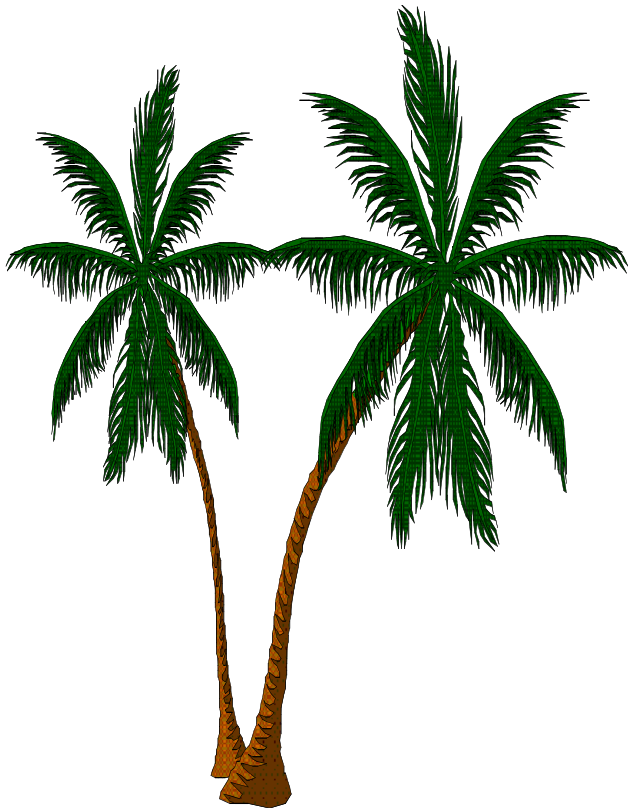


*Presents*

# TIMELINE 2025

A PUBLIC PURCHASING SEMINAR  
*from*

**September 24<sup>th</sup>, 25<sup>th</sup>, 26<sup>th</sup>, 2025**



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

*Contents:*

Calendar of Events

Class Schedule

About the Speakers

Participants List

Thank you Sponsors

Class Materials

## CALENDAR OF EVENTS

# TIMELINE 2025

### A PUBLIC EDUCATION PURCHASING SEMINAR

*September 24, 25, 26, 2025*

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

**Tuesday, September 23**      3:00 - 8:00 p.m.      Sponsor Exhibit Set-Up  
*All sponsor tables must be fully set up by 10:00 a.m. on Wednesday.  
Any tables not set up by that time may be reassigned.*

**Wednesday, September 24**      10:00 a.m.      Registration Begins  
10:00 - 5:00 p.m.      Exhibits Open  
1:00 - 5:00 p.m.      Classes  
3:00 p.m.      Afternoon Break  
5:30 - 7:30 p.m.      Reception & Networking Session

**Thursday, September 25**      7:00 - 9:00 a.m.      Continental Breakfast  
8:00 - 5:00 p.m.      Exhibits Open  
8:00 - 5:00 p.m.      Classes  
10:00 a.m.      Mid-Morning Break  
12:00 - 1:00 p.m.      **Lunch**  
3:00 p.m.      Afternoon Break  
5:30 - 7:30 p.m.      Reception & Networking Session

**Friday, September 26**      7:00 - 9:00 a.m.      Continental Breakfast  
8:00 - 12:00 p.m.      Classes  
10:00 a.m.      Mid-Morning Break  
12:00 p.m.      Lunch on your own  
1:00 - 3:00 p.m.      Group Sessions (Optional)  
1:00 - 5:00 p.m.      Region One ESC Purchasing Advisory Council Meeting



**PLEASE CLICK ON CLASS TITLE FOR A DIRECT LINK TO CLASS MATERIALS.**

# **TIMELINE 2025**



## **CLASS SCHEDULE**

**WEDNESDAY—SEPTEMBER 24, 2025**

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

**[Return to Homepage](#)**

# TIMELINE 2025

## Class Schedule Thursday—September 25, 2025

| TIME          | CLASSROOM A                  |   | CLASSROOM B |   |
|---------------|------------------------------|---|-------------|---|
| 8:00 - 9:00   | T-5A                         | REVIEW 44.03/CH SERIES<br>* <i>Sarah Langlois</i>   | T-5B        | PURCHASING ORDERS— THE RISKS FOR LACK OF PROPER ADMINISTRATION<br>* <i>Narita Holmes</i><br>* <i>Carol Cooper</i> |
| 9:00 - 10:00  | T-6A                         | UPDATING YOUR PROCUREMENT TEMPLATES<br>* <i>Sarah Langlois</i>                                | T-6B        | Review of TDA Restrictions<br>* <i>Kristina Escobar</i>   |
| 10:00 - 11:00 | T-7A                         | HOW TO USE AI IN ELECTRONIC PURCHASING<br>* <i>Alex Capps</i><br>* <i>Bill Culhane</i>        | T-7B        | THE NEW CHANGES IN 2 CFR PART 200, NEW FEDERAL REGULATION<br>* <i>Jesus Amezcua</i>                               |
| 11:00 - 12:00 | T-8A                         | CONTRACT AND RFP EVALUATIONS<br>* <i>Jesus Amezcua</i>  | T-8B        | UNDERSTANDING AND UTILIZATION OF ARTIFICIAL INTELLIGENCE<br>* <i>David Tucker</i>                                 |
| 12:00 - 1:00  | LUNCH                        |   |             |   |
| 1:00 - 2:00   | T-9A                         | PROPER PROCEDURES FOR TRAINING YOUR STAFF<br>* <i>Rudy Salinas</i>                            | T-9B        | ETHICS<br>* <i>Mark Rogers</i>  |
| 2:00 - 3:00   | T-10A                        | BID RIGGING AND OTHER ANTITRUST VIOLATIONS<br>* <i>Carol Cooper</i><br>* <i>Narita Holmes</i> | T-10B       | THE ART OF NEGOTIATIONS<br>* <i>Mark Rogers</i>   |
| 3:00 - 4:00   | T-11A                        | AVOID CREDIT CARD FRAUD<br>* <i>Edna Johnson</i>  | T-11B       | SPECIFICATION WRITING<br>* <i>Mark Rogers</i>   |
| 4:00 - 5:00   | T-12A                        | THE POSITIVE ASPECTS OF SOLITUDE, BOREDOM AND LONELINESS<br>* <i>Meliton Moya</i>             | T-12B       | E-RATE AND THE SLD NEW UPDATES<br>* <i>Roy Lanier</i>   |
| 5:30 - 7:30   | NETWORKING SESSION/RECEPTION |   |             |   |

**PLEASE CLICK ON CLASS TITLE FOR A DIRECT LINK TO CLASS MATERIALS.**

# **TIMELINE 2025**

## **CLASS SCHEDULE FRIDAY—SEPTEMBER 26, 2025**

|                      |              |  |
|----------------------|--------------|--|
| <b>8:00 – 8:45</b>   | <b>F-13a</b> | <b>THE TEN COMMAMNDMENTS OF PURCHASING</b> <ul style="list-style-type: none"><li>• <i>Carol Cooper</i></li><li>• <i>Narita Holmes</i></li></ul>  |
| <b>8:45 – 9:15</b>   | <b>F-13b</b> | <b>HOW TO HANDLE PROTEST</b> <ul style="list-style-type: none"><li>• <i>Carol Cooper</i></li><li>• <i>Narita Holmes</i></li></ul>  |
| <b>9:15 – 10:00</b>  | <b>F-14a</b> | <b>THE PURCHASING METHODS OF CONSTRUCTION PROCUREMENT</b> <ul style="list-style-type: none"><li>• <i>Phillip Vasquez</i></li></ul>   |
| <b>10:00 – 11:00</b> | <b>F-14b</b> | <b>FINDINGS OF AUDITS OF SCHOOL DISTRICTS</b> <ul style="list-style-type: none"><li>• <i>Patrick Simmons, CPA</i></li></ul>  |
| <b>11:00 – 11:30</b> | <b>F-15a</b> | <b>HEADLINE NEWS ARTICLES</b> <ul style="list-style-type: none"><li>• <i>Ignacio Amezcua</i></li><li>• <i>Adrian Garcia</i></li></ul>  |
| <b>11:30 – 12:00</b> | <b>F-15b</b> | <b>QUESTIONS &amp; ANSWERS SESSION</b> <ul style="list-style-type: none"><li>• <i>Carol Cooper</i></li><li>• <i>Jesus Amezcua</i></li><li>• <i>Narita Holmes</i></li><li>• <i>Mark Rogers</i></li><li>• <i>Phillip Vasquez</i></li></ul> |
| <b>12:00</b>         |              | <b>SEMINAR ENDS</b>  |

**[Return to Homepage](#)**





## SUMMER SESSION 2022

### ABOUT THE SPEAKERS

#### **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.

#### **EDUARDO BELMAREZ, MBA, CPM**

Eduardo is the current Purchasing Director for Hidalgo County and holds a Master of Business Administration from Texas A&M University-Commerce. He has over fifteen (15) years of experience in the area of public procurement in transit, municipal and county government. Mr. Belmarquez is responsible for daily operations of the Purchasing Department, to include the development and procurement management of commodities, services, and miscellaneous construction projects assigned under his administration. Before working for Hidalgo County he held the position of Purchasing Director for the City of Mission and Contract Specialist for Dallas Area Rapid Transit. He managed the Purchasing Department for the City of Mission for over ten (10) years procuring a variety of complexed projects and prepared and developed pre-contract planning including the clarification of requirements, specifications, scope of services and procurement schedules for both government entities. Eduardo has taken part on cross-functional projects to drive continuous improvement in the areas of policy development/implementation, cost savings, procurement risk parameters and strategic sourcing.

#### **JORGE LUIS CISNEROS**

Jorge recently retired after 23 years of service with the Federal Bureau of Investigations (FBI). He entered the FBI in 1987 assigned to the Miami Field Office, then transferred to San Antonio where he worked on a myriad of investigations. Jorge later became the San Antonio Division Border Liaison Officer and transferred to McAllen, Texas. He was responsible for working kidnappings, extortions and terrorism related cases with a nexus to Mexico. He has received numerous commendations from the FBI Director and the US Attorney's Office. Jorge contributed to the FBI's international goodwill by providing a positive image and response and coordinator for both US and Mexico media alerts.

### **TOM HAY**

Tom joined the Texas Department of Information Resources (DIR) in 2011, after joining TRS in 2009. In his time with DIR he has worked in several capacities including Contract Services and has also managed Cooperative Contracts and Shared Technology Services contracts for the agency. He now provides outreach and training for DIR and educates customers on how to utilize DIR's products and services and educates the vendor community on how to do business with DIR and the State of Texas. Prior to working for the state, he worked in the private sector, where he became familiar with cooperative purchasing. Tom holds a Bachelor's Degree from Buena Vista University.

### **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.

### **PHILLIP VASQUEZ**

Phillip has 25 years of materials management experience in developing cost effective contract strategies. He 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 cooperative purchasing program. Phillip has worked or collaborated with over 8 different purchasing cooperatives trying to understand what are Cooperative Purchasing Best practices. Phillip has worked for the City of Dallas, Dallas County, Region 4 Education Service Center, Collin College and several private companies. In 2011 he founded Shepherd Government Services and has consulted with various vendors, local governments, and cooperatives. He often speaks on various topics especially Cooperative Purchasing and best innovative public purchasing best practices.

### **NICK GRIMMER**

Nick Grimmer is an Assistant Attorney General in the Antitrust Division of the Texas Attorney General's Office. In private practice for about ten years before joining the Antitrust Division, Nick represented plaintiff and defendant companies in antitrust litigation and counseled clients on a wide variety of antitrust issues. Nick has been very involved in the American Bar Association's Section of Antitrust Law, serving as Counsel to the Chair and chair/vice-chair of numerous committees. Nick also chaired and served in other officer positions in the Houston Bar Association's Antitrust Section. He graduated from the University of Houston Law Center in 2008, and enjoys golf, playing guitar and drums, and spending time with his wife, son, and wrinkly bulldog.

**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, Lecturer in Accountancy and Compliance and Title IX Coordinator, 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.

**DIANE PALMER-BOECK, CPPO, CPPB**

Ms. Palmer-Boeck has 23 years municipal procurement experience and 28 years' experience in public procurement, beginning with the US Army in West Germany, Redstone Arsenal, AL and Ft. Hood, TX. Diane is currently the Chief Procurement Officer at the City of Plano overseeing the activities of the Procurement, Inventory Control and Project Management Divisions. She served on the Board of Directors for the National Purchasing Institute from 1998 – 2006 and is the past president. Diane earned her degree from Edinboro University, Edinboro, Pennsylvania.

**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 NAPM 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.

### **PAMELA PERKINS**

Pam was an investigator/program specialist in the Consumer Protection Division of the Texas Attorney General's Office where she worked for over 29 years before retiring. Pam graduated from Stephen F. Austin State University and completed graduate work at Southwest Texas State University. Pam investigated and worked on numerous bid rigging, price fixing, and related antitrust cases involving public procurement issues, and teaches classes throughout the state on issues and concerns with public entity purchasing.

### **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 throughout the years while also consulting with attorneys, courts and as a member of the Citizens Review Team for Child Protective Services.



**INSTITUTE FOR SUPPLY MANAGEMENT**

**ISM—Rio Grande Valley, Inc.**

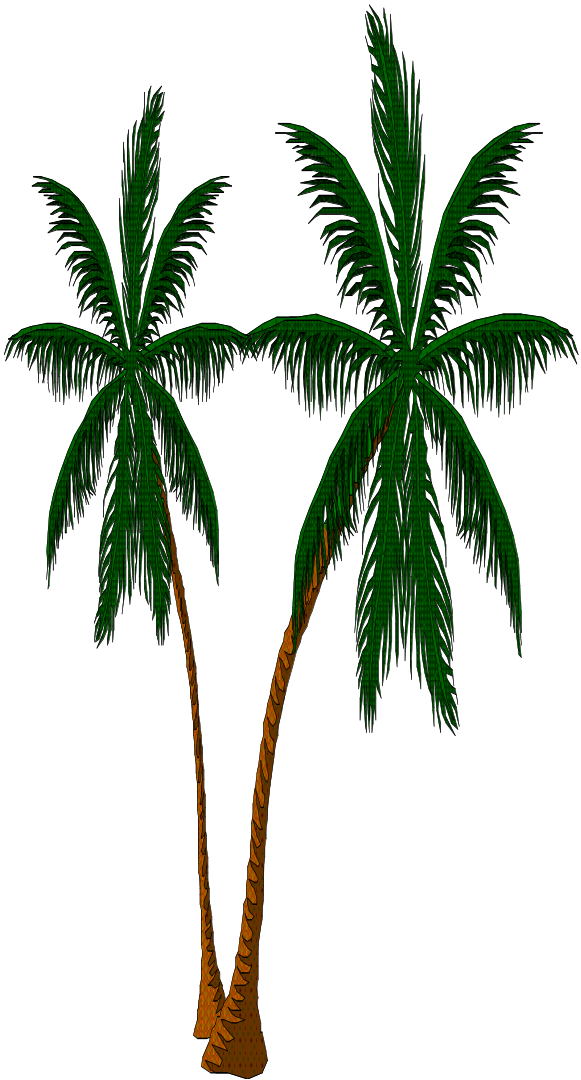
**Institute for Supply Management-Rio Grande Valley**

2108 Central Blvd. Brownsville, TX 78520

web-site: [www.ismrgvpma.org](http://www.ismrgvpma.org)

e-mail: [office@ismrgv.org](mailto:office@ismrgv.org)

# **TIMELINE 2025**



## **PARTICIPANT LIST**

**ISM – PROGRAM NO. 0924-02**

**SEMINAR NO. 2025-02**

**[Return to Homepage](#)**



|  |   |
|--|---|
| <b>Pedro Alaniz</b><br><b>Chief Financial Officer</b><br><b>Roma ISD</b><br><b>PO Box 187 Roma, TX 78584</b><br><b>956-849-1377</b><br><b>palaniz@romaisd.com</b>  | <b>Connie Alvear</b><br><b>Senior Buyer - CTSBO</b><br><b>Brownsville ISD</b><br><b>1900 E. Price Rd. Rm 107 Brownsville, Texas 78521</b><br><b>956-548-8361</b><br><b>mcalvear@bisd.us</b>           |
| <b>Iliana Amaya</b><br><b>Buyer</b><br><b>Del Mar College</b><br><b>101 Baldwin Blvd. Corpus Christi, TX 78404</b><br><b>361-698-1274</b><br><b>iamaya3@delmar.edu</b>   | <b>Eugenio Amaya Jr.</b><br><b>Buyer</b><br><b>Laredo Independent School District</b><br><b>2400 San Bernardo Laredo, Texas, 78041</b><br><b>(956) 273-1078</b><br><b>eamaya1@laredoisd.org</b>       |
| <b>Jesus Amezcua</b><br><b>Assistant Superintendent for Business Services</b><br><b>Harris County Dept. of Education</b><br><b>6300 Irvington BLVD Houston</b><br><b>7136968249</b><br><b>brenda.delvalle@hcde-texas.org</b> | <b>Belinda Arredondo</b><br><b>FNS Procurement Specialist</b><br><b>Brownsville ISD</b><br><b>1888 East Price Road Brownsville, TX 78521</b><br><b>956-548-8450</b><br><b>belindarredondo@bisd.us</b> |
| <b>Inga Ash</b><br><b>Procurement Coordinator</b><br><b>Harris County Department of Education</b><br><b>6300 Irvington BLVD Houston, Texas, 77022</b><br><b>713-696-2112</b><br><b>iasash@hcde-texas.org</b>                 | <b>Marisela Ayala</b><br><b>Senior Buyer - CTSBS</b><br><b>Brownsville ISD</b><br><b>1900 E. Price Road Brownsville, Texas 78521</b><br><b>956-548-8361</b><br><b>mayala@bisd.us</b>                  |
| <b>Amber Baker</b><br><b>Director of Purchasing</b><br><b>Victoria College</b><br><b>2200 E Red River St Victoria, TX 77904</b><br><b>(361) 572-6461</b><br><b>amber.baker@victoriacollege.edu</b>                           | <b>Alain Barrera</b><br><b>FNS Training Supervisor</b><br><b>Brownsville ISD</b><br><b>1888 East Price Road Brownsville, TX 78521</b><br><b>956-548-8450</b><br><b>abarrera2@bisd.us</b>              |

|  |  |
|--|--|
| <p><b>Sonia Barrera</b><br/> <b>Purchasing Order Clerk</b><br/> <b>McAllen ISD</b><br/> <b>2000 North 23rd Street McAllen, TX 785001</b><br/> <b>956-657-4489</b><br/> <b>sonia.barrera@mcallenisd.net</b></p>       | <p><b>Danielle Bates</b><br/> <b>Purchasing Manager</b><br/> <b>Texas Parks and Wildlife</b><br/> <b>4200 Smith School Rd Austin, TX 78744</b><br/> <b>512-389-4581</b><br/> <b>danielle.bates@tpwd.texas.gov</b></p>        |
| <p><b>Denise Boltie</b><br/> <b>Budget &amp; Cost Specialist</b><br/> <b>McAllen ISD</b><br/> <b>2000 North 23rd Street McAllen, TX 785001</b><br/> <b>956-657-6012</b><br/> <b>denise.boltie@mcallenisd.net</b></p> | <p><b>Jose Cantu</b><br/> <b>Transportation Director</b><br/> <b>Roma ISD</b><br/> <b>P O Box 187 Roma, TX, 78584</b><br/> <b>956-208-1470</b><br/> <b>jcantu8@romaisd.com</b></p>   |
| <p><b>Reynaldo Cantu</b><br/> <b>Purchasing Agent/Accountant</b><br/> <b>South Texas ISD</b><br/> <b>7001 E Expressway 83 Mercedes, TX 78570</b><br/> <b>956-565-2454</b><br/> <b>reynaldo.cantu@stisd.net</b></p>   | <p><b>Roel Cantu</b><br/> <b>Audit Supervisor</b><br/> <b>Cascos &amp; Associates, PC</b><br/> <b>765 East 7th Street Brownsville, TX 78520</b></p>  |
| <p><b>Daniel Carmona</b><br/> <b>Bid Specialist</b><br/> <b>Mission CISD</b><br/> <b>1201 Bryce Dr Mission, TX 78572</b><br/> <b>956-323-5524</b><br/> <b>dcarmo01@mcisd.org</b></p>                                 | <p><b>Deborah Castaneda</b><br/> <b>Purchasing Coordinator</b><br/> <b>Valley AIDS Council</b><br/> <b>2306 Camelot Plaza Circle Harlingen, TX, 78550</b><br/> <b>956-507-4826</b><br/> <b>dcastaneda@valleyaids.org</b></p> |
| <p><b>Eddie Cavazos</b><br/> <b>Director of Purchasing</b><br/> <b>San Benito CISD</b><br/> <b>2001 UTEX Drive San Benito, Texas 78586</b><br/> <b>956-361-6390</b><br/> <b>jecavazos@sbcisd.net</b></p>             | <p><b>Marla Cavazos</b><br/> <b>Procurement Specialist</b><br/> <b>Region One ESC</b><br/> <b>1900 W Schunior St Edinburg, TX 78541</b><br/> <b>956-279-2525</b><br/> <b>mcavazos@esc1.net</b></p>                           |

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|---|--|
| <p><b>Sylvia Cevallos</b><br/> <b>Purchasing/Accounts Payable Coordinator</b><br/> <b>Midland College</b><br/> <b>3600 N. Garfield Street Midland, Texas 79705</b><br/> <b>432-238-0080</b><br/> <b>scevallos@midland.edu</b></p>                                 | <p><b>Jackie Cruz</b><br/> <b>FNS Director</b><br/> <b>Brownsville ISD</b><br/> <b>1888 East Price Road Brownsville, TX 78521</b><br/> <b>956-548-8450</b><br/> <b>jcruz2@bisd.us</b></p>                                  |
| <p><b>David Davila</b><br/> <b>Director of Purchasing &amp; Business Services</b><br/> <b>Del Mar College</b><br/> <b>101 Baldwin Blvd. Corpus Christi, TX 78404</b><br/> <b>361-698-1560</b><br/> <b>ddavila23@delmar.edu</b></p>                                | <p><b>Jose Davila</b><br/> <b>Purchasing Agent</b><br/> <b>Comal County</b><br/> <b>1297 Church Hill Dr Braunfels, TX 78130</b><br/> <b>830-643-5820</b><br/> <b>davilj@co.comal.tx.us</b></p>                             |
| <p><b>Judy De Leon</b><br/> <b>Purchasing</b><br/> <b>Tejano Center for Community Concerns</b><br/> <b>6300 Irvington BLVD Houston, Texas, 77022</b><br/> <b>713-696-8249</b><br/> <b>judy.deleon@tejanocenter.org</b></p>  | <p><b>Stephanie De Los Santos</b><br/> <b>Purchasing Director</b><br/> <b>Los Fresnos C.I.S.D.</b><br/> <b>32703 State Hwy 100 Los Fresnos, TX, 78566</b><br/> <b>956-254-5115</b><br/> <b>sdelossantos@lfcisd.net</b></p> |
| <p><b>Brenda Del Valle</b><br/> <b>Executive Assistant to Assistant Superintendent</b><br/> <b>Harris County Dept. of Education</b><br/> <b>6300 Irvington BLVD Houston, Texas, 77022</b><br/> <b>713-696-8249</b><br/> <b>brenda.delvalle@hcde-texas.org</b></p> | <p><b>Cynthia Dominguez</b><br/> <b>Bookkeeper</b><br/> <b>STISD Rising Scholars Academy</b><br/> <b>151 N HELEN MOORE RD San Benito, TX 78586</b><br/> <b>956-399-4358</b><br/> <b>cynthia.dominguez@stisd.net</b></p>    |
| <p><b>Sonya Emmert</b><br/> <b>Buyer</b><br/> <b>Alvin Community College</b><br/> <b>3110 Mustang Rd Alvin, TX, 77511</b><br/> <b>281-756-3618</b><br/> <b>semmert@alvincollege.edu</b></p>   | <p><b>Ester Estrada</b><br/> <b>FNS Purchasing Clerk</b><br/> <b>Brownsville ISD</b><br/> <b>1888 East Price Road Brownsville, TX 78521</b><br/> <b>956-548-8450</b><br/> <b>etestrada@bisd.us</b></p>                     |

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| <b>Barbara Fennell</b><br><b>Director of Purchasing/Accounts Payable</b><br><b>Midland College</b><br><b>3600 N. Garfield Street Midland, Texas 79705</b><br><b>432-312-6019</b><br><b>bfennell59@gmail.com</b> | <b>Cynthia Flores</b><br><b>Edcouch Elsa ISD</b><br><b>Edcouch Elsa ISD</b><br><b>PO BOX 127 Edcouch, TX 78538</b><br><b>956-638-1078</b><br><b>cflores@eeisd.org</b>  |
| <b>Anabel Garza</b><br><b>Purchasing Coordinator</b><br><b>Mission CISD</b><br><b>1201 Bryce Dr Mission, TX 78572</b><br><b>956-323-5524</b><br><b>anabel.garza@mcisd.org</b>                                   | <b>Graciela Garza</b><br><b>Senior Buyer</b><br><b>McAllen ISD</b><br><b>2000 North 23rd Street McAllen, TX 785001</b><br><b>956-657-4487</b><br><b>ggarza@mcallenisd.net</b>  |
| <b>Annette Gonzales</b><br><b>FNS Administrative Assistant</b><br><b>Brownsville ISD</b><br><b>1888 East Price Road Brownsville, TX 78521</b><br><b>956-548-8450</b><br><b>annetteg@bisd.us</b>                 | <b>Maria Gonzalez</b><br><b>Division Manager II</b><br><b>Hidalgo County HIDTA</b><br><b>825 E. Sioux Rd. Alamo, TX 78516</b><br><b>956-381-0444</b><br><b>rgonzalez@hidtaskforce.us</b>                               |
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| <b>Emiliana Guerra</b><br><b>FNS Assistant Director</b><br><b>Brownsville ISD</b><br><b>1888 East Price Road Brownsville, TX 78521</b><br><b>956-548-8450</b><br><b>eguerra3@bisd.us</b>                        | <b>Betsy Hansard</b><br><b>Director of Procurement Services &amp; Strategic Support</b><br><b>Kilgore College</b><br><b>1100 Broadway Blvd Kilgore, TX 75662</b><br><b>512-629-3531</b><br><b>bhansard@kilgore.edu</b> |

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| <p><b>Sandy Hernandez</b><br/> <b>Senior Buyer , CTSBS</b><br/> <b>Brownsville ISD</b><br/> <b>1900 E. Price Rd Room 107 Brownsville, Texas 78521</b><br/> <b>956-548-8361</b><br/> <b>sandyh@bisd.us</b></p>                                     | <p><b>Sarah Hernandez</b><br/> <b>Buyer</b><br/> <b>Mission CISD</b><br/> <b>1201 Bryce Dr Mission, TX 78572</b><br/> <b>956-323-5524</b><br/> <b>sarah.hernandez@mcisd.org</b></p>  |
| <p><b>Juan Carlos Jaimez</b><br/> <b>Inventory Aide</b><br/> <b>Neighbors In Need of Services, Inc. (NINOS, Inc.)</b><br/> <b>22887 State Highway 345 Rio Hondo, Texas, 78583</b><br/> <b>956-865-3298</b><br/> <b>jc.jaimez@ninosinc.org</b></p> | <p><b>Edna Johnson</b><br/> <b>Director of Procurement Services</b><br/> <b>Harris County Department of Education</b><br/> <b>6300 Irvington Blvd Houston, Texas, 77022</b><br/> <b>832-202-5669</b><br/> <b>edna.johnson@hcde-texas.org</b></p> |
| <p><b>Patrick Kieschnick</b><br/> <b>County Auditor</b><br/> <b>San Patricio County</b><br/> <b>1301 E Sinton St, Unit C Sinton, TX 78387</b><br/> <b>361-364-9312</b><br/> <b>countyauditor@sanpatriciocountytx.gov</b></p>                      | <p><b>Marla Knaub</b><br/> <b>Assistant Superintendent for Finance &amp; Operations</b><br/> <b>South Texas ISD</b><br/> <b>7001 E Expressway 83 Mercedes Texas 78570</b><br/> <b>956-514-4214</b><br/> <b>marla.knaub@stisd.net</b></p>         |
| <p><b>Deyadira Leal</b><br/> <b>Director of Purchasing</b><br/> <b>South Texas College</b><br/> <b>3201 W Pecan McAllen, TX 78501</b><br/> <b>956-872-4686</b><br/> <b>daleal@southtexascollege.edu</b></p>                                       | <p><b>Deyadira Leal</b><br/> <b>Director of Purchasing</b><br/> <b>South Texas College</b><br/> <b>3201 W Pecan McAllen, TX 78501</b><br/> <b>956-872-4686</b><br/> <b>daleal@southtexascollege.edu</b></p>                                      |
| <p><b>Pedro Longoria</b><br/> <b>Accounting Coordinator</b><br/> <b>Tejano Center for Community Concerns</b><br/> <b>6300 Irvington BLVD Houston, Texas, 77022</b><br/> <b>713-696-8249</b><br/> <b>pedro.longoria@tejanocenter.org</b></p>       | <p><b>Joe Lopez</b><br/> <b>Purchasing Coordinator</b><br/> <b>Raymondville ISD</b><br/> <b>419 FM 3168 Raymondville, TX 78580</b><br/> <b>956-689-8175</b><br/> <b>lopezja@raymondvilleisd.org</b></p>  |

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| <p><b>Sonya Lopez</b><br/> <b>EXECUTIVE ASSISTANT</b><br/> <b>HIDALGO COUNTY HIDTA TASK FORCE</b><br/> <b>P.O. BOX 5719 McALLEN, TX 78502-5719</b><br/> <b>956-81-0444</b><br/> <b>slopez@hidtataskforce.us</b></p>        | <p><b>Edward Lugo</b><br/> <b>Purchasing Agent</b><br/> <b>Los Fresnos CISD</b><br/> <b>600 N. Mesquite Los Fresnos, TX 78566</b><br/> <b>956-254-5111</b><br/> <b>elugo12985@lfcisd.net</b></p>                            |
| <p><b>Eduardo X Martinez</b><br/> <b>Production Supervisor</b><br/> <b>UISD</b><br/> <b>6101 Bob Bullock Ip Laredo TX, 78041</b><br/> <b>956-473-6552</b><br/> <b>exmartin@uisd.net</b></p>                                | <p><b>Victoria Martinez</b><br/> <b>Purchasing Buyer</b><br/> <b>Laredo College</b><br/> <b>1 W End Washington St. Laredo, TX, 78040</b><br/> <b>956-721-5111</b><br/> <b>victoria.martinez@laredo.edu</b></p>              |
| <p><b>Hector Mejia</b><br/> <b>Procurement Director</b><br/> <b>Laredo ISD</b><br/> <b>2400 San Bernardo Ave Laredo</b><br/> <b>9562731081</b><br/> <b>hmmejia@laredoisd.org</b></p>                                       | <p><b>Krystal Mercado</b><br/> <b>Senior Buyer</b><br/> <b>McAllen ISD</b><br/> <b>2000 North 23rd Street McAllen, TX 785001</b><br/> <b>956-657-4484</b><br/> <b>krystal.mercado@mcallenisd.net</b></p>                    |
| <p><b>ELIZABETH MONTES</b><br/> <b>CNP PROCUREMENT SPECIALIST</b><br/> <b>MCALLEN INDEPENDENT SCHOOL DISTRICT</b><br/> <b>2000 N 23RD MCALLEN TX 78501</b><br/> <b>956-657-3047</b><br/> <b>emontes@mcallenisd.net</b></p> | <p><b>Esmeralda Mora</b><br/> <b>Senior Administrator</b><br/> <b>Region One ESC</b><br/> <b>1900 W SCHUNIOR Edinburg, TX 78541</b><br/> <b>956-984-6163</b><br/> <b>emora@esc1.net</b></p>                                 |
| <p><b>Mark Mullendore</b><br/> <b>FNS Assistant Director</b><br/> <b>Brownsville ISD</b><br/> <b>1888 East Price Road Brownsville, TX 78521</b><br/> <b>956-548-8450</b><br/> <b>markmullendore@bisd.us</b></p>            | <p><b>Gerardo Noriega</b><br/> <b>Director of Purchasing &amp; Contracting</b><br/> <b>City of McAllen</b><br/> <b>1300 W. Houston Ave. McAllen, TX 78501</b><br/> <b>956-681-1130</b><br/> <b>gnoriega@mcallen.net</b></p> |

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| <b>Ramon Ocejo</b><br><b>FNS Area Supervisor</b><br><b>Brownsville ISD</b><br><b>1888 East Price Road Brownsville, TX 78521</b><br><b>956-548-8450</b><br><b>rocejo@bisd.us</b>  | <b>Eliud Ornelas</b><br><b>Director</b><br><b>Brownsville Independent School District</b><br><b>2601 Dana Ave Brownsville</b><br><b>956-698-2058</b><br><b>eornelas@bisd.us</b>                             |
| <b>Gregorio Padilla</b><br><b>Inventory Manager</b><br><b>Neighbors In Need of Services, Inc. (NINOS, Inc.)</b><br><b>22887 State Highway 345 Rio Hondo, Texas, 78583</b><br><b>956-495-9967</b><br><b>gregorio.padilla@ninosinc.org</b> | <b>Rosario Pena</b><br><b>Procurement Services Director</b><br><b>Brownsville ISD</b><br><b>1900 E. Price Rd Brownsville TX 78521</b><br><b>956-548-8361</b><br><b>rpena@bisd.us</b>                        |
| <b>Celina Perez</b><br><b>Senior Administrator</b><br><b>Region One ESC</b><br><b>1900 W SCHUNIOR Edinburg, TX 78541</b><br><b>956-984-6163</b><br><b>cgperez@esc1.net</b>   | <b>Alan Phillips</b><br><b>Director of Purchasing</b><br><b>Alvin Community College</b><br><b>3110 Mustang Road, Building M Alvin, TX 77511</b><br><b>281-382-2526</b><br><b>aphillips@alvincollege.edu</b> |
| <b>Anita Pineda</b><br><b>Buyer</b><br><b>Procument</b><br><b>1900 E Price RD BROWNSVILLE TX 78521</b><br><b>956-551-3657</b><br><b>acpineda@bisd.us</b>   | <b>Irmalissa Pineda</b><br><b>Child Nutrition Coordinator</b><br><b>Los Fresnos CISD</b><br><b>32703 State Highway 100 Los Fresnos CISD, 78566</b><br><b>956-254-5059</b><br><b>ipineda15272@lfcisd.net</b> |
| <b>Kendall Pridgeon</b><br><b>Accounting Internal Audit Supervisor</b><br><b>San Patricio County</b><br><b>1301 E Sinton St, Unit C Sinton, TX 78387</b><br><b>361-364-9312</b><br><b>kpridgeon@sanpatriciocountytx.gov</b>              | <b>Carol Quintanilla</b><br><b>Senior Buyer</b><br><b>McAllen ISD</b><br><b>2000 North 23rd Street McAllen, TX 785001</b><br><b>956-657-4486</b><br><b>carol.quintanilla@mcallenisd.net</b>                 |

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| <b>Raul Ramirez</b><br><b>Director of Child Nutrition</b><br><b>United Independent School District</b><br><b>6101 Bob Bullock Loop Laredo, Texas 78041</b><br><b>956-473-6560</b><br><b>rramirez@uisd.net</b> | <b>Jose Ramos</b><br><b>Risk Management Director</b><br><b>Roma ISD</b><br><b>P.O. Box 187 Roma, Texas 78584</b><br><b>956-849-1377</b><br><b>jrramos@romaisd.com</b>  |
| <b>Belen Rios</b><br><b>Buyer</b><br><b>Brownsville ISD</b><br><b>1900 E Price Brownsville TX 78521</b><br><b>956-548-8361</b><br><b>brios@bisd.us</b>  | <b>Julia Rios</b><br><b>Bookkeeper/Purchasing Clerk</b><br><b>STISD-Coop</b><br><b>7001 E. Expressway 83 Mercedes, Tx 78570</b><br><b>956-260-2264</b><br><b>juliam.rios@stisd.net</b>                                     |
| <b>Homer Roblez</b><br><b>1st Assistant County Auditor</b><br><b>San Patricio County</b><br><b>1301 E Sinton St, Unit C Sinton, TX 78387</b><br><b>361-364-9312</b><br><b>hroblez@sanpatriciocountytx.gov</b> | <b>Delia Rodriguez</b><br><b>Procurement Services Coordinator</b><br><b>Brownsville ISD</b><br><b>1900 E. Price Rd Brownsville, Texas 78521</b><br><b>956-548-8361</b><br><b>dnrodriguez@bisd.us</b>                       |
| <b>Jose Edgar Rodriguez</b><br><b>Maintenance &amp; Operations Director</b><br><b>Roma ISD</b><br><b>PO Box 187 Roma, Texas, 78584</b><br><b>956-849-1377</b><br><b>jerodriguez@romaisd.com</b>               | <b>Meredith Rokas</b><br><b>Director of Purchasing &amp; Child Nutrition</b><br><b>East Central ISD</b><br><b>6634 New Sulphur Springs San Antonio, TX 78263</b><br><b>210-634-6143</b><br><b>meredith.rokas@ecisd.net</b> |
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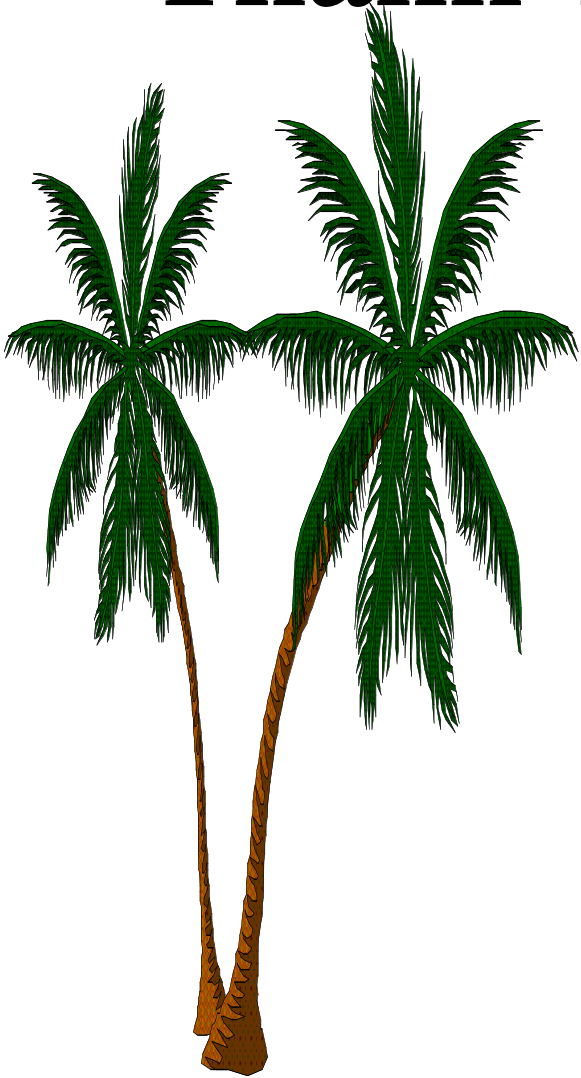


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| <b>John Salinas</b><br><b>Senior Buyer, CPPB, CPPO</b><br><b>Del Mar College</b><br><b>101 Baldwin Blvd. Corpus Christi, TX, 78413</b><br><b>361-698-2460</b><br><b>jsalinas18@delmar.edu</b>                         | <b>Jorge Santos Garcia</b><br><b>Accountant</b><br><b>Tejano Center for Community Concerns</b><br><b>6300 Irvington BLVD Houston, Texas, 77022</b><br><b>713-696-8249</b><br><b>jorge.santos@tejanocenter.org</b>  |
| <b>Norma Serna</b><br><b>FNS Administrative Assistant</b><br><b>Brownsville ISD</b><br><b>1888 East Price Road Brownsville, TX 78521</b><br><b>956-548-8450</b><br><b>nserna1@bisd.us</b>                             | <b>Corina Tijerina</b><br><b>Purchasing Order Clerk</b><br><b>McAllen ISD</b><br><b>2000 North 23rd Street McAllen, TX 785001</b><br><b>956-657-4490</b><br><b>corina.tijernia@mcallenisd.net</b>                  |
| <b>Charisma Tolbert</b><br><b>Procurement Specialist</b><br><b>Harris County Department of Education</b><br><b>6300 Irvington BLVD Houston, Texas, 77022</b><br><b>713-696-0760</b><br><b>ctolbert@hcde-texas.org</b> | <b>Melissa Trevino</b><br><b>PURCHASING ADMINISTRATOR</b><br><b>POINT ISABEL ISD</b><br><b>101 PORT ROAD PORT ISABEL, TX 78578</b><br><b>956-943-7473</b><br><b>melissa.trevino@pi-isd.net</b>                     |
| <b>Shanti Van</b><br><b>Accountant</b><br><b>Tejano Center for Community Concerns</b><br><b>6300 Irvington BLVD Houston, Texas, 77022</b><br><b>713-696-8249</b><br><b>shanti.vann@tejanocenter.org</b>               | <b>Alfred Vera, JR</b><br><b>Managing CPA/Audit Manager</b><br><b>Cascos &amp; Associates, PC</b><br><b>765 East 7th Street Brownsville, TX 78520</b><br><b>(956) 544-7778</b><br><b>alfred.vera@cascoscpa.com</b> |
| <b>Norma Villafranca</b><br><b>Audit Staff</b><br><b>Cascos &amp; Associates, PC</b><br><b>765 East 7th Street Brownsville, TX 78520</b>  | <b>Donna White</b><br><b>Buyer</b><br><b>Johnson County</b><br><b>411 Marti Drive Cleburne, TX 76033</b><br><b>817-556-6382</b><br><b>dwhite@johnsoncountytexas.org</b>  |

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| <b>Laura Williams</b><br><b>Director of Purchasing Services</b><br><b>McAllen ISD</b><br><b>2000 North 23rd Street McAllen, TX 785001</b><br><b>956-657-4480</b><br><b><a href="mailto:laura.williams@mcallenisd.net">laura.williams@mcallenisd.net</a></b> | <b>Aurora Zapata</b><br><b>Assistant Director of Purchasing</b><br><b>Laredo College</b><br><b>1 W End Washington St. Laredo, TX, 78040</b><br><b>956-721-5111</b><br><b><a href="mailto:azapata@laredo.edu">azapata@laredo.edu</a></b> |
| <b>Estefani Zuniga</b><br><b>FNS Purchasing Clerk</b><br><b>Brownsville ISD</b><br><b>1888 East Price Road Brownsville, TX 78521</b><br><b>956-548-8450</b><br><b><a href="mailto:ezuniga2@bisd.us">ezuniga2@bisd.us</a></b>                                |   |
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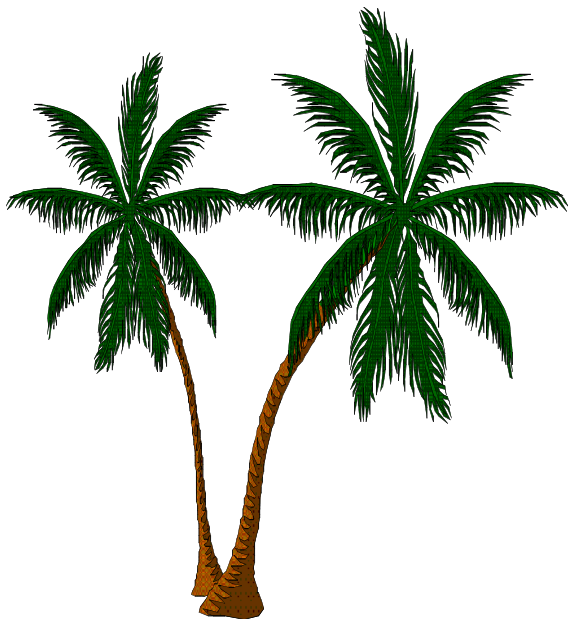


***TIMELINE 2025***

**September 24, 25, 26, 2025  
South Padre Island, TX**

# **TIMELINE 2025**

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



### **SPEAKERS:**

**Jesus Amezcua  
Narita Holmes  
Carol Cooper**

# New Legislation: Know all New Laws Concerning Public Purchasing

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

1

1

## 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

3

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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

5

5

## Legislation Impacting Purchasing

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6

6



## 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

7

7

## 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

8

8

## 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

9

9

## 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

10

10

## 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 Crim. Procedures. 18.17

Effective 9/1/25

11

11

## 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

12

## 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

13

13

## 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

14

14

## 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

15

15

## 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

16

16

## 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

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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

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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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## 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

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**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

**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

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.

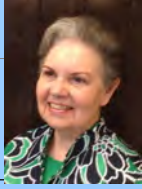
<https://statutes.capitol.Texas.gov>



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## THANK YOU



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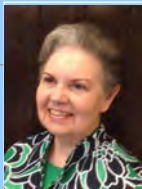
Carol Cooper, C.P.M., CPPO, CPSM  
[cacooper@tx.rr.com](mailto:cacooper@tx.rr.com)  
214-202-5903



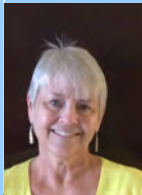
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59

## THANK YOU N&C CONSULTING



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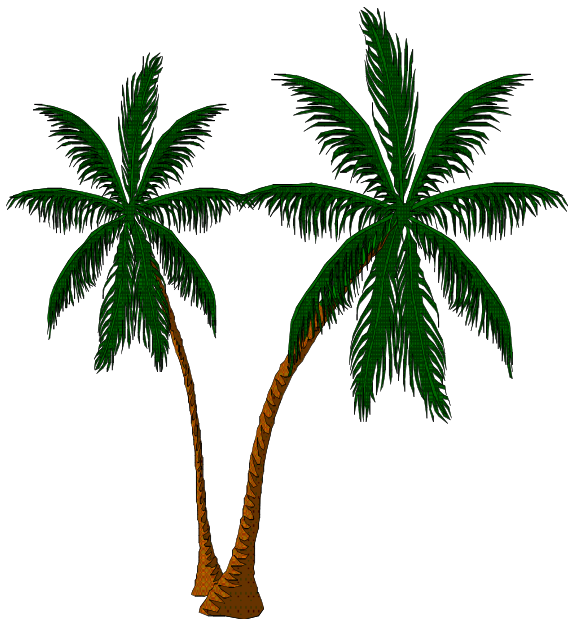


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60

# **TIMELINE 2025**

## **THE VALUE OF REQUEST FOR QUALIFICATIONS**



### **SPEAKERS:**

**Carol Cooper  
Narita Holmes**

# THE VALUE OF REQUEST FOR QUALIFICATIONS

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

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

Timeline 2025

N&C Consulting  
Government Procurement & Compliance

1

1



Texas  
Public  
Purchasing

Requests for Qualifications  
(RFQ)

2

2

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 for all solicitations, 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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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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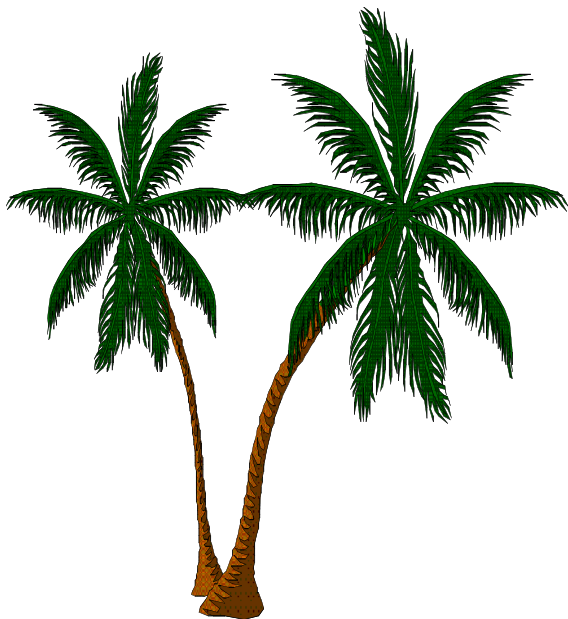


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# **TIMELINE 2025**

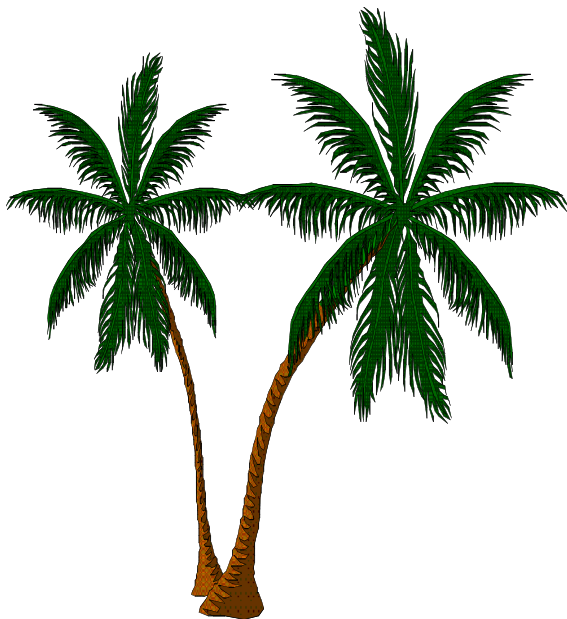
## **VENDOR PRESENTATIONS**



**SPEAKER:**

# ***TIMELINE 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**

1

## **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**

2

2

# 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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8



## 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

9

9

## 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.**

10

10

## Be A Scout and Take the Pledge

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

11

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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.**

12

12

## 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.

13

13

## 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](#)

14

14

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](#)

15

15

## 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.

16

16

## 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

17

17

## 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.**

18

18

## 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.

19

19

## 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.

20

20

## 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.

21

21

## Be Vigilant

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1. Do Not Forget that You are Stewards of the Public Trust.
2. Do Not Let Vendors Get too 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.

22

22

## 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.

23

23

## 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.

24

24



## 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!**

26

26

# The End

## **Success and Victory**

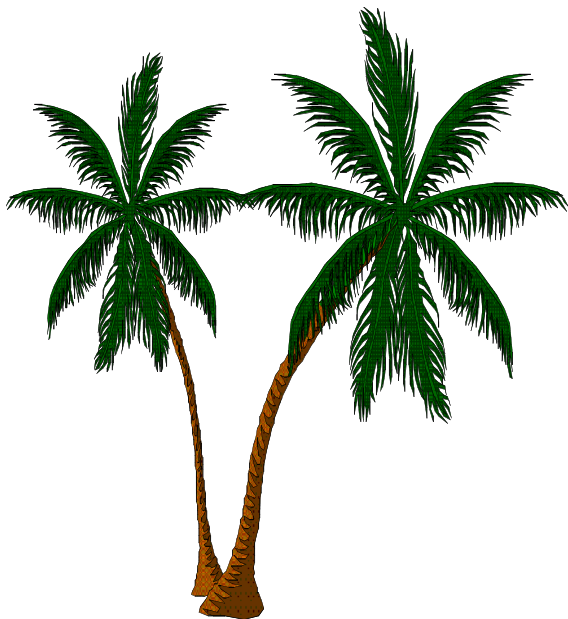
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By: Phillip Vasquez  
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27

# ***TIMELINE 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

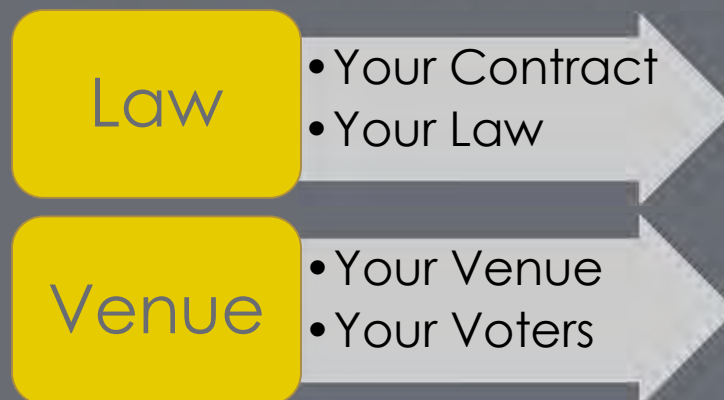
- DOES THE CONTRACT HAVE ANY LINKS?
  - "CLICK HERE TO VIEW GENERAL TERMS & CONDITIONS"
  - BY CLICKING YOU ARE OFTEN SENT TO THE VENDOR'S GENERAL WEBSITE WHERE YOU WILL OFTEN HAVE TO SEARCH FOR THE GENERAL TERMS & CONDITIONS
- DOES THE CONTRACT REFER YOU TO WEBSITE?
  - GO TO [WWW.VENDOR.COM](http://WWW.VENDOR.COM) 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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7

# RISK ALLOCATION AND REMEDIES

## ❑ CHOICE OF LAW AND VENUE



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8



# 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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11

# 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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12

# 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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15

# SOLUTION TO VENDOR'S GENERAL TERMS & CONDITIONS

## HAVE YOUR OWN GENERAL TERMS & CONDITIONS

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16

# 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**



17

## 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



18

# 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?

21

**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?

22

#### 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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24

**Miguel A. Saldaña**  
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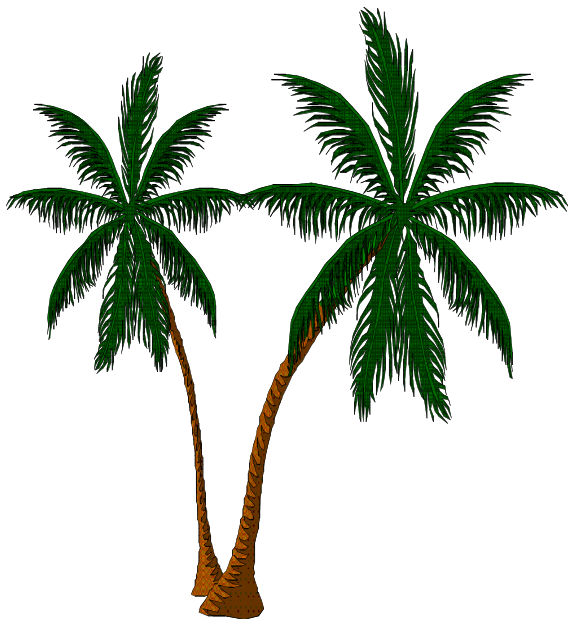
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# ***TIMELINE 2025***

## **REVIEW 44.03/CH SERIES**



**SPEAKER:**

**Sarah Langlois**

# TEX. EDUC. CODE § 44.031<sub>s</sub> POLICY CH

SEPTEMBER 25, 2025



SPALDING NICHOLS  
-LAMP LANGLOIS-

**Sarah Langlois**  
PARTNER



## SOURCES OF PROCUREMENT LAWS

- **Texas Education Code Chapter 44**
  - Goods and Services “other than construction services”
- **Texas Government Code Chapter 2269**
  - Construction Services/Public Works; Maintenance under Job Order Contracting
- **Uniform Guidance – 2 CFR Part 200**
  - Applies when one cent of federal money is involved
- **Texas Government Code Chapter 2254**
  - Certain Professional Services
- **Agency-specific rules**
  - TEA; TDA; FEMA; HHS



# WHY DOES KNOWING THE CORRECT STATUTORY SOURCE MATTER?

- Different procurement rules apply!!!
  - Contracts not properly procured can be voided or unenforceable – immunity waived only for properly executed contracts!
  - Officials and officers/employees who violate procurement statutes can be subject to criminal penalties
  - Leaves the district vulnerable to complaints by angry competitors



- Officers, employees and trustees can be convicted of Class B or C misdemeanor, considered an offense involving moral turpitude
- Conviction of employees and officers results in immediate removal from office or employment
- Conviction of trustee is considered official misconduct and trustee is subject to removal from office and ineligibility for office or employment with another public entity for 4 years
- Contracts awarded in violation are voidable and can be enjoined by court action

Tex. Educ. Code § 44.032



# GOVERNMENTAL IMMUNITY



## GOVERNMENTAL IMMUNITY

**School districts are protected from suit and liability by governmental immunity *unless* immunity is waived by clear and unambiguous statutory language.**



***The legalese:***

- *Tooke v. City of Mexia*, 197 S.W.3d 325, 328-29, 331 n.11 (Tex. 2006) (“Governmental immunity . . . protects political subdivisions of the State, including . . . school districts.”);
- Tex. Gov’t Code § 311.034 (“In order to preserve the legislature’s interest in managing state fiscal matters through the appropriations process, a statute shall not be construed as a waiver of sovereign immunity unless the waiver is effected by clear and unambiguous language.”)





# TLGC 271'S WAIVER OF IMMUNITY

- Immunity is waived for contracts that **state the essential terms** of the agreement for the provision of goods and services to the District that are **“properly executed”** on behalf of the District.

Tex. Local Gov't Code § 271.151(2)(A); 271.152

- “Absent a valid written contract, the District could not waive governmental immunity and is immune from suit.”

*TXU v. Fort Bend Indep. Sch. Dist.*, 472 S.W.3d

462, 466 (Tex.App—Dallas 2015)



## WHAT IS A “PROPERLY EXECUTED” CONTRACT?

- **Contract must be properly procured**

- *TXU v. Fort Bend ISD.*, 472 S.W.3d 462, 466 (Tex.App—Dallas 2015)
- TXU sued FBISD for breach of contract after FBISD terminated contract. Contract initially was procured but included a finite term in the RFP (example: 1 year with up to 4 one-year renewals) and the contract was extended past the term stated in the RFP.
- Citing Tex. Educ. Code § 44.031's competitive procurement requirements, Court stated: **“Compliance with competitive bidding statutes is mandatory, and if the requirements of the law are not met, the contract is void.”**
  - Result: a contract not procured under Section 44.031 of the Texas Education Code is not “properly executed” and not valid; therefore, immunity not waived.



# WHAT IS A “PROPERLY EXECUTED” CONTRACT?

- **Contract must be approved by the Board or the Board’s approved delegate**
  - *El Paso Educ. Initiative, Inc. v. Amex Properties, Inc.*, 602 S.W.3d 521, 524 (Tex. 2020)
  - landlord/developer sued charter school (which is a local gov’t entity under Texas law) for anticipatory breach of a lease executed by school’s superintendent
  - **absent board approval or delegation of board’s authority to an authorized representative, “the lease was not ‘properly executed on behalf of’ the district because the board did not approve it.”**
- Result: Because the lease was not “properly executed,” the district retained its governmental immunity; contract invalid and unenforceable



## IF NO PROPERLY EXECUTED VALID CONTRACT, WHAT ABOUT OTHER LEGAL THEORIES OF RECOVERY?

- quantum meruit
- unjust enrichment
- breach of implied contract
- apparent authority

**IMMUNE!**



# TEX. EDUC. CODE CHAPTER 44 NON-CONSTRUCTION SERVICES



## WHAT MUST BE COMPETITIVELY PROCURED?

- *“Except as provided by this subchapter . . . “*
- “all school district contracts for goods and services, except for vehicle fuel and produce”
- “valued at **\$100,000** or more in the aggregate for each 12-month period”
- “shall be made by the method, of the following methods, that provides the best value for the district.”

Tex. Ed. Code § 44.031(a)





# “IN THE AGGREGATE”

What does “valued at \$100,000 or more in the aggregate for each 12-month period” mean?



## THE STATUTES SAY:

The following types of purchases are illegal:

- “Component purchases” - purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.
  - “Separate purchases” - purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.
  - “Sequential purchases” - purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase.
- Tex. Educ. Code §44.032







## THE AG SAYS:

“In the aggregate” means:

- A “collection of associated items.”
- “[C]ontracts for like products that a school district normally would purchase together.”

Tex. Att’y Gen. Op. DM-418



## AGGREGATE FOR FEDERAL FUNDS

- 2 CFR 200.320(a)(1): “The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold defined in § 200.1. To the extent practicable, the recipient or subrecipient should distribute micro-purchases equitably among qualified suppliers.”



# TEA SAYS:



## 5.11.1 12-Month Aggregation

The term “aggregate,” as used in the [TEC, §44.031\(a\)](#), can be defined as the total sum of demand for desired or “like” goods and services that in normal purchasing practices would be made in one purchase over a 12-month period for all campuses and departments within the school district. The term “aggregate” is not used in any other purchasing-related statutes and is not defined within the chapter. Each district must define “aggregate” within their procedures. The definition should be based on the resources available to the district, such as the ability to track purchases within the district’s finance system, either by vendor (not suggested) or by a pre-determined set of categories or commodity codes (suggested).

The 12-month period can be calendar year or by fiscal year. The district is advised to select the period that best meets its tracking needs.

It is the responsibility of the school district to determine the method or structure of the aggregation process. Because of the [TEC, § 44.031\(a\)](#), requirement, tracking of category spend by the purchasing department is vital. Districts must be consistent in their categories and review prior purchases to ensure categories are not created to circumvent the laws. Note certain requirements for federal funds may vary from this terminology.



Texas Education Agency  
Financial Accountability System Resource Guide, Update 19



# TEA SAYS:



## 5.11.1.1 Categories and Commodity Codes

As stated above, categories or commodity codes can assist a district in reporting and understanding aggregated procurement expenditures.

Categories lend themselves to be a descriptor or high-level definition of a type of commodity or service (e.g., office supplies). A category may have many different types of items that would be included in the aggregate. Some finance systems may not have the ability to run reports against the individual descriptions, which may limit the utilization of categories.

On the most basic level, commodity codes use a series of numbers or letters to depict or represent a type of general or unique good or service. The decision to use one or more codes is a district decision and will be based on the annual aggregation and the ability of the finance system.

A school district may choose to create its own list or use other established, recognized commodity codes. These may be shared by other school districts, the district’s finance system vendor, or other entities such as the National Institute of Governmental Purchasing (NIGP). The district should adopt the one that best fits their needs. The following are codes a school district should consider:

- Commercial and Government Entity (CAGE)
- Federal Supply Class Codes (FSC)
- National Institute of Government Purchasing (NIGP)
- North American Industry Classification System (NAICS)
- Product Service Codes (PSC)
- Standard Industrial Classification (SIC)
- United Nations Standard Products and Services Code (UNSPSC)

Commodity codes can be minimal in length (easily adopted but may surpass the legal threshold quickly, less management/oversight) or very detailed in length (more difficult to learn and implement but less chance of exceeding the legal threshold, more management/oversight).

If a school district is or will be considering a change in its finance system, the purchasing office should make a high priority to review how the system will handle and report codes.



Texas Education Agency  
Financial Accountability System Resource Guide, Update 19



# AGGREGATE FOR FEDERAL FUNDS ACCORDING TO TEA

- TEA: Micro-purchase threshold is an aggregate amount.
  - May expend no more than \$10,000 on micro-purchases throughout the fiscal year
  - Threshold amount applies to the sum of **ALL** federal grants received by the LEA – Across all *federal* funds, per year
  - “aggregate amount” applies to purchases of “like-types” of items
    - LEA must define what like-types of items may be micro-purchased in its local policies and procedures
    - “Like type” is NOT defined as a single purchase order or a single vendor”



Nov. 29, 2018 To the Administrator Addressed letter



## AGGREGATE FOR FEDERAL FUNDS



### *5.11.1.2 Federal Funds and the Use of Commodity Codes*

For federal micro-purchasing purposes, purchases must be considered in the aggregate over the entire period of applicable federal grants. Therefore, the cost of items purchased using the micro-purchase method is cumulative across the grant year and cannot exceed the current threshold. The aggregate, for federal micro-purchasing purposes, applies to “like types” of purchases, which must be defined by each district in its local policies and procedures. Districts may not define “like types” as a single purchase order or a single vendor, and must be prepared to submit the written policy or rule to TEA monitors and auditors. Commodity codes are the preferred method for tracking spending of federal micro-purchases.

A district should remain diligent in monitoring the requirements for federal funds through the TEA Department of Grant Compliance and Administration.

#### *Best Practice Comment*

The school district should consider creating procedures based on the following best practices:

- Select and identify the 12-month period (by calendar or fiscal year) that will be utilized to track and report procurements in aggregate.
- Adopt a list of categories or commodity codes the district will use to track and report procurements in aggregate. One of the more popular commodity codes has been established by the NIGP. While the NIGP may be very detail oriented in its entirety, the code may be modified to meet the needs of the district based on size. A district may request examples of other Texas school districts for comparison.





## ASK YOURSELF:



- Do I know that I want to use the same vendor to meet most or all of my requirements for this category this coming year?
- Are these purchases already budgeted and accounted for/planned?
- Can I anticipate and estimate quantities and total expenditures for the coming year?
- Can better pricing be locked-in by aggregating and competitively procuring?
- Are federal funds involved? If so, how much?



## CH. 44 PROCUREMENT METHODS

- Competitive bidding for goods and services other than construction services;
- Competitive sealed proposals for goods and services other than construction services;
- Request for proposals for services other than construction services;
- Interlocal contract;
- A method provided by Chapter 2269, Government Code, for construction services;
- Reverse auction procedure (real time internet bids); or
- Formation of a political subdivision corporation.



# CH. 44 SELECTION CRITERIA

“Except as provided by this subchapter,” the District shall consider:

- (1) the purchase price;
- (2) the reputation of the vendor and of the vendor’s goods or services;
- (3) the quality of the vendor’s goods or services;
- (4) the extent to which the goods or services meet the district’s needs;
- (5) the vendor’s past relationship with the district;
- (6) **the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses;\*\*\***
- (7) the total long-term cost to the district to acquire the vendor’s goods or services;
- (8) **bidder/proposer’s in-state residency (discussed ahead); and**
- (9) any other relevant factor listed in the bid/proposal request.

**Tex. Educ. Code § 44.031(b)**



## “BUY TEXAS” PROVISION

For a contract for goods and services (other than telecommunications and information services, building construction or maintenance or instructional materials), the District shall consider, as a scoring factor, whether the vendor’s ultimate parent company or majority owner:

- A) has its principal place of business in Texas; or
- B) employs at least 500 persons in Texas

**Tex. Educ. Code 44.031(b)(8)**



## Federal Uniform Guidance 2 CFR § 200.319:

~~(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.~~



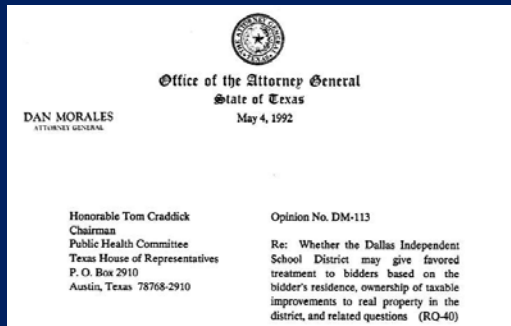
## 2 CFR § 200.319:

On the comment opposing the removal of the prohibition on using geographic preferences, section 200.300 is relevant to the commenters' concerns. As discussed above, that section provides that the Federal agency or pass-through entity must manage and administer the Federal award in a manner that ensures implementation in full accordance with the U.S. Constitution and applicable Federal statutes and regulations. Thus, any geographic preferences used under a Federal award must be consistent with governing law outside of part 200. At least in some circumstances, Federal agencies may retain an important role in working with the recipient on reviewing the permissibility of geographic preferences under a Federal award.





**BUT...**



#### **S U M M A R Y**

The board of trustees of an independent school district may not, in the absence of clear statutory authority, adopt procurement policies that reward bidders purely on the basis of a bidder's residence or location, the bidder's participation in voluntary school programs, the bidder's compliance with the school district's minority and women business enterprise contracting program, or on the basis of estimates of various economic factors, such as taxes to be paid to the district by the bidder, the amount of local salaries and wages paid by the bidder, or the number of local jobs created by the bidder.



## **EMERGENCY EXCEPTION TO PROCUREMENT**





# EMERGENCY EXCEPTION TO PROCUREMENT

- Contracts for repair or replacement if school equipment, a facility, a part of a school facility or personal property is destroyed, severely damaged, or as a result of an **unforeseen catastrophe** undergoes major operational or structural failure
- **Board** must determine that the delay posed by competitive procurement **would substantially prevent or substantially impair the conduct of classes or other school activities**
- Required Board actions and approvals can be delegated for emergency situations

Tex. Educ. Code § 44.031(h); 44.0312



## POLICY CH (LOCAL) RE: EMERGENCY CONTRACTS

### Exception for Emergency Contracts

In the event of a catastrophe, emergency, or natural disaster affecting the District, the Board delegates to the Superintendent the authority to contract for the replacement, construction, or repair of school equipment or facilities in accordance with law, if emergency replacement, construction, or repair is necessary for the health and safety of District students and staff. The Superintendent shall report to the Board at the next regular meeting any contract made under this authority. [See Disaster Exception, CH(LEGAL)]

The delegation regarding emergency contracts does not waive competitive purchasing requirements under Education Code Chapter 44. Only the Board is authorized to waive competitive purchasing requirements under limited circumstances in accordance with Education Code 44.031(h). [See Emergency Damage or Destruction, CH(LEGAL)]





# FEMA

## ATTENTION: Potential Compliance Issues

### State Entities:

- ❑ Not following their own procurement policies and procedures.
- ❑ Not including required contract provisions.

### Non-state entities:

- ❑ Using Time & Materials (T&M) contracts without a ceiling price.
- ❑ Awarding sole-source contracts without ensuring the noncompetitive proposals method is appropriately followed.
- ❑ Using pre-awarded/pre-disaster contracts for supplies or services that are out of the contract scope.
- ❑ Awarding to contractors that drafted solicitation documents.
- ❑ Using geographic preferences in the evaluation of bids and proposals.
- ❑ Entering into Cost-Plus-Percentage of Cost (CPPC) contract types. These contract types are prohibited.
- ❑ Improper "piggybacking" of other entities' contracts.
- ❑ Awarding to suspended or debarred contractors.

### Checklist B: Non-State Entities

- ❑ Maintain written standards of conduct covering **conflicts of interest** and governing the performance of employees who engage in the selection, award, and administration of contracts (2 C.F.R. § 200.318(c));
- ❑ Conduct procurements in a manner providing for **full and open competition** (2 C.F.R. § 200.319);
- ❑ Take six necessary steps to assure that **small and minority businesses, women's business enterprises, and labor surplus area firms** are used when possible (2 C.F.R. § 200.321):
  - ❑ Place such organizations that are qualified on solicitation lists;
  - ❑ Ensure such organizations are solicited whenever they are potential sources;
  - ❑ Divide total requirements, when economically feasible, into smaller tasks or quantities;
  - ❑ Establish delivery schedules, where the requirement permits, which encourage their participation;
  - ❑ Use the services and assistance, as appropriate, of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
  - ❑ Require prime contractor to take the above affirmative steps if subcontracting.
- ❑ Perform a **cost or price analysis** in connection with every procurement action in excess of the Simplified Acquisition Threshold, including contract modifications (2 C.F.R. § 200.323);
- ❑ Use allowable **procurement methods**, including procurement by micro-purchases, small purchases, sealed bidding, competitive proposals, and non-competitive proposals and ensure corresponding standards are met (2 C.F.R. § 200.320);
- ❑ If using a **T&M contract**, ensure that no other contract type is suitable and the contract includes a ceiling price that the contractor exceeds at their own risk (2 C.F.R. § 200.318(j));
- ❑ Follow the **bonding requirements** for all facility and improvement projects (2 C.F.R. § 200.325);
- ❑ Must include **applicable contract provisions** in all contracts awarded (2 C.F.R. § 200.326);
- ❑ Comply with the **procurement of recovered materials** guidelines (2 C.F.R. § 200.322);
- ❑ Maintain **oversight** to ensure contractors perform according to the terms, conditions, and specifications of their contracts or purchase orders (2 C.F.R. § 200.318(b)); and
- ❑ Maintain **records** sufficient to detail the history of the procurement. These records will include, but are not limited to the rationale for the method of procurement, selection of contract type; contractor selection or rejection; and basis for the contract price (2 C.F.R. § 200.318(i)).



[https://www.fema.gov/sites/default/files/2020-07/fema\\_pa-contracting-requirements-checklist.pdf](https://www.fema.gov/sites/default/files/2020-07/fema_pa-contracting-requirements-checklist.pdf)  
<https://www.fema.gov/grants/procurement>



## ADVERTISING REQUIREMENTS



# ADVERTISING REQUIREMENTS: TEX. EDUC. CODE § 44.031(g)



Notice of when and where bids or proposals or the responses to a request for qualifications will be received and opened shall be published in the county where the District's central administrative office is located, once a week for at least two weeks prior to the deadline for receiving bids, proposals, or responses to a request for qualifications



Must be at least 14 days between the first advertisement and the deadline for receipt of bids, proposals, or qualifications



## PURCHASING COOPERATIVES



[illegible]

- 



- ❑ Valid interlocal agreement, approved by governing body (*Board minutes*)
- ❑ Good/service being purchased was actually procured by coop – pull the procurement docs
  - ❑ Misconception that coops approve vendors
  - ❑ Coops procure specific goods/services, not vendors
- ❑ Vendor has a valid contract w/ coop *at the time purchasing entity enters into contract/issues PO* w/ vendor
- ❑ No architectural/engineering services allowed
- ❑ No time and materials procurements/contracts for public works/construction – JOC only!
- ❑ If construction-related goods/services, a “person” designated by purchasing gov’t entity must certify, in writing, that either (1) project does not require preparation of plans/specs under Ch. 1001 or 1051 of Occ. Code; or (2) plans /specs required under Ch. 1001 or 1051 of Occ. Code have been prepared





# COOPERATIVE PURCHASE CHECKLIST – FEDERAL FUNDS

- ☐ If using federal funds, ensure coop complied with Uniform Guidance rules
  - ☐ Appendix II required provisions (i.e., certifications)
  - ☐ Compliance with Minority, Veteran-Owned, etc.
  - ☐ Independent estimate/cost-price analysis
    - ☐ Purchasing entity should do its own independent estimate and cost-price analysis if spending > SAT
  - ☐ Any contract utilizing unit pricing or time and materials pricing must state a “not to exceed” amount
  - ☐ No cost-plus or %-based contracts allowed
  - ☐ TEA: Annual documentation from coop verifying the coop followed the appropriate rules
    - ☐ “could be as simple as maintaining a signed certification statement or an email stating that the rules were followed” – website statement okay
    - ☐ Coop’s certification must be dated and no more than 1 year old



**POLICY CH  
(LOCAL)**



# POLICY CH (LOCAL): EXAMPLES

**Purchasing Authority**

The Board delegates to the Superintendent the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services that costs \$25,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place.

The Board delegates to the Superintendent the authority to make budgeted purchases for goods or services.

PURCHASING AND ACQUISITION

CH  
(LOCAL)

**Purchasing Authority**

The Board delegates to the Superintendent the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services that costs \$250,000 or more shall require Board approval before a transaction may take place.



# POLICY CH (LOCAL): EXAMPLES

**Purchasing Agent**

The Superintendent shall have the authority to plan for procurement of equipment and supplies, request quotations, investigate vendors, negotiate contracts for goods and services, sign purchase orders, assist in the development of specifications, request and publicly open bids and proposals, and execute non-construction contracts within limits established by law.

**Purchasing Authority**

The Superintendent shall have the authority to determine the method of purchasing to be used in accordance with CH(LEGAL) or CBB(LEGAL), as appropriate, and to make budgeted purchases for goods or services in accordance with state law and federal regulations governing District purchasing operations.

The Board delegates to the Superintendent the authority to make budgeted purchases for goods or services. However, any budgeted purchase of goods or services that costs \$100,000 or more shall require Board approval before a transaction may take place.

The Superintendent shall not be required to obtain Board approval for the following types of budgeted purchases, regardless of cost:

1. A purchase made pursuant to a Board-approved interlocal contract, in accordance with Government Code Chapter 791;
2. A purchase made through a cooperative purchasing program, in accordance with Local Government Code 271.102;
3. A purchase made through a state purchasing program that satisfies the District's obligation for competitive purchasing, in accordance with the requirements of the applicable statute, including Subchapter D, Chapter 271 of the Local Government Code;
4. A continuing or periodic purchase under a Board-approved bid of contract; or
5. A purchase for produce or fuel.



# CONSIDERATIONS FOR POLICY CH (LOCAL)

## Possible delegations of authority for:

- Approval of competitive procurement results, where procurement is required
- Approval of the contract with any vendor
- Approval of contract renewals, amendments, assignments, terminations, change orders

## Non-delegable (Board must approve):

- Approval of all Interlocal Contracts (including for cooperatives)
- Job Orders (including cooperative purchases) in excess of \$500,000

## Who has authority to sign contracts

- Example: No employee other than the Superintendent or the chief financial officer (in the absence of the Superintendent) shall be authorized to sign contracts that obligate the District



# EXAMPLE POLICY CH (LOCAL)

- “The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with the adopted budget, state law, Board policy, and the District’s purchasing procedures. [See CE] The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. **Persons making unauthorized purchases shall assume full responsibility for all such debts.**”
- “All purchase commitments shall be made by the Superintendent in accordance with administrative procedures, including the District’s purchasing procedures.”
- “The Superintendent shall develop purchasing procedures to implement the requirements of state and federal law. [See also CB, CBB, CH(LEGAL), and COA].”



# SOLE SOURCE



## SOLE SOURCE EXCEPTION

“Without complying with Subsection (a), a school district may purchase an item that is available from only one source, including:

- (1) an item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
- (2) a film, manuscript, or book;
- (3) a utility service, including electricity, gas, or water; and
- (4) a captive replacement part or component for equipment.” (i.e., required so as not to void warranties; certified parts or installers)

Tex. Educ. Code 44.031(j)

▪“The [sole source] exceptions provided by [TEC44.031(j)] do not apply to mainframe data-processing equipment and peripheral attachments with a single-item purchase price in excess of \$15,000.”





# SOLE SOURCE EXCEPTION



- Sole source is RARE!
- There must be no functional equivalent in the marketplace to be a sole source.

## QUESTIONS:

1. Is there another product that serves the same purposes or function?
2. Does this vendor or product have competitors?



## EXCERPTS FROM TEA FASRG RE SOLE SOURCE



“The fact that a particular item is covered by a patent or copyright is **but one factor** in determining if the purchase falls under the sole source exemption to the purchase requirements.”



- Sole source statute “does not include services”!!
- “To be a bond fide sole source exemption...there must be no other like items available for purchase that would serve the same purpose or function, and only one price for the produce because of exclusive distribution or marketing rights.”





# TEST! SOLE SOURCE?

|  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| ▪ 1) “To Kill a Mockingbird” by Harper Lee                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| ▪ 2) iPad  | <input type="checkbox"/> | <input type="checkbox"/> |
| ▪ 3) College Board AP Exams  | <input type="checkbox"/> | <input type="checkbox"/> |
| ▪ 4) STEM curriculum enrichment consultant                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| ▪ 5) Replacement parts for a campus HVAC system (Warranty?)                | <input type="checkbox"/> | <input type="checkbox"/> |
| ▪ 6) Skyward student information system                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| ▪ 7) Annual maintenance updates for the Skyward student information system | <input type="checkbox"/> | <input type="checkbox"/> |



## BEST PRACTICES

- Conduct your own due diligence
- A product itself may be patented or copyrighted, but there may be competing products that serve the same function or purpose (i.e., brand name products, computers, trademarked processes, proprietary software, training materials)
- Do not rely solely on a vendor’s letter
- Search cooperatives for alternative sources
- Ask other districts who may have procured the same good or service
- Don’t focus solely on quality or convenience
- Don’t focus solely on existence of a patent or copyright
- Consider requesting TEA pre-approval before relying on the sole source exception

When in doubt:

*Advertise! Competitively Procure!*

*Purchase from a Co-op!*



# PROFESSIONAL SERVICES



## PROFESSIONAL SERVICES

Which services are  
really professional  
services?

How do you determine  
whether to issue an  
RFP or an RFQ, and  
why does the  
difference matter?



# TEXAS EDUCATION CODE 44.031(F): PROFESSIONAL SERVICES



- 44.031(f) exempts architect, attorney, certified public accountant, engineer, or fiscal agent
- “A school district may, at its option, contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section.”



## TEXAS EDUCATION CODE 44.031(F): PROFESSIONAL SERVICES

- 44.031(f) exempts architect, attorney, certified public accountant, engineer, or fiscal agent
- “A school district may, at its option, contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section.”



- Old law: “This section does not apply to fees received for professional services rendered, including but not limited to architect's fees, attorney's fees, and fees for fiscal agents.”  
TEC 44.031(f)



# TEA FASRG

## 5.31 Professional Services

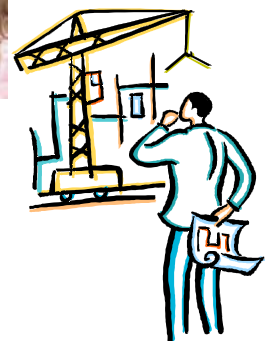
References: [TEC, §44.031\(f\)](#); [Texas Government Code, §791.011\(h\)](#), [Chapter 2254](#), and [Chapter 2269](#)

Though no formal definition of “professional services” exists in any of the statutes, the [TEC, §44.031](#), and the [Texas Government Code, Chapter 2254](#) and [Chapter 2269](#), identify specific professions that are fall under this term.



## TEXAS GOV'T CODE CHAPTER 2254: PROFESSIONAL SERVICES PROCUREMENT ACT

- Applies to the professionals and services within the scope of the practice or provided in connection with the professional's practice
- PSPA governs procurement of professional services:
  - Licensed or registered certified public accountant
  - Architect
  - Landscape architect
  - Land surveyor
  - Physician
  - Optometrist
  - Professional engineer
  - State-certified or state-licensed real estate appraiser
  - Registered nurse
  - Interior Designer





# SELECTING PROFESSIONAL SERVICE PROVIDERS

- May NOT select a provider of professional services listed under Tex. Gov't Code Chapter 2254 on the basis of competitive pricing
- Providers are selected solely based on demonstrated competence and qualifications; price may only be considered and negotiated after selection
- Advertising and publishing of a Request for Qualifications is permissible, but not generally required



## WHAT DOES THE PSPA REQUIRE?

**MUST APPLY the PSPA test when procuring PSPA-Defined Professional Services**



### The PSPA Test

A gov't entity SHALL make the selection and award of professional services on the basis of:

- **Demonstrated Competence,**
- **Qualifications** to perform the services, and
- for a **Fair and Reasonable Price**

Tex. Gov't Code § 2254.003



# CONSTRUCTION-RELATED PROFESSIONAL SERVICES

Tex. Gov't Code Sec. 2269.058. USE OF OTHER PROFESSIONAL SERVICES.

(a) Independently of the contractor, construction manager-at-risk, or design-build firm, the governmental entity shall provide or contract for the construction materials engineering, testing, and inspection services and the verification testing services necessary for acceptance of the facility by the governmental entity.

(b) The governmental entity shall select the services for which it contracts under this section in accordance with Section 2254.004.



## WHEN MUST AN RFQ BE ADVERTISED AND PUBLISHED?

- Contracts for the design and implementation of energy savings measures guaranteed to offset the cost of the measures over a specified period

Tex. Educ. Code § 51.927

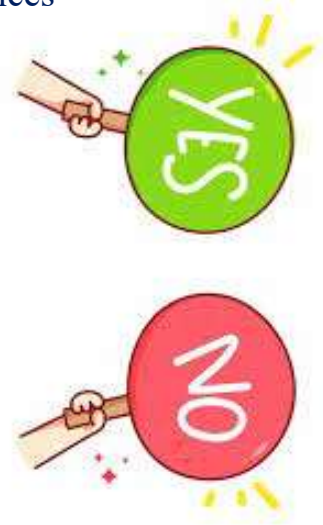
- Selection of Design-Build Firm/Team
- Selection of CM-at-Risk by Two Step Process

Tex. Gov't Code Ch. 2269



# TEST! PROFESSIONAL SERVICE?

- 1) Program manager performing pre-bond planning services
- 2) Speech therapist
- 3) Sped evaluation performed by psychologist
- 4) STEM curriculum enrichment consultant
- 5) Fuel tank testing
- 6) Asbestos consultant and project designer
- 7) Detention pond inspection required by city/county
- 8) Boundary/Demographic study
- 9) Landscaping project > \$50k  
(new irrigation system, landscaping on a newly built city building)



## QUESTIONS?



SPALDING NICHOLS  
-LAMP LANGLOIS-

**Sarah Langlois**

PARTNER

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@SNLL-LAW

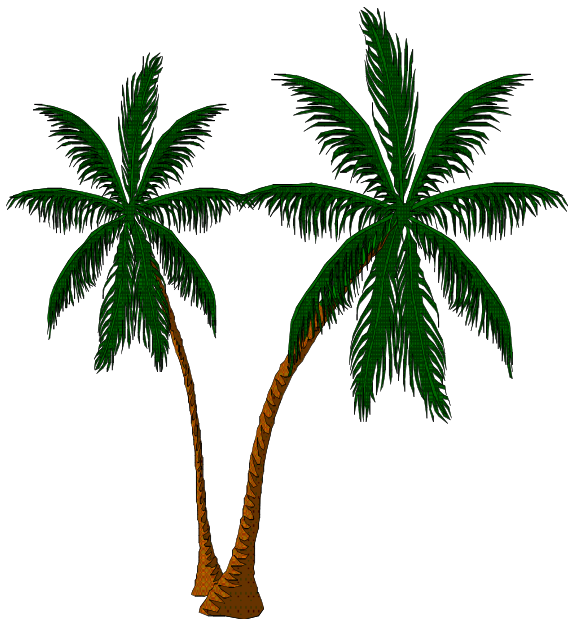


@SNLL-LSW



# **TIMELINE 2025**

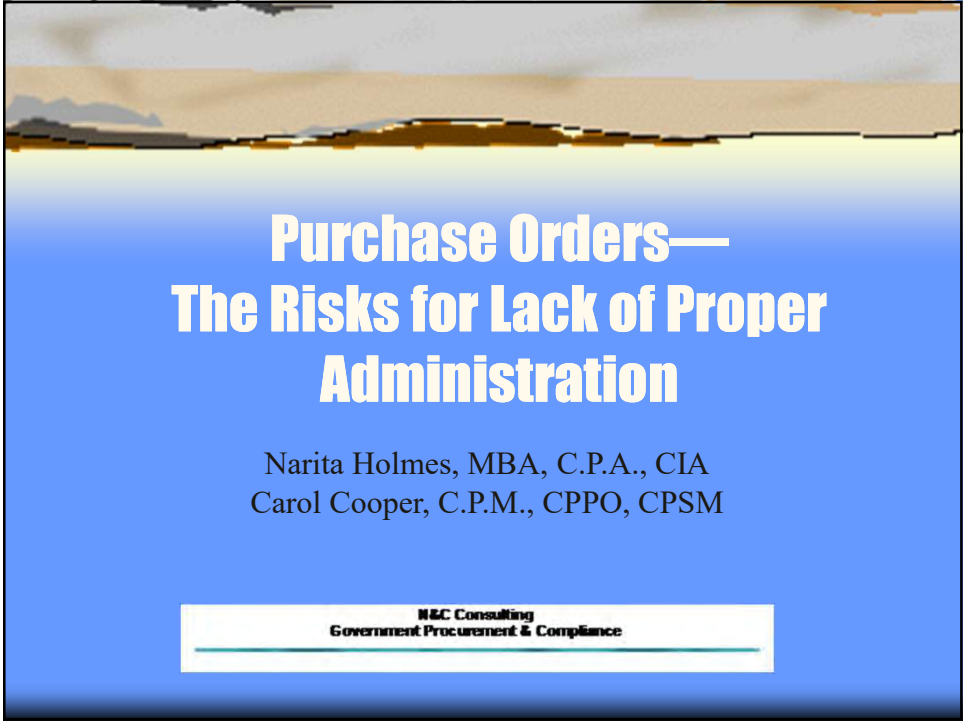
## **PURCHASING ORDERS - THE RISKS FOR LACK OF PROPER ADMINISTRATION**



### **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

1



## **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

2



# Legal implications of a Purchase Order

3



## 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.

4

## 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

5

## 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

6

## **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

7

## **Key information of the face of the Purchase Order**

8

## 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

9

## 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

10



# Importance of Terms and Conditions

11



## 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

12

## 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

13

## 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

14



## **Importance of Terms and Conditions**

- 19. Interpretation of Purchase Order
- 20. Inspection of Goods
- 21. Texas Govt. Code Verifications

15

**Procedures in place to  
handle unexpected  
situations**

16

## Follow-up on Performance

- Track deliveries
- Document communications
- Document delays
- Keep user department informed of any changes

17

## 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

18

## 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

19

## 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

20

## Follow-up with Constituents

- ⇒ Develop follow-up procedures to monitor satisfaction of:
  - User departments
  - Vendors
  - Buyers
- ⇒ Options available:
  - Call
  - Survey
  - Other

21

**Internal control a  
Purchase Order system  
provides to protect your  
Entity**

22

## 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<br>--Distributes Payment—Person E | Verifies completion—Person F<br>Distributes Payment—Person E  |

23

## 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

24

## **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

25

## **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

26

## 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

## Thank You!

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

Carol Cooper, C.P.M., CPPO, CPSM  
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214-202-5903

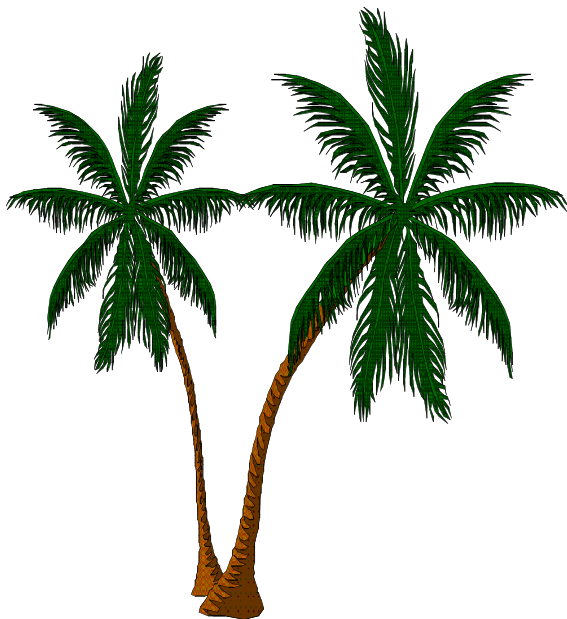
The materials provided in this presentation and any comment or information provided by the presenter are for educational purposes only and nothing conveyed or provided should be considered legal advice. Please contact your own attorney with any specific questions you have related to the information provided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

28



# **TIMELINE 2025**

## **UPDATING YOUR PROCUREMENT TEMPLATES**



**SPEAKER:**

**Sarah Langlois**

# Updating Your Procurement Templates



**Sarah Langlois**  
**Partner**

*Timeline 2025*

*September 25, 2025*

**Items to  
Include in  
your RFP  
Template**



**Notice of Intention**



**Proposal Reqs / Instructions**



**Scope & Specs**



**Evaluations & Award**



**Agreement Terms & Conditions**



**Vendor Packet**



# Notice of Intention



## Notice of Intention

- Term
- One vendor or pool?
- What good/services?



# Proposal Requirements / Instructions



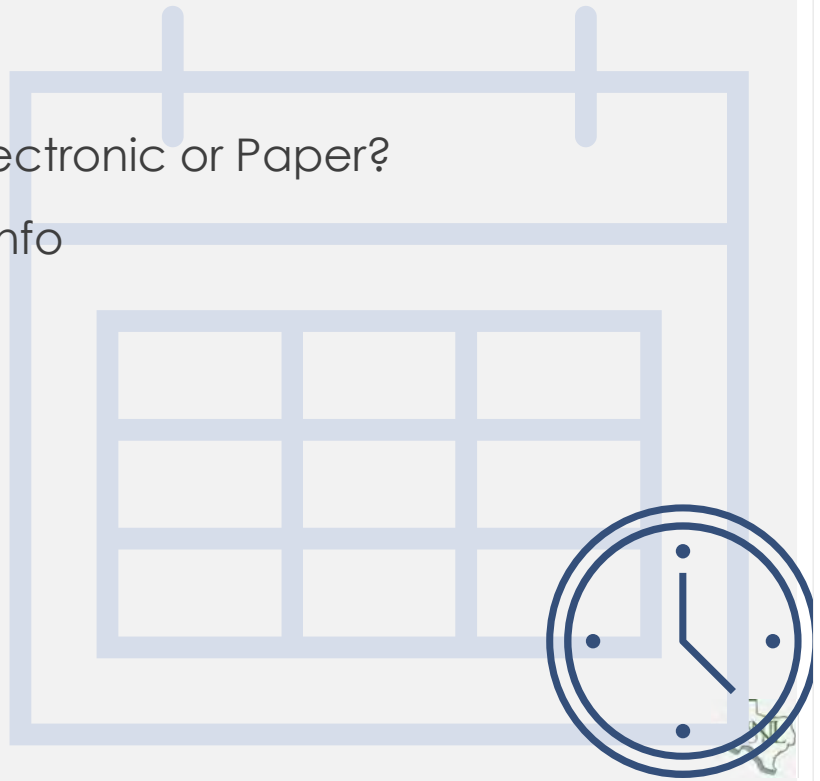
## Proposal Requirements

- List of activities & dates
- Procurement method
- Pre-proposal conference
- Reservation of Rights
- Protests



## Instructions to Proposers

- Required Proposal Format: Electronic or Paper?
- General Business & Contact Info
- References!
- Exceptions/Deviations



## Scope & Specifications



## Scope & Specifications

- Who, What, Where, When, Why, and How
- What is the District specifically looking to purchase?
- Deliverables
- Deadlines
- If using brand names, make sure to include “or equivalent” language



## Evaluation & Award



## Evaluation Factors

## Weighted Value

- |   |          |
|---|----------|
| 1. Price  | Points   |
| 2. Reputation of Vendor and of Vendor's goods and/or services   | Points   |
| 3. Quality of Vendor's goods and/or services  | Points   |
| 4. Extent to which the goods and/or services meet District's needs  | Points   |
| 5. Vendor's past relationship with District   | Points   |
| 6. Impact on the ability of District to comply with laws and rules relating to HUBs   | Points 0 |
| 7. Total long-term cost to District to acquire Vendor's goods and/or services   | Points   |
| 8. For a contract for goods and services, other than goods and services related to telecommunications and information services, building construction and maintenance, or instructional materials, whether the Vendor or the Vendor's ultimate parent company or majority owner:<br>(A) <u>has</u> its principal place of business in this state; or<br>(B) <u>employs</u> at least 500 persons in this state | Points 0 |
| 9. Other  | Points   |

100 Points



## Evaluation & Award

- Single award or > 1?
- Estimated quantities?
- Formation of contract
- Non-exclusive contract





# Agreement Terms & Conditions



## Agreement T's and C's

- Part of Final Contract for each PO/contract issued pursuant to the RFP!
- Governs all purchases conducted under RFP; no pre-published terms or Vendor-issued form, contract, online/website/click-through terms/agreement have any force or effect



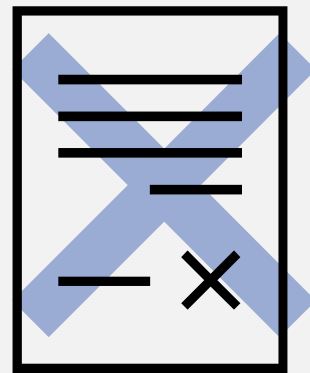
## Includes all major T's & C's

- Relationship of Parties
  - Independent Ktor
- Term & Renewals
- Remedies for Nonconformance
  - Events of Default
  - Reservation of Rights
  - District options in event of default: return, keep at discount, replace at vendor's cost, terminate K



## Includes all major T's & C's

- Termination: events of default, how K termination (District should have right to termination for cause and for convenience)
- Performance
- Warranties
- Delivery



## Includes all major T's & C's

- Compensation
  - Prompt Pay Act: TGC Ch. 2251
  - Invoices
  - Adjustment provision? Cancel if prices increase?
  - No taxes
- Nonappropriation



## Includes all major T's & C's

- Compliance with applicable law
- Information: FERPA, TPIA, Data-Protection, Confidentiality, Intellectual Property, Records Retention/Audit/Access
- Dispute: Governing Law, Venue, Attorneys' Fees, Indemnity/Hold Harmless



## Includes all major T's & C's

- Boilerplate:
  - Entire Agreement
  - Amendment
  - Assignment
  - Insurance
  - Notice
  - Authorization
  - Waiver



## Vendor Packet



# Items to Include in your Vendor Packet



Vendor Information Form



CIQ / Form 1295 / W-9



State & Federal Certifications



Felony Conviction / Antitrust



Service Provider Forms



Confidentiality Form



## Vendor Info Form

- Legal Name
- Address
- Contact
- Goods/Services provided
- Business Type
- HUB/MWBE/SBE Certified



# Conflict of Interest

- Latest TEC Form CIQ: 8.14.2024
- List your Local Gov't Officers

| CONFLICT OF INTEREST QUESTIONNAIRE<br>For vendor doing business with local governmental entity  |  | FORM CIQ   |
|---|--|--|
| <p>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)-(4) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>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.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>  |  | <p><b>OFFICE USE ONLY</b></p> <p>Date Received</p> |
| <p>1 Name of vendor who has a business relationship with local governmental entity.</p>   |  |  |
| <p>2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</p>  |  |  |
| <p>3 Name of local government officer about whom the information is being disclosed.</p> <p>_____<br/>Name of Officer</p>   |  |  |
| <p>4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.</p> <p>A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>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 or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> |  |  |
| <p>5 Describe each employment or business relationship that the vendor named in Section 1 maintains with 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>   |  |  |
| <p>6 <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).</p>  |  |  |
| <p>7</p> <p>_____<br/>Name of signatory</p> <p>_____<br/>Signature</p> <p>_____<br/>Date</p>  |  |  |

Form provided by Texas Ethics Commission

www.ethics.state.tx.us

Revised 8/14/2024



## HB 210: Vendor Conflicts of Interest

- Adds Tex. Educ. Code § 11.067 – only applies to school districts and charter schools, not other gov't entities
- **only considers relationships a vendor has with an individual serving on the board of trustees or certain persons to whom the trustee is related**
  - unlike TLGC Chapter 176, it does not apply to other local government officers such as superintendents, CFOs, directors, procurement officers, etc.



## HB 210: Definition of Vendor for this COI law

- **Vendor means** “a company, individual, contractor, subcontractor, or professional services provider with whom a school district or open-enrollment charter school enters into an agreement, contract, memorandum of understanding, interlocal agreement, fee schedule, retainer, or similar instrument for goods or services.”
  - The definition of “vendor” under this new TEC statute and Texas Local Government Code provisions are not the same.



## HB 210: A *Criminal* Offense by the Vendor



A person or company that falls within the definition of “vendor” **commits an offense** when it **bids on or receives a contract** from a school district/charter school if a **board member**:

- 1) has a **substantial interest** in the vendor or a subcontractor hired by a vendor; or
- 2) is **related in the second degree by consanguinity or affinity**, as determined under Chapter 573, Government Code, **to an individual who has a substantial interest in the vendor**; or
- 3) has **received or has been promised a gift or in-kind services with a value of more \$250**.





## HB 210: A Substantial Interest

A **substantial interest** in a vendor exists if the trustee or his/her relative:

- (1) owns more than **10 percent of the voting interest** in the vendor; or
- (2) has a direct or indirect participating interest by shares, stock, or otherwise, regardless of whether voting rights are included, in **more than 10 percent of the profits, proceeds, or capital gains** of the vendor



## HB 210: A Gift or In-Kind Services

A **gift or in-kind services** of **\$250+** from a vendor



- No definitions of “gift” or “in-kind services”
- No exceptions (unlike 176 that has exceptions for food accepted as a guest and political contributions)
- No guidance on calculation of \$250 (in the aggregate? Per gift? Annual basis?)
- Not merely a disclosure requirement (176 Forms CIS/CIQ or 171 affidavit/abstention)



## HB 210: Criminal Penalties

- **Imposed only on the vendor** who has committed an offense, not the trustee/family member
- Class C misdemeanor, except that 2<sup>nd</sup> offense is a Class B misdemeanor, a 3<sup>rd</sup> offense is a Class A misdemeanor, and a 4<sup>th</sup> or subsequent offense is a state jail felony.
- Notwithstanding above, **any offense is a state jail felony** if the vendor directly or indirectly **through a third party compensated** the board member with **money, gifts, or in-kind services** as **consideration** for the district or school **entering into a contract** with the vendor



**NEW**

## HB 210: – Add new COI Certification to Vendor Packet

Certification not required under statute, but how else will you satisfy requirements?



- Latest TEC form: 5.14.2025
- <https://www.ethics.state.tx.us/filinginfo/1295/>

| <b>CERTIFICATE OF INTERESTED PARTIES</b>  |  | <b>FORM 1295</b>  |              |
|---|--|---|--------------|
| Complete Nos. 1 - 4 and 6 if there are interested parties.<br>Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.   |  | <b>OFFICE USE ONLY</b>  |              |
| <b>1</b> Name of business entity filing form, and the city, state and country of the business entity's place of business.   |  | <div style="text-align: center; font-size: 2em; transform: rotate(-45deg); opacity: 0.3;">             Must file online at <a href="https://prd.tecprd.ethics.state.tx.us/File/">https://prd.tecprd.ethics.state.tx.us/File/</a> </div> |              |
| <b>2</b> Name of governmental entity or state agency that is a party to the contract for which the form is being filed.   |  |   |              |
| <b>3</b> Provide the identification number used by the governmental entity or state agency to identify the contract, and provide a description of the services, goods, or other property to be provided under the contract. |  |   |              |
| <b>HCDE RFP # &lt; Insert # here &gt;</b>   |  |   |              |
| <b>4</b> Name of interested Party   |  | City, State, Country<br>(place of business)   |              |
|   |  | Nature of interest (check applicable)   |              |
|   |  | Controlling   | Intermediary |
|   |  |   |              |
|   |  |   |              |
|   |  |   |              |
|   |  |   |              |
|   |  |   |              |
|   |  |   |              |
|   |  |   |              |
| <b>5</b> Click only if there is no interested Party.  |  | <input type="checkbox"/>  |              |
| <b>6. UNSWORN DECLARATION</b>   |  |   |              |
| My name is _____ and my date of birth is _____.   |  |   |              |
| My address _____ (street) _____ (city) _____ (state) _____ (zip code) _____ (country)   |  |   |              |
| I am _____ under penalty of perjury that the foregoing is true and correct.   |  |   |              |
| Executed in _____ County, State of _____, on the _____ day of _____, 20____. <div style="text-align: right;">             (month) (year)           </div>   |  |   |              |
| <div style="text-align: right;">             _____<br/>             Signature of authorized agent of contracting business entity<br/>             (Declarant)           </div>  |  |   |              |
| <b>ADD ADDITIONAL PAGES AS NECESSARY</b>  |  |   |              |

Form provided by Texas Ethics Commission
[www.ethics.state.tx.us](http://www.ethics.state.tx.us)
Revised 5/14/2023

Form provided by Texas Ethics Commission      www.ethics.state.tx.us      Revised 5/14/2025

**W-9**

- Latest W-9: March 2024

|   |  |   |  |  |  |  |  |  |  |  |  |  |
|---|--|---|--|--|--|--|--|--|--|--|--|--|
| <b>W-9</b><br>Form<br>(Rev. March 2004)<br>Department of the Treasury<br>Internal Revenue Service   | <h2 style="margin: 0;">Request for Taxpayer Identification Number and Certification</h2> <p style="font-size: small; margin: 0;">Go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> for instructions and the latest information.</p> | <b>Give form to the recipient. Do not send to the IRS.</b>  |  |  |  |  |  |  |  |  |  |  |
| <p><b>Before you begin.</b> For guidance related to the purpose of Form W-9, see Purpose of Form, below.</p>  |  |   |  |  |  |  |  |  |  |  |  |  |
| <p><b>1 Name of entity/individual.</b> An entry is required. If for a sole proprietor, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)</p> <hr/> <p><b>2 Exemptions/disregarded entity names,</b> if different from above.</p> <hr/> <p><b>3 Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes.</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Individual sole proprietor    <input type="checkbox"/> Corporation    <input type="checkbox"/> S corporation    <input type="checkbox"/> Partnership    <input type="checkbox"/> Trust/estate         </div> <div style="width: 30%;"> <input type="checkbox"/> LLC. Enter the tax classification (C = corporation, S = S corporation, P = partnership) _____<br/> <small>If "LLC" was checked above and in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should indicate check the appropriate box for the tax classification of its owner.</small> </div> <div style="width: 30%;"> <input type="checkbox"/> Other (see instructions) _____         </div> </div>   |  |   |  |  |  |  |  |  |  |  |  |  |
| <p><b>4 Exempt organizations (codes apply only to certain entities, not individuals; see instructions on page 3).</b></p> <p>Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____</p> <p>(Applies to accounts maintained outside the United States)</p>  |  |   |  |  |  |  |  |  |  |  |  |  |
| <p><b>5 If on line 3a you checked "Partnership," or "Trust/estate," or checked "LLC" and entered "P" as the tax classification, and you are providing them to a partnership, trust, or estate in which you have an ownership interest, check the box if you have foreign partners, owners, or beneficiaries. See instructions.</b> _____</p> <p><b>6 Address (number, street, and apt., or suite no.).</b> See instructions. _____</p> <p style="text-align: right;"><b>Partner(s)' name and address (page(s))</b> _____</p>  |  |   |  |  |  |  |  |  |  |  |  |  |
| <p><b>7 City, state, and ZIP code</b> _____</p>   |  |   |  |  |  |  |  |  |  |  |  |  |
| <p><b>8 List account number(s) here (optional)</b> _____</p>  |  |   |  |  |  |  |  |  |  |  |  |  |
| <p><b>Part I Taxpayer Identification Number (TIN)</b></p> <p>Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, this is your employer identification number (EIN). If you do not have a number, see How to get a TIN, later.</p> <p><b>Note:</b> If the account is more than one name, see the instructions for line 1. See also What Name and Number To Give the Requester for guidelines on whose number to enter.</p>   |  |   |  |  |  |  |  |  |  |  |  |  |
|   |  | <b>Social security number</b><br><br><table border="1" style="width: 100%; height: 30px;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>                          |  |  |  |  |  |  |  |  |  |  |
|   |  |   |  |  |  |  |  |  |  |  |  |  |
|   |  | <b>OR</b><br><br><b>Employer identification number</b><br><br><table border="1" style="width: 100%; height: 30px;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |  |  |
|   |  |   |  |  |  |  |  |  |  |  |  |  |
| <p><b>Part II Certification</b></p> <p>Under penalties of perjury, I certify that:</p> <ul style="list-style-type: none"> <li>1. the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and</li> <li>2. I am not subject to backup withholding because (a) I am exempt from backup withholding, (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and</li> <li>3. I am a U.S. citizen or other U.S. person (defined below); and</li> <li>4. The FATCA Code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.</li> </ul> <p><b>Certification instructions.</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, Item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign this certification, but you must provide your correct TIN. See the instructions for Part II, later.</p> |  |   |  |  |  |  |  |  |  |  |  |  |
| <b>Sign Here</b>  | Signature of U.S. person _____<br><br>Date _____   |   |  |  |  |  |  |  |  |  |  |  |
| <p><b>General Instructions</b></p> <p>Section references are to the Internal Revenue Code unless otherwise indicated.</p> <p><b>Related developments.</b> For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a>.</p> <p><b>What's New</b></p> <p>Line 2a has been modified to clarify how a disregarded entity completes this line. Now, if a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.</p>   |  |   |  |  |  |  |  |  |  |  |  |  |

## State Certifications

Terrorist Organizations (TGC 2252.152)

Boycotting of Israel (TGC 2271)

Contracting Information (TGC 552.372(b))

Boycotting Certain Energy Companies (TGC 2274, SB 13)

Discrimination Against Firearm and Ammunition Industries (TGC 2274, SB 19)

Certain Foreign-Owned Companies in Connection with Critical Infrastructure (TGC 2274, SB 2116)



## Federal Certifications: 2 CFR Part 200

Ks > SAT address administrative, Ktual, legal remedies where Ktors violate/breach K terms

Termination for cause & convenience

Equal Employment Oppt. \*\*\* Revise due to EO 14173: no promotion DEI activities!

Davis-Bacon Act

Contract Work Hours

Rights to Inventions Made Under a K



## Federal Certifications: 2 CFR Part 200

Clean Act Air

Debarment & Suspension

Byrd Anti-Lobbying Amendment

Procurement of Recovered Materials

Consideration of Small, Minority, WBE, Veteran-Owned, Labor Surplus Firms

Never Contract with the Enemy

## Federal Certifications: 2 CFR Part 200

Prohibition on Certain TeleComms, Video Surveillance Equipmt., Services

Compliance with Whistleblower Protections

Record Retention Requirements

EPA Regs

Energy Policy & Conservation Act

Equal Employment Statement

## Federal Certifications: 2 CFR Part 200

Compliance as a Responsible Contractor

Domestic Preferences for Procurements, Compliance w/ Buy America 200.322(a) & (b)

Domestic Preferences for Procurements, Compliance w/ Buy America 200.322(c)

Access to Records

Applicability to Subcontractors

Non-Collusion Statement

## Felony Conviction Notice

- Tex. Educ. Code 44.034
- Notice if owner/operator of business entity has been convicted of a felony
- Doesn't apply to a publicly held corporation



## Anti-Trust Certification

- Tex. Gov't Code 2155.005
- Not violated any state or federal antitrust law
- Have not directly or indirectly communicated any of the contents of this bid to a competitor



## Service Provider Forms: TEC Ch. 22 Fingerprinting

- Certification regarding criminal history records of contractor and subcontractor employees
- Covered employees with disqualifying criminal history prohibited from serving at school district





## SB 12: – Prohibitions on DEI

### A school district:

- (1) “may **not assign diversity, equity, and inclusion duties to any person;** and”
  - (2) “**shall prohibit a district employee, contractor, or volunteer from engaging in diversity, equity, and inclusion duties** at, for, or on behalf of the district,” except as required by state or federal law.
- District shall adopt a policy and procedure for the **appropriate discipline**, including termination, of a district employee or contractor who intentionally or knowingly engages in or assigns to another person DEI duties.
  - A **physical** and **electronic** copy of policy and procedure must be provided to each district employee and contractor.



## SB 12: – “DEI Duties”

### DEFINITION

- **influencing hiring or employment practices** with respect to race, sex, color, or ethnicity except as necessary to comply with state or federal antidiscrimination laws;
- **promoting differential treatment of or providing special benefits** to individuals on the basis of race, color, or ethnicity;
- **developing or implementing policies, procedures, trainings, activities, or programs** that reference race, color, ethnicity, gender identity, or sexual orientation (exceptions for college and university recruitment efforts & state/federal law compliance); and
- **compelling, requiring, inducing, or soliciting any person to provide a diversity, equity, and inclusion statement** or giving preferential consideration to any person based on the provision of a diversity, equity, and inclusion statement.





## SB 12: – Add DEI Certification to Vendor Packet

Certification not required  
under statute, but how else  
will you satisfy requirements?



## SB 571: New Definition of “Service Provider”

- **"Service provider"** means a person who provides services to an educational entity, including:
  - a **contractor or subcontractor for an educational entity**;
  - a provider of tutoring services for an educational entity;
  - an entity that has entered into a contract to operate a school district campus under Section 11.174;
  - a staffing provider for an educational entity; and
  - **a person employed by or under the control** of a person described by any of the above.



# SB 571: New requirement to report misconduct of noncertified employees and service providers to TEA

- If Superintendent becomes aware that a **service provider who has or will have direct contact with students engaged in any of following misconduct with a student or minor**, must report to Commissioner:
  - Abuse
  - Commission of an unlawful act
  - Involvement or solicitation of a romantic relationship
  - Solicitation or engaging in sexual contact with a student or minor
  - Inappropriate communications
  - Failure to maintain appropriate boundaries
- **Principal** required to report to Superintendent within **48 hours** after becoming aware of evidence of service provider's misconduct; Superintendent must then file report via portal within **48 hours**
- Must complete **investigation**, even if services stopped
- Must **notify parent** of student(s) with whom service provider is alleged to have engaged in misconduct



## SB 571: Service providers included on Do-Not-Hire Registry

A screenshot of the TEA Public Registry Search page. The page has a light blue header with the TEA logo on the left and the title "Public Registry Search" on the right. Below the header, there is a paragraph explaining the registry's purpose. Underneath, there are instructions for searching by first and last name. Two input fields are provided for the first and last names, each with an asterisk indicating they are required. At the bottom of the form, there are two buttons: "Search" and "Clear".

← → ↻ 🔍 tealprod.tea.state.tx.us/DNH/Public/SearchPerson

**TEA**  
Texas Education Agency

### Public Registry Search

This registry contains a list of individuals who are not eligible for employment in Texas by a school district, district of innovation, op service center, or shared services arrangement.

**Instructions:** Enter a First Name (minimum 2 characters) and Last Name (minimum 3 characters) of the person to search. Click 'Sea name fields for a new search.

First Name \*

Last Name \*

**Search** **Clear**

- Registry of persons who are not eligible to be employed by or act as a service provider for an educational entity
- **May not allow a person on the registry to provide services**
- Required to be included on the registry: Person who engaged in misconduct listed in previous slide, person w/ criminal conduct that would preclude employment at a district, person whose permit, certification, or application for a permit or certification was suspended for a reason other than abandonment of contract, denied, or revoked



# SB 571 New Pre-Service Affidavits

- Prior to working for district, **service providers** must file an **affidavit** and consent to the release of employment records on a form to be provided by TEA
- Affidavit must disclose whether individual has ever been (and disclose all relevant facts, including whether allegation was determined to be true or false):
  - Investigated by law enforcement or CPS, charged with, adjudicated for, or convicted of an offense for which reporting would be required
  - Investigated by a licensing authority or had their license, certificate, or permit denied suspended, revoked or subject to another sanction in this state or another state
  - Included in the do-not-hire registry
  - Employed or currently employed by or acting or has acted as a service provider for a public or private school
  - Terminated, discharged or resigned in lieu of being terminated or discharged from a public or private school

➤ If person fails to disclose required info = Class B misdemeanor & district must discharge/ refuse to hire

! Definition of "service provider" for affidavit requirement does NOT include caveat that must have or will have direct contact with students! (Cross your fingers TEA regs will add that caveat!)



## PRE-EMPLOYMENT OR PRE-SERVICE AFFIDAVIT FOR EDUCATIONAL ENTITIES

Pursuant to Texas Education Code (TEC) §22A.055, a person applying for employment with or who will act as a service provider for an educational entity (school district, district of innovation, open-enrollment charter school, other charter entity, regional education service center, or shared services arrangement) **must** submit, using a form adopted by the agency, a pre-employment or pre-service affidavit.

### Section 1 - Penalties for Failure to Disclose Required Information

A person commits an offense, a Class B misdemeanor, if the person fails to disclose information required to be disclosed under TEC §22A.055. Additionally, a determination that an employee or person providing services failed to disclose information required to be disclosed by a person under TEC §22A.055 is grounds for termination of employment or service.

### Section 2 - Disclosure of Work History and Consent for Release of Records

|   |   |
|---|---|
| Have you previously been employed by or acted as a service provider, or are you currently employed by or currently acting as a service provider for a public or private school? | Yes No<br><input type="checkbox"/> <input type="checkbox"/> |
| Do you consent for release of your prior employment records?  | Yes No<br><input type="checkbox"/> <input type="checkbox"/> |

Pursuant to TEC §22A.055, a person applying for employment with or who will act as a service provider for an educational entity **must** consent for release of the person's employment records.

### Section 3 - Disclosure of Investigation or Placement on the Do Not Hire Registry

|   |   |
|---|---|
| Have you ever been terminated, non-renewed, or discharged from a public or private school?          | Yes No<br><input type="checkbox"/> <input type="checkbox"/> |
| Have you ever resigned, in lieu of being terminated or discharged, from a public or private school? | Yes No<br><input type="checkbox"/> <input type="checkbox"/> |

|  |   |
|--|---|
| Have you ever been investigated by a law enforcement or child protective services agency for, or charged with, adjudicated for, or convicted of, an offense involving the following conduct described by TEC §22A.051(a)(2)(A), (B), (C), or (D) ?: <ul style="list-style-type: none"><li>• abused or otherwise committed an unlawful act with a student or minor, including by engaging in conduct that involves physical mistreatment or constitutes a threat of violence to a student or minor and that is not justified under Chapter 9, Penal Code, regardless of whether the conduct resulted in bodily injury;</li><li>• was involved in or solicited a romantic relationship with or solicited or engaged in sexual contact with a student or minor;</li><li>• engaged in inappropriate communications with a student or minor, as defined by board rule;</li><li>• failed to maintain appropriate boundaries with a student or minor, as defined by board rule;</li></ul> | Yes No<br><input type="checkbox"/> <input type="checkbox"/> |
| Adjudication and conviction refer to a conviction, plea of guilty or no contest (nolo contendere), probation, suspension, or deferred adjudication.<br>Charge refers to a formal criminal charge as documented by a primary charging instrument (a complaint, information, or indictment) under the Texas Code of Criminal Procedure.  |   |
| Have you ever been investigated by a licensing authority or had a license, certificate, or permit denied, suspended, revoked, or subject to another sanction in this state or another state for conduct described by TEC §22A.051(a)(2)(A), (B), (C), or (D), which is described above?  | Yes No<br><input type="checkbox"/> <input type="checkbox"/> |
| Are you now the subject of an inquiry, disciplinary action, review, or investigation, by any public or private school, by a teacher-licensing agency, by any law enforcement agency, or in the court of Texas or any other state in connection with any alleged misconduct?  | Yes No<br><input type="checkbox"/> <input type="checkbox"/> |
| Have you ever been listed on the Do Not Hire Registry under TEC §22A.151 by the Texas Education Agency.  | Yes No<br><input type="checkbox"/> <input type="checkbox"/> |
| If you answered YES to any question in this section, disclose all relevant facts known to you pertaining to the matter, including, if applicable to the action, whether the allegation was determined to be true or false.   |   |
| <b>Section 4 - Declaration of Applicant</b>  |   |
| Name (First, Middle, Last)   | Date of Birth   |
| Address (House/Unit # and Street Name)   |   |
| Address (City, State, Zip Code)  | County  |
| Signature  | Date Signed   |





## **SB 571: New requirement to report misconduct of service providers to TEA, No-Inclusion on Do-Not-Hire Registry & New Pre-Service Affidavits**

Certifications not required under statute, but how else will you satisfy requirements?



## **Confidentiality Declaration Form**

- For TPIA purposes
- Either:
  - Declaring confidentiality (and marking specific sections of proposal “confidential” or
  - Waiving confidentiality



# Questions?



**Sarah W. Langlois**

PARTNER

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Houston, Texas 77098

713.993.7065

[slanglois@snll-law.com](mailto:slanglois@snll-law.com)

[www.snll-law.com](http://www.snll-law.com)



@SNLL-LAW

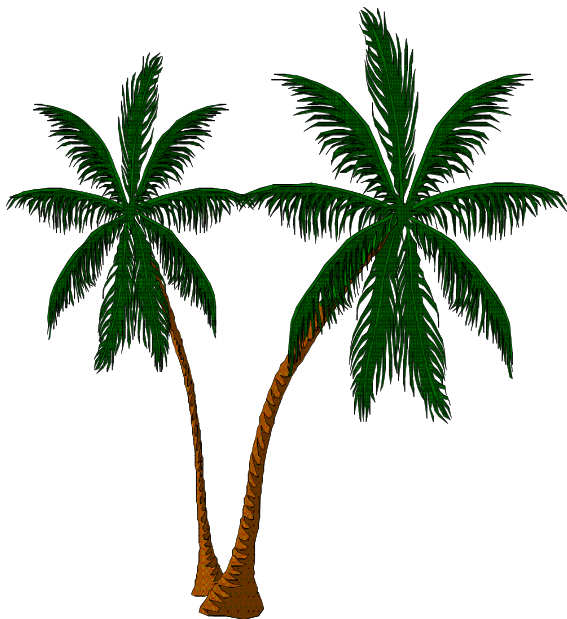


@SNLL-LSW

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

# ***TIMELINE 2025***

## **REVIEW OF TDA RESTRICTIONS**



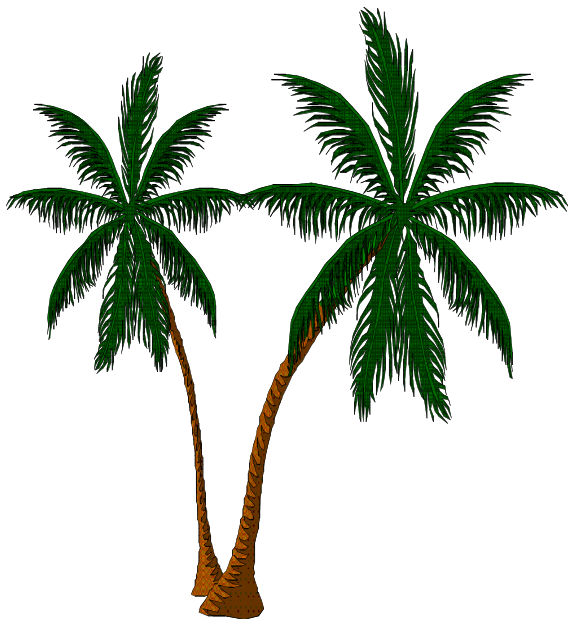
**SPEAKER:**

**Kristina Escobar**



# **TIMELINE 2025**

## **HOW TO USE AI IN ELECTRONIC PURCHASING**

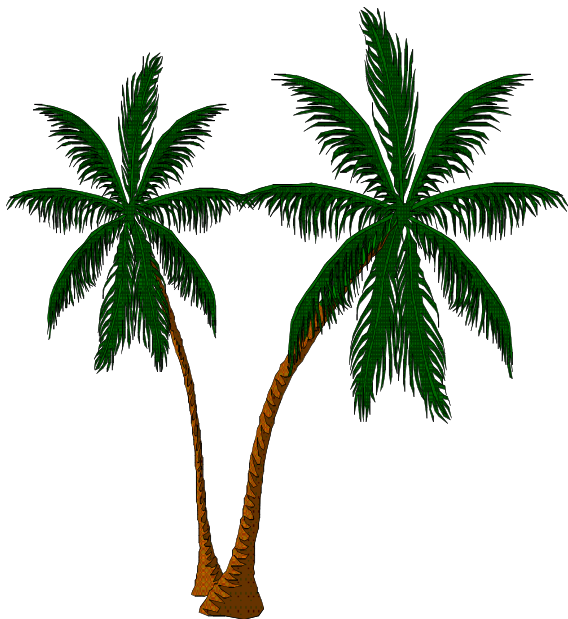


**SPEAKER:**

**Alex Capps  
Bill Culhane**

# ***TIMELINE 2025***

## **THE NEW CHANGES IN 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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3

## 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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4

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.**



5

## 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

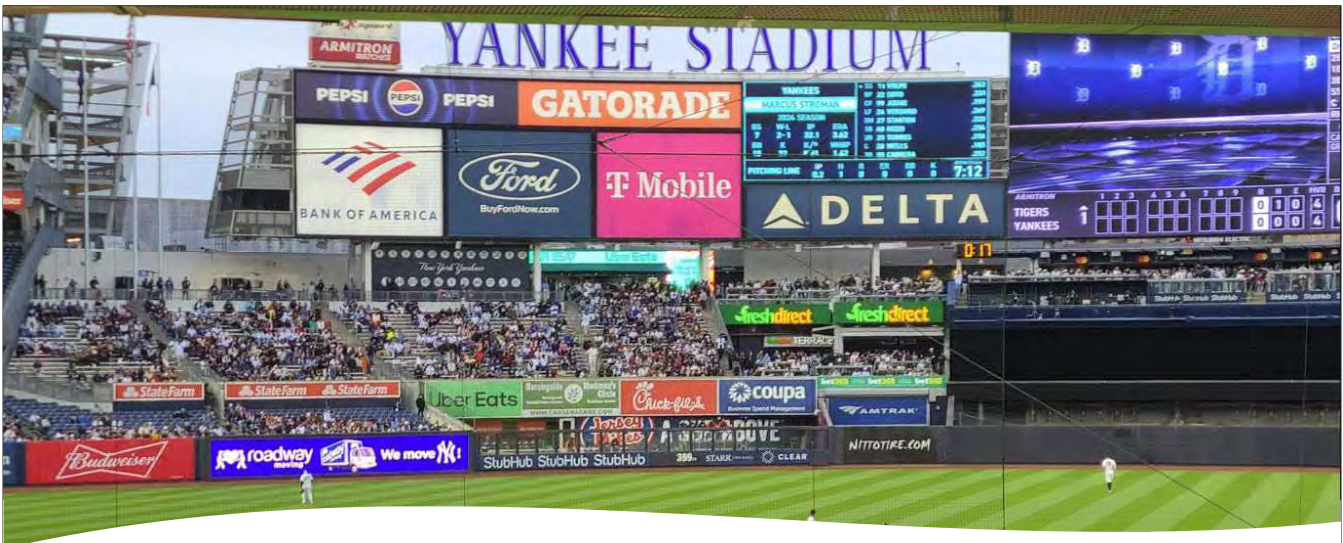
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- Dr. Jesus Amezcua has 31 years of experience working with governmental entities with a concentration in education and local governments. He is the Assistant Superintendent for Business Services at Harris County Department of Education in Houston, 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.

7



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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9

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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10





# 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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11

## Sample TEA NOGA

|   |                       |  |                    |   |                          |   |            |                          |                        |              |
|---|-----------------------|--|--------------------|---|--------------------------|---|------------|--------------------------|------------------------|--------------|
|    |                       | <b>Texas Education Agency</b><br>Organization: TEJANO CENTER FOR COMMUNITY CONCERNS INC<br>Campus/site: N/A<br>Vendor ID: 1760377101 |                    | Application ID: 003257034753<br>County District: 101806<br>ESC Region: 04<br>School Year: 2023-2024 |                          |   |            |                          |                        |              |
| <b>Notice of Grant Award</b>  |                       |  |                    |   |                          |   |            |                          |                        |              |
| Application Submit Date: 4/29/2024  |                       |  |                    |   |                          |   |            |                          |                        |              |
| NOGA ID/<br>Reimbursement ID  | Name of Grant Program | FAR<br>Fund<br>Code  | FAR<br>Rev<br>Code | Fed Awd #<br>CFDA #   | Federal<br>Aid<br>Agency | TEA USE<br>Only   | Begin Date | End Date                 | Increase<br>(Decrease) | Amount       |
| 246600011018066600  | IDEA-B Formula        | 224  | 5929               | H027A230008<br>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<br>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><br><br>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><br>Texas Education Agency<br> |            | <b>Date</b><br>5/23/2024 |                        |              |

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12

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

|   |   |                                    |  |
|---|---|------------------------------------|--|
| 1 | <b>Subrecipient Name</b><br>RAUL YZAGUIRRE SCHOOLS FOR SUCCESS<br>2950 BROADWAY<br>HOUSTON, TX 77017  | 2                                  | <b>Subrecipient Unique Entity Identifier</b><br>UEI (SAM): FD8AL3NGD3H9<br>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<br>(2) Grant program requirements<br>(a) Incorporated by reference in General and Fiscal Guidelines<br>(b) Incorporated by reference in Program Guidelines<br>(c) Incorporated by reference in General Provisions and Assurances<br>(d) Incorporated by reference in Program-Specific Provisions and Assurances (if applicable)<br>(3) Additional requirements<br>Incorporated by reference in the To The Administrator Addressed correspondence sent to grantee as applicable<br>(4) Access to subrecipient records<br>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.<br>(5) Closeout of subaward<br>(a) Incorporated by reference in General and Fiscal Guidelines<br>(b) Incorporated by reference in NOGA transmittal letter |                                    |  |
| 5 | <b>Name of Pass-Through Entity</b><br>Texas Education Agency  | 6                                  | <b>Contact Information for TEA Awarding Official</b><br>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><br>Incorporated by reference in program guidelines   |                                    |  |

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13

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.

|                                     |  |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <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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14

# 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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15

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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16



# 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

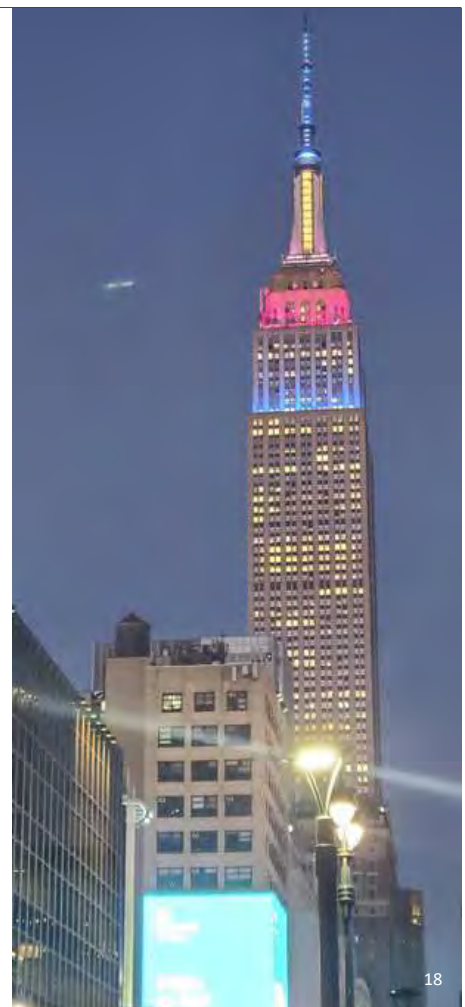
## Appendix XII to Part 200

Award Term and Condition for Recipient Integrity and Performance Matters

17

# 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.

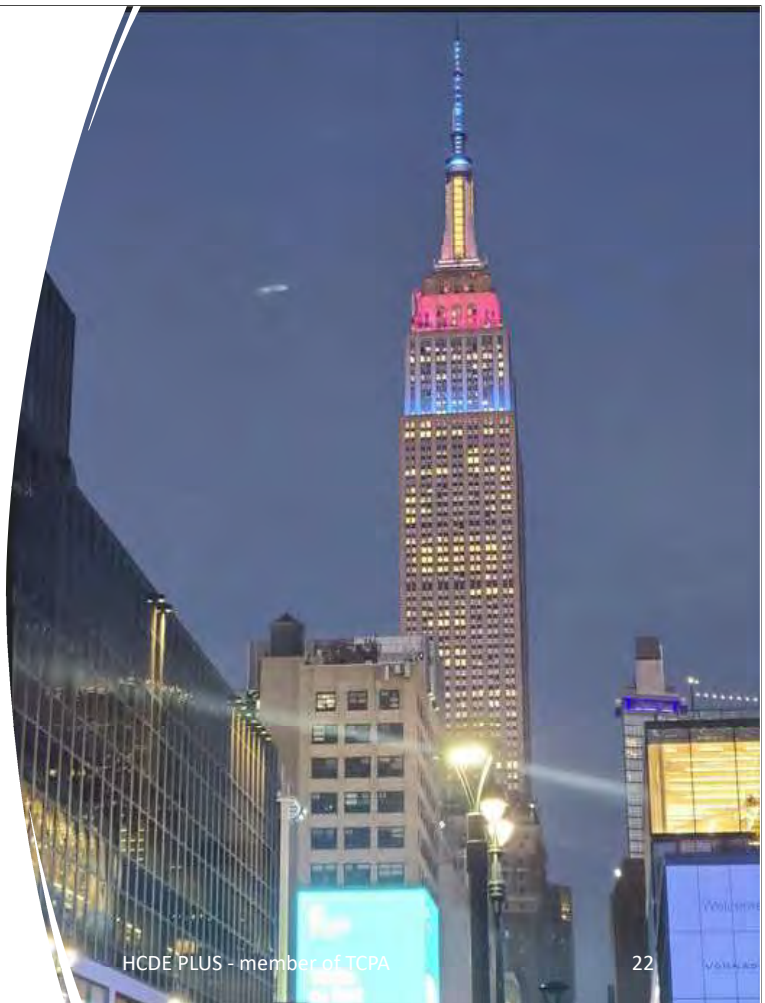
In 2024, OMB [released](#) an updated version of the [Uniform Guidance](#), [a redline document showing the 2024 revisions](#), and issued an accompanying [implementation memorandum](#) as well as [reference guides](#).

### 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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23

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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.



25

## 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.



26



# 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

27

# MUST Versus Should



- 200.101

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

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

28



# 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 ~~procurement~~ ~~nonprocurement~~ 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 participation~~ ~~eral assistance programs or activities~~ awards.



31

## § 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.

32



- 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.

33

## 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.

34

# 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

37

# Avoidance of duplicative items

## 2 CFR Revisions 2024: Unofficial Comparison Version

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.



38



# 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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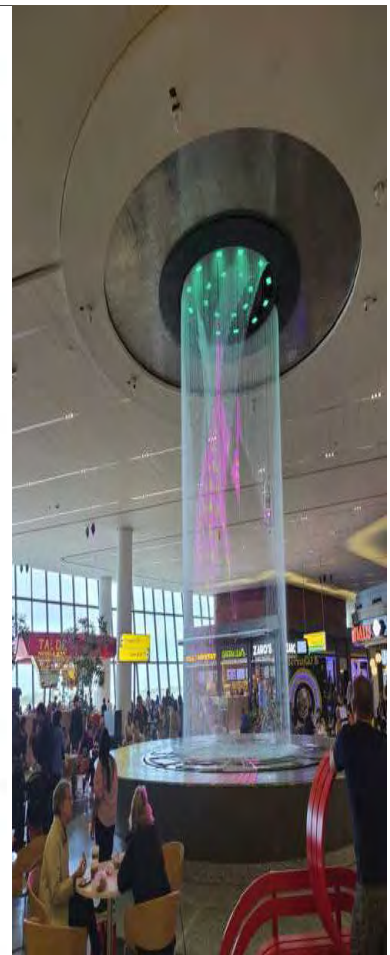
• 200.318

## 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.



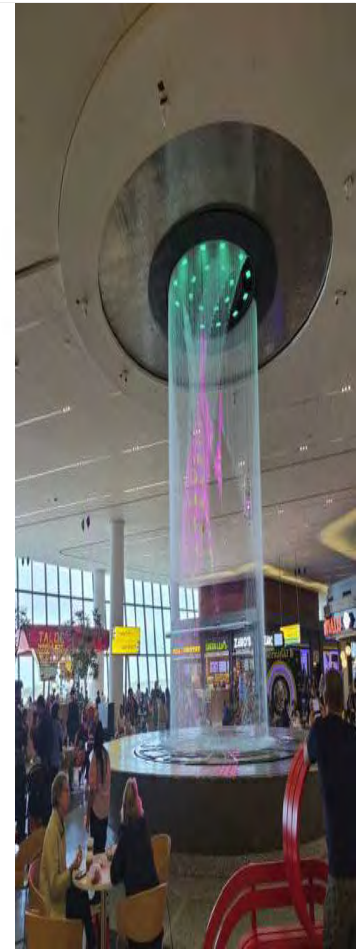
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## Docs – rationale, method and selection

(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.



41

## 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;

42





# Hiring practices and preferences



(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:

# 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.~~



45

## 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

### 2 CFR Revisions 2024: Unofficial Comparison Version

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

46



# Scoring mechanisms

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

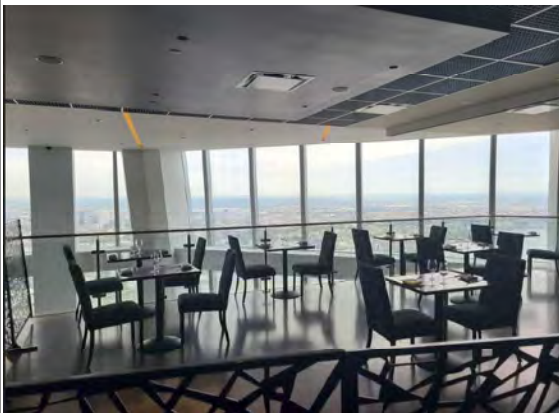
(e) The ~~non-Federal entity~~ recipient or subrecipient must ensure that all prequalified lists of persons, firms, or products ~~which are used in acquiring goods and services~~ procurement transactions are current and include enough qualified sources to ensure maximum open ~~and free competition~~. 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

47

## 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:

48



# 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

## 2 CFR Revisions 2024: Unofficial Comparison Version

~~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.~~

49

# 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:



50



# 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.

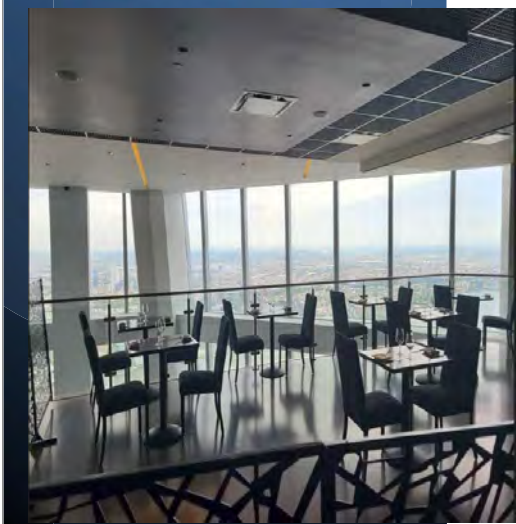
(v) ~~Non-Federal entity~~ Recipient or subrecipient increase to the micro-purchase threshold over \$50,000. Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The ~~non-federal entity~~ recipient or subrecipient must submit a request ~~with that 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.

51

# 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:

52



# 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:

53

# 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:

54

# 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);~~

55

# 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.

56



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.

57

## 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.~~

58



# 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.~~

59

# 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~~

### 2 CFR Revisions 2024: Unofficial Comparison Version

~~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~~ recipient or subrecipient must not use the "cost plus a percentage of cost" and "percentage of construction ~~costs~~ costs" methods of contracting ~~must not be used.~~

60



## 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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61

## 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

## 2 CFR Revisions 2024: Unofficial Comparison Version

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,~~

63

# 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 ~~part.~~

(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~~

## 2 CFR Revisions 2024: Unofficial Comparison Version

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.



64



# 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

## 2 CFR Revisions 2024: Unofficial Comparison Version

~~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~~).

65

# 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) ~~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.~~

66



## 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,~~

67

## 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~~

2 CFR Revisions 2024: Unofficial Comparison Version

~~taxable income to the employees. In addition, to be allowable direct costs and~~ must be approved in advance by the Federal ~~awarding~~ agency.

68



# 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.

69



\$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 entityfunds 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 remittedreturned 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);

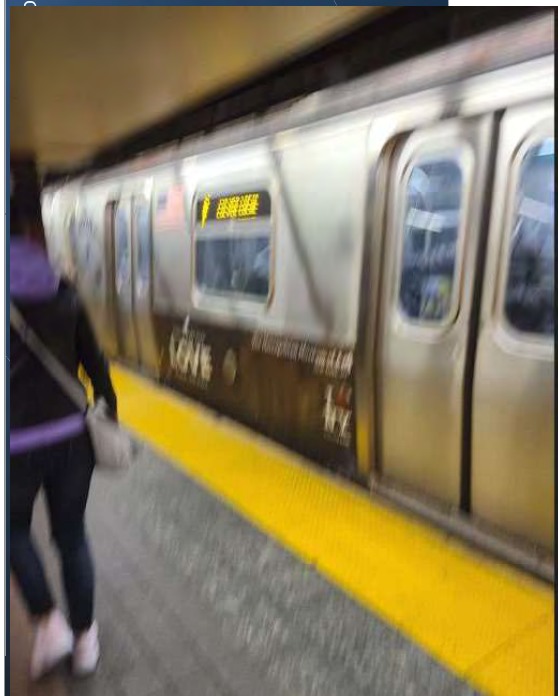
(C) List payment system of the Federal award-number(s) for which the interest was earned; and

(D) Makeagency. 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.~~

71

## 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<br>(added provisions at §200.202, 200.215, and 200.216) |
| D - Post-Award Requirements | §200.300 - 200.345        | §200.300 - 200.346<br>(added provision at §200.322)                        |
| E - Cost Principles         | §200.400 - 200.475        | §200.400 - 200.476<br>(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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73



## Code of Federal Regulations

A point in time eCFR system



Title 2

Displaying title 2, up to date as of 5/22/2024. Title 2 was last amended 5/01/2024. [view historical versions](#)

Enter a search term or CFR reference (eg. fishing or 1 CFR 1.1)

### ECFR CONTENT

Details

Print

Search

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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

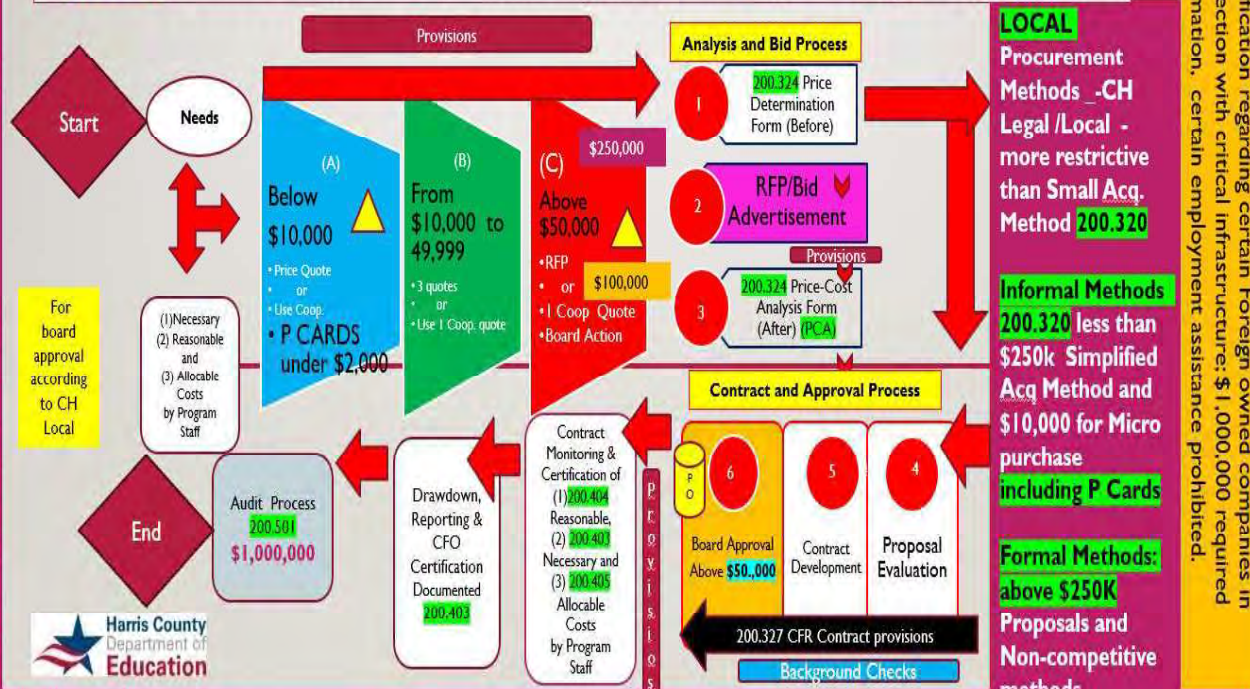
- Summarizes the procurement process
- Identifies regulations under 2 CFR part 200
- Links from beginning to end
- Identifies the forms to be used
- Available at the end of the session in power point for your use.  
(Slide # 70)

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74

## 200.318 EDGAR WORKFLOW ( Contracting , Analysis , Compliance, Reporting and Audit

Tele comm certain prohibitions ; Supplies, & Equip.



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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77

# 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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78

# 200.1 Definitions

## § 200.1 Definitions.

These are the definitions for terms used in this part. Different definitions may be found in Federal statutes or regulations that apply more specifically to particular programs or activities. These definitions could be supplemented by additional instructional information provided in governmentwide standard information collections. For purposes of this part, the following definitions apply:

**Internal controls** for non-Federal entities means:

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:
  - (i) Effectiveness and efficiency of operations;
  - (ii) Reliability of reporting for internal and external use; and
  - (iii) Compliance with applicable laws and regulations.
- (2) Federal awarding agencies are required to follow internal control compliance requirements in OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.

**COSO**

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79

# 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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80

# 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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83

# 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:

1

- (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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84

## 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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86

# 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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87

# Applicable Credits 200.406

## § 200.406 Applicable credits.

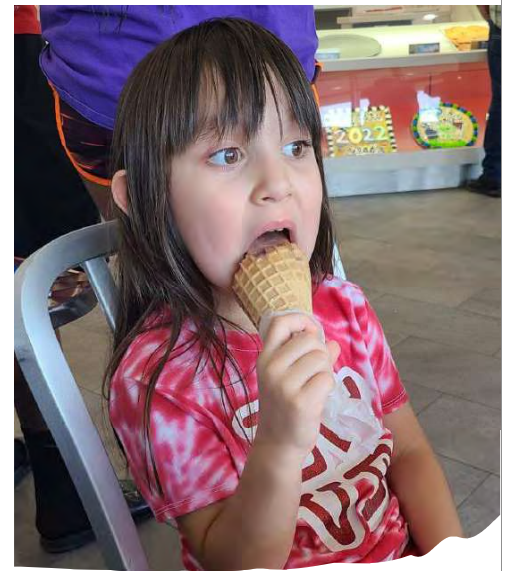
- (a) Applicable credits refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the Federal award as direct or indirect (F&A) costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities 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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88






6 yrs later- still sleeps  
when I talk about  
2 CFR 200 to her.

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89



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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90

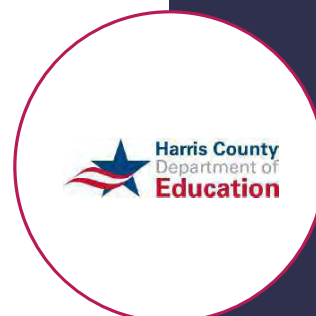


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91

## 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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92





**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)

93

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94

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Harris County Department of Education  
6300 Irvington Houston, Texas 77022-3618 – (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 |
|                                 |  |

95

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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. Amecua, 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)

96

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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.

97

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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

98

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|   |  |  |
|---|--|--|
|  | <b>PROCUREMENT PROCEDURES</b><br>HARRIS COUNTY DEPARTMENT OF EDUCATION | Reference:<br><a href="#">CH (LEGAL and</a><br><a href="#">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\(b\)\(12\)](#)

99

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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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100

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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101

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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102



| <b>LOCAL GOVERNMENT OFFICER<br/>CONFLICTS DISCLOSURE STATEMENT</b><br><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</b> Name of Local Government Officer _____  |  |                 |                 |                |
| <b>2</b> Office Held _____   |  |                 |                 |                |
| <b>3</b> Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code _____   |  |                 |                 |                |
| <b>4</b> Description of the nature and extent of employment or other business relationship with vendor named in item 3 _____   |  |                 |                 |                |
| <b>5</b> 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).   |  |                 |                 |                |
| <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> <div style="text-align: center; padding-top: 5px;">(attach additional forms as necessary)</div>   |  |                 |                 |                |
| <b>6 AFFIDAVIT</b> <div style="margin-top: 10px;"> <p style="font-size: 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; margin-right: 100px;">_____<br/>Signature of Local Government Officer</p> <p style="font-size: x-small; margin-top: 10px;">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; margin-top: 10px;"> <span>_____<br/>Signature of Officer Submitting Affidavit</span> <span>_____<br/>Printed Name of Officer Submitting Affidavit</span> <span>_____<br/>Title of Officer Submitting Affidavit</span> </div> </div> |  |                 |                 |                |
| <small>Adopted 8/7/2015</small>  |  |                 |                 |                |

103

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| <b>CONFLICT OF INTEREST QUESTIONNAIRE</b><br><small>For vendor doing business with local governmental entity</small>  |  | <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</b> Name of vendor who has a business relationship with local governmental entity. _____   |  |                 |                 |                |
| <b>2</b> <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire.<br><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</b> Name of local government officer about whom the information in this section is being disclosed. _____<br><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><b>A.</b> 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; margin-top: 5px;"> <input type="checkbox"/> Yes           <input type="checkbox"/> No         </div> <p><b>B.</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; margin-top: 5px;"> <input type="checkbox"/> Yes           <input type="checkbox"/> No         </div> <p><b>C.</b> 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; margin-top: 5px;"> <input type="checkbox"/> Yes           <input type="checkbox"/> No         </div> <p><b>D.</b> Describe each employment or business and family relationship with the local government officer named in this section.</p> <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div> |  |                 |                 |                |
| <b>4</b> _____<br><div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 5px;"> <span>_____<br/>Signature of vendor doing business with the governmental entity</span> <span>_____<br/>Date</span> </div>   |  |                 |                 |                |
| <small>Adopted 8/7/2015</small>   |  |                 |                 |                |

104

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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.

105

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| CERTIFICATE OF INTERESTED PARTIES  |   | FORM 1295                             |  |
|--|---|---------------------------------------|--|
| Complete Nos. 1 - 4 and 6 if there are interested parties.<br>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<br>(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...

106



HARRIS COUNTY DEPARTMENT OF EDUCATION  
PROPOSER/VENDOR CERTIFICATION FORMS

CERTIFICATION OF COMPLIANCE WITH TEXAS FAMILY CODE PROVISION

As per Section 14.52 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 \$10,000, 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 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 Programs, 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

107

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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 amount in excess of \$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 Orders 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

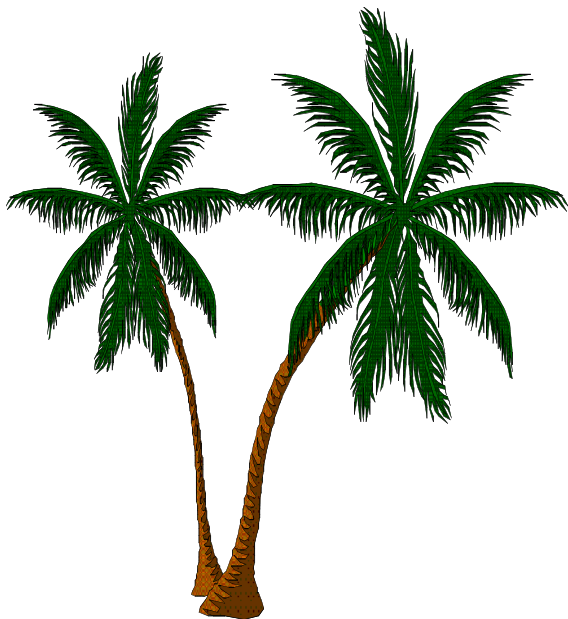
108

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|   |  |
|---|--|
| <p><b>RECORD RETENTION REQUIREMENTS FOR CONTRACTS PAID FOR WITH FEDERAL FUNDS – 2 CFR § 200.333</b></p> <p>When federal funds are expended by HCDE for any contract resulting from this procurement process, the vendor certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. The vendor further certifies that vendor will retain all records as required by 2 CFR § 200.333 for a period of three years after grantee or subgrantee submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>   | <p>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>Vendor's Name/Company Name: _____<br/>         Address, City, State, and Zip Code: _____<br/>         Phone Number: _____ Fax Number: _____<br/>         Printed Name and Title of Authorized Representative: _____<br/>         Email Address: _____<br/>         Signature of Authorized Representative: _____<br/>         Date: _____</p> |
| <p><b>CERTIFICATION OF COMPLIANCE WITH EPA REGULATIONS APPLICABLE TO GRANTS, SUBGRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS IN EXCESS OF \$100,000 OF FEDERAL FUNDS</b></p> <p>When federal funds are expended by HCDE for any contract resulting from this procurement process in excess of \$100,000, the vendor certifies that the vendor is in compliance with all applicable standards, orders, regulations, and/or requirements issued pursuant to the Clean Air Act of 1970, as amended (42 U.S.C. 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><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><b>CERTIFICATION OF COMPLIANCE WITH BUY AMERICA PROVISIONS</b></p> <p>Vendor certifies that vendor is in compliance with all applicable provisions of the Buy America Act. Purchases made in accordance with the Buy America Act must still follow the applicable procurement rules calling for free and open competition.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>   |  |
| <p><b>CERTIFICATION OF NON-COLLUSION STATEMENT</b></p> <p>Vendor certifies under penalty of perjury that its response to this procurement solicitation is in all respects bona fide, fair, and made without collusion or fraud with any person, joint venture, partnership, corporation or other business or legal entity.</p> <p>Does vendor agree? YES _____ Initials of Authorized Representative of vendor _____</p>  |  |

# ***TIMELINE 2025***

## **CONTRACT AND RFP EVALUATIONS**



**SPEAKER:**

**Jesus Amezcua**





# 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

1

## Outline for Today's Session

2

- A. Prerequisites for evaluating
- B. Evaluation Process
- C. Legal REGS:
- D. RFP requirements
- E. Contract Templates
- F. Vendor Forms
- G. Contract Provisions

[Ethics](#)  
[Due diligence](#)  
[Best practices](#)  
[Sample Clauses](#)  
[Sample Evaluation](#)  
[Key Case in Harris County](#)

## Who can evaluate an RFP?

3

- I am a Board Member or City Council Member
- I am a supervisor, and my boss is on the evaluation team
- I am a grant program director
- I am a vendor
- I am the broker on the account
- I am a consultant
- I have provided free tickets to the Mayor
- I have sponsored a luncheon for all evaluating committee members.
- I received a gift from a vendor and did not report it. It was for \$199
- I am the CFO
- I am the Purchasing Agent
- I am the Superintendent
- I am a vendor
- I am a parent
- I am a legislator

## Prerequisites for being an evaluator

4

- Free from conflict of interest
- Be aware of biases
- Maintain Confidentiality
- Disclosure and complete the CIS Form
- Read the instructions given by Purchasing
- Communicate, Document and be Fair
- Work with Purchasing and Collaborate
- Read the proposals
- Ask Questions
- Prepare recommendation Memo



## Evaluation Process

5

- Instructions to Evaluation Committee
- Sign CIS and Read instructions
- Evaluate proposals
- Sign Recommendation Memo

## Activity on Teamwork

6

- Guess the drawing behind the team and win a metal.
- Need 5 teams of 5



## Case in Harris County- let's discuss

7

- You are an evaluator, and you communicate with a proposer and answer questions.
  - You use an email and a text.
  - You want vendors to submit a proposal
  - Can you provide information?
  - They ask for additional information? Does everyone receive the same data?
  - FAIR COMPETITION. - What is our charge?
- 
- Best Value through a fair process that promotes healthy competition.

## Three of Lina Hidalgo's aides, including chief of staff, indicted in Harris County contract award scandal

8

The felony charges are misuse of official information and tampering with a government record. Hidalgo, who oversees Harris County, has the largest constituency of any elected Democratic executive in the state.

BY ZACH DESPART APRIL 11, 2022 UPDATED: APRIL 12, 2022

Three employees of Harris County Judge Lina Hidalgo have been indicted by a grand jury on charges related to how they helped award a contract for COVID-19 vaccine outreach last year.

The Harris County district clerk lists two felony counts each for chief of staff Alex Triantaphyllis, policy director Wallis Nader and former policy aide Aaron Dunn. The charges are misuse of official information and tampering with a government record.

The charges add weight to a scandal Hidalgo has attempted to dismiss as politically motivated, and they threaten to tarnish her carefully cultivated image as an ethically minded public servant as she seeks reelection this year. Hidalgo is widely seen as a rising star in the Texas Democratic Party and a future statewide candidate.

The three employees were part of a selection committee to choose a vendor for a COVID-19 vaccine outreach campaign Hidalgo wanted. The committee, which also included members of the county health department, unanimously awarded an \$11 million contract to Elevate Strategies, a small political consulting firm owned by Felicity Pereyra, who has previously worked on Democratic campaigns.

The committee had rated a cheaper bid from the University of Texas Health Science Center at Houston highest in a scoring competition. After interviewing the top applicants, the group decided to award the contract to Elevate. Hidalgo's office said the firm's background in political communications was exactly the skill set needed for the vaccine outreach campaign, which was to include digital ad buys and door-to-door canvassing.

Republicans have seized on this as evidence of corruption, alleging without evidence that Hidalgo was funneling money to help the Democratic Party build relationships with voters. Hidalgo accused Republican county commissioners of spreading conspiracy theories, though she agreed to cancel the contract in September because she said it had become too politicized.

Court records filed by the Texas Rangers, who are assisting prosecutors, suggest the inquiry focuses on whether Hidalgo's office inappropriately involved Pereyra in designing the bid proposal she would later win.

Harris County District Attorney Kim Ogg's office said it could only confirm charges after delivering arrest warrants to defendants.

Republican County Commissioner Jack Cagle, who began asking questions about the contract last summer, said in a statement he took no pride "in being right about this."



# Case Dismissed

11

**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

12

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

15

## 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;

16



## What is included in the contract?

17

- 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

18

- 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

19

- 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

20

- 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

21

- 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

22

- 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

23

### 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?

24

- Exercise - Activity



# What do you want for Program Directors to do?

25

• 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

26

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

27

## 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

28

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

29

- Evaluation sample.

## Clauses

30

| 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><b>(IMPORTANT: This section does not apply to a publicly held corporation.)</b></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><br><br><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><br><br><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

45

| 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<br/>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/<br>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<br><br>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><br/>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><br/>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><br/>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><br/>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><br/>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?



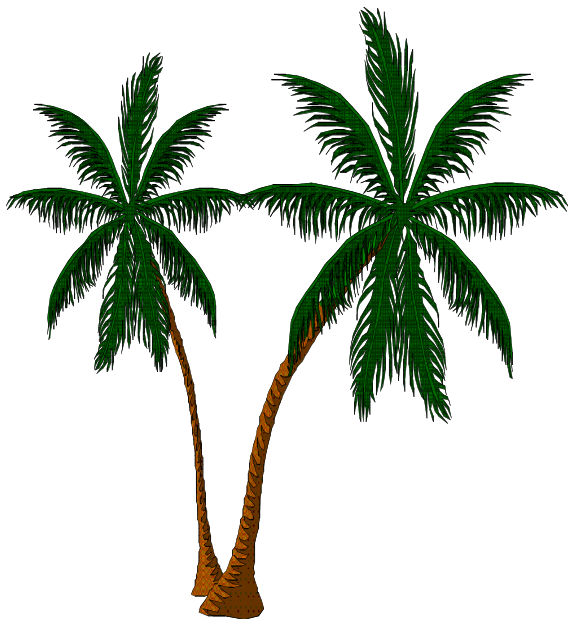
54

- 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)



# ***TIMELINE 2025***

## **UNDERSTANDING AND UTILIZATION OF ARTIVICIAL INTELLIGENCE (AI)**



**SPEAKER:**

**David Tucker**

# AI in the Texas Public Sector

**Dave Tucker**

Director of Strategic Digital Services  
Chief Technology Office



Transforming How  
Texas Government  
Serves Texans

dir.texas.gov | @TexasDIR | #DIRisIT

1

## Our Mission and Vision

### DIR Mission

To serve Texas government by:

- Leading the state's technology strategy,
- Protecting state technology infrastructure,\* and
- Offering innovative and cost-effective solutions for all levels of government.

### DIR Vision

Transforming How Texas  
Government Serves Texans



\*HB 150 creates the Texas Cyber Command and transfers to it DIR's cybersecurity duties.

2

# A Brief History of AI

3

## So, What Is AI Anyway?

There is no one definition of AI.

But the simplest way to think about it is that AI **mimics human thought and action**.

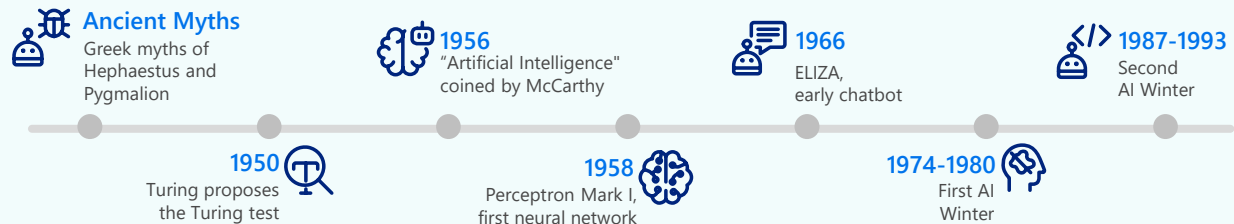
This mimicry includes learning, problem-solving, pattern recognition, and adapting to new situations without being explicitly programmed.



GenAI image created with Google Image FX

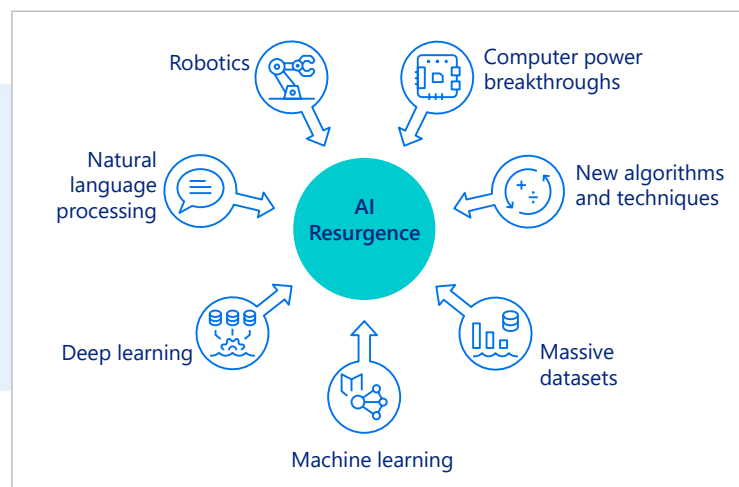
4

# The Evolution of Artificial Intelligence



5

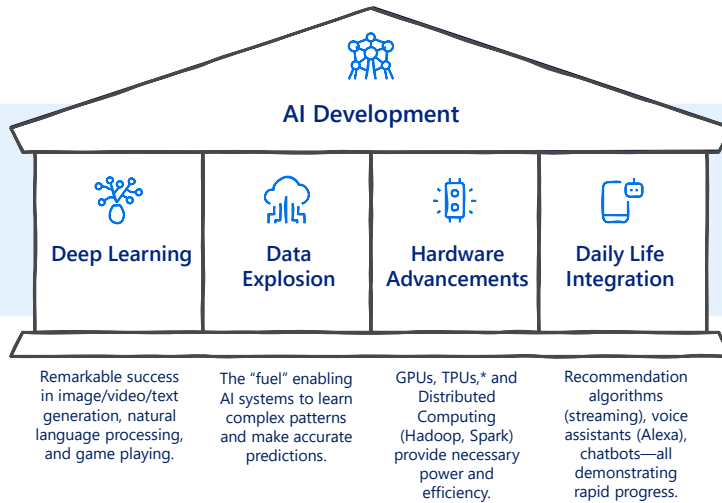
# Factors Contributing to AI Resurgence



6



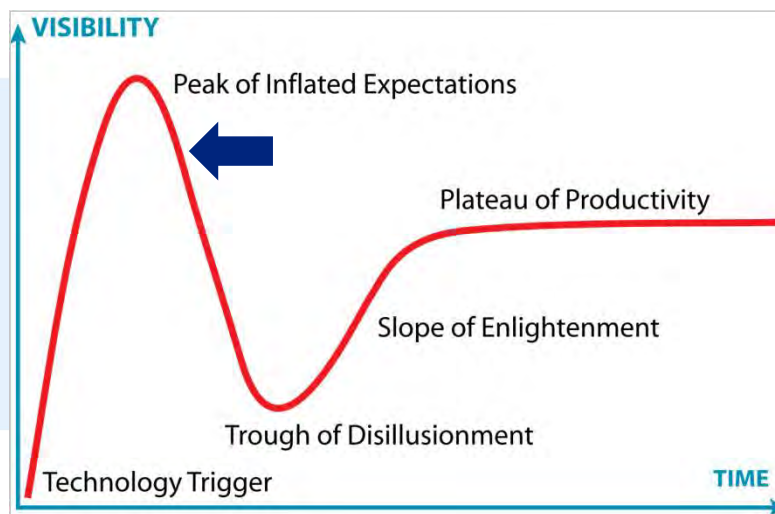
## Convergence of AI Advancement



\*GPU: graphics processing unit  
\*TPU: tensor processing unit

7

## The Gartner Hype Cycle



8

# AI for the Public Good

9

## The “Four Cs” for Generative AI in Government

### Concision

- Summarize and extract insights from unstructured data
- Interpret text

### Coding

- Interpret and generate code (migration from legacy systems)

### Customer Engagement

- Communicate with chatbots, targeted communications

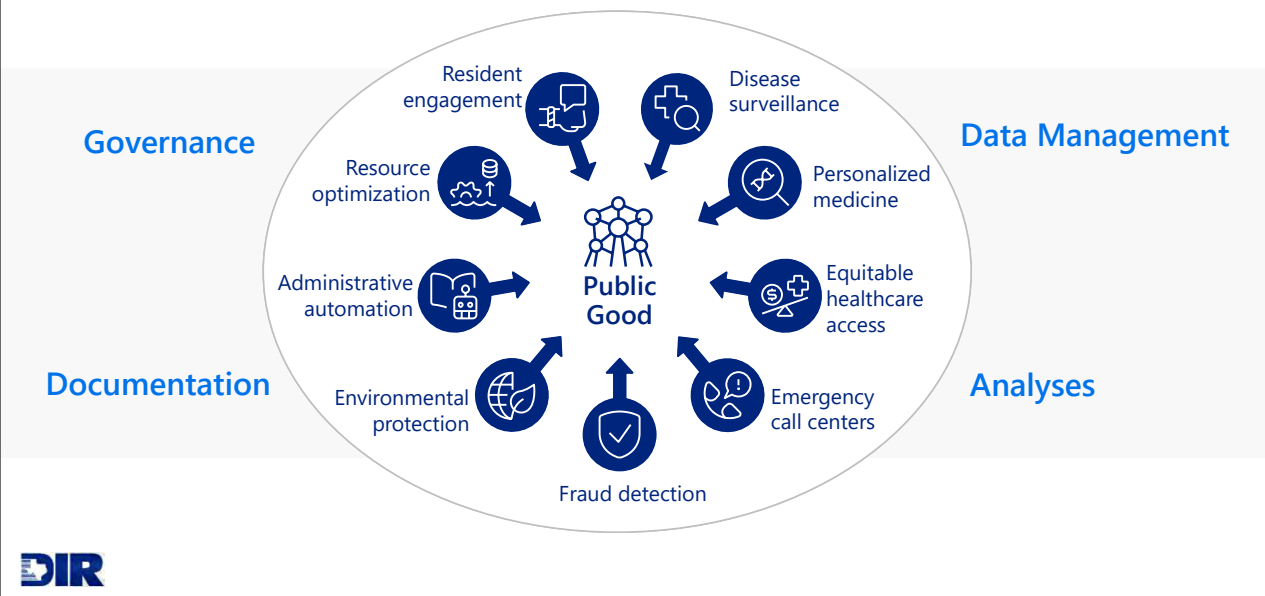
### Content Generation

- Provide first-level drafts



10

## Transforming Government Services



11

## Transforming Government Services



12

## Transforming Government Services

### Public Safety



AI can analyze data from various disparate sources.



Disease Surveillance



AI can develop personalized treatment plans.



Personalized Medicine



AI can help to identify and address disparities in healthcare access.



Equitable Healthcare Access



13

## Transforming Government Services

### Government Efficiency



AI can automate routine tasks.



Resident Engagement



AI can provide real-time monitoring, predictive modeling, and automation.



Resource Optimization



AI can facilitate access to government information and services, improving engagement and satisfaction.



Administrative Automation



14



## Agency AI Examples



- Using AI to manage traffic flow and predict accident patterns across Texas highways, and invoice processing.



- Developed ChatTWC for internal use and launched workforce AI pilot programs.



- Established AI User Group
- Hosts AI conferences
- Starting AI division, training, and sandboxes



- Using AI predictive analytics for fleet management

Presented at DIR's AI Day 4.



15

## Challenges and Ethical Considerations

16

## Balancing Data Governance and Stewardship



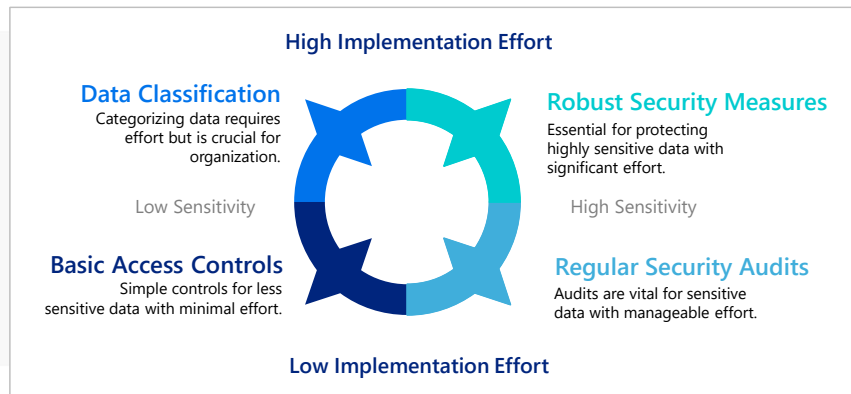
17

## AI Data Use



18

## Prioritizing Data Security Measures



19

## AI Risk Management and Governance

20

## Risks and Risk Tolerance Will Vary by Organization



How much **sensitive personal information** does your organization maintain? How is that personal information protected, and who has access to it?



What are the **core functions** of your organization (or teams within the organization), and will generative AI significantly improve productivity?



Are employees **well educated in privacy principles**? Do they have a strong understanding of the importance of keeping sensitive information confidential?



Are employees **informed of the risks of utilizing AI** and prepared to act to protect against those risks?



21

## Example: Unauthorized Sharing of PII

Users may input sensitive agency data into AI tools for review, editing, summarizing, or drafting.

Some of this information may include **confidential or personally identifiable information** that is then used to further train the model.

A physician inputs a patient's name and diagnosis into ChatGPT and asks the tool to draft a letter to the patient's insurance company requesting coverage for the procedure.

Later, a third party asks about medical conditions of the patient and receives output with personal information shared by the physician.



22



## Bring Risk Awareness to Your Organization

When using generative AI tools and services, only enter publicly available information into a prompt.

Never use any personal, sensitive, or confidential information in conjunction with a generative AI tool or service.

- Employees have a duty to protect the personal, sensitive, and confidential information that we have access to as part of our job responsibilities.
- Sharing this information with unauthorized users, including generative AI tools and applications, may violate state law as well as agency privacy and ethics policies.
- Employees must understand that inputting personal, sensitive, or confidential information into a generative AI tool is inconsistent with these laws and policies, and could result in disciplinary action.



23

## Example: Inaccuracy and Hallucinations

AI tools may sometimes provide factually incorrect or fabricated answers due to limitations in their training data or architecture.

Hallucinations can occur for a variety of reasons, including external manipulation, programming errors, or a lack of contextual understanding.

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

ROBERTO MATA, \_\_\_\_\_x  
Plaintiff, 22-cv-1461 (PKC)  
-against- ORDER TO SHOW CAUSE  
AVIANCA, INC.,  
Defendant. \_\_\_\_\_x  
CASTEL, U.S.D.J.

The Court is presented with an unprecedented circumstance. A submission filed by plaintiff's counsel in opposition to a motion to dismiss is replete with citations to non-existent cases. (ECF 21.) When the circumstance was called to the Court's attention by opposing counsel (ECF 24), the Court issued Orders requiring plaintiff's counsel to provide an affidavit annexing copies of certain judicial opinions of courts of record cited in his submission, and he has complied. (ECF 25, 27, 29.) Six of the submitted cases appear to be bogus judicial decisions with bogus quotes and bogus internal citations. Set forth below is an Order to show cause why plaintiff's counsel ought not be sanctioned.



24

## Example: Bias or Inaccuracies Due to Bad Data



25

## Harmful Advice from Digital Assistants and Chatbots

While AI assistants may greatly improve efficiencies and user experience, the **potential for hallucinations** in the responses is a risk that, depending on the context, could have severe, unintended consequences:

- Always disclose that the chatbot is an AI.
- Include a disclaimer.
- Include a link to the source material with the results.



26

## Private Large Language Models

- Most large language models (LLMs) are a SaaS (Software-as-a-Service) that you access on the internet, such as **ChatGPT**.
- On the other hand, private LLMs operate **within your organization's secure infrastructure** (like a private cloud or on-premises servers), ensuring that sensitive data used for training or inference never leaves your environment.
- By limiting access to the LLM to **authorized users within your organization**, you minimize the risk of the model being used to generate inappropriate content or leaking data through external interactions.
- Building and maintaining private LLMs can involve **substantial infrastructure and compute costs**, as well as the need for specialized expertise.



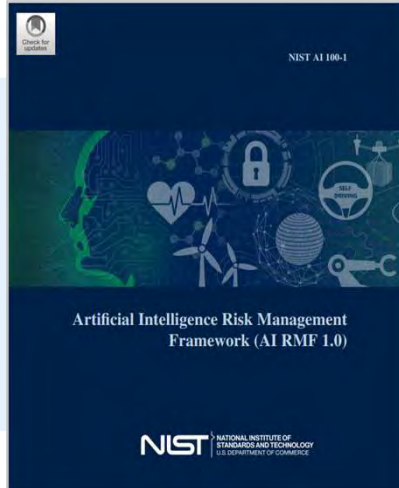
GenAI image created with Google Image FX

27

## Guidelines, Training, and Policies

28

# NIST AI Risk Management Framework



"The Framework is designed to equip organizations and individuals . . . with approaches that increase the trustworthiness of AI systems, and to help foster the responsible design, development, deployment, and use of AI systems over time."



Read more at <https://nvlpubs.nist.gov/nistpubs/ai/NIST.AI.100-1.pdf>.

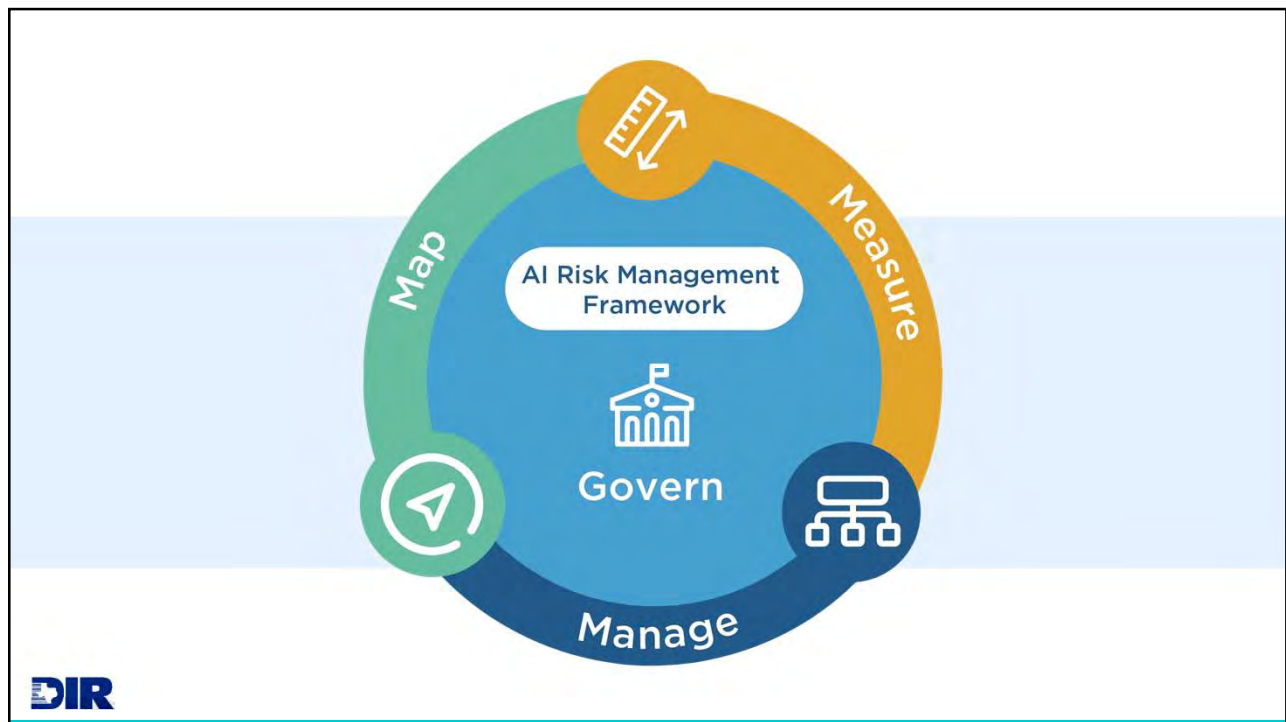
29

## NIST's Characteristics of Trustworthy AI

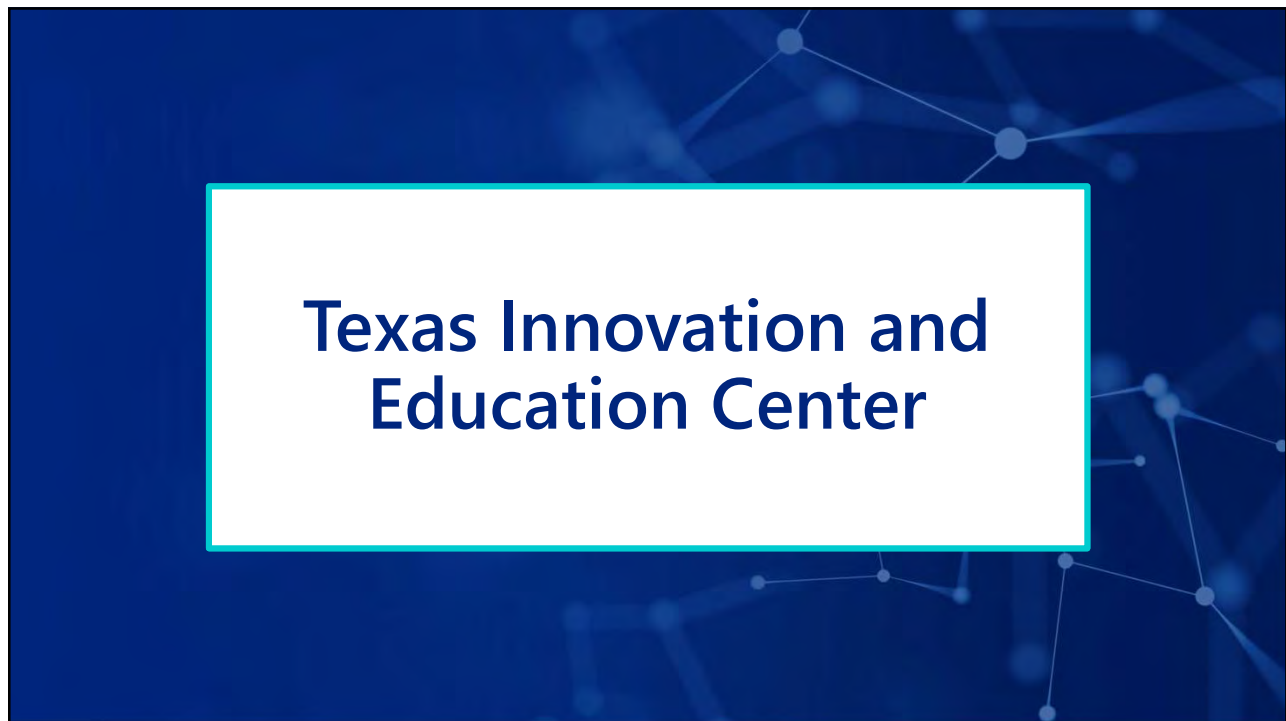


30





31



32

## Strategic Digital Services

- The Strategic Digital Services program, through the **Texas Innovation and Education Center (TIEC)**, develops tools that assist customer agencies in approaching transformation and ultimately delivering services to constituents.
- At the TIEC, we engage with agencies to facilitate **innovation labs, workshops, transformation sessions, training, and conferences** designed to assess and optimize digital transformation capabilities.



33

## Art of the Possible, Workshops, and Lab Sessions

Since Strategic Digital Services was rebranded from Enterprise Solution Services:

57

Vendors have been engaged.

47

Emerging technology areas have been showcased.

37

Agencies have participated (so far).

About 60

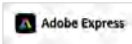





Projects have been initiated (including workshops, lab engagements, Art of the Possible sessions).



"Art of the Possible" session (2024)



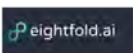





34

| Vendor   | Business                       | Technology   |
|--|--------------------------------|--|
| Adobe Express             | Content creation               | Gen AI capabilities, content creation, translation, optical character recognition (OCR)  |
| AWS Connect               | Customer service management    | Chatbot and AI support for call centers  |
| Microsoft Copilot Studio  | Streamlines business processes | AI-assisted application development, custom search   |
| Microsoft                 | Productivity and efficiency    | MS Copilot "Innovation Island" - Separate DIR tenant to test 365 Copilot, PowerBI, PowerApps, Power Automate, Studio, and GitHub Copilot |
| Island.io                 | Enterprise browser             | Data obfuscation, data boundaries, tool boundaries   |
| ArcGIS                    | Geographic information system  | Geographic location intelligence, data visualization, mapping software   |



\*AWS: Amazon Web Services

35

| Vendor   | Business                           | Technology   |
|--|------------------------------------|--|
| Eightfold             | Human resources                    | Purpose-built AI platform to match jobs with candidates, with tools for both applicants and hiring managers/recruiters |
| Iron Mountain         | Content management and redaction   | Access, manage, and govern physical and digital content  |
| Coursera              | Upskilling                         | AI-assisted custom course builder  |
| BMC                   | AI-enhanced IT operations (AI Ops) | AI Ops, dynamic service modeling, automated remediation, dashboards  |
| Telicon               | Legislative analysis               | Legislative analysis tool  |
| Legislative Insights  | Legislative analysis               | Bill comparison and summarization  |

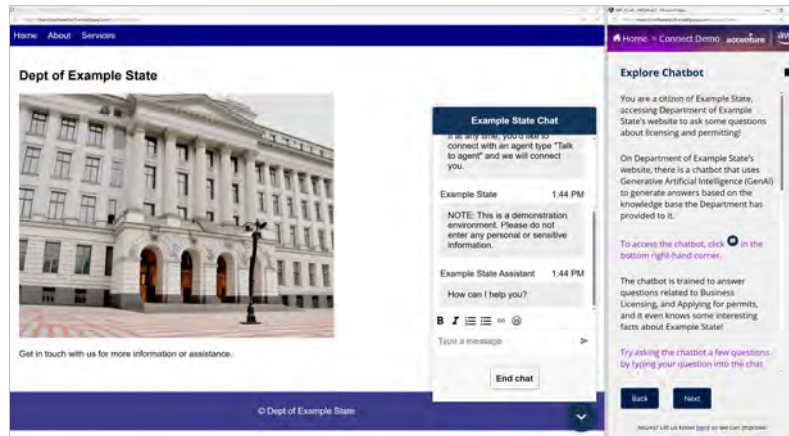


36



## Example: AWS Connect

AI chatbot support pulls up previous conversations, performs web searches on topics during the call, does a “sentiment analysis,” and summarizes the call.

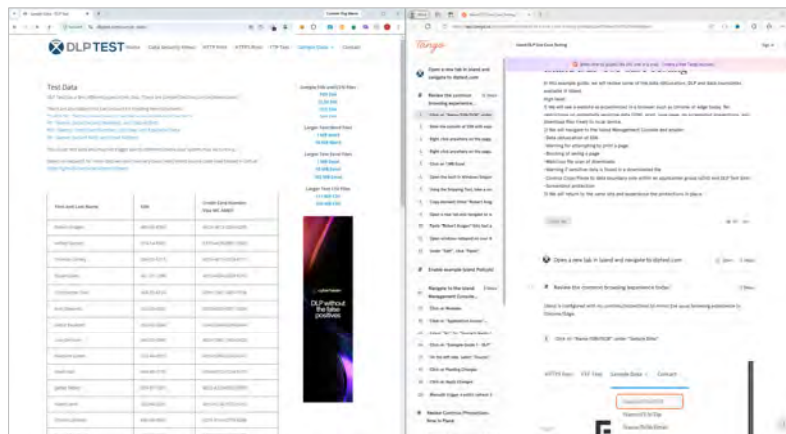


37



## Example: Island.io

AI can configure enterprise portal to block copying and pasting of personally identifiable information (such as Social Security numbers into ChatGPT).



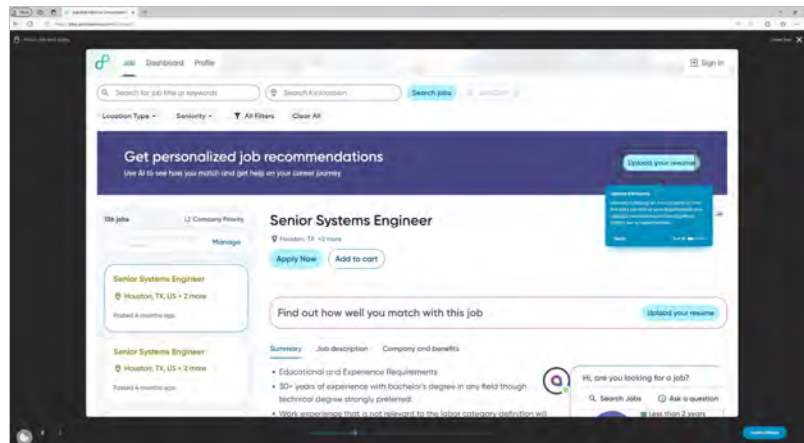
38





## Example: Eightfold

AI can extract data from an uploaded resume and seek opportunities for similar jobs and for jobs along that profile's career track.

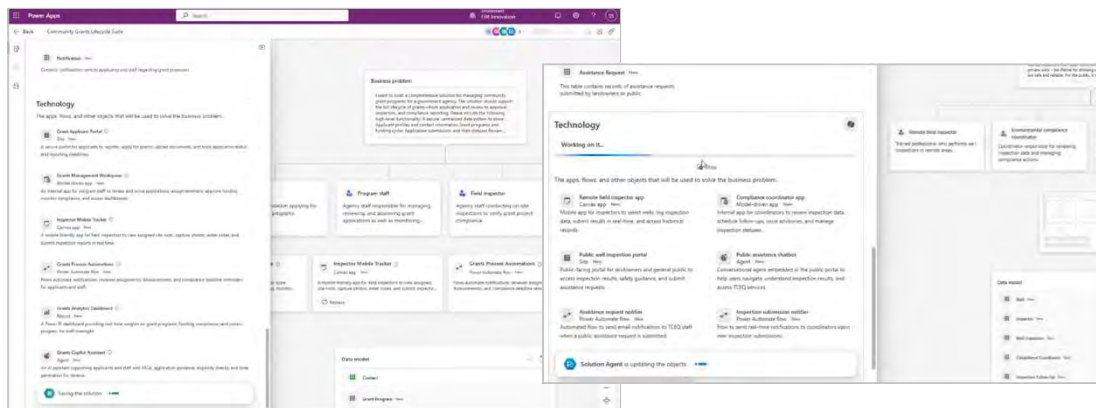


39



## Example: Copilot Design Planner

Based on a prompt describing a business problem and using agentic AI, Design Planner can create a complete draft complete project plan, including requirements, stakeholders, data model, and technology solutioning.

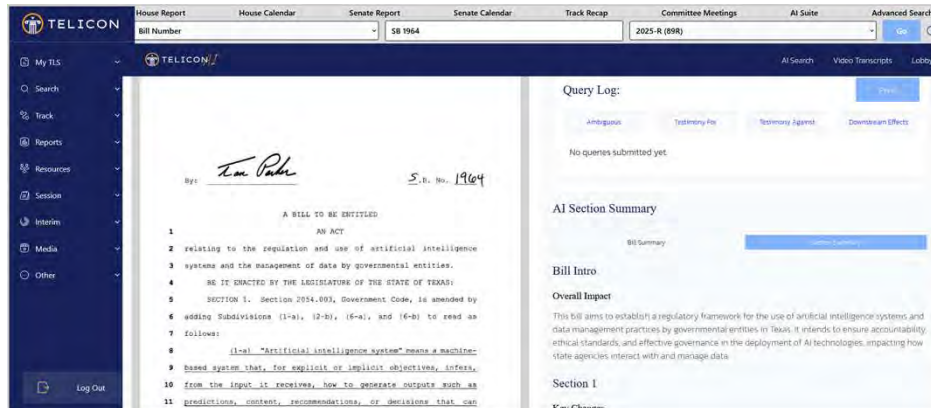


40



## Example: Telicon Legislative Analysis

AI-assisted bill tracking and impact analysis using natural language processing



41

## SDS Projects and Pilots

### Copilot Pilot

Internal DIR pilot program with focus on security and discovery

### AI Literacy Program

First module is rolled out, working on 2<sup>nd</sup> and 3<sup>rd</sup> module

### GenAI comparison

Comparing Copilot to other workplace efficiency tools such as ChatGPT and Adobe AI

### Private LLMs

Created proof of concept with a Jetson **BR1** chip, purchased four additional chips for other departments to test



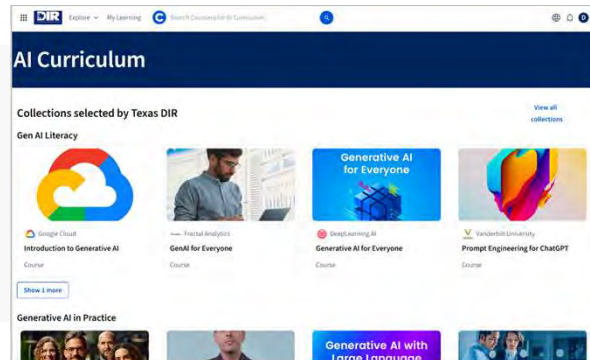
42

## Upskilling

DIR recently purchased a limited number of additional Coursera licenses that are available for state agency use.

Curricula include Digital Transformation, AI Literacy, and AI for Executives.

For more information, contact [innovation@dir.texas.gov](mailto:innovation@dir.texas.gov).



43

## The AI User Group

### AI User Group: still going strong!

- We are now over 700 members with 65+ entities represented BR1
- The AI User Group has met 12 times and has sponsored four in-person AI Days, in addition to several targeted workshops.
- Recently wrapped AI Day 4: 300 attendees attended presentations from state agencies, institutions of higher education, and independent school districts.



Image created with Google Image FX

44

# Artificial Intelligence Legislation

45

## SB 1964 | Public Sector AI

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

### Bill Summary

- Directs DIR to create an AI System **Code of Ethics** by rule.
- Forms an **AI Systems Advisory Board**.
- Establishes a **complaint process** for the public to report AI violations.
- Establishes a **public sector AI sandbox**.
- Requires DIR to create educational programs for AI awareness.

### Stakeholder Impact

- State and local government entities:
  - Must adopt the AI code of ethics;
  - Must disclose the use of public-facing AI systems; and
  - Are eligible to participate in the AI sandbox.
- Small state agencies may now designate a Data Management Officer and are required to post on the Open Data Portal annually.

### Implementation

- DIR will develop:
  - The AI system code of ethics;
  - AI risk management standards; and
  - Educational materials for public AI awareness.
- DIR will provide administrative support for the AI Systems Advisory Board.
- DIR will establish and administer the public sector AI sandbox.

☒ Effective September 1, 2025.



46



## HB 149 | Private Sector AI

*Relating to regulation of the use of artificial intelligence systems in this state; providing civil penalties.*

### Bill Summary

- Prohibits certain uses of AI.
- Creates the **Texas AI Council**, which is administratively attached to DIR.
- Empowers the **Office of the Attorney General** to bring legal action for allegations of prohibited AI use.
- Establishes a **private sector AI sandbox** at DIR for private entities to test AI systems.

### Stakeholder Impact

- State agencies must include an AI inventory as part of the Information Resources Deployment Review (IRDR).
- State and local entities are prohibited from using AI for certain activities.
- State and local entities must disclose on their digital platforms when a user is interacting with AI.

### Implementation

- DIR is formulating standard disclosure language for AI systems.
- DIR will provide administrative support to the AI council.
- DIR is developing the regulatory AI sandbox, which will produce an annual report once established.
- DIR will collect AI inventories from state agencies as part of the IRDR.

☒ Effective January 1, 2025.



47

## HB 2818 | DIR AI Division

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

### Bill Summary

- Requires DIR to establish an **AI division** to assist state agencies in modernizing legacy systems using AI.
- Allows DIR to contract with vendors to complete generative AI projects.
- For each project completed, DIR must prepare a cost analysis report that summarizes costs saved by using generative AI.

### Stakeholder Impact

- State agencies may use DIR's new AI division for assistance with modernizing legacy systems using AI and for any other projects appropriate for AI use.

### Implementation

- The AI division will be a component of DIR.

☒ Effective September 1, 2025.



48

# HB 3512 | State Employee AI Training

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

## Bill Summary

- Requires DIR to certify **at least five AI training programs** for use by state employees.
  - The list will be available on DIR's website.
  - Certification standards will be updated periodically.
- Requires DIR to develop a form to verify completion of an AI training program.

## Stakeholder Impact

- State employees who use a computer for at least 25% of their work and certain local government employees will be required to take the new AI training.

## Implementation

- DIR is developing certification standards for AI trainings that will be communicated to vendors once completed.
- The list of certified trainings will be published on DIR's website and updated periodically.

☒ Effective September 1, 2025.



49

# DIR's Legislative Resources



**Texas Legislature Online**  
[capitol.texas.gov](http://capitol.texas.gov)



**DIR's Technology Legislation Webpage**  
[dir.texas.gov/technology-legislation](http://dir.texas.gov/technology-legislation)

Full report  
available here!



**DIR's Office of Public Affairs**  
[publicaffairs@dir.texas.gov](mailto:publicaffairs@dir.texas.gov)



50

# Thank You

david.tucker@dir.texas.gov  
innovation@dir.texas.gov

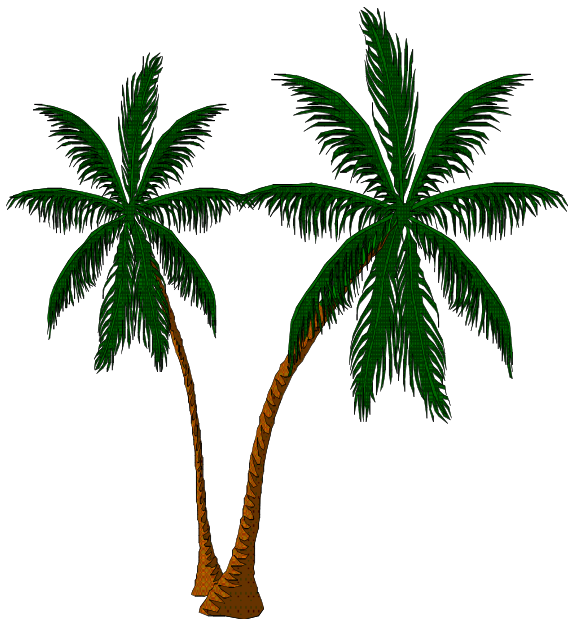


Transforming How  
Texas Government  
Serves Texans

dir.texas.gov | @TexasDIR | #DIRisIT

# ***TIMELINE 2025***

## **PROPER PROCEDURES FOR TRAINING YOUR STAFF**



**SPEAKER:**

**Rudy Salinas**



# Proper Procedures for Training Your Staff

Welcome!

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**




**ASCMM** 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.

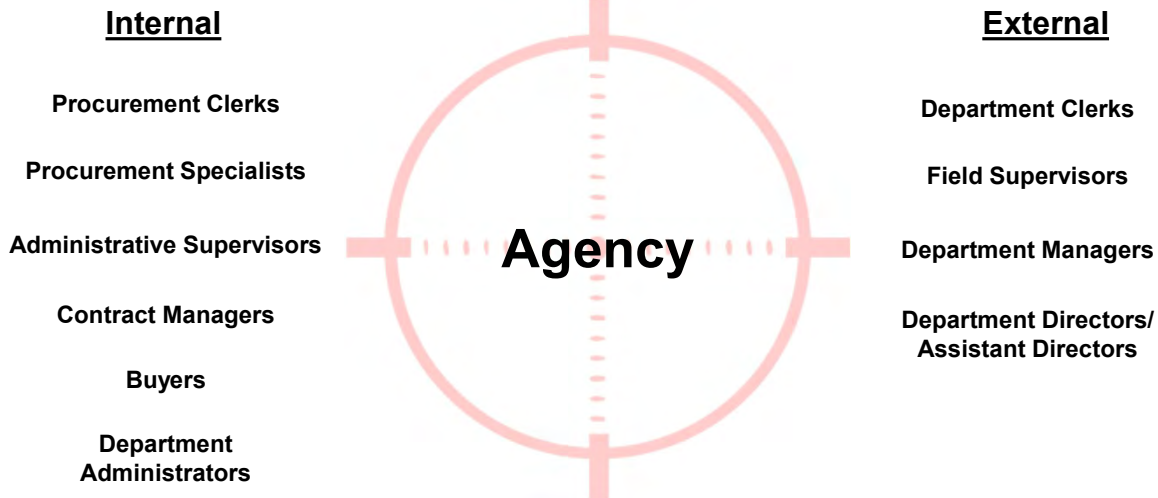
For conferences and webinars, the description must include a title(s) or specific sessions substantiating that training was procurement related.

**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



A comprehensive purchasing training plan should cover essential aspects of the procurement process, including negotiation, contract management, and supplier evaluation. It should also incorporate training on procurement fundamentals, strategic sourcing, and best practices. **Furthermore**, the plan should align with the organization's specific needs and goals, ensuring that training outcomes support broader agency objectives.



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 plan to guide them about activities and techniques in procurement process. It includes learning elements such as needs analysis, vendor management and sourcing, supply chain risk management, data management, etc.

| Learnings                                      | 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                                  |       |       |       |       |       |       |       |       |       |        |

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## 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)

11

## 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

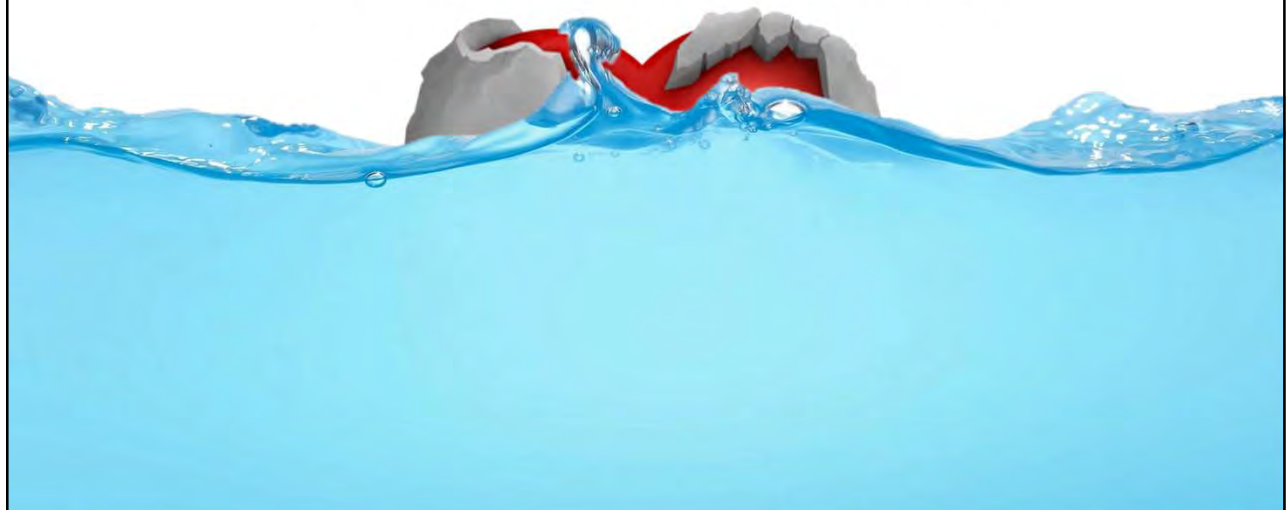
Our personality is like the tip of an iceberg....its what people see first, but...



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.”**

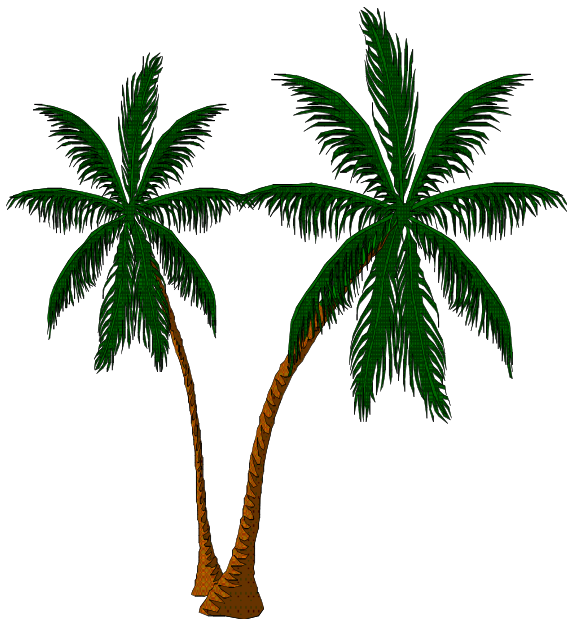
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**Thank You!**

# **TIMELINE 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

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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

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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

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4

4



## Ethics

- Vendor support for professional development activities
- Encourage communications early
- Specifications development

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5

5

## Ethics

- Emphasize importance of surfacing spec problems early
- “Or equal” disclaimer
- Inform vendor of quality, timely expectations

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6

6

## Ethics

- Make certain vendor is aware of all requirements
  - Training
  - Delivery, lack of elevator, multiple locations, as needed shipments etc.
  - Installation

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7

7

## Ethics

- Work with vendor on payment problems
- Don't handhold
- Buying used equipment
- Develop "doing business with" website or brochure

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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

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9

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## Ethics

- Vendor references—get them and check them—document results
- Product endorsements vs product references
- Services are often prototypes
- Cooperative purchases

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10

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## Ethics

- All or none bids
- Industry standard delivery
- Alternate bids

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11

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## Ethics

- M/WBE
- Enforcement
  - Warranty
  - Price escalation

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## Ethics

- Change order “tail and dog”
- Negotiations
- Share user surveys with vendors
- Fax or e-mail quote instead of phone

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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

17

## Code of Ethics

7. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
8. Ensure that all segments of society have the opportunity to participate in government contracts.

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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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20

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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

22



## Ethics Questionnaire

4. How should a buyer react to a request from an assistant superintendent to get a "good buy" on an item for personal use?
- a) refuse politely as it is not a proper use of buyer's time
  - b) request quotations on regular institutional bid form, place an order and send the invoice to the assistant superintendent
  - c) obtain phone quotes, making it clear that the purchase is for personal use and relay the price information to the assistant superintendent
  - d) suggest vendor and salesperson; explain that purchases for personal use are between vendor and employee

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23

23

## Ethics Questionnaire

5. What is the proper policy concerning having lunch with suppliers?
- a) may be supplier's guest occasionally, but not too often
  - b) all lunches with suppliers should be on a Dutch treat basis
  - c) may be supplier's guest, but should reciprocate and act as host on alternate occasions
  - d) refuse politely and offer to visit with vendor in buyer's office

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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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25

25

## Ethics Questionnaire

7. The low bidder who has been offered an order, subsequently claims that his bid was in error, and then requests a price increase. Which of the following actions should the buyer take?
- a) insist that the supplier accept the order at the price bid or be removed from the bidder's list for future order
  - b) permit the supplier to withdraw his bid without penalty and award the order to the next lowest bidder
  - c) grant the price increase, if he can submit evidence to support his claim of an error in bidding, provided that the adjusted price is lower than the next lowest bid

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26

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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27

27

## 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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29

29

## 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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30

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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

Mark J. Rogers, C.P.M.

31

31

Mark J. Rogers, C.P.M.

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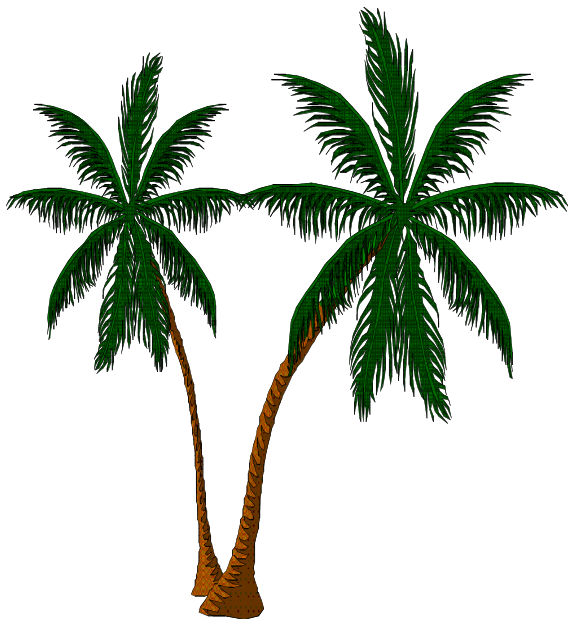
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# **TIMELINE 2025**

## **BID RIGGING AND OTHER ANTITRUST VIOLATIONS**



### **SPEAKERS:**

**Narita Holmes  
Carol Cooper**



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

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## What is Antitrust?

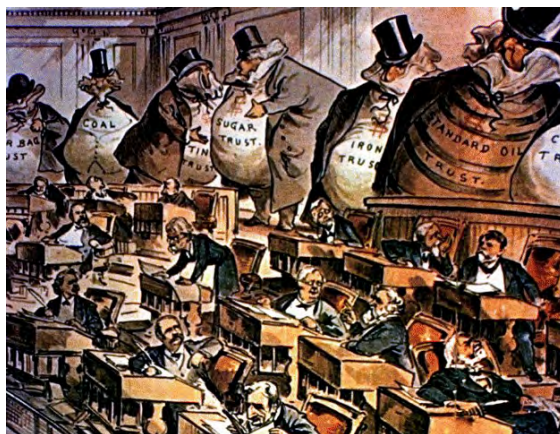
- The “trust” in antitrust describes a group of companies operating together as a monopoly.
  - When trusts are formed in an industry, competition is removed from the equation.
  - Companies in trust make more money at the expense of consumers.

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## History of Antitrust



Monopolies or “trusts” dominated the national economy and wielded enormous political power in the late 1800s

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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



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## 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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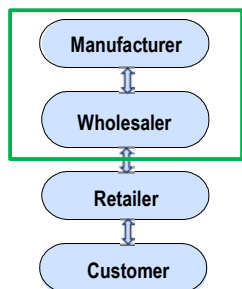
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## Types of Anticompetitive Agreements

### Vertical Agreements

Typically less suspect



Examples:

- Resale Price Maintenance
- Tying

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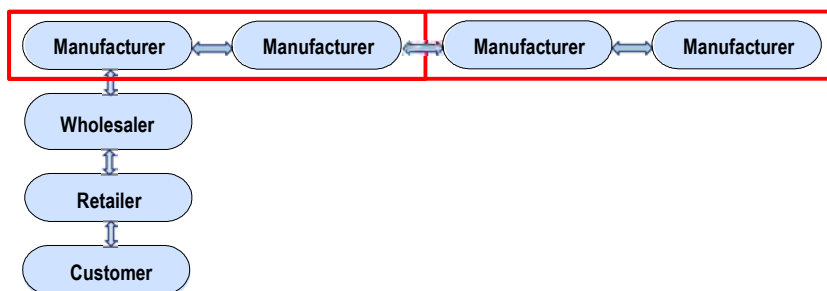
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## Types of Anticompetitive Agreements

### Horizontal Agreements

Inherently suspect



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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

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## 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

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## 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

21



## Bid Rigging Terminology

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22

22



## 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

25



## 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

### • 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

28

28





## Bid Rigging Terminology

- Basic types:

- **Complementary Bidding:** an agreement to submit a fake bid to make the winner's bid look reasonable and competitive.
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- 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

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

32

32

[illegible]

33



34

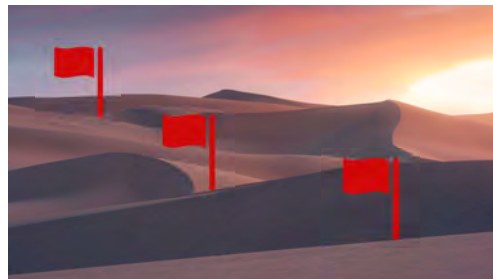


## Red Flags Part 1: Conditions Favorable to Collusion



- 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



38

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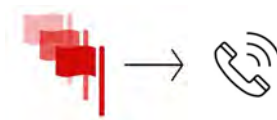




## Guarding Against Collusion

### 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)

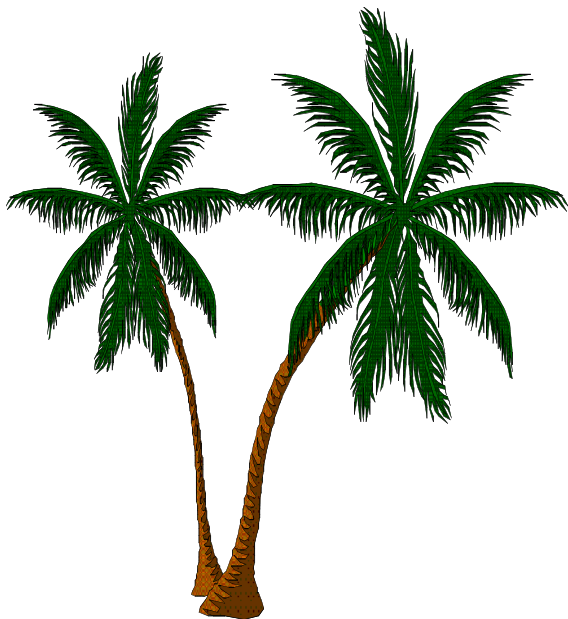
Paige Etherington: (512) 936-1105, [paige.etherington@oag.texas.gov](mailto:paige.etherington@oag.texas.gov)

[www.texasattorneygeneral.gov/divisions/antitrust-division](http://www.texasattorneygeneral.gov/divisions/antitrust-division)

41

# **TIMELINE 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

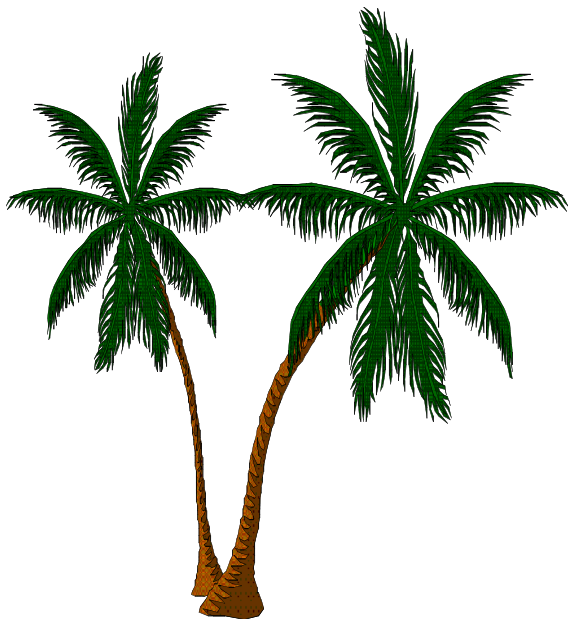
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22

# **TIMELINE 2025**

## **AVOID CREDIT CARD FRAUD**



**SPEAKER:**

**Edna Johnson**



# Purchasing Cards: Avoid Credit Card Fraud



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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
- Questions




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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

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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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8

#### 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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9

#### Example #2



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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10



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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13

### 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](#) [f](#) [x](#) [in](#) [v](#)

**Office of the Washington State Auditor**  
Pat McCarthy

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



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14

## 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.



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15

## 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

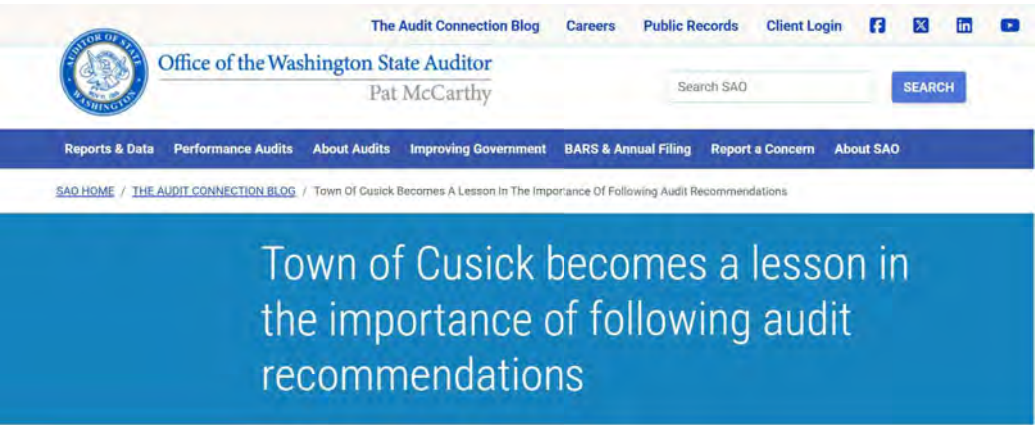
The Agency's internal controls were inadequate for safeguarding public resources. We found the following weaknesses allowed the misappropriation to occur:

- 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.



16





- 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 \$76,543 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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21

# 17 PRINCIPLES OF THE COSO FRAMEWORK



## Monitoring Activities



### Monthly Reports and Reconciliations

P-Card holders submit and sign receipts; Approving Officials review reports; and Facilitators review, sign and submit monthly reconciliation reports to P-Card Specialist.



## Risk Assessment



### Identify Risks

Risk Assessments, External Audits and P-Card reviews are conducted annually.



## Control Activities



### Policies

Who are the P-Card holders? What are the spending limits?

Policy (CH Local) defines who may utilize the P-Card program in HCDE.



## Information & Communication



### Trainings

Mandatory trainings before cards are issued. Annual refresher trainings are required.





## Monitoring Activities



### Monthly Reports and Reconciliations

P-Card holders submit and sign receipts; Approving Officials review reports; and Facilitators review, sign and submit monthly reconciliation reports to P-Card Specialist.



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27

## 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



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28

## Top 10+ Best Practices for P-Card Programs (continued)

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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29

## 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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30



# Tips to consider when using P-Cards

1. P-Card usage is a privilege not a right.
2. P-Card is a method of payment not a method of procurement.
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 cannot 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.

## Tips to consider when using P-Cards (continued)

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**

## 7.0 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



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

# Authorization Decline Detail

J.P.Morgan

Authorization Decline Detail

Run Date: 06/09/2025  
Report ID: ad19983

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

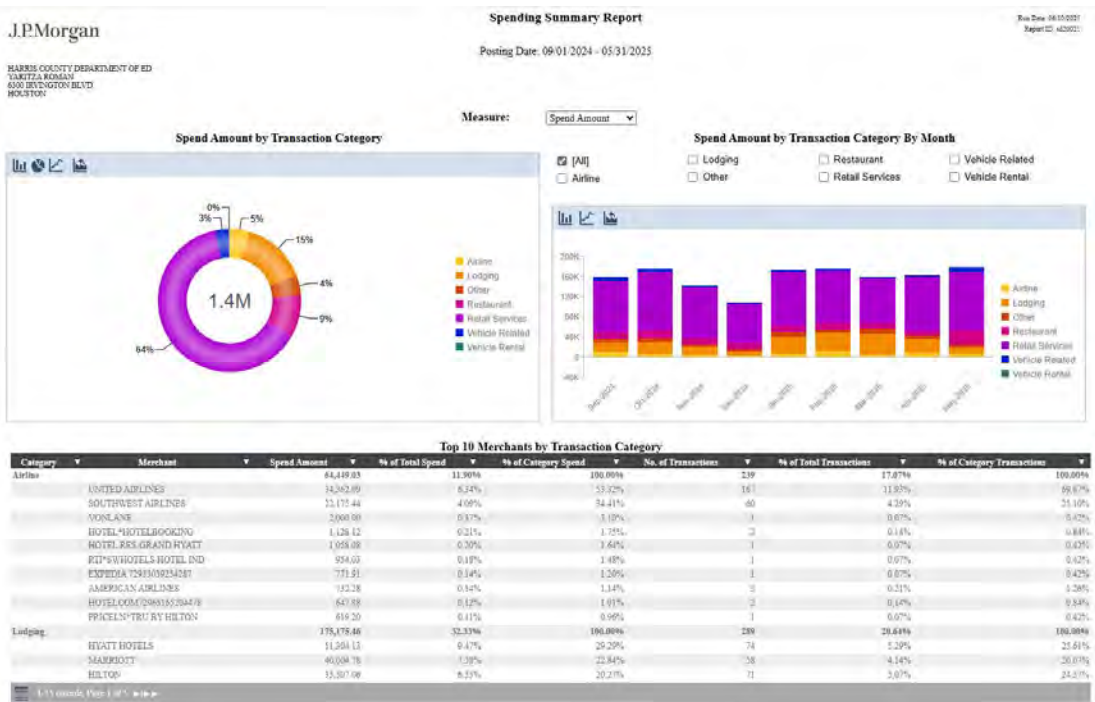
HARRIS COUNTY DEPARTMENT OF ED  
YARITZA ROMAN  
6300 IRVINGTON BLVD  
HOUSTON, TX 77022-5799 USA

| Account Name       | Account Number  | Transaction Date | Transaction Time | Merchant Name          | Merchant City | Merchant State | MCC  | Decline Reason Code | Decline Reason Detail | Decline Amount |
|--------------------|-----------------|------------------|------------------|------------------------|---------------|----------------|------|---------------------|-----------------------|----------------|
| ASHLEE KANE        | XX<br>-96388481 | 06/03/2025       | 13:21:05         | RTICCOOLERS.COM        | +18655278993  | TX             | 5399 | 0124                | *** INVALID CVC2/CVC  | 0.00           |
| Account Total      |                 |                  |                  |                        |               |                |      |                     |                       | 0.00           |
| COURTNEY L. WATERS | XX<br>-21658925 | 05/28/2025       | 11:43:28         | HILTON HOTELS          | DALLAS        | TX             | 3504 | 0814                | *ACCT NBR LIMIT EXCE  | 230.00         |
|                    |                 |                  | 11:43:40         | HILTON HOTELS          | DALLAS        | TX             | 3504 | 0814                | *ACCT NBR LIMIT EXCE  | 272.92         |
| Account Total      |                 |                  |                  |                        |               |                |      |                     |                       | 502.92         |
| EMILY M. ORTIZ     | XX<br>-51981320 | 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 MKTPLACE PMTS   | Amzn.com/bil  | WA             | 5942 | 0048                | *** NOT ENOUGH AVAIL  | 31.95          |
|                    |                 | 06/03/2025       | 02:08:33         | AMAZON MKTPLACE PMTS   | Amzn.com/bil  | WA             | 5942 | 0048                | *** NOT ENOUGH AVAIL  | 31.95          |
|                    |                 |                  | 08:09:38         | AMAZON MKTPLACE 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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35

# Spending Summary Report



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36

# Purchasing Cards: Avoid Credit Card Fraud



## Conduct P-Card Trainings Regularly

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37

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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38





# PROCUREMENT (P-CARD) TRAINING

PROCUREMENT SERVICES  
DIVISION



## Overview

### • 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

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.



# General Information



## 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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41

# ACCEPTABLE PURCHASES

## Travel



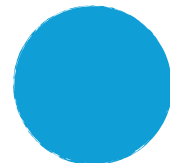
- Airfare (requires Airline Quote form and three quotes)
- Travel and Lodging
- Car Rentals/Fuel as part of rental vehicle contract
- Valet Parking (unload materials/safety of employee) \$50 day
- Excess luggage/baggage fees due to presentation brochures or booth materials up to \$500

## 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)

42

# 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

43

## Computers



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

## Photo Equipment



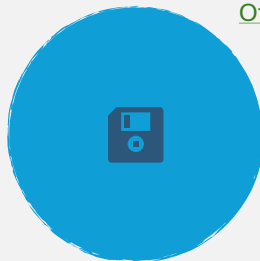
- Cameras

## 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.

44

# 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**

\*\*\*Refer to Section 7.0 of P-Card Manual for detailed list of unacceptable purchases and practices\*\*\*

**Office furniture**

45

# 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.*



## 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.*

# 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

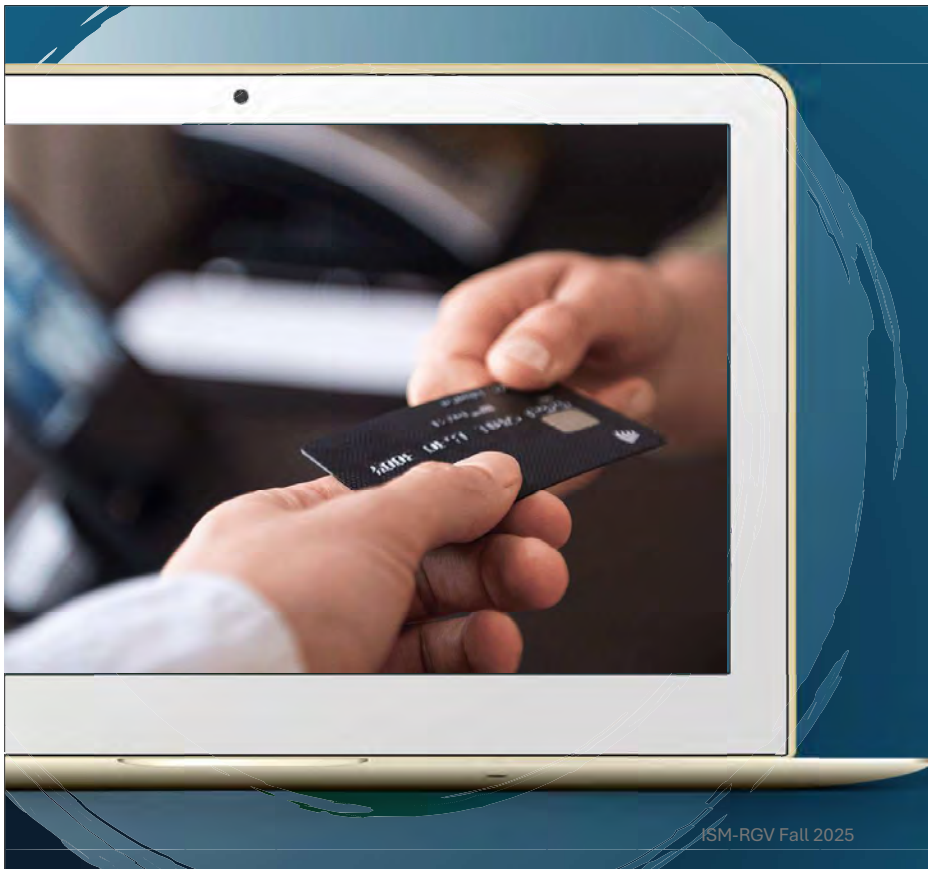
## RESOLVE DISPUTES

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.**



## 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

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- 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

49

# 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.

51

# 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

52

# 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.

# 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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55

## Purchasing Cards: Avoid Credit Card Fraud



### External Audit of the P-Card Program

## Contents

|  |   |
|--|---|
| EXECUTIVE SUMMARY .....                                | 3 |
| INTRODUCTION .....                                     | 3 |
| BACKGROUND .....                                       | 3 |
| PURPOSE .....  | 3 |
| SCOPE .....  | 3 |
| OBSERVATIONS, RECOMMENDATIONS AND RESPONSES .....      | 4 |
| PROCUREMENT CARD PROGRAM MANUAL .....                  | 4 |
| DOCUMENTATION OF INTERNAL PROCEDURES .....             | 5 |
| TRAINING AND RETRAINING .....                          | 6 |
| DOCUMENTATION FOR MONTHLY EXPENSE REPORT PACKAGE ..... | 6 |

# Annual P-Card Audit Review



## 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

## What questions do you have?





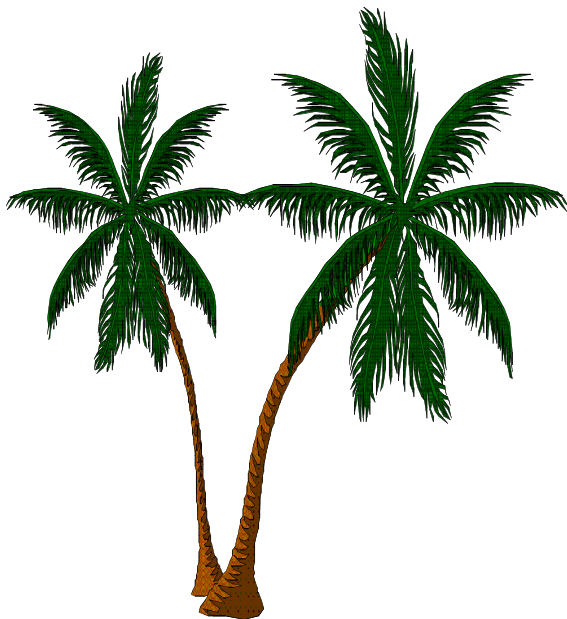
Thank you

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**713-696-1371**

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**[edna.johnson@hcde-texas.org](mailto:edna.johnson@hcde-texas.org)**  
**713-696-2104**

# **TIMELINE 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.

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## Where can they be obtained?

- Never start from “scratch”
- Vendors
- Peers
- Federal Agencies
- State Agencies
- Professional & Trade Associations

12

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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

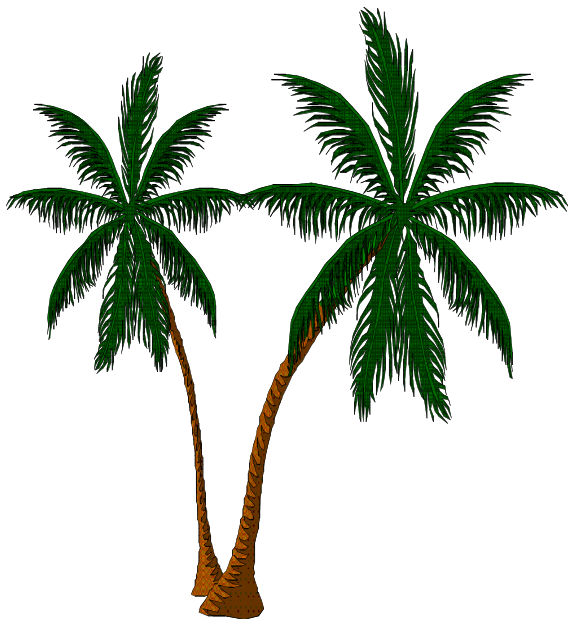
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# ***TIMELINE 2025***

## **THE POSITIVE ASPECTS OF SOLITUDE, BORDOME AND LONELINESS**



**SPEAKER:**

**Meliton Moya**

# The Positive Aspects of Solitude, Boredom, and Loneliness

Presented at the  
Institute for Supply Management - RGV  
Timeline 2025

Thursday, September 25, 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

## The State of the Union According to Three Sources

***Democracy Matrix Research Project***  
Julius-Maximilians-Universität Würzburg  
136 Countries Studied

Costa Rica - 10th  
Canada - 24th  
Uruguay - 27th  
Chili - 29th  
U.S.A. - 36th  
Brazil - 75th  
Mexico - 90th

***The Economist  
Democracy Index***  
167 Countries Studied

Canada - 14th  
Uruguay - 15th  
Costa Rica - 18th  
U.S.A. - 28th  
Chili - 29th  
Brazil - 57th  
Mexico - 84th

***Vision of Humanity  
Global Peace Index***  
163 Countries Studied

Canada - 14th  
Uruguay - 48th  
Costa Rica - 54th  
Chili - 62nd  
U.S.A. - 128th  
Brazil - 130th  
Mexico - 135th

4

## 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

5

## 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                            |

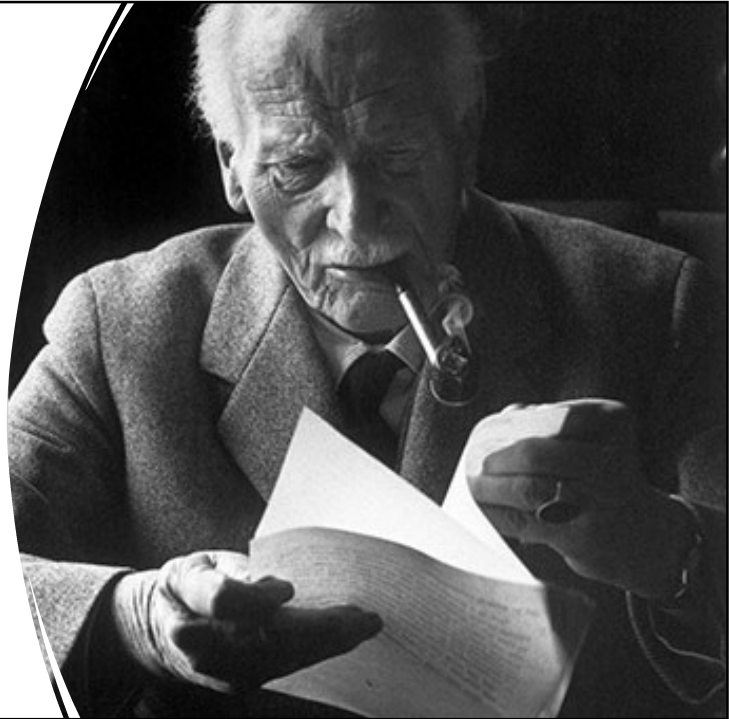
The Chapman University Survey of American Fears

6

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.



7

## Something Everyone Should Know

|                     | KNOWN TO SELF  | NOT KNOWN TO SELF   |
|---------------------|--|---|
| KNOWN TO OTHERS     | <b>OPEN SELF</b><br><i>What you and everyone else knows and which is public knowledge.</i><br><i>For example:</i><br><i>We all know your job title.</i>        | <b>BLIND SELF</b><br><i>What others know about you but you don't know.</i><br><i>For example:</i><br><i>They know you flare your nostrils when you're angry. You don't.</i> |
| NOT KNOWN TO OTHERS | <b>HIDDEN SELF</b><br><i>What you know about yourself and others but keep to yourself.</i><br><i>For example:</i><br><i>Only you know what your salary is.</i> | <b>UNKNOWN SELF</b><br><i>What you and others don't know about yourself.</i><br><i>For example:</i><br><i>How you'll rise to the challenge of a new promotion.</i>          |

Credit: Jonny Thomson / Big Think

8



### **Four States of Being in the World:**

- the Body and the Soul
- the Brain and the Mind

### **Three Analytical States:**

- Transpersonal – gender, race/ethnicity, profession, etc.
- Interpersonal – you and the ones you esteem or don't
- Personal – the you that only you knows

### **Three Experiential States:**

- Injured Self – real or perceived injustices
- Uninjured Self – the superhero complex
- Existential Self – the one lost in doing for self and others

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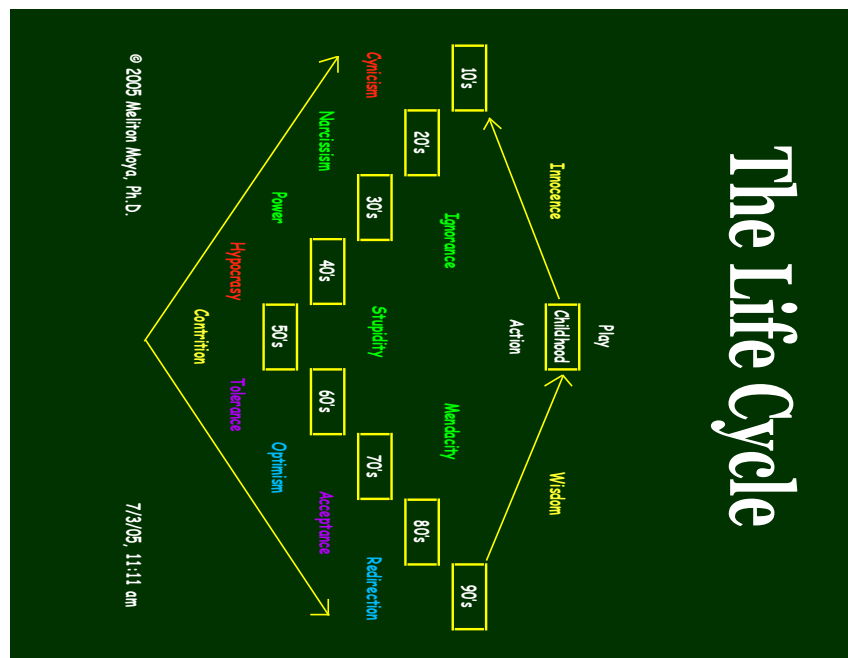


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## Four Vantage Points to understand how people see things

- **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

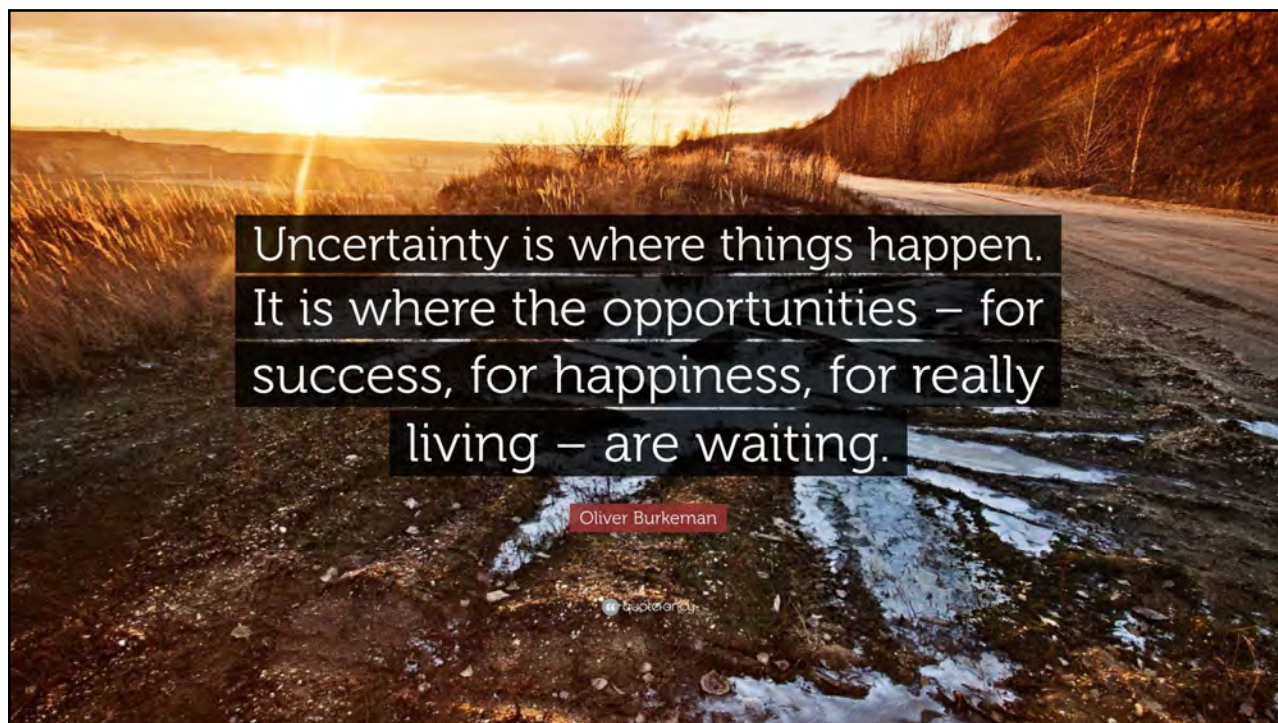
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Uncertainty is where things happen.  
It is where the opportunities – for  
success, for happiness, for really  
living – are waiting.

Oliver Burkeman

reaptarap

14





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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.



16

# 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.

17

## 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

#SimplyPsychology

## Emotional Regulation

Solitude can help regulate emotions, allowing individuals to calm down and process negative feelings without external pressures.

18



## Reduced Stress

Spending time alone can reduce stress and increase feelings of calm and freedom.



19

## 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.

20

## Opportunity for Exploration

Boredom can serve as a catalyst for exploring new interests, hobbies, and activities, leading to personal growth and discovery.



21

## Enhanced Creativity

When faced with boredom, individuals often seek creative outlets, which can lead to innovative thinking and problem-solving.



22

## **Increased Self-Awareness**

Boredom can reveal dissatisfaction or lack of purpose, prompting individuals to seek meaning & direction.



23

## **Self-Reflection and Self-Acceptance**

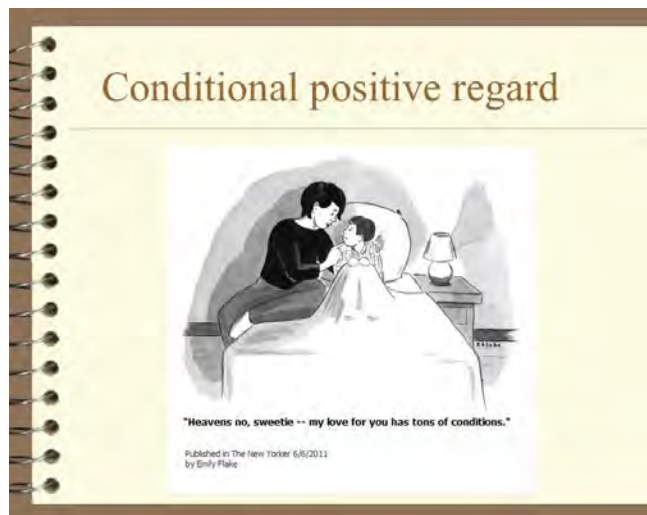
While often associated with negative emotions, loneliness can also provide an opportunity for introspection and self-acceptance.



24

## Rebuilding Trust

Experiencing loneliness can lead to a deeper understanding of one's needs and boundaries, potentially resulting in more meaningful relationships.



25

## Developing Independence

Navigating loneliness can foster independence and self-reliance, strengthening one's ability to cope with challenges.



26



**Reappraising Solitude**

Lonely individuals can learn to reframe solitude as an opportunity for self-care and personal growth, rather than a negative experience.


27

## The Power of Journaling

- Expressive writing imparts extraordinary health benefits, from lowering blood pressure and boosting your immune system to fighting depression and feelings of negativity.
- Journaling is also associated with increased self-awareness, tapping into your creative mind and intuition, emotional release, reducing stress, improving memory, decluttering your mind, and reaching your goals.

28

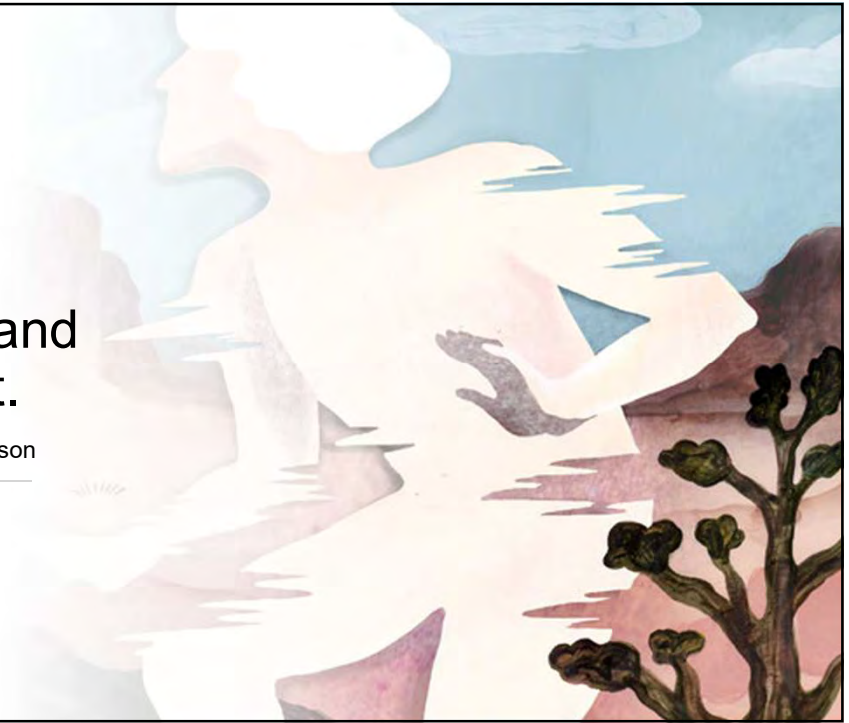




Finish each day and  
be done with it.

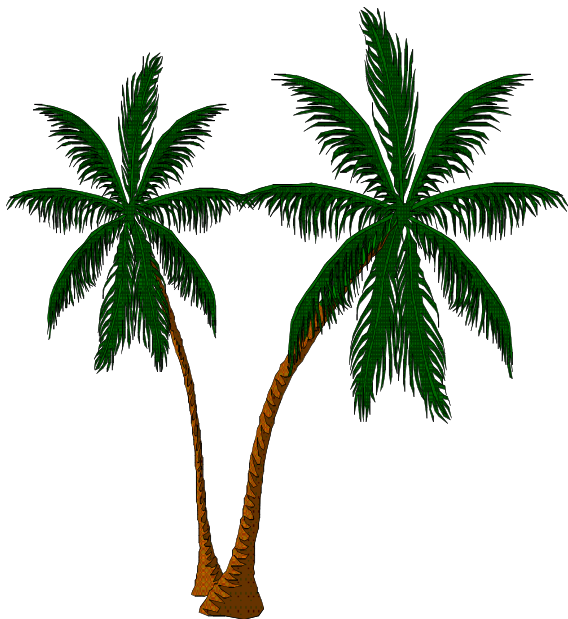
Ralph Waldo Emerson

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# **TIMELINE 2025**

## **E-RATE AND THE SLD NEW UPDATES**



**SPEAKER:**

**Roy Lanier**



# E-RATE 2025



By

Roy M. Lanier

Lanier Consulting and Technology Services

E-Rate Consultant Registration # 16062343

[rlanier@stx.rr.com](mailto:rlanier@stx.rr.com)

[www.laniercts.com](http://www.laniercts.com)

956-645-7195

1



## Overview

- What is New
- Bidding
- Form 470 and Bidding
- Vendor Selection
- Contracts
- Pre-Commitment
- Document Retention (10 years)
- E-rate Modernization Order by the FCC

2



## Erate Portal

EPC - The E-rate Productivity Center is the online platform for submitting forms

- Erate Portal
  - Create district users and manage user permissions
    - Create Consultant profiles if district will be using a consultant
    - Create district profile for campuses
    - Manage connectivity questions
    - Manage contracts
    - Upload RFP's
    - Upload Contracts
    - Answer PIA questions

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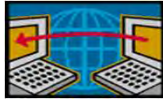


## Erate Portal

- Portal
  - Create form 470
  - Create form 471
  - Create form 472
  - Create form 486
  - Create form 500
- Reimbursements
  - Form 498 (Direct Payment)
    - Reimbursements will now be done via direct payment
    - Fill out form 472 from the legacy system after form 498 has been filed
    - If there is no changes from last years 498, use the same one



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## Competitive Bidding

### Competitive Bidding Process

- You must ensure that the process is fair and open
- Avoid Conflicts of interest
  - Applicant consultant  Service Provider
  - Applicant  Service Provider
- Open competition and bid evaluation
- Read the Form 470/RFP responses and contract fine print

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## Forms 470 and RFPs

### Forms 470

- Indicates the services and categories of the services which entities are seeking
- Must be posted for 28 days
- Indicates if planning or issued an RFP
- Indicates any special requirements and/or disqualification factors
- Indicates who will be receiving the services
- Posting of a new Form 470 not required, if a previous year Form 470 is for multi-year contracts and a multi-year contract has been signed, or until the contract expires

6

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## Form 470 and RFPs

### Request for Proposal (RFP)

- Even if you have an RFP, you must describe the services you desire on your Form 470, they go hand in hand
- Must comply with local and state procurement laws
- Describes your project scope, location, other requirements in detail
- Must be available to bidders for at least 28 calendar days

7

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## Form 470 and RFPs

### Form 470 and RFP Compliance

- Sufficient detail in the Form 470
  - Cannot provide generic description
  - Cannot provide laundry lists of products and services
  - Applicants must choose the most cost-effective solution to their Form 470 or RFP, with price as the primary factor
    - Other factors can be considered, but price must be the most heavily weighted.
  - Evaluation process should be carefully documented and that documentation must be maintained.
  - Include a ranking chart to support vendor selection

8

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## Vendor Selection

### Bid/RFP Evaluation

- Retain all vendor selection documentation
  - Winning and losing RFPs, correspondences (emails), memos, bid evaluation documents, etc.
- Price of the eligible goods and services must be primary factor in all evaluations
- Vendor evaluation begins after 28 day waiting period

9

9



## Vendor Selection

### Most Cost Effective

- Selecting the winning bidder
  - Price must be the primary factor when selecting the most cost-effective solution
  - Other factors, including other price factors, can be considered as well but they cannot be weighted equally or higher than cost of the eligible goods and services

### Free Services

- Can't use E-rate to get free things (ineligible or eligible)
- Cost of eligible goods and services cannot be inflated to cover the free ineligible items or services

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# Contracts

## Contract Overview

- A contract must be signed and dated by the applicant prior to the Form 471 certification postmark date
  - Applicant must not sign a contract before the Allowable Contract Award Date
  - Service providers may sign before the Allowable Contract Award Date

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# Contracts

## Contract Overview

- Voluntary Contract Extensions
  - Are allowable when the option for contract extensions is stated in the original provision of the contract or RFP, must rebid if not stated on contract or RFP
- Service Delivery Extension
  - Deadline for implementation of nonrecurring services is September 30 following the close of the funding year
  - Applicants may request a service delivery extension from USAC for non-recurring services
  - File a Form 500 to adjust the contract expiration date

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## Pre-Commitment

### Certifications Forms 470 and 471

- Applicants certify that:
  - Have secured access to necessary resources
  - Have complied with all FCC, state and local competitive bidding and procurement regulations
  - Non-discount portion of the costs for eligible services will not be paid by the service provider
  - No kickbacks were paid to anyone and that false statements on this form can be punished by fine or forfeiture
  - Failure to comply with program rules could result in civil or criminal prosecution
  - Persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the program are subject to suspension and debarment from the program

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## Document Retention

### Document retention timeframe

- 10 years from last date to receive services
  - FY 2024– this is at least June 30, 2035
- Any document from a prior year that supports current year must be kept until 10 years from last date to receive service as well
- Documents may be retained in electronic format or paper
- Must maintain documentation from prior years if it supports current fund year

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## E-rate Budgets

### How are Category Two District Budgets Calculated

- Districts have a 5 year Budget. The 2026-2027 is the first Year
- Number of students multiplied increased from \$167.00 to \$201.57
- Budgets are recalculated every year of the 5 year budget
- Year 2026 – 2027 is the first year of current 5 year budget
- New 5 year budget will be recalculated for the 2030 - 2031

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## Cybersecurity Application

### Cybersecurity Pilot Program (Provide up to \$200 million)

- Districts have a 3 year Budget
- Budget - \$45,000 pre-discount up 1,100 students
- Budget - \$40.80 pre-discount between 1,101 – 110,294 (\$13.60 pre-discount per student annually)
- Form 484 - two parts to the application process

16

16





## Questions?

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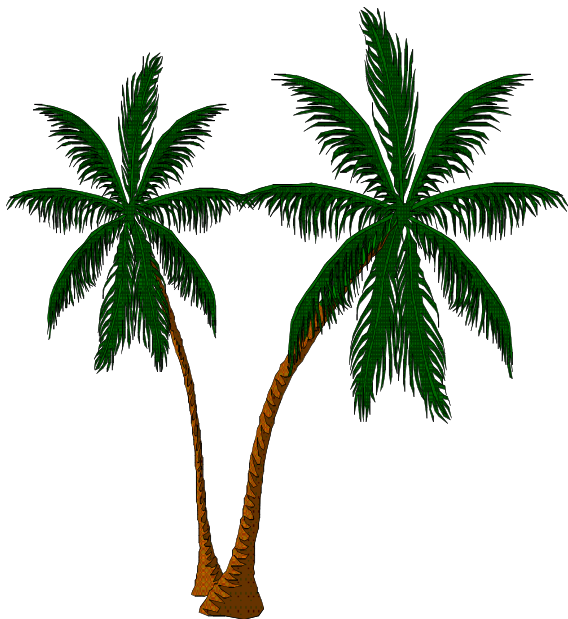
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\*Information used in this presentation comes from the SLD website and trainings

# **TIMELINE 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

Timeline 2025

1

## 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.

10

## 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.

12

## 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

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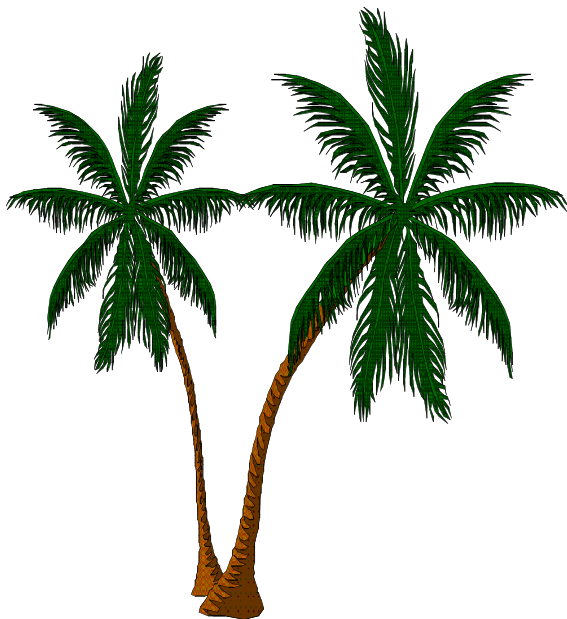
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16



# **TIMELINE 2025**

## **HOW TO HANDLE PROTEST**



### **SPEAKERS:**

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

# How to Handle Protests

Narita K. Holmes

Carol Cooper

N&C Consulting  
Government Procurement & Compliance

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1

## Why do I Need to be Concerned?

2

## What Laws Require

- Specific processes described in state law must be followed to ensure competition
- Selection and award is based on criteria included in specification documents
- Award is made to bidders or proposers that meet all the mandatory requirements and offer either the best price or the best value
- Bidders must be treated equally and fairly

3

## Examples of Abuses that have Resulted in Litigation

- Restrictive specifications that favor one vendor
- Waiving mandatory requirements for a favored vendor
- Providing incomplete or vague specifications in the solicitation packet
- Providing information to only some vendors

4

## Examples of Abuses that have Resulted in Litigation

- Awarding contracts to friends or relatives
- Splitting purchases to keep amounts under formal bid limits
- Release of information considered confidential by vendors
- Release of proposal information prematurely

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## Examples of Abuses that have Resulted in Litigation

- More time is needed to respond
- There are many brand names or equal issues
- The specifications are overly complicated and detailed, making them difficult to understand
- Evaluation factors not clear

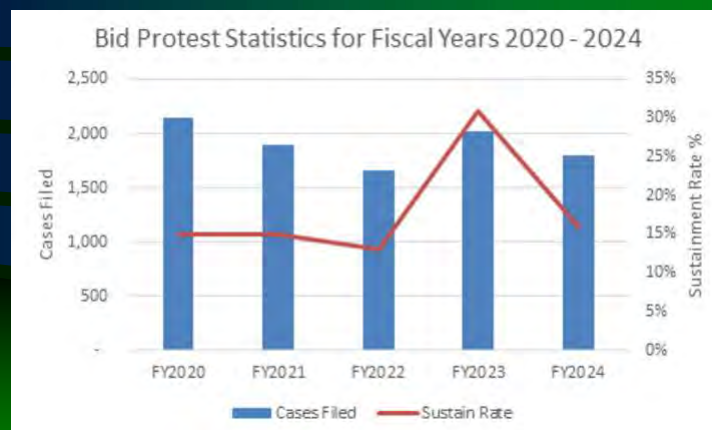
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## When Vendors are Unhappy

- Some complain to the purchasing department
- When they cannot get a satisfactory explanation, some will go public by complaining to elected officials or the press
- Some resort in filing official protests or lawsuits because they believe that the process is flawed

7

## Trend: Federal Procurements Protested 2020-2024



8



## What Should We Do to Avoid Protests and Lawsuits?

9

### Determine Where You Are in the Bid/Proposal Process

- Before distribution of specifications
- After distribution of specifications but before opening
- After bids/proposals are opened but before award
- After bids/proposals are awarded

10

## Procedures to Be Considered Before Distribution

- Check specifications for restrictive wording.
- If specifications are prepared by the user department:
  - 1) Determine the source of their information.
  - 2) Get copies of the materials they used.



11

## Procedures to Be Considered Before Distribution

- Make suggestions to the department for any changes you feel necessary.
- Have potential bidders comment on the specifications.
  - 1) Ask whether they can bid on the specifications as written.
  - 2) Be sure to mark the request “draft”.



12

## Procedures to Be Considered Before Distribution

- Have calls regarding the specifications come to Purchasing rather than to the user department.
- Hold a pre-bid conference if you think that there could be protests.
  - 1) Try to resolve all disputes there.
  - 2) Have the department explain to vendors the reason for certain specifications.

13

## Procedures to Be Considered Before Distribution

- Be sure that your instructions are complete. Don't assume anything.
- If you feel that there could be a political problem with the specifications, have your governing body approve them BEFORE distribution.

14

## If Bid Specifications Have Been Distributed But Before Opening

- Watch for warning signs:
  - 1) A call from a vendor.
  - 2) Comments from the user department.
- Send an addendum to correct restrictions, if possible.
- Be certain that all vendors have the same information.

15

## If Bid Specifications Have Been Distributed But Before Opening

- Cancel the bid and rewrite the specifications if major changes need to be made.
- Make all potential bidders/proposers aware of the cancellation and that new specifications will be issued

16

## If a Problem Is Discovered After Opening, Before Award

- Admit that there is a problem.
- Consider canceling the bid.
- Consult with legal counsel.
- Rebid with new specifications.

17

## If the Bid Has Been Awarded

- Proceed with caution—there may be legal liability.
- Consult with legal counsel for advice.
- Carefully document all steps that have occurred.



18



## Other Considerations

- Make sure that your bosses are aware of the problem. Don't let them be blind-sided.
- Be aware that taking more time and thought in developing specifications can save days and weeks of dealing with a protest.
- You cannot avoid a protest by having vendors sign a waiver.

19

## Other Considerations

- When a vendor protests:
  - 1) Listen to his/her concerns carefully.
  - 2) Ask questions to show that you heard what he said.
  - 3) Make sure that you understand what and why he is protesting.
  - 4) Don't minimize a vendor's position. Make them feel that their concern is important.

20

## Other Considerations

- 4) Be sure that you act on **complete** information.
- 5) Listen with an open mind.
- 6) Be courteous and responsive.
- 7) Consider having a debriefing with vendors after complex or high dollar bids. This may help you avoid a protest and help them understand how they scored.
- 8) Never compromise your ethics.

21

## Other Considerations

- DOCUMENT,  
DOCUMENT,  
DOCUMENT!!

22

## There can be Positive Aspects of a Protest from a Vendor Perspective

In a report issued by NASPO, the following benefits for vendors were noted:

- Provides a fair process and real check on flawed or anticompetitive awards
- Opportunity to improve the procurement process
- Opportunity to change bid outcome

23

## There can be Positive Aspects of a Protest from a Vendor Perspective

- Opportunity to complain about losing competitive process
- Opportunity to express dissatisfaction with the bid award process
- Opportunity to learn how to better prepare a bid response

24



## Should We have a Protest Policy or Procedure?

25



## What are the Requirements?

- State Agencies are required to have Protest Procedures
- Local Governments are not mandated to have them, but it is a best practice

26

## Texas Government Code

- 2155.076. PROTEST PROCEDURES. (a) The commission and each state agency by rule shall develop and adopt protest procedures for resolving vendor protests relating to purchasing issues. An agency's rules must be consistent with the commission's rules. The rules must include standards for maintaining documentation about the purchasing process to be used in the event of a protest.

27

## Items to Consider Including in a Protest Procedure

- Steps for the protestor to follow
- Deadline for filing a protest
- Instructions whether the protest must be written and/or verbal
- Information that must be included in the protest documentation

28



## Items to Consider Including in a Protest Procedure

- Indication whether a stay will be issued on the procurement pending resolution of the protest
- Protest bond or fee
- Method of final determination
- Appeal process

29

## Required Protest Documentation Might Include

- Statute or procedure alleged to have been violated
- The relevant facts
- Issues that the protestor is requesting to be resolved
- Protestor's argument and supporting documentation

30

## Examples of Local Entity Protest Procedures

31

### FANNIN COUNTY PROTESTS PROCEDURES

#### 1. RIGHT TO PROTEST

Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract shall seek resolution with the Purchasing Agent unless the solicitation provides other avenues of appeal. If the aggrieved person does not perceive there to be satisfactory resolution, then a written appeal may be submitted to the Fannin County Commissioners' Court, whose decision will be final. A protest with respect to an invitation for bids or request for proposals shall be submitted in writing prior to the opening of bids or the closing date of proposals, unless the aggrieved person did not know and should not have known of the facts giving rise to such protest prior to bid opening or the closing date for proposals. The protest shall be submitted within ten (10) calendar days after such aggrieved person knows or should have known of the facts giving rise thereto.

#### 2. STAY OF PROCUREMENT DURING PROTESTS

In the event of a timely protest under **Right to Protest**, the County shall not proceed further with the solicitation or award of the contract until all administrative and judicial remedies have been exhausted or until the Commissioners' Court makes a determination, in writing, that the award of a contract without delay is necessary to protect the substantial interests of the County of Fannin.

#### 3. A FORMAL PROTEST SHALL CONTAIN

- a) A specific identification of the statutory or regulatory provision that the action complained of is alleged to have violated;
- b) A precise statement of the relevant facts;
- c) An identification of the issue or issues to be resolved;
- d) Argument and authorities in support of the protest;
- e) An affidavit that the contents of the protest are true and accurate.

Failure to include all of Items (a) through (e) above will result in a protest being incomplete and it will be rejected.

32

## City of San Marcos Protest Procedures

### Protest Procedures

The purpose of the protest procedures is to protect the public interest in the purchasing process. This section is intended to give a bidder, proposer, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a contract the opportunity to protest. The City's objective is to resolve protests as soon as practical.

Any protest or complaint to the City's consideration must be submitted in writing and received by the Purchasing Manager no later than 5:00 PM on the fifth (5<sup>th</sup>) calendar day after the City notifies the bidder or proposer: 1) that it is deemed non-responsive; 2) that it is deemed not responsible; 3) the name of the apparent winning bidder; or 4) the City's intent to award a contract. If the protest or complaint does not contain the following information, it may be dismissed by the Purchasing Manager:

- Protestor's name, address, telephone number, and email address;
- The solicitation number;
- Identification of the statute or policy that is alleged to have been violated;
- A precise statement of the relevant facts;
- Identification of the issues to be resolved; and
- Supporting documentation.

The protest must be concise and presented logically and factually to help with the City's review and determination as to whether the grounds for the protest are sufficient. The Purchasing Manager will notify the protesting party that the protest has been received and make every effort to resolve the protest before contract award.

If it is determined that the grounds for the protest are insufficient and no violation of a statute or policy has occurred, the Purchasing Manager will provide a written decision to the protesting party setting forth the reasons for the determination.

If, after conferring with the City Attorney's Office, it is decided that the grounds for the protest are sufficient and it is determined that a violation of a statute or policy has occurred, the Purchasing Manager will inform the protesting party by letter setting forth the reasons for the determination and the remedial action that will be taken.

When a protest is filed, the City will not make an award until a decision on the protest is made except, as determined by the City Manager, when a delay would jeopardize urgently needed goods or services, or a delay in making an award will unduly delay delivery or performance of urgently needed services.

33

## More Examples of Protest Procedures

- DIR

<https://dir.texas.gov/View-Information-For-Vendors/Pages/Content.aspx?id=21>

- The University of Texas System

<https://utsystem.edu/offices/contracts-and-procurement/27-supplier-protests-disputes-resolutions>

- GAO

<https://www.gao.gov/legal/bid-protests>

34

## A Final Thought

Having a policy that allows fair handling of protests helps ensure a fair and level playing field for all vendors who wish to participate in your entity's bid process. An approved procedure, posted for vendors' use, will provide less stress when a protest is made.

35

## Thank You from N&C Consulting



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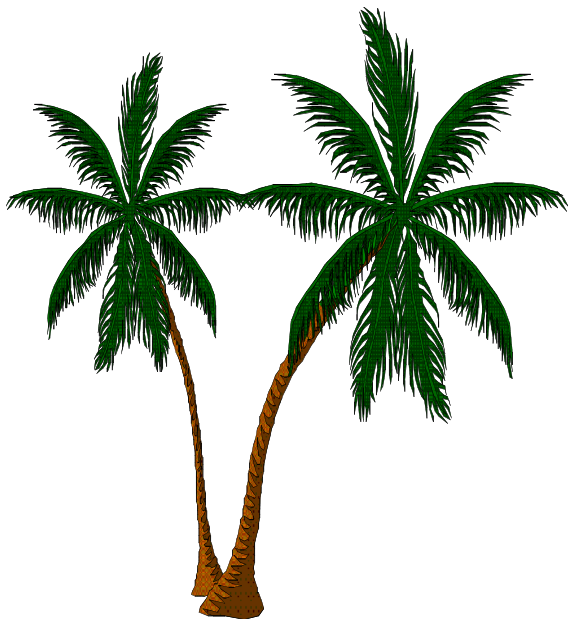
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# ***TIMELINE 2025***

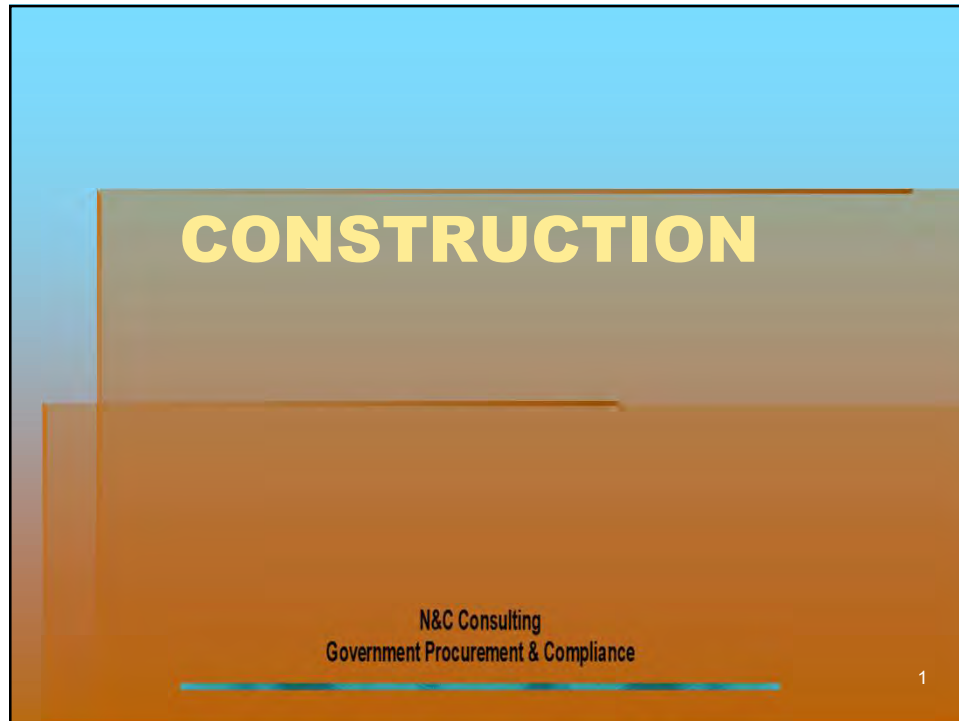
## **THE PURCHASING METHODS OF CONSTRUCTION PROCUREMENT**



**SPEAKERS:**

**Phillip Vasquez**





1

## Construction Definition

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

Public Works Projects

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

2

## Construction Statutes

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

3

## Major Statutes Related to Construction

- GC 2269: Contracting and Delivery Procedures for Construction Projects

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## Chapter 2269

### Contracting and Delivery Procedures for Construction Projects

5

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## Definition: Construction Delivery Method

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

6

6

## THREE PRIMARY METHODS

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

7

7

## SUBCHAPTER A GENERAL PROVISIONS

8

8

| Subchapter A<br>General Provisions  |                |
|---|----------------|
| Section Description   | Section Number |
| Definitions   | .001           |
| Applicability of Chapter to Governmental Entities Engaged in Public Works | .002           |
| Conflict of Laws; Requirement to Follow Procedures of This Chapter        | .003           |
| Exemption: Texas Department of Transportation; Highway Projects           | .004           |
| Applicability: Institutions of Higher Education                           | .005           |
| 9   |                |

9

| Subchapter A<br>General Provisions                                   |                |
|--|----------------|
| Section Description  | Section Number |
| Exemption: Regional Tollway Authorities                              | .006           |
| Exemption: Certain Local Government Corporation Improvement Projects | .007           |
| Exemption: Regional Mobility Authorities                             | .008           |
| Exemption: County Toll Authorities                                   | .009           |
| Exemption: Coordinated County Transportation Authority               | .010           |
| 10   |                |

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# SUBCHAPTER B GENERAL POWERS AND DUTIES

11

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## Subchapter B General Powers and Duties

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

12

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| Subchapter B<br>General Powers and Duties  |                |
|--|----------------|
| Section Description  | Section Number |
| Using Method Other Than Competitive Bidding for Construction Services; Evaluation of Proposals; Criteria<br><b>(HB 2581)</b> | .056           |
| Architect or Engineer Services   | .057           |
| Use of Other Professional Services   | .058           |
| Sealed Bids, Proposals, or Qualifications Required   | .059           |
| Documents Related to Evaluation and Ranking<br><b>HB 2581 added new section</b>  | .060           |

13

| SUBCHAPTER C<br>COMPETITIVE BIDDING<br>METHODS – DESIGN-BID-BUILD |
|---|
|---|

14

## COMPETITIVE BIDDING/DESIGN-BID-BUILD

Three sequential  
phases:

### 1. Design

Usually selected  
through a qualification-  
based process

### 2. Procurement (Bid)

Request for Bid or  
Competitive Sealed Bid

### 3. Construction



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## Subchapter C Competitive Bidding Methods

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

16

16

# SUBCHAPTER D COMPETITIVE SEALED PROPOSAL METHOD

17

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## Subchapter D Competitive Sealed Proposal Method

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

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## **SUBCHAPTER E CONSTRUCTION MANAGER- AGENT METHOD**

19

19

### **CM – Agent (CMA)**

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

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## Subchapter E Construction Manager- Agent Method

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

21

21

## Subchapter E Construction Manager- Agent Method

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

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

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### CMAR



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

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| <h2>Subchapter F</h2> <h3>Construction Manager-at-Risk Method</h3> |                |
|--|----------------|
| Section Description  | Section Number |
| Contracts for Facilities: Construction Manager-at-Risk             | .251           |
| Use of Architect or Engineer                                       | .252           |
| Selection Process  | .253           |
| Selection of Offeror   | .254           |
| Performance of Work  | .255           |
|  | 25             |

25

| <h2>Subchapter F</h2> <h3>Construction Manager-at-Risk Method</h3> |                |
|--|----------------|
| Section Description  | Section Number |
| Review of Bids or Proposals  | .256           |
| Default; Performance of Work                                       | .257           |
| Performance or Payment Bond  | .258           |
|  | 26             |

26

## **SUBCHAPTER G BUILDING USING DESIGN- BUILD METHOD (DB)**

27

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## **DESIGN-BUILD (DB)**

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



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## Subchapter G Building Using Design- Build Method

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

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## Subchapter G Building Using Design- Build Method

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

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# SUBCHAPTER H DESIGN-BUILD FOR CIVIL WORKS PROJECTS

31

31

## Subchapter H Design-Build for Civil Works Projects

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

32

32

## Subchapter H Design-Build for Civil Works Projects

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

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## Subchapter H Design-Build for Civil Works Projects

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

34

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| Subchapter H<br>Design-Build for Civil<br>Works Projects |                |
|--|----------------|
| Section Description                                      | Section Number |
| Completion of Design                                     | .365           |
| Final Construction Documents                             | .366           |
| Performance or Payment Bond                              | .367           |

35

| SUBCHAPTER I<br>JOB ORDER CONTRACTS<br>METHOD (JOC) |  |
|---|--|
|---|--|

36

## JOC

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

37

37

## Subchapter I Job Order Contracts Method

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

38

38

# Subchapter I

## Job Order Contracts

### Method

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

# SUBCHAPTER J

## ENFORCEMENT



## Caution!

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

41

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## Subchapter J Enforcement

| Section Description                                | Section Number |
|--|----------------|
| Void Contract                                      | .451           |
| Declaratory or Injunctive Relief<br><b>HB 2581</b> | .452           |

42

42

## SELECTION QUICK REF

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

43

43

## CRITERIA AND ATTRIBUTES

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

44

44

## SELECTION CONSIDERATIONS

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

45

45

## Resources

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

46

46

# THANK YOU N&C CONSULTING



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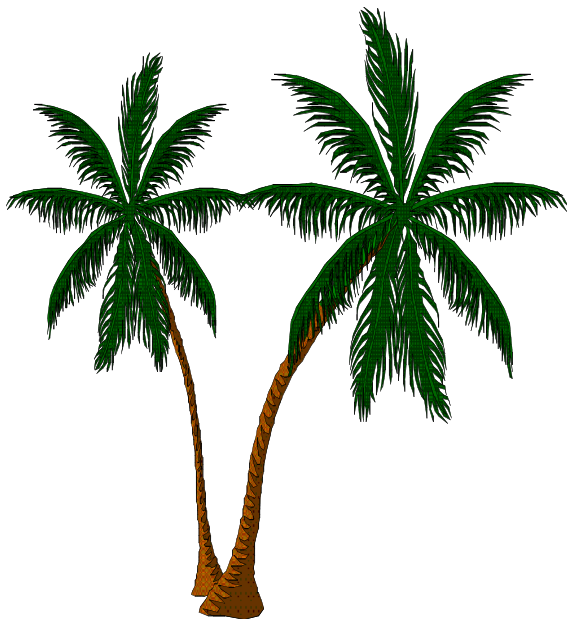
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# ***TIMELINE 2025***

## **FINDINGS OF AUDITS OF SCHOOL DISTRICTS**



**SPEAKER:**

**Patrick Simmons**





# Findings of Audits of School Districts

September  
2025



1



## About Me

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Audit Partner  
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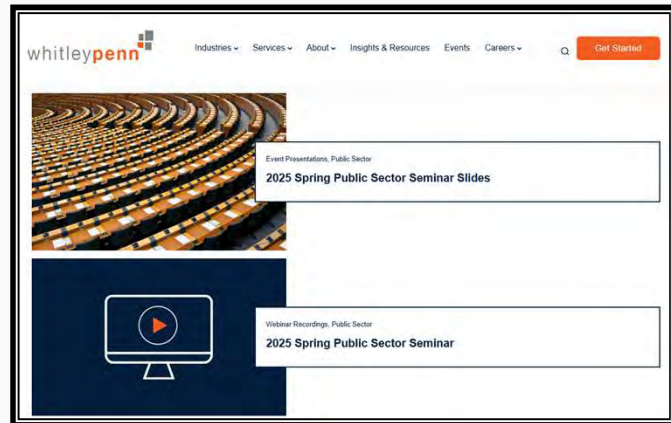
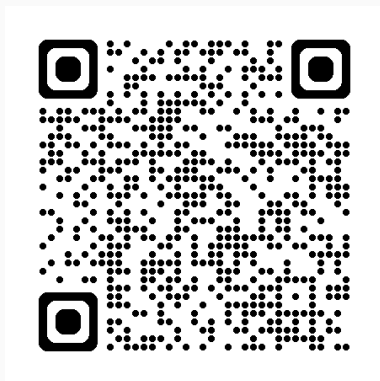
# Audit Update



## Which upcoming GASB standard are you most excited about?

- GASB 101, Compensated Absences
- GASB 102 Certain Risk Disclosures
- GASB 103 Financial Reporting Model Improvements
- GASB 104 Disclosure of Certain Capital Assets

4



## Get your GASB fix

5

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Wait... accountants do more than just implement GASB standards!

whitleypenn



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## Some fight crimes



whitleypenn



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## Some commit crimes



whitleypenn

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## Morton Wire Fraud Case

Press Release | April 23, 2025

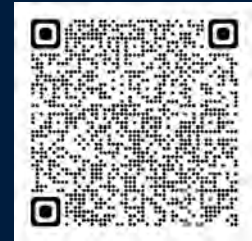
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### Case Summary

- Defendant: Tamara (Tammy) Clevenger, Former Clerk-Treasurer
- Location: City of Morton, Washington (pop. ~1,000)
- Charges: Federal Wire Fraud
- Alleged Theft: Over \$937,584 from 2012 to 2022
- Status: Currently being prosecuted by Assistant US Attorney Amanda McDowell
- Maximum charge = 20 years in prison

### Fraud Scheme

- Unauthorized checks written to herself
- ATM cash withdrawals
- Falsified vendor invoices to cover up theft



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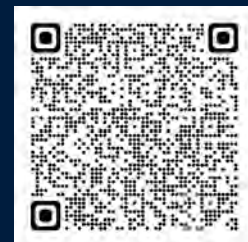
## Morton Wire Fraud Case

Press Release | April 23, 2025

whitleypenn

### Case Details

- Between November 2015 and December 2021, she stole at least \$311,727 of cash that citizens had brought in to pay for city services. In some instances, she would write a check from one city account to another to conceal the theft of the cash.
- She made unauthorized cash withdrawals with Morton ATM card.
- Between February 2013 and December 2021, Clevenger allegedly stole at least \$625,857 by writing checks to herself and depositing them in her bank account. Clevenger would allegedly use checks that had been pre-signed by the mayor for use in emergency situations. Clevenger allegedly used fake vendor invoices to make it appear the checks had been written for a service rendered to the city.



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## Houston ISD Corruption Case

Press Release | April 18, 2025

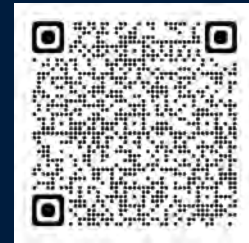


### Case Summary

- Defendants: Brian Busby (Former COO, Houston ISD) and Anthony Hutchinson (Vendor/Contractor)
- Location: Houston Independent School District, Texas
- Charges: Conspiracy, Bribery, and Wire Fraud
- Scheme Duration: ~9 years (2011–2020)
- Fraud Amount: Approximately \$6 million
- Status: Guilty verdict; sentencing July 2025
  - Max sentence = Up to 20 years for each count of wire fraud; 5 years for conspiracy, 10 years for bribery, and 20 years for witness tampering

### Fraud Scheme

- Contractor paid bribes to obtain HISD maintenance and construction contracts
- Kickbacks included cash, luxury goods, and home renovations for Busby
- Submitted fraudulent invoices for services not rendered
- Contracts steered to preferred vendors in exchange for personal benefit



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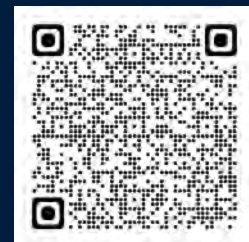
## Houston ISD Corruption Case

Press Release | April 18, 2025



### Case Details

- Hutchinson had two companies doing business with HISD
  - Just Construction (bond projects)
  - Southwest Wholesale (mowing/landscaping)
- Busby pressured HISD officials to provide Hutchinson's companies work, especially following Hurricane Harvey.
- Hutchinson marked up costs of supplies and overbilled HISD over \$6 million dollars for mowing/landscaping.



12

12

## Boone County Schools Fraud Case

Press Release | April 7, 2025



### Case Summary

- Defendant: Michael Barker, Former Maintenance Supervisor
- Location: Boone County Schools, West Virginia
- Charges: Wire Fraud
- Fraud Amount: Over \$3.4 million between 2019 and 2023
- Status: Plead guilty; sentencing June 2025
  - Max sentence = 20 years, \$250k fine, \$3.4M restitution

### Fraud Scheme

- Submitted fake invoices for HVAC parts and services through sham companies
- Diverted district funds to personal accounts via fictitious vendors
- Maintained false records and concealed fraud for over a decade



13

13

## Boone County Schools Fraud Case

Press Release | April 7, 2025



### Case Details

- Boone County Schools paid Rush Enterprises \$4.3M from November 2019 to December 2023 for supplies such as hand soap, trash can liners, face masks, face shields, and hand sanitizer. Barker admitted that 80% of the total payments were based on fraudulent invoices.
- Jesse Marks, owner of Rush Enterprises, overbilled Boone County Board of Education for the supplies, deposited checks received via mail to his business bank account, and then wrote himself checks on that account.
- Marks delivered some of that cash to Barker which was then used to buy vehicles, equipment, and for substantial improvements to his residence.



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## This week's episode...

whitleypenn

### Vault Agrees to Pay \$8 Million to Settle Allegations of Billing False Claims to the COVID-19 Uninsured Program for Patients with Health Insurance

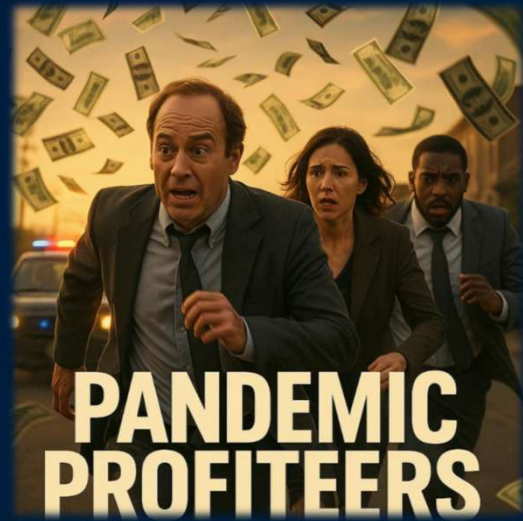
Vault Medical Services, P.A. and Vault Medical Services of New Jersey, P.C. (collectively "Vault"), have agreed to pay the United States \$8 million to resolve allegations that Vault violated the False Claims Act by knowingly submitting or causing the submission of false claims to the Health Resources & Services Administration COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured Program (the "Uninsured Program") for patients who had health insurance.

April 23, 2025

### Suburban Chicago Police Officer Charged With Covid-Relief Fraud

WILLIAM FREDERICK REED allegedly fraudulently obtained Covid-relief loans and then concealed the proceeds in his bankruptcy case.

April 23, 2025



15

15

## This week's episode...

whitleypenn

### Federal Law Enforcement Officer Arrested for Allegedly Fraudulently Obtaining COVID-19 Business-Relief Funds for Shell Companies

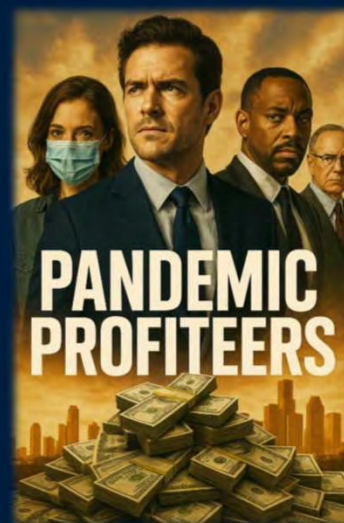
A United States Customs and Border Protection (CBP) officer has been arrested on a five-count federal grand jury indictment alleging he fraudulently obtained nearly \$150,000 in COVID-19 pandemic business-relief loan funds for two of his sham businesses, the Justice Department announced today.

April 24, 2025

### Nigerian Man Pleads Guilty to \$10 Million Pandemic Unemployment Assistance Fraud Scheme

BOSTON – A Nigerian man has pleaded guilty in connection with a conspiracy to fraudulently obtain at least \$10 million in COVID-19 unemployment benefits.

April 23, 2025



16

16

## This week's episode...

whitleypenn

### Memphis Woman Sentenced in Healthcare Fraud Scheme and Schemes to Defraud COVID-19 Relief Program

**Memphis, TN** – A federal judge has sentenced **Nakita Cannady, 49**, to 14 months in federal prison to be followed by two years of supervised release for healthcare fraud and making false statements in connection with loan applications for the **Covid-19** Relief Program. The final sentencing hearing was concluded on April 4, 2025, with the entry of an order by Senior United States District Judge John T. Fowlkes, Jr. directing the defendant to pay more than...

April 23, 2025

### Miramar Mayoral Candidate Pleads Guilty to Covid-19 Relief Fraud

The owner of Theophin Consulting LLC has pleaded guilty to wire fraud for fraudulently obtaining **Covid-19** relief loan proceeds under the Paycheck Protection Program ("PPP") program.

April 24, 2025



17

17

WHAT ARE THEY  
FINDING



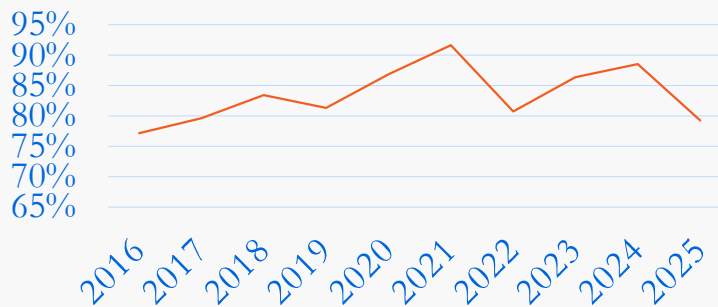
18

18

## TDA Administrative Reviews



### % OF REVIEWS WITH FINDING



#### 2025 Most Common Finding So Far

Were breakfasts and lunches sold to teachers, administrators, custodians and other adults priced so that the adult payment in combination with any per-lunch revenues from other sources designated specifically for the support of adult meals (such as State or local fringe benefit or payroll funds, or funding from voluntary agencies) was sufficient to cover the overall cost of the adult meal?

19

## Most Frequent TDA Procurement Findings

| # of 2025 Findings | Description of Finding   |
|--------------------|--|
| 96                 | Micro Purchases - SFAs did not spread purchases equitably among all qualified sources.   |
| 58                 | Inadequate procurement policy & procedures   |
| 52                 | Small Purchases – SFAs did not obtain price/quotes from an adequate # of sources (2 or more) and provide clear/accurate description of goods/services procured.  |
| 36                 | SFAs did not perform a cost or price analysis in connection with every procurement above the Simplified Acquisition Threshold, including contract modifications. |
| 30                 | SFAs did not have a compliant written code of conduct.   |

20

20



## Federal Audit Clearinghouse

|                             | Texas ISDs | Texas |
|-----------------------------|------------|-------|
| Total Submitted to FAC      | 580        | 936   |
| Internal control deficiency | 41         | 64    |
| Material noncompliance      | 15         | 20    |
| Material weakness           | 12         | 37    |
| Going concern               | 1          | 3     |

21

21

| Grant           | Findings |
|-----------------|----------|
| Child Nutrition | 13       |
| IDEA            | 7        |
| ESSER           | 11       |

Federal Audit Clearinghouse  
*2024 Findings for ISDs by Grant & Compliance Requirement*

22

22

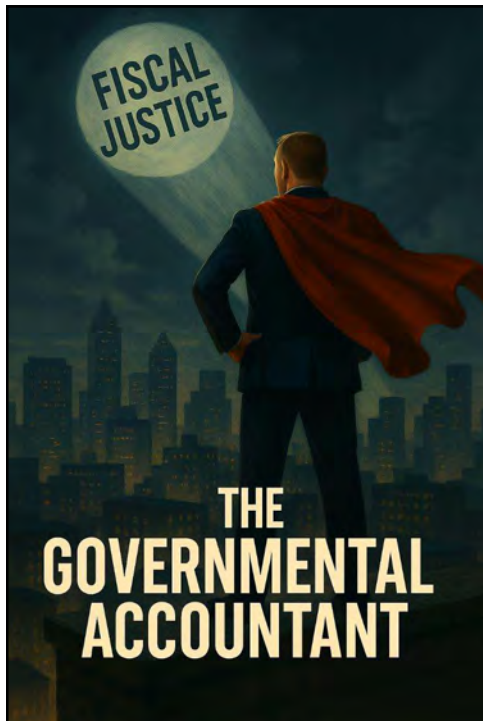


## Common Issues

- Lack of consistent documentation for semi-annuals and time & effort.
- Inadequate system for tracking by commodity codes.
- List of new leases/SBITAs incomplete.
- Scheduled principal/interest payments on leases/SBITAs does not reconcile to schedules.
- Independent estimate and cost/price analysis for purchases over \$250k not being completed.
- Disclosure of new arbitrage liabilities.
- Incorrect reporting of new J-1 amount for prorated homestead exemptions.
- Difficulty providing SEFA with a reconciliation to 59xx.
- Difficulty locating correct SEFA elements for all Child Nutrition grants.
- Compensated absences balances under new GASB 101 as of the beginning of the fiscal year should be calculated today

23

23



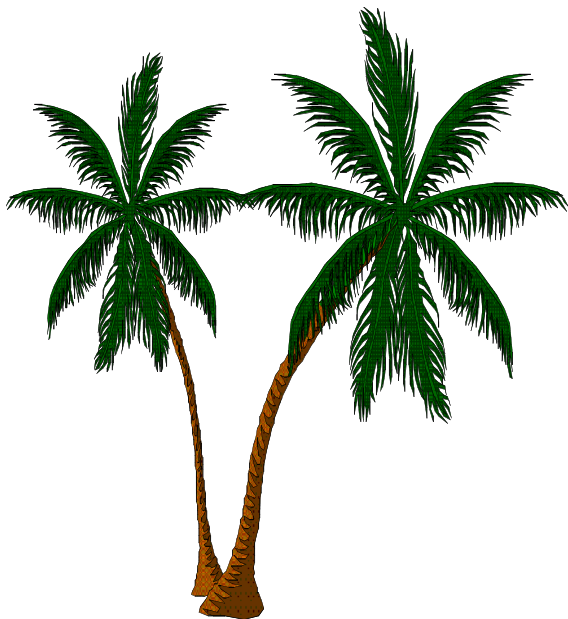
## Questions

24

24

# **TIMELINE 2025**

## **HEADLINE NEWS ARTICLES**



### **SPEAKERS:**

**Ignacio Amezcua  
Adrian Garcia**

# Valley Mills police chief and officer arrested in municipal credit card fraud investigation, sheriff says

By [KWTX Staff](#)

Published: Feb. 10, 2025 at 4:46 PM CST | Updated: 18 hours ago

**MERIDIAN, Texas (KWTX)** - Valley Mills Police Department Chief Matthew Cantrell and VMPD Police Officer Solomon Omotoya were arrested in a municipal credit card fraud investigation, said Bosque County Sheriff Trace Hendricks.

In mid-January 2025, a Valley Mills City Council member contacted the sheriff's office to report suspicious credit card expenditures involving the police department.

Bosque County Sheriff's Office investigators conducted an inquiry into the suspicious expenditures, and requested the assistance of the Texas Rangers and the FBI.

Investigators discovered credit card expenditures for purchases of fuel in multiple locations in Johnson County, where both Cantrell and Omotoya reside, Hendricks said.

During the investigation, video footage was obtained that implicated both officials purchased fuel utilizing the Valley Mills City Fuel/Fleet card, the sheriff further alleged.

"These purchases were determined, by video surveillance, to have occurred while the officers were off duty and the fuel was put in the officer's personal vehicles," Hendricks said.

"Investigators confirmed that these transactions were not approved or authorized by city policy, and are not acceptable practices."

On Feb. 10, investigators obtained warrants against Cantrell and Omotoya charging abuse of official capacity.

Bosque County Sheriff's Office deputies, assisted by Texas Rangers and the FBI, took Officer Omotoya into custody while he was on duty in Valley Mills.

Johnson County Sheriff's Office deputies arrested Cantrell at his home in Johnson County.

The city hired Cantrell less than five months ago and Omotoya was hired back in October, according to city council meetings. Cantrell is the fifth police chief the city has had over the past six years.





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## Harlingen School Board Dishes Out \$250K for Superintendent's Sudden Exit

ERIN ANDERSON | TEXAS SCORECARD | EDUCATION

SEP 20, 2024



Superintendent J.A. Gonzalez | Image by McAllen ISD




(Texas Scorecard) – A South Texas school superintendent who recently resigned under mysterious circumstances after just one year on the job was paid a quarter-million taxpayer dollars to buy out the remainder of his contract, even as the school district faces financial challenges.

Harlingen Independent School District trustees agreed earlier this month to let Superintendent J.A. Gonzalez “resign and pursue other interests,” citing unexplained “serious issues.”

According to Valley Central, trustees gave Gonzalez a payment of \$250,780 plus unused leave in exchange for his resignation.



# Former Edcouch city manager pleads guilty in federal bribery investigation

Share:    By: Jose De Leon III



## Related Story

Edcouch's former city manager pleaded guilty to a charge of conspiracy to defraud the U.S., federal court records show.

Victor Hugo De La Cruz is set to be sentenced in July 2025.

De La Cruz was arrested alongside Former Edcouch Mayor Pro-Tem Rene Adan Flores in September 2024 both were indicted on federal bribery charges, according to previous reports.

**RELATED STORY:** [Edcouch city manager, mayor pro-tem arrested on federal bribery charges](#)

The indictment alleges that from June to September 2019, De La Cruz and Flores solicited bribe payments from the owner of a Brownsville business that provides marketing services throughout the Rio Grande Valley.

According to the charges, the Brownsville business owner allegedly received two separate \$3,000 payments for marketing work for the city of Edcouch and in return, he made two \$1,000 kickback payments to Flores.

In January 2025, Flores pleaded guilty to a charge of conspiracy to defraud the U.S. He's set to be sentenced in June 2025.

According to De La Cruz's plea agreement, he faces up to five years in prison and a fine of up to \$250,000.

## NEWS

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Former Edcouch city manager pleads guilty in...

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# Suspect in IES fraud due back in court



**By MARK REAGAN**

Staff Writer

The former finance director for International Educational Services, or IES, is scheduled for a re-arraignment hearing on Tuesday morning in Brownsville federal court.

U.S. District Judge Fernando Rodriguez Jr. scheduled the hearing for Juan Jose Gonzalez on Friday, court records indicate.

Gonzalez is charged along with Ruben Gallegos Sr. and his son Ruben Gallegos Jr. with conspiracy and theft concerning



programs receiving federal funds.

2/2  
7

They are accused of misapplying hundreds of thousands of dollars in federal grant funds meant to be used for temporarily housing migrant children at IES, a nonprofit.

Ruben Gallegos Sr. was the president and Ruben Gallegos Jr. was its chief executive officer.

IES had operated for years before it abruptly shuttered its doors and fired all of its employees on March 31, 2018.

At the time, neither the federal government or IES explained why the nonprofit suddenly closed.

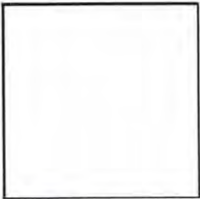
It wasn't until The Brownsville Herald filed a successful Freedom of Information Act

From: GRA <[gra-articles@government-resource-associates.com](mailto:gra-articles@government-resource-associates.com)>

Sent: Sunday, September 22, 2024 6:01 AM

Subject: Corpus Christi auditor investigating city staff food purchases, money spent at Hooks

## INVESTIGATION: Corpus Christi auditor investigating city staff food purchases, money spent at Hooks



A sampling of receipts from the Corpus Christi Yacht Club.

Photo by: Screenshot

KRIS 6 News

By: [Rachel Denny Clow](#) , [Bryan Hofmann](#)

Posted 12:19 PM, Sep 21, 2024

and last updated 12:22 PM, Sep 21, 2024

CORPUS CHRISTI, Tx — Just one month after requesting public documents from the City of Corpus Christi, the City Manager made changes to the city's purchasing card policy.

KRIS 6 News has also learned that the City Auditor is investigating an allegation of misuse of these cards.

That investigation began in part after 6 Investigates submitted that request in July. A city employee also made a confidential report alleging misuse of these cards to Gil Hernandez, District 5 Council Member and chair of the city's Audit Committee.

As the city developed its budget for the year, employees with the city began reaching out to 6 Investigates telling us to look into monies spent on food and entertainment by top executives at the city.

"Any time you have shortfalls in the budget, you have to question every expense," said Hernandez.

6 Investigates requested several documents from the city back in July and additional documents in August and September. To date, we have not received all of the documents we've requested.



KRIS 6 filed a complaint with the Attorney General alleging violations of the Public Information Act.

For the last few months, 6 Investigates has been digging into documents provided by the city. They reveal [extensive food purchases](#) made by executives and assistants to the city's top executives.

From September 1, 2023, to July 30, 2024, the city's fifth floor spent more than \$44,000 at local restaurants, including the Yacht Club, Aka Sushi, Koi Sushi, Vietnam, and Katz 21, to name a few.

### SNAPSHOT OF EXPENDITURES:

- Yacht Club, \$13,053.44
- Aka Sushi, \$1794.75
- Koi Sushi, \$3,147.04
- Vietnam, \$2290.80
- Katz 21, \$2555.00

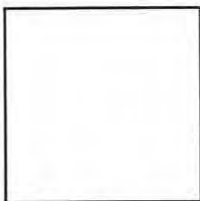
Zanoni said these expenditures are primarily due to staff having to work through meals, so the city picked up the tab.

"In all of those occasions, every one of them, it's us working around the clock to make a better city. It's that simple," Zanoni said.

The city also spent just over \$5,000 on snacks and drinks at HEB and Sam's Club, and \$8,000 at the American Bank Center while negotiating Industrial District Agreements.

"Our budget is a \$1.8 billion budget, so \$44,000 is insignificant in terms of the size of the budget. It's the cost of doing business in the city," Zanoni said.

The budget referenced by Zanoni is a combination of the operating and capital budget. However, the budget for the general fund is \$294.3 million.



City of Corpus Christi presentation  
*A breakdown of the fiscal year 2024-25 budget.*

Between April of last year and the end of July 2024, 6 Investigates found the city had also spent over \$25,000 at Corpus Christi Hooks games.

"We should be doing that," Zanoni told Chief Investigative Reporter Bryan Hofmann.

"So we should be spending an extra \$25,000 on food and drinks for city officials?" Hofmann asked.

"We should be supporting the Hooks. The City Council, who are the chief ambassadors for the city should be doing that," Zanoni said.

Memos on purchasing card statements revealed multiple city departments, including the City Manager's Office and elected officials, were treated to nights at the ballpark. All on the taxpayer's dime.

Part of the agreement between the city and the Hooks means for half of the home games each season the city receives suite access to the city-owned baseball stadium, along with a food and drink allowance of \$500 per game.

#### TOP 5 HOOKS CHARGES, ABOVE \$500 CREDIT:

- 5/4/2024, City Manager's Office, \$1,603.80 (a notation indicates the city should have received a \$1,000 credit)
- 7/21/2024, Information Technology and City Manager's Office, \$1,129.80
- 5/25/2024, Animal Care Services, \$930.60
- 5/23/2024, Human Resources, \$930.60 (a notation indicates the city should have received a \$500 credit)
- 7/30/2024, Fire department, \$849.00

"With the Hooks we have, I would say, a sweetheart deal with them, you know? The cost for the insurance on the building is more than what we receive in lease expense for the year," Hernandez said.

Zanoni defended these charges and highlighted the economic impact garnered from these games.

"You have a \$450 million economic impact that you have annually, we want that to continue. That's not going to happen if we are nowhere to be found," Zanoni said. In August, before the city turned over the documents requested by 6 Investigates, Zanoni wrote a [six-page memo to the City Council about that request](#), along with an explanation for some of these charges.

Seven days after that memo was sent to the council, [an update to the city's P-card \(Purchase Card\) policy was made.](#)

"In light of your (6 Investigates) review and the one that the auditor is doing, we revised our P-card policy," Zanoni said.

That update includes a new section detailing allowable uses for business meetings and meals, as well as a requirement that anyone attending those meetings be listed on the receipt.



Saturday, October 7, 2023

[www.coastalcurrent.com](http://www.coastalcurrent.com)

[www.valleyview.com](http://www.valleyview.com)

10B

703 Homes For Sale

1002 Service & Repair

Valleywide

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TRUTH IN LENDING ACT

102 Bid Notices

102 Bid Notices

102 Bid Notices

102 Bid Notices

102 Bid Notices

END, OCTOBER 7-8, 2023

102 Bid Notices

109 Bid Notices

## Los Fresnos Consolidated Independent School District is soliciting Competitive Sealed Proposals for

### CSP# 23-24-18 Mini-Gyms HVAC Upgrades

All proposals must be on a lump sum basis including General Contract, Electrical and Mechanical work. Digital Bid packages available at Ethos Engineering, email: [melinda@ethoseng.net](mailto:melinda@ethoseng.net); phone: (956) 230-3435. An executed bid bond form in the amount of 5% for each proposal must accompany each proposal.

CSP# 23-24-18 Mini-Gyms HVAC Upgrades bid proposal due October 25, 2023 at 2:00 pm and read virtual (MS Teams) at 2:15 pm.

Login access details: Click here to join the meeting Meeting ID: 263 684 146 995 Passcode: HT26ki.

Pre-Bid Conference will be on October 17, 2023, at 10:00 am at Ethos Engineering: 1126 S. Commerce St. Harlingen, Texas. For virtual attendance please join Virtual MS Teams on your computer, mobile app or room device. Click here to join the meeting Meeting ID: 247 304 180 213 Passcode: DgMsqh

Each Bid Proposal must be submitted in a sealed envelope to Ethos Engineering at 1126 South Commerce St., Harlingen, TX 78550 and shall be plainly marked "CSP# 23-24-18 Mini-Gyms HVAC Upgrades"

Faxed or emailed Proposals are not acceptable. LFCISD reserves the right to accept or reject any or all proposals and to waive any irregularities.



2606 BOCA CHICA BLVD  
BROWNSVILLE, TX 78521  
(956) 541-8315  
[www.hacb.us](http://www.hacb.us)

## REQUEST FOR INTEREST(RFI)

The Brownsville Housing Opportunity Corporation (BHOC) a Public Facilities Corporation/Legal Instrumentality of the Housing Authority of the City of Brownsville (HACB) is hereby soliciting Statements of Interest (SOI) for the following item:

1. "HACB RFI No. 23-001 Leasable Space

Qualifications for the  
BID ON ENVELOPE, ATTN:  
PROPOSAL

ESTER JUVENILE  
CENTER SMOKE  
AND HVAC SYSTEMS

IS & MISCELLANEOUS FOR

Proposal RFO = Qualifications

Dalia Loera at 956/544-0871  
web site- Bids & Specs. Tab  
sing-bids-rfpq-addms-tabs/

in the REFERENCE "ATTN:  
BID/PROPOSAL/REQUEST FOR  
YOUR RETURN ENVELOPE  
nty Purchasing Department -  
Building) 1100 E. Monroe St.,  
Tx. 78520. Properly referenced  
be opened at the Cameron  
Street, Brownsville, Texas in the  
room # 345 at 3:00p.m. (as per  
line date. Bidders are invited to  
employment Opportunity Employer  
t or reject any and all submittals

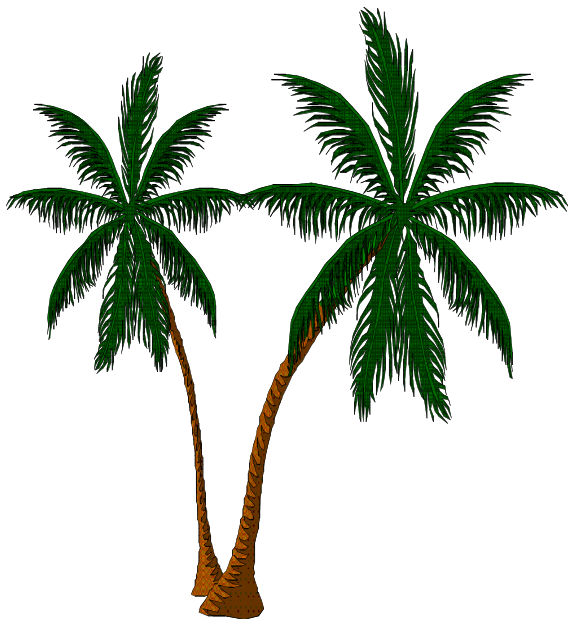
## posal (RFP)

erica (PCA) is a national  
orking with a public agency  
or response by Vendors who  
ts/services to public sector



# **TIMELINE 2025**

## **QUESTIONS & ANSWERS SESSION**



### **SPEAKERS:**

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