



HCDE Quick Reference Guide to Purchasing Policies

Link: <http://www.hcde-texas.org/default.aspx?name=PurchCoopHome>

This guide is intended for anyone who approves purchase requests.

Purchasing Contracts:

Purchase Orders - Purchases over \$2,500
Payment Authorizations - Purchases less than or equal to \$2,500

Over \$25,000 - 1 of 9 Methods
\$2,500 to \$25K - 3 Written Quotes
Less than \$2,500 - 1 Quote

Penalties:

A trustee, employee, or agent of the Department who knowingly or, with criminal negligence, violates the purchasing laws is subject to criminal penalties.

9 Methods for Purchasing:

- 1 - Competitive Bidding
- 2 - Competitive Sealed Proposals
- 3 - Catalog Purchase
- 4 - Interlocal Contract
- 5 - Construction: Design Build Contract
- 6 - Contract to construct, rehab, alter, or repair facilities that involves using a Construction Manager
- 7 - Job Order Contract for minor construction, repair, rehab, or alteration of a facility
- 8 - Reverse Auction Procedure as defined by TLGC 2155.062d
- 9 - The formation of a Political Subdivision Corporation under LGC, Section 304.001

Receipt of Gifts:

- * Public officials may NOT receive anything of value over \$250.
- * Gifts may impair judgment to get the best value for the Department.

Bond requirements:

Amount:

Performance Bond	\$ 100,000
Payment Bond	\$ 25,000
Registered Engineer	\$ 20,000
Registered Architect	\$ 100,000 new
Registered Architect	\$ 50,000 alteration

Other Requirements:

- *** Prevailing wage requirements.
- *** Requirements in Standard Conditions for General Contractor and Sub-Contractors are part of a bid or proposal.

Sole Source, Types:

Patent, Copyright, Secret Process, Monopoly, Manuscript, Film, Book, Utility Service, Replacement Component, or Parts.
Sole Source determination will be made by the Purchasing Division ONLY upon review of the sole source letter.

Sole Source, Exceptions:

Exceptions to TEC 44.031 are professional services such as Architects, Attorneys or Fiscal Agents. Financial Consultants or Technology Consultants may be hired according to TGC 2254.026 and 2254.027

Competitive bids are NOT allowed for CPAs, Architects, Landscape Architect, Land Surveyor, Physician, State-certified or State-licensed Real Estate Appraiser, Optometrist, Professional Engineer, or Registered Nurse. These contracts shall be awarded on the basis of demonstrated competence and qualifications and for a fair and reasonable price.

Felony Conviction:

The Department must receive notice from a person or business if the person or an owner or operator of a business has been convicted of a felony. The Department may terminate the contract (1) due to the conviction, (2) if the person fails to provide notice, or (3) the person misrepresents the conduct resulting in the conviction.

Contracts:

Payments from 6200 codes require a contract unless the total is under \$1,500.

Contracts may ONLY be signed by the Superintendent or the Assistant Supt. For

All contracts must be processed through Purchasing Division.

Sample contracts are available in P: Drive \under Purchasing/ Contracts.

Factors to Consider when Awarding a Contract:

- Price
- Reputation (Vendor)
- Quality of Work
- Meets HCDE Needs
- Past Relationship
- HUB Compliance
- Long-term Costs
- Any Other Relevant Factor

Vendor Package:

- Includes: Vendor Information Form W-9 Form Conflict of Interest Form

Law:

Texas Education Code (TEC)
Chapter 44. Fiscal Management, .031 Purchasing Contracts

Texas Local Government Code (TLGC)
Section 304.001

Texas Government Code (TGC)
Section 2254.026 & .027
Section 2155.062d

HCDE Policies:

CAA Local
CH Legal and Local
DBD Local

Legal Notices:

Required for bids and proposals

Selection:

Will be made public AFTER award

Delivery Method Selection:

Construction Project delivery method must be determined prior to advertising

Emergencies, Defined:

Equipment, facility, part of school or personal property is destroyed or damaged due to unforeseen disaster or emergency or undergoes major operational or structural failure and the Board of Trustees determines that the delay posed by methods in TEC 44.031 will prevent/substantially impair the conduct of classes or other essential [school] activities. Then contracts for the replacement or repair of equipment or facility may be made by methods other than those required by TEC 44.031.

Insurance:

Workers Compensation insurance is REQUIRED for any work where services are performed at Department locations: offices, centers, etc.) An exception may be Sole Proprietors, Partners, and Corporate Officers who are self-insured.

Board Approvals:

- ** Purchasing Contracts above \$25,000.
- ** Construction contracts valued at or over \$25,000.
- ** Change Orders shall be approved **prior to** beginning the approved work.
- ** A monthly report is made of vendors paid in excess of \$25,000 Year-To-Date.

Related Party Transactions:

The Department may not sell to one of its employees. See DED Local

The Purchasing Division will determine Cooperative Participation: HCDE, TASB Buy Board, Houston Galveston Area Council, Region 1 ESC, TCPN (R4ESC).

Additional Information:

Contact the Business Office or the Purchasing Division.

via email:

jamezcus@hcde-texas.org
jcutting@hcde-texas.org
gquillard@hcde-texas.org

via phone:

(713) 686-1371

via FAX:

(713) 696-1371

The HCDE Website:

www.hcde-texas.org

Required Documents for Payment of a Purchase Order:

- 1) Requisition
- 2) Purchase Order
- 3) Receiving Report
- 4) Original Invoice

Retainage shall be retained at 5% and a checklist must be prepared before final payment.

Deliveries of Fixed Assets

MUST be made to the Warehouse or to the Technology Division for tagging and accountability.

Fraud:

Fraud must be reported to the Superintendent.

Examples of Fraud:

- Not receiving all items in an order; yet paying for all items.
- Not receiving value for services or goods.
- Paying to a fictitious vendor.

Fraud often requires collusion.

Refer to Fraud Policies and Procedures; CAA Local.