Administrator

#### Note:

A Violation Notice will be issued by the P-Card Administrator for cases of P-Card Misuse and Non-Compliance. All HCDE violation notices will be addressed to the Cardholder and copied to the Facilitator, the Division Director/Budget Manager, the Executive Team Member, and the Assistant Superintendent for Business Services. Receipt of three (3) HCDE Violation Notices will result in loss of P-Card and possible disciplinary action, up to and including termination of employment.



#### Attachment F

#### HARRIS COUNTY DEPARTMENT OF EDUCATION P-CARD PROGRAM

#### HCDE TAX EXEMPTION FORMS

Federal Tax ID # 74-6001215

All merchants are different and some may extend the tax exemption status without receiving a copy of the Texas Sales and Use Tax Exemption Certification form, while others will want the form completed at the point of sale. Some businesses may not accept the Tax Exemption form and will therefore charge sales tax on the purchase, which is not allowed on the Procurement Card, making it necessary for you to make your purchase elsewhere.

As a Procurement Card user, be ready to provide the merchant with a tax exemption form and your HCDE employee ID along with your driver's license, etc. to ensure that the taxes are not charged.

Cardholders who are charged sales taxes are responsible for reimbursing HCDE for the total amount of the tax.



TEXAS SALES AND USE TAX EXEMPTION CERTIFICATION – HCDE TAX ID #74-6001215

Name of purchaser, firm or agency <b>Harris County Department of Education</b>	
Address (Street & number, P.O. Box or Route number) 6300 Irvington Blvd.	Phone (Area code and number) (713) 694-6300
City, State, ZIP code Houston, TX 77022-5618	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: \_\_\_\_\_

Direct address: \_\_\_\_\_ City, State, ZIP code: \_\_\_\_\_

Description of items to be purchased or on the attached order or invoice:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Purchaser claims this exemption for the following reason:

**Harris County Department of Education is a local governmental entity.**

\_\_\_\_\_

\_\_\_\_\_

I understand that I will be liable for payment of sales or use taxes which may become due for failure to comply with the provisions of the Tax Code, Limited Sales, Excise, and Use Tax Act; Municipal Sales and Use Tax Act; Sales and Use Taxes for Special Purpose Taxing Authorities; County Sales and Use Tax Act; County Health Services Sales and Use Tax; The Texas Health and Safety Code; Special Provisions Relating to Hospital Districts, Emergency Services Districts, and Emergency Services Districts in counties with a population of 125,000 or less.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate and, depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

sign here	Purchaser	Title	Date
	_____	_____	_____

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.  
**THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.**

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist



HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

Attachment G

P-Card Missing Receipt Affidavit

I, \_\_\_\_\_, have either not received or have misplaced a P-Card receipt totaling \$ \_\_\_\_\_. This document will be used in lieu of an invoice or receipt for this transaction.

Vendor: _____	Amount: \$ _____
Date of Purchase: _____	Transaction Number: _____

**Item(s) Purchased:**  
*(Include description, quantity and unit price, and business purpose for each item)*

\_\_\_\_\_

\_\_\_\_\_

**What attempts have been made to request a duplicate receipt from the vendor?**  
*(Include names, dates, phone numbers, or emails used in requesting documentation from the vendor.)*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I certify that the amounts shown above (and on the attached, if applicable) were purchased and received for HCDE business purposes. I understand that habitual use of this form\* instead of submitting actual receipts or invoices will result in suspension or termination of P-Card privileges. If charged to a grant account, I certify that the expenditures represented on the missing receipts were appropriate for the purposes of the award and requirements of the sponsor.

**Submitting this form does not preclude the Cardholder from reimbursing HCDE for the total amount of the transaction.**

Employee Name:	_____	Title:	_____
Signature:	_____	Date:	_____
Executive Team:	_____	Title:	_____
Signature:	_____	Date:	_____
Approving Official:	_____	Title:	_____
Signature:	_____	Date:	_____

\*Habitual use is defined as more than three (3) times in one fiscal year.





**HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM**

**P-Card Monthly Reconciliation Checklist**

- ☐ Compile the monthly reconciliation package. This "package" consists of the following arranged in order as shown below:
  - ☐ Review of Monthly P-Card Report Form
  - ☐ Monthly SmartData Expense Report
  - ☐ Receipts/invoices and supporting documentation for each transaction attached to the billing statement in the order listed on the statement
- ☐ Cardholder must review the reconciled package and sign the monthly SmartData Expense Report after the package is compiled and complete
- ☐ Ensure that a propriety review has been completed to ensure that transactions are reasonable, appropriate, and necessary
- ☐ After the propriety review has been completed and the cardholder has signed the monthly expense report, the Approving Official must then review and sign the monthly expense report to evidence that review
- ☐ Ensure that the following items have been completed prior to sending to Procurement Division:
  - ☐ SmartData Expense Report (signed by cardholder and Approving Official)
  - ☐ Receipts/Invoices (signed by cardholder)
  - ☐ Any other supporting documentation that may be applicable, i.e. Missing Receipt Affidavit, information on disputed transactions, reimbursements, etc.
  - ☐ Cardholder and/or Facilitator must retain a copy of the package (see Section 14.8 Retention Period requirements)



**HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM**

**Airline Quotes**

The HCDE Airfare Quote Form should be completed by the Cardholder to ensure that HCDE is getting the best value when flying. Three (3) quotes must be procured from any airline company that accepts MasterCard as a form of payment. The form and airline quotes must accompany the airfare receipt when submitting the monthly expense report.

Avoid paying a premium by booking your flights fourteen days or more in advance.

Description of Travel (To and From)	Airline Name:	Airline Name:	Airline Name:
1)			
2)			
3)			
4)			
5)			

**Comments:**

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**Submit this form along with the hard-copy quotes as backup for the transaction in your monthly expense report packet.**

Employee Name:		Title:	
Signature:		Date:	
<b>If traveler is not the cardholder, please indicate the Name and Title of traveler below:</b>			
Traveler Name:		Title:	



HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

Attachment J

P-Card Violation Notice

It is the responsibility of you, the Cardholder, and the respective Division Director/Budget Manager and Facilitator to ensure that all P-Card transactions are conducted in accordance with procurement guidelines, serve the public purpose, further the goals of the Harris County Department of Education and withstand public scrutiny.

Cardholder: \_\_\_\_\_ Last four digits of P-Card: \_\_\_\_\_  
Transaction Description: \_\_\_\_\_ Amount: \_\_\_\_\_ Date: \_\_\_\_\_

The following violation(s) were noted on your Procurement Card activity contrary to the P-Card User Manual and the program's policies and procedures.

- ☐ Unauthorized Purchase  
☐ Personal purchase  
☐ Multiple/split transaction(s) (circumvention of the Single Purchase Transaction Limit) P-  
☐ Card Sharing  
☐ Exceeded transaction limit  
☐ Monthly Expense Report submitted past the established deadline Sales  
☐ Tax Charged  
☐ Missing Receipt(s)  
☐ Other: \_\_\_\_\_

It is the responsibility of the Cardholder and Approving Official to ensure the above referenced violations are corrected. Submit this signed Violation Notice, a P-Card Reporting Form and applicable memo explaining the circumstances of what happened to the Procurement Services Division (attention P-Card Administrator) within five business days or receipt of this notice. If applicable, enclose a check payable to Harris County Department of Education for reimbursement of the transaction.

Failure to submit the required documentation will result in the suspension of your P-Card. Multiple violations will initiate a review of your p-card authority and may result in the revocation of your P-Card privileges.

P-Card Administrator \_\_\_\_\_ Date \_\_\_\_\_

Required Signatures:

Employee Name:		Title:	
Signature:		Date:	
Approving Official:		Title:	
Signature:		Date:	
Executive Team:		Title:	
Signature:		Date:	

cc: Assistant Superintendent for Business Services

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HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

Attachment K

P-Card Facilitator

A P-Card Facilitator serves as a liaison between their division and the Procurement Services Department as it pertains to the P-Card Program. This person may assist a cardholder with P-Card transaction reconciliation, preparing monthly expense reports, and record keeping. This form grants the applicant access to multiple existing cardholder accounts through JPMorgan Chase Smart Data with only one login ID and password.

Facilitator Name:		Division:	
Email Address:		Date:	

List the Cardholder name(s) for which the Facilitator will have access to JPMorgan Chase SmartData for monthly expense report(s) preparation purposes (attach additional pages if necessary):

1.		11.	
2.		12.	
3.		13.	
4.		14.	
5.		15.	
6.		16.	
7.		17.	
8.		18.	
9.		19.	
10.		20.	

By signing this form, you grant the Facilitator the authority to act as the P-Card liaison between your division and Procurement Services and to have access to SmartData through one unique login ID for all the accounts listed to prepare monthly expense reports.

Employee Name:		Title:	
Signature:		Date:	
Approving Official:		Title:	
Signature:		Date:	
Executive Team:		Title:	
Signature:		Date:	

Procurement Use Only:  
Assigned User ID: \_\_\_\_\_ Date Created: \_\_\_\_\_  
P-Card Administrator Signature: \_\_\_\_\_

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**HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM**

**P-Card Facilitator Agreement**

As a P-Card Facilitator, I agree to comply with the terms of this Agreement, the stated provisions in the HCDE P-Card Manual, and HCDE's Financial Operating Guidelines and agree to enforce the requirements of the P-Card Program. I further understand that HCDE is entrusting me to protect its assets through supporting proper use of P-Cards.

- I have read and agree to follow the policies and provisions outlined in the HCDE P-Card Manual
- I will attend P-Card training on a yearly basis, or as necessary
- I will not share my J.P. Morgan Smart Data User ID or password information with others
- I am not permitted to use any cardholders P-Card for any reason
- I will review charges in a timely manner and allocate expenses to the proper budget account(s); I understand that failure to allocate charges in a timely manner can result in the suspension of the cardholders P-card privileges
- I ensure the submittal of monthly expense reports packets, including all supporting documentation
- I will notify the P-Card Administrator of any known or suspected P-Card activity and/or inappropriate or fraudulent use of the card(s)
- I am the point of contact for the cardholders listed in the P-Card Facilitator Form as it pertains to the P-Card Program

Facilitator Name:		Title:	
Signature:		Date:	



**HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM**

**Retirement Celebration P-Card Authorization Form**

Cardholder: \_\_\_\_\_ Last four digits of P-Card: \_\_\_\_\_

Indicate the type of purchase:

☐ Retirement Celebration Refreshments - \$300 (combined for all forms of payment)

Retiree Name:		
Date of Retirement:		
	Description of Purchases (include amounts):	

☐ Other (explain): \_\_\_\_\_

Approved by Human Resources: ☐ Yes ☐ No Signature: \_\_\_\_\_

It is the responsibility of the Cardholder and Approving Official to ensure the above referenced purchases stay within the Human Resources budgeted amount combined for all forms of payment (P-Card, Payment Authorization and/or Purchase Orders). Attach this form to the Cardholders Monthly Expense Report.

Cardholder Signature:		Date:	
Approving Official:		Title:	
Signature:		Date:	
Executive Team Member:		Title:	
Signature:		Date:	





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

MONTH OF \_\_\_\_\_

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

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

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

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

Facilitator Signature (if assigned) \_\_\_\_\_

Cardholder Signature \_\_\_\_\_

Approving Official Signature \_\_\_\_\_



6300 Irvington Houston, Texas 77022-5618

CONFLICT OF INTEREST DISCLOSURE  
FY \_\_\_\_\_

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

1. Have you accepted a cash gratuity of any amount that will result in personal gain while representing HCDE?  
Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, please explain and disclose from whom \_\_\_\_\_
2. Have you accepted any Non-Cash gratuities that have a retail value of more than \$25.00 from a vendor this year?  
Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, please disclose who and explain \_\_\_\_\_
3. Have you accepted a gratuity during duty and non-duty periods and did you report it to your Supervisor within 72 hours? Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_ If no, explain \_\_\_\_\_
4. Do you own a business or have an interest in a company that does business with HCDE?  
Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, disclose name of company and your interest in the outside company \_\_\_\_\_
5. Does anyone in your family (brother, sister, mother, father, daughter, son, grandparents, uncles, aunts, etc.) work for, or have an interest in, a vendor or company doing business with HCDE? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, disclose name of company and your interest in the outside company \_\_\_\_\_

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

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

Date \_\_\_\_\_

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

FOR HCDE USE ONLY

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

Authorized to participate in the procurement process by HCDE Assistant Superintendent for Business Services: \_\_\_\_\_



HARRIS COUNTY DEPARTMENT OF EDUCATION  
P-CARD PROGRAM

P-Card Supporting Documents

**Conference/Workshop Registration**

- Approved Request to Attend (needed if you are traveling out of county/state)
- Detailed agenda, schedule or itinerary
- Itemized receipt/invoice

**Catering Services/Refreshments:**

- Itemized receipt from the vendor
- An agenda or flier from event
- Sign-in sheet(s)

**Lodging:**

- Itemized hotel invoice
- Approved Request to Attend form
- Itinerary from conference or event

**Car Rental:**

- Approved Request to Attend form (car rental request must be included)
- Itemized Invoice from rental company
- Itinerary from event

**Airfare:**

- Airline Quote along with three quotes from various air carriers
- Itemized invoice from selected air carrier
- Request to Attend Form
- Itinerary or schedule from event

**Technology Items not on the approved list:**

- Memo from the Director of Technology approving the purchase
- Itemized receipt

**General Merchandise Purchase:**

- Itemized receipt

**Business Meals:**

- Itemized receipt
- Memo indicating the intent/scope of the meeting
- Sign-in sheet
- Note: A 15% tip is acceptable. Should you have a large party that would require your tip to exceed the 15%, you may then tip between 18%-25% of the bill.



P-Card Required Supporting Documents

**Retirement Celebration Purchases:**

- Retirement letter from the employee that was submitted to the Human Resources Division and the Division Director indicating their intent to retire
- P-Card Authorization Form for Retirement Celebration/ Years of Service Recognition approved by the Human Resources Executive Director
- Original itemized receipts
- JP Morgan Chase Smart Data Expense Report with signatures from both the P-Card Approving Official and the Human Resources Executive Director

\*\*\*HCDE does not sponsor private (division only) receptions\*\*\*

**Additional Notes:**

**Taxes:**

No taxes should be charged EXCEPT:

- Hotel Occupancy Tax
- Air Travel
- Cars Rentals
- Airport parking

**Fuel:**

Fuel Purchase- Fuel may be purchased with the P-Card, only for HCDE vehicles or car rentals.

**Tips:**

Tips- A cardholder may tip a vendor ONLY 15% of the food, the delivery fee cannot be included with the final cost.

Example:	Food	50.00
	Delivery Charge	10.00
	Total	60.00
	Allowable Tip	7.50



# What questions do you have?



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## Thank you

Dr. Jesus J. Amezcua  
[jamezcua@hcde-texas.org](mailto:jamezcua@hcde-texas.org)  
713-696-1371

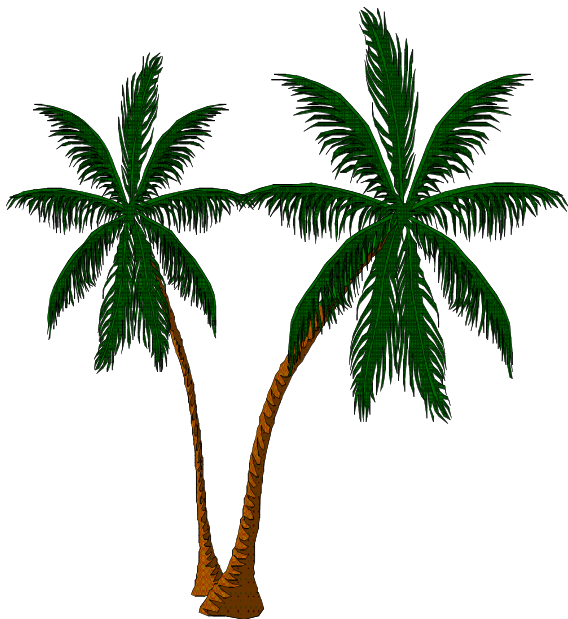
Dr. Edna E. Johnson  
[edna.johnson@hcde-texas.org](mailto:edna.johnson@hcde-texas.org)  
713-696-2104

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# SUMMER SESSION 2025

## ACQUIRING A FLEET - LEASE OR PURCHASE



**SPEAKER:**

**Jerry Haddad**



Ed Cain  
President

Jerry Haddad  
Senior Vice President

Jennifer Garcia  
Regional Vice President



1



## OVERVIEW

- As the 2025 model year ends, how can you best position your fleet for 2026
- Update Texas and US Economy
- Auto Industry Outlook for 2025
- Things to Think About for your 2026 Budget
- How can D&M Fleet Management help

2

2



What are some of the issues with cars



3

## Vehicle Knowledge 101



Cars Don't Start



Cars Crash



Is a car really an asset

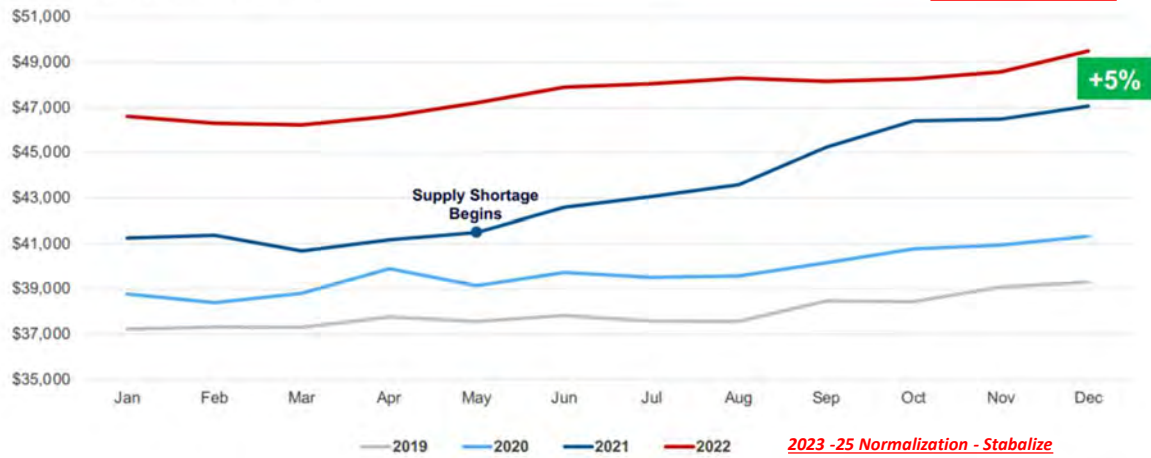


Cars are EXPENSIVE !

4

## Average New Vehicle Transaction Price

Estimated Monthly Transaction Prices



5

## The Autos that took the highest JUMP



Almost a 60% increase from 5 years ago



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 90-days to 6-months to get. This is dramatically increasing the order to delivery timeframe.

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?



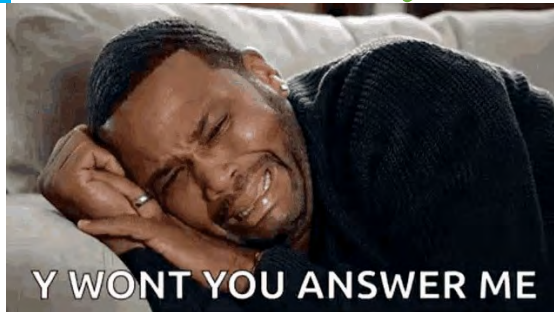
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## The Pecking Order of Things



10

RFP's



RFPQ's

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## QUESTIONS OF THE DAY

- For 40-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?***

12

12



## WHO IS D&M LEASING?



Awarded Contract



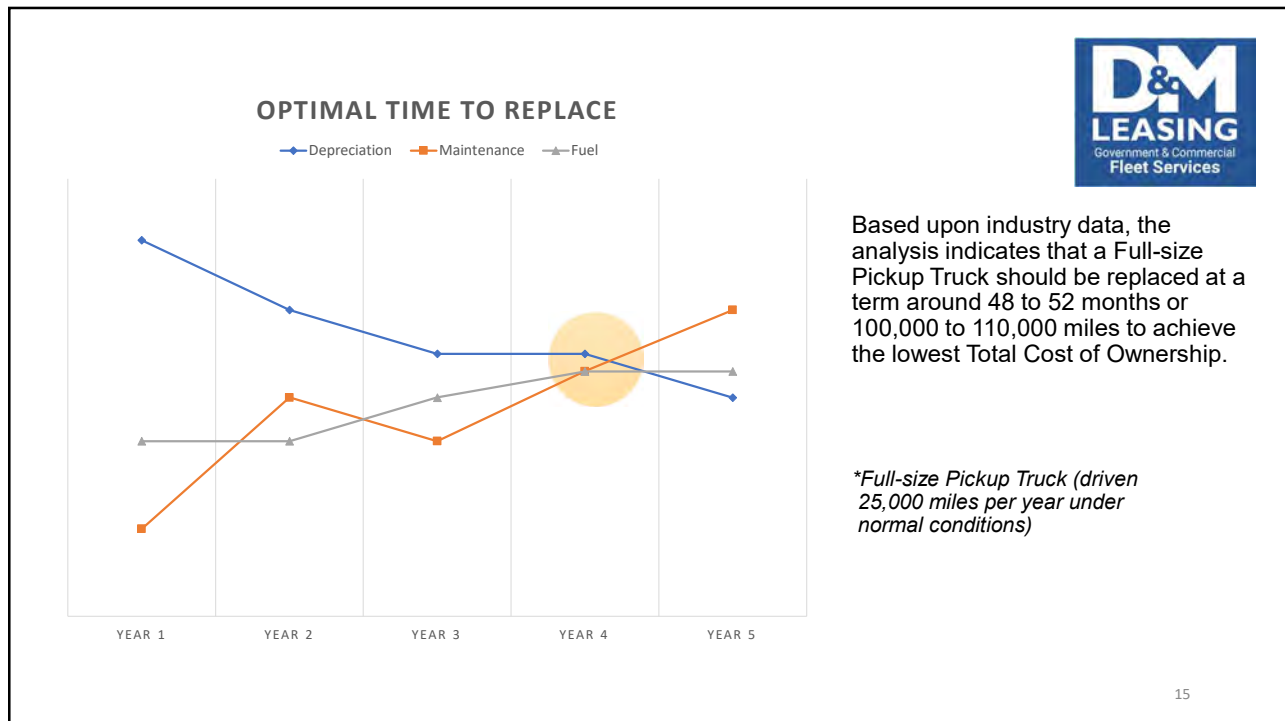
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We are FULL SERVICE  
Fleet Management Company

14



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## LEASE/FUNDING OPTIONS

1 Option	2 Option	3 Option
<div style="background-color: #004a99; color: white; padding: 5px; text-align: center;">Open-End/TRAC Lease</div> <ul style="list-style-type: none"> <li>Lease written to a book value.</li> <li>Flexible term</li> <li><b>No mileage restrictions</b></li> <li><b>No abnormal wear and tear clauses</b></li> <li><b>Lessee responsible for book value at term</b></li> <li><b>Lessee keeps vehicle equity at term</b></li> </ul>	<div style="background-color: #004a99; color: white; padding: 5px; text-align: center;">Municipal Lease</div> <ul style="list-style-type: none"> <li>Lease written to a \$1 book value</li> <li>Title Owner</li> <li>Potential interest rate deductions through funding sources</li> <li>No mileage restrictions</li> <li>No abnormal wear and tear clauses</li> </ul>	<div style="background-color: #004a99; color: white; padding: 5px; text-align: center;">Closed-End Lease</div> <ul style="list-style-type: none"> <li>Walk-a-way lease</li> <li>Fixed term</li> <li>Mileage restrictions</li> <li>Abnormal wear and tear clauses</li> <li>No responsibility for vehicle resale at term</li> <li>Most appropriate for cars and SUVs with mileage predictability</li> </ul>

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## WHY LEASE?



### THE PROBLEM

- Government Fleets are being asked to do more with less.
- Officials are being challenged to lower costs while increasing efficiencies.
- Officials 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.

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## 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
----------------------------------	--	---	---	--	---

18

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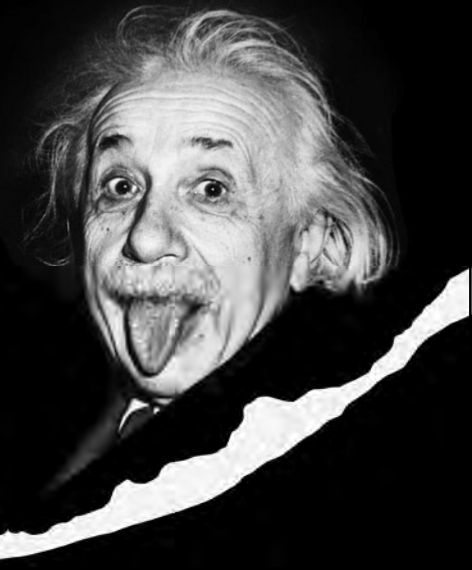


## 10 Year Fleet Analysis

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		
Fleet Mix					Fleet Cost					Annual	
Fiscal Year	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	

"Insanity is doing the same thing over and over again and expecting different results"

*Albert Einstein*



## 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

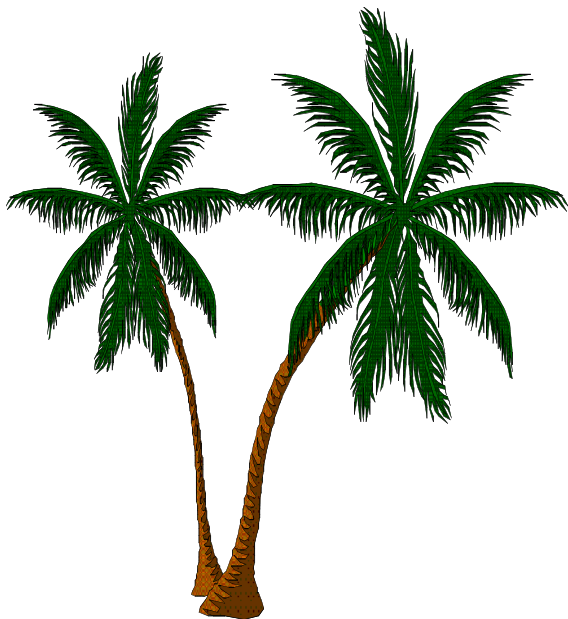
Let D&M Fleet Management Services go to work for you!



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# SUMMER SESSION 2025

## WHEN TO USE ELECTRONIC PURCHASING



**SPEAKER:**

**Dan Elliott**

# The Procurement Current

Harnessing Technology to Keep  
Projects Moving Forward

EUNA<sup>®</sup>  
solutions

1

## Agenda

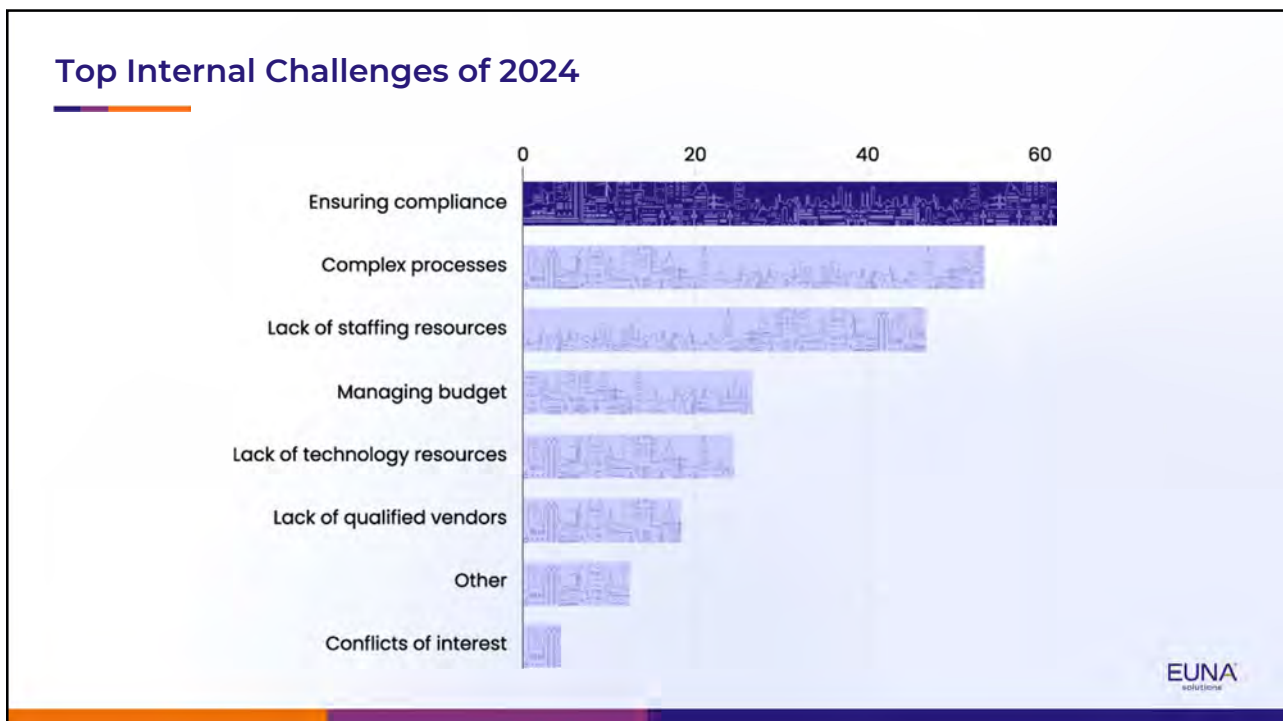
- 01** Procurement's Top Challenges and Trends
- 02** Collaboration and Communication to Meet the Demands of 2025
- 03** Technology as a Resource for Compliance, Timeliness, and Collaboration
- 04** Building a Business Case for Modern Digital Solutions

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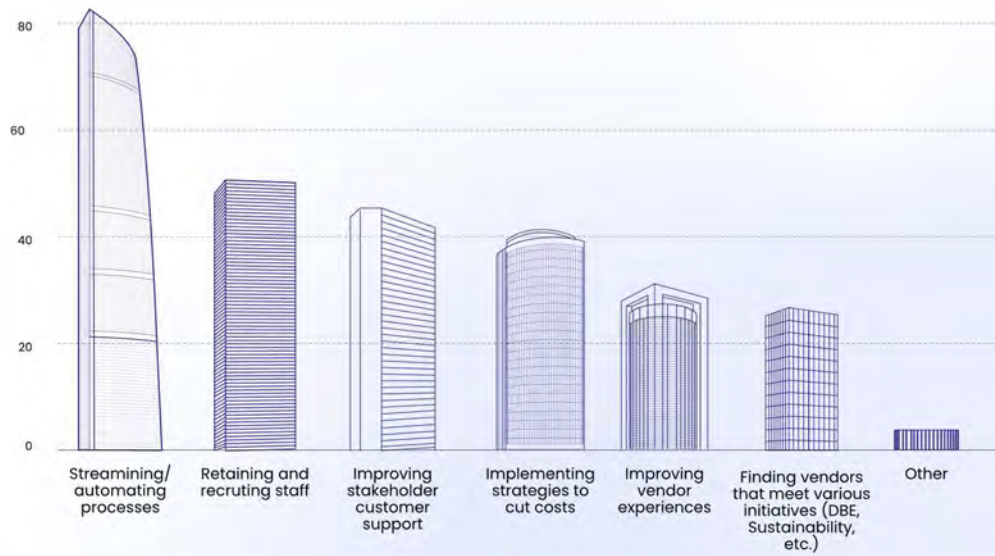
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4



## Public Procurement's Top Initiatives Last Year



5

## Economic Issues Facing Procurement Teams



6



## Collaboration and Communication to Meet the Demands of 2025

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## Collaboration Leads to Productivity, Engagement Leads to Savings

70%

of employees believe better collaboration can have a positive impact on employee productivity and time savings.<sup>3</sup>

21%

overall savings from higher team engagement.<sup>4</sup>

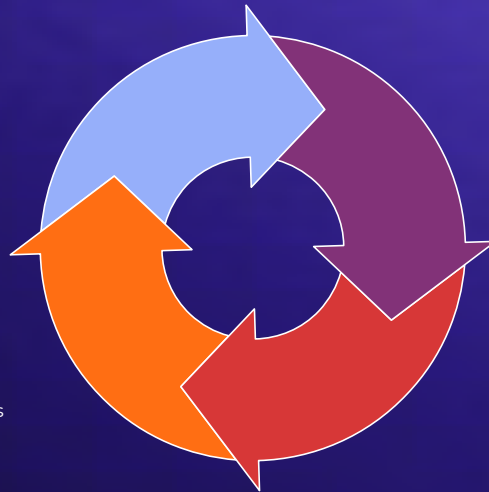
3-Corel, "State of Collaboration Survey"  
4-CliftonStrengths - Gallup, "How to Build Better Teams in the Workplace"

8

## The Vicious Cycle of Poor Stakeholder Collaboration

Poor communication or failure to involve procurement promptly leads to delays or rushed project planning.

Negative perception of procurement causes stakeholders to avoid procurement where possible and delay involvement.



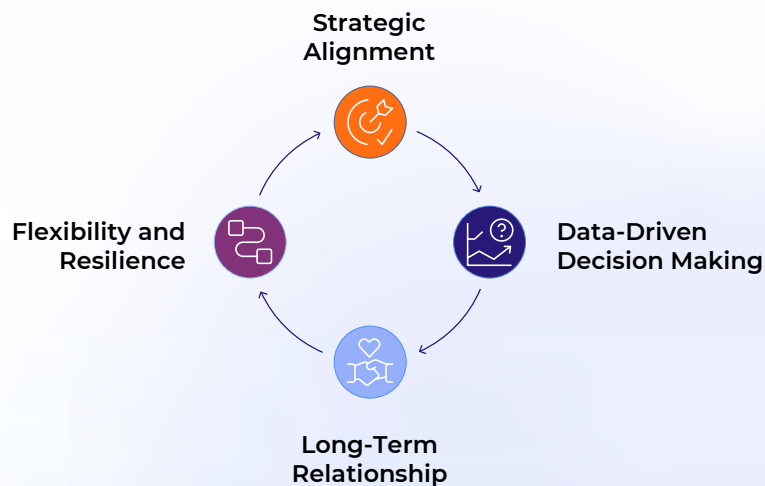
Missing information and misalignment lead to requirements that do not correspond to real needs.

The purchase is delayed or does not meet the real needs of the agency, negatively impacting end user experience.

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## Why is Advanced Collaboration Necessary?



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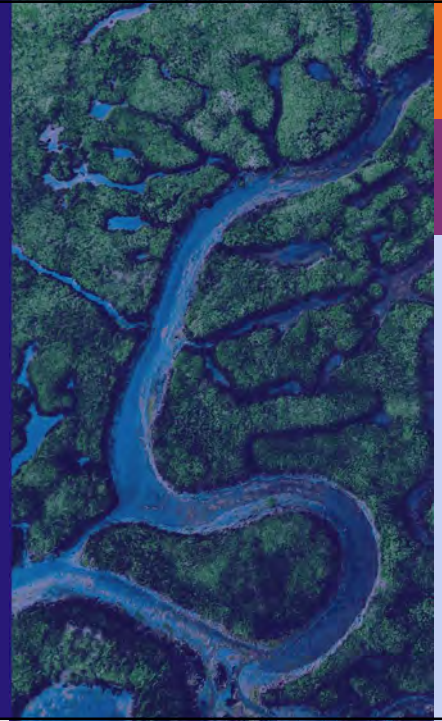
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**THOUGHT STARTER**

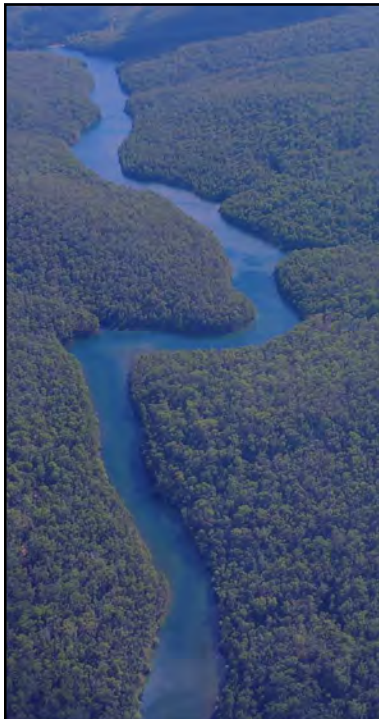
**What are your greatest priorities  
in 2025 for collaboration?**

- Enhanced Strategic Alignment
- Data-Driven Decision Making
- Flexibility and Resilience
- Long-Term Relationship Building
- Creating a Competitive Advantage
- Other—tell us in the chat!



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**Technology as a Resource  
for Compliance, Timeliness,  
and Collaboration**



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## Limitations of Legacy Systems

①

Legacy sourcing modules provide limited customization of project configuration or structure.

②

Legacy sourcing modules lack workflows to engage stakeholders for RFP development and evaluation and come with a notoriously steep learning curve.

③

Legacy sourcing modules lack mechanisms for quick, real-time reporting on RFP progress or key metrics.

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## How Purpose-Built Sourcing Solutions Enhance Stakeholder Collaboration

1

Run Bids and RFPs Faster

2

Provide a Central Online Location for Collaboration

3

Make it Easier for Evaluators to Participate

4

Facilitate a Timely Evaluation Process

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## The Benefits of Modern Solutions for Worker, Agency, and the Public

### Centralization & Dataflow

Integrated systems create a "source of truth" and open seamless information flow through departments and administrative functions.

### Collaboration & Efficiency

Modern systems provide one place for a team to collaborate on projects and tasks, eliminating duplicate effort and creating more cohesive work.

### Better Decision-Making

More informed, collaborative, and efficient employees make better, more impactful evidence-based decisions.

### Transparency & Community Trust

Purpose-built systems ensure accountability, promote open communication, and provide citizens with timely access to clear and accurate information.

### Accessibility

The most up-to-date tech adheres to ADA guidelines and enables broader accessibility and ease of use to citizens and employees with disabilities.

### Ease of Compliance

Centralized information and the automation of manual data entry and calculations means fewer errors, easier compliance, and audit trails.



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## Building a Business Case for Modern Digital Solutions



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## Why is a Building a Business Case Important?

Clarifies the Need and Benefits

Aligns with Organizational Goals

Supports Decision-Making

Secures Buy-In and Funding

Manages Risks and Expectations

Measures Success

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## Key Stakeholders

### Finance Leader

Role Description: The Finance Leader oversees the financial health of the agency, managing budgets, forecasts, and financial planning. They ensure that the agency's financial practices align with regulations and strategic goals.

□ **Values:**

- Cost Efficiency
- Transparency
- Compliance
- ROI

□ **Potential Roadblocks:**

- Budget Constraints
- Change Management
- Integration Issues

### IT Leader

Role Description: The IT Leader is responsible for the company's technology strategy and infrastructure. They ensure that all IT systems are secure, efficient, and support the company's goals.

□ **Values:**

- Security
- Scalability
- Integration
- Innovation

□ **Potential Roadblocks:**

- Security Concerns
- Compatibility Issues
- User Training

### Procurement Leader

Role Description: The Procurement Leader manages the sourcing and purchasing of goods and services. They aim to optimize the procurement process to ensure cost-effectiveness and efficiency while maintaining the integrity of the public procurement function.

• **Values:**

- Efficiency
- Stakeholder Satisfaction
- Cost Savings
- Compliance

• **Potential Roadblocks:**

- Resistance to Change
- Stakeholder Adoption
- Data Migration

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## Identify the Messaging that will Resonate the Most

Cost Reduction

Increased  
Visibility and  
Reporting

Increased  
Efficiency and  
Productivity

Compliance and  
Transparency

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## Identify Process Improvements

### Procurement Team

Benefit from enhanced processes, which means reduced manual workload, fewer errors, and more time to focus on strategic initiatives.

### Suppliers

Benefit from more transparent and efficient bidding and contract management processes, fostering better relationships and collaboration.

### Decision-Makers

Gain greater visibility into procurement activities and outcomes, enabling more informed decisions that align with strategic goals.

### Other Departments

Other departments that rely on timely and cost-effective procurement will experience improved service delivery, which can enhance overall organizational performance.

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## Quantify the Benefits and Forecast the Impact

Process	Current Time <i>Based on current process</i>	New Time <i>Based on projected efficiencies</i>	Time Savings <i>(Time saved X # of times annually)</i>	Time Value <i>(Hours saved annually X hourly \$ rate)</i>
Solicitation build & distribution	15 hours	10 hours	5 hours X 30 sollicitaions = 150 hours annually	150 hours X \$50/hour = \$7,500 Saved
Response aggregation & tabulation				
Evaluation scoring & tabulation				
Supplier Selection & Award				
Reporting, auditing, & documenting process				

21

### AUDIENCE THOUGHT STARTER

How are you going to level-up your processes this year to achieve better collaboration and efficiency?

Put your answer in the chat!



22



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solutions

# Building a Business Case for eProcurement Software

Download Now → 



23



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AUDIENCE THOUGHT STARTER

How are you going to level-up your processes this year to achieve better collaboration and efficiency?

Put your answer in the chat!



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## The Benefits of Modern Solutions for Worker, Agency, and the Public

### Centralization & Dataflow

Integrated systems create a "source of truth" and open seamless information flow through departments and administrative functions.

### Collaboration & Efficiency

Modern systems provide one place for a team to collaborate on projects and tasks, eliminating duplicate effort and creating more cohesive work.

### Better Decision-Making

More informed, collaborative, and efficient employees make better, more impactful evidence-based decisions.

### Transparency & Community Trust

Purpose-built systems ensure accountability, promote open communication, and provide citizens with timely access to clear and accurate information.

### Accessibility

The most up-to-date tech adheres to ADA guidelines and enables broader accessibility and ease of use to citizens and employees with disabilities.

### Ease of Compliance

Centralized information and the automation of manual data entry and calculations means fewer errors, easier compliance, and audit trails.

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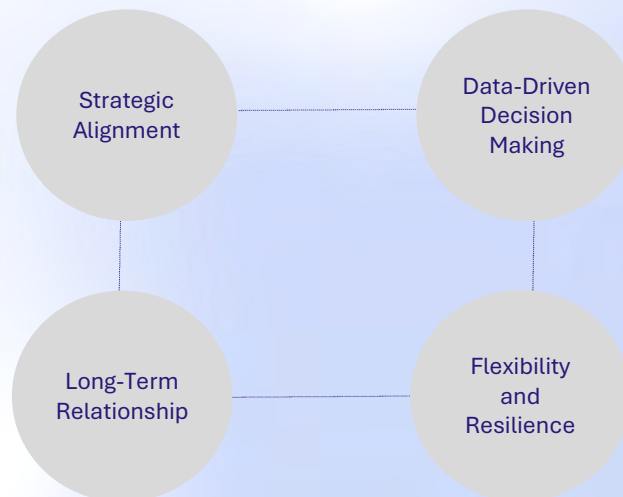




## Technology as a Resource for Compliance, Timeliness, and Collaboration

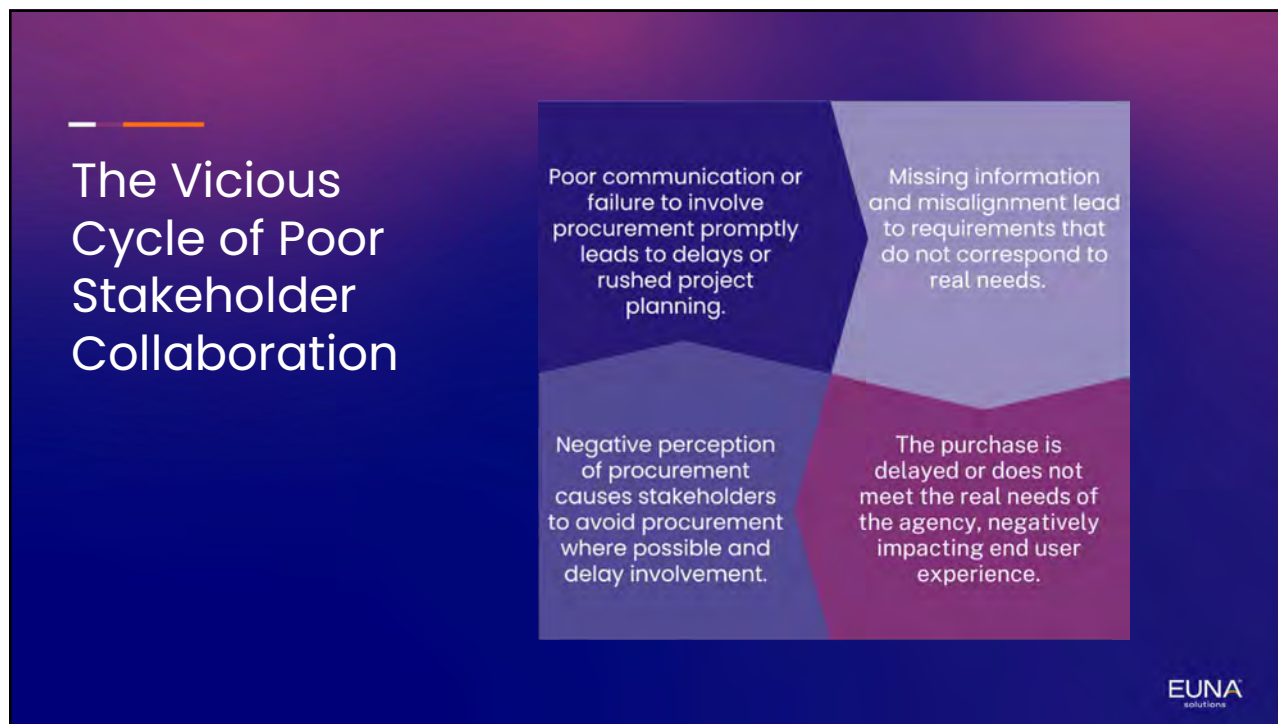
27

### Why is Advanced Collaboration Necessary?



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# Procurement's Top Challenges and Trends

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## THOUGHT STARTER

What are your greatest priorities  
in 2025 for collaboration?

- Enhanced Strategic Alignment
- Data-Driven Decision Making
- Flexibility and Resilience
- Long-Term Relationship Building
- Creating a Competitive Advantage
- Other—tell us in the chat!



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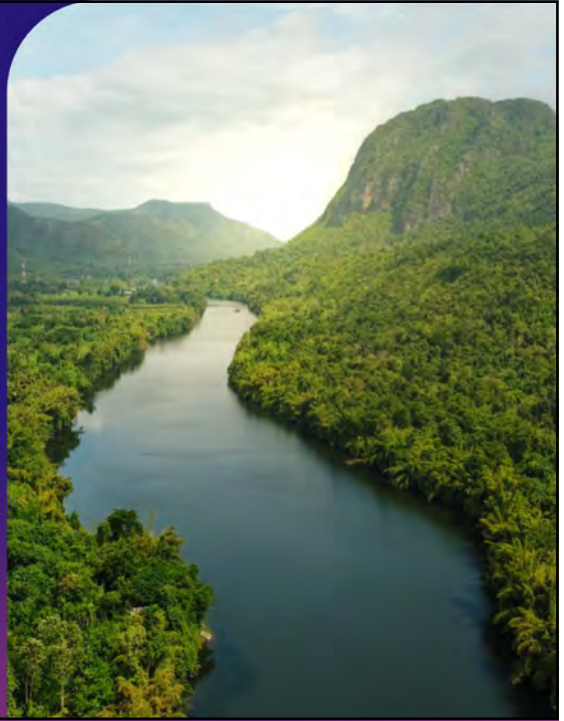
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## The Procurement Current

Harnessing Technology to Keep  
Projects Moving Forward

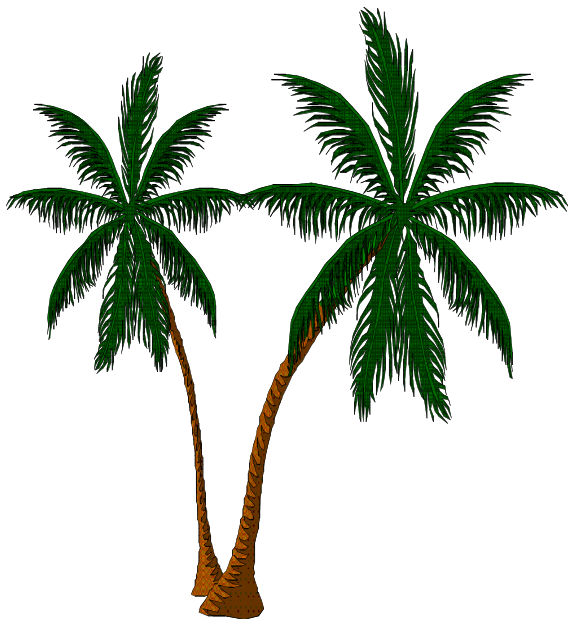
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# SUMMER SESSION 2025

## THE NEW CHANGES IN 2 CFR PART 200, NEW FEDERAL REGULATION



**SPEAKER:**

**Jesus Amezcua**



Texas Comptroller  
CONTRACTS & PROCUREMENT



Texas Comptroller  
TRADITIONAL FINANCES



Texas Comptroller  
DEBT OBLIGATIONS

# New Changes to FEDERAL laws affecting PURCHASING SYSTEMS, MANUAL & AND CONTROLS



Texas Comptroller  
OPEN GOVERNMENT & COMPLIANCE



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



ISM RGV  
June 2025

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

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## 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

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As of  
information.....

Information provided  
to you is as of  
**6/19/2025**

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



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## 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

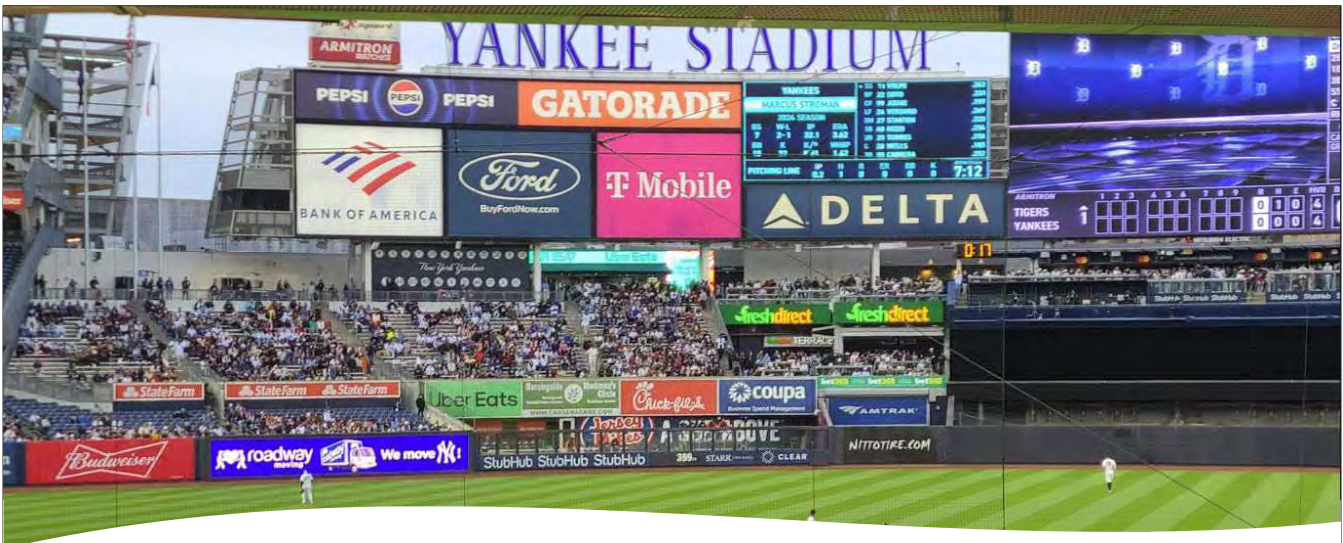
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- Dr. Jesus Amezcua has 31 years of experience working with governmental entities with a concentration in education and local governments. He is the Assistant Superintendent for Business Services at Harris County Department of Education in Houston, 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.

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

Federal requirements under the NOGA

## Session Agenda

Let's play ball



### Links to Use

Choice Partners Cooperative

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

**Ecfr 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](http://www.hcde-texas.org/media/4862/2017vendor_packet.pdf)

Financial Operating Guidelines

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

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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)

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# First Step – Identify the NOGA and requirements

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

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## Sample TEA NOGA

		<b>Texas Education Agency</b> Organization: TEJANO CENTER FOR COMMUNITY CONCERNS INC Campus/site: N/A Vendor ID: 1760377101		Application ID: 003257034753 County District: 101806 ESC Region: 04 School Year: 2023-2024						
<b>Notice of Grant Award</b>										
Application Submit Date: 4/29/2024										
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
						66002901	10/1/2023	9/30/2024	\$3,990.00	\$2,990.00
246610011018066610	IDEA-B Preschool	225	5929	H173A230004 84.173A	USDE		8/30/2023	9/30/2024	\$710.00	\$3,086.00
						66102401	8/30/2023	9/30/2024	\$74.00	\$2,450.00
						66102301	10/1/2023	9/30/2024	\$636.00	\$636.00
Application and any amendment thereto identified above, Received Date/Document Control Number/Application ID: 003257034753, as revised or negotiated 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.										
<b>Offer Accepted by Grantee</b>  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.						<b>Approval ID of the Commissioner of Education or Designee</b> Texas Education Agency 		<b>Date</b> 5/23/2024		

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

1	<b>Subrecipient Name</b> RAUL YZAGUIRRE SCHOOLS FOR SUCCESS 2950 BROADWAY HOUSTON, TX 77017	2	<b>Subrecipient Unique Entity Identifier</b> UEI (SAM): FD8AL3NGD3H9 CDN: 101806
3	<b>Subrecipient Information</b>		
	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	<b>Subrecipient Terms and Conditions</b>		
	(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 (b) Incorporated by reference in NOGA transmittal letter		
5	<b>Name of Pass-Through Entity</b> Texas Education Agency	6	<b>Contact Information for TEA Awarding Official</b> See NOGA certificate
7	<b>Federal Award Information</b>		
	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:	\$1,208,117,602	
8	<b>Federal Award Project Description</b> Incorporated by reference in program guidelines		

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Texas Education Agency

Standard Application System Form

**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 General and Fiscal Guidelines, 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.

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

Sample  
Supplement  
to NOGA

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# 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

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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		

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# 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

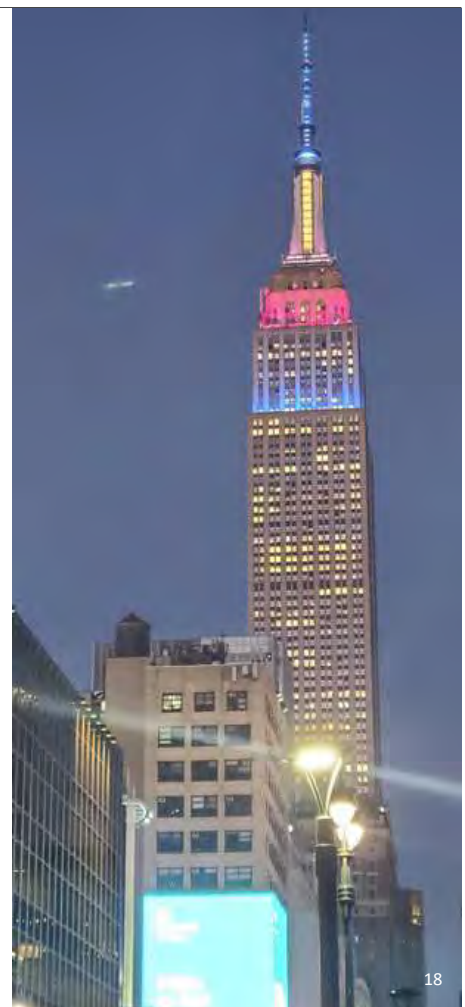
## Appendix XII to Part 200

Award Term and Condition for Recipient Integrity and Performance Matters

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# 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,<sup>22</sup> 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>

## 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.

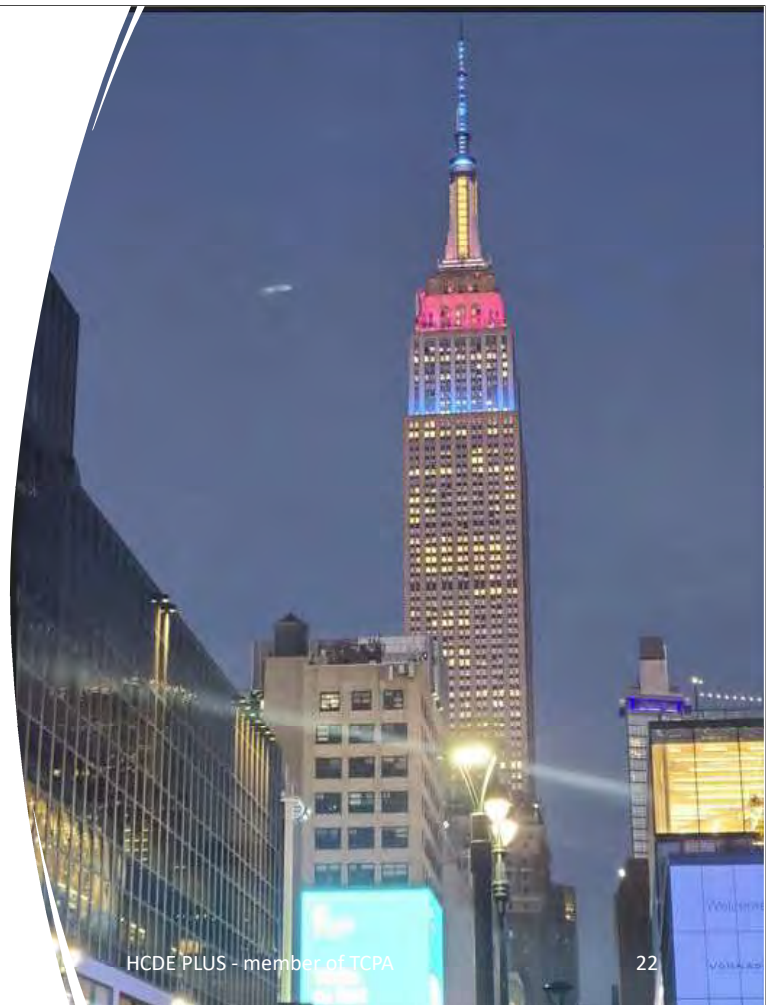
In 2024, OMB [released](#) an updated version of the [Uniform Guidance](#), [a redline document showing the 2024 revisions](#), and issued an accompanying [implementation memorandum](#) as well as [reference guides](#).

### 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







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.<sup>1</sup>

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.<sup>2</sup>

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.

## 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

*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



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~~ it 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.~~

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# Conflict of interest 200.112

## § 200.112 Conflict of interest.

~~The Federal awarding agency~~ 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](http://www.sam.gov)

## 0.214 Suspension and debarment.

~~Non-Federal entities~~ Recipients and subrecipients are subject to the ~~urementnonprocurement~~ debarment and suspension regulations implementers 12549 and 12689, as well as 2 CFR part 180. The regulations in 2 ~~ing Federal~~ awards, subawards, and contracts with certain parties that ~~tended, or otherwise excluded from receiving or ineligible for particip~~ eral ~~assistance programs or activities~~ awards.



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## § 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.

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- 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 pertaining 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.

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(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.

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## 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 align 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

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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.

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# 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~~ the Federal award ~~if he or she has a real or apparent conflict of interest. Such a.~~ 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

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# 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~~ 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~~ When 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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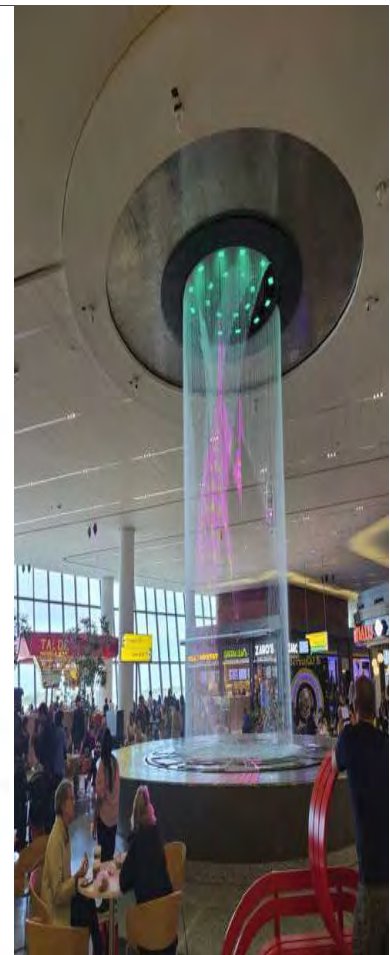
• 200.318

## Value engineering responsible contractors

(A)(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.



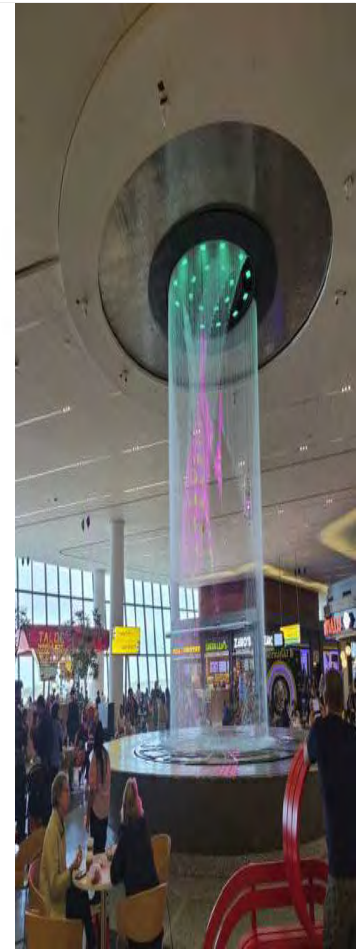
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## Docs – rationale, method and selection

(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.



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## Settlement of admin issues

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) SinceBecause 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.

# 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:

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# 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.
- (e) ~~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.~~



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## 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:

(H)(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 being 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

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# Scoring mechanisms

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

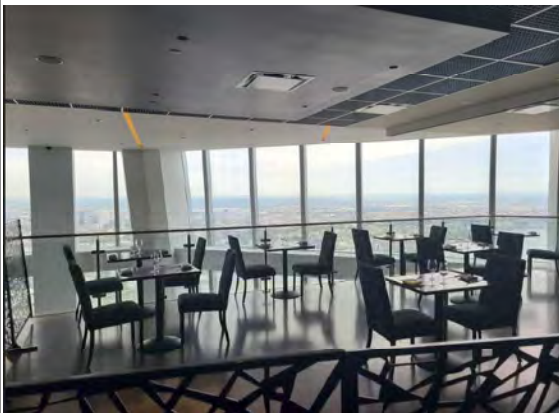
(e) The ~~non-Federal entity~~ recipient or subrecipient must ensure that all prequalified lists of persons, firms, or products ~~which are used in acquiring goods and services~~ procurement transactions are current and include enough qualified sources to ensure maximum open ~~and free competition~~. 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

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## 3 types of procurement methods

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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~~ 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:

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# 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 ~~can~~ may be used ~~as a method of payment~~ for micro-purchases ~~if procedures are documented and approved by the non-Federal entity.~~

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# 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:



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# 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.

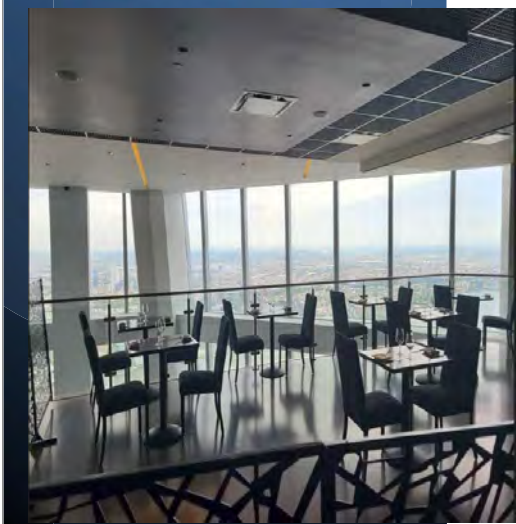
(v) ~~Non-Federal entity~~ Recipient or subrecipient increase to the micro-purchase threshold over \$50,000. Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The ~~non-federal entity~~ recipient or subrecipient must submit a request ~~with that 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.

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# Formal Methods



(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 services~~ 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 § 200.319 or paragraph (c) of this section~~ notice. The following formal methods of procurement are used for procurement of ~~property or services~~ 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



(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



(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 or~~ 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



(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~~ 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.

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200.321

## veteran owned — 6 step process

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### § 200.321 Contracting with small ~~and~~ businesses, minority businesses, ~~women's~~ women's business enterprises, 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 enterprisetypes are included on solicitation lists;

(2) ~~Assuring that small and minority businesses, and women's~~ These business enterprisetypes 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 enterprisetypes;

(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 enterprisetypes;

(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.

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## 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



## § 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.~~

(c) ~~(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.~~

(d) ~~(c)~~ The recipient or subrecipient must not use the "cost plus a percentage of cost" and "percentage of construction costs" methods of contracting must not be used.

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## 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.

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## 200.332 pass through

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§ 200.332 Requirements for pass-through entities.

~~ALL~~ 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);~~

# 200.404 Reasonable Cost



## § 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~~best cost principles in this ~~support,~~

(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.



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# 200.406 credits - rebates



## § 200.406 Applicable credits.

(a) Applicable credits refer to ~~these 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~~ ~~areas~~).

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# 200.407 Prior Approval



## § 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. ~~to 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 (or, for indirect costs, the cognizant agency for indirect costs) ~~or~~ 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~~ cost. 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 (e);~~
- (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



### § 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 directs 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



### § 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 \$~~750~~1,000,000 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 \$~~750~~1,000,000 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);

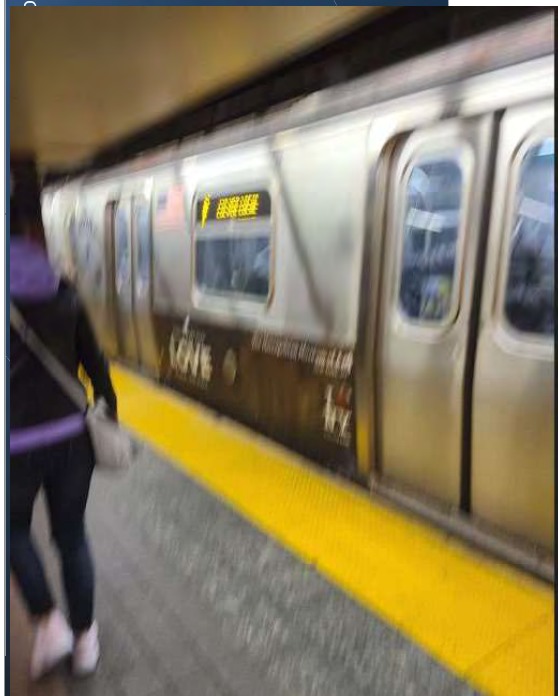
(C) List payment system of the Federal award number(s) for which the interest was earned; and

(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.~~

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## 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

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## Code of Federal Regulations

A point in time eCFR system



Title 2

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#### ECFR CONTENT

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#### Title 2 Grants and Agreements

##### Subtitle A Office of Management and Budget Guidance for Grants and Agreements

**Part 1** About Title 2 of the Code of Federal Regulations and Subtitle A  
**Chapter I** Office of Management and Budget Governmentwide Guidance for Grants and Agreements

**Chapter II** Office of Management and Budget Guidance

##### Subtitle B Federal Agency Regulations for Grants and Agreements

Part / Section  
1 - 299

1.100 - 1.305  
2 - 199

200 - 299  
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)

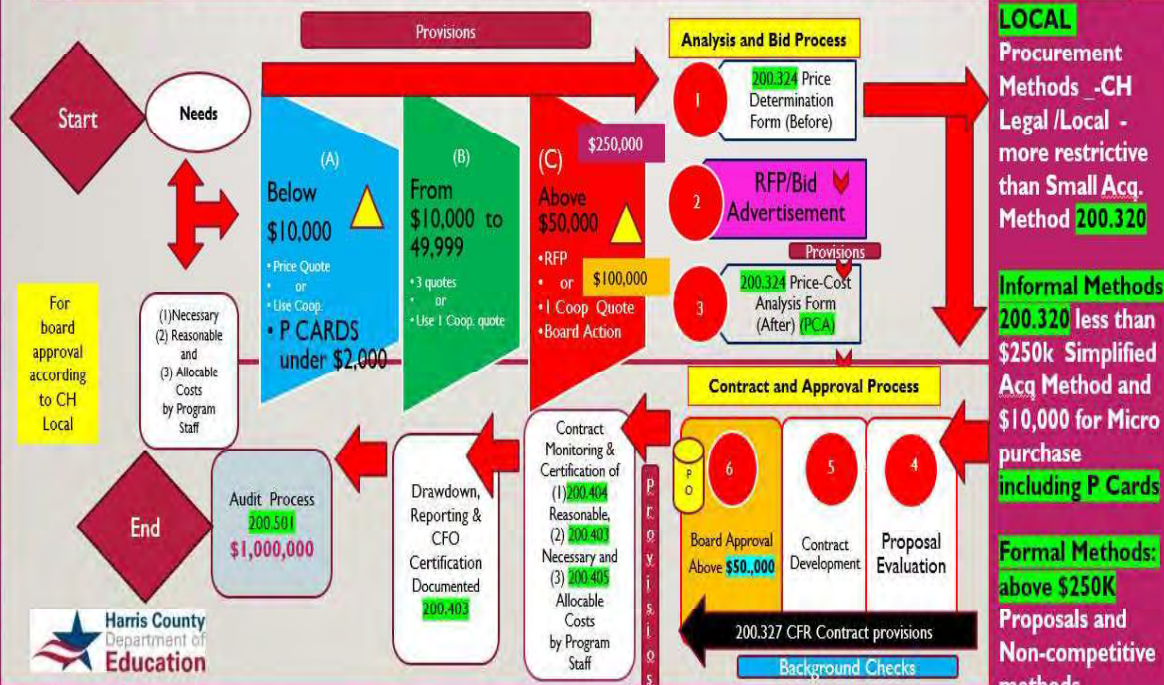
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## 200.318 EDGAR WORKFLOW ( Contracting , Analysis , Compliance, Reporting and Audit

Tele comm certain prohibitions ; Supplies, & Equip.



Certification regarding certain Foreign owned companies in connection with critical infrastructure: \$1,000,000 required information, certain employment assistance prohibited.

Whistleblower Provisions; Compliance with Never contract with the enemy; Contracting with Small MWV Businesses 6 step approach; COSO Internal Controls

## 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 #**

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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:

**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**

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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:

**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.

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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)."

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# 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]

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## Justification 200.403

- Is it necessary?
- How do we document and know?
- Examples:
- Consultant
  - Brands
  - Valet Services
  - Travel
  - Value provided
  - Advanced payment
- Who certifies?
- Who determines?
- How do you determine?
- How do you proof?

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## Reasonable 200.404

- Is the expenditure reasonable?
- How to document it?
- Document
- Comparison – Prices
- Third party
- History – trend expenditures

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# 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?

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# Applicable Credits 200.406

## § 200.406 Applicable credits.

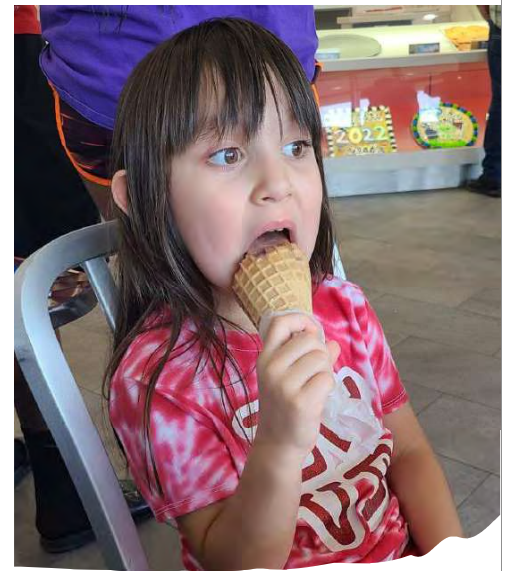
- (a) Applicable credits refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the Federal award as direct or indirect (F&A) costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities 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]*

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6 yrs later- still sleeps  
when I talk about  
2 CFR 200 to her.

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**Harris County**  
Department of  
Education

August 2, 2017

To Any Interested Party

Re: HCDE/Choice Partners' compliance with applicable laws

To whom it may concern:

Harris County Department of Education ("HCDE"), a county school district and local governmental entity, operates a cooperative purchasing program, Choice Partners. I am writing to certify that HCDE and its Choice Partners ("CP") division makes every effort to comply with all applicable laws, including the Education Department General Administrative Regulations ("EDGAR") and all regulations applicable to procurements conducted on behalf of school nutrition programs, including the Buy American Act.

Because at the time of procurement, HCDE/Choice Partners is unable to determine which of its procurements/contracts will be used by CP members using federal funds, HCDE/Choice Partners competitively procures each and every contract awarded by HCDE/Choice Partners under Section 44.031 of the Texas Education Code and includes required EDGAR language for every procurement action. All procurement documents include EDGAR Certification Forms for future contracts, and vendors with existing contracts have received EDGAR Certification Forms to complete and return to Choice Partners. Additionally, Choice Partners' vendors must retain all financial records, supporting documents, and statistical records for a period of three years, and vendors must certify compliance with EDGAR's record retention requirements at the time of the contract.

Similarly, Choice Partners makes every effort to ensure that its procurement documents and contracts comply with and include the provisions required by the Texas Department of Agriculture relating to school nutrition programs. The contractual terms and conditions included in HCDE/Choice Partners' procurement solicitations specifically mandate that HCDE/CP and the vendor comply with all applicable federal, state, and local laws, statutes, ordinances, standards, orders, rules, and regulations, including the Buy American Act, the Davis-Bacon Act, and other state and federal laws.

HCDE/Choice Partners maintains records detailing its procurement histories, such as records reflecting the rationale for the method of procurement, the selection of contract type, the contractor selection or rejection, and the basis for the contract price. Choice members may use these records to verify HCDE/Choice's compliance with applicable procurement rules. Some procurement obligations, however, may be difficult to comply with at the cooperative level; as such, Choice members are advised to review the procurement requirements applicable to their specific purchase and ensure that all obligations have been satisfied. For example, Choice will provide its completed Independent Estimate Determination Form and Determination of Cost or Price

James Colbert, Jr. | County School Superintendent  
6300 Irvington Boulevard • Houston, Texas 77022 • Tel: 713.654.6300 • [www.hcde-texas.org](http://www.hcde-texas.org)

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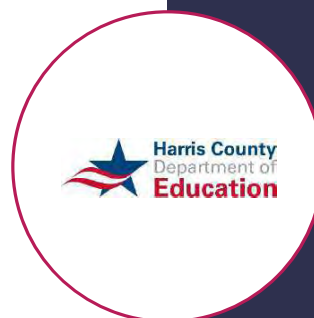


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## Update to Procedures and Forms

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



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**For additional information or training, contact:**

HCDE PLUS –Planning Leadership and Unmodified Systems – a member of HCDE Texas Cooperative Programs Alliance - TCPA

Jesus J. Amezcua, PhD., CPA. RTSBA , CPFIM

Assistant Supt for Business

6300 Irvington Boulevard

Houston, Texas 77022

713-696-1371 or 956-324-9827

[jamezcua@hcde-texas.org](mailto:jamezcua@hcde-texas.org)





Harris County Department of Education  
6500 Irvington Houston, Texas 77022-5618 – (713-696-1371)

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

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

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

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

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

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

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

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

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

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


**FOR HCDE USE ONLY**

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

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

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**Harris County Department of Education  
Business Office /Purchasing Division  
EC Form  
Effectiveness and Compliance Review**  
(This form is used to document due diligence by Buyer)

To: Purchasing Audit File and Jesus J. Amecuz, Ph.D., CPA, RTSBA  
Assistant Supt. for Business

From: Kendra Jackson – Contracts Manager

Purchasing Dept: Bill Monroe, Purchasing Director

Job- Bid or RFP# and Name: 15/029KJ Lease of a Tidwell Head Start Facility for Harris County Department of Education

Board Meeting Date: July 21, 2015

Date: June 30, 2015

**Procurement Requirements Applicable:**

Check One

☐ Under \$2,500 (Requires Division Director and Asst Supt. Approval)

☒ From \$2,500 to \$49,999 (Requires Buyer, Purchasing Director/CFO Approval)

☐ Over \$50,000 (per CH Local)

☐ Cooperative Programs (Requires Board Approval)

I certify that I have reviewed the attached job (bid or RFP) and certify that all of my actions as a Recommendations Committee Member are within the procurement requirements in accordance with local Board Policies (CH local/legal) and legal (federal and state) policies and administrative guidelines set by the Business Office and the Purchasing Division.

I certify that I have adhered to the Purchasing Policies of HCDE concerning the review of this job (bid or RFP) to include policies on conflict of interest.

I certify that I am aware of all purchasing policies (CH Local and CH Legal) and administrative procedures of HCDE.

I certify that I am aware of the penalties of not following the purchasing policies and procedures and in specific with section 44.032 of the Texas Education Code which deals with the penalties related to sequential or component purchases.

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


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

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

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

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**Harris County Department of Education  
Business Office /Purchasing Division  
Job (Bid-Proposal) Recommendation Form  
Program Review**

(This form is used to document due diligence by Recommendation Committee)

---

**To:** Purchasing Division  
**From:** Recommendation Committee

Venetia Peacock \_\_\_\_\_  
Jay Atkins \_\_\_\_\_  
Armando Rodriguez \_\_\_\_\_

I  
Job (Bid or RFP#) and Name: 15/029KJ  
Lease of a Tidwell Head Start Facility for Harris County Department of Education

Board Meeting Date: July 21, 2015  
Date: June 30, 2015

**Procurement Requirements Available:**

Check One  
☐ Under \$2,500 (Requires Division Director and Asst Supt. Approval)  
☒ From \$2,500 to \$25,000 (Requires Buyer, Purchasing Director/CFO Approval)  
☐ Over \$50,000 (Requires Board Approval)

I certify that I have reviewed the attached Job (bid or RFP) and certify that all of my actions as a Recommendations Committee Member are within the procurement requirements in accordance with local Board Policies (CH local/legal) and legal (federal and state) policies and administrative guidelines set by the Business Office and Purchasing Division.


I certify that I have adhered to the Purchasing Policies of HCDE concerning the review of this job( bid or RFP) to include policies on conflict of interest (CIQ).

I certify that I am aware of all purchasing policies (CH Local and CH Legal) and administrative procedures of HCDE.

I certify that I am aware of the penalties of not following the purchasing policies and procedures and in specific with section 44.032 of the Texas Education Code which deals with the penalties related to sequential or component purchases.

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

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

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

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

**Justification:**

Job no. 15/029KJ

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

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

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


HCDE received one (2) response.

**Recommendation:**

HCDE is recommending KQC, LLC, for an award

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	<b>PROCUREMENT PROCEDURES</b> HARRIS COUNTY DEPARTMENT OF EDUCATION	Reference: <a href="#">CH (LEGAL and CH LOCAL)</a>
	DATE DEVELOPED: 6/15/2015	REVISED DATE: 6/15/2015
SUBJECT: Protest Procedures		

**Protest Procedures**

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

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

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

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

Authority:

- [29 CFR §87.36\(b\)\(12\)](#)
- [45 CFR §92.36\(b\)\(12\)](#)
- [7 CFR §3015.180](#)
- [UGMS Part III §...36\(b\)\(12\)](#)

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

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

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HARRIS COUNTY DEPARTMENT OF EDUCATION  
REVIEW OF MONTHLY P CARD REPORT

MONTH OF [REDACTED]

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

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

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

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

Card Holder Name [REDACTED]

Budget Manager Name [REDACTED]

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Month: March 2015

HARRIS COUNTY DEPARTMENT OF EDUCATION  
CERTIFICATION OF FINANCIAL STATEMENTS

Monthly Financial Reports & Drawdown Submitted to Region 10  
Distribution of TXVSN Revenue

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

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

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

Rosa Maria Torres, Chief Accounting Officer

Hayley Wilson, Senior Accountant

Angela Smith, Director – Texas Virtual School Network

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<b>LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT</b> <small>(Instructions for completing and filling this form are provided on the next page.)</small>		<b>FORM CIS</b>		
<p><small>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session. This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with Chapter 176, Local Government Code.</small></p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center; padding: 2px;">OFFICE USE ONLY</th> </tr> <tr> <td style="padding: 2px;">Date Received:</td> </tr> </table>		OFFICE USE ONLY	Date Received:
OFFICE USE ONLY				
Date Received:				
<b>1 Name of Local Government Officer</b>				
<b>2 Office Held</b>				
<b>3 Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code</b>				
<b>4 Description of the nature and extent of employment or other business relationship with vendor named in item 3</b>				
<b>5 List gifts accepted by the local government officer and any family member, if aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100 during the 12-month period described by Section 176.003(a)(2)(B).</b>				
<div style="display: flex; justify-content: space-between;"> <div>Date Gift Accepted _____</div> <div>Description of Gift _____</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Date Gift Accepted _____</div> <div>Description of Gift _____</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Date Gift Accepted _____</div> <div>Description of Gift _____</div> </div> <p style="text-align: center; font-size: small;">(attach additional forms as necessary)</p>				
<b>6 AFFIDAVIT</b>				
<p style="font-size: x-small;">I swear under penalty of perjury that the above statement is true and correct. I acknowledge that the disclosure applies to each family member (as defined by Section 176.001(2), Local Government Code) of this local government officer. I also acknowledge that this statement covers the 12-month period described by Section 176.003(a)(2)(B), Local Government Code.</p> <p style="text-align: right; font-size: x-small;">_____ Signature of Local Government Officer</p> <p style="font-size: x-small;">AFFIX NOTARY STAMP / SEAL ABOVE.</p> <p style="font-size: x-small;">Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20____, to certify which, witness my hand and seal of office.</p> <div style="display: flex; justify-content: space-between; font-size: x-small;"> <div>_____ Signature of Officer Submitting Affidavit</div> <div>_____ Printed Name of Officer Submitting Affidavit</div> <div>_____ Title of Officer Submitting Affidavit</div> </div>				

Adopted 8/7/2015

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<b>CONFLICT OF INTEREST QUESTIONNAIRE</b> <b>For vendor doing business with local governmental entity</b>		<b>FORM CIQ</b>		
<p><small>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a). By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code. A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</small></p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center; padding: 2px;">OFFICE USE ONLY</th> </tr> <tr> <td style="padding: 2px;">Date Received:</td> </tr> </table>		OFFICE USE ONLY	Date Received:
OFFICE USE ONLY				
Date Received:				
<b>1 Name of vendor who has a business relationship with local governmental entity.</b>				
<b>2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire.</b> <small>(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</small>				
<b>3 Name of local government officer about whom the information in this section is being disclosed.</b> <div style="text-align: center; font-size: x-small;">Name of Officer</div> <p style="font-size: x-small;">This section (item 3 including subparts A, B, C, &amp; D) must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.</p> <p style="font-size: x-small;">A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <div style="display: flex; justify-content: space-around; font-size: x-small;"> <span><input type="checkbox"/> Yes</span> <span><input type="checkbox"/> No</span> </div> <p style="font-size: x-small;">B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in the section AND the taxable income is not received from the local governmental entity?</p> <div style="display: flex; justify-content: space-around; font-size: x-small;"> <span><input type="checkbox"/> Yes</span> <span><input type="checkbox"/> No</span> </div> <p style="font-size: x-small;">C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more?</p> <div style="display: flex; justify-content: space-around; font-size: x-small;"> <span><input type="checkbox"/> Yes</span> <span><input type="checkbox"/> No</span> </div> <p style="font-size: x-small;">D. Describe each employment or business and family relationship with the local government officer named in this section.</p>				
<b>4</b>				
<div style="display: flex; justify-content: space-between; font-size: x-small;"> <div>_____ Signature of vendor doing business with the governmental entity</div> <div>_____ Date</div> </div>				

Adopted 8/7/2015

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**LOCAL GOVERNMENT OFFICER  
CONFLICTS DISCLOSURE STATEMENT**

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

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

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

**INSTRUCTIONS FOR COMPLETING THIS FORM**

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

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

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CERTIFICATE OF INTERESTED PARTIES		FORM 1295	
Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.		<b>OFFICE USE ONLY</b>	
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 or identify the contract, and provide a description of the goods or services 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. <input type="checkbox"/>			
6. AFFIDAVIT. I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.			
AFFIX NOTARY STAMP / SEAL ABOVE			
Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20____, to certify which, witness my hand and seal of office.			
Signature of officer administering oath: _____ Printed name of officer administering oath: _____ Title of officer administering oath: _____			
<b>ADD ADDITIONAL PAGES AS NECESSARY</b>			

Form provided by Texas Ethics Commission      www.ethics.state.tx.us      Adopted 10/5/2015

Include the  
ISD Name

Include the  
contract # or RFP

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

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

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HARRIS COUNTY DEPARTMENT OF EDUCATION  
PROPOSER/VENDOR CERTIFICATION FORMS

CERTIFICATION OF COMPLIANCE WITH TEXAS FAMILY CODE PROVISION

As per Section 14.57 of the Texas Family Code, added by S.B. 84, Act: 73rd Legislature, R.S. (1993), all bidders must complete and submit with the bid the following affidavit:  
I, the undersigned vendor, do hereby acknowledge that NO sole proprietor, partner, majority shareholder of a corporation, or an owner of 10% or more of another business entity is 30 days or more delinquent in paying child support under a court order or a written repayment agreement. I understand that under this provision, a sole proprietorship, partnership, corporation or other entity in which a sole proprietor, partner, majority shareholder or a corporation, or an owner of 10% or more of another entity is 30 days or more delinquent in paying child support under a court order or a written repayment agreement is NOT eligible to bid or receive a state contract.

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

The following provisions are required and apply when federal funds are expended by HCDE for any contract resulting from this procurement process:

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Council) as authorized by 41 U.S.C. 101, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

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

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

(B) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

Pursuant to Federal Rule (B) above, when federal funds are expended by HCDE, HCDE reserves the right to immediately terminate any agreement in excess of \$10,000 resulting from this procurement process in the event of a breach or default of the agreement by Vendor. In the event vendor fails to: (1) meet schedule, deadlines, and/or delivery dates within the time specified in the procurement solicitation, contract, and/or a purchase order; (2) make any payment owed; or (3) otherwise perform in accordance with the contract and/or the procurement solicitation. HCDE also reserves the right to terminate the contract immediately with written notice to vendor, for convenience, if HCDE believes, in its sole discretion that it is in the best interest of HCDE to do so. The vendor will be compensated for work performed and accepted and goods accepted by HCDE as of the termination date of the contract is terminated for convenience of HCDE. Any award under this procurement process is not exclusive and HCDE reserves the right to purchase goods and services from other vendors when it is in the best interest of HCDE.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12338, 2 CFR Part, 106-1965 Comp., p. 339), as amended by Executive Order 11275, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Program, Equal Employment Opportunity, Department of Labor."

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

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

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3145). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3145-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Contract "Anti-Slavery Act" (40 U.S.C. 3143), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subcontractor must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

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

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

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3706). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704. As supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to complete the wages of every mechanic and laborer pp. 06 basis of a standard work week of 40 hours. Work in excess of the standard work week is reimbursable provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements

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of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Pursuant to Federal Rule (E) above, when federal funds are expended by HCDE, the vendor certifies that during the term of an award for all contracts by HCDE resulting from this procurement process, the vendor will be in compliance with all applicable provisions of the Contract Work Hours and Safety Standards Act.

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

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Pursuant to Federal Rule (F) above, when federal funds are expended by HCDE, the vendor certifies that during the term of an award for all contracts by HCDE resulting from this procurement process, the vendor agrees to comply with all applicable requirements as referenced in Federal Rule (F) above.

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

(G) Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1257), as amended—Contracts and subgrants of more than \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251- 1257). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Pursuant to Federal Rule (G) above, when federal funds are expended by HCDE, the vendor certifies that during the term of an award for all contracts by HCDE resulting from this procurement process, the vendor agrees to comply with all applicable requirements as referenced in Federal Rule (G) above.

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

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (per 2 CFR 101.225) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 101 that implement Executive Order 12549 (3 CFR part 1986 Comp., p. 139) and 12689 (3 CFR part 1985 Comp., p. 128), "Debarment and Suspension." SAM Exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Pursuant to Federal Rule (H) above, when federal funds are expended by HCDE, the vendor certifies that during the term of an award for all contracts by HCDE resulting from this procurement process, the vendor certifies that neither s nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any Federal department or agency.

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

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply for and for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Pursuant to Federal Rule (I) above, when federal funds are expended by HCDE, the vendor certifies that during the term and after the awarded term of an award for all contracts by HCDE resulting from this procurement process, the vendor certifies that it is in compliance with all applicable provisions of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). The undersigned further certifies that:

- (1) No Federal appropriated funds have been paid or will be paid for or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract or cooperative agreement, the undersigned shall complete and submit Standard Form- LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all covered sub-awards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

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

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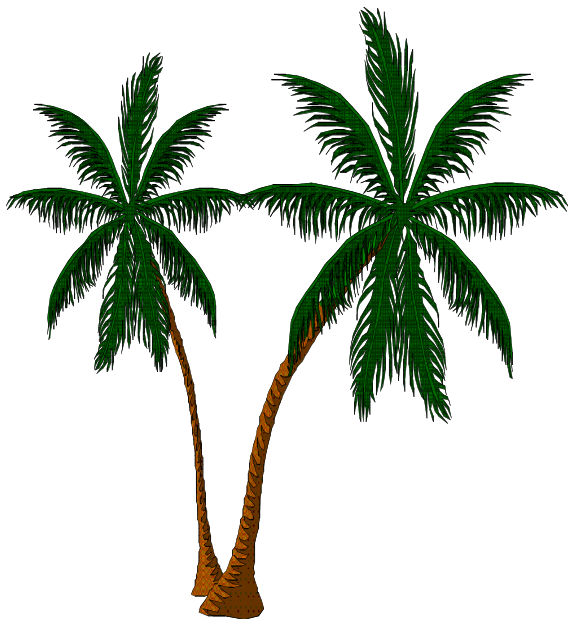
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RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR WITH FEDERAL FUNDS – 2 CFR § 200.333	
<p>When federal funds are expended by HCDE for any contract resulting from this procurement process, the vendor certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. The vendor further certifies that vendor will retain all records as required by 2 CFR § 200.333 for a period of three years after grantee or subgrantee submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>	<p>Vendor agrees to comply with all federal, state, and local laws, rules, regulations and ordinances, as applicable. It is further acknowledged that vendor certifies compliance with all provisions, law, act, regulations, etc. as specifically noted above.</p>
<p style="text-align: center;"><b>CERTIFICATION OF COMPLIANCE WITH EPA REGULATIONS APPLICABLE TO GRANTS, SUBGRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS IN EXCESS OF \$100,000 OF FEDERAL FUNDS</b></p> <p>When federal funds are expended by HCDE for any contract resulting from this procurement process in excess of \$100,000, the vendor certifies that the vendor is in compliance with all applicable standards, orders, regulations, and/or requirements issued pursuant to the Clean Air Act of 1970, as amended (42 U.S.C. 1937b(j), Section 505 of the Clean Water Act, as amended (33 U.S.C. 1368), Executive Order 117310 and Environmental Protection Agency Regulation, 40 CFR Part 15.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>	<p>Vendor's Name/Company Name: _____            Address, City, State, and Zip Code: _____            Phone Number: _____ Fax Number: _____            Printed Name and Title of Authorized Representative: _____            Email Address: _____            Signature of Authorized Representative: _____            Date: _____</p>
<p style="text-align: center;"><b>CERTIFICATION OF COMPLIANCE WITH THE ENERGY POLICY AND CONSERVATION ACT</b></p> <p>When federal funds are expended by HCDE for any contract resulting from this procurement process, the vendor certifies that the vendor will comply with all applicable standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub L. 94-163, 90 Stat. 171).</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>	
<p style="text-align: center;"><b>CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS</b></p> <p>Vendor certifies that vendor is in compliance with all applicable provisions of the Buy America Act. Purchases made in accordance with the Buy America Act must still follow the applicable procurement rules calling for free and open competition.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>	
<p style="text-align: center;"><b>CERTIFICATION OF NON-COLLUSION STATEMENT</b></p> <p>Vendor certifies under penalty of perjury that its response to this procurement solicitation is in all respects bona fide, fair, and made without collusion or fraud with any person, joint venture, partnership, corporation or other business or legal entity.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>	



# SUMMER SESSION 2025

## CONTRACT AND RFP EVALUATIONS



**SPEAKER:**

**Jesus Amezcua**



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

# How to evaluate and RFP- Evaluations and steps to approved vendor

Dr. Jesus Amezcua, CPA, RTSBA, CPFIM  
Assistant Supt for Business  
Presentation to SPI  
Summer Timeline 2025

June 2025

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## Outline for Today's Session

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- 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?

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- 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

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- 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

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- 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

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- 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

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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."



# Case Dismissed

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**HOUSTON, Texas** – The criminal cases for two of Harris County Judge Lina Hidalgo's former staff members have been dismissed.

Court records show that the misuse of official information and tampering with government record charges that both former policy director Wallis Nadar and former senior advisor Aaron Dunn faced have now been dismissed.

- **Felony indictments filed for Harris Co. Judge Lina Hidalgo's chief of staff, 2 others in \$11M COVID-19 outreach contract investigation**

The charges against Hidalgo's former chief of staff Alex Triantaphyllis are still pending.

The charges stem from a 2022 investigation involving an \$11 million COVID-19 vaccine outreach contract awarded to Elevate Strategies. Texas Rangers investigated whether the former staffers disclosed non-public information to Felicity Pereyra, the founder of Elevate Strategies.

- **New search warrant requests Google Docs in probe involving Harris County Judge Lina Hidalgo, team**

During the pandemic, Elevate Strategies was awarded an \$11 million COVID-19 outreach contract by the county but it was later revoked after questions were raised about how it was awarded.

# Another Case May 2025 in Harris County

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In Harris County, recent developments include the dismissal of criminal charges against former Public Health Director Barbie Robinson, and the dismissal of charges against three former staffers of County Judge Lina Hidalgo in separate bid-rigging cases. The current District Attorney, Sean Teare, reviewed the cases and determined the state could not prove the alleged crimes beyond a reasonable doubt. Former District Attorney Kim Ogg had previously referred the Robinson case to the Texas Attorney General's office, but Teare later took it back and dismissed it. [🔗](#)



Evaluation is a very public practice, and every step should be taken to make sure that the process is fair, transparent and within the procurement guidelines.

### 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

## 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

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## Discussion Question One.

- 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;

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## What is included in the contract?

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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### 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?

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- Exercise - Activity

# What do you want for Program Directors to do?

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• 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.

## Contract Development

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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

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## ALPHABETICAL 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

## 10 Best Practices for Evaluation Teams

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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



## Sample Handout Activity for evaluations

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- Evaluation sample.

## Clauses

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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 &lt; \$XXX,XXX &gt;. 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

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Completion &amp; Liquidated Damages as Provided for in HCDE Contracts</p> <p><i>Usually found in construction contracts.</i></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"> <li>1. Under the terms of an HCDE contract, the bidder certifies to complete delivery of any product/service within the specified calendar days &lt; listed on each bid response &gt; 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.</li> </ol>



# Clause

33

CLAUSE/DESCRIPTION	SAMPLE WORDING
Completion & Liquidated Damages as Provided for in HCDE Contracts, continued	<p>2. 2. Therefore, for each and every calendar day that product/service is not delivered beginning &lt; Specified number of days &gt; after the expiration of the time limit set in the contract, HCDE may withhold permanently from Contractor's total compensation the sum of &lt; amount in words &gt; dollars (&lt; amount in numbers: \$XXX.XX &gt; ) per calendar day liquidated damages. It is further agreed that the sum stipulated as liquidated damages is a reasonable <b>estimate of the damage which will result to HCDE and/or the &lt; End User &gt; for a failure of Contractor to</b> 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.</p>

# Clause

34

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

35

CLAUSE/DESCRIPTION	SAMPLE WORDING
Entire Agreement	This Contract and <b>list memorandums, price lists, etc.</b> attached hereto represent the entire and exclusive agreement between the parties thereto and replace in their entirety any previous agreements, written or oral. OR
CLAUSE/DESCRIPTION	SAMPLE WORDING
Entire Agreement, Continued	This Contract represents the entire and exclusive agreement between the parties thereto and replaces in their entirety any previous agreements, written or oral.
Examination of Records	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.

# Clause

36

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>
Force Majeure	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.

# Clause

37

CLAUSE/DESCRIPTION	SAMPLE WORDING
<b>Funding Clause</b>  <i>For Contracts that are contingent on the receipt of grant funds should have a clause so stating.</i>	<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>
CLAUSE/DESCRIPTION	SAMPLE WORDING
<b>Governmental "Funding Out" Clause</b>  <i>Contracts and Leases that are contingent on the receipt of revenues should have a clause so stating.</i>	<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

38

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

39

Indemnification & Insurance-  
< Speaker Agreement >

The Speaker agrees that physical activity is not required of participants.

AND

Speaker agrees that Speaker carries liability insurance covering acts or omissions of Speaker with an approved company naming HCDE as an additional insured”).

OR

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.

Signature/Hold Harmless

# Clause

40

CLAUSE/DESCRIPTION	SAMPLE WORDING
Independent Contractor Status	<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/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/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

43

CLAUSE/DESCRIPTION	SAMPLE WORDING
Introductory Paragraph - Interlocal Agreement	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 <b>during the 20XX-20XX school year.</b>
Introductory Paragraph - Contract	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 <b><u>Fill in Contractor's Name, Address, City, State and Zip Code</u></b> for Contractor to provide services to HCDE in accordance with the terms and conditions specified herein.

# Clause

44

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 &lt; Article XX - &gt; 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	If Contractor is unable to complete the mutually agreed-upon work in the mutually agreed-upon time, Contractor shall notify the HCDE <b><u>Fill in the Name OR Title of HCDE Employee, ex. Director of Purchasing</u></b> in writing.
Non-Exclusivity	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.



# 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> <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

46

CLAUSE/DESCRIPTION	SAMPLE WORDING
<p>Payment Bond or Performance Bond</p> <p><i>Usually the amount of the Contract, payment bond for Contracts &gt; \$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 <b>\$XXX,XXX</b>.</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 clcse 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

47

CLAUSE/DESCRIPTION	SAMPLE WORDING
Product Warranty/ Indemnification	Contractor warrants that it has good title or license to the < <b>Product</b> > provided to HCDE. Contractor further warrants that it has the right to license and does hereby license the use of < <b>Product</b> > 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.
Publication Rights	<p><b>SAYING NO</b> 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><b>SAYING YES</b> 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

48

CLAUSE/DESCRIPTION	SAMPLE WORDING
Purpose	HCDE agrees to retain Contractor and Contractor agrees to provide services to HCDE as <b>fill in the blank</b> 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. <b>OR</b></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.



<p>Scope of Work</p> <p><b>DO NOT REPEAT THESE INSTRUCTIONS IN YOUR CONTRACT. CUSTOMIZE THE WORDING TO PROVIDE THE SPECIFIC INFORMATION DEPENDING UPON THE PURPOSE OF YOUR CONTRACT.</b></p> <p><i>Scope of Work can be a separate attachment/exhibit OR a paragraph in the contract.</i></p>	<p>This clause <b>or</b> Exhibit includes a detailed scope of work that sets out the professional services, products, or outcomes that the Contractor agrees to provide. <b>Exhibit A</b> 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>
<p>Services to be Provided</p>	<p>The Contractor shall provide services specified in the &lt; Agreement &gt; and personnel necessary to furnish said services contingent on it acquiring and maintaining sufficient staffing through reasonable efforts to satisfy its obligations under this &lt; Agreement &gt;.</p>

CLAUSE/DESCRIPTION	SAMPLE WORDING														
Severability	<p>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.</p>														
Signature	<p>In witness whereof, HCDE and Contractor have executed this Contract to be effective on the date specified in Term above:</p> <table> <tr> <td><b>Contractor</b></td><td><b>HCDE</b></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>	<b>Contractor</b>	<b>HCDE</b>	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
<b>Contractor</b>	<b>HCDE</b>														
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	<p>This Contract is the sole agreement by which the above parties will abide relative to the purpose(s) of this Contract.</p>														
Term	<p>This Contract is effective as of &lt; <b>BEGINNING DATE</b> &gt;, and shall continue in effect until &lt; <b>ENDING DATE</b> &gt;, (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.</p> <p>At the sole discretion of HCDE, the Contract may be renewed for an additional &lt; <b>ONE, TWO or THREE YEARS</b> &gt; with the authorization of the &lt; <b>BOARD OF TRUSTEES, SUPERINTENDENT</b> &gt;. In the event that the option to renew is exercised, HCDE will notify the Contractor &lt; <b>number of days/months</b> &gt; prior to the date the option will commence.</p>														

# Clause

51

CLAUSE/DESCRIPTION	SAMPLE WORDING
Termination  Not ALL this verbiage is required. Ask Business Services for assistance.	<p>Either party for any reason upon thirty (30) days written notice may terminate this Contract without cause.</p> <p><b>OR</b> 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.</p> <p><b>OR</b> This Contract may be terminated prior to the expiration of the term hereof as follows:</p> <ul style="list-style-type: none"> <li>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;</li> <li>By mutual written agreement of the parties, upon thirty (30) days prior notice;</li> <li>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.</li> </ul> <p><b>AND</b> 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.</p> <p><b>OR</b> If this Contract is terminated prior to the term date, and the Contractor has paid in full, no refund will be forthcoming.</p> <p><b>OR</b> HCDE will be responsible for payment of services that have been accepted by HCDE up to the termination date.</p>
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

52

|  
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

53

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?



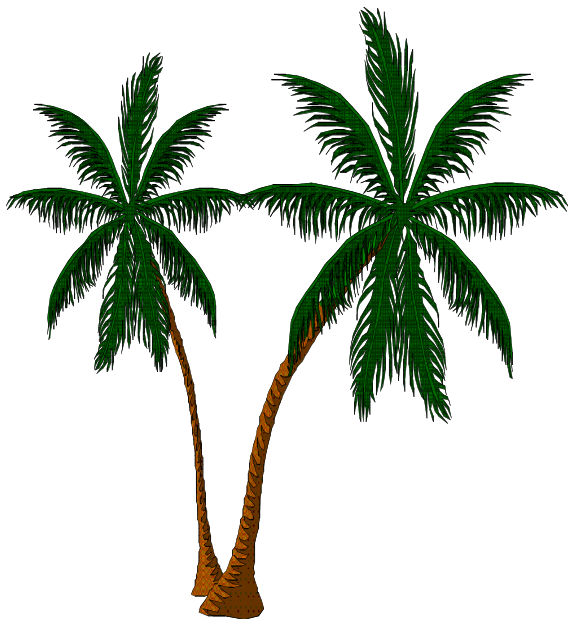
54

- 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](mailto:jamezcua@hcde-texas.org)



# SUMMER SESSION 2025

## INTEGRATE CYBER SECURITY IN PROCUREMENT

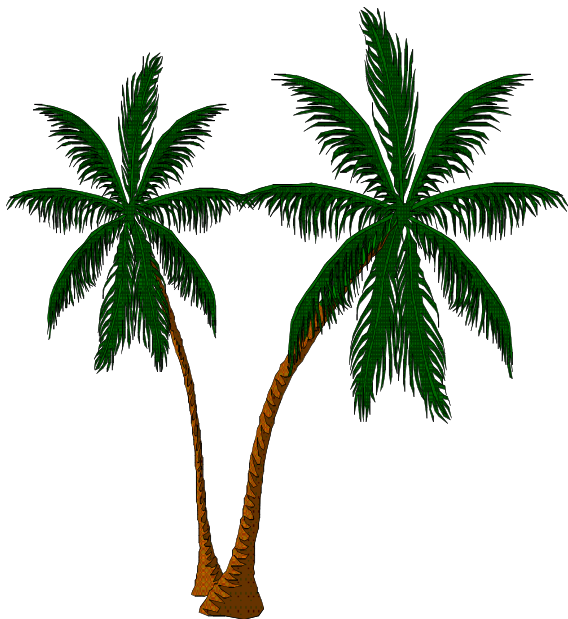


**SPEAKER:**

**Dallas Smetter**

# SUMMER SESSION 2025

## ETHICS



**SPEAKER:**

**Mark Rogers**



# T-9A

## 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

Mark J. Rogers, C.P.M.

2

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

Mark J. Rogers, C.P.M.

3

3

## Ethics

- Restocking charges
  - High tech market changes daily
- Vendor is specialist
  - Buyer is generalist
- Maintain “arms length” relationship
  - Vendor partnerships
  - Adopt a school

Mark J. Rogers, C.P.M.

4

4

## Ethics

- Vendor support for professional development activities
- Encourage communications early
- Specifications development

Mark J. Rogers, C.P.M.

5

5

## Ethics

- Emphasize importance of surfacing spec problems early
- “Or equal” disclaimer
- Inform vendor of quality, timely expectations

Mark J. Rogers, C.P.M.

6

6

## Ethics

- Make certain vendor is aware of all requirements
  - Training
  - Delivery, lack of elevator, multiple locations, as needed shipments etc.
  - Installation

Mark J. Rogers, C.P.M.

7

7

## Ethics

- Work with vendor on payment problems
- Don't handhold
- Buying used equipment
- Develop "doing business with" website or brochure

Mark J. Rogers, C.P.M.

8

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

Mark J. Rogers, C.P.M.

9

9

## Ethics

- Vendor references—get them and check them—document results
- Product endorsements vs product references
- Services are often prototypes
- Cooperative purchases

Mark J. Rogers, C.P.M.

10

10



## Ethics

- All or none bids
- Industry standard delivery
- Alternate bids

Mark J. Rogers, C.P.M.

11

11

## Ethics

- M/WBE
- Enforcement
  - Warranty
  - Price escalation

Mark J. Rogers, C.P.M.

12

12

## Ethics

- Change order “tail and dog”
- Negotiations
- Share user surveys with vendors
- Fax or e-mail quote instead of phone

Mark J. Rogers, C.P.M.

13

13

## Ethics

- Gifts, entertainment, etc.
- Public information
- RFP cautions

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14

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.

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15

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## 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.

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16

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## 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.

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17

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## 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.

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18

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.

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19

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

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## 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

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21

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## 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

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22

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## 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

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23

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## 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

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24

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## 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

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## 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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26

## 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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28

28

## 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

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## 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

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31

Mark J. Rogers, C.P.M.

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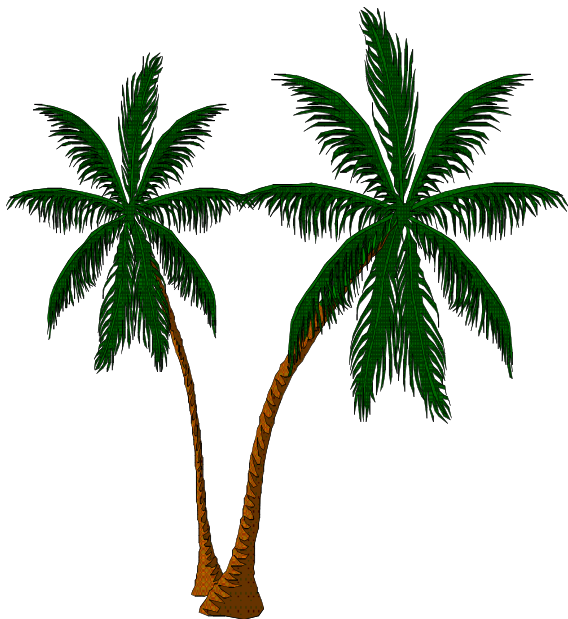
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# SUMMER SESSION 2025

## PROPER PROCEDURES FOR TRAINING YOUR STAFF



**SPEAKER:**

**Rudy Salinas**



1

## Plan, Prepare & Budget



- ✓ Plan for upcoming Training Opportunities
- ✓ Prepare a Training Program for all Staff
- ✓ Budget Now for Tomorrow's Training

2

## Training Resources



**Agency's P&P Manual  
(plus, SOP)**



**ISM**  
INSTITUTE FOR SUPPLY MANAGEMENT  
ISM - Rio Grande Valley, Inc.



**NIGP** The Institute for  
Public Procurement



**United States  
Federal Agencies**

**Purchasing  
Cooperatives**



**UPPCC**  
UNIVERSAL PUBLIC PROCUREMENT  
CERTIFICATION COUNCIL



**NASPO**  
National Association of  
State Procurement Officials



**Texas  
Legislature Online**




**ASCM** ASSOCIATION FOR  
SUPPLY CHAIN  
MANAGEMENT



**COMPTROLLER.TEXAS.GOV**


3



**npi**  
Leading Excellence  
in Public Procurement

## Training Resources

2025 AEP Application Part III: Criteria



**Achievement of  
Excellence  
In Procurement®**

**3. Established a procurement staff "professional development" program (10 pts)**

The intent of this criterion is to recognize agencies that have a planned and deliberate approach to continuing education. There must be an established, clearly defined continuous, formal professional development program in place to receive points.

Training shall be on procurement issues. Participation in professional association sponsored seminars and webinars, internal and external procurement related training, are all acceptable. Client/customer (i.e., user) training programs do not meet/qualify for this criterion. Program must include all full-time professional procurement staff. Professional staff are defined as those staff involved in the traditional procurement/contracting functions, e.g., buyer, contract officer, procurement agent, specifications writer, contract administrator, purchasing manager, etc.

Dedicated funding for professional development is considered optimal; however, webinars and other free or low-cost training are encouraged to meet this criterion for agencies with limited budgets.

Attending the occasional webinar, conference or class does not on its own constitute a formal program.

**Submissions must demonstrate:**

- a) The agency has a formal professional development program that is supported, and;
- b) That there is a planned and deliberate approach to professional development and continuing education.

- **Submit:** Narrative explaining the professional development program established for training professional procurement staff members. Narrative must demonstrate a planned and deliberate approach to continuing education.
- **Submit** three separate lists to support the training program:
  - A list of all full-time professional procurement staff members.
  - A training list by staff member name delineating the training received since *January 1, 2024*.
  - A training list by staff member name for planned training in 2025.

Each record in the training lists must begin with the name of the staff member, a description of the training, and the date of the training for each training event. Each professional staff member must have at least one training listed in both lists.

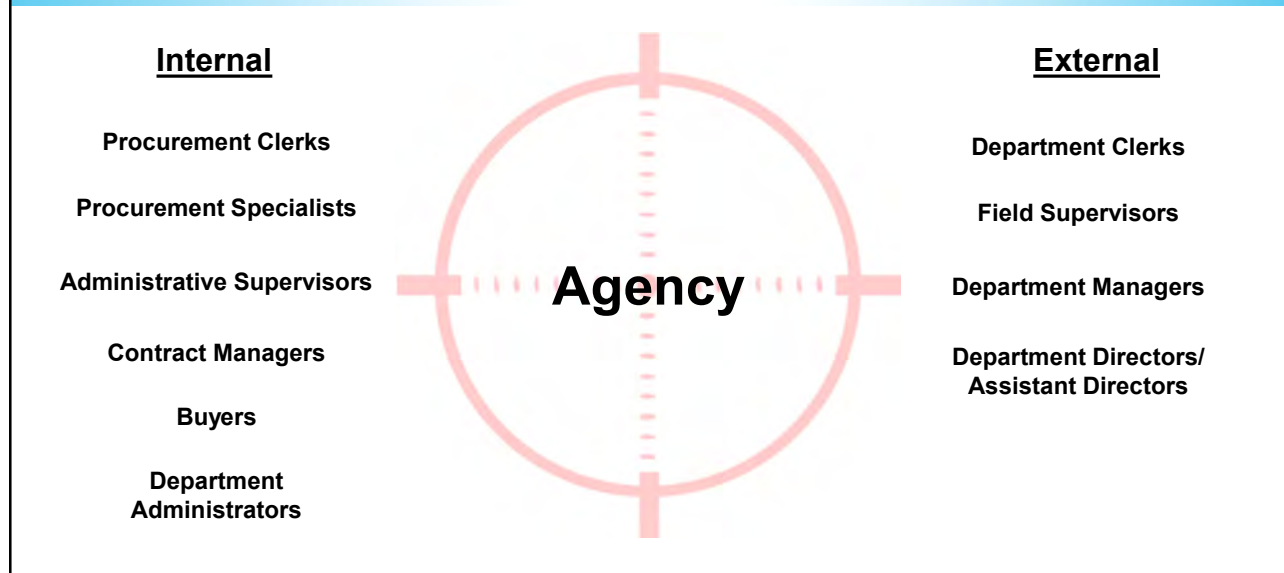
For conferences and webinars, the description must include a title(s) or specific sessions substantiating that training was procurement related.

**TIP:** ["Accessing Model Submittals"](#)

4

## Develop A Comprehensive Training Program

Two Training Targets – One Agency



5

## A Comprehensive Training Plan

Your Plan should come from your Policies & Procedures



6



## Internal – Purchasing Department Training

Procurement training equips individuals with the knowledge, skills, and techniques needed to effectively and successfully carryout their procurement and purchasing duties and it should properly place them inline with certification requirements.

- **All Staff** – shall have a thorough knowledge of procurement fundamentals: The Role of Procurement; Code of Ethics & Compliance; Understanding the Procurement Process; Procurement Policies and Procedures including Certificates of Insurance compliance
- **Buyers** – shall have a thorough knowledge of procurement fundamentals plus: Supplier Evaluation (e.g., IPQ, ITB, etc.); Risk Management (e.g., mitigating potential risks); Purchasing Cooperative Contracts (PACE, TIPS, BuyBoard, Goodbuy, etc.); Technology Trends (e.g., AI, Cyber Security, etc.); Strategic Sourcing (e.g., Market Conditions , etc.); Negotiation Strategies (Establishing clear objectives & BATNA)
- **Senior Buyers** – shall have a thorough knowledge of procurement fundamentals and buyer requirements plus: Supplier Evaluation (e.g., RFI, RFQ, RFP, etc.); Federal Requirements (e.g., D.O.L-Davis Bacon, FAA-BABA, FHWA, etc.); Data Analysis (Incorporating market data to improve the efficiency and resilience of an agency's inventory levels, Identifying supply bottlenecks and predicting supply & demand, etc.)
- **Contract Managers** – shall have a thorough knowledge of procurement fundamentals and senior buyer requirements plus: Contract Law (Provides legal framework between buyers and sellers, etc.); Contract Management (overseeing the entire contract lifecycle, from initiation and negotiation to execution, ensuring compliance, maintaining good vendor relationships, etc.)

7

## Purchasing Cooperatives

In Texas, purchasing cooperatives are administrative agencies created in accordance with Chapter 791 of the Texas Government Code and Chapter 271 of the Texas Local Government Code to help entities comply with state competitive procurement requirements.



8

## Procurement Sourcing Software

OpenGov

IONWAVE  
technologies

ORACLE

ProcureWare  
Delivered by Contruent

Bonfire  
A Euna Solutions Brand

COMPTROLLER.TEXAS.GOV  
Centralized Master  
Bidders List (CMBL)

9

## Purchasing Department Training Validation

Incorporate a Performance Improvement Plan (PIP)

Develop and maintain a Measurement and Evaluation Metrics: Develop & Maintain SMART Goals, Provide Necessary Resources, Incorporate Pre- and Post-Training Assessments, Feedback Mechanisms, and Performance Metrics (including tracking Key Performance Indicators or KPI's). Certified staff should maintain a schedule yielding the annual required number of Continuing Education Hours ("CEH"). The plan should reflect an ongoing process maintained annually.



Procurement management employee training plan timeline

This slide presents an overview of employee training program requirements and activities. It includes a timeline for training activities, a list of training topics, and a table for tracking training progress.

Topic	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10
Need Analysis										
Vendor Management and Sourcing										
Supply Chain Risk Management										
Procurement Planning										
Data Management										
Making Buy or Build Decisions										
Negotiation of Procurement Terms										
Procurement Budget Forecasting and Preparation										
Supplier Evaluation										
Add text here										

10

## External – Outside Department Training

Procurement training for departments should expand your internal training program. It should address the needs of each specific position. Outside departments are an extension of the purchasing department and are also subject to comply with all purchasing policies and procedures.

- **All Staff** – shall have a thorough knowledge of procurement fundamentals: The Role of Procurement, Code of Ethics & Compliance, Understanding the Procurement Process, and Procurement Policies and Procedures including Certificates of Insurance compliance
- **Field Staff** – shall have a thorough knowledge of procurement fundamentals plus: How to properly request for quotes (e.g., service quotes should disclose insurance requirements, specifications should be apples-to-apples, etc.); Purchasing Cooperative Contracts (e.g., efficient and compliant purchasing method, quotes should contain an effective contract number, etc.); How to maintain excellent Vendor Relationships
- **Management** – shall have a thorough knowledge of procurement fundamentals, field staff requirements plus: The agencies purchasing thresholds (e.g., Formal bid requirement for purchases of \$50k and over, etc.); Construction projects requirements (e.g., threshold requiring Payment & Performance Bonds, etc.); Service & Supply Contracts; Materials Management (or Fixed Assets)

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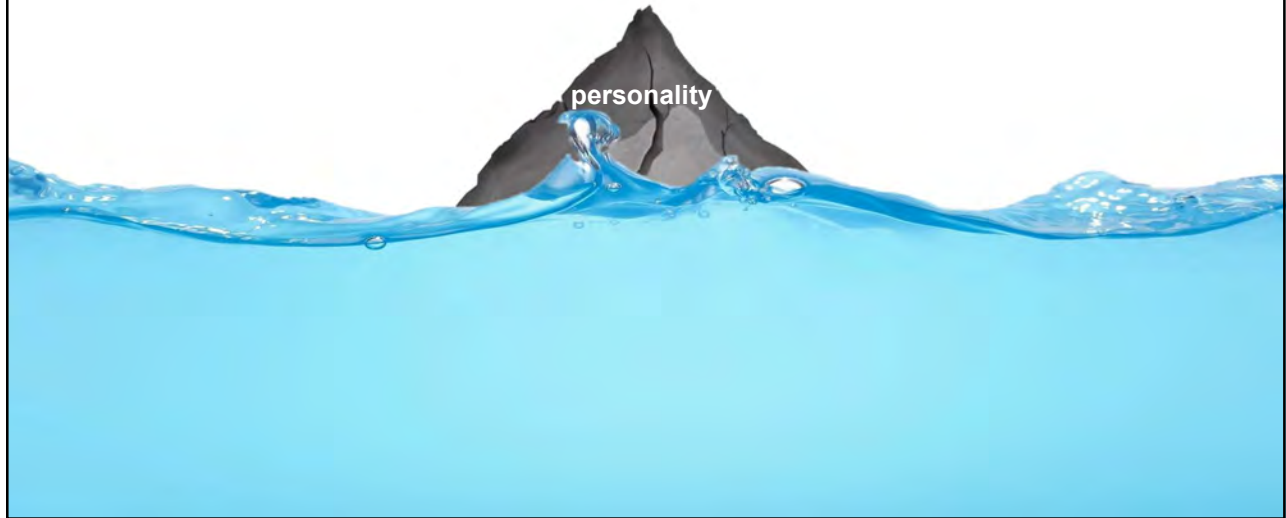
## Train Like You Mean It

- ✓ Take the time to visit and understand your departments
  - ✓ Your training presentations should be inspiring
- ✓ Keep your training real and easy to understand
  - ✓ Your audience should fully believe your message
- ✓ Be authentic...you have to speak from the heart

12

## Our Personality

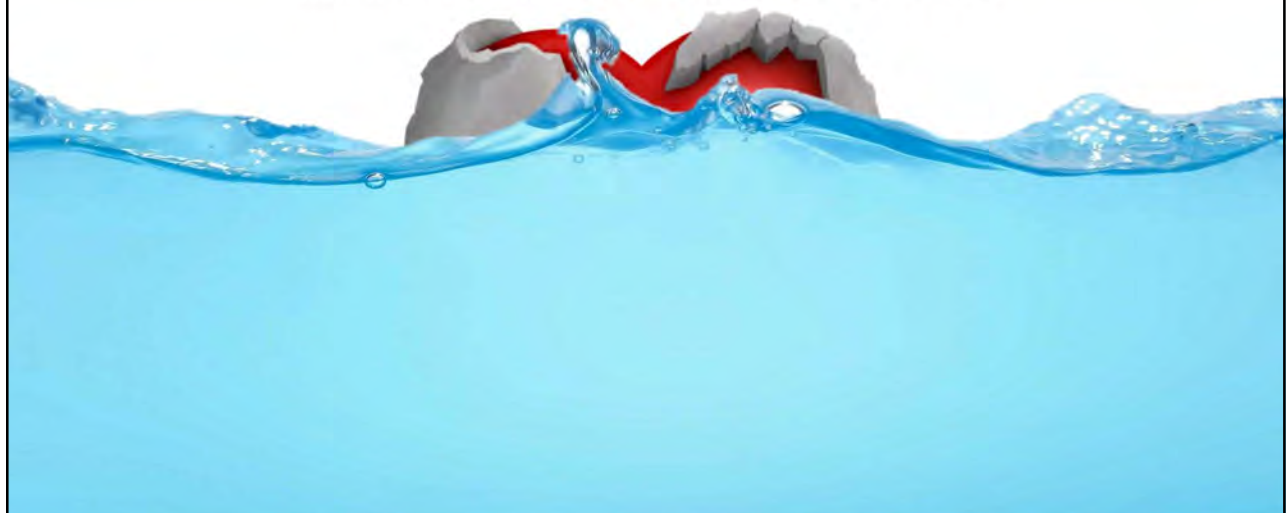
Our personality is like the tip of an iceberg....its what people see first, but...



13

## Our Character

...the weight of who we really are...lies in our Character.



14

## **The Best Example...**

**Start and Ends with...**



15

## **Ending Quotes**

**“Your staff doesn’t care how much you know  
until they know how much you care.”**

**“When we seek to discover the best in others,  
we somehow bring out the best in ourselves.”**

16

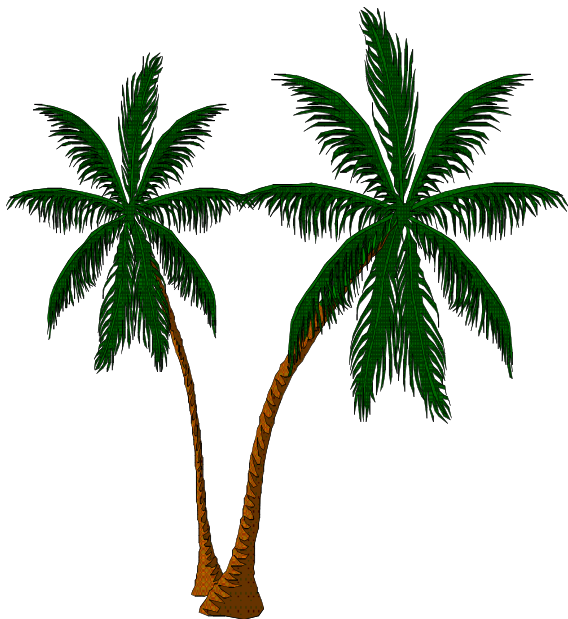


**Q & A**

**Thank You!**

# SUMMER SESSION 2025

## THE ART OF NEGOTIATIONS



**SPEAKER:**

**Mark Rogers**

# Negotiations: The Art of Compromise

Mark J. Rogers, C.P.M.

1

## WHAT IS NEGOTIATION?

- Bargaining process between two or more parties trying to reach an agreement

2

## WHO NEGOTIATES?

Everyone negotiates something nearly every day.

Negotiate with child, spouse, parent, partner, colleague, home buyer/seller, car buyer/seller, contractor, employer/supervisor, insurance company, heirs

3

## WHAT DO YOU NEGOTIATE?

Bedtime, dinner choice, keys, tasks, coverage, price, timeline, raises, benefits, settlement, division of property

4

## WHEN DO YOU NEGOTIATE?

When the anticipated results will likely merit the effort and you can and are willing to compromise

5

## WHY DO YOU NEGOTIATE?

- To produce something better than the results you can obtain without negotiating

6



## WHERE DO YOU NEGOTIATE?

- Face to Face is generally most effective
- Home court
- Seller's place
- Neutral site
- Generally seller's site if personal purchase and buyer's site if commercial purchase

7

## HOW DO YOU NEGOTIATE?

- Establish rapport
- Observe Baseline Behavior
- Listen Actively
- Focus
- Maintain Credibility
- Never Lie
- Use of Silence

8

## PRINCIPLED NEGOTIATION

- Building and Maintaining Relationships
- Separate the People from the Problem
- Focus on Interests, not Positions
- Look for Options

9

## BRAINSTORMING

One “wild” idea voiced by one participant can stimulate ideas in others which would not have occurred to them if they were working independently.

10

## OBJECTIVE CRITERIA

- Insist on using Objective Criteria

Widely recognized factual information,  
independent of parties to the negotiation

- Book value
- Comparable sales
- “One cuts, the other chooses”

11

## PLANNING

- Will determine success or failure
- Adequate planning is essential to decision making in negotiation
- Analyze proposal
- Research
- BATNA
- Reservation Price
- Agenda

12

## TEAM or INDIVIDUAL

- High complexity, high cost and high risk merit team negotiation
- Severe time limits like emergency purchase and routine renewals and extensions are typically handled by individual

13

## BODY LANGUAGE

- Baseline behavior
- Indicators of Interest

Eyebrow Flash

Forward Body Angle

Palms Up

14

## BODY LANGUAGE INDICATORS

- Discomfort
- No Eye Contact  
Fast Blinking Eyes  
Fidgeting  
Arms Crossed

15

## Body Language Blunders

- Personal Space—Not less than 18 inches
- Appropriate Eye Contact ~ 60%
- Slouching—Sign of Disrespect
- Watching Clock—Disrespect, Impatience, Inflated Ego
- Turning Away—Disinterest, Discomfort, Distrust

16



## More body language blunders

- Exaggerated Nodding—Anxious for Approval
- Exaggerated Gestures—Stretching for Truth
- Weak Handshake—Lack of Authority or Confidence
- Strong Handshake—Aggressive, Attempting to Dominate

17

## Documentation

- Take Legible Notes
- Summarize

Issues

Results

Action items

Important Dates and Deadlines

18

## More Documentation

- Share Summary with Contractor
- Use Summary in developing contract
- Don't "skimp" on the contract

19

## TIPS

- Practice
- Persistence
- PATIENCE
- Splitting the difference
- NEVER LIE

20

## REFERENCES

- Getting to “Yes”-Negotiating Agreement Without Giving In, Roger Fisher and William Ury
- Kiss, Bow or Shake Hands, Terry Morrison and Wayne Conaway

21

Mark J. Rogers, C.P.M.

9901 Liriope Cove

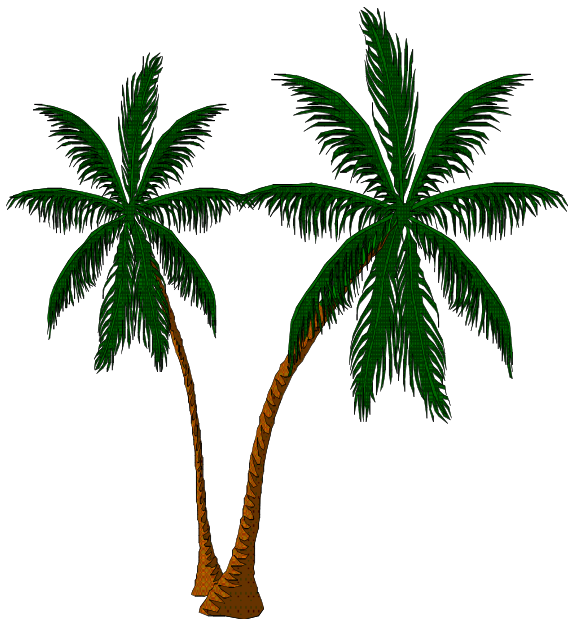
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# SUMMER SESSION 2025

## BID RIGGING AND OTHER ANTITRUST VIOLATIONS



**SPEAKER:**

**Paige Etherington**



KEN PAXTON  
ATTORNEY GENERAL *of* TEXAS

# Bid-Rigging and Other Antitrust Violations: Don't Be a Victim!

June 26, 2025

Paige Etherington  
Assistant Attorney General, Antitrust Division, Office of  
the Attorney General of Texas  
[Paige.etherington@oag.texas.gov](mailto:Paige.etherington@oag.texas.gov)

1



## Disclaimer

The views expressed in this presentation do not necessarily  
reflect those of the Office of the Attorney General.

2

2





## Topics Covered

### **Background**

What is antitrust law, and why is competition important?

### **Anticompetitive Agreements**

What type of agreements does Antitrust law prohibit?

### **Bid-rigging**

What is it and how can you guard against it?

3

3



## What is Antitrust?

- The “trust” in antitrust describes a group of companies operating together as a monopoly.
  - When trusts are formed in an industry, competition is removed from the equation.
  - Companies in trust make more money at the expense of consumers.

4

4



## History of Antitrust



Monopolies or “trusts” dominated the national economy and wielded enormous political power in the late 1800s

5

5



## Why is Competition Important?

Without Competition:

- Higher Prices
- Poorer Quality
- Less Choice
- Less Innovation

The Supreme Court recognizes:

- “The heart of our national economic policy long has been faith in the value of competition.”
- “[U]nrestrained interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and the greatest material progress....”

6

6



## Consequences of Collusion

### Potential Consequences for Antitrust Violators:

- Government prosecution
  - State &/or federal
  - Civil &/or criminal
    - Criminal consequences can include jail time & large fines
- Private litigation (including massive class actions)
- Treble damages, penalties, attorneys' fees and investigative costs
- Debarment or suspension



7

7



## Limits of Antitrust

### •What we don't do:

- Direct officials to choose one procurement method over another.
- Investigate procurement or bidding violations that don't raise antitrust concerns.
- Make sure public entities get the best price or value for goods and services.

8

8



## What Does Antitrust Prohibit?

**Three primary types of antitrust violations:**

- 1. Anticompetitive agreements (including bid rigging)**
- 2. Monopolization**
- 3. Illegal mergers**

9

9



## Anticompetitive Agreements

### **What's prohibited?**

- “Contracts, combinations or conspiracies in restraint of trade”
  - There must be an agreement, but agreements may be hard to detect.
    - *Independently* matching prices is not a violation.
    - Conspirators try to hide agreements.

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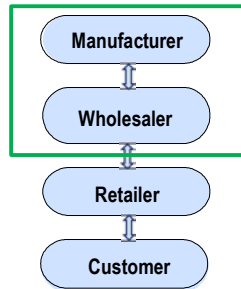
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## Types of Anticompetitive Agreements

### Vertical Agreements

Typically less suspect



Examples:

- Resale Price Maintenance
- Tying

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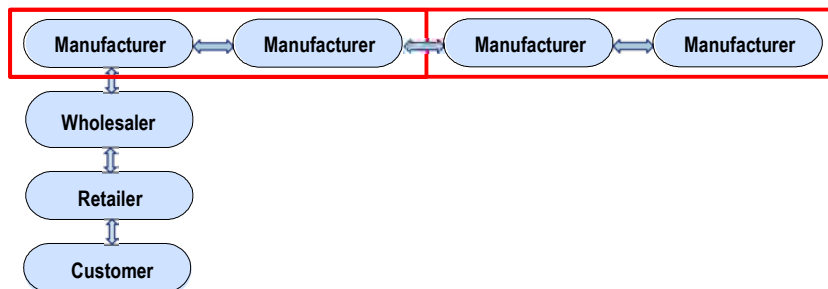
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## Types of Anticompetitive Agreements

### Horizontal Agreements

Inherently suspect



12

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## Types of Anticompetitive Agreements

- Horizontal Agreements
  - Price Fixing
  - Market Allocation / Customer Allocation
  - Group Boycott (Concerted Refusal to Deal)
  - Bid Rigging

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## Types of Anticompetitive Agreements



Agreements to set prices

14

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## Types of Anticompetitive Agreements

- Horizontal Agreements
  - Price Fixing
  - **Market Allocation / Customer Allocation**
  - Group Boycott (Concerted Refusal to Deal)
  - Bid Rigging

15

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## Types of Anticompetitive Agreements



Agreements to allocate the market

16

16



## Types of Anticompetitive Agreements



Agreements to allocate the customer types

17

17



## Types of Anticompetitive Agreements

- Horizontal Agreements
  - Price Fixing
  - Market Allocation / Customer Allocation
  - **Group Boycott (Concerted Refusal to Deal)**
  - Bid Rigging

18

18



## Types of Anticompetitive Agreements



Agreements to refuse to deal

19

19



## Types of Anticompetitive Agreements

- Horizontal Agreements
  - Price Fixing
  - Market Allocation / Customer Allocation
  - Group Boycott (Concerted Refusal to Deal)
  - **Bid Rigging**

20

20



## Bid Rigging Terminology

- Basic types:

- **Complementary Bidding:** an agreement to submit a fake bid to make the winner's bid look reasonable and competitive.
- **Bid Suppression:** an agreement to withdraw a bid or refrain from submitting a bid to allow a competitor to win.

- Incentives:

- **Bid Rotations:** rigging bids in exchange for "taking turns" at winning the bid
- **Subcontracting:** rigging bids in exchange for lucrative or guaranteed subcontracts from the winning bid

21

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## Bid Rigging Terminology

### Hypothetical:

Vendors Anthony, Billy, and Chris bid on a contract for school desks in the Travis County School District.

The typical price for a school desk in other Texas counties is around \$70-80 per desk.

Vendor	Bid
Anthony	\$95
Billy	\$80
Chris	\$85

23

23



## Bid Rigging Terminology

### Complementary Bidding:

Vendors may agree for one vendor to win and for the other two vendors to submit high bids in order to intentionally lose the contract.

Vendor	Bid
Anthony	\$95 ↑
Billy	\$150 ↑
Chris	\$135 ↑

24

24



## Bid Rigging Terminology

### Complementary Bidding:

Vendors may intentionally lose a bid even if they submit a lower price by offering an inferior product or adding special conditions that won't be acceptable.

Vendor Chris may lose this contract if they offer the desks at \$70 each but can't deliver them until the end of the school year.

Vendor	Bid
Anthony	\$95 ↑
Billy	\$150 ↑
Chris	\$75*

25

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## Bid Rigging Terminology

### Bid Suppression:

One or more vendors may agree to refrain from bidding or withdraw a bid that they have already submitted so the designated vendor will win the bid.

Vendor	Bid
Anthony	\$75
Billy	\$70
Chris	\$80

26

26



## Bid Rigging Terminology

### Bid Suppression:

Billy was winning this bid, but then he withdrew his bid so Anthony could win the contract as the designated vendor.

Vendor	Bid
Anthony	\$75
Billy	<del>\$70</del>
Chris	\$80

27

27



## Bid Rigging Terminology

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- **Bid Suppression:** an agreement to withdraw a bid or refrain from submitting a bid to allow a competitor to win.

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28

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- **Bid Rotations:** rigging bids in exchange for "taking turns" at winning the bid
- **Subcontracting:** rigging bids in exchange for lucrative or guaranteed subcontracts from the winning bid

29

29



## Bid Rigging Terminology

### Bid Rotation:

Competing vendors may agree to "take turns" winning a job. This is similar to market allocation where competitors agree to what they think is their "fair share" of the industry.

This agreement guarantees that they will win the job without having to compete.

Vendor	Year 1	Year 2	Year 3
Anthony	\$90	\$85	\$90
Billy	\$85	\$90	\$95
Chris	\$95	\$95	\$85

30

30



## Bid Rigging Terminology

### Subcontracting:

Sometimes vendors will submit a cover bid (complementary bidding) or sit out on bidding (bid suppression) in exchange for a lucrative or guaranteed subcontract from the winner.

Vendor	Bid
Anthony	\$75
Billy	<del>\$70</del>
Chris	\$150



31

31



## Communicating Agreements

### A Classic Example:



"The Result Was the Usual One"

### Modern Examples:

- ▶ In-Person Meetings
  - whether or not in a smoke-filled room
- ▶ Phone Calls
- ▶ Text Messages
- ▶ Emails
- ▶ Business Documents
- ▶ Instant Messaging
- ▶ Chat Rooms
- ▶ Video Chat
- ▶ Social Networking
- ▶ New/creative methods

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32



[illegible]

33



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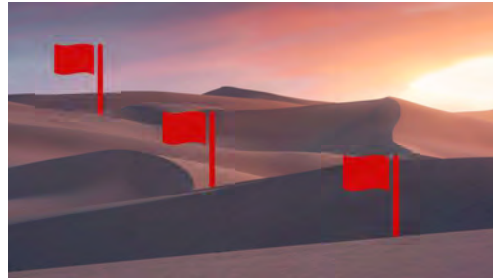


## Red Flags Part 1: Conditions Favorable to Collusion



- Recognize Conditions Favorable to Collusion.

- Few vendors in the market.
- No easy substitutions.
- Long-established firms continually dominate.
- Frequent interactions or information sharing between competitors; a high probability the vendors will interact in the future.



35

35



## Red Flags Part 2: Suspicious Behavior



- Recognize suspicious behavior

- Irregularities in appearance or submission of bids, e.g., suspicious joint bid
- Refusals to bid alluding to agreement or understanding with competitor
- Refusal to bid or offer quote due to “ethical concerns” about poaching customers
- No bid from a firm you otherwise expect to make a bid



36

36



## Red Flags Part 2: Suspicious Behavior (Con't)



- The absence of bids or responses when more are expected
- Certain vendors bid frequently but never or almost never win
- A vendor requests confidential information to gain an advantage for itself and others
- High bids from a vendor you suspect wouldn't be able to successfully perform the contract
- Line items are close, except one or two crucial ones from losing bidders are much higher
- Suspicious explanations for price increases



37

37



## Red Flags Part 3: Suspicious Patterns

- Existing vendors drop prices when a new or infrequent vendor bids
- Suspicious subcontracting
- Some bids are much higher than previous bids or estimated costs
- Consistent \$ or % margins between winning & losing bids
- A vendor always wins a bid in a certain area for a particular product or in a fixed rotation with other bidders
- Two bids are tied and the odds of two bidders submitting the same number independently are low



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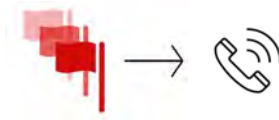
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## Guarding Against Collusion

### What Can You Do About Collusion?

- Be aware of the red flags; contact us if you suspect collusion.
- Draft RFPs to encourage maximum participation.
  - Minimize use of tight specs:
    - Don't tailor bids to one particular product or supplier.
    - Don't use specs written by or copied from a manufacturer.
    - Don't use brand names in specs.
  - Make sure a vendor is an actual sole source before proceeding with a sole source procurement.
- Evaluate your process with an eye towards ensuring competition.



39

39



## Guarding Against Collusion

### What Can You Do About Collusion?

- Advertise in a variety of ways.
- Insist on compliance with procedures.
- Maintain and review procurement records.
- Don't disclose cost estimates before awarding a contract (unless required).
- Don't disclose the identity or bids of proposal holders or other bidders (unless required).

40

40



## Contact Information

- Use us as a resource
  - All questions, ideas, & tips are welcome
- Be alert and proactive in making sure you have competitive options
- Assist us with our investigations

Office of Attorney General

Antitrust Division

Main number: (512) 936-1674, [Antitrust@oag.texas.gov](mailto:Antitrust@oag.texas.gov)

Paige Etherington: (512) 936-1105, [paige.etherington@oag.texas.gov](mailto:paige.etherington@oag.texas.gov)

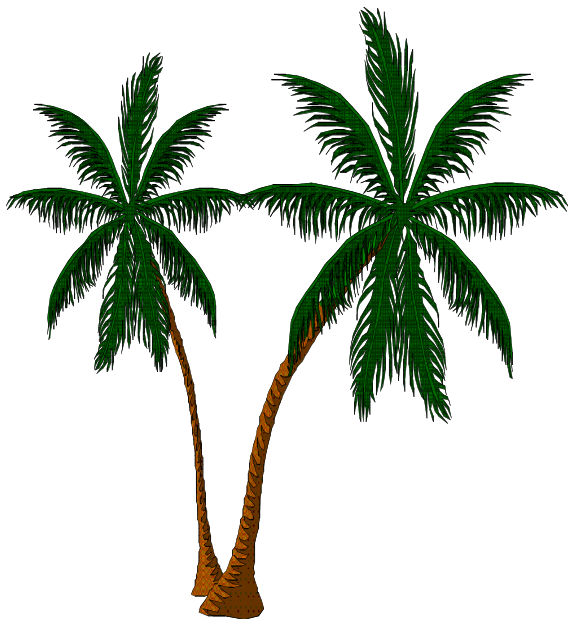
[www.texasattorneygeneral.gov/divisions/antitrust-division](http://www.texasattorneygeneral.gov/divisions/antitrust-division)

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# SUMMER SESSION 2025

## SPECIFICATION WRITING



**SPEAKER:**

**Mark Rogers**

# T-11A

## The Heart of Purchasing Specifications

Mark J. Rogers, C.P.M.  
markjeffreyrogers@gmail.com

1

### What are they?

- Clear, thorough description of product or service

### Why are they needed?

- Essential to competitive process
- Means of communication
- Necessary for evaluation

2

2

## What should be included?

- Functions
- Features
- Dimensions
- Grade or Quality
- Color
- Warranty
- Means for testing
- Intended use

3

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

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

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

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

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

8



Federal Specification

State of Texas

Hybrid

- Includes elements of more than one type of specification

9

9

Who prepares?

- Staffing
- Expertise

10

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

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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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## Pre-bid conference

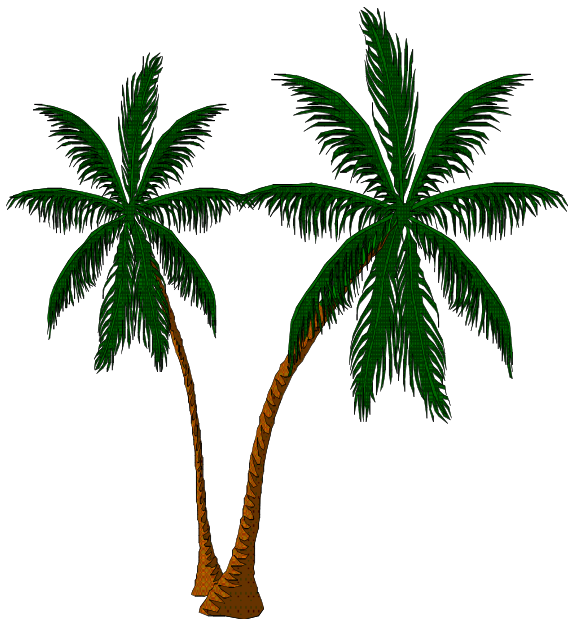
- Timing
- Conduct
- Addendum

14

14

# SUMMER SESSION 2025

## MINIMIZE STAFF EXPENSE - USE PURCHASING COOPS



**SPEAKER:**

**Philip Vasquez**

# Cooperative Purchasing:

How to Navigate

By: Phillip Vasquez  
Managing Director  
Phillip Vasquez and Associates  
June 26, 2025



1

## Do You Feel Like You Are In a Maze

- Choosing the Right Cooperative Contract is like being in a Maze
- A Cooperative Maze Can be Never ending with Obstacles along the way
- Don't Be Afraid
- Anyone Can Navigate a Maze with a Map
- You Don't Need a Magic Wand, Like Harry
- You Are Here to Develop Your Own Map or at Least Learn How to Read the Map Out!



2





## What Types of Cooperatives Are There

- **Lead Agency Cooperative**
  - Usually Privately Managed
- **Government Operated Cooperative**
  - State, GSA, Education Service Center, Council of Government, etc....
- **Non-Profit or Not For Profit Cooperative**
  - Maybe Operated by Membership
- **Hybrid**
  - Government Cooperative contracting with private Organization
- **Piggyback**
  - Using another local Government's Awarded Contract
- **Aggregated/Group Purchase or Contract**
  - Can Obtain Lucrative Pricing if Standardization Can Be Agreed Upon

3




## Purchasing Cooperatives In Texas

- |   |                          |
|---|--------------------------|
| • E and I   | • Sourcwell              |
| • Omnia Partners (TCPN, NCPA, NIPA, US Communities)   | • ESC 1 - Buy One        |
| • BuyBoard  | • ESC 2 - GoodBuy        |
| • State of Texas <ul style="list-style-type: none"><li>– DIR, TXMAS, Coop Program</li></ul> | • ESC 8 – TIPS/TAPS      |
| • HGAC  | • ESC 15-791COOP (CTCOG) |
| • Tarrant County  | • ESC 16 – TEX-BUY       |
| • NT Share (NCTCOG)   | • ESC 19 - ASC           |
| • HCDE-CPP  | • ESC 20 – PACE          |
| • GSA   | • 1GPA                   |
| • NASPO   | • PCA                    |

More seem to be coming

4



## Which is the Right Path?

<p><u>USE Whatever Is Legal</u></p> <ul style="list-style-type: none"> <li>It is easy to use whatever cooperative your USER Dept wants to use because they have a contract the “have” to use to be successful</li> </ul>	<p><u>How About Your Path</u></p> 	<p><u>Due Diligence</u></p> <ul style="list-style-type: none"> <li>Vet the cooperative contract because you are adopting it and agreeing it is a valid and advantageous contract agreement to use.</li> </ul>
--	---	---

5



## How Do I Select the Right Cooperative Contract?



Wayne A. Casper, C.P.M., CPPO  
Previous Director for the City of Tucson  
and the State of Arizona

1. **PROCESS Standard:** Utilize those cooperative contracts that have been competitively solicited, evaluated, awarded and administered by a public agency recognized for procurement excellence.
2. **COMPETITIVENESS Standard:** To encourage maximum competition, utilize those cooperative contracts that (a) have limited multiple awards and (b) have resulted from a solicitation that received more than one responding proposal.
3. **TRANSPARENCY Standard:** Utilize those cooperative contracts which are readily available for review and analysis on line by the public, along with all related solicitation and award documentation
4. **EXPERIENCE OF COOPERATIVE TEAM Standard:** Utilize those cooperative purchasing organizations that employ experienced public procurement professionals and tenured cooperative purchasing team members.

6



7



## NCPD Cooperative Partner Membership

**Benefits Include:**

*Opportunity to sponsor one webinar on NCPD's webinar platform. Topic and content developed by NCPD and Cooperative Partner can supply input to be considered for inclusion.*

- Exclusive invitation and participation at a Board meeting to participate on policy, legislative and marketing discussions to benefit the cooperative procurement industry.*
- Access to Legislative Updates with any available analysis*
- Highlighted interviews to be included in article submissions to national government, fleet and procurement trade publications*
- Discounted attendance at all NCPD webinars*
- Ability to receive free sample packages and discount on NCPD education forums and products.*

**Membership Dues for Cooperative Partners**

- Cooperative Partners*** in good standing with the National Cooperative Procurement **Partners, annual dues are \$10,000.**
- Cooperative Partners shall be those group purchasing consortia in the public sector and education markets which pay dues and meet other requirements as may be established by the board of directors from time to time.*

8

This is NOT Pac-Man Where you Get 3 Lives



score 0 Lives 2

We Typically Only Get One Chance To Do It Right

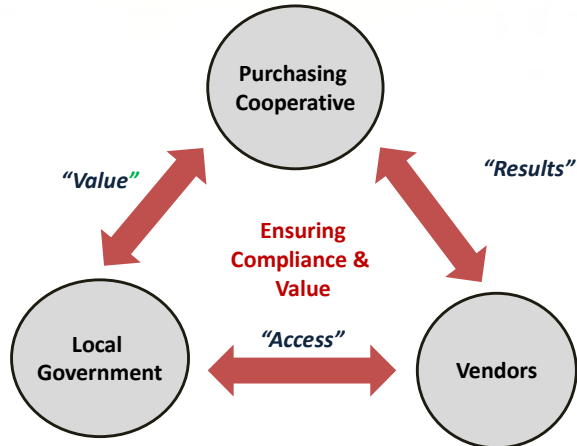
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Let There Be Light, to Learn the Way Thru the Maze of Coops



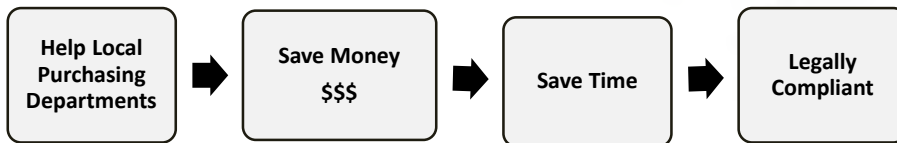
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## Coops Have 3 Major Components



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## Purchasing Coops Should:



### Cooperatives Should Provide Additional Services

- Provide Customer Service
- Provide Contract Administration
- Provide Contract Updates
- Provide Due Diligence
- Obtain Member Feedback

12



## An Example of Due Diligence of Coops

### CONSIDERATIONS FOR UTILIZING A COOPERATIVE CONTRACT

- Cooperative and Lead Agency: \_\_\_\_\_
- Contract Number and Title: \_\_\_\_\_
- Vendor Name(s): \_\_\_\_\_


	Issue	Procurement Consideration	Yes	No	Explanation
1.	What are we buying, and what is the estimated cost of the purchase?	Does it fall under our Formal Bid Threshold? Is it such a high dollar amount or very specific requirements that it may warrant establishing a contract of our own?			
2.	Was the solicitation process facilitated and awarded by a Public Procurement Unit, or by the cooperative consortium?	For example, US Communities utilizes a Lead Agency model, whereas BuyBoard conducts its own solicitations.			
3.	Did the cooperative (US Communities, National IPA, etc.) or lead agency (City of Las Vegas, etc.) have the expertise, reputation, and history of quality contracting for the goods or service being procured?				

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### Cooperative Contract Due Diligence:

Action or Activity	Check-Off
<b>Pricing</b>	
Did you perform a Market Price Survey completed of what the prices should be?	
Are the Coop Contract Prices in line with your Market Price Survey?	
How was the bid pricing evaluated? Consultant or Govt. Employee.	
How is the escalation pricing structured? Example Catalogue updated, CPI revised, PPI revised, or other method.	
Are there copies of approved pricing updates?	
Was pricing from a Market Basket Survey and do you have a copy of the comparisons?	
Can you determine, which Coop Contract offers the Best Valued Pricing?	
Vendor with the best pricing.	
Rebate from Coop or Vendor	
<b>Contract Compliance and Performance</b>	
Due Diligence included a copy of the insurance requirements and requirements.	
# of years has the Vendor has held the Coop contract? (too short or too long could be negatives)	
Has the Coop ever suspended or sent a "Cure Letter to the vendor?"	
Does the contract have more than 18 months left (not counting renewals)?	
Did the Bid Solicitation include a Bidder (Vendors) Conference?	
Was the Bidders Conference Mandatory?	
Dunn and Bradstreet Number	
Vendor Finances verified/checked/evaluated prior to award.	
Coop received more than 2 Bids/Proposals	
Less than 20% bidders awarded, except a manufacturer discount catalog bids	
Is recommended Vendor registered with State of Texas?	
<a href="https://direct.sos.state.tx.us/acct/acct-login.asp">https://direct.sos.state.tx.us/acct/acct-login.asp</a>	
<b>Federal Grant Funds Used</b>	
Check the Federal Debarment List website. <a href="http://www.epls.gov">www.epls.gov</a> for Vendor	
Vendor Not Debarred.	
Check the State Debarment Website.	
<a href="http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/">http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/</a>	
Any rebate Fees need to be tracked and placed back into the Grant Funds.	
Number of Coop Contracts compared evaluated (2-3 recommended)	
<b>Number of Check Marks 25 possible</b>	

14



**Coop Questionnaire 9-17-24 (Check all that apply)**

Questions (YES or NO)	Coop #1	Coop #2	Coop #3	Coop #4
Contract was Legally Advertised				
Coop Award Contract Due Diligence Documents can be downloaded				
Contract evaluated by Government Employees				
Contract awarded in a legally posted public meeting by Governing Body				
Contract allows for T's & C's changes to comply with local requirements				
Contract allows for local Venue, Jurisdiction and Governing Law				
Bid Solicitation included a Bidder (Vendors) Conference				
Scope of Work or Specs Detailed enough by Collin College Standards				
Solicitation allowed for similar items to be included or added to the contract				
The day to day Contract is Managed by Coop				
Coop Contract is a Piggyback Contract (like CCGPF)				
The Coop is Government or non-Profit				
College already a Coop Member				
Coop has a documented procedure to help members solve problems				
Coop has a reporting mechanism listing contract problems				
Coop has a history of being responsive to the College				
Vendor has a history of being responsive to the College				
Contract requires the same or similar insurance requirements as Collin College				
Coop Contract has a significant Volume above \$50 million				
Contract has more than 30 months left, including renewals				
Contract Vendor is Local				
Contract Offers extra value				
Coop has contact info for Questions and received follow-up quickly				
Coop is NIGP Certified				
Coop is a member of NCPP				
Coop has Field Representatives to assist members				
The Coop is more than 10 years old				
The Contract allows for volume discounts				
Coop is a Local Government or Non-Profit				
Coop provides a rebate to the members				
Coop has an Advisory Board				
No Fee to use the Coop for Members				
<b>Total Check Marks 32 possible</b>				

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## What Matters to Local Governments

- Different Entities Have Differing Policies
- Entities May Have Different Cultures
- Previous Slides show different ways of doing Due Diligence
- Develop Your policies for Cooperative Contract Use
- Ensure the Cooperative Policy Use conforms to YOUR Policies
- Remember YOU have a Fiduciary Responsibility as Well as a Legal Responsibility

16

## Develop YOUR Process &/or Policy

### Develop your Path out of the Cooperative Maze

- It is up to **YOU** to ensure the Cooperative and Cooperative Contract is the right Choice for **YOUR** Local Government
- That Means **YOU** Have to Navigate the MAZE of Cooperatives



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## Cooperative Purchasing Is and Is Not

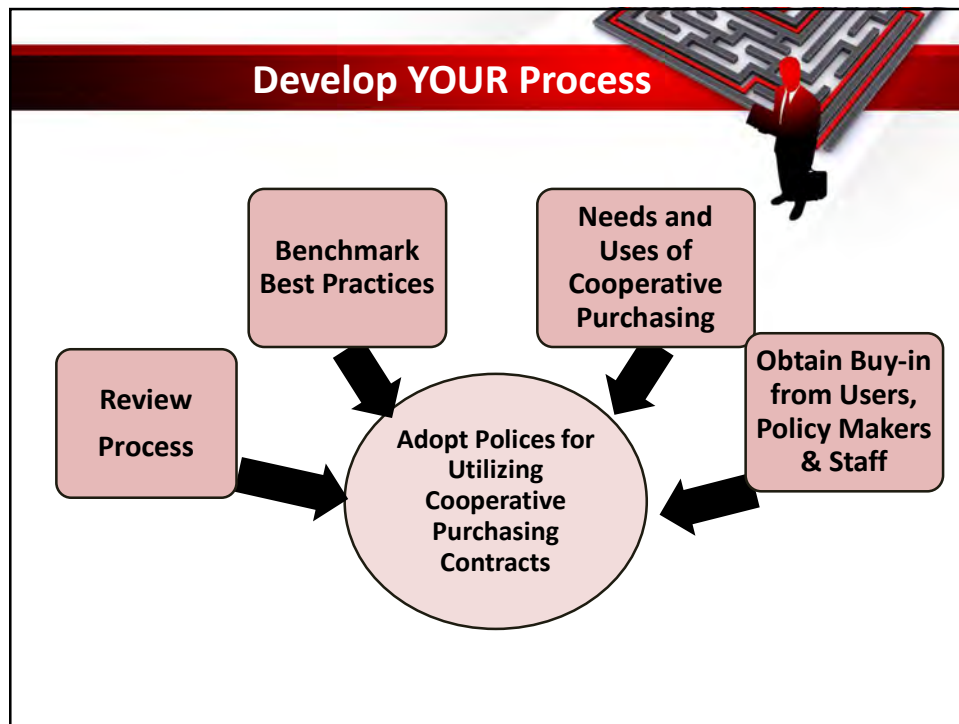
### Cooperative Purchasing IS

- Obtain Aggregated Pricing
- Shorten Procurement Cycle
- Method of Standardization
- Should meet Legal Compliance of Bidding Requirements
- Implementing New Contracts Quickly

### Cooperative Purchasing IS NOT

- Not a Way to Avoid Bidding
- Not a Way to Avoid Price Verification
- Not a Way Avoid Contract Management or Audits
- Not a Way to Pass the Buck
- Not a Way to Replace Good Contracting

18



19

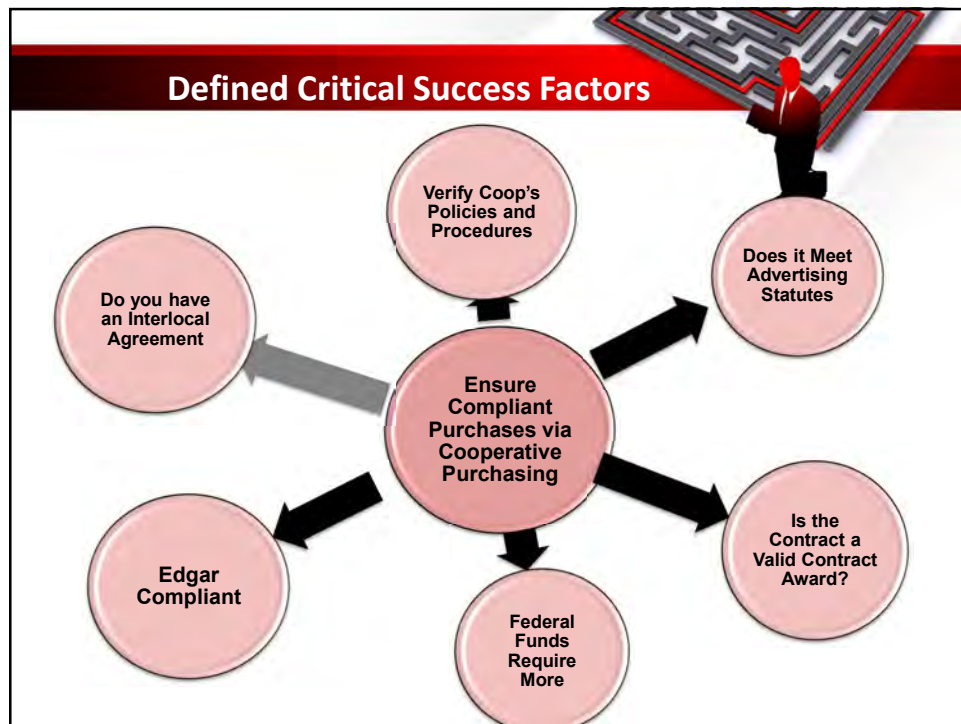
## Cooperative Purchasing Must

**Do At Least Two Critical Things**

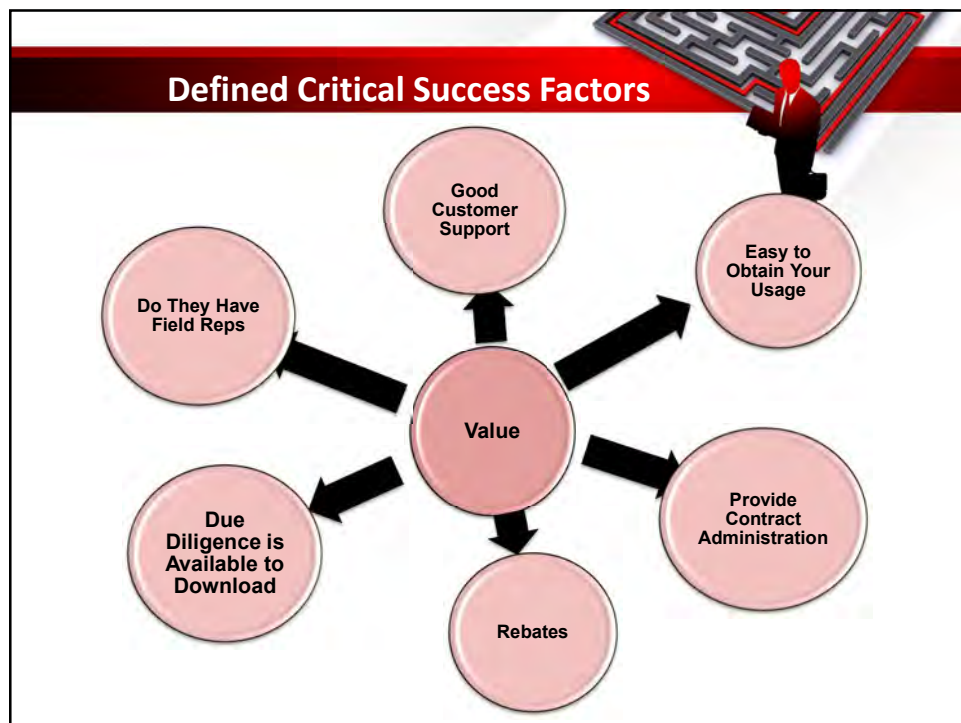
- **Add Value to your Organization**
  - Expedite Procurement
  - Provide Assistance in Purchase
- **Be Legally Compliant**
  - At the time of Bid/Award
  - In YOUR Use the Cooperative Contract

A person in a black suit is standing in front of a large maze on a wall, pointing at a red path that leads through the maze. A person in a red suit is standing on a maze in the background.

20

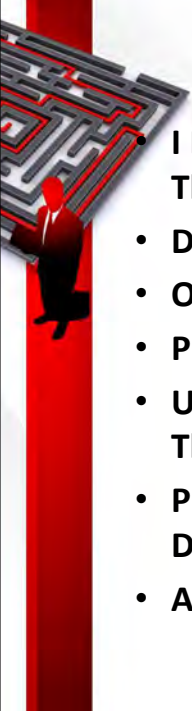


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## Closing


I Encourage Everyone to Find a Way/YOUR Way Through the Cooperative Purchasing MAZE.

- Don't Wait to find Yourself Trapped in the Maze
- Once YOU Have Navigated It, It gets Easier
- Purchasing Is Still Purchasing
- Using the Cooperative Purchasing Tool Is Just That, a Tool
- Purchasing Still Means Doing YOUR Due Diligence
- Ask for Help, if you need it.

23




Every  
**maze**  
has an  
*exit.*



24




25



## Thank You

*Phillip Vasquez*  
*Managing Director*  
*Phillip Vasquez and Associates*  
[Phillip947@gmail.com](mailto:Phillip947@gmail.com)  
*214-668-9234*

Congratulations

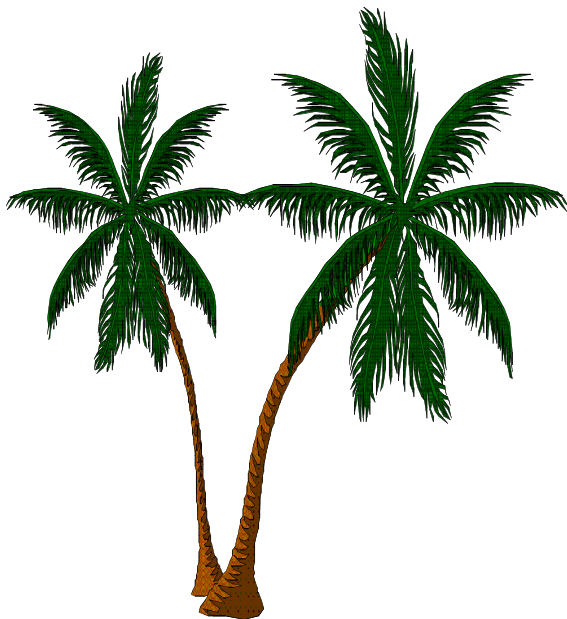


You Made It through The  
Maze of Cooperative  
Purchasing Choices and  
Decisions

26

# SUMMER SESSION 2025

## THE POSITIVE ASPECTS OF SOLITUDE, BOREDOM AND LONELINESS



**SPEAKER:**

**Meliton Moya**

# The Positive Aspects of Solitude, Boredom, and Loneliness

Presented at the  
Institute for Supply Management - RGV  
Summer Session 2025  
Thursday, June 26, 2025  
By Melitón Moya, PhD

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

## Solitude, Boredom, and Loneliness

While often viewed negatively, solitude, boredom, and even loneliness can offer positive opportunities for self-reflection, creativity, and personal growth. They allow for introspection, recharging, and a deeper understanding of oneself.

3

## Top 10 Fears of 2024

The Fears	% of Very Afraid or Afraid	Rank in 2023 - %
1. Corrupt government officials	65.2	1 – 60.1
2. People I love becoming seriously ill	58.4	5 – 50.6
3. Cyber-terrorism	52.5	9 – 49.5
4. People I love dying	57.8	6 – 50.4
5. Russia using nuclear weapons	55.8	3 – 52.5
6. Not having enough money for the future	55.7	10 – 48.0
7. The U.S. becoming involved in another World War	55.0 (tie)	4 – 52.3
8. North Korea using nuclear weapons	55.0 (tie)	12 – 47.6
9. Terrorist attack	52.7	16 – 45.2
0. Biological warfare	52.5	8 – 49.5

The Chapman University Survey of American Fears

4



## My Top 10 Fears of 2025

The Fears	2023 % of Very Afraid or Afraid	2024 % of Very Afraid or Afraid
1. Becoming seriously ill	35.0	42.0
2. Air pollution	40.9	47.0
3. Identity theft	38.9	47.3
4. Corporate tracking of personal data	45.1	48.8
5. People I love becoming seriously ill	50.6	58.4
6. Devastating hurricane	26.5	29.8
7. Devastating natural disaster where I live	32.3	36.3
8. Devastating tornado	30.1	34.7
9. Pollution of drinking water	50	52.4
0. Pollution of oceans, rivers, and lakes	47.8	52.2

The Chapman University Survey of American Fears

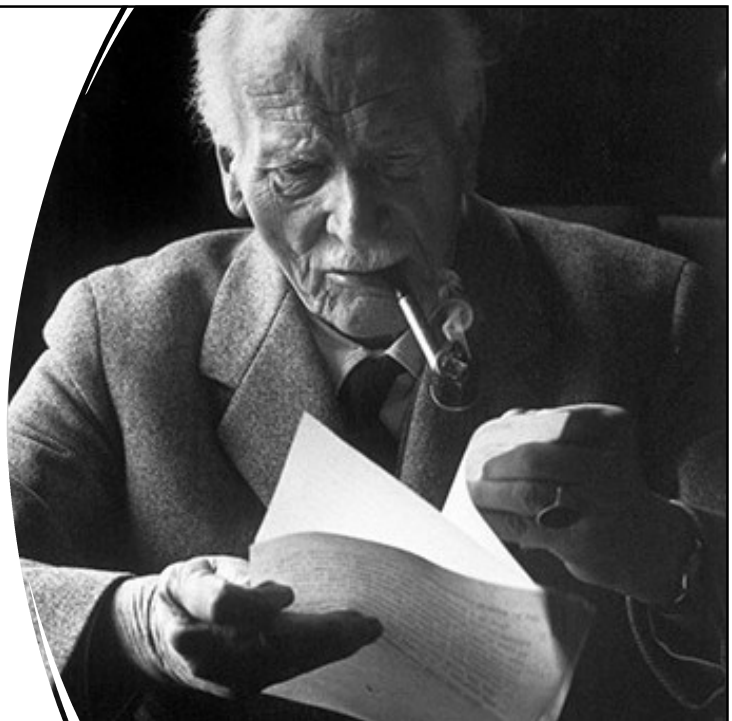
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Carl Gustav Jung  
Born: July 26, 1875  
Died: June 6, 1961

---

“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.



6

### **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

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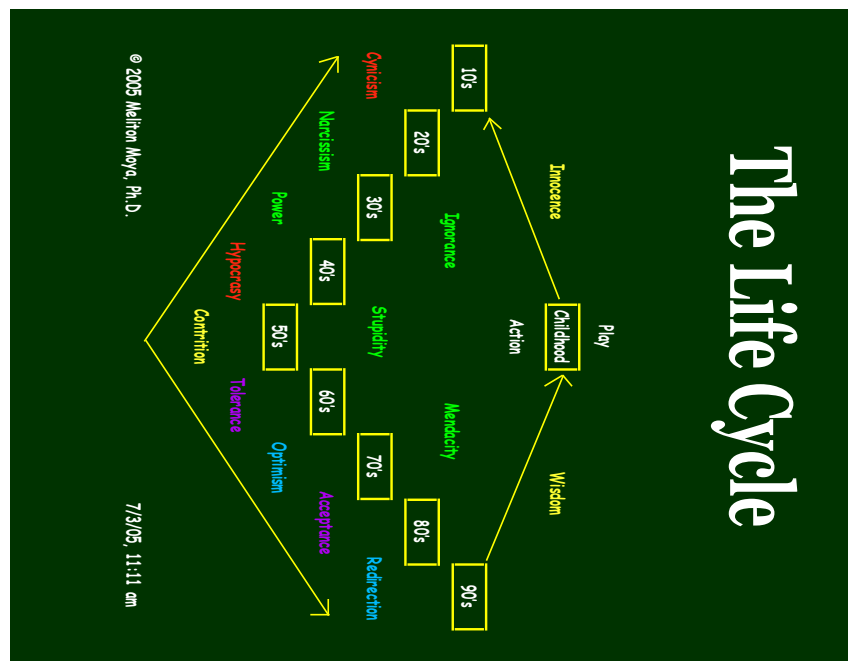


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## Four Vantage Points to understand how people see things

- **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

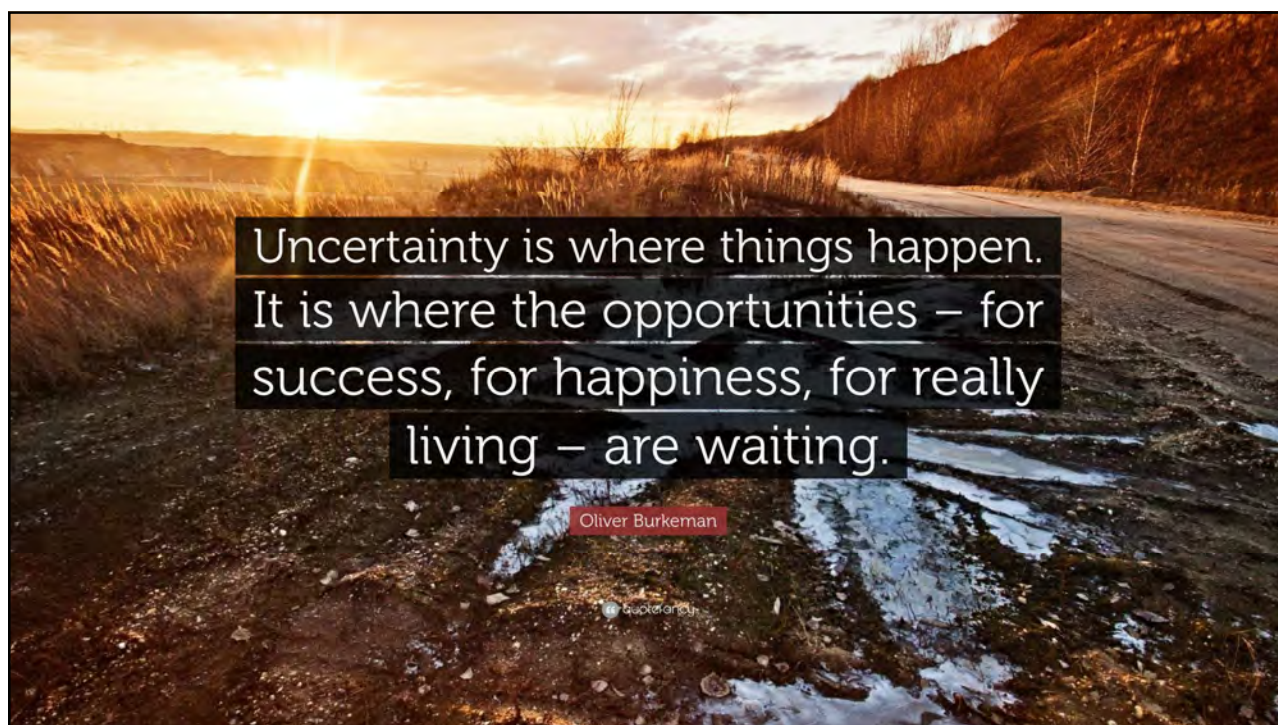
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## **Introspection and Self-Discovery**

Solitude provides the space and time to reflect on thoughts, feelings, and experiences, leading to a better understanding of oneself and one's values.



14



## Creativity vs Innovation

The ability to produce original and unusual ideas, or to make something new or imaginative.

The introduction of new ideas, methods, or products, especially those that are more effective or efficient than existing ones.

### Creativity and Innovation

Being alone allows the mind to wander, fostering creative thinking and exploring new ideas.

15

## EMOTION REGULATION STRATEGIES



Name the emotion



Validate the emotion



Identify triggers



Meditation or mindfulness



Talking through emotions



Journaling



Notice when you need a break



Good sleep hygiene



Consider therapy

### Emotional Regulation

Solitude can help regulate emotions, allowing individuals to calm down and process negative feelings without external pressures.

16

## Reduced Stress

Spending time alone can reduce stress and increase feelings of calm and freedom.



17

## Recharging and Restoring

Solitude is an opportunity to recharge and restore both mental and emotional energy.

### Recharging Isn't Accidental It Follows A Routine

7 POWERFUL HABITS TO RECHARGE AFTER A LONG DAY



Leadership is no different. Recharge wisely, lead better.

18

## Opportunity for Exploration

Boredom can serve as a catalyst for exploring new interests, hobbies, and activities, leading to personal growth and discovery.



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## Enhanced Creativity

When faced with boredom, individuals often seek creative outlets, which can lead to innovative thinking and problem-solving.



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## **Increased Self-Awareness**

Boredom can reveal dissatisfaction or lack of purpose, prompting individuals to seek meaning & direction.



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## **Self-Reflection and Self-Acceptance**

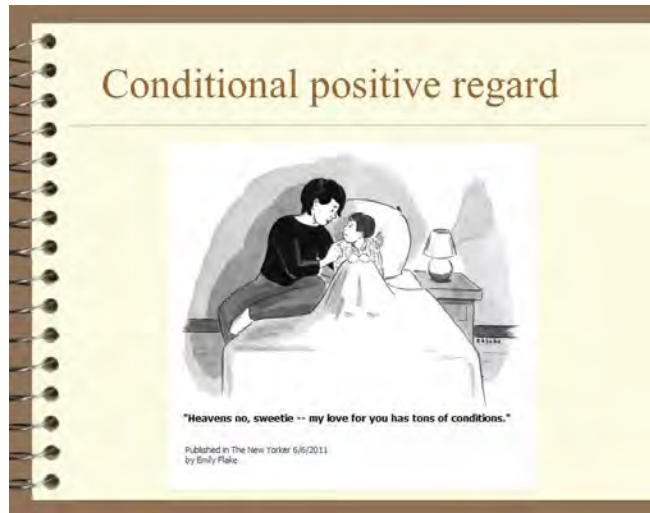
While often associated with negative emotions, loneliness can also provide an opportunity for introspection and self-acceptance.



22

## Rebuilding Trust

Experiencing loneliness can lead to a deeper understanding of one's needs and boundaries, potentially resulting in more meaningful relationships.



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## Developing Independence

Navigating loneliness can foster independence and self-reliance, strengthening one's ability to cope with challenges.



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## Reappraising Solitude

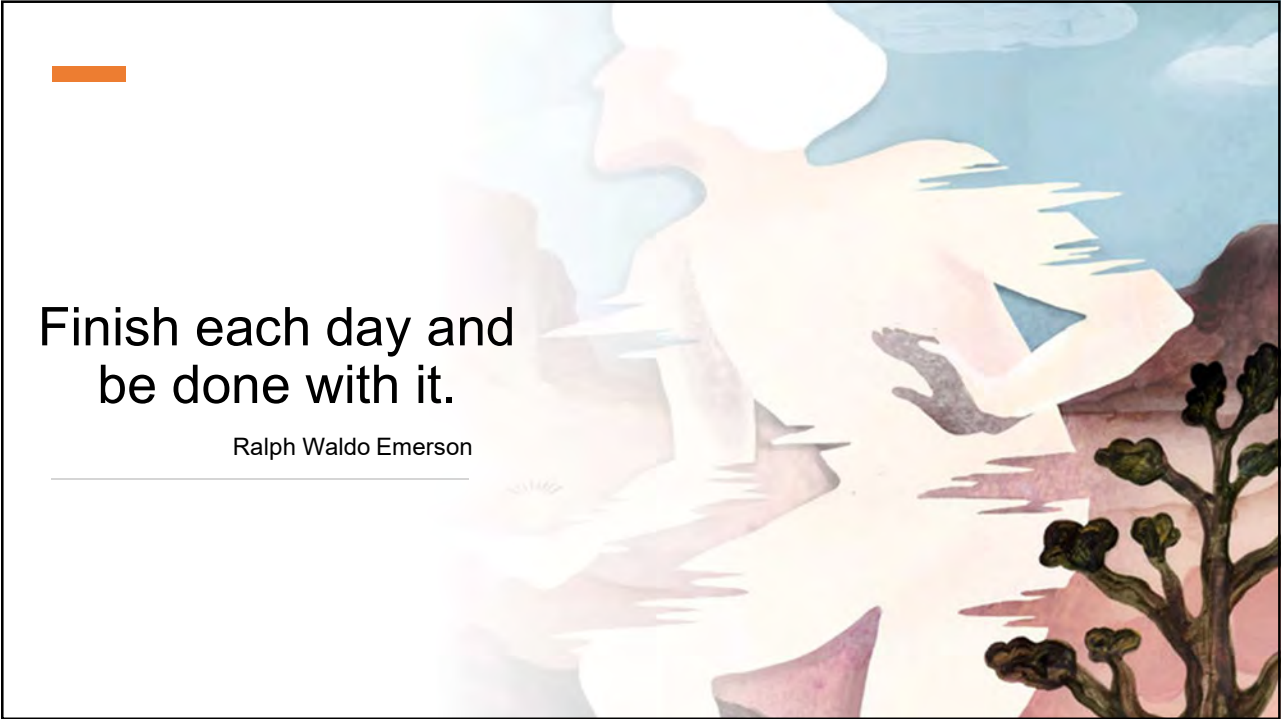
Lonely individuals can learn to reframe solitude as an opportunity for self-care and personal growth, rather than a negative experience.

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## 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.

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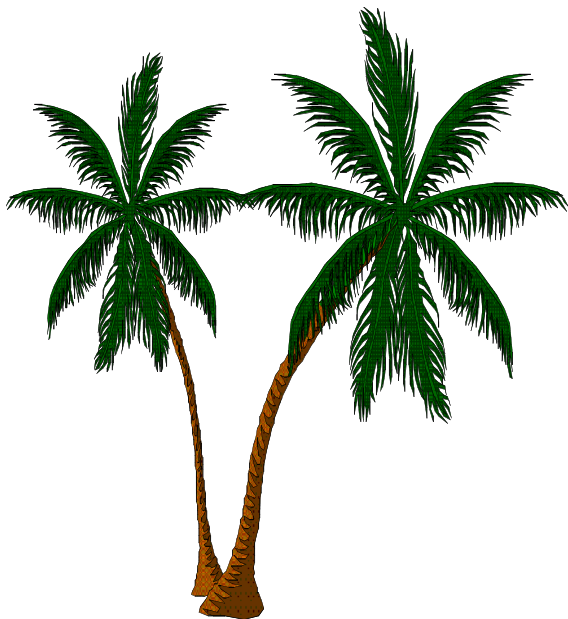
Finish each day and  
be done with it.

Ralph Waldo Emerson

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# SUMMER SESSION 2025

## JOB ORDER CONTRACTING



**SPEAKER:**

**Stephen Kendrick**

# Job Order Contracting (JOC)

ISM RGV Summer  
June 26, 2025



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## Discussion Points

Why JOC?

Maintenance vs. Construction

Concepts including Trade JOC & Quoting vs. Bidding

How to legally use a Job Order Contract (JOC) Contract



2



## Common Phrases

- 1 That's the way we have always done it.
- 2 It was like that when I got here
- 3 It's not right, but it's normal for us
- 4 Another department is responsible for that.

3

## Why does legal compliance matter?

- Different procurement rules apply.
- Contracts not properly procured can be voided or unenforceable.
- Officials & officers who violate procurement statutes can be subject to criminal penalties.

Public works contracts may trigger bonding and prevailing wage requirements. Legal mistakes can:

- DELAY projects;
- Jeopardize budgets & result in cost-overruns; and
- Subject gov't entity to financial liability to vendors & subcontractors.

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## JOC/IDIQ – Why Job Order Contracting (JOC)

### Time & Materials

If providing construction services:

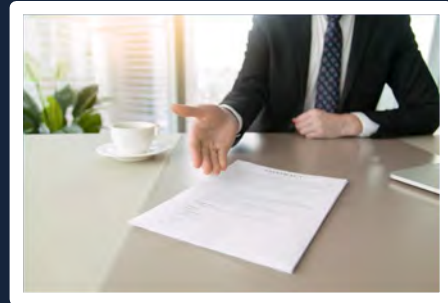
- Only construction method allowed to select contractors for future, undefined projects *Tex. Gov't Code § 2269*



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## JOC/IDIQ – What is JOC/IDIQ Contracting?

“A procurement method used for maintenance, repair, alteration, renovation, remediation, or minor construction” of facilities “when the work is of a recurring nature, but the delivery times, types, and quantities of work required are indefinite.”



*Tex. Gov't Code § 2269.401*

6

# Maintenance vs. Construction

## Factors to Consider:

- Like for like – NOT new or upgraded
- Scale and complexity of project
- Physical size of object being worked on

**JOC Contract**  
(TGC 2269)



Repair &  
Maintenance

**Maintenance Contract**  
(TEC 44.31, LGC 252,  
LGC 262, LGC 271)



Construction  
Services



*OSHA Letter to Raymond Knobb (11.18.2003)*



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# Maintenance vs. Construction

## Good rule of thumb:

Procure maintenance service contracts under *Tex. Gov't Code Chapter 2269*, rather than under non-2269 method (like *TEC 44* for ISD's), if:

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Maintenance and routine repair contracts could include significant replacements, repairs or installation of new structures, appurtenances, features, components or fixtures;



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## Maintenance vs. Construction

- 2 Repairs will be performed by laborers, workers or mechanics who would be required to furnish performance or payment bonds or would be entitled to a minimum prevailing wage rate under public laws; or
- 3 There is a potential for a repair to require the services of an architect or engineer, the securing of permits, or compliance with updated building or electrical codes.



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## JOC's procured by Purchasing Cooperatives

- Gov't Entity selects vendor without having to use its own competitive procurement process
- ONLY satisfies the *procurement* requirement, NOT the *contracting* requirement
- Statute requires a **written and signed** job order between the **vendor and the Gov't Entity** *TGC 2269.410(a)*
- Only construction method that allows for use of a cooperative in lieu of self-procurement
- Only method allowed to select contractors for future, undefined projects or tasks

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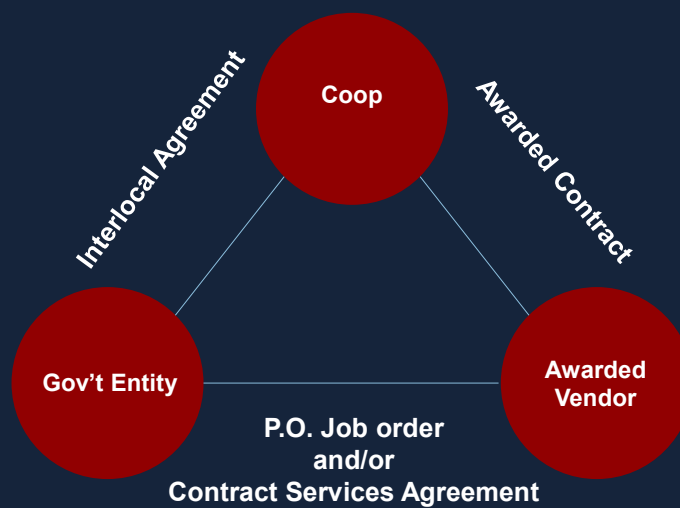


## Review the JOC Quote

- CCI location
- Coefficient
- Contract specified pricing column
- Data release (most recent)
- Non-pre-priced items
- Attempts to pass-through co-op fee
- Division 1
- Adjustment Factors

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## Joc with A Cooperative



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## Use A Master Job Order Contract

- Contains Gov't Entity's project specific Scope of Work
- Includes Job Order & Prevailing Wage Rate as Attachments
- Liquidated Damages
- Retainage
- Terms & Conditions Specific to Gov't Entity
- Signed by Gov't Entity & Vendor



"An order for a job or project under a job order contract must be signed by the government entity's representative and the contractor."

TEX. GOV'T CODE § 2269.410

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## JOC / IDIQ – The JOB Order



- Owner/Gov't Entity - issued
- Signed by both parties
- States scope of work & price of assigned tasks
- Provides Owner's Adopted Prevailing Wage Rates

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## Public Works Bonds

Performance bond required if contract is in excess of \$100,000:

- Protects the Gov't Entity from financial losses arising from default, material breach, termination or abandonment.



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## Public Works Bonds

**Payment bond required if a contract is in excess of:**

- \$25,000 & the Gov't Entity is not a municipality or a joint board
- \$50,000 and the Gov't Entity is a municipality or a joint board
- Protects the Gov't Entity from claims for nonpayment of suppliers, subcontractors, and sub-subcontractors

*TEX. GOV'T CODE § 2253.021*

18

## JOCs and Using an Architect or Engineer

Gov't Entity must independently hire A/E if services required.

*TEX. GOV'T CODE § 791.011(j)*

*TEX. GOV'T CODE § 2269.408*

### Architect required for:

- A new building having construction costs exceeding \$100,000
- An alteration or addition having construction costs exceeding \$50,000

*TEX. OCC CODE § 1051.703*

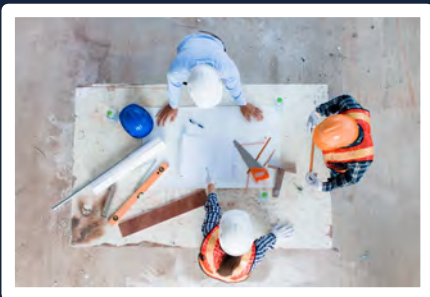


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## JOCs and Using an Engineer

### Exceptions to Engineering Services:

- An engineer is **NOT** required for a public work project if:
- A project involving **electrical or mechanical engineering** will cost \$8,000 or less
- A project **not involving electrical or mechanical engineering** will cost \$20,000 or less (i.e., structural or civil)



*TEX. OCC CODE § 1001.053*

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## What Must Go to Your Governing Body for Approval?



- Construction services project delivery method determination (other than Competitive Sealed Bids or other method in local policy).
- Competitive procurement results approval (procurement required)
- Approval of all Interlocal Contracts for cooperatives
- Approval of the contract with any vendor
- Approval of all contract amendments or change orders
- All contract renewals and contract terminations
- Governing body may act to delegate all of the above powers
- **Job Orders (including cooperative purchases) in excess of \$500,000**



21

## Trade JOC VS. JOC

### Trade JOC

- Allows the use of one trade or division
- Reduces overhead expenses when multiple trades are not needed to complete project

### JOC

- Allows for the use of all divisions and is typically a general contractor

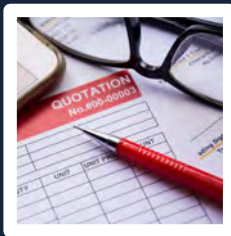
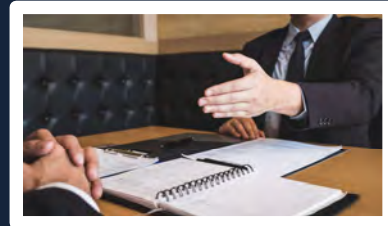


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# JOC / IDIQ – Bidding VS. Quoting

## Bid or Proposal

vendor's **formal, written, sealed response** that satisfies the state's procurement requirements for a governmental entity.



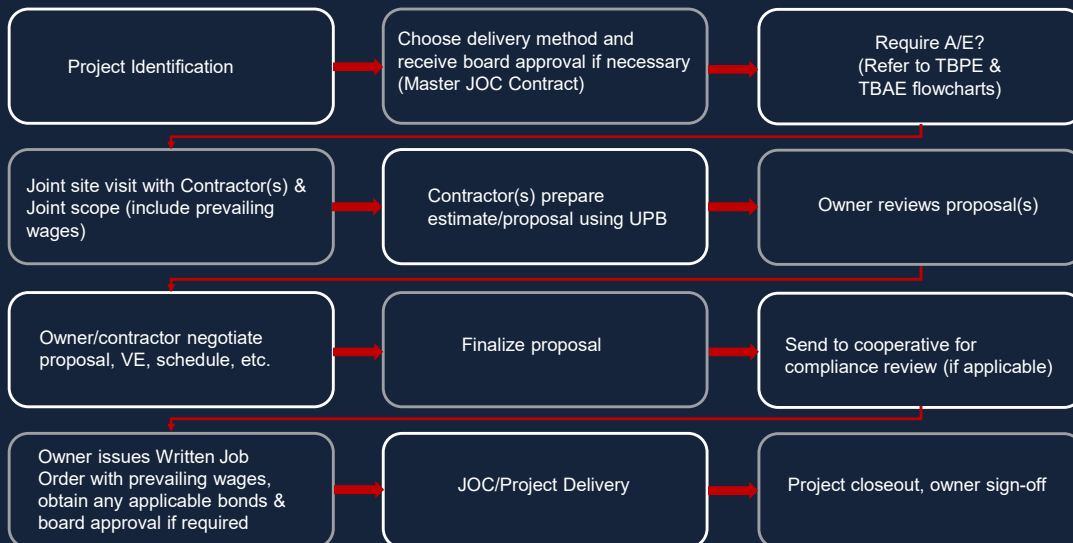
## Quote

vendor's **job-specific price in writing** based on their previously bid and awarded contract coefficient and contract specified UPB. (may be required to get more than one)



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# The JOC Process



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## JOC / IDIQ – Final Thoughts

- Establish procurement method with vendor prior to them quoting job.
- Include contract number on quote and PO.
- Verify pricing by requesting vendor's line-item estimate with legally bid coefficient.
- if utilizing a co-op, send confirming copy of each JOC PO issued to co-op.
- Understand that not all coefficients are created equal.
- Understand that not all co-ops are created equal, are in State, or are 2 CFR Part 200 compliant.
- Remember, Governing Body Approval is required.



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## THANK YOU!

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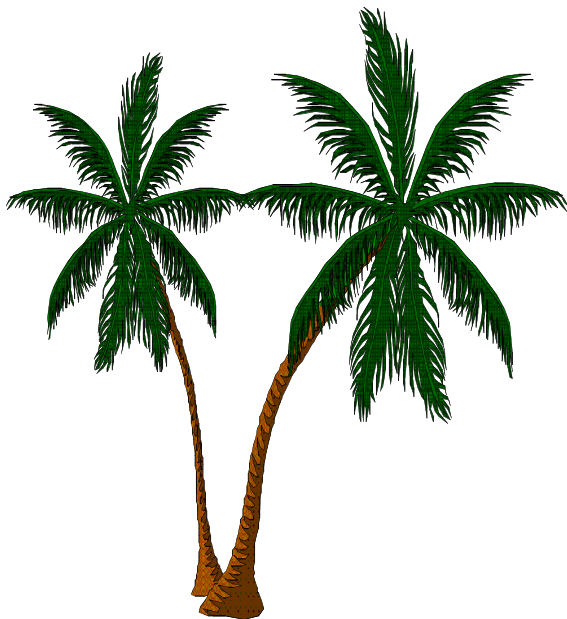


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# **SUMMER SESSION 2025**

## **PURCHASE ORDERS - THE RISKS FOR LACK OF PROPER ADMINISTRATIONS**



### **SPEAKERS:**

**Narita Holmes  
Carol Cooper**

# Purchase Orders— The Risks for Lack of Proper Administration

Narita Holmes, MBA, C.P.A., CIA  
Carol Cooper, C.P.M., CPPO, CPSM

N&C Consulting  
Government Procurement & Compliance

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## Importance of the Purchase Order Process

- Legal implications of a Purchase Order
- Key information of the face of the Purchase Order
- Importance of Terms and Conditions
- Procedures in place to handle unexpected situations
- Internal control a Purchase Order system provides to protect your Entity

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# Legal implications of a Purchase Order

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## Legal Implications of a Purchase Order

- The Purchase Order can initiate the following actions:
  - a) Offer
  - b) Acceptance
  - c) Confirmation
- Acceptance by the vendor gives the authority to ship goods or initiate services and commits government funds for payment if the goods or services meet specifications.

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## Legal Implications of a Purchase Order

- Once an offer has been extended, there are several possibilities of what may occur:
  - 1) The offer may be accepted and result in delivery of goods or services
  - 2) It may lapse
  - 3) It may be rejected
  - 4) It may be revoked

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## Legal Implications of a Purchase Order

- Purchasing and attorneys consider the UCC, U. S. and State Constitutions and Court Rulings in selecting:
  - a) Terms on the front of the Purchase Order
  - b) Terms and conditions that are part of the Purchase Order
- Legal documents may need to be attached-i. e. the executed contract

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## **Legal Implications of a Purchase Order**

- Purchasing authority is described in state law
- The Texas Prompt Payment Act requires that payment be made as required in the law.
- Failure to pay as the law provides:
  - May result in a higher cost because interest must be paid
  - Could result in a lawsuit
  - Could result in loss of vendors

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## **Key information of the face of the Purchase Order**

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## **Key Information on the Face of the Purchase Order**

- Purchase Order Number
- Vendor's contact information
- Buyer's name and contact information and Entity Purchasing Office information
- Shipping instructions
- Terms of payment
- Delivery date

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## **Key Information on the Face of the Purchase Order**

- Contract Number
- Description of location of Terms and Conditions
- Quantity, Description, Unit Price and Total Price of each item purchased
- Where to send invoice
- State Sales Tax exemption information
- Name of Chief Procurement Officer

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# Importance of Terms and Conditions

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## Importance of Terms and Conditions

- 1. Acceptance of Purchase Order
- 2. Description of Items
- 3. Variation in Quantity
- 4. Delivery
- 5. Warranty
- 6. Payment Terms

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## Importance of Terms and Conditions

- 7. Information and Reports
- 8. Nondiscrimination
- 9. Certification of Eligibility
- 10. Officials not Benefit
- 11. Covenant Against Contingent Fees
- 12. Change of Name Agreements

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## Importance of Terms and Conditions

- 13. Successors and Assigns
- 14. Force Majeure
- 15. Non-Waiver of Default
- 16. Mediation
- 17. Entire Agreement and Modification
- 18. Order of Precedence

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## **Importance of Terms and Conditions**

- 19. Interpretation of Purchase Order
- 20. Inspection of Goods
- 21. Texas Govt. Code Verifications

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## **Procedures in place to handle unexpected situations**

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## Follow-up on Performance

- Track deliveries
- Document communications
- Document delays
- Keep user department informed of any changes

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## Expediting

- Special handling for orders that need to be expedited
- Determine responsibility for tracking
- Determine responsibility for communicating with vendor and carrier
- Obtain approval to expend additional funds for expedited delivery

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## Receipt and Inspection of Goods

- Training on proper receiving procedures
- Initial inspection of packaging condition
- Documentation of delivery receipt including an accurate count and description of items received
- Steps to follow if part of shipment is missing
- Steps to follow if there is an overage in shipment

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## Receipt and Inspection of Goods

- Steps for handling substitutions
- Determination who handles request for credit for damaged or returned items
- Steps to take if damage is discovered
  - at time of delivery
  - after package is opened at a later time

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## Follow-up with Constituents

- Develop follow-up procedures to monitor satisfaction of:
  - :
  - User departments
  - Vendors
  - Buyers
- Options available:
  - Call
  - Survey
  - Other

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**Internal control a  
Purchase Order system  
provides to protect your  
Entity**

22

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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	Verifies completion—Person F Distributes Payment—Person E

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## Internal Control a Purchase Order System Provides

- 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 a Purchase Order System Provides**

- 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 a Purchase Order System Provides**

- 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 or Accounting to PO and receiving documents. Discrepancies are resolved

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## Internal Control a Purchase Order System Provides

- 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
- Goods or Services received that do not match original Purchase Order should be investigated

27

27

## Thank You!

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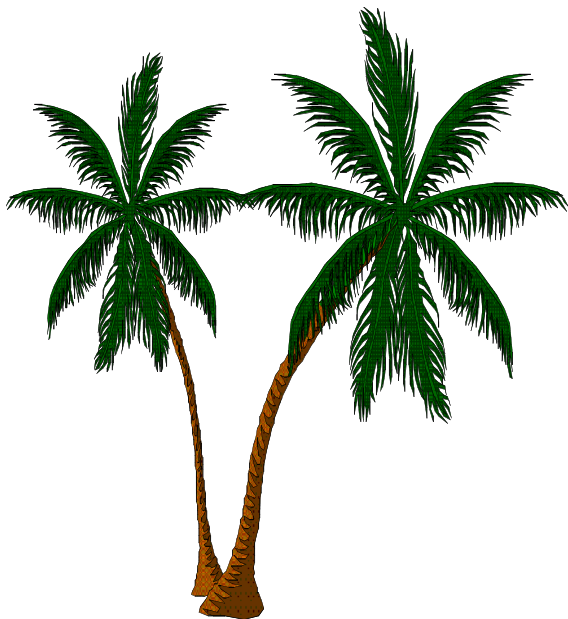
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# SUMMER SESSION 2025

## THE TEN COMMANDMENTS OF PURCHASING



### **SPEAKERS:**

**Carol Cooper**  
**Narita Holmes**

# The Ten Commandments of Purchasing

A Guide to Ethical, Transparent, and Effective Procurement Processes

Carol Cooper  
Narita Holmes  
N&C Consulting

Summer Session 2025

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## Why is This Important?

**A Comprehensive Framework Provides:**

- **Guiding Principles** for a fair and efficient procurement culture
- **Ethical Procurement** with transparency, efficiency and fairness
- **Best Practices** to ensure integrity in your procurement process

2

## Fundamental Procurement Principles

1. Ensure Transparency
2. Embrace Fair and Open Competition
3. Observe Legal and Regulatory Mandates
4. Seek Best Value for Tax Dollars
5. Establish Clear and Comprehensive Requirements

3

## Fundamental Procurement Principles

6. Require Ethics Above and Beyond Entity Standards
7. Document, Document, Document
8. Manage Risks
9. Implement Sustainability and Social Impact Requirements
10. Improve Continuously

4

# 1. Ensure Transparency

## Transparency Builds Trust

- Openly publish procurement specifications, selection criteria and all addenda.
- Clear communication prevents corruption and favoritism.
- Stakeholders must easily access decision-making rationales.

5

# 2. Embrace Fair and Open Competition

## Encourage Equal Opportunities

- Competitive bidding encourages innovation and drives costs down, ensuring best value.
- Every qualified supplier should have a fair chance.
- Avoid monopolies and favoritism to ensure fairness.

6



### 3. Observe Legal and Regulatory Mandates

#### Follow the Rules

- Compliance with laws maintains integrity and trust.
- Violations lead to penalties and reputational harm.
- Stay informed on evolving laws and regulations.
- Keep your entity policies and procedures up to date.

7

### 4. Seek Best Value for Tax Dollars

#### More Than Just the Lowest Price

- Evaluate quality, sustainability, and long-term benefits.
- Cheapest is not always best—look for overall value.
- Balance costs with benefits to optimize outcomes.

8

## 5. Establish Clear and Comprehensive Requirements

### Set Expectations Early

- Precise specifications prevent confusion and disputes.
- Suppliers must understand deliverables upfront.
- Clear requirements streamline procurement success.

9

## 6. Require Ethics Above and Beyond Entity Standards

### Integrity in Decision-Making

- Procurement must be impartial and free from favoritism.
- Prevent personal or corporate conflicts of interest.
- Ethical dealings enhance credibility.

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## 7. Document, Document, Document !!!

### Keep Detailed Records

- Maintain a permanent file with detailed records of procurement decisions.
- Documentation supports audits and future improvements.
- Ensure transparency with thorough reporting.

11

## 8. Manage Risks

### Plan for Uncertainty

- Identify and mitigate procurement risks proactively.
- Assess supplier reliability to prevent disruptions.
- Safeguard public assets with strong risk control strategies.

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## 9. Implement Sustainability and Social Impact Requirements

### Procurement Beyond Basic Business Needs

- Prioritize environmentally responsible solutions.
- Consider social impact in procurement choices.
- Sustainability as a key selection factor.

13

## 10. Improve Continuously

### Always Learning – Always Growing

- Evaluate past procurement decisions for refinement.
- Integrate stakeholder feedback for efficiency.
- Adapt strategies to drive innovation.

14

## Challenge For Your Department

### Embrace These Principles

- Grow a fair and efficient procurement culture.
- Promote transparency, efficiency and fairness.
- Adopt best practices as your standard.
- Ensure best value in all actions.

Let's make procurement a vital entity partner!

15

## THANK YOU

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

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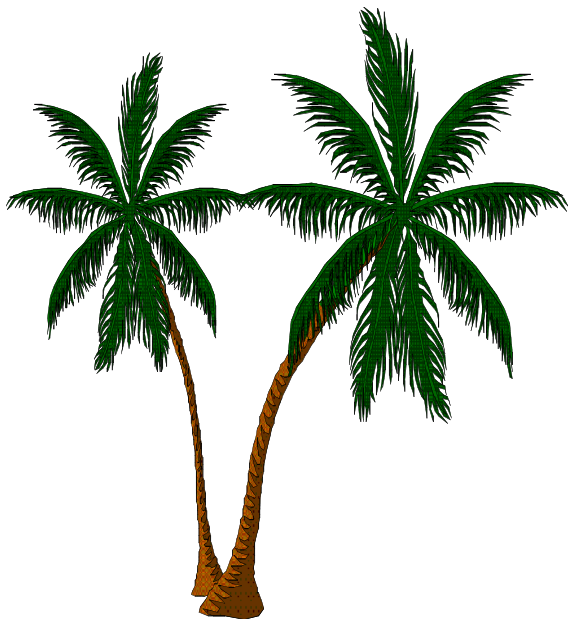


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# SUMMER SESSION 2025

## HEADLINE NEWS ARTICLES



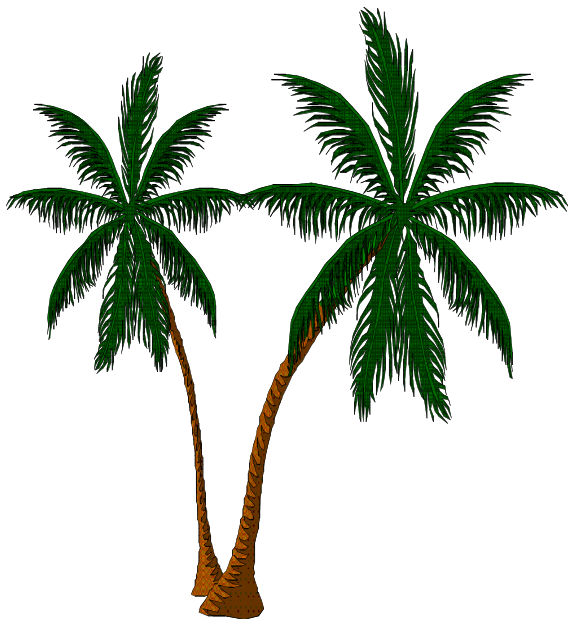
**SPEAKERS:**

**Panel of Speakers**



# SUMMER SESSION 2025

## QUESTIONS & ANSWERS SESSION



### **SPEAKERS:**

**Carol Cooper**  
**Jesus Amezcua**  
**Narita Holmes**  
**Mark Rogers**  
**Phillip Vasquez**