

JULY 21, 2021

INTERNAL PURCHASING DIVISION

Annual Board Report



PREPARED BY
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Purchasing Director

APPROVED BY
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Assistant Superintendent of Business

EXECUTIVE SUMMARY

The Harris County Department of Education (HCDE) Internal Purchasing Division is pleased to provide this Annual Board Report which offers an opportunity to share an overview of the division's measures, projects, and accomplishments.

The Purchasing Division strives to provide the highest level of service and reflects this through its focus on customer service and its commitment to provide excellent purchasing support to staff, divisions, administration and vendors.

This report highlights information of the Division, including:

- Staff and Responsibilities
- Staff Training and Certifications
- Other Division Highlights
- Upcoming Projects
- SWOT Analysis

MISSION STATEMENT

To exceed client expectations by maximizing fiscal resources and providing quality support services.

PURPOSE

The Purchasing Division is responsible for purchasing-related activities for HCDE in accordance with the authority delegated by the Superintendent, the Board of Trustees, and all federal and state laws. HCDE's Purchasing Division ensures that all purchasing transactions are in compliance with all state, local and federal regulations.

MEET THE TEAM



DR. JESUS AMEZCUA, YARITZA ROMAN, INGA ASH, KENDRA JACKSON, CHARISMA TOLBERT, WHITNEY COACHMAN, AND DEISY RUBIO (NOT SHOWN)

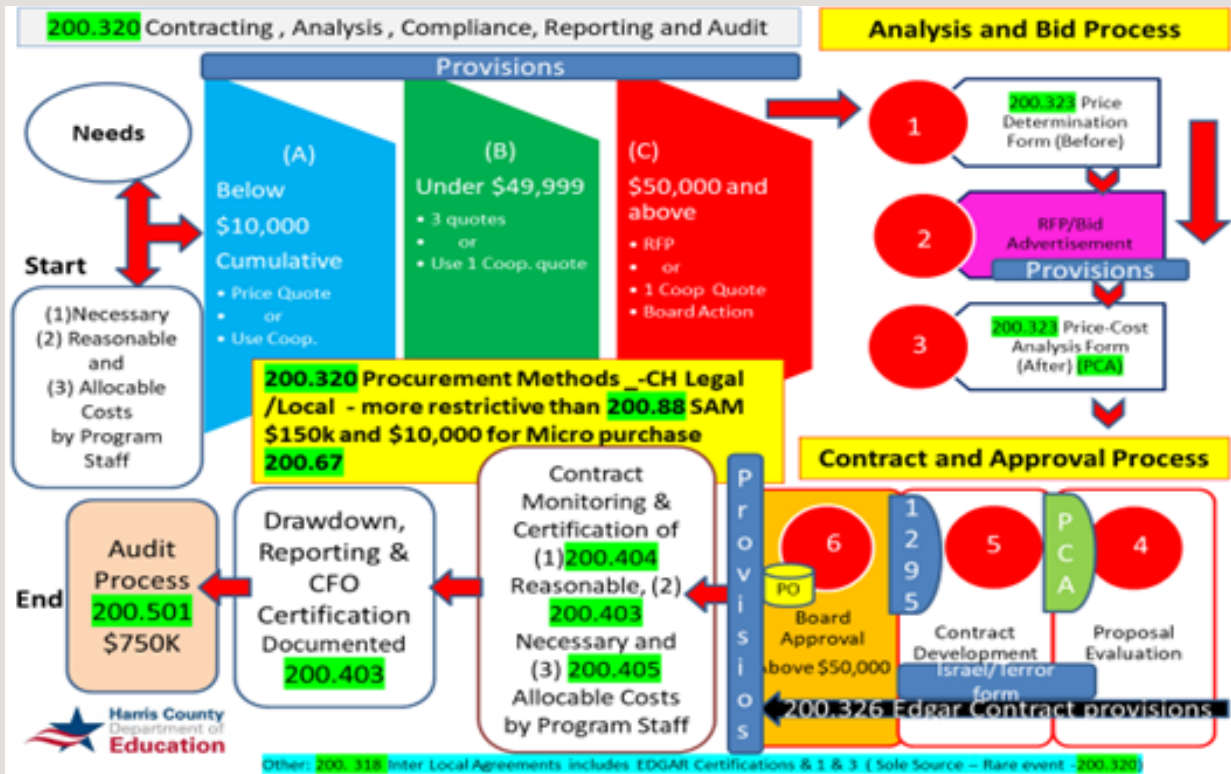
The HCDE Purchasing Division is part of the Business Services Division, under the administration of Jesus Amezcua, Ph.D., CPA, RTSBA, Assistant Superintendent for Business Services.

The Purchasing Department staff includes:

- Director, Kendra Jackson, RTSBA
- Assistant Director, Vacant
- Contract Manager, Yaritza Roman, RTSBA
- Procurement Coordinator, Inga Ash, CTSBS
- Purchasing Specialist, Charisma Tolbert, CTSBS
- Quality Assurance Specialist, Whitney Coachman, CTSBS
- Quality Assurance Specialist, Deisy Rubio, CTSBS



FUNCTIONS



FLOWCHART USED FOR PROCESSING REQUISITIONS ,POS, SOLICITATIONS

The function of the Purchasing Division is to procure goods and services that will support the various divisions of HCDE. The procurement of these goods and services ensures that HCDE is spending tax dollars in a cost-effective manner. Internal Purchasing serves all HCDE divisions.

Some of the functions that Internal Purchasing performs for the Department include:

- Development of proposals (Issuing bids/proposals)
- Assist in the development of specifications and scope of services
- Assist in the Choice Partners Cooperative proposal process
- Requisition, purchase order, and change order processing
- Contract development and management
- Preparation and processing agenda items for monthly Board of Trustees meetings
- Administration of the Procurement Card (P-Card) Program
- Staff training
- Processing vendor packets

Purchasing Division Training and Certifications

TASBO Certifications and Conferences

- The HCDE Purchasing Division is committed to providing continuous education to staff. Helping our staff members become TASBO certified gives HCDE a competitive edge.
- Kendra Jackson and Yaritza Roman are all certified as a TASBO Registered Texas School Business Administrator (RTSBA).
- Inga Ash, Charisma Tolbert, Whitney Coachman, and Deisy Rubio all have their Certified Texas School Business Specialist (CTSBS) certifications.
- HCDE works with TASBO to provide certification courses onsite at HCDE and making these courses available to HCDE and surrounding districts, thereby assisting our divisions and members in savings costs related with employee travel.

Other Training, Conferences and Certifications

Division employees receive ongoing professional development including but not limited to

- School Finance Council – Staff attends the monthly SFC meetings to keep up to date on purchasing and related policies and maintain the continuing education requirement for certifications.
- Numerous in-house trainings: some of which were delivered by the Business Services and Human Resources divisions.

HCDE Staff Training

Financial Operating Guidelines

- The Purchasing Division offers training on state, local and federal regulation updates, established expenditure limits, requisition processing, approved vendors, filing new vendor packets, and the HCDE eBid System , coordinating requests for proposals, contract development and the P-card program, as part of the annual training on Financial Operating Guidelines (FOG).
- The training is offered annually and is mandatory for all employees who are responsible for budget, purchasing, payroll, accounts payable, accounts receivable, procurement card, or general business office transactions. All division directors, managers, and supervisors are also required to attend.
- The Financial Operating Guidelines are available on the HCDE website and the Business Services and Purchasing internal portals.

P-Card Training

Users who reconcile P-Cards are invited to train in interactive sessions. In addition, a mandatory training is offered throughout the year to any new P-Cardholder as a pre-requisite to obtaining a P-Card.

New Director Training

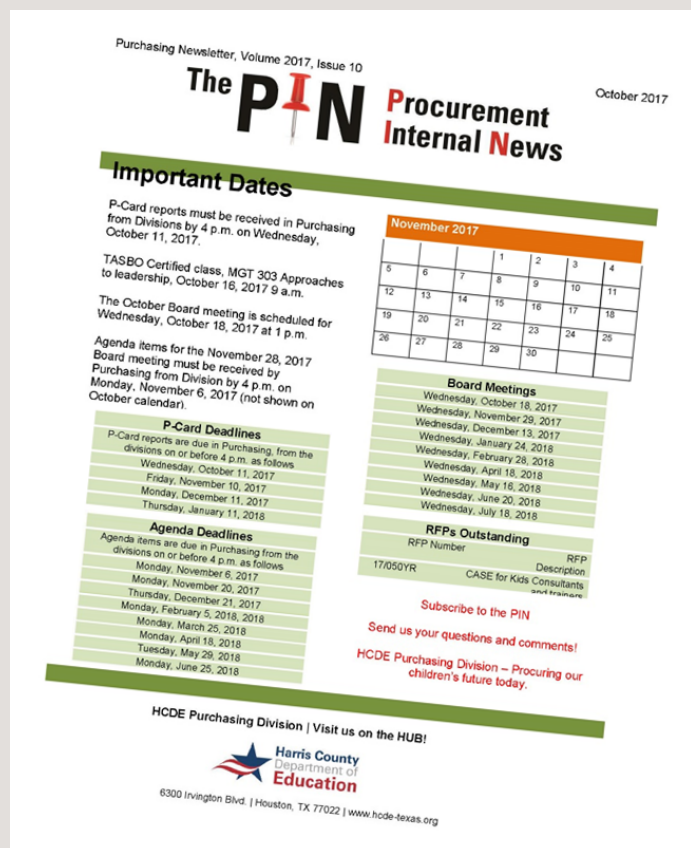
Purchasing provides a one-on-one session that includes CH Local and Legal updates, vendor packages, agenda item requirements and deadlines, contract requirements and signatures, information on purchasing cooperatives and approved vendors, and electronic requisitions to all newly -hired directors within HCDE.

OTHER DIVISION HIGHLIGHTS

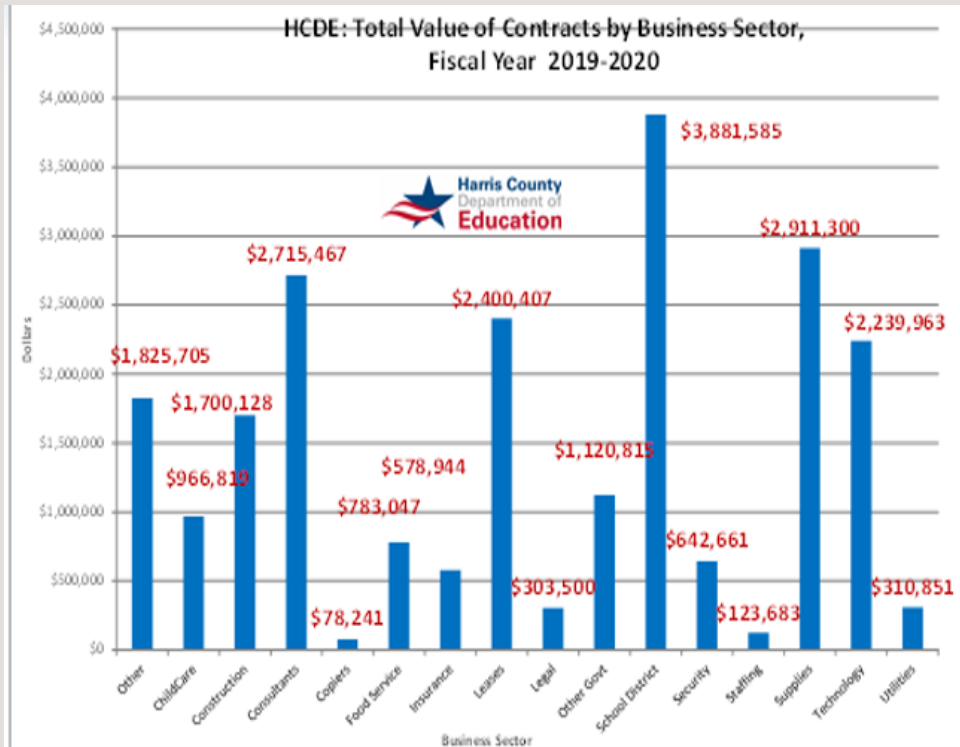
The PIN (Procurement Internal News)

Purchasing issues a monthly newsletter to all internal customers involved in procurement operations, including P-Cardholders, staff who enter requisitions or involved in the vendor selection process, staff involved in processing contracts, managers, supervisors and directors.

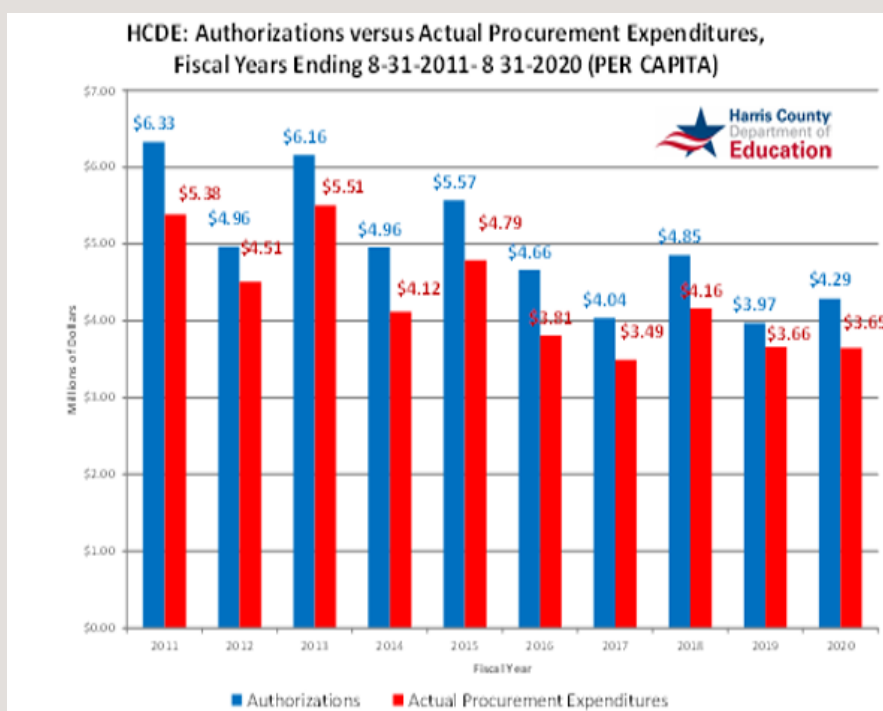
The "PIN" is intended to provide Purchasing Division updates once a month. It includes useful and timely information regarding changes in the law and/or processes, tips, P-Card and board agenda deadlines, new vendor announcements, answers to questions, etc. as it relates to all procurement functions, including requisition/purchase order processing, change orders, contract processing, P-card program, and the procurement of goods and/or services.



VALUE OF CONTRACT BY THE BUSINESS SECTOR



PURCHASES PER CAPITA



DATA ON THE HCDE WEBSITE

Purchasing

Purchasing

The Internal Purchasing Division is responsible for converting approved requisitions into purchase orders, creating RFP, RFQ, and RFI documents for the formal procurement process, training requisition generators, processing HCDE contracts, overseeing the P Card program and advising HCDE staff on compliance with purchasing laws.

The management of the Purchasing division is dedicated to making ethical and lawful choices by providing a structured code of ethics for its personnel to follow. Purchasing division employees shall model and promote ethical behavior to all HCDE employees through their behavior. View the [Code of Ethics for Business Support Services and Purchasing Division Employees](#).

HCDE continues to improve transparency. We have created public information on our webpage which includes the following:

1. The total value of contracts per business sector
2. The total authorizations versus actual expenditures for the last five years per capita
3. The listing of all purchase orders to include vendor, category, PO Amount, Check Amount and Account Code (for the last seven fiscal years).
4. A link to Current bids and proposals
5. A link to awarded bids and proposals
6. A link to closed bids and proposals
7. Check Registers (Accounts Payable) Link
8. The Vendor Packet
9. A link to applicable procurement statutes
10. A link to the annual budget
11. A link to the Financial Operations Guidelines



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HCDE eBid System

HCDE uses the HCDE eBid System; a web-based, e-Procurement system that includes an electronic process for vendor registrations, automatic vendor notification of bid opportunities, and electronic vendor bidding.

Existing and potential suppliers wishing to do business with HCDE can register online in the HCDE eBid System. Please note that all vendors/suppliers must register online in this system whether or not they are currently awarded vendors or have formerly registered with HCDE.

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Current Advertisements for Bids/Proposals

Formal solicitations are advertised in the Houston Chronicle in the Legal Notice section of the Classifieds. If you would like a copy of any of the solicitations listed, click on the links below, stop by the Purchasing Office at the address indicated above, or call (713) 694-6300.



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PROCESSES COMPLETED IN FY 2020

RFPs	POs	Contracts	Vendor Packets	Agenda Items
18	1966	814	301	295

Purchase Order Processing

Internal Purchasing supports all divisions with their needs for goods and services. Purchasing uses the Pentation purchasing module. Charisma Tolbert, Purchasing Specialist, processes requisitions under \$10,000, Yaritza Roman, Contract Manager and Inga Ash, Procurement Coordinator, process requisitions \$10,000 and over. All requisitions are subject to Budget Manager, Purchasing Director, Chief Accounting Officer, and Assistant Superintendent for Business Services approval.

Fiscal Year	Total	Amount
2014 - 15	2,303	\$24.0 Million
2015 - 16	2,211	\$19.0 Million
2016-17	2,216	\$17.2 Million
2017-18	2,221	\$21.0 Million
2018-19	2,531	\$19.4 Million
2019-2020	1,966	\$20.4 Million

PURCHASE ORDER BY DIVISION

Division	POs	Amount
ADULT EDUCATION	49	\$563,212
ALTERNATIVE CERTIFICATION	18	\$52,944
ADMINISTRATION	4	\$5,988
BUSINESS SERVICES	161	\$2,876,590
CASE	395	\$5,200,740
CHOICE PARTNERS	40	\$415,076
CTR FOR GRANT & DEVELOP	19	\$12,645
CLIENT DEVELOPMENT	21	\$33,431
COMMUNICATIONS	25	\$65,860
FACILITIES	112	\$3,660,256
CENTER SAFE & SECURE SCHOOLS	20	\$225,899
HEADSTART	600	\$3,007,119
HUMAN RESOURCES	47	\$112,313
TEACHER AND LEARNING CENTER	86	\$358,644
PURCHASING	18	\$28,022
RECORD MANAGEMENT	35	\$264,995
RESEARCH & EVALUATION	11	\$25,885
SPECIAL SCHOOLS	177	\$2,156,730
TECHNOLOGY	103	\$1,280,191
THERAPY SERVICES	25	\$61,379
GRAND TOTAL	1,966	\$20,407,920

HCDE Procurement Card Program

The Purchasing Division manages the Harris County Department of Education (HCDE) Procurement Card Program (“P-Card Program”). The purpose of the P-card Program is to establish an efficient, cost-effective method of purchasing and paying for small dollar transactions. The P-Card is a Master Card issued in the employee’s name by JP Morgan Chase Bank and can be used with any merchant that accepts MasterCard as a form of payment.

The P-Card Program is designed to supplement our purchasing program by allowing users some flexibility. Use of the P-Card must not circumvent the purchasing process; all purchases made on the P-Card must be for HCDE business purposes only. The employee is responsible for the security of the P-Card and for the transactions made with it. The program was implemented in 2005; as of April 2021, the program has 96 users with varying credit limits (see chart).

Whitney Coachman, Quality Assurance Specialist and Yaritza Roman, Contract Manager, are responsible for ensuring that all P-Card transactions are conducted in compliance with purchasing policies and procedures. The average amount spent per transaction for the last year is \$165.

Transactions per Fiscal Year

Fiscal Year	Number of Transactions	Total Dollar Amount	Average Amount per Transaction
2014	4,240	\$681K	\$161
2015	4,506	\$694K	\$154
2016	4,753	\$733K	\$154
2017	5,352	\$841K	\$157
2018	5,899	\$1M	\$170
2019	7,354	\$1.3M	\$176
2020	6,066	\$1.1M	\$180

CREDIT LIMITS

Credit Limit	Number of Cards Issued
1,500	2
\$2,000	4
\$3,000	6
\$3,400	1
\$3,500	1
\$4,000	22
\$5,000	57
\$7,500	1
\$10,000	2
Total	96

P-CARD ISSUED BY DIVISION

Department	Cards	Department	Cards
AB East	2	Fortis Academy	2
AB West	2	Gulf Coast Food Cooperative	1
Administration	7	Head Start	6
Adult Education	3	Highpoint East	2
Business Support Services	2	Human Resources	2
Cooperative for After School Enrichment	3	Purchasing	0
Center for Grants Development	1	Records Management Services	2
Center for Safe and Secure Schools	4	Research and Evaluation	2
Client Engagement	3	Special Schools Administration	4
Choice Facility Partners	10	Teaching and Learning Center	9
Communications & Public Info.	2	Technology	3
Educator Certification and Professional Advancement	1	Texas Virtual School Network	0
Facilities Support Services	21	Therapy Services	2

Contracts Processing

All contracts are processed through the Purchasing Division by Kendra Jackson, Inga Ash, and Yaritza Roan. Contracts are logged into a master database and archived on the HCDE portal for quick retrieval. Hard copies are stored in a cabinet. Sample templates are located on the HCDE portal and have been approved by legal for Professional Services, Consultant Services, Speaker Agreements, Construction Projects, Service Agreements, and Interlocal Contracts.

Contract training is presented every year at the Financial Operating Guidelines training, periodically during the year for new Director Trainings, and on an as needed basis for individuals or divisions that seek additional help.

The table below lists the number of contracts processed by fiscal year (some are multi-year contracts).

Contracts Processed the last five years

Fiscal Year	Contracts Processed
2014-15	937
2015-16	1054
2016-17	829
2017-18	722
2018-19	844
2019-20	814

CONTRACTS PROCESSED BY DIVISION DURING FY 2020

<i>Division</i>	<i>Contracts</i>	<i>Division</i>	<i>Contracts</i>
<i>Administration</i>	<i>3</i>	<i>Marketing</i>	<i>0</i>
<i>Adult Education</i>	<i>48</i>	<i>Purchasing</i>	<i>1</i>
<i>Educator Certification & Advancement</i>	<i>11</i>	<i>Research & Evaluation</i>	<i>1</i>
<i>Business Services</i>	<i>16</i>	<i>Records Management</i>	<i>7</i>
<i>Cooperative for After School Enrichment</i>	<i>284</i>	<i>Resource Development</i>	<i>1</i>
<i>Center for Safe & Secure Schools</i>	<i>30</i>	<i>Schools</i>	<i>100</i>
<i>Choice Facilities Partners</i>	<i>12</i>	<i>Technology</i>	<i>21</i>
<i>Communications & Public Information</i>	<i>5</i>	<i>Teaching Learning Center</i>	<i>102</i>
<i>Facilities</i>	<i>59</i>	<i>Therapy Services</i>	<i>50</i>
<i>Head Start</i>	<i>56</i>		
<i>Human Resources</i>	<i>7</i>		
Total Contracts Processed During FY 2020:			814

NEXT YEAR PROJECTS

Over the next year, the Purchasing Division will continue to assess and improve our internal systems and processes to meet our ongoing objective of streamlining operations and providing excellent customer service and will develop a series of short training sessions that will enhance our customers' understanding of procurement processes.

Internal Purchasing

Summary of Objectives

1. Internal Purchasing will provide purchasing training for 20 HCDE staff during the year.
2. 90% of HCDE clients will be satisfied with purchasing services.
3. 85% of informal purchase requisitions will be processed within a two-day time-period after "final approval".
4. Internal Purchasing Division support expenditures for operations will not exceed approved budget.



*Shorter Achieved bar is desired

SWOT ANALYSIS

(Strengths Weaknesses Opportunities Threats)

Strengths	Weaknesses
<ul style="list-style-type: none"> • Knowledgeable and helpful staff • Understanding Local Policy and procedures • Strong internal controls and EDGAR compliance • Continuous improvement in RFP and contract templates 	<ul style="list-style-type: none"> • Divisions unnecessarily rushing work due to upcoming deadlines • Incomplete work sent to Purchasing i.e., Agenda items, requisitions, contracts, etc. • Vendors beginning work before POs issued • Agenda items (placeholders), requisitions, contracts
Opportunities	Threats
<ul style="list-style-type: none"> • Increased number of Requests for RFPs from ISDs • Continuous improvement measures-simplifying and speeding up purchasing process • Continuing Education for staff, including certification courses and School Finance Council meetings • Update Divisions with industry updates, legislative actions and internal procedure changes 	<ul style="list-style-type: none"> • Legislative action

For more information about this HCDE
Purchasing Division
Annual Board Report please contact:

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